



Del Paso Manor Water District
2018 Draft Water Rate Study
May 3, 2018



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

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May 3, 2018

Debra Sedwick
General Manager
Del Paso Manor Water District
1817 Maryal Drive
Sacramento, CA 95864

Re: Water Rate Study

Bartle Wells Associates (BWA) is pleased to submit to the Del Paso Manor Water District (District) the attached Water Rate Study Report. The results of the of the study are a product of extensive review and input from District staff, residents and the Board of Directors.

This study presents BWA's analysis of the operating expenses of the District and provides five-year cash flow projections and rates. The primary purpose of this study was to analyze the District's water operating fund and make recommendations that would achieve financial sustainability. Another important purpose of this study was to review rates to ensure that they adhere to the State's legal requirements.

The enclosed report recommends updating rates and charges to more accurately recover the costs of providing service to the District's water customers. Recommendations were developed with substantial input from District Board members, staff and the public. BWA finds that the rates and charges proposed in our report are based on the cost of service for each customer, follow generally accepted rate design criteria, and adhere to the substantive requirements of Proposition 218. BWA believes that the proposed rates are fair and reasonable to the District's customers.

We have enjoyed working with the District on this rate study. Please contact us with any future questions about this study and the recommended water rates.

Sincerely,

Doug Dove, CIPFA
Principal

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1 Introduction and Background

1.1 Study Overview

The Del Paso Manor Water District (District), located in Sacramento, California, supplies water to about 1,800 connections within its service area. The District's water system is operated as a self-supporting enterprise. Revenues are derived primarily from water service charges and must be adequate to fund the water system's operating and capital programs. Water Rates were last increased six years ago in May 2012 and are no longer adequate to fund District operating costs. Most District customers do not have water meters and the District's rate structure is predominantly a flat rate structure with only about 100 of its 1,500 customers billed based on their metered volume usage. Without a rate increase, the District is projected to draw operating reserves down to zero within the next twelve months.

The proposed water rates were developed through an extensive process with considerable input from stakeholders, including District Staff, the Board of Directors, and members of the public. Public Community Workshops were held on February 22nd, March 20th and May 3rd to present rate study findings and receive input to be used in developing the final rate recommendations.

The study incorporates American Water Works Association (AWWA) recommended methodologies tailored to meet the District's unique characteristics and develops water rates that proportionally allocate the cost of providing water service from each customer class. The objectives of the water rate study are to:

- Recover the District's annual revenue requirement and costs of providing water service
- Develop a water rate structure that proportionally allocates the cost of service to all customers and encourages water use efficiency and conservation
- Comply with the legal requirements of Proposition 218 and other pertinent California law
- Minimize the long-term impact on customer bills

1.2 Proposition 218

Utility rates are subject to the procedural and substantive requirements set forth in Proposition 218. 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 and wastewater. 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 and wastewater service. The substantive requirements of Article 13D, Section 6 require the District's utility rates to meet the following conditions:

- Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- 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.
- 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.
- No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property in question.
- No fee or charge may be imposed for general governmental services, such as police or fire services, where the service is available to the public at large in substantially the same manner as it is to property owners.

The procedural requirements of Proposition 218 for all utility rate increases are as follows:

- **Noticing Requirement:** The District must mail a notice of proposed rate increases to all affected property owners. The notice must specify the basis of the fee, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.
- **Public Hearing:** The District must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
- **Rate Increases Subject to Majority Protest:** At the public hearing, the proposed rate increases are subject to majority protest. If 50% plus one of affected property owners submit written protests the proposed rate increases, the increases cannot be adopted.

1.3 Use of Generally Accepted Rate-Making Principles

The rates developed in this study 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 American Water Works Association (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.”¹

BWA used the following criteria when developing our recommendations for the District’s water rates and finances:

- 1) *Revenue Sufficiency*: Rates should recover the annual cost of service and provide revenue stability.
- 2) *Rate Impact*: While rates are calculated to generate sufficient revenue to cover operating and capital costs, they should be designed to minimize, as much as possible, the impacts on ratepayers.
- 3) *Equitability*: Rates should be fairly allocated among all customer classes based on their estimated demand characteristics. Each user class only pays its proportionate share.
- 4) *Practicality*: Rates should be simple in form and, therefore, adaptable to changing conditions, easy to administer, and easy to understand.

1.4 District Water System

The District owns and operates a water system which pumps, chlorinates and distributes potable water to its customers. The District’s main source of water is groundwater pumped from District wells located within the service area.

The District’s main source of water revenue is water rates which are no longer sufficient to fund operations expenses.

Like many California water agencies, the District has aging infrastructure and is planning to update its water facilities master plan soon. This plan will determine the extent of the District’s capital needs and develop a schedule of future capital projects to fund. The current rate study encompasses operating expenses only and does not include future capital projects. A future rate study done after the water master plan update will meet those funding needs. The District’s System Maintenance Charge which is designated for capital projects is not being increased at this time.

1.4.1 Factors driving Rate Increases

The primary factors impacting the water rates are basic inflationary operating cost increases, higher ongoing costs associated with maintaining the aging well infrastructure, increased pension funding requirements from CalPERS, and increased outreach efforts such as maintaining the District’s new website. The District’s revenues are not sufficient to cover projected costs, and if not corrected, this deficit would put the District at risk of default.

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

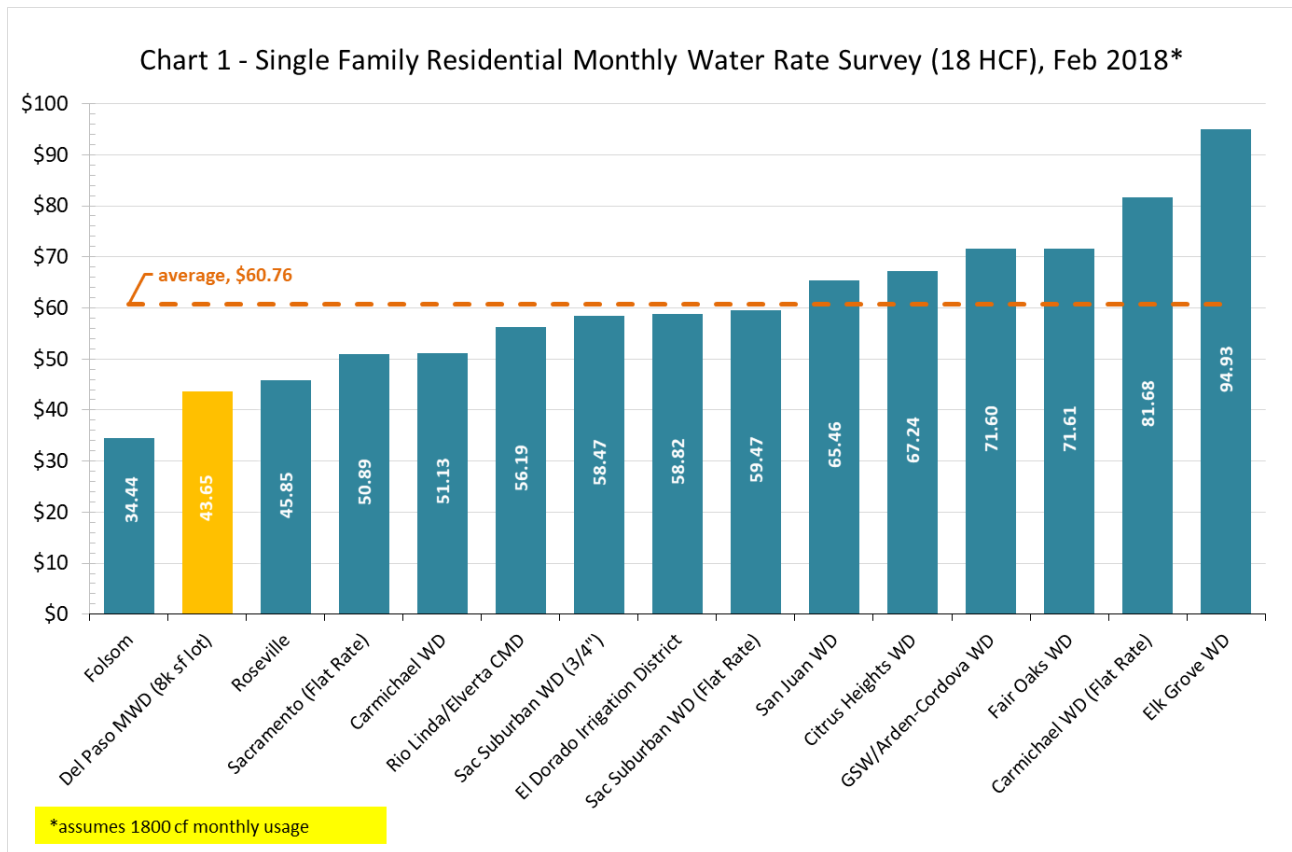
1.4.2 Current Water Rates

The District’s current water rates are shown in Table 1 below.

Table 1			
Del Paso Manor WD			
Current (2017) Water Rates			
Single Family Residential	\$ per Month	Volumetric Rate Commercial	
0 - 5,000 sq. ft.	\$15.75	\$ per 100 CU ft	\$0.95
5,001 - 8,000 sq. ft.	\$20.60		
8,001 - 11,000 sq. ft.	\$24.20	Temporary Construction Water	
11,001 - 14,000 sq. ft.	\$27.85	\$ per 100 CU ft	\$1.43
14,001 - 17,000 sq. ft.	\$31.45		
17,001 - 20,000 sq. ft.	\$35.10	Service Maintenance Charge	\$ per Month
Over 20,000 sq. ft.	\$35.10 + \$1.21 per 1k sf	Residential up to 1"	\$23.05
		Residential over 1" (Per 1")	\$23.05
		Duplex/Multifamily (each side)	\$23.05
Duplex/Multi-Family	\$ per Month	Extra Tap (per 1")	\$23.05
0 - 5,000 sq. ft.	\$28.45	Commercial up to 1"	\$23.05
5,001 - 8,000 sq. ft.	\$33.30	Commercial 1 1/2"	\$46.10
8,001 - 11,000 sq. ft.	\$36.90	Commercial 2"	\$73.75
11,001 - 14,000 sq. ft.	\$40.55	Commercial 3"	\$138.30
14,001 - 17,000 sq. ft.	\$44.20	Commercial 4"	\$230.50
17,001 - 20,000 sq. ft.	\$47.80	Commercial 6"	\$461.00
Over 20,000 sq. ft.	\$47.80 + \$1.21 per 1k sf		
		Fire Service Rates	
Flat Rate Commercial	\$ per Month	4"	\$54.00
3/4" - 5/8"	\$26.60	6"	\$81.00
1"	\$36.75	8"	\$108.00
1 1/2"	\$53.15	10"	\$135.00
2"	\$107.60		
Meter Readiness to Service Charge	\$ per Month	Rates effective May 2012	
5/8"	\$15.10		
1"	\$21.00		
1 1/2"	\$30.40		
2"	\$61.45		
3"	\$114.25		
4"	\$186.05		
6"	\$320.20		

Current residential water rates consist of flat rates based on lot size and number of dwelling units. Unmetered commercial customers are charged a flat rate based on water service line size. Commercial metered customers pay a monthly fixed charge which based on meter size, and a variable charge which is proportional to metered water use.

The District’s residential flat rate is among the lowest in the Sacramento area (see Chart 1). The District bills water service on a bi-monthly basis for most accounts.



1.4.3 Current Water Accounts

The District serves approximately 1,800 accounts, about 90% of which are single family residential. Table 2 shows current water customers excluding private fire and temporary hydrant meter accounts.

Table 2
Del Paso Manor WD
Current Water Customers As Of December 2017

Account Type:	Number of	Account Type:	Number of
Single Family Residential	Accounts	Flat Rate Commercial	Accounts
0 - 5,000 sq. ft. lot	2	Flat Rate Commercial	4
5,001 - 8,000 sq. ft.	730	3/4" - 5/8"	
8,001 - 11,000 sq. ft.	702	1"	
11,001 - 14,000 sq. ft.	127	1 1/2"	
14,001 - 17,000 sq. ft.	21	2"	
17,001 - 20,000 sq. ft.	6		
Over 20,000 sq. ft.	25	Metered Commercial	
		5/8"	1
Duplex/Multi-Family		1"	16
0 - 5,000 sq. ft.	0	1 1/2"	25
5,001 - 8,000 sq. ft.	12	2"	37
8,001 - 11,000 sq. ft.	61	3"	12
11,001 - 14,000 sq. ft.	6	4"	6
14,001 - 17,000 sq. ft.	0	6"	2
17,001 - 20,000 sq. ft.	0		
Over 20,000 sq. ft.	0		
		Total Accounts*	1,795

* Does not include fire protection services

Del Paso Manor is a relatively slow-growth community and therefore can expect a low-growth rate of 0.01% based on actual historical trends was used in developing the financial projections.

A full set of the rate study tables used in evaluating various alternatives explored and developing the final rate recommendations is included in the Appendix to this report. These tables were distributed to the public at the time of the last Community Meeting on May 3, 2018.

1.5 Guiding Principles for Rate Setting

In early 2018, the District approved the following Guidelines for setting the water rates:

1. **Rates Should be Simple, Fair, and Cost-Based:** The District should establish simple, fair, and cost-based rates to the extent possible.
2. **Rates Should Comply with Legal Requirements:** Rates should be set to comply with requirements of Proposition 218 and with all other applicable federal, state, and local laws and regulations.

3. **Rates Should Consider Conservation Requirements:** While the District has ample groundwater supplies at this time, water is a scarce commodity in California and wasteful use should be discouraged. However, rates need to be cognitive of possible revenue loss. Conservation will help the District maintain agreements to sustain the groundwater basin.
4. **Rates Should Generate Adequate Revenues to Fund District Costs, Maintain Prudent Reserve Fund Levels, and Comply with Debt Covenants:** Rates should be set to fully fund costs to operate and maintain the water system, fund needed capital improvements, maintain prudent cash reserves, comply with outstanding debt covenants, and target funding at least 85% of the actuarially-estimated pension liability.

2 Water Financial Projections and Rates

2.1 Water Financial Overview

Bartle Wells Associates conducted an independent evaluation of the District's water system finances.

- Water rates were last increased in May 2012.
- The District is experiencing increases in pension, maintenance and repairs, administration and general and contracts and services costs.
- The District has ongoing debt service requirements totaling approximately \$375,000 per year on its one outstanding debt issue (the 2010 Certificates of Participation).
- The current Water Master Plan is about 10 years old and needs update. Capital costs will be addressed in a future rate study after the Master Plan update is completed.
- Projected water revenues and expenses are based on historical audits, budgets, and up to date information provided by the District. Projected expenses and minimum reserve fund targets were used to develop cash flow projections and annual revenue requirements.

2.2 Historical and Projected Operating Expenses

Table 3 summarizes the District's historical and proposed water operating expenses.

Table 3
Del Paso Manor WD
Water Operating Expenses

	2015/16	Actual 2016/17	Proposed 2017/18	Projected 2018/19	Projected 2019/20	Escalation %	Projected 2020/21	Projected 2021/22	Projected 2022/23
Personnel Expenses*									
Management Salaries	\$117,938	\$125,136	\$130,958	\$134,235	\$170,000	3.0%	\$126,000	\$129,800	\$133,700
Staff Salaries	212,435	203,904	218,000	230,000	236,000	3.0%	243,100	250,400	257,900
Director Fees	22,800	21,000	29,000	21,000	21,000	3.0%	21,600	22,200	22,900
Payroll Taxes	27,433	26,680	29,200	31,000	32,000	3.0%	33,000	34,000	35,000
PERS/Retirement	45,781	51,598	60,000	80,000	83,145	3.0%	94,900	98,000	101,000
Health	85,125	84,746	88,300	92,500	89,000	3.0%	91,700	94,500	97,300
OPEB	22,493	23,112	25,000	26,000	27,000	3.0%	27,800	28,600	29,500
Total	\$534,005	\$536,176	\$580,458	\$614,735	\$658,145		\$638,100	\$657,500	\$677,300
Maintenance & Repairs*									
Repairs and Maintenance	\$32,135	\$71,918	\$89,000	\$95,000	\$97,900	3.0%	\$100,800	\$103,800	\$106,900
New Service Truck					\$32,500				
Well Rehabs 3,5,8,2,4,9 & 6B				\$55,000	\$55,000		\$55,000	\$55,000	\$55,000
Backflow Program	0	0	0	0	0	3.0%	0	0	0
Total	\$32,135	\$71,918	\$89,000	\$150,000	\$185,400		\$155,800	\$158,800	\$161,900
Source of Supply									
City Water	\$5,128	\$5,332	\$5,535	\$5,738	\$5,942	3.0%	\$6,100	\$6,300	\$6,500
Power	86,105	98,273	100,000	103,000	106,000	3.0%	109,200	112,500	115,900
Total	\$91,234	\$103,605	\$105,535	\$108,738	\$111,942		\$115,300	\$118,800	\$122,400
Conservation									
Conservation	\$9,560	\$4,463	\$6,300	\$11,000	\$12,000	3.0%	\$12,400	\$12,800	\$13,200
Total	\$9,560	\$4,463	\$6,300	\$11,000	\$12,000		\$12,400	\$12,800	\$13,200
Administration & General*									
Insurance	\$33,753	\$28,979	\$28,000	\$29,000	\$30,000	3.0%	\$30,900	\$31,800	\$32,800
Lab Fees	2,864	17,910	11,300	7,500	18,000	3.0%	10,000	8,000	18,500
Office Expense	47,918	63,353	60,000	90,000	83,000	3.0%	85,500	88,100	90,700
Modernization/Software Update				0					
Election	0	1,669	0	7,000	0	3.0%	7,000	0	7,000
Miscellaneous	59	107	500	15,500	500	3.0%	500	500	500
Prof. Administration Fees	21,324	20,686	22,000	23,000	24,000	3.0%	24,700	25,400	26,200
Bank Charges	118	182	300	300	300	3.0%	300	300	300
Professional Dues	42,207	40,283	47,000	50,000	51,500	3.0%	53,000	54,600	56,200
Professional Meetings	25,992	16,965	15,000	20,000	21,000	3.0%	21,600	22,200	22,900
Cert/Continuing Education	1,140	715	3,000	3,000	3,500	3.0%	3,600	3,700	3,800
Total	\$175,373	\$190,849	\$187,100	\$245,300	\$231,800		\$237,100	\$234,600	\$258,900
Contracts & Services*									
Engineer/Consulting Fees	\$47,938	\$47,246	\$20,000	\$30,000	\$30,000	3.0%	\$20,000	\$20,600	\$21,200
Audit Fees	7,250	7,750	7,750	8,250	8,500	3.0%	8,800	9,100	9,400
Legal Fees	35,542	36,398	40,000	40,000	40,000	3.0%	41,200	42,400	43,700
Total	\$90,730	\$91,394	\$67,750	\$78,250	\$78,500		\$70,000	\$72,100	\$74,300
TOTAL EXPENSES	\$933,037	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787		\$1,228,700	\$1,254,600	\$1,308,000
Annual % Increase		7.0%	3.8%	16.6%	5.8%		-3.8%	2.1%	4.3%

* See notes

Source: DPMWD "Detailed Operation & Maintenance Budget 2017/18" and discussions with staff.

Notes on Table 3:

Personnel Expenses

- General Manager transition costs: Management Salaries estimated at \$170,000 in FY 2019/20 with New GM/Existing GM overlap
- Beginning in 2018/19, PERs Retirement Costs Increased to meet goal of 85% funding of liability per Board Direction

Maintenance & Repairs

- Added \$32,500 for replacement of truck in FY2019/20
- Added \$55,000/yr Funding Beginning in 2018/19 for Repairs to Wells #3, 5, 8, 2, 4, 9 and 6B

Administration & General

- Eliminated costs for Modernization of Financial System which will be included in Master Plan update
- Office Expense increased by \$30,000 in FY2018/19 due to costs for newsletter, website, outreach, RFP for auditor, and new OPEB/pension reporting requirements
- Added \$15,000 in FY2018/19 for recruitment costs for new GM
- Updated estimate of Lab Fees

Contracts and Services

- Engineering estimated at \$30,000 per year in FY2018/19 and FY2019/20 (per Board Direction on 3-5-18)

2.4 Debt Service Schedule – 2010 Certificates of Participation

Table 4 summarizes the debt service on the District’s one outstanding debt obligation – the 2010 COPs.

Table 4							
Del Paso Manor WD							
Debt Service Schedule							
	Actual		Projected Debt Service Payments				
Debt Issuance	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
2010 COP Bonds	\$368,338	\$369,875	\$370,975	\$366,713	\$367,213	\$366,763	\$370,200

2.5 District Cash Reserves

Table 5 summarizes the reserve fund balances as of June 30, 2017. According to the District's auditor, the total reserve amount of \$1,904,669 was composed of \$763,277 in System Maintenance funds (restricted for capital projects), \$531,314 in operating reserves and \$610,078 in restricted debt service funds.

Table 5
Del Paso Manor WD
District Reserve Balance as of June 30, 2017

Component	Use for ¹ Cash Flow
System Maintenance	763,277
Operating	531,314
Restricted for Debt	610,078
Total Reserve	\$1,904,669

1. Source: FY2017 Del Paso Manor WD Audit, pages 13 and 26, and discussions with Larry Bain, District auditor.

2.6 Audited and Projected Water Revenues

Table 6 summarizes the District's audited 2016/17 and projected 2017/18 revenues. Total audited water revenue was \$1,395,860 for 2016/17 and is projected to be \$1,386,380 in 2017/18. Operating rate revenue is about \$795,000/year and restricted capital revenue (System Maintenance Charges) bring in about \$595,000 per year.

Table 6
Del Paso Manor WD
Revenue

	Audit	Projected
	2016/17	2017/18
RATE REVENUE		
A. Operating Rates		
Monthly Commercial (Meters)	\$287,796	\$287,000
Bi-Monthly Commercial (Flat Rate)	6,838	6,838
Bi-Monthly Residential (Flat Rate)	491,080	491,000
Other Water Sales & Misc	<u>9,558</u>	<u>1,500</u>
Total Rate Revenue	\$795,272	\$786,338
B. System Maintenance Charges	\$594,715	\$595,142
MISC. REVENUE		
Interest and Other Revenue	\$5,873	\$4,900
TOTAL REVENUE	\$1,395,860	\$1,386,380

Source: DPMWD "Water Revenue (Without System Maintenance Charges)"

2.7 Water Revenue and Expense Cash Flow Projections

Table 7 summarizes the water cash flow projection which assumes a single water rate increase in 2018/19.

Table 7a		Assumes 1-Year Rate Increase					
Del Paso Manor WD		(Noticed Prop 218 Scenario)					
Water Operations & Maintenance Cash Flow Projection							
		Projected					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Fund Balance		\$531,314	\$286,409	\$428,886	\$502,599	\$626,399	\$725,299
% O&M Charge Rate Increase			71.00%	0.00%	0.00%	0.00%	0.00%
<i>Growth - %</i>			0.1%	0.1%	0.1%	0.1%	0.1%
REVENUES							
Operating Revenue							
O&M Rates	\$795,272	\$786,338	\$1,345,600	\$1,346,600	\$1,347,600	\$1,348,600	\$1,349,600
Other Operating Revenue	0	0	0	0	0	0	0
<i>Misc Operating Revenue</i>	<u>5,873</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>
Total Operating Revenues	\$801,145	\$791,238	\$1,350,500	\$1,351,500	\$1,352,500	\$1,353,500	\$1,354,500
TOTAL REVENUES	\$801,145	\$791,238	\$1,350,500	\$1,351,500	\$1,352,500	\$1,353,500	\$1,354,500
EXPENSES							
Operating Expenses							
Personnel Expenses*	\$536,176	\$580,458	\$614,735	\$658,145	\$638,100	\$657,500	\$677,300
Maintenance & Repairs*	71,918	89,000	150,000	185,400	155,800	158,800	161,900
Source of Supply	103,605	105,535	108,738	111,942	115,300	118,800	122,400
Conservation	4,463	6,300	11,000	12,000	12,400	12,800	13,200
Administration & General*	190,849	187,100	245,300	231,800	237,100	234,600	258,900
<i>Contracts & Services*</i>	<u>91,394</u>	<u>67,750</u>	<u>78,250</u>	<u>78,500</u>	<u>70,000</u>	<u>72,100</u>	<u>74,300</u>
Total Operating Expenses	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
TOTAL EXPENSES	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
NET REVENUES	(\$197,258)	(\$244,905)	\$142,477	\$73,713	\$123,800	\$98,900	\$46,500
Ending O&M Fund Balance	\$531,314	\$286,409	\$428,886	\$502,599	\$626,399	\$725,299	\$771,799
Target (50% O&M)	\$499,202	\$518,072	\$604,012	\$638,893	\$614,350	\$627,300	\$654,000
<i>Target Met</i>	yes	no	no	no	yes	yes	yes
Debt Service Coverage							
With Reserves (Min 120%)	478%	445%	535%	388%	382%	472%	542%
Without Reserves	108%	95%	199%	183%	196%	190%	174%
Monthly Bill - SFR, 8,000 SF	\$43.65	\$43.65	\$58.28	\$58.28	\$58.28	\$58.28	\$58.28
Overall Bill Percent Increase			33.5%	0.0%	0.0%	0.0%	0.0%
Target (75% O&M, 9 Months)	\$748,802	\$777,107	\$906,017	\$958,340	\$921,525	\$940,950	\$981,000
<i>Target Met</i>	no	no	no	no	no	no	no
Target (100% O&M, 12 Months)	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
<i>Target Met</i>	no	no	no	no	no	no	no

The water cash flow projections incorporate the latest information available as well as reasonable, prudently conservative assumptions. Key assumptions include:

Growth & Water Demand Assumptions

- The District is a relatively slow-growth community. Growth is projected at 0.1% per year.
- Future water sales are projected to remain flat.

Revenue Assumptions

- Interest income is estimated based on current budget. Future projections are conservatively estimated to stay stagnant; actual amounts will vary based on reserves and future interest earning rates.
- Revenues from rate increases are projected based on the proposed rate increase. System Maintenance charges are not increased in this study and revenues are projected flat.

Expense Assumptions

- Operations and maintenance costs are based on the 2017-18 budget and generally escalate at the annual rate of 3.0% to account for future cost inflation. (Table 3 summarizes the operating expense projections.)
- Capital costs are funded by system maintenance charges and are not a part of this study.

Reserve Assumptions

- Bartle Wells recommends that the District adopt an operating fund reserve target equal to six months of operating expenses.
- The District Board considered six, nine and twelve-month operating reserve targets and decided on the six-month target for use in developing the current rate increase.

The District will need to increase water rates. Based on the assumptions above, BWA created a cash flow projection that determined revenue requirements for the next 5 years. The proposed rate increase is shown in Table 7.

The proposed rates accomplish the following:

- Full Operations funding years 1- 5 (including debt service)
- Minimum debt service coverage of 1.25x net operating revenues over the next 5 years
- Minimum target fund balance of six months' Operations and Maintenance expenses

Rates would be effective following a mailed Proposition 218 notice and successful public hearing. The effective date is projected to be July 1, 2018 which aligns with the beginning of the District's fiscal year.

2.8 Water Rate Recommendations

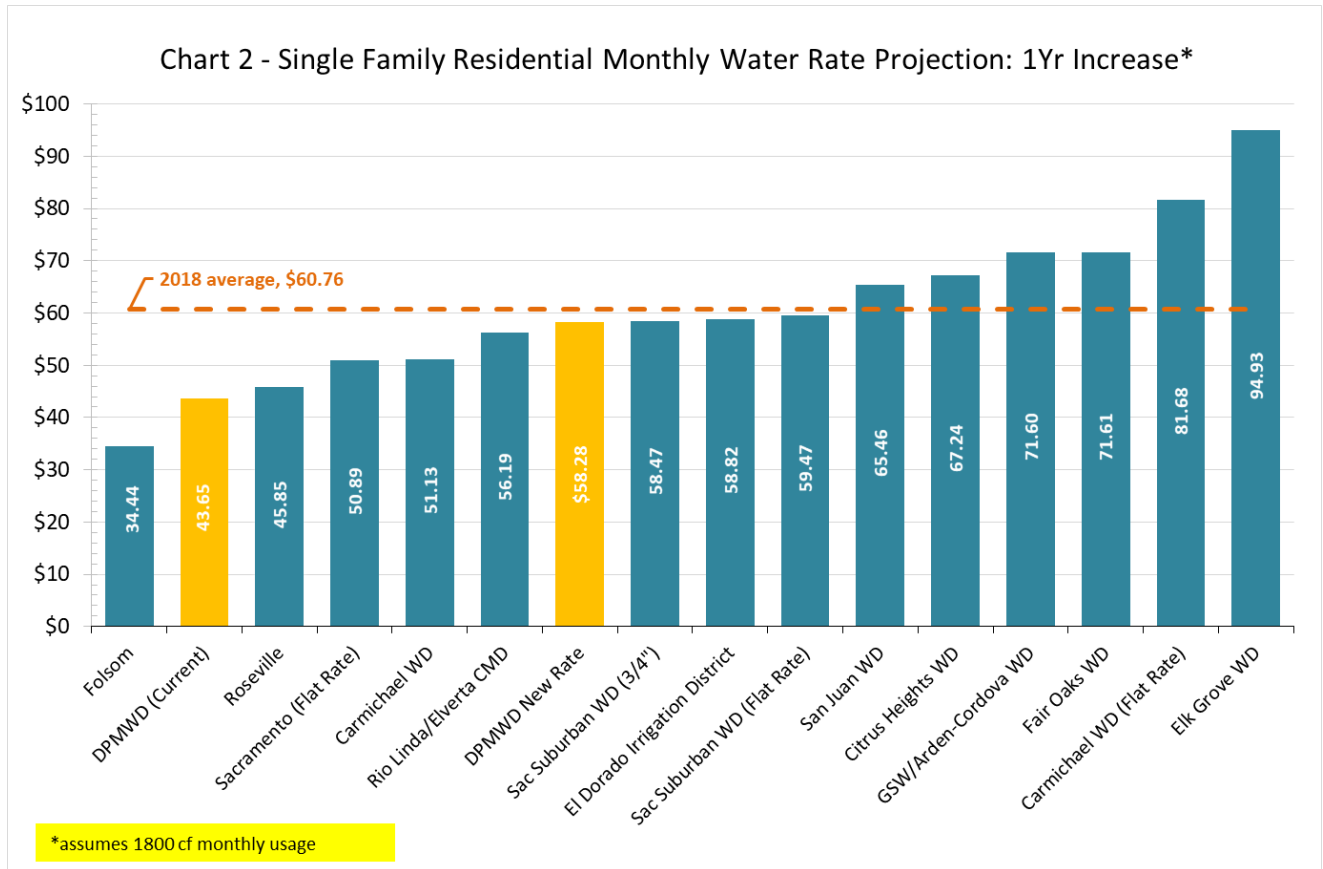
BWA recommends a single rate increase effective July 1, 2018 (as opposed to a multi-year phase-in) to recover the costs necessary to fund operations costs. BWA also recommends restructuring rates slightly to accurately reflect the cost of water service and maintain equitability between customers. Table 8 summarizes the proposed operating rate increases and excludes the System Maintenance Charges since they are not being increased.

Table 8
Del Paso Manor WD
Proposed Rates - Rounded

Lot Size - Square Feet	Avg. Sq. Ft.	Flat Rate	Avg. Sq. Ft.	Monthly	Rounded Monthly Rates	Bi-Monthly	Current	Increase	
FLAT RATE RESIDENTIAL									
0 - 5000	2500	21.73	5.18	26.91	\$26.90	53.80	31.50	22.30	
5001 - 8000	6500	21.73	13.46	35.19	\$35.20	70.40	41.20	29.20	
8001 - 11000	9500	21.73	19.67	41.40	\$41.40	82.80	48.40	34.40	
11001 - 14000	12500	21.73	25.88	47.61	\$47.60	95.20	55.70	39.50	
14001 - 17000	15500	21.73	32.09	53.82	\$53.80	107.60	62.90	44.70	
17001 - 20000	18500	21.73	38.30	60.03	\$60.05	120.10	70.20	49.90	
over 20000		60.05 plus 2.07 per 1000 sq. ft.							
Dup A	5001 - 8000	6500	43.46	13.46	56.92	\$56.90	113.80	66.60	47.20
Dup B	8001 - 11000	9500	43.46	19.67	63.13	\$63.15	126.30	73.80	52.50
Dup C	11001 - 14000	12500	43.46	25.88	69.34	\$69.35	138.70	81.10	57.60
FLAT RATE COMMERCIAL									
3/4" x 5/8"	26.60			45.49	\$45.50	91.00	53.20	37.80	
1"	36.75			62.84	\$62.85	125.70	73.50	52.20	
1 1/12"	53.15			90.89	\$90.90	181.80	106.30	75.50	
2"	107.60			184.00	\$184.00	368.00	215.20	152.80	
METERED - Readiness To Serve Charge									
			AWWA Ratio						
5/8"	15.10		0.4	15.12	\$15.10		15.10	0.00	
1"	21.00		1.0	37.80	\$37.80		21.00	16.80	
1.5"	30.40		2.0	75.60	\$75.60		30.40	45.20	
2"	61.45		3.2	120.96	\$120.95		61.45	59.50	
3"	114.25		6.0	226.80	\$226.80		114.25	112.55	
4"	186.05		10.0	378.00	\$378.00		186.05	191.95	
6"	320.20		20.0	756.00	\$756.00		320.20	435.80	
8"	0.00		32.0	1209.60	\$1,209.60		0.00	1209.60	
10"	0.00		46.0	1738.80	\$1,738.80		0.00	1738.80	
FIRE PROTECTION SERVICES									
4"	54.00				\$75.60		54.00	21.60	
6"	81.00				\$151.20		81.00	70.20	
8"	108.00				\$241.90		108.00	133.90	
10"	135.00				\$347.75		135.00	511.00	
VOLUMETRIC RATES									
- Metered Accounts					\$1.39				
- Temporary Construction Accounts					\$2.09				

2.9 Regional Water Survey with Proposed Rate Increase

Chart 2 shows the proposed rates in the context of water rates in the Sacramento Area. The District's bill is below the average single-family bill in the area and will continue to be below average with the proposed rate increase.



2.9.1 Single Family Residential Bill Impacts

Estimated residential bill impacts are shown on Table 7. For a typical single-family residence on a lot of up to 8,000 square feet, the current monthly cost of \$43.65 (or \$87.30 on a bimonthly basis) would increase 33.5% to \$58.25 (\$116.50 bi-monthly).

Single Family Bill Calculation						
Formula	Flat Service Charge	+	System Maintenance Charge	=	Total Monthly	Total Bimonthly
Current Bill - 5,001-8,000 sq ft lot	\$20.60	+	\$23.05	=	\$43.65	\$87.30
Proposed Bill - 5,001-8,000 sq ft lot	\$35.20	+	\$23.05	=	\$58.25	\$116.50

3 Conclusions and Recommendations

This water rate study report presents a comprehensive review of the Del Paso Manor Water District's water revenue requirements, cost allocations, and rate structures. The District last increased rates in May 2012. Since then, the District has experienced inflationary increases in operating costs, a change in the discount rate by CalPERS and need for additional maintenance to its wells and other infrastructure. Current residential rates are flat while commercial customers are either charged a flat rate or a combination of monthly meter charge plus a usage charge. The rate structure needs to be adjusted to accurately reflect the cost of service. These factors were considered in the rate study to fairly develop rates for customers.

3.1 Conclusion

The District practices sound financial planning that has provided for the financial health of the water system. Adoption of these rates reflect the District's commitment to stewarding financially sound utilities and providing reliable, high quality water service that will benefit the community many years into the future.

3.2 Recommendations

BWA recommends that the District adopt the rates shown in this report. Rates were developed as part of a collaborative process that included input from Staff, Board Members, and members of the public.

BWA also recommends that the District formally adopt an operating reserve target equal to six months of O&M expenses to provide for unexpected revenue and expense fluctuations and other contingencies.

At minimum, the District should review and update its water rate study every five years and/or concurrent with Master Plan Updates.

Appendix: Water Tables

Del Paso Manor WD Rate Study 2018



Final Increase Scenario 5/3/2018



BARTLE WELLS ASSOCIATES
Independent Public Finance Advisors

Table - Executive Summary A
Del Paso Manor WD
Summary of Rate Options

(Typical Monthly Bill - SFR, 8,000 sf lot)

6 Month O&M Reserve Target	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1 Year Increase Option - Prop 218 Notice	\$43.65	\$58.25	\$58.25	\$58.25	\$58.25	\$58.25
Percent Increase		33.4%	0.0%	0.0%	0.0%	0.0%
2 Year Increase Option	\$43.65	\$50.86	\$60.04	\$60.04	\$60.04	\$60.04
Percent Increase		16.5%	18.0%	0.0%	0.0%	0.0%
9 Month O&M Reserve Target						
1 Year Increase Option	\$43.65	\$59.51	\$59.51	\$59.51	\$59.51	\$59.51
Percent Increase		36.3%	0.0%	0.0%	0.0%	0.0%
2 Year Increase Option	\$43.65	\$51.48	\$61.43	\$61.43	\$61.43	\$61.43
Percent Increase		17.9%	19.3%	0.0%	0.0%	0.0%
12 Month O&M Reserve Target						
1 Year Increase Option	\$43.65	\$61.16	\$61.16	\$61.16	\$61.16	\$61.16
Percent Increase		40.1%	0.0%	0.0%	0.0%	0.0%
2 Year Increase Option	\$43.65	\$51.89	\$63.43	\$63.43	\$63.43	\$63.43
Percent Increase		18.9%	22.2%	0.0%	0.0%	0.0%

Table - Executive Summary B
Del Paso Manor WD
Proposed Rates - Rounded

Lot Size - Square Feet	Avg. Sq. Ft	Flat Rate	Avg. Sq. Ft.	Monthly	Rounded Monthly Rates	Bi-Monthly	Current	Increase	
FLAT RATE RESIDENTIAL									
0 - 5000	2500	21.73	5.18	26.91	\$26.90	53.80	31.50	22.30	
5001 - 8000	6500	21.73	13.46	35.19	\$35.20	70.40	41.20	29.20	
8001 - 11000	9500	21.73	19.67	41.40	\$41.40	82.80	48.40	34.40	
11001 - 14000	12500	21.73	25.88	47.61	\$47.60	95.20	55.70	39.50	
14001 - 17000	15500	21.73	32.09	53.82	\$53.80	107.60	62.90	44.70	
17001 - 20000	18500	21.73	38.30	60.03	\$60.05	120.10	70.20	49.90	
over 20000		60.05 plus 2.07 per 1000 sq. ft.							
Dup A	5001 - 8000	6500	43.46	13.46	56.92	\$56.90	113.80	66.60	47.20
Dup B	8001 - 11000	9500	43.46	19.67	63.13	\$63.15	126.30	73.80	52.50
Dup C	11001 - 14000	12500	43.46	25.88	69.34	\$69.35	138.70	81.10	57.60
FLAT RATE COMMERCIAL									
3/4" x 5/8"	26.60			45.49	\$45.50	91.00	53.20	37.80	
1"	36.75			62.84	\$62.85	125.70	73.50	52.20	
1 1/12"	53.15			90.89	\$90.90	181.80	106.30	75.50	
2"	107.60			184.00	\$184.00	368.00	215.20	152.80	
METERED - Readiness To Serve Charge									
			AWWA Ratio						
5/8"	15.10		0.4	15.12	\$15.10		15.10	0.00	
1"	21.00		1.0	37.80	\$37.80		21.00	16.80	
1.5"	30.40		2.0	75.60	\$75.60		30.40	45.20	
2"	61.45		3.2	120.96	\$120.95		61.45	59.50	
3"	114.25		6.0	226.80	\$226.80		114.25	112.55	
4"	186.05		10.0	378.00	\$378.00		186.05	191.95	
6"	320.20		20.0	756.00	\$756.00		320.20	435.80	
8"	0.00		32.0	1209.60	\$1,209.60		0.00	1209.60	
10"	0.00		46.0	1738.80	\$1,738.80		0.00	1738.80	
FIRE PROTECTION SERVICES									
4"	54.00				\$75.60		54.00	21.60	
6"	81.00				\$151.20		81.00	70.20	
8"	108.00				\$241.90		108.00	133.90	
10"	135.00				\$347.75		135.00	511.00	
VOLUMETRIC RATES									
- Metered Accounts					\$1.39				
- Temporary Construction Accounts					\$2.09				

Chart 1 - Single Family Residential Monthly Water Rate Survey (18 HCF), Feb 2018*

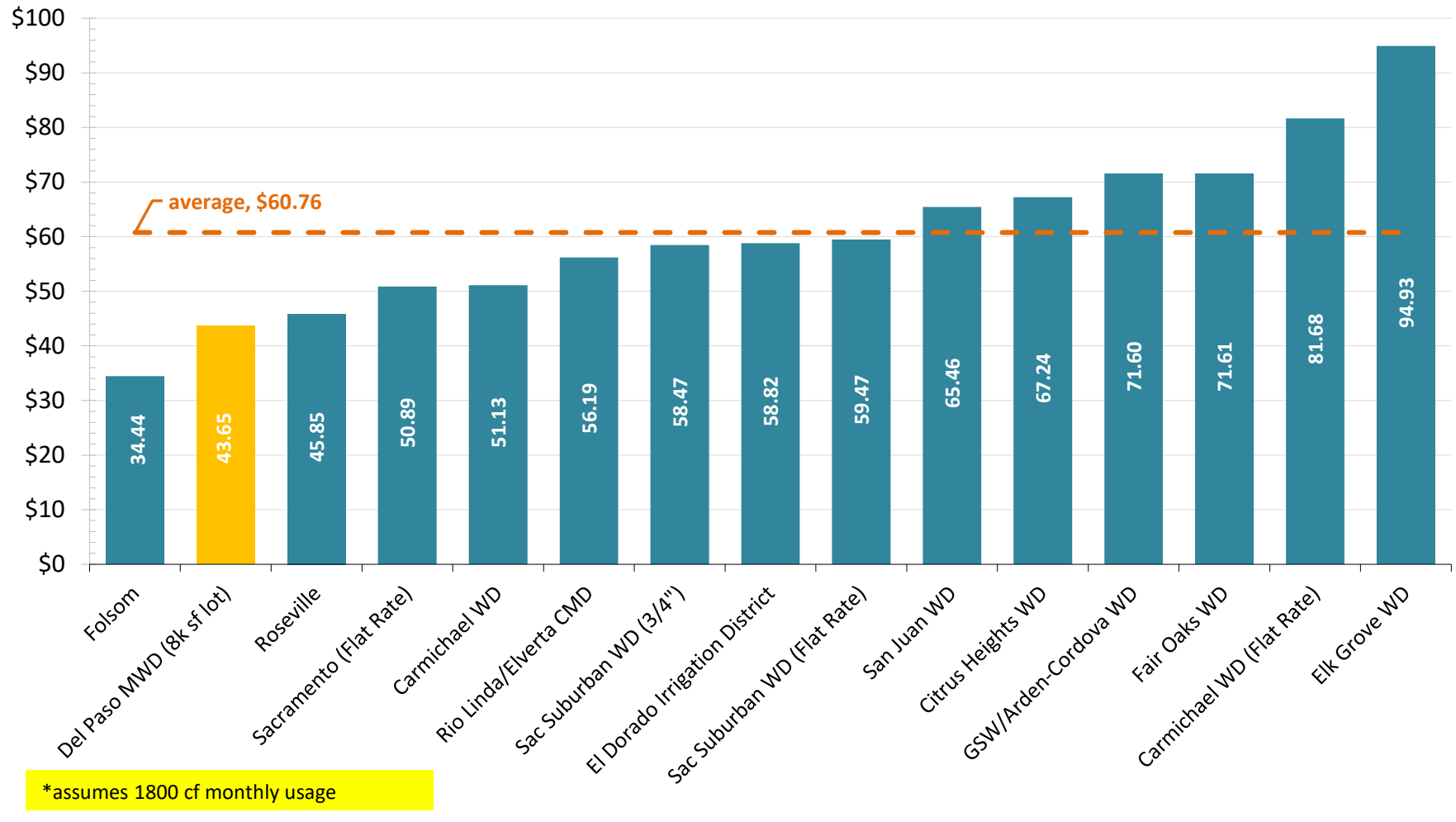


Table 2
Del Paso Manor WD
Current Water Customers As Of December 2017

Account Type:	Number of	Account Type:	Number of
Single Family Residential	Accounts		Accounts
0 - 5,000 sq. ft. lot	2	Flat Rate Commercial	4
5,001 - 8,000 sq. ft.	730	3/4" - 5/8"	
8,001 - 11,000 sq. ft.	702	1"	
11,001 - 14,000 sq. ft.	127	1 1/2"	
14,001 - 17,000 sq. ft.	21	2"	
17,001 - 20,000 sq. ft.	6		
Over 20,000 sq. ft.	25	Metered Commercial	
		5/8"	1
Duplex/Multi-Family		1"	16
0 - 5,000 sq. ft.	0	1 1/2"	25
5,001 - 8,000 sq. ft.	12	2"	37
8,001 - 11,000 sq. ft.	61	3"	12
11,001 - 14,000 sq. ft.	6	4"	6
14,001 - 17,000 sq. ft.	0	6"	2
17,001 - 20,000 sq. ft.	0		
Over 20,000 sq. ft.	0		
		Total Accounts*	1,795

* Does not include fire protection services

**Table 3
Del Paso Manor WD
Water Operating Expenses**

	2015/16	Actual 2016/17	Proposed 2017/18	Projected 2018/19	Projected 2019/20	Escalation %	Projected 2020/21	Projected 2021/22	Projected 2022/23
Personnel Expenses*									
Management Salaries	\$117,938	\$125,136	\$130,958	\$134,235	\$170,000	3.0%	\$126,000	\$129,800	\$133,700
Staff Salaries	212,435	203,904	218,000	230,000	236,000	3.0%	243,100	250,400	257,900
Director Fees	22,800	21,000	29,000	21,000	21,000	3.0%	21,600	22,200	22,900
Payroll Taxes	27,433	26,680	29,200	31,000	32,000	3.0%	33,000	34,000	35,000
PERS/Retirement	45,781	51,598	60,000	80,000	83,145	3.0%	94,900	98,000	101,000
Health	85,125	84,746	88,300	92,500	89,000	3.0%	91,700	94,500	97,300
OPEB	22,493	23,112	25,000	26,000	27,000	3.0%	27,800	28,600	29,500
Total	\$534,005	\$536,176	\$580,458	\$614,735	\$658,145		\$638,100	\$657,500	\$677,300
Maintenance & Repairs*									
Repairs and Maintenance	\$32,135	\$71,918	\$89,000	\$95,000	\$97,900	3.0%	\$100,800	\$103,800	\$106,900
New Service Truck					\$32,500				
Well Rehabs 3,5,8,2,4,9 & 6B				\$55,000	\$55,000		\$55,000	\$55,000	\$55,000
Backflow Program	0	0	0	0	0	3.0%	0	0	0
Total	\$32,135	\$71,918	\$89,000	\$150,000	\$185,400		\$155,800	\$158,800	\$161,900
Source of Supply									
City Water	\$5,128	\$5,332	\$5,535	\$5,738	\$5,942	3.0%	\$6,100	\$6,300	\$6,500
Power	86,105	98,273	100,000	103,000	106,000	3.0%	109,200	112,500	115,900
Total	\$91,234	\$103,605	\$105,535	\$108,738	\$111,942		\$115,300	\$118,800	\$122,400
Conservation									
Conservation	\$9,560	\$4,463	\$6,300	\$11,000	\$12,000	3.0%	\$12,400	\$12,800	\$13,200
Total	\$9,560	\$4,463	\$6,300	\$11,000	\$12,000		\$12,400	\$12,800	\$13,200
Administration & General*									
Insurance	\$33,753	\$28,979	\$28,000	\$29,000	\$30,000	3.0%	\$30,900	\$31,800	\$32,800
Lab Fees	2,864	17,910	11,300	7,500	18,000	3.0%	10,000	8,000	18,500
Office Expense	47,918	63,353	60,000	90,000	83,000	3.0%	85,500	88,100	90,700
Modernization/Software Update				0					
Election	0	1,669	0	7,000	0	3.0%	7,000	0	7,000
Miscellaneous	59	107	500	15,500	500	3.0%	500	500	500
Prof. Administration Fees	21,324	20,686	22,000	23,000	24,000	3.0%	24,700	25,400	26,200
Bank Charges	118	182	300	300	300	3.0%	300	300	300
Professional Dues	42,207	40,283	47,000	50,000	51,500	3.0%	53,000	54,600	56,200
Professional Meetings	25,992	16,965	15,000	20,000	21,000	3.0%	21,600	22,200	22,900
Cert/Continuing Education	1,140	715	3,000	3,000	3,500	3.0%	3,600	3,700	3,800
Total	\$175,373	\$190,849	\$187,100	\$245,300	\$231,800		\$237,100	\$234,600	\$258,900
Contracts & Services*									
Engineer/Consulting Fees	\$47,938	\$47,246	\$20,000	\$30,000	\$30,000	3.0%	\$20,000	\$20,600	\$21,200
Audit Fees	7,250	7,750	7,750	8,250	8,500	3.0%	8,800	9,100	9,400
Legal Fees	35,542	36,398	40,000	40,000	40,000	3.0%	41,200	42,400	43,700
Total	\$90,730	\$91,394	\$67,750	\$78,250	\$78,500		\$70,000	\$72,100	\$74,300
TOTAL EXPENSES	\$933,037	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787		\$1,228,700	\$1,254,600	\$1,308,000
<i>Annual % Increase</i>		<i>7.0%</i>	<i>3.8%</i>	<i>16.6%</i>	<i>5.8%</i>		<i>-3.8%</i>	<i>2.1%</i>	<i>4.3%</i>

* See notes on following page

Source: DPMWD "Detailed Operation & Maintenance Budget 2017/18" and discussions with staff.

NOTES ON WATER EXPENSE OPERATING PROJECTION (Table 3)

Personnel Expenses

- General Manager transition costs: Management Salaries estimated at \$170,000 in FY 2019/20 with New GM/Existing GM overlap
- Beginning in 2018/19, PERs Retirement Costs Increased to meet goal of 85% funding of liability per Board Direction

Maintenance & Repairs

- Added \$32,500 for replacement of truck in FY2019/20
- Added \$55,000/yr Funding Beginning in 2018/19 for Repairs to Wells #3, 5, 8, 2, 4, 9 and 6B

Administration & General

- Eliminated costs for Modernization of Financial System which will be included in Master Plan update
- Office Expense increased by \$30,000 in FY2018/19 due to costs for newsletter, website, outreach, RFP for auditor, and new OPEB/pension reporting requirements
- Added \$15,000 in FY2018/19 for recruitment costs for new GM
- Updated estimate of Lab Fees

Contracts and Services

- Engineering estimated at \$30,000 per year in FY2018/19 and FY2019/20 (per Board Direction on 3-5-18)

**Table 4
Del Paso Manor WD
Debt Service Schedule**

Series 2010 Revenue COP	Interest Rate	Principal Maturities	Sinking Fund 1-Jul	Outstanding Principal	Semiannual Interest Jan/July	Semiannual Debt Service Jan/July	Annual Debt Service	Reserve Reqmnt Per Definition
7/1/2017	3.500%	105,000		4,950,000	133,356	238,356	369,875	379,800
1/1/2018				4,950,000	131,519	131,519	373,038	379,800
7/1/2018	3.750%	110,000		4,840,000	131,519	241,519	370,975	379,800
1/1/2019				4,840,000	129,456	129,456	368,913	379,800
7/1/2019	4.000%	110,000		4,730,000	129,456	239,456	366,713	379,800
1/1/2020				4,730,000	127,256	127,256	369,513	379,800
7/1/2020	4.000%	115,000		4,615,000	127,256	242,256	367,213	379,800
1/1/2021				4,615,000	124,956	124,956	369,913	379,800
7/1/2021	5.250%		120,000	4,495,000	124,956	244,956	366,763	379,800
1/1/2022	5.250%			4,495,000	121,806	121,806	373,613	379,800
7/1/2022	5.250%		130,000	4,365,000	121,806	251,806	370,200	379,800
1/1/2023	5.250%			4,365,000	118,394	118,394	371,788	379,800
7/1/2023	5.250%		135,000	4,230,000	118,394	253,394	368,244	379,800
1/1/2024	5.250%			4,230,000	114,850	114,850	374,700	379,800
7/1/2024	5.250%		145,000	4,085,000	114,850	259,850	370,894	379,800
1/1/2025	5.250%			4,085,000	111,044	111,044	372,088	379,800
7/1/2025	5.250%		150,000	3,935,000	111,044	261,044	368,150	379,800
1/1/2026	5.250%			3,935,000	107,106	107,106	374,213	379,800
7/1/2026	5.250%		160,000	3,775,000	107,106	267,106	370,013	379,800
1/1/2027	5.250%			3,775,000	102,906	102,906	375,813	379,800
7/1/2027	5.250%		170,000	3,605,000	102,906	272,906	371,350	379,800
1/1/2028	5.250%			3,605,000	98,444	98,444	371,888	379,800
7/1/2028	5.250%		175,000	3,430,000	98,444	273,444	367,294	379,800
1/1/2029	5.250%			3,430,000	93,850	93,850	372,700	379,800
7/1/2029	5.250%		185,000	3,245,000	93,850	278,850	367,844	379,800
1/1/2030	5.250%			3,245,000	88,994	88,994	372,988	379,800
7/1/2030	5.250%	195,000		3,050,000	88,994	283,994	367,869	379,800
1/1/2031	5.500%			3,050,000	83,875	83,875	372,750	379,800
7/1/2031	5.500%		205,000	2,845,000	83,875	288,875	367,113	379,800
1/1/2032	5.500%			2,845,000	78,238	78,238	376,475	379,800
7/1/2032	5.500%		220,000	2,625,000	78,238	298,238	370,425	379,800
1/1/2033	5.500%			2,625,000	72,188	72,188	374,375	379,800
7/1/2033	5.500%		230,000	2,395,000	72,188	302,188	368,050	379,800
1/1/2034	5.500%			2,395,000	65,863	65,863	376,725	379,800
7/1/2034	5.500%		245,000	2,150,000	65,863	310,863	369,988	379,800
1/1/2035	5.500%			2,150,000	59,125	59,125	378,250	379,800
7/2/2035	5.500%		260,000	1,890,000	59,125	319,125	371,100	379,800
1/2/2036	5.500%			1,890,000	51,975	51,975	378,950	379,800
7/1/2036	5.500%		275,000	1,615,000	51,975	326,975	371,388	379,800
1/1/2037	5.500%			1,615,000	44,413	44,413	378,825	379,800
7/1/2037	5.500%		290,000	1,325,000	44,413	334,413	370,850	379,800
1/1/2038	5.500%			1,325,000	36,438	36,438	377,875	379,800
7/1/2038	5.500%		305,000	1,020,000	36,438	341,438	369,488	379,800
1/1/2039	5.500%			1,020,000	28,050	28,050	376,100	379,800
7/2/2039	5.500%		320,000	700,000	28,050	348,050	367,300	379,800
1/2/2040	5.500%			700,000	19,250	19,250	378,500	379,800
7/1/2040	5.500%		340,000	360,000	19,250	359,250	369,150	379,800
1/1/2041	5.500%			360,000	9,900	9,900	379,800	379,800
7/1/2041	5.500%	360,000		0	9,900	369,900	369,900	379,800
\$5,615,000		1,555,000	4,060,000		5,941,925	11,556,925		

Table 5
Del Paso Manor WD
District Reserve Balance as of June 30, 2017

Component	Use for ¹ Cash Flow
System Maintenance	763,277
Operating	531,314
Restricted for Debt	610,078
Total Reserve	\$1,904,669

1. Source: FY2017 Del Paso Manor WD Audit, pages 13 and 26,
and discussions with Larry Bain, District auditor.

Table 6
Del Paso Manor WD
Revenue

	Audit	Projected
	2016/17	2017/18
RATE REVENUE		
A. Operating Rates		
Monthly Commercial (Meters)	\$287,796	\$287,000
Bi-Monthly Commercial (Flat Rate)	6,838	6,838
Bi-Monthly Residential (Flat Rate)	491,080	491,000
Other Water Sales & Misc	<u>9,558</u>	<u>1,500</u>
Total Rate Revenue	\$795,272	\$786,338
B. System Maintenance Charges	\$594,715	\$595,142
MISC. REVENUE		
Interest and Other Revenue	\$5,873	\$4,900
TOTAL REVENUE	\$1,395,860	\$1,386,380

Source: DPMWD "Water Revenue (Without System Maintenance Charges)"

Table 7a
Del Paso Manor WD
Water Operations & Maintenance Cash Flow Projection

Assumes 1-Year Rate Increase
(Noticed Prop 218 Scenario)

	2016/17	2017/18	2018/19	Projected			2021/22	2022/23
				2019/20	2020/21	2020/21		
Beginning Fund Balance		\$531,314	\$286,409	\$428,886	\$502,599	\$626,399	\$725,299	
% O&M Charge Rate Increase			71.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>Growth - %</i>			<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>
REVENUES								
Operating Revenue								
O&M Rates	\$795,272	\$786,338	\$1,345,600	\$1,346,600	\$1,347,600	\$1,348,600	\$1,349,600	\$1,349,600
Other Operating Revenue	0	0	0	0	0	0	0	0
<i>Misc Operating Revenue</i>	<i>5,873</i>	<i>4,900</i>	<i>4,900</i>	<i>4,900</i>	<i>4,900</i>	<i>4,900</i>	<i>4,900</i>	<i>4,900</i>
Total Operating Revenues	\$801,145	\$791,238	\$1,350,500	\$1,351,500	\$1,352,500	\$1,353,500	\$1,353,500	\$1,354,500
TOTAL REVENUES	\$801,145	\$791,238	\$1,350,500	\$1,351,500	\$1,352,500	\$1,353,500	\$1,353,500	\$1,354,500
EXPENSES								
Operating Expenses								
Personnel Expenses*	\$536,176	\$580,458	\$614,735	\$658,145	\$638,100	\$657,500	\$677,300	\$677,300
Maintenance & Repairs*	71,918	89,000	150,000	185,400	155,800	158,800	161,900	161,900
Source of Supply	103,605	105,535	108,738	111,942	115,300	118,800	122,400	122,400
Conservation	4,463	6,300	11,000	12,000	12,400	12,800	13,200	13,200
Administration & General*	190,849	187,100	245,300	231,800	237,100	234,600	258,900	258,900
<u>Contracts & Services*</u>	<u>91,394</u>	<u>67,750</u>	<u>78,250</u>	<u>78,500</u>	<u>70,000</u>	<u>72,100</u>	<u>74,300</u>	<u>74,300</u>
Total Operating Expenses	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000	\$1,308,000
TOTAL EXPENSES	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000	\$1,308,000
NET REVENUES	(\$197,258)	(\$244,905)	\$142,477	\$73,713	\$123,800	\$98,900	\$46,500	\$46,500
Ending O&M Fund Balance	\$531,314	\$286,409	\$428,886	\$502,599	\$626,399	\$725,299	\$771,799	\$771,799
Total Unrestricted Fund	\$499,202	\$518,072	\$604,012	\$638,893	\$614,350	\$627,300	\$654,000	\$654,000
<i>Target Met</i>	<i>yes</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>yes</i>	<i>yes</i>	<i>yes</i>	<i>yes</i>
Debt Service Coverage								
With Reserves (Min 120%)	478%	445%	535%	388%	382%	472%	542%	542%
Without Reserves	108%	95%	199%	183%	196%	190%	174%	174%
Monthly Bill - SFR, 8,000 SF	\$43.65	\$43.65	\$58.28	\$58.28	\$58.28	\$58.28	\$58.28	\$58.28
Overall Bill Percent Increase			33.5%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 7b
Del Paso Manor WD
Water Operations & Maintenance Cash Flow Projection

Assumes 2-Year Rate Increase, 6 Mo Reserve Target

		Projected					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Fund Balance		\$531,314	\$286,409	\$145,586	\$286,599	\$477,699	\$643,899
% O&M Charge Rate Increase			35.00%	33.00%	0.00%	0.00%	0.00%
<i>Growth - %</i>			0.1%	0.1%	0.1%	0.1%	0.1%
REVENUES							
Operating Revenue							
O&M Rates	\$795,272	\$786,338	\$1,062,300	\$1,413,900	\$1,414,900	\$1,415,900	\$1,416,900
Other Operating Revenue	0	0	0	0	0	0	0
<i>Misc Operating Revenue</i>	<u>5,873</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>
Total Operating Revenues	\$801,145	\$791,238	\$1,067,200	\$1,418,800	\$1,419,800	\$1,420,800	\$1,421,800
TOTAL REVENUES	\$801,145	\$791,238	\$1,067,200	\$1,418,800	\$1,419,800	\$1,420,800	\$1,421,800
EXPENSES							
Operating Expenses							
Personnel Expenses*	\$536,176	\$580,458	\$614,735	\$658,145	\$638,100	\$657,500	\$677,300
Maintenance & Repairs*	71,918	89,000	150,000	185,400	155,800	158,800	161,900
Source of Supply	103,605	105,535	108,738	111,942	115,300	118,800	122,400
Conservation	4,463	6,300	11,000	12,000	12,400	12,800	13,200
Administration & General*	190,849	187,100	245,300	231,800	237,100	234,600	258,900
<u>Contracts & Services*</u>	<u>91,394</u>	<u>67,750</u>	<u>78,250</u>	<u>78,500</u>	<u>70,000</u>	<u>72,100</u>	<u>74,300</u>
Total Operating Expenses	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
TOTAL EXPENSES	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
NET REVENUES	(\$197,258)	(\$244,905)	(\$140,823)	\$141,013	\$191,100	\$166,200	\$113,800
Ending O&M Fund Balance	\$531,314	\$286,409	\$145,586	\$286,599	\$477,699	\$643,899	\$757,699
Total Unrestricted Fund	\$499,202	\$518,072	\$604,012	\$638,893	\$614,350	\$627,300	\$654,000
<i>Target Met</i>	yes	no	no	no	no	yes	yes
Debt Service Coverage							
With Reserves (Min 120%)	478%	445%	459%	329%	341%	450%	539%
Without Reserves	108%	95%	123%	201%	214%	208%	192%
Monthly Bill - SFR, 8,000 SF	\$43.65	\$43.65	\$50.86	\$60.04	\$60.04	\$60.04	\$60.04
Overall Bill Percent Increase			16.5%	18.0%	0.0%	0.0%	0.0%

Table 7c
Del Paso Manor WD
Water Operations & Maintenance Cash Flow Projection

Assumes No Rate Increase

		Projected					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Fund Balance		\$531,314	\$286,409	(\$129,814)	(\$615,201)	(\$1,050,901)	(\$1,511,901)
% O&M Charge Rate Increase			0.00%	0.00%	0.00%	0.00%	0.00%
<i>Growth - %</i>			0.1%	0.1%	0.1%	0.1%	0.1%
REVENUES							
Operating Revenue							
O&M Rates	\$795,272	\$786,338	\$786,900	\$787,500	\$788,100	\$788,700	\$789,300
Other Operating Revenue	0	0	0	0	0	0	0
<i>Misc Operating Revenue</i>	<u>5,873</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>
Total Operating Revenues	\$801,145	\$791,238	\$791,800	\$792,400	\$793,000	\$793,600	\$794,200
TOTAL REVENUES	\$801,145	\$791,238	\$791,800	\$792,400	\$793,000	\$793,600	\$794,200
EXPENSES							
Operating Expenses							
Personnel Expenses*	\$536,176	\$580,458	\$614,735	\$658,145	\$638,100	\$657,500	\$677,300
Maintenance & Repairs*	71,918	89,000	150,000	185,400	155,800	158,800	161,900
Source of Supply	103,605	105,535	108,738	111,942	115,300	118,800	122,400
Conservation	4,463	6,300	11,000	12,000	12,400	12,800	13,200
Administration & General*	190,849	187,100	245,300	231,800	237,100	234,600	258,900
<u>Contracts & Services*</u>	<u>91,394</u>	<u>67,750</u>	<u>78,250</u>	<u>78,500</u>	<u>70,000</u>	<u>72,100</u>	<u>74,300</u>
Total Operating Expenses	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
TOTAL EXPENSES	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
NET REVENUES	(\$197,258)	(\$244,905)	(\$416,223)	(\$485,387)	(\$435,700)	(\$461,000)	(\$513,800)
Ending O&M Fund Balance	\$531,314	\$286,409	(\$129,814)	(\$615,201)	(\$1,050,901)	(\$1,511,901)	(\$2,025,701)
Total Unrestricted Fund	\$499,202	\$518,072	\$604,012	\$638,893	\$614,350	\$627,300	\$654,000
<i>Target Met</i>	<i>yes</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>
Debt Service Coverage							
With Reserves (Min 120%)	478%	445%	384%	83%	-75%	-138%	-213%
Without Reserves	108%	95%	48%	30%	44%	37%	23%
Monthly Bill - SFR, 8,000 SF	\$43.65	\$43.65	\$43.65	\$43.65	\$43.65	\$43.65	\$43.65
Overall Bill Percent Increase			0.0%	0.0%	0.0%	0.0%	0.0%

**Table 7d
Del Paso Manor WD
Water Operations & Maintenance Cash Flow Projection**

Assumes 1-Year Rate Increase , 9 Month Reserve Target

		Projected					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Fund Balance		\$531,314	\$286,409	\$476,086	\$596,999	\$767,999	\$914,099
% O&M Charge Rate Increase			77.00%	0.00%	0.00%	0.00%	0.00%
<i>Growth - %</i>			<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>
REVENUES							
Operating Revenue							
O&M Rates	\$795,272	\$786,338	\$1,392,800	\$1,393,800	\$1,394,800	\$1,395,800	\$1,396,800
Other Operating Revenue	0	0	0	0	0	0	0
<u>Misc Operating Revenue</u>	<u>5,873</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>
Total Operating Revenues	\$801,145	\$791,238	\$1,397,700	\$1,398,700	\$1,399,700	\$1,400,700	\$1,401,700
TOTAL REVENUES	\$801,145	\$791,238	\$1,397,700	\$1,398,700	\$1,399,700	\$1,400,700	\$1,401,700
EXPENSES							
Operating Expenses							
Personnel Expenses*	\$536,176	\$580,458	\$614,735	\$658,145	\$638,100	\$657,500	\$677,300
Maintenance & Repairs*	71,918	89,000	150,000	185,400	155,800	158,800	161,900
Source of Supply	103,605	105,535	108,738	111,942	115,300	118,800	122,400
Conservation	4,463	6,300	11,000	12,000	12,400	12,800	13,200
Administration & General*	190,849	187,100	245,300	231,800	237,100	234,600	258,900
<u>Contracts & Services*</u>	<u>91,394</u>	<u>67,750</u>	<u>78,250</u>	<u>78,500</u>	<u>70,000</u>	<u>72,100</u>	<u>74,300</u>
Total Operating Expenses	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
TOTAL EXPENSES	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
NET REVENUES	(\$197,258)	(\$244,905)	\$189,677	\$120,913	\$171,000	\$146,100	\$93,700
Ending O&M Fund Balance	\$531,314	\$286,409	\$476,086	\$596,999	\$767,999	\$914,099	\$1,007,799
Target (75% O&M, 9 Months)	\$748,802	\$777,107	\$906,017	\$958,340	\$921,525	\$940,950	\$981,000
<i>Target Met</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>yes</i>
Monthly Bill - SFR, 8,000 SF	\$43.65	\$43.65	\$59.51	\$59.51	\$59.51	\$59.51	\$59.51
Overall Bill Percent Increase			36.3%	0.0%	0.0%	0.0%	0.0%

**Table 7e
Del Paso Manor WD
Water Operations & Maintenance Cash Flow Projection**

Assumes 2-Year Rate Increase, 9 Month Reserve Target

		Projected						
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Beginning Fund Balance		\$531,314	\$286,409	\$169,186	\$363,299	\$607,599	\$827,099	
% O&M Charge Rate Increase			38.00%	35.00%	0.00%	0.00%	0.00%	
<i>Growth - %</i>			<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	
REVENUES								
Operating Revenue								
O&M Rates	\$795,272	\$786,338	\$1,085,900	\$1,467,000	\$1,468,100	\$1,469,200	\$1,470,300	
Other Operating Revenue	0	0	0	0	0	0	0	
<u>Misc Operating Revenue</u>	<u>5,873</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	
Total Operating Revenues	\$801,145	\$791,238	\$1,090,800	\$1,471,900	\$1,473,000	\$1,474,100	\$1,475,200	
TOTAL REVENUES	\$801,145	\$791,238	\$1,090,800	\$1,471,900	\$1,473,000	\$1,474,100	\$1,475,200	
EXPENSES								
Operating Expenses								
Personnel Expenses*	\$536,176	\$580,458	\$614,735	\$658,145	\$638,100	\$657,500	\$677,300	
Maintenance & Repairs*	71,918	89,000	150,000	185,400	155,800	158,800	161,900	
Source of Supply	103,605	105,535	108,738	111,942	115,300	118,800	122,400	
Conservation	4,463	6,300	11,000	12,000	12,400	12,800	13,200	
Administration & General*	190,849	187,100	245,300	231,800	237,100	234,600	258,900	
<u>Contracts & Services*</u>	<u>91,394</u>	<u>67,750</u>	<u>78,250</u>	<u>78,500</u>	<u>70,000</u>	<u>72,100</u>	<u>74,300</u>	
Total Operating Expenses	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000	
TOTAL EXPENSES	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000	
NET REVENUES	(\$197,258)	(\$244,905)	(\$117,223)	\$194,113	\$244,300	\$219,500	\$167,200	
Ending O&M Fund Balance	\$531,314	\$286,409	\$169,186	\$363,299	\$607,599	\$827,099	\$994,299	
Target (75% O&M, 9 Months)	\$748,802	\$777,107	\$906,017	\$958,340	\$921,525	\$940,950	\$981,000	
<i>Target Met</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>yes</i>	
Monthly Bill - SFR, 8,000 SF	\$43.65	\$43.65	\$51.48	\$61.43	\$61.43	\$61.43	\$61.43	
Overall Bill Percent Increase			17.9%	19.3%	0.0%	0.0%	0.0%	

Table 7f
Del Paso Manor WD
Water Operations & Maintenance Cash Flow Projection

Assumes 1-Year Rate Increase, 12 Month Reserve Target

		Projected					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Fund Balance		\$531,314	\$286,409	\$539,086	\$722,999	\$956,999	\$1,166,099
% O&M Charge Rate Increase			85.00%	0.00%	0.00%	0.00%	0.00%
Growth - %			0.1%	0.1%	0.1%	0.1%	0.1%
REVENUES							
Operating Revenue							
O&M Rates	\$795,272	\$786,338	\$1,455,800	\$1,456,800	\$1,457,800	\$1,458,800	\$1,459,900
Other Operating Revenue	0	0	0	0	0	0	0
<u>Misc Operating Revenue</u>	<u>5,873</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>
Total Operating Revenues	\$801,145	\$791,238	\$1,460,700	\$1,461,700	\$1,462,700	\$1,463,700	\$1,464,800
TOTAL REVENUES	\$801,145	\$791,238	\$1,460,700	\$1,461,700	\$1,462,700	\$1,463,700	\$1,464,800
EXPENSES							
Operating Expenses							
Personnel Expenses*	\$536,176	\$580,458	\$614,735	\$658,145	\$638,100	\$657,500	\$677,300
Maintenance & Repairs*	71,918	89,000	150,000	185,400	155,800	158,800	161,900
Source of Supply	103,605	105,535	108,738	111,942	115,300	118,800	122,400
Conservation	4,463	6,300	11,000	12,000	12,400	12,800	13,200
Administration & General*	190,849	187,100	245,300	231,800	237,100	234,600	258,900
<u>Contracts & Services*</u>	<u>91,394</u>	<u>67,750</u>	<u>78,250</u>	<u>78,500</u>	<u>70,000</u>	<u>72,100</u>	<u>74,300</u>
Total Operating Expenses	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
TOTAL EXPENSES	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
NET REVENUES	(\$197,258)	(\$244,905)	\$252,677	\$183,913	\$234,000	\$209,100	\$156,800
Ending O&M Fund Balance	\$531,314	\$286,409	\$539,086	\$722,999	\$956,999	\$1,166,099	\$1,322,899
Target (100% O&M, 12 Months)	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
Target Met	no	no	no	no	no	no	yes
Monthly Bill - SFR, 8,000 SF	\$43.65	\$43.65	\$61.16	\$61.16	\$61.16	\$61.16	\$61.16
Overall Bill Percent Increase			40.1%	0.0%	0.0%	0.0%	0.0%

Table 7g
Del Paso Manor WD
Water Operations & Maintenance Cash Flow Projection

Assumes 2-Year Rate Increase, 12 Month Reserve Target

		Projected					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Fund Balance		\$531,314	\$286,409	\$184,986	\$455,599	\$776,399	\$1,072,399
% O&M Charge Rate Increase			40.00%	40.00%	0.00%	0.00%	0.00%
<i>Growth - %</i>			<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>
REVENUES							
Operating Revenue							
O&M Rates	\$795,272	\$786,338	\$1,101,700	\$1,543,500	\$1,544,600	\$1,545,700	\$1,546,800
Other Operating Revenue	0	0	0	0	0	0	0
<u>Misc Operating Revenue</u>	<u>5,873</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>
Total Operating Revenues	\$801,145	\$791,238	\$1,106,600	\$1,548,400	\$1,549,500	\$1,550,600	\$1,551,700
TOTAL REVENUES	\$801,145	\$791,238	\$1,106,600	\$1,548,400	\$1,549,500	\$1,550,600	\$1,551,700
EXPENSES							
Operating Expenses							
Personnel Expenses*	\$536,176	\$580,458	\$614,735	\$658,145	\$638,100	\$657,500	\$677,300
Maintenance & Repairs*	71,918	89,000	150,000	185,400	155,800	158,800	161,900
Source of Supply	103,605	105,535	108,738	111,942	115,300	118,800	122,400
Conservation	4,463	6,300	11,000	12,000	12,400	12,800	13,200
Administration & General*	190,849	187,100	245,300	231,800	237,100	234,600	258,900
<u>Contracts & Services*</u>	<u>91,394</u>	<u>67,750</u>	<u>78,250</u>	<u>78,500</u>	<u>70,000</u>	<u>72,100</u>	<u>74,300</u>
Total Operating Expenses	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
TOTAL EXPENSES	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
NET REVENUES	(\$197,258)	(\$244,905)	(\$101,423)	\$270,613	\$320,800	\$296,000	\$243,700
Ending O&M Fund Balance	\$531,314	\$286,409	\$184,986	\$455,599	\$776,399	\$1,072,399	\$1,316,099
Target (100% O&M, 12 Months)	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
<i>Target Met</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>yes</i>
Monthly Bill - SFR, 8,000 SF	\$43.65	\$43.65	\$51.89	\$63.43	\$63.43	\$63.43	\$63.43
Overall Bill Percent Increase			18.9%	22.2%	0.0%	0.0%	0.0%

Table 7h
Del Paso Manor WD
Water Operations & Maintenance Cash Flow Projection

Assumes 1-Year, 45% O&M Rate Increase

		Projected					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Fund Balance		\$531,314	\$286,409	\$224,286	\$93,199	\$11,999	(\$94,301)
% O&M Charge Rate Increase			45.00%	0.00%	0.00%	0.00%	0.00%
Growth - %			0.1%	0.1%	0.1%	0.1%	0.1%
REVENUES							
Operating Revenue							
O&M Rates	\$795,272	\$786,338	\$1,141,000	\$1,141,800	\$1,142,600	\$1,143,400	\$1,144,200
Other Operating Revenue	0	0	0	0	0	0	0
Misc Operating Revenue	5,873	4,900	4,900	4,900	4,900	4,900	4,900
Total Operating Revenues	\$801,145	\$791,238	\$1,145,900	\$1,146,700	\$1,147,500	\$1,148,300	\$1,149,100
TOTAL REVENUES	\$801,145	\$791,238	\$1,145,900	\$1,146,700	\$1,147,500	\$1,148,300	\$1,149,100
EXPENSES							
Operating Expenses							
Personnel Expenses*	\$536,176	\$580,458	\$614,735	\$658,145	\$638,100	\$657,500	\$677,300
Maintenance & Repairs*	71,918	89,000	150,000	185,400	155,800	158,800	161,900
Source of Supply	103,605	105,535	108,738	111,942	115,300	118,800	122,400
Conservation	4,463	6,300	11,000	12,000	12,400	12,800	13,200
Administration & General*	190,849	187,100	245,300	231,800	237,100	234,600	258,900
<u>Contracts & Services*</u>	<u>91,394</u>	<u>67,750</u>	<u>78,250</u>	<u>78,500</u>	<u>70,000</u>	<u>72,100</u>	<u>74,300</u>
Total Operating Expenses	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
TOTAL EXPENSES	\$998,403	\$1,036,143	\$1,208,023	\$1,277,787	\$1,228,700	\$1,254,600	\$1,308,000
NET REVENUES	(\$197,258)	(\$244,905)	(\$62,123)	(\$131,087)	(\$81,200)	(\$106,300)	(\$158,900)
Ending O&M Fund Balance	\$531,314	\$286,409	\$224,286	\$93,199	\$11,999	(\$94,301)	(\$253,201)
Total Unrestricted Fund	\$499,202	\$518,072	\$604,012	\$638,893	\$614,350	\$627,300	\$654,000
Target Met	yes	no	no	no	no	no	no
Debt Service Coverage							
With Reserves (Min 120%)	478%	445%	535%	388%	382%	472%	542%
Without Reserves	108%	95%	199%	183%	196%	190%	174%
Monthly Bill - SFR, 8,000 SF	\$43.65	\$43.65	\$52.92	\$52.92	\$52.92	\$52.92	\$52.92
Overall Bill Percent Increase			21.2%	0.0%	0.0%	0.0%	0.0%

Table 8
Del Paso Manor WD
Capital Improvement Projects - Funded By System Maintenance Charges*

Capital Project	Estimated Cost					2021/22	2022/23	Totals
	2016/17	2017/18	2018/19	2019/20	2020/21			
SCADA	5,050							5,050
Hydrant/Main Replace @ El Camino & Butano	32,450							32,450
Well #7	24,421	21,000						45,421
DPMWD/CWD Intertie Eval. / IRWMP Portal	13,500							13,500
Well #6B - Shed / Spoils Area		7,000						7,000
Consltnts (Mstr Pln, Outrch, Wbst, FinPln,Grnts)			100,000					100,000
Rate Increase Proposal			10,000					10,000
Initial Engineering & RFP for Next Project			100,000					100,000
DPMWD/CWD Intertie Project (50% Grant)			650,000					650,000
Land Purchase (Well Site/Office Building)				375,000				375,000
Total Capital Funded By SMCs	\$75,421	\$28,000	\$860,000	\$375,000	\$0	\$0	\$0	\$1,338,421

*** This is not part of the 2018 rate increase and Table 8 does not reflect all future capital expenditures - Master Plan Update will define**

Source: Prepared by BWA based on DPMWD Approved 2017/18 Budget and discussions with staff.

**Table 9
Del Paso Manor WD
Water Cash Flow Projection - System Maintenance Fund***

System Maintenance
- Without Increases

	2016/17	Projected					
		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Fund Balance		\$763,277	\$960,544	\$325,140	\$179,428	\$408,644	\$638,740
REVENUES							
System Maintenance Charges	\$594,715	\$595,142	\$595,571	\$596,000	\$596,429	\$596,858	\$597,288
Connection Fees							
New Loans - Proceeds							
<u>Other Sources</u>							
TOTAL REVENUES	\$594,715	\$595,142	\$595,571	\$596,000	\$596,429	\$596,858	\$597,288
EXPENDITURES							
Series 2010 Revenue COP	\$368,338	\$369,875	\$370,975	\$366,713	\$367,213	\$366,763	\$370,200
New Loan Debt Service							
Capital Improvement Projects							
SCADA	5,050						
Hydrant/Main Replace @ El Camino & Butano	32,450						
Well #7	24,421	21,000					
DPMWD/CWD Intertie Eval. / IRWMP Portal	13,500						
Well #6B - Shed / Spoils Area		7,000					
Consltns (Mstr Pln, Outrch, Wbst, FinPln,Grnts)			100,000				
Rate Increase Proposal			10,000				
Initial Engineering & RFP for Next Project			100,000				
DPMWD/CWD Intertie Project (50% Grant)			650,000				
Land Purchase (Well Site/Office Building)				375,000			
Total Expenditures SMC Fund	\$443,759	\$397,875	\$1,230,975	\$741,713	\$367,213	\$366,763	\$370,200
TOTAL EXPENDITURES	\$443,759	\$397,875	\$1,230,975	\$741,713	\$367,213	\$366,763	\$370,200
NET REVENUES	\$150,956	\$197,267	(\$635,404)	(\$145,713)	\$229,217	\$230,096	\$227,088
Ending Fund Balance	\$763,277	\$960,544	\$325,140	\$179,428	\$408,644	\$638,740	\$865,828

** This is not part of the 2018 rate increase and Table 9 does not reflect all future capital expenditures - Master Plan Update will define*

Table 10a
Del Paso Manor WD
Projected Water Rates, 1-Year Increase

Assumes 1-Year Rate Increase, No Rate Structure Change

	Current	2018/19	2019/20	2020/21	2021/22	2022/23
O&M Charges		71.00%	0.00%	0.00%	0.00%	0.00%
Single Family Home	\$ per Month					
0 - 5,000 sq. ft.	\$15.75	\$26.93	\$26.93	\$26.93	\$26.93	\$26.93
5,001 - 8,000 sq. ft.	\$20.60	\$35.23	\$35.23	\$35.23	\$35.23	\$35.23
8,001 - 11,000 sq. ft.	\$24.20	\$41.38	\$41.38	\$41.38	\$41.38	\$41.38
11,001 - 14,000 sq. ft.	\$27.85	\$47.62	\$47.62	\$47.62	\$47.62	\$47.62
14,001 - 17,000 sq. ft.	\$31.45	\$53.78	\$53.78	\$53.78	\$53.78	\$53.78
17,001 - 20,000 sq. ft.	\$35.10	\$60.02	\$60.02	\$60.02	\$60.02	\$60.02
Over 20,000 sq. ft.	\$35.10 + \$1.21 per 1k sf	\$2.07	\$2.07	\$2.07	\$2.07	\$2.07
Duplex/Multi-Family	\$ per Month					
0 - 5,000 sq. ft.	\$28.45	\$48.65	\$48.65	\$48.65	\$48.65	\$48.65
5,001 - 8,000 sq. ft.	\$33.30	\$56.94	\$56.94	\$56.94	\$56.94	\$56.94
8,001 - 11,000 sq. ft.	\$36.90	\$63.10	\$63.10	\$63.10	\$63.10	\$63.10
11,001 - 14,000 sq. ft.	\$40.55	\$69.34	\$69.34	\$69.34	\$69.34	\$69.34
14,001 - 17,000 sq. ft.	\$44.20	\$75.58	\$75.58	\$75.58	\$75.58	\$75.58
17,001 - 20,000 sq. ft.	\$47.80	\$81.74	\$81.74	\$81.74	\$81.74	\$81.74
Over 20,000 sq. ft.	\$47.80 + \$1.21 per 1k sf	\$2.07	\$2.07	\$2.07	\$2.07	\$2.07
Flat Rate Commercial	\$ per Month					
3/4" - 5/8"	\$26.60	\$45.49	\$45.49	\$45.49	\$45.49	\$45.49
1"	\$36.75	\$62.84	\$62.84	\$62.84	\$62.84	\$62.84
1 1/2"	\$53.15	\$90.89	\$90.89	\$90.89	\$90.89	\$90.89
2"	\$107.60	\$184.00	\$184.00	\$184.00	\$184.00	\$184.00
Meter Readiness to Service Charge	\$ per Month					
5/8"	\$15.10	\$15.13	\$15.13	\$15.13	\$15.13	\$15.13
1"	\$21.00	\$37.83	\$37.83	\$37.83	\$37.83	\$37.83
1 1/2"	\$30.40	\$75.65	\$75.65	\$75.65	\$75.65	\$75.65
2"	\$61.45	\$121.04	\$121.04	\$121.04	\$121.04	\$121.04
3"	\$114.25	\$226.95	\$226.95	\$226.95	\$226.95	\$226.95
4"	\$186.05	\$378.26	\$378.26	\$378.26	\$378.26	\$378.26
6"	\$320.20	\$756.51	\$756.51	\$756.51	\$756.51	\$756.51
Volumetric Rate Commercial						
\$ per 100 CU ft	\$0.95	\$1.39	\$1.39	\$1.39	\$1.39	\$1.39
Temporary Water Service (construction water)						
\$ per 100 CU ft	\$1.43	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45
Fire Service Rates						
4"	\$54.00	\$75.65	\$75.65	\$75.65	\$75.65	\$75.65
6"	\$81.00	\$151.30	\$151.30	\$151.30	\$151.30	\$151.30
8"	\$108.00	\$242.08	\$242.08	\$242.08	\$242.08	\$242.08
10"	\$135.00	\$348.00	\$348.00	\$348.00	\$348.00	\$348.00
System Maintenance Charge Increase		0.00%	0.00%	0.00%	0.00%	0.00%
Service Maintenance Charge - No Increases						
Resi up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Resi over 1" (Per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Duplex (each side)	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Extra Tap (per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial 1 1/2"	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10
Commercial 2"	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75
Commercial 3"	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30
Commercial 4"	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50
Commercial 6"	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00
Typical Monthly Bill - SFR, 8,000 sf lot	\$43.65	\$58.28	\$58.28	\$58.28	\$58.28	\$58.28
Overall Bill Percent Increase		33.5%	0.0%	0.0%	0.0%	0.0%

Table 10b

Del Paso Manor WD

Projected Water Rates - Same Structure, 2-Year Increase

Assumes 2-Year Rate Increase, No Rate Structure Change

	Current	2018/19	2019/20	2020/21	2021/22	2022/23
O&M Charges		35.00%	33.00%	0.00%	0.00%	0.00%
Single Family Home	\$ per Month					
0 - 5,000 sq. ft.	\$15.75	\$21.26	\$28.28	\$28.28	\$28.28	\$28.28
5,001 - 8,000 sq. ft.	\$20.60	\$27.81	\$36.99	\$36.99	\$36.99	\$36.99
8,001 - 11,000 sq. ft.	\$24.20	\$32.67	\$43.45	\$43.45	\$43.45	\$43.45
11,001 - 14,000 sq. ft.	\$27.85	\$37.60	\$50.01	\$50.01	\$50.01	\$50.01
14,001 - 17,000 sq. ft.	\$31.45	\$42.46	\$56.47	\$56.47	\$56.47	\$56.47
17,001 - 20,000 sq. ft.	\$35.10	\$47.39	\$63.03	\$63.03	\$63.03	\$63.03
Over 20,000 sq. ft.	\$35.10 + \$1.21 per 1k sf	\$1.63	\$2.17	\$2.17	\$2.17	\$2.17
Duplex/Multi-Family	\$ per Month					
0 - 5,000 sq. ft.	\$28.45	\$38.41	\$51.09	\$51.09	\$51.09	\$51.09
5,001 - 8,000 sq. ft.	\$33.30	\$44.96	\$59.80	\$59.80	\$59.80	\$59.80
8,001 - 11,000 sq. ft.	\$36.90	\$49.82	\$66.26	\$66.26	\$66.26	\$66.26
11,001 - 14,000 sq. ft.	\$40.55	\$54.74	\$72.80	\$72.80	\$72.80	\$72.80
14,001 - 17,000 sq. ft.	\$44.20	\$59.67	\$79.36	\$79.36	\$79.36	\$79.36
17,001 - 20,000 sq. ft.	\$47.80	\$64.53	\$85.82	\$85.82	\$85.82	\$85.82
Over 20,000 sq. ft.	\$47.80 + \$1.21 per 1k sf	\$1.63	\$2.17	\$2.17	\$2.17	\$2.17
Flat Rate Commercial	\$ per Month					
3/4" - 5/8"	\$26.60	\$35.91	\$47.76	\$47.76	\$47.76	\$47.76
1"	\$36.75	\$49.61	\$65.98	\$65.98	\$65.98	\$65.98
1 1/2"	\$53.15	\$71.75	\$95.43	\$95.43	\$95.43	\$95.43
2"	\$107.60	\$145.26	\$193.20	\$193.20	\$193.20	\$193.20
Meter Readiness to Service Charge	\$ per Month					
5/8"	\$15.10	\$20.39	\$27.12	\$27.12	\$27.12	\$27.12
1"	\$21.00	\$28.35	\$37.71	\$37.71	\$37.71	\$37.71
1 1/2"	\$30.40	\$41.04	\$54.58	\$54.58	\$54.58	\$54.58
2"	\$61.45	\$82.96	\$110.34	\$110.34	\$110.34	\$110.34
3"	\$114.25	\$154.24	\$205.14	\$205.14	\$205.14	\$205.14
4"	\$186.05	\$251.17	\$334.06	\$334.06	\$334.06	\$334.06
6"	\$320.20	\$432.27	\$574.92	\$574.92	\$574.92	\$574.92
Volumetric Rate Commercial						
\$ per 100 CU ft	\$0.95	\$1.28	\$1.70	\$1.70	\$1.70	\$1.70
Temporary Water Service (construction water)						
\$ per 100 CU ft	\$1.43	\$1.93	\$2.57	\$2.57	\$2.57	\$2.57
System Maintenance Charge Increase		0.00%	0.00%	0.00%	0.00%	0.00%
Service Maintenance Charge - No Increases						
Resi up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Resi over 1" (Per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Duplex (each side)	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Extra Tap (per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial 1 1/2"	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10
Commercial 2"	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75
Commercial 3"	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30
Commercial 4"	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50
Commercial 6"	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00
Typical Monthly Bill - SFR, 8,000 sf lot	\$43.65	\$50.86	\$60.04	\$60.04	\$60.04	\$60.04
Overall Bill Percent Increase		16.5%	18.0%	0.0%	0.0%	0.0%

Table 10c
Del Paso Manor WD
Projected Water Rates - No Increase

Assumes No Rate Increase, No Rate Structure Change

	Current	2018/19	2019/20	2020/21	2021/22	2022/23
O&M Charges		0.00%	0.00%	0.00%	0.00%	0.00%
Single Family Home	\$ per Month					
0 - 5,000 sq. ft.	\$15.75	\$15.75	\$15.75	\$15.75	\$15.75	\$15.75
5,001 - 8,000 sq. ft.	\$20.60	\$20.60	\$20.60	\$20.60	\$20.60	\$20.60
8,001 - 11,000 sq. ft.	\$24.20	\$24.20	\$24.20	\$24.20	\$24.20	\$24.20
11,001 - 14,000 sq. ft.	\$27.85	\$27.85	\$27.85	\$27.85	\$27.85	\$27.85
14,001 - 17,000 sq. ft.	\$31.45	\$31.45	\$31.45	\$31.45	\$31.45	\$31.45
17,001 - 20,000 sq. ft.	\$35.10	\$35.10	\$35.10	\$35.10	\$35.10	\$35.10
Over 20,000 sq. ft.	\$35.10 + \$1.21 per 1k sf	\$1.21	\$1.21	\$1.21	\$1.21	\$1.21
Duplex/Multi-Family	\$ per Month					
0 - 5,000 sq. ft.	\$28.45	\$28.45	\$28.45	\$28.45	\$28.45	\$28.45
5,001 - 8,000 sq. ft.	\$33.30	\$33.30	\$33.30	\$33.30	\$33.30	\$33.30
8,001 - 11,000 sq. ft.	\$36.90	\$36.90	\$36.90	\$36.90	\$36.90	\$36.90
11,001 - 14,000 sq. ft.	\$40.55	\$40.55	\$40.55	\$40.55	\$40.55	\$40.55
14,001 - 17,000 sq. ft.	\$44.20	\$44.20	\$44.20	\$44.20	\$44.20	\$44.20
17,001 - 20,000 sq. ft.	\$47.80	\$47.80	\$47.80	\$47.80	\$47.80	\$47.80
Over 20,000 sq. ft.	\$47.80 + \$1.21 per 1k sf	\$1.21	\$1.21	\$1.21	\$1.21	\$1.21
Flat Rate Commercial	\$ per Month					
3/4" - 5/8"	\$26.60	\$26.60	\$26.60	\$26.60	\$26.60	\$26.60
1"	\$36.75	\$36.75	\$36.75	\$36.75	\$36.75	\$36.75
1 1/2"	\$53.15	\$53.15	\$53.15	\$53.15	\$53.15	\$53.15
2"	\$107.60	\$107.60	\$107.60	\$107.60	\$107.60	\$107.60
Meter Readiness to Service Charge	\$ per Month					
5/8"	\$15.10	\$15.10	\$15.10	\$15.10	\$15.10	\$15.10
1"	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
1 1/2"	\$30.40	\$30.40	\$30.40	\$30.40	\$30.40	\$30.40
2"	\$61.45	\$61.45	\$61.45	\$61.45	\$61.45	\$61.45
3"	\$114.25	\$114.25	\$114.25	\$114.25	\$114.25	\$114.25
4"	\$186.05	\$186.05	\$186.05	\$186.05	\$186.05	\$186.05
6"	\$320.20	\$320.20	\$320.20	\$320.20	\$320.20	\$320.20
Volumetric Rate Commercial						
\$ per 100 CU ft	\$0.95	\$0.95	\$0.95	\$0.95	\$0.95	\$0.95
Temporary Water Service (construction water)						
\$ per 100 CU ft	\$1.43	\$1.43	\$1.43	\$1.43	\$1.43	\$1.43
System Maintenance Charge Increase		0.00%	0.00%	0.00%	0.00%	0.00%
Service Maintenance Charge - No Increases						
Resi up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Resi over 1" (Per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Duplex (each side)	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Extra Tap (per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial 1 1/2"	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10
Commercial 2"	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75
Commercial 3"	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30
Commercial 4"	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50
Commercial 6"	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00
Typical Monthly Bill - SFR, 8,000 sf lot	\$43.65	\$43.65	\$43.65	\$43.65	\$43.65	\$43.65
Overall Bill Percent Increase		0.0%	0.0%	0.0%	0.0%	0.0%

Table 10d
Del Paso Manor WD
Projected Water Rates - Same Structure, 1-Year Increase

Assumes No Rate Structure Change
Assumes 1-Year Rate Increase, 9 Month O&M Reserve

	Current	2018/19	2019/20	2020/21	2021/22	2022/23
O&M Charges		77.00%	0.00%	0.00%	0.00%	0.00%
Single Family Home	\$ per Month					
0 - 5,000 sq. ft.	\$15.75	\$27.88	\$27.88	\$27.88	\$27.88	\$27.88
5,001 - 8,000 sq. ft.	\$20.60	\$36.46	\$36.46	\$36.46	\$36.46	\$36.46
8,001 - 11,000 sq. ft.	\$24.20	\$42.83	\$42.83	\$42.83	\$42.83	\$42.83
11,001 - 14,000 sq. ft.	\$27.85	\$49.29	\$49.29	\$49.29	\$49.29	\$49.29
14,001 - 17,000 sq. ft.	\$31.45	\$55.67	\$55.67	\$55.67	\$55.67	\$55.67
17,001 - 20,000 sq. ft.	\$35.10	\$62.13	\$62.13	\$62.13	\$62.13	\$62.13
Over 20,000 sq. ft.	\$35.10 + \$1.21 per 1k sf	\$2.14	\$2.14	\$2.14	\$2.14	\$2.14
Duplex/Multi-Family	\$ per Month					
0 - 5,000 sq. ft.	\$28.45	\$50.36	\$50.36	\$50.36	\$50.36	\$50.36
5,001 - 8,000 sq. ft.	\$33.30	\$58.94	\$58.94	\$58.94	\$58.94	\$58.94
8,001 - 11,000 sq. ft.	\$36.90	\$65.31	\$65.31	\$65.31	\$65.31	\$65.31
11,001 - 14,000 sq. ft.	\$40.55	\$71.77	\$71.77	\$71.77	\$71.77	\$71.77
14,001 - 17,000 sq. ft.	\$44.20	\$78.23	\$78.23	\$78.23	\$78.23	\$78.23
17,001 - 20,000 sq. ft.	\$47.80	\$84.61	\$84.61	\$84.61	\$84.61	\$84.61
Over 20,000 sq. ft.	\$47.80 + \$1.21 per 1k sf	\$2.14	\$2.14	\$2.14	\$2.14	\$2.14
Flat Rate Commercial	\$ per Month					
3/4" - 5/8"	\$26.60	\$47.08	\$47.08	\$47.08	\$47.08	\$47.08
1"	\$36.75	\$65.05	\$65.05	\$65.05	\$65.05	\$65.05
1 1/2"	\$53.15	\$94.08	\$94.08	\$94.08	\$94.08	\$94.08
2"	\$107.60	\$190.45	\$190.45	\$190.45	\$190.45	\$190.45
Meter Readiness to Service Charge	\$ per Month					
5/8"	\$15.10	\$15.66	\$15.66	\$15.66	\$15.66	\$15.66
1"	\$21.00	\$39.15	\$39.15	\$39.15	\$39.15	\$39.15
1 1/2"	\$30.40	\$78.31	\$78.31	\$78.31	\$78.31	\$78.31
2"	\$61.45	\$125.29	\$125.29	\$125.29	\$125.29	\$125.29
3"	\$114.25	\$234.92	\$234.92	\$234.92	\$234.92	\$234.92
4"	\$186.05	\$391.53	\$391.53	\$391.53	\$391.53	\$391.53
6"	\$320.20	\$783.06	\$783.06	\$783.06	\$783.06	\$783.06
Volumetric Rate Commercial						
\$ per 100 CU ft	\$0.95	\$1.47	\$1.47	\$1.47	\$1.47	\$1.47
Temporary Water Service (construction water)						
\$ per 100 CU ft	\$1.43	\$2.53	\$2.53	\$2.53	\$2.53	\$2.53
Fire Service Rates						
4"	\$54.00	\$78.31	\$78.31	\$78.31	\$78.31	\$78.31
6"	\$81.00	\$156.61	\$156.61	\$156.61	\$156.61	\$156.61
8"	\$108.00	\$250.58	\$250.58	\$250.58	\$250.58	\$250.58
10"	\$135.00	\$360.21	\$360.21	\$360.21	\$360.21	\$360.21
System Maintenance Charge Increase		0.00%	0.00%	0.00%	0.00%	0.00%
Service Maintenance Charge - No Increases						
Resi up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Resi over 1" (Per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Duplex (each side)	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Extra Tap (per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial 1 1/2"	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10
Commercial 2"	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75
Commercial 3"	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30
Commercial 4"	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50
Commercial 6"	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00
Typical Monthly Bill - SFR, 8,000 sf lot	\$43.65	\$59.51	\$59.51	\$59.51	\$59.51	\$59.51
Overall Bill Percent Increase		36.3%	0.0%	0.0%	0.0%	0.0%

Table 10e

Del Paso Manor WD

Projected Water Rates - Same Structure, 2-Year Increase

Assumes 2-Year Rate Increase, 9 Month O&M Reserve, No Rate Structure Change

	Current	2018/19	2019/20	2020/21	2021/22	2022/23
O&M Charges		38.00%	35.00%	0.00%	0.00%	0.00%
Single Family Home	\$ per Month					
0 - 5,000 sq. ft.	\$15.75	\$21.74	\$29.35	\$29.35	\$29.35	\$29.35
5,001 - 8,000 sq. ft.	\$20.60	\$28.43	\$38.38	\$38.38	\$38.38	\$38.38
8,001 - 11,000 sq. ft.	\$24.20	\$33.40	\$45.09	\$45.09	\$45.09	\$45.09
11,001 - 14,000 sq. ft.	\$27.85	\$38.43	\$51.88	\$51.88	\$51.88	\$51.88
14,001 - 17,000 sq. ft.	\$31.45	\$43.40	\$58.59	\$58.59	\$58.59	\$58.59
17,001 - 20,000 sq. ft.	\$35.10	\$48.44	\$65.39	\$65.39	\$65.39	\$65.39
Over 20,000 sq. ft.	\$35.10 + \$1.21 per 1k sf	\$1.67	\$2.25	\$2.25	\$2.25	\$2.25
Duplex/Multi-Family	\$ per Month					
0 - 5,000 sq. ft.	\$28.45	\$39.26	\$53.00	\$53.00	\$53.00	\$53.00
5,001 - 8,000 sq. ft.	\$33.30	\$45.95	\$62.03	\$62.03	\$62.03	\$62.03
8,001 - 11,000 sq. ft.	\$36.90	\$50.92	\$68.74	\$68.74	\$68.74	\$68.74
11,001 - 14,000 sq. ft.	\$40.55	\$55.96	\$75.55	\$75.55	\$75.55	\$75.55
14,001 - 17,000 sq. ft.	\$44.20	\$61.00	\$82.35	\$82.35	\$82.35	\$82.35
17,001 - 20,000 sq. ft.	\$47.80	\$65.96	\$89.05	\$89.05	\$89.05	\$89.05
Over 20,000 sq. ft.	\$47.80 + \$1.21 per 1k sf	\$1.67	\$2.25	\$2.25	\$2.25	\$2.25
Flat Rate Commercial	\$ per Month					
3/4" - 5/8"	\$26.60	\$36.71	\$49.56	\$49.56	\$49.56	\$49.56
1"	\$36.75	\$50.72	\$68.47	\$68.47	\$68.47	\$68.47
1 1/2"	\$53.15	\$73.35	\$99.02	\$99.02	\$99.02	\$99.02
2"	\$107.60	\$148.49	\$200.46	\$200.46	\$200.46	\$200.46
Meter Readiness to Service Charge	\$ per Month					
5/8"	\$15.10	\$20.84	\$28.13	\$28.13	\$28.13	\$28.13
1"	\$21.00	\$28.98	\$39.12	\$39.12	\$39.12	\$39.12
1 1/2"	\$30.40	\$41.95	\$56.63	\$56.63	\$56.63	\$56.63
2"	\$61.45	\$84.80	\$114.48	\$114.48	\$114.48	\$114.48
3"	\$114.25	\$157.67	\$212.85	\$212.85	\$212.85	\$212.85
4"	\$186.05	\$256.75	\$346.61	\$346.61	\$346.61	\$346.61
6"	\$320.20	\$441.88	\$596.54	\$596.54	\$596.54	\$596.54
Volumetric Rate Commercial						
\$ per 100 CU ft	\$0.95	\$1.31	\$1.77	\$1.77	\$1.77	\$1.77
Temporary Water Service (construction water)						
\$ per 100 CU ft	\$1.43	\$1.97	\$2.66	\$2.66	\$2.66	\$2.66
System Maintenance Charge Increase		0.00%	0.00%	0.00%	0.00%	0.00%
Service Maintenance Charge - No Increases						
Resi up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Resi over 1" (Per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Duplex (each side)	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Extra Tap (per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial 1 1/2"	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10
Commercial 2"	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75
Commercial 3"	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30
Commercial 4"	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50
Commercial 6"	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00
Typical Monthly Bill - SFR, 8,000 sf lot	\$43.65	\$51.48	\$61.43	\$61.43	\$61.43	\$61.43
Overall Bill Percent Increase		17.9%	19.3%	0.0%	0.0%	0.0%

Table 10f

Del Paso Manor WD

Assumes 1-Year Rate Increase, 12 Month O&M Reserve, No Rate Structure Change

Projected Water Rates - Same Structure, 1-Year Increase

	Current	2018/19	2019/20	2020/21	2021/22	2022/23
O&M Charges		85.00%	0.00%	0.00%	0.00%	0.00%
Single Family Home	\$ per Month					
0 - 5,000 sq. ft.	\$15.75	\$29.14	\$29.14	\$29.14	\$29.14	\$29.14
5,001 - 8,000 sq. ft.	\$20.60	\$38.11	\$38.11	\$38.11	\$38.11	\$38.11
8,001 - 11,000 sq. ft.	\$24.20	\$44.77	\$44.77	\$44.77	\$44.77	\$44.77
11,001 - 14,000 sq. ft.	\$27.85	\$51.52	\$51.52	\$51.52	\$51.52	\$51.52
14,001 - 17,000 sq. ft.	\$31.45	\$58.18	\$58.18	\$58.18	\$58.18	\$58.18
17,001 - 20,000 sq. ft.	\$35.10	\$64.94	\$64.94	\$64.94	\$64.94	\$64.94
Over 20,000 sq. ft.	\$35.10 + \$1.21 per 1k sf	\$2.24	\$2.24	\$2.24	\$2.24	\$2.24
Duplex/Multi-Family	\$ per Month					
0 - 5,000 sq. ft.	\$28.45	\$52.63	\$52.63	\$52.63	\$52.63	\$52.63
5,001 - 8,000 sq. ft.	\$33.30	\$61.61	\$61.61	\$61.61	\$61.61	\$61.61
8,001 - 11,000 sq. ft.	\$36.90	\$68.27	\$68.27	\$68.27	\$68.27	\$68.27
11,001 - 14,000 sq. ft.	\$40.55	\$75.02	\$75.02	\$75.02	\$75.02	\$75.02
14,001 - 17,000 sq. ft.	\$44.20	\$81.77	\$81.77	\$81.77	\$81.77	\$81.77
17,001 - 20,000 sq. ft.	\$47.80	\$88.43	\$88.43	\$88.43	\$88.43	\$88.43
Over 20,000 sq. ft.	\$47.80 + \$1.21 per 1k sf	\$2.24	\$2.24	\$2.24	\$2.24	\$2.24
Flat Rate Commercial	\$ per Month					
3/4" - 5/8"	\$26.60	\$49.21	\$49.21	\$49.21	\$49.21	\$49.21
1"	\$36.75	\$67.99	\$67.99	\$67.99	\$67.99	\$67.99
1 1/2"	\$53.15	\$98.33	\$98.33	\$98.33	\$98.33	\$98.33
2"	\$107.60	\$199.06	\$199.06	\$199.06	\$199.06	\$199.06
Meter Readiness to Service Charge	\$ per Month					
5/8"	\$15.10	\$16.37	\$16.37	\$16.37	\$16.37	\$16.37
1"	\$21.00	\$40.92	\$40.92	\$40.92	\$40.92	\$40.92
1 1/2"	\$30.40	\$81.84	\$81.84	\$81.84	\$81.84	\$81.84
2"	\$61.45	\$130.95	\$130.95	\$130.95	\$130.95	\$130.95
3"	\$114.25	\$245.53	\$245.53	\$245.53	\$245.53	\$245.53
4"	\$186.05	\$409.22	\$409.22	\$409.22	\$409.22	\$409.22
6"	\$320.20	\$818.45	\$818.45	\$818.45	\$818.45	\$818.45
Volumetric Rate Commercial						
\$ per 100 CU ft	\$0.95	\$1.53	\$1.53	\$1.53	\$1.53	\$1.53
Temporary Water Service (construction water)						
\$ per 100 CU ft	\$1.43	\$2.65	\$2.65	\$2.65	\$2.65	\$2.65
Fire Service Rates						
4"	\$54.00	\$81.84	\$81.84	\$81.84	\$81.84	\$81.84
6"	\$81.00	\$163.69	\$163.69	\$163.69	\$163.69	\$163.69
8"	\$108.00	\$261.90	\$261.90	\$261.90	\$261.90	\$261.90
10"	\$135.00	\$376.49	\$376.49	\$376.49	\$376.49	\$376.49
System Maintenance Charge Increase		0.00%	0.00%	0.00%	0.00%	0.00%
Service Maintenance Charge - No Increases						
Resi up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Resi over 1" (Per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Duplex (each side)	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Extra Tap (per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial 1 1/2"	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10
Commercial 2"	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75
Commercial 3"	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30
Commercial 4"	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50
Commercial 6"	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00
Typical Monthly Bill - SFR, 8,000 sf lot	\$43.65	\$61.16	\$61.16	\$61.16	\$61.16	\$61.16
Overall Bill Percent Increase		40.1%	0.0%	0.0%	0.0%	0.0%

Table 10g

Del Paso Manor WD

Assumes 2-Year Rate Increase, 12 Month O&M Reserve, No Rate Structure Change

Projected Water Rates - Same Structure, 2-Year Increase

	Current	2018/19	2019/20	2020/21	2021/22	2022/23
O&M Charges		40.00%	40.00%	0.00%	0.00%	0.00%
Single Family Home	\$ per Month					
0 - 5,000 sq. ft.	\$15.75	\$22.05	\$30.87	\$30.87	\$30.87	\$30.87
5,001 - 8,000 sq. ft.	\$20.60	\$28.84	\$40.38	\$40.38	\$40.38	\$40.38
8,001 - 11,000 sq. ft.	\$24.20	\$33.88	\$47.43	\$47.43	\$47.43	\$47.43
11,001 - 14,000 sq. ft.	\$27.85	\$38.99	\$54.59	\$54.59	\$54.59	\$54.59
14,001 - 17,000 sq. ft.	\$31.45	\$44.03	\$61.64	\$61.64	\$61.64	\$61.64
17,001 - 20,000 sq. ft.	\$35.10	\$49.14	\$68.80	\$68.80	\$68.80	\$68.80
Over 20,000 sq. ft.	\$35.10 + \$1.21 per 1k sf	\$1.69	\$2.37	\$2.37	\$2.37	\$2.37
Duplex/Multi-Family	\$ per Month					
0 - 5,000 sq. ft.	\$28.45	\$39.83	\$55.76	\$55.76	\$55.76	\$55.76
5,001 - 8,000 sq. ft.	\$33.30	\$46.62	\$65.27	\$65.27	\$65.27	\$65.27
8,001 - 11,000 sq. ft.	\$36.90	\$51.66	\$72.32	\$72.32	\$72.32	\$72.32
11,001 - 14,000 sq. ft.	\$40.55	\$56.77	\$79.48	\$79.48	\$79.48	\$79.48
14,001 - 17,000 sq. ft.	\$44.20	\$61.88	\$86.63	\$86.63	\$86.63	\$86.63
17,001 - 20,000 sq. ft.	\$47.80	\$66.92	\$93.69	\$93.69	\$93.69	\$93.69
Over 20,000 sq. ft.	\$47.80 + \$1.21 per 1k sf	\$1.69	\$2.37	\$2.37	\$2.37	\$2.37
Flat Rate Commercial	\$ per Month					
3/4" - 5/8"	\$26.60	\$37.24	\$52.14	\$52.14	\$52.14	\$52.14
1"	\$36.75	\$51.45	\$72.03	\$72.03	\$72.03	\$72.03
1 1/2"	\$53.15	\$74.41	\$104.17	\$104.17	\$104.17	\$104.17
2"	\$107.60	\$150.64	\$210.90	\$210.90	\$210.90	\$210.90
Meter Readiness to Service Charge	\$ per Month					
5/8"	\$15.10	\$21.14	\$29.60	\$29.60	\$29.60	\$29.60
1"	\$21.00	\$29.40	\$41.16	\$41.16	\$41.16	\$41.16
1 1/2"	\$30.40	\$42.56	\$59.58	\$59.58	\$59.58	\$59.58
2"	\$61.45	\$86.03	\$120.44	\$120.44	\$120.44	\$120.44
3"	\$114.25	\$159.95	\$223.93	\$223.93	\$223.93	\$223.93
4"	\$186.05	\$260.47	\$364.66	\$364.66	\$364.66	\$364.66
6"	\$320.20	\$448.28	\$627.59	\$627.59	\$627.59	\$627.59
Volumetric Rate Commercial						
\$ per 100 CU ft	\$0.95	\$1.33	\$1.86	\$1.86	\$1.86	\$1.86
Temporary Water Service (construction water)						
\$ per 100 CU ft	\$1.43	\$2.00	\$2.80	\$2.80	\$2.80	\$2.80
System Maintenance Charge Increase		0.00%	0.00%	0.00%	0.00%	0.00%
Service Maintenance Charge - No Increases						
Resi up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Resi over 1" (Per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Duplex (each side)	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Extra Tap (per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial 1 1/2"	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10
Commercial 2"	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75
Commercial 3"	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30
Commercial 4"	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50
Commercial 6"	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00
Typical Monthly Bill - SFR, 8,000 sf lot	\$43.65	\$51.89	\$63.43	\$63.43	\$63.43	\$63.43
Overall Bill Percent Increase		18.9%	22.2%	0.0%	0.0%	0.0%

Table 10h

Del Paso Manor WD

Assumes 1-Year, 45% O&M Rate Increase, No Rate Structure Change

Projected Water Rates - Same Structure, 45% O&M Rate Increase

Current	2018/19	2019/20	2020/21	2021/22	2022/23
O&M Charges	45.00%	0.00%	0.00%	0.00%	0.00%
Single Family Home					
\$ per Month					
0 - 5,000 sq. ft.	\$15.75	\$22.84	\$22.84	\$22.84	\$22.84
5,001 - 8,000 sq. ft.	\$20.60	\$29.87	\$29.87	\$29.87	\$29.87
8,001 - 11,000 sq. ft.	\$24.20	\$35.09	\$35.09	\$35.09	\$35.09
11,001 - 14,000 sq. ft.	\$27.85	\$40.38	\$40.38	\$40.38	\$40.38
14,001 - 17,000 sq. ft.	\$31.45	\$45.60	\$45.60	\$45.60	\$45.60
17,001 - 20,000 sq. ft.	\$35.10	\$50.90	\$50.90	\$50.90	\$50.90
Over 20,000 sq. ft.	\$35.10 + \$1.21 per 1k sf	\$1.75	\$1.75	\$1.75	\$1.75
Duplex/Multi-Family					
\$ per Month					
0 - 5,000 sq. ft.	\$28.45	\$41.25	\$41.25	\$41.25	\$41.25
5,001 - 8,000 sq. ft.	\$33.30	\$48.29	\$48.29	\$48.29	\$48.29
8,001 - 11,000 sq. ft.	\$36.90	\$53.51	\$53.51	\$53.51	\$53.51
11,001 - 14,000 sq. ft.	\$40.55	\$58.80	\$58.80	\$58.80	\$58.80
14,001 - 17,000 sq. ft.	\$44.20	\$64.09	\$64.09	\$64.09	\$64.09
17,001 - 20,000 sq. ft.	\$47.80	\$69.31	\$69.31	\$69.31	\$69.31
Over 20,000 sq. ft.	\$47.80 + \$1.21 per 1k sf	\$1.75	\$1.75	\$1.75	\$1.75
Flat Rate Commercial					
\$ per Month					
3/4" - 5/8"	\$26.60	\$38.57	\$38.57	\$38.57	\$38.57
1"	\$36.75	\$53.29	\$53.29	\$53.29	\$53.29
1 1/2"	\$53.15	\$77.07	\$77.07	\$77.07	\$77.07
2"	\$107.60	\$156.02	\$156.02	\$156.02	\$156.02
Meter Readiness to Service Charge					
\$ per Month					
5/8"	\$15.10	\$21.90	\$21.90	\$21.90	\$21.90
1"	\$21.00	\$30.45	\$30.45	\$30.45	\$30.45
1 1/2"	\$30.40	\$44.08	\$44.08	\$44.08	\$44.08
2"	\$61.45	\$89.10	\$89.10	\$89.10	\$89.10
3"	\$114.25	\$165.66	\$165.66	\$165.66	\$165.66
4"	\$186.05	\$269.77	\$269.77	\$269.77	\$269.77
6"	\$320.20	\$464.29	\$464.29	\$464.29	\$464.29
Volumetric Rate Commercial					
\$ per 100 CU ft	\$0.95	\$1.38	\$1.38	\$1.38	\$1.38
Temporary Water Service (construction water)					
\$ per 100 CU ft	\$1.43	\$2.07	\$2.07	\$2.07	\$2.07
System Maintenance Charge Increase	0.00%	0.00%	0.00%	0.00%	0.00%
Service Maintenance Charge - No Increases					
Resi up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Resi over 1" (Per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Duplex (each side)	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Extra Tap (per 1")	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial up to 1"	\$23.05	\$23.05	\$23.05	\$23.05	\$23.05
Commercial 1 1/2"	\$46.10	\$46.10	\$46.10	\$46.10	\$46.10
Commercial 2"	\$73.75	\$73.75	\$73.75	\$73.75	\$73.75
Commercial 3"	\$138.30	\$138.30	\$138.30	\$138.30	\$138.30
Commercial 4"	\$230.50	\$230.50	\$230.50	\$230.50	\$230.50
Commercial 6"	\$461.00	\$461.00	\$461.00	\$461.00	\$461.00
Typical Monthly Bill - SFR, 8,000 sf lot	\$43.65	\$52.92	\$52.92	\$52.92	\$52.92
Overall Bill Percent Increase		21.2%	0.0%	0.0%	0.0%

Chart 2 - Single Family Residential Monthly Water Rate Projection: 1Yr Increase*

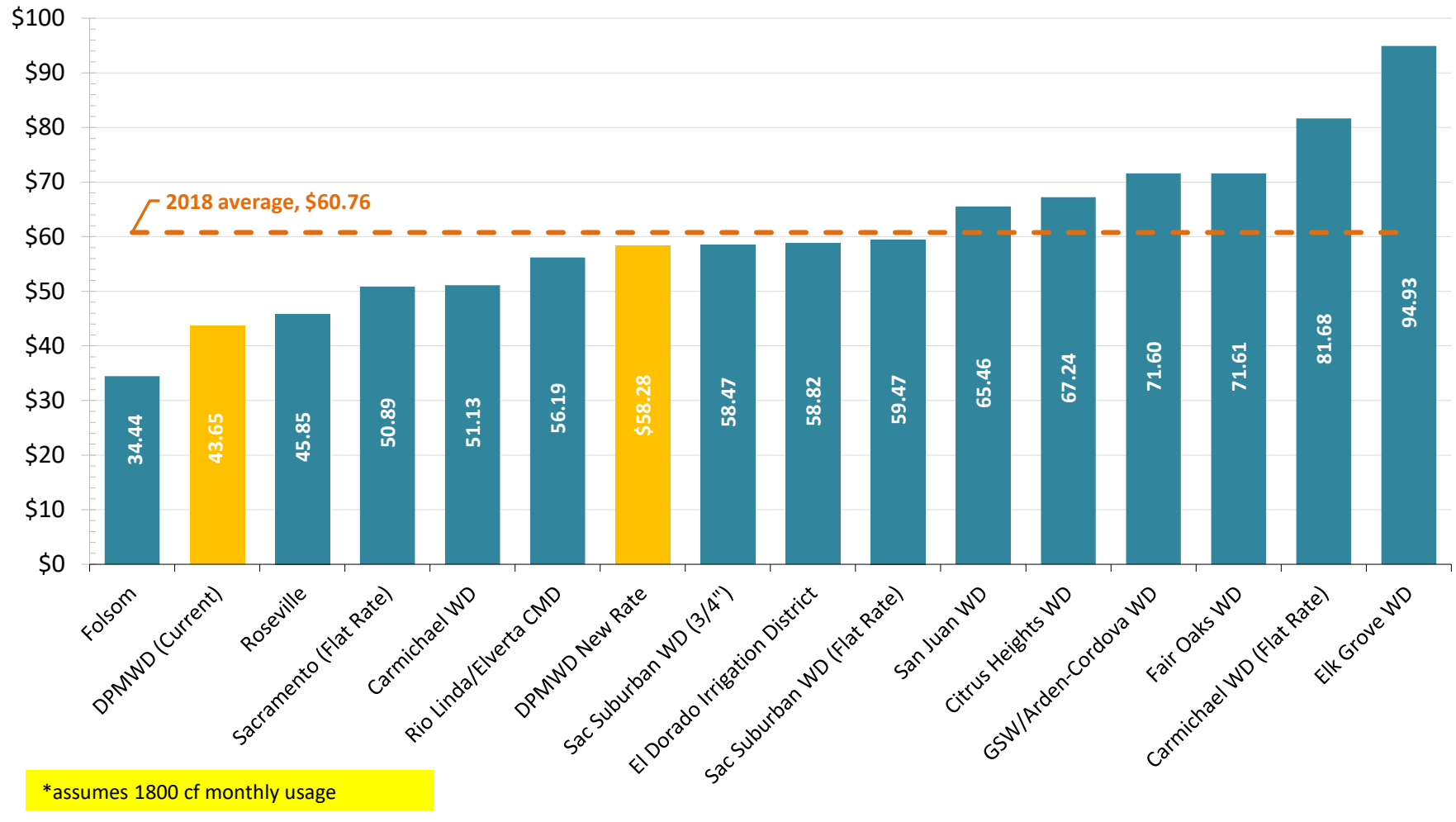
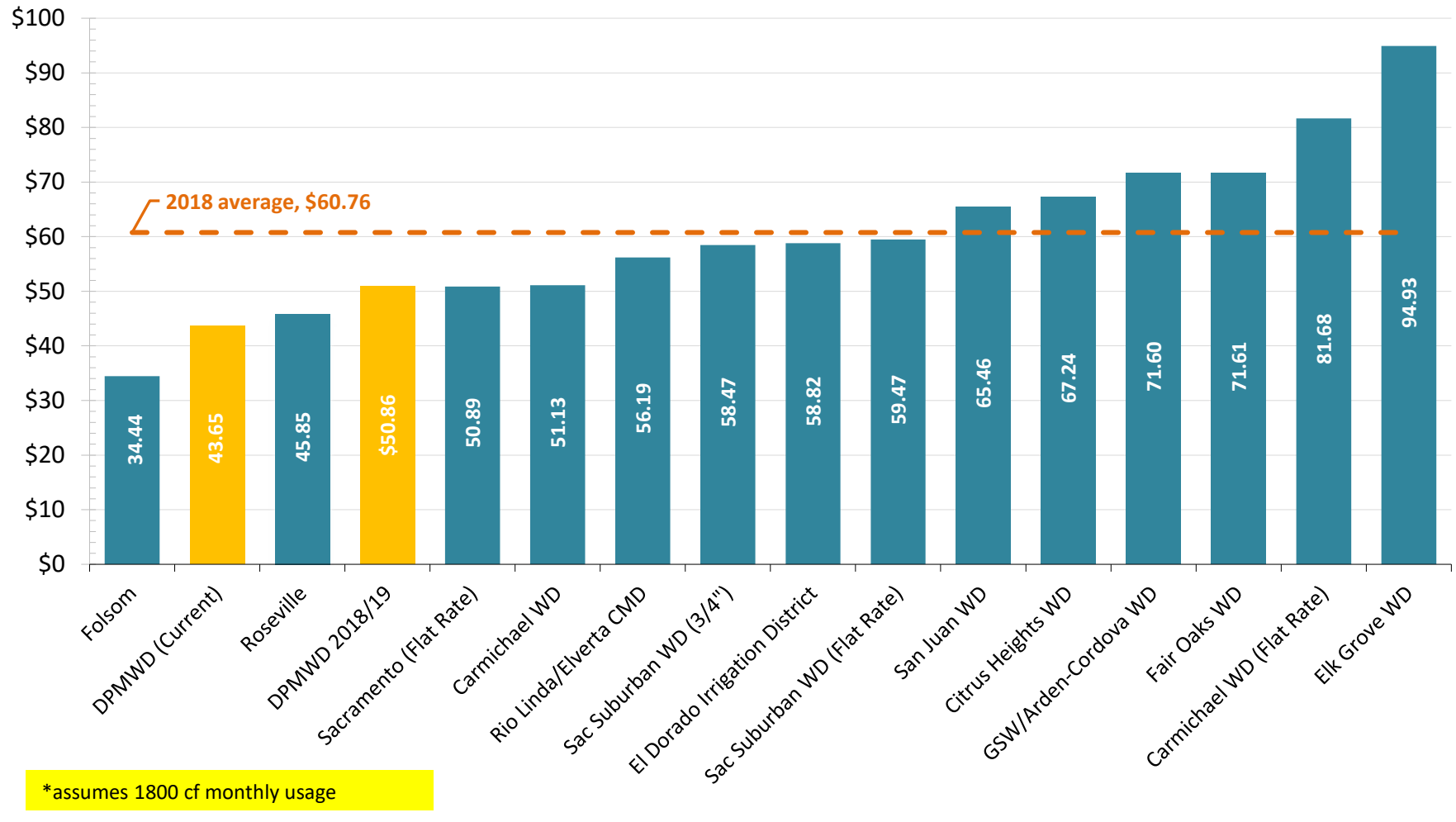
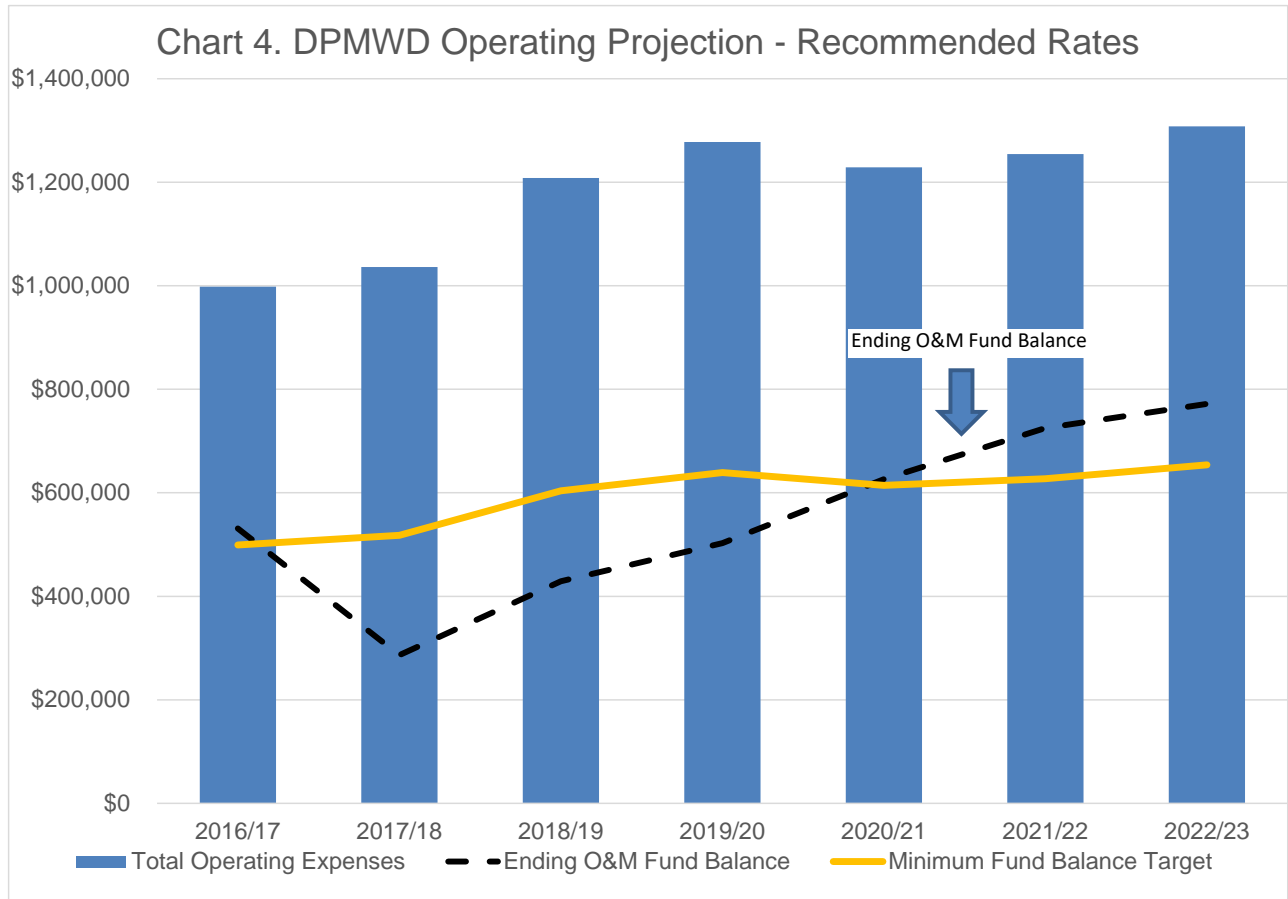


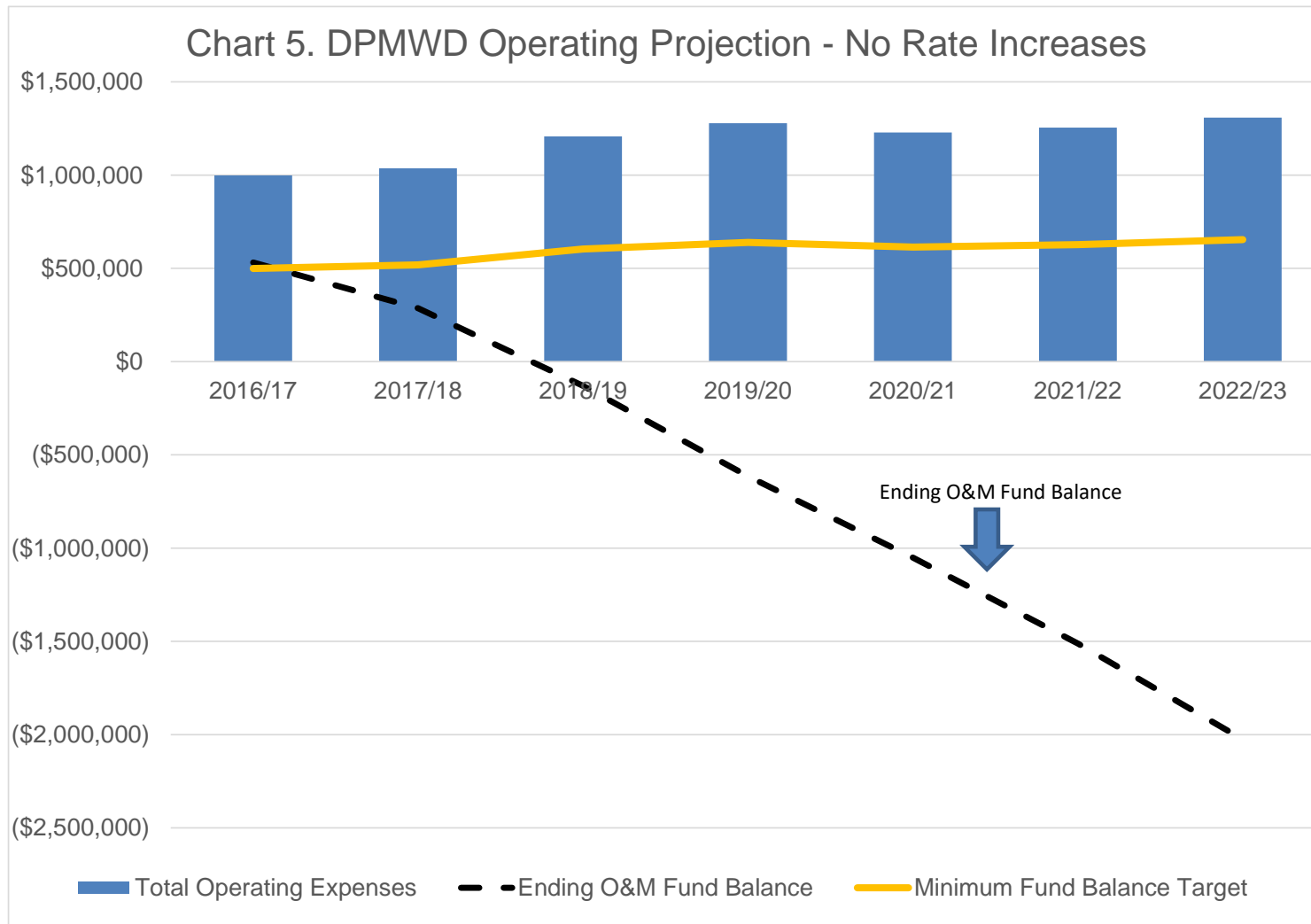
Chart 3 - Single Family Residential Monthly Water Rate Projection: 2Yr Increase*





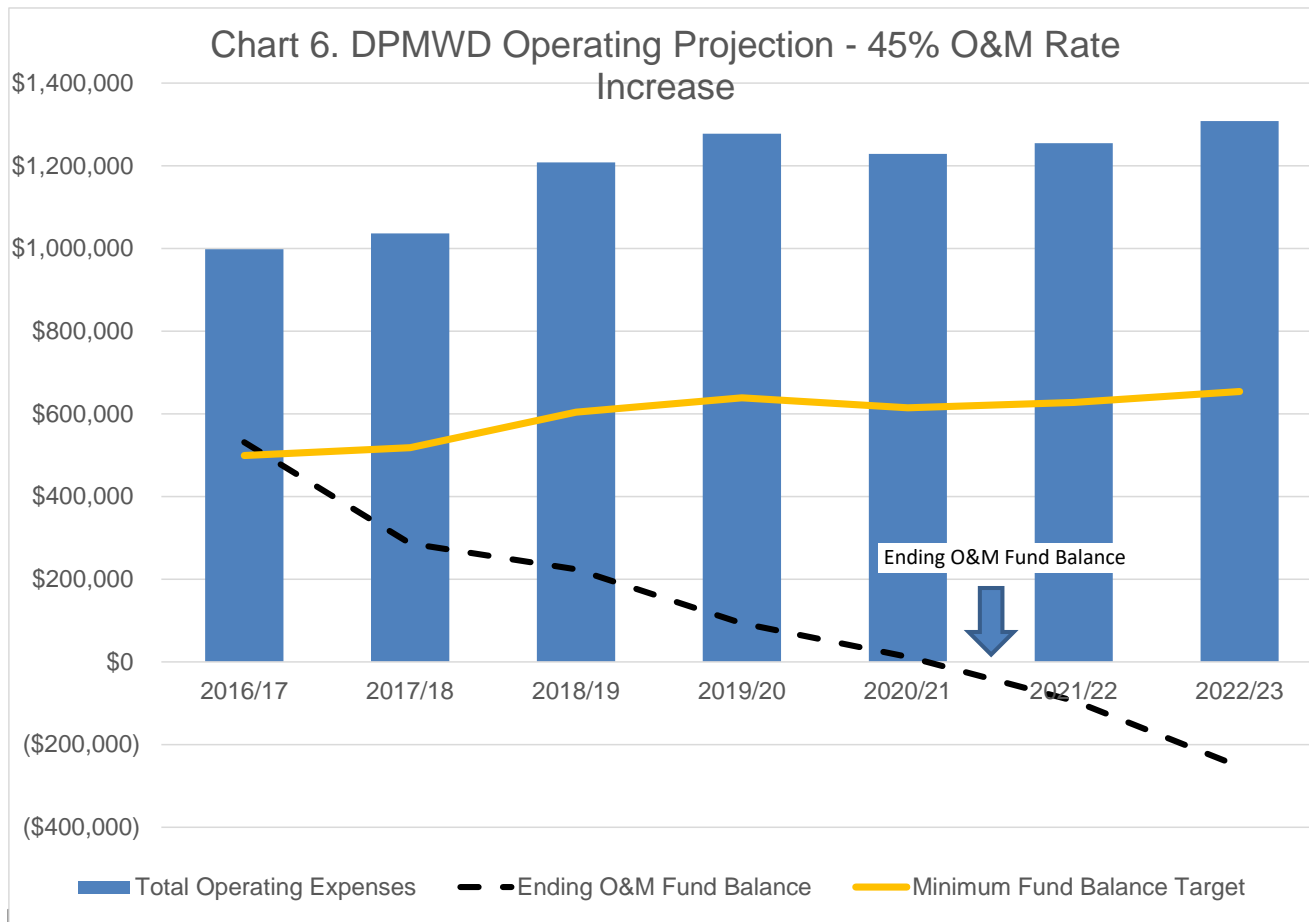
DPMWD - RECOMMENDED RATE INCREASES

1. Operating Reserves reach target in 2020/21
2. District will meet all debt service coverage requirements



DPMWD - RESULTS OF NO RATE INCREASES

1. Operating Reserves go Negative in 2019/20
2. District Will Fail Debt Service Coverage Requirement in 2019/20
3. Total Reserves (Operating and System Maintenance) Will go Negative in 2020/21



1. Operating Reserves go Negative in 2021/22

Table 11a
Del Paso Manor WD
Debt Service Coverage Calculation, 1-Year Increase

Assumes 1 Year Rate Increase

Future D.S. Coverage Projection

	Actual 16/17	Notes	17/18	18/19	19/20	20/21	21/22	22/23
FY 2017 Revenues								
Gross Revenues:								
Water Sales	1,389,987	<i>FY17 Audit, Pg 8</i>						
Interest Income	4,762	<i>FY17 Audit, Pg 8</i>						
Other	1,111	<i>FY17 Audit, Pg 8</i>						
Total Gross Revenues	1,395,860		\$1,386,380	\$1,946,071	\$1,947,500	\$1,948,929	\$1,950,358	\$1,951,788
Unrestricted Reserves (End of FY16)								
Cash	731,228	<i>FY16 Audit, Pg 13</i>						
Investments	631,691	<i>FY16 Audit, Pg 13</i>						
Total Unrestricted Reserves	1,362,919		\$1,294,591	\$1,246,953	\$754,026	\$682,027	\$1,035,043	\$1,364,039
Total Revenues Available for Coverage	2,758,779		2,680,971	3,193,024	2,701,526	2,630,956	2,985,401	3,315,827
FY 2017 O&M Expenses								
Source of Supply:								
Water Purchases	5,332	<i>FY17 Audit Pg 8</i>						
Pumping	98,273	<i>FY17 Audit Pg 8</i>						
Water Treatment	5,250	<i>FY17 Audit Pg 8</i>						
Transmission & Distribution	297,616	<i>FY17 Audit Pg 8</i>						
Administration & General	589,925	<i>FY17 Audit Pg 8</i>						
Total Operating Expenses	996,396		1,036,143	1,208,023	1,277,787	1,228,700	1,254,600	1,308,000
FY 2017 Net Revenue	1,762,383		1,644,828	1,985,001	1,423,739	1,402,256	1,730,801	2,007,827
FY 2017 Debt Service								
Principal	100,000	<i>Audit Pg 9</i>						
Interest	268,338	<i>Audit Pg 9</i>						
Total Debt Service	368,338		\$369,875	\$370,975	\$366,713	\$367,213	\$366,763	\$370,200
FY 2017 Debt Service Coverage	478%		445%	535%	388%	382%	472%	542%
Debt Service Coverage Requirement	120%		120%	120%	120%	120%	120%	120%
Result:	Pass		Pass	Pass	Pass	Pass	Pass	Pass
<i>Coverage Without Reserves</i>								
<i>FY 2017 Net Revenue</i>	<i>399,464</i>		<i>350,237</i>	<i>738,048</i>	<i>669,713</i>	<i>720,229</i>	<i>695,758</i>	<i>643,788</i>
<i>FY 2017 Coverage Without Reserves</i>	<i>108%</i>		<i>95%</i>	<i>199%</i>	<i>183%</i>	<i>196%</i>	<i>190%</i>	<i>174%</i>

Table 11b
Del Paso Manor WD
Debt Service Coverage Calculation, 2-Year Increase

Assumes 2-Year Rate Increase

			Future D.S. Coverage Projection					
	Actual	Notes	17/18	18/19	19/20	20/21	21/22	22/23
FY 2017 Revenues	16/17							
Gross Revenues:								
Water Sales	1,389,987	<i>FY17 Audit, Pg 8</i>						
Interest Income	4,762	<i>FY17 Audit, Pg 8</i>						
Other	1,111	<i>FY17 Audit, Pg 8</i>						
Total Gross Revenues	1,395,860		\$1,386,380	\$1,662,771	\$2,014,800	\$2,016,229	\$2,017,658	\$2,019,088
Unrestricted Reserves (End of FY16)								
Cash	731,228	<i>FY16 Audit, Pg 13</i>						
Investments	631,691	<i>FY16 Audit, Pg 13</i>						
Total Unrestricted Reserves	1,362,919		\$1,294,591	\$1,246,953	\$470,726	\$466,027	\$886,343	\$1,282,639
Total Revenues Available for Coverage	2,758,779		2,680,971	2,909,724	2,485,526	2,482,256	2,904,001	3,301,727
FY 2017 O&M Expenses								
Source of Supply:								
Water Purchases	5,332	<i>FY'17 Audit Pg 8</i>						
Pumping	98,273	<i>FY'17 Audit Pg 8</i>						
Water Treatment	5,250	<i>FY'17 Audit Pg 8</i>						
Transmission & Distribution	297,616	<i>FY'17 Audit Pg 8</i>						
Administration & General	589,925	<i>FY'17 Audit Pg 8</i>						
Total Operating Expenses	996,396		1,036,143	1,208,023	1,277,787	1,228,700	1,254,600	1,308,000
FY 2017 Net Revenue	1,762,383		1,644,828	1,701,701	1,207,739	1,253,556	1,649,401	1,993,727
FY 2017 Debt Service								
Principal	100,000	<i>Audit Pg 9</i>						
Interest	268,338	<i>Audit Pg 9</i>						
Total Debt Service	368,338		\$369,875	\$370,975	\$366,713	\$367,213	\$366,763	\$370,200
FY 2017 Debt Service Coverage	478%		445%	459%	329%	341%	450%	539%
Debt Service Coverage Requirement	120%		120%	120%	120%	120%	120%	120%
Result:	Pass		Pass	Pass	Pass	Pass	Pass	Pass
<i>Coverage Without Reserves</i>								
<i>FY 2017 Net Revenue</i>	<i>399,464</i>		<i>350,237</i>	<i>454,748</i>	<i>737,013</i>	<i>787,529</i>	<i>763,058</i>	<i>711,088</i>
<i>FY 2017 Coverage Without Reserves</i>	<i>108%</i>		<i>95%</i>	<i>123%</i>	<i>201%</i>	<i>214%</i>	<i>208%</i>	<i>192%</i>

Table 11c
Del Paso Manor WD
Debt Service Coverage Calculation, No Rate Increase

Assumes No Rate Increase

			Future D.S. Coverage Projection					
	Actual	Notes	17/18	18/19	19/20	20/21	21/22	22/23
FY 2017 Revenues	16/17							
Gross Revenues:								
Water Sales	1,389,987	<i>FY17 Audit, Pg 8</i>						
Interest Income	4,762	<i>FY17 Audit, Pg 8</i>						
Other	1,111	<i>FY17 Audit, Pg 8</i>						
Total Gross Revenues	1,395,860		\$1,386,380	\$1,387,371	\$1,388,400	\$1,389,429	\$1,390,458	\$1,391,488
Unrestricted Reserves (End of FY16)								
Cash	731,228	<i>FY16 Audit, Pg 13</i>						
Investments	631,691	<i>FY16 Audit, Pg 13</i>						
Total Unrestricted Reserves	1,362,919		\$1,294,591	\$1,246,953	\$195,326	(\$435,773)	(\$642,257)	(\$873,161)
Total Revenues Available for Coverage	2,758,779		2,680,971	2,634,324	1,583,726	953,656	748,201	518,327
FY 2017 O&M Expenses								
Source of Supply:								
Water Purchases	5,332	<i>FY'17 Audit Pg 8</i>						
Pumping	98,273	<i>FY'17 Audit Pg 8</i>						
Water Treatment	5,250	<i>FY'17 Audit Pg 8</i>						
Transmission & Distribution	297,616	<i>FY'17 Audit Pg 8</i>						
Administration & General	589,925	<i>FY'17 Audit Pg 8</i>						
Total Operating Expenses	996,396		1,036,143	1,208,023	1,277,787	1,228,700	1,254,600	1,308,000
FY 2017 Net Revenue	1,762,383		1,644,828	1,426,301	305,939	-275,044	-506,399	-789,673
FY 2017 Debt Service								
Principal	100,000	<i>Audit Pg 9</i>						
Interest	268,338	<i>Audit Pg 9</i>						
Total Debt Service	368,338		\$369,875	\$370,975	\$366,713	\$367,213	\$366,763	\$370,200
FY 2017 Debt Service Coverage	478%		445%	384%	83%	-75%	-138%	-213%
Debt Service Coverage Requirement	120%		120%	120%	120%	120%	120%	120%
Result:	Pass		Pass	Pass	Fail	Fail	Fail	Fail
Coverage Without Reserves								
<i>FY 2017 Net Revenue</i>	<i>399,464</i>		350,237	179,348	110,613	160,729	135,858	83,488
<i>FY 2017 Coverage Without Reserves</i>	<i>108%</i>		95%	48%	30%	44%	37%	23%

**Table 12
Summary of Proposed Commercial Metered Rates
Del Paso Manor WD**

Commercial Metered Rates (Unrounded)

Meter Readiness to Service Charge	Current \$ per Month	Current Meter Ratio	AWWA Max Flow (gpm)	AWWA Meter Ratio	Selected Option 6 Month Reserve Target (Hit Target by yr 3) 71% Unrounded \$ per Month		9 Month Reserve Target (Hit Target by yr 5) 77% \$ per Month		12 Month Reserve Target (Hit Target by yr 5) 85% \$ per Month	
5/8"	\$15.10	0.7	20	0.4	\$15.13	0%	\$15.66	4%	\$16.37	8%
1"	\$21.00	1.0	50	1.0	\$37.83	80%	\$39.15	86%	\$40.92	95%
1 1/2"	\$30.40	1.5	100	2.0	\$75.65	149%	\$78.31	158%	\$81.84	169%
2"	\$61.45	2.9	160	3.2	\$121.04	97%	\$125.29	104%	\$130.95	113%
3"	\$114.25	5.4	300	6.0	\$226.95	99%	\$234.92	106%	\$245.53	115%
4"	\$186.05	8.9	500	10.0	\$378.26	103%	\$391.53	110%	\$409.22	120%
6"	\$320.20	15.3	1000	20.0	\$756.51	136%	\$783.06	145%	\$818.45	156%
8"	N/A	N/A	1600	32.0	\$1,210.42	N/A	\$1,252.89	N/A	\$1,309.52	N/A
10"	N/A	N/A	2300	46.0	\$1,739.98	N/A	\$1,801.03	N/A	\$1,882.43	N/A
Volumetric Rate - Commercial Metered										
\$ per 100 CU ft	\$0.95	New Volumetric Rate \$/CCF			\$1.39	46%	\$1.47	55%	\$1.53	61%
Fire Service Standby Rates	Current Rates									
4"	\$54.00				\$75.65	40%	\$78.31	45%	\$81.84	52%
6"	\$81.00				\$151.30	87%	\$156.61	93%	\$163.69	102%
8"	\$108.00				\$242.08	124%	\$250.58	132%	\$261.90	143%
10"	\$135.00				\$348.00	158%	\$360.21	167%	\$376.49	179%
Volumetric Rate - Temporary Cons	\$1.43				\$2.09	46%				

**Table 13
Del Paso Manor WD
Metered Water Rates Calculation - 6 Month Reserve Target**

Single Family Residential	\$ per Month	Estimated Use Units	Calculated Volumetric Cost	Equivalent 5/8" Metered Fixed Cost
5,001 - 8,000 sq. ft.	\$20.60	18.00	\$17.10	\$7.30

Meter Readiness to Service Charge	\$ per Month	DPMWD Current Ratio	AWWA Flow (gpm)	AWWA Ratio	Restructured	Accounts	Current Annual Revenues	Restructured Annual Meter Revenues
5/8"	\$15.10	0.7	20	0.4	\$7.30	1	\$181.20	\$87.60
1"	\$21.00	1.0	50	1.0	\$18.25	16	\$4,032.00	\$3,504.00
1 1/2"	\$30.40	1.5	100	2.0	\$36.50	25	\$9,120.00	\$10,950.00
2"	\$61.45	2.9	160	3.2	\$58.40	37	\$27,283.80	\$25,929.60
3"	\$114.25	5.4	300	6.0	\$109.50	12	\$16,452.00	\$15,768.00
4"	\$186.05	8.9	500	10.0	\$182.50	6	\$13,395.60	\$13,140.00
6"	\$320.20	15.3	1000	20.0	\$365.00	2	\$7,684.80	\$8,760.00
8"			1600	32.0	\$584.00		\$78,149.40	\$78,139.20
Volumetric Rate Commercial								
\$ per 100 CU ft	\$0.95						Current volumetric revenue	\$178,218.60

Meter Readiness to Service Charge	\$ per Month	DPMWD Current Ratio	AWWA Flow (gpm)	AWWA Ratio	Restructured	New Meter Charges	Accounts	Current Annual Revenues	New Annual Meter Revenues	
5/8"	\$15.10	0.7	20	0.4	\$7.30	\$15.13	0%	1	\$181.20	\$181.56
1"	\$21.00	1.0	50	1.0	\$18.25	\$37.83	80%	16	\$4,032.00	\$7,263.36
1 1/2"	\$30.40	1.5	100	2.0	\$36.50	\$75.65	149%	25	\$9,120.00	\$22,695.00
2"	\$61.45	2.9	160	3.2	\$58.40	\$121.04	97%	37	\$27,283.80	\$53,741.76
3"	\$114.25	5.4	300	6.0	\$109.50	\$226.95	99%	12	\$16,452.00	\$32,680.80
4"	\$186.05	8.9	500	10.0	\$182.50	\$378.26	103%	6	\$13,395.60	\$27,234.72
6"	\$320.20	15.3	1000	20.0	\$365.00	\$756.51	136%	2	\$7,684.80	\$18,156.24
8"			1600	32.0	\$584.00	\$1,210.42	N/A	0	\$0.00	\$0.00
10"			2300	46.0	\$839.50	\$1,739.98	N/A	0	\$0.00	\$0.00
									\$78,149.40	\$161,953.44

New meter charge revenue	\$161,954.10
New fire service rate revenue	\$63,002.33
New volumetric revenue target	\$265,813.57
Total Commercial Revenue	\$490,770.00
Commercial revenue % Increase	71%
CU ft units sold per year (w est. 2% incr)	191,351
New Volumetric Rate	1.39

Fire Service Standby Rates	Current Rates	New Fire Service Rates	Current Annual Revenues	New Annual Revenues	
4"	\$54.00	\$75.65	5	\$3,240.00	\$4,539.12
6"	\$81.00	\$151.30	13	\$12,636.00	\$23,603.11
8"	\$108.00	\$242.08	12	\$15,552.00	\$34,860.10
10"	\$135.00	\$348.00	0	\$0.00	\$0.00
				\$31,428.00	\$63,002.33

=20% of Meter Charge

**Table 14
Del Paso Manor WD
Metered Water Rates Calculation - 9 Month Reserve Target**

Single Family Residential

5,001 - 8,000 sq. ft.

\$ per Month	Estimated Use Units 18.00
\$20.60	

Calculated
Volumetric Cost
\$17.10

Equivalent 5/8" Metered Fixed Cost \$7.30
--

Meter Readiness to Service Charge	\$ per Month	DPMWD Current Ratio	AWWA Flow (gpm)	AWWA Ratio	Restructured	Accounts	Current Annual Revenues	Restructured Annual Meter Revenues
5/8"	\$15.10	0.7	20	0.4	\$7.30	1	\$181.20	\$87.60
1"	\$21.00	1.0	50	1.0	\$18.25	16	\$4,032.00	\$3,504.00
1 1/2"	\$30.40	1.5	100	2.0	\$36.50	25	\$9,120.00	\$10,950.00
2"	\$61.45	2.9	160	3.2	\$58.40	37	\$27,283.80	\$25,929.60
3"	\$114.25	5.4	300	6.0	\$109.50	12	\$16,452.00	\$15,768.00
4"	\$186.05	8.9	500	10.0	\$182.50	6	\$13,395.60	\$13,140.00
6"	\$320.20	15.3	1000	20.0	\$365.00	2	\$7,684.80	\$8,760.00
8"			1600	32.0	\$584.00		\$78,149.40	\$78,139.20
Volumetric Rate Commercial								
\$ per 100 CU ft	\$0.95						Current volumetric revenue	\$178,218.60

**6mo Reserve 33%Fixed/67%Variable
Revenue Requirement; Metered Rates**

Meter Readiness to Service Charge	\$ per Month	DPMWD Current Ratio	AWWA Flow (gpm)	AWWA Ratio	Restructured	New Meter Charges	Accounts	Current Annual Revenues	New Annual Meter Revenues	
5/8"	\$15.10	0.7	20	0.4	\$7.30	\$15.66	4%	1	\$181.20	\$187.92
1"	\$21.00	1.0	50	1.0	\$18.25	\$39.15	86%	16	\$4,032.00	\$7,516.80
1 1/2"	\$30.40	1.5	100	2.0	\$36.50	\$78.31	158%	25	\$9,120.00	\$23,493.00
2"	\$61.45	2.9	160	3.2	\$58.40	\$125.29	104%	37	\$27,283.80	\$55,628.76
3"	\$114.25	5.4	300	6.0	\$109.50	\$234.92	106%	12	\$16,452.00	\$33,828.48
4"	\$186.05	8.9	500	10.0	\$182.50	\$391.53	110%	6	\$13,395.60	\$28,190.16
6"	\$320.20	15.3	1000	20.0	\$365.00	\$783.06	145%	2	\$7,684.80	\$18,793.44
8"			1600	32.0	\$584.00	\$1,252.89	N/A	0	\$0.00	\$0.00
10"			2300	46.0	\$839.50	\$1,801.03	N/A	0	\$0.00	\$0.00
									\$78,149.40	\$167,638.56

New meter charge revenue	\$167,636.70
New fire service rate revenue	\$65,213.06
New volumetric revenue target	\$275,140.24
Total Commercial Revenue	\$507,990.00
Commercial revenue % Increase	77%
CU ft units sold per year (est. 0% incr)	187,599

New Volumetric Rate 1.47

Fire Service Standby Rates

4"	\$54.00
6"	\$81.00
8"	\$108.00
10"	\$135.00

New Fire Service Rates	Current Annual Revenues	New Annual Revenues	
\$78.31	5	\$3,240.00	\$4,698.36
\$156.61	13	\$12,636.00	\$24,431.47
\$250.58	12	\$15,552.00	\$36,083.23
\$360.21	0	\$0.00	\$0.00
		\$31,428.00	\$65,213.06

=20% of Meter Charge

**Table 15
Del Paso Manor WD
Metered Water Rates Calculation - 12 Month Reserve Target**

Single Family Residential

5,001 - 8,000 sq. ft.

\$ per Month	Estimated Use Units
\$20.60	18.00

Calculated
Volumetric Cost
\$17.10

Equivalent 5/8" Metered Fixed Cost
\$7.30

Meter Readiness to Service Charge	\$ per Month	DPMWD Current Ratio	AWWA Flow (gpm)	AWWA Ratio	Restructured	Accounts	Current Annual Revenues	Restructured Annual Meter Revenues
5/8"	\$15.10	0.7	20	0.4	\$7.30	1	\$181.20	\$87.60
1"	\$21.00	1.0	50	1.0	\$18.25	16	\$4,032.00	\$3,504.00
1 1/2"	\$30.40	1.5	100	2.0	\$36.50	25	\$9,120.00	\$10,950.00
2"	\$61.45	2.9	160	3.2	\$58.40	37	\$27,283.80	\$25,929.60
3"	\$114.25	5.4	300	6.0	\$109.50	12	\$16,452.00	\$15,768.00
4"	\$186.05	8.9	500	10.0	\$182.50	6	\$13,395.60	\$13,140.00
6"	\$320.20	15.3	1000	20.0	\$365.00	2	\$7,684.80	\$8,760.00
8"			1600	32.0	\$584.00		\$78,149.40	\$78,139.20
Volumetric Rate Commercial								
\$ per 100 CU ft	\$0.95						Current volumetric revenue	\$178,218.60

**6mo Reserve 33%Fixed/67%Variable
Revenue Requirement; Metered Rates**

Meter Readiness to Service Charge	\$ per Month	DPMWD Current Ratio	AWWA Flow (gpm)	AWWA Ratio	Restructured	New Meter Charges	Accounts	Current Annual Revenues	New Annual Meter Revenues	
5/8"	\$15.10	0.7	20	0.4	\$7.30	\$16.37	8%	1	\$181.20	\$196.44
1"	\$21.00	1.0	50	1.0	\$18.25	\$40.92	95%	16	\$4,032.00	\$7,856.64
1 1/2"	\$30.40	1.5	100	2.0	\$36.50	\$81.84	169%	25	\$9,120.00	\$24,552.00
2"	\$61.45	2.9	160	3.2	\$58.40	\$130.95	113%	37	\$27,283.80	\$58,141.80
3"	\$114.25	5.4	300	6.0	\$109.50	\$245.53	115%	12	\$16,452.00	\$35,356.32
4"	\$186.05	8.9	500	10.0	\$182.50	\$409.22	120%	6	\$13,395.60	\$29,463.84
6"	\$320.20	15.3	1000	20.0	\$365.00	\$818.45	156%	2	\$7,684.80	\$19,642.80
8"			1600	32.0	\$584.00	\$1,309.52	N/A	0	\$0.00	\$0.00
10"			2300	46.0	\$839.50	\$1,882.43	N/A	0	\$0.00	\$0.00
									\$78,149.40	\$175,209.84

New meter charge revenue	\$175,213.50
New fire service rate revenue	\$68,160.46
New volumetric revenue target	\$287,576.04
Total Commercial Revenue	\$530,950.00
Commercial revenue % Increase	84%
CU ft units sold per year (est. 0% incr)	187,599

New Volumetric Rate 1.53

Fire Service Standby Rates

4"	\$54.00
6"	\$81.00
8"	\$108.00
10"	\$135.00

Current Rates
\$54.00
\$81.00
\$108.00
\$135.00

Fire Service Standby Rates	Current Annual Revenues	New Annual Revenues
4"	\$3,240.00	\$4,910.64
6"	\$12,636.00	\$25,535.64
8"	\$15,552.00	\$37,714.18
10"	\$0.00	\$0.00
	\$31,428.00	\$68,160.46

=20% of Meter Charge