Golden Hills Community Services District

Water Rate Study

January 11, 2023

Prepared for:

Golden Hills Community Services District
Tehachapi, California

Prepared by:

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Abbreviations

AWWA	American Water Works Association
AF	acre-feet
AFY	acre-feet/year
CCF	100 cubic feet
CIP	Capital Improvement Plan
CPI	Consumer Price Index
EMF	Equivalent Meter Factor
GHCSD	Golden Hills Community Services District
gpm	gallons per minute
FY	Fiscal Year
M&I	Municipal & Industrial
MG	million gallons
O&M	Operations and Maintenance
SFR	Single Family Residence
SWP	State Water Project
TCCWD	Tehachapi-Cummings County Water District
TSL	Tom Sawyer Lake
WBRF	Water Banking Reimbursement Fee
WSF	Water Sustainability Fee

1 Introduction

Golden Hills Community Services District (District) authorized Provost & Pritchard Consulting Group to conduct a review of the water rates and make recommendations for rate adjustments to meet the current cost of service. The District supplies potable water to approximately 2,960 metered connections consisting of residential, multi-family residential (e.g., duplexes, apartments), commercial, and municipal/institutional (e.g., schools, parks) customers. The increase in the number of connections is shown in **Figure 1-1**.

The historical water usage is shown in **Figure 1-2** including the amount of groundwater pumped by the District (blue line) and the water consumed by the customers (orange line), measured at the water meter on the customer connection. The difference between the two amounts is unbilled usage and water losses. In recent years, the District has also filled Tom Sawyer Lake (TSL) with groundwater (an unbilled usage) and the dashed gray line includes that water volume with the water consumed. Water losses have averaged about 9% for the District system. For reference, a 2022 UC Davis study sampled water use data of water purveyors in California and estimated the average water system losses to be 8%[1]. Water use declined since the 2012-2013 Fiscal Year[2] (FY12-13) to a low in FY15-16, which was a drought year where the State imposed restrictions on water use. Since that time water use has recovered, but not to the same level as in the early 2010s. The District delivered approximately 1,107 acre-feet (or 360 million gallons) of water in FY21-22.

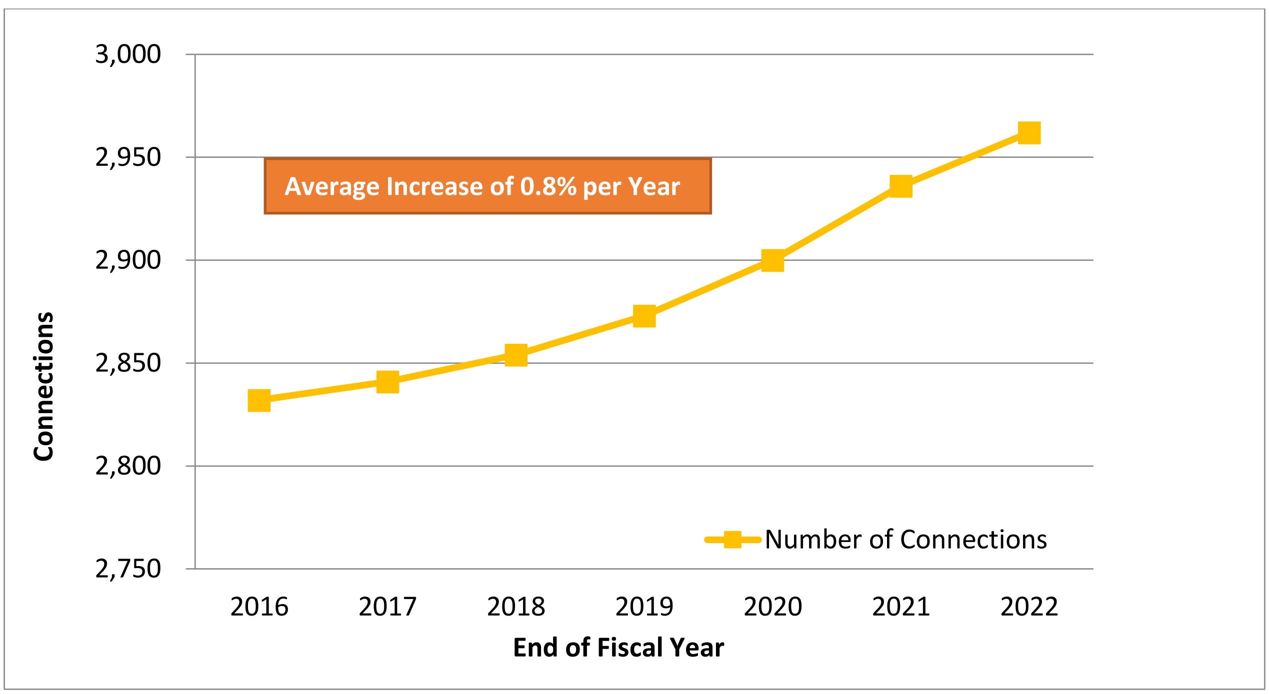

Figure 1-1: GHCSD Number of Connections

[1] Amanda Rupiper et al 2022 Environ. Res. Lett. 17 034021
[2] The District's fiscal year begins on July 1st and ends June 30th of the following year.

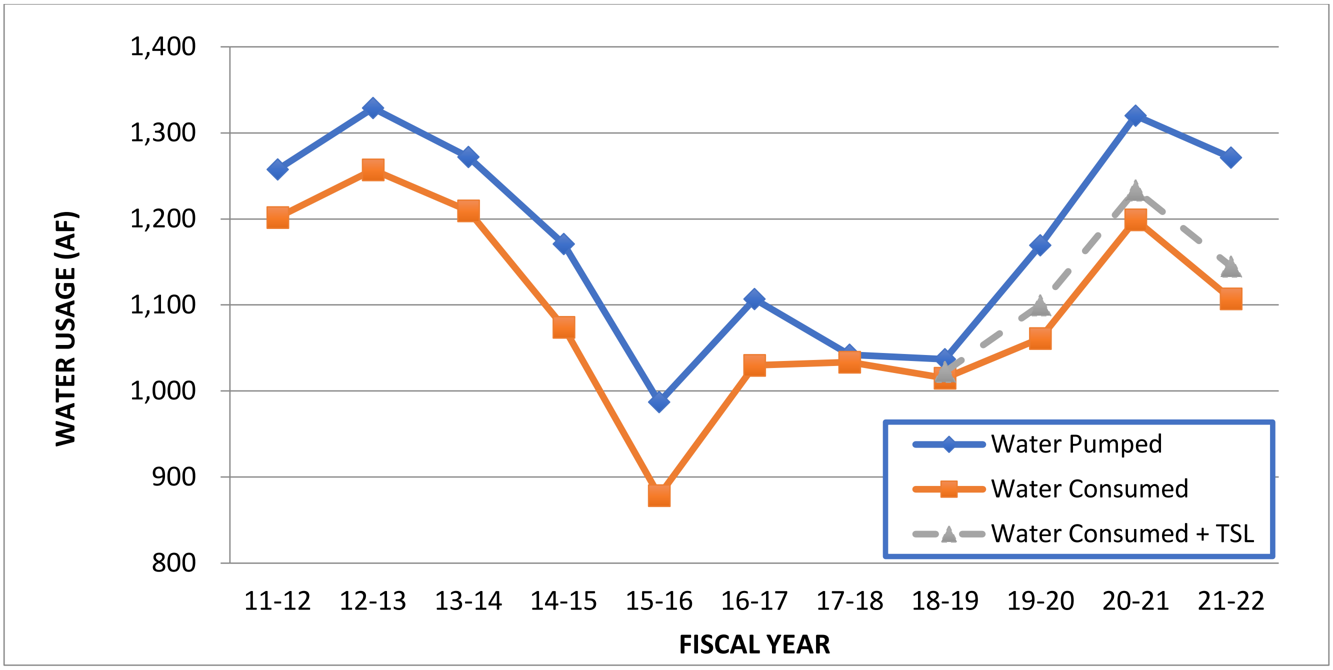

Figure 1-2: GHCSD Historical Water Usage

In January 2017, the District implemented a water rate increase that has been adjusted for the last five years based on the Consumer Price Index (CPI). With the end of this five-year period, the District must now initiate a new Proposition 218 majority protest procedure to increase rates any further. With inflationary pressures and needed water system improvements, the District has determined that a water rate increase is needed to maintain the District's operations and continue developing reserve funds. Without this additional water rate revenue, service will be degraded, and facilities would be subject to increased failure which would ultimately cost significantly more than the preventative maintenance identified in this report.

This report discusses the current revenue and budget for the District as well as projections of required revenue over the next five years. Based on these revenue projections, a cost-of-service analysis was performed. Based on these analyses, the report recommends adjustments to the District's water rate schedule.

1.1 Utility Rate Setting Principles and Methodology

The method used to establish utility rates is based on principles that are commonly used in the water utility industry. These principles are designed to produce rates that equitably recover costs from each class of customer by setting the appropriate level of revenue to be collected. The primary tasks of this rate study are as follows:

- Revenue Requirements Analysis – This analysis identifies the total revenue requirement to be recovered from utility rates, considering operating and maintenance expenses, a capital improvement program, satisfying bond covenants, and meeting the Board of Director's policy objectives.

- Cost of Service Analysis and Rate Design – The purpose of this task is to develop an allocation of the revenue requirements and distribute those costs to customers based on their proportionate demand and use of the system.
- Rate Design – This task involves the development of a rate structure that produces the revenue for sound District fiscal operations, while achieving rate equity.

2 Existing Rates and Revenue

2.1 Existing Rate Structure

The existing rate structure was set during the rate adjustment proceeding that occurred in January 2017. After that initial rate adjustment, annual rate adjustments occurred based upon the change in the CPI, specifically the "All Urban Consumers, All Items Index, Western Cities with populations between 50,000 and 1,500,000" (the CPI-U). The rate structure that was implemented included a Base Rate and Commodity Rate components.

The Base Rate was established with a charge for Single Family Residence (SFR) customers and a charge for commercial customers based on meter size. The commercial base rate charge includes commercial, industrial, multi-family residential, institutional, and Golden Highlands HOA customers. To use a meter size basis for determining the Base Rate for a commercial customer, equivalent meter factors (EMF) as listed in **Table 2-1** were used (American Water Works Association Standard C700). The base meter factor is a 3/4-inch meter. The service charges for meters larger in size are multiplied by the EMF. The EMF is the water delivery capacity of the meter relative to the 3/4-inch base meter size.

Table 2-1: Equivalent Meter Factors (EMF)

Meter Size	EMF
3/4"	1.00
1"	1.67
1-1/2"	3.33
2"	5.33
3"	10.00
4"	16.67
6"	33.33

Commercial customers have a higher base rate because of the increased fire service requirements for commercial areas. Specifically, under Kern County Development Standards, residential areas of the district are required to only have a minimum fire flow capacity of 500 gallons per minute (gpm) for a duration of one hour. Commercial areas are required to have a minimum fire flow of 1,500 gpm for a duration of two hours. Additionally, more existing fire hydrants serve commercial areas as the minimum hydrant spacing is 330 feet versus 660 feet in residential areas. Because of these differences, the District has constructed, operates, and maintains sufficient facilities to meet these fire service needs in a commercial area. Water mains must deliver higher flow rates and additional water storage is needed to meet the required fire flow volumes. The existing District water rate schedule is provided in **Table 2-2**.

Table 2-2: Existing GHCSD Water Rates Schedule

RATE STRUCTURE	AMOUNT	
SFR Base Rate	$	30.95
Commercial Base Rate:		
3/4" Meter	$	46.42
1" Meter	$	77.35
1-1/2" Meter	$	154.73
2" Meter	$	247.54
3" Meter	$	464.15
4" Meter	$	773.60
6" Meter	$	1,547.17

Tier 1 Unit Rate (1-9 Units):	**$3.05**	**Per Unit**
Tier 2 Unit Rate (10 &Over):	**$3.50**	**Per Unit**
Water Banking Reimbursement Fee (Every Unit):	**$0.35**	**Per Unit**

Each "Unit" of water is 100 cubic feet (748 gallons)

The current Commodity Rates for the customers is billed at two tiers based on one hundred cubic feet (CCF or unit) of water. The Tier 1 Water Rate is set at $3.05 per CCF for units one through nine. Each unit beyond nine is billed at the Tier 2 Water Rate of $3.50 per CCF. The basis for this Tier 2 Water Rate is to pay for the additional cost of obtaining water supplies for water demand that is greater than the District's existing groundwater extraction rights.

An additional Commodity Rate is the District's Water Banking Reimbursement Fee (WBRF). Customers are currently charged to all water used by a customer at $0.35 per CCF. The WBRF was established in 2011 to develop a reserved budget item to recover charges from Tehachapi-Cummings County Water District (TCCWD), or other wholesalers or individuals, for water purchases or leases including water rights or Municipal & Industrial (M&I) charges to supplement the District's water supply.

2.2 Current Revenue from Existing Rates

Water Sales/Revenues have increased over the past five years with the water rate increase. Water use also increased marginally after the 2015 drought. Based on the existing rate schedule, the District collected approximately $2.96 million in revenue from water rates for FY21-22 (see Water Sales/Revenues in **Table 2-3**). For the FY22-23 budget year, estimated revenue from water rates is approximately $2.88 million. In addition to Water Sales/Revenues, the District's revenue budget includes other items as shown in the table below.

Table 2-3: Historical Water Operations Revenues

	Actuals				Budget
	18-19	19-20	20-21	21-22	22-23
Revenues					
Property Taxes	2,162	2,800	3,286	1,762	2,000
Revenues From Fees	53,872	53,089	54,441	49,892	40,000
Revenues From Rents and Leases	187,286	203,156	184,202	104,635	107,000
Water Sales/Revenues	2,611,953	2,696,355	3,007,584	2,964,667	2,875,000
Interest Income and other Revenues	383,052	20,871	333,463	108,959	28,700
Transfers In	50,000	50,000	50,000	50,000	50,000
Total Revenues	**3,288,325**	**3,026,271**	**3,632,977**	**3,279,914**	**3,102,700**

Future water consumption is expected to increase at a minimal rate of 0.5% per year (see blue line on **Figure 2-1**). Before deciding on this projection, the historical dataset was analyzed to review water use trends. The 10-year water consumption trend from FY11-12 to FY21-22 shows a decreasing water use overall. A projection of this trend is represented as the gray line in the Figure. The more recent five-year trend from FY16-17 was determined to be a high projection and is represented by the yellow line in the Figure; this significant increase in water use is associated with the recovery of water use consumption patterns after the 2015 drought. The selected 0.5% rate of increase was determined to be a conservative, yet balanced approach for projecting future water consumption.

Based on this water consumption projection, the future water rate revenue was projected; and based on current rates, the estimated revenue for the next five years is shown in **Table 2-4**.

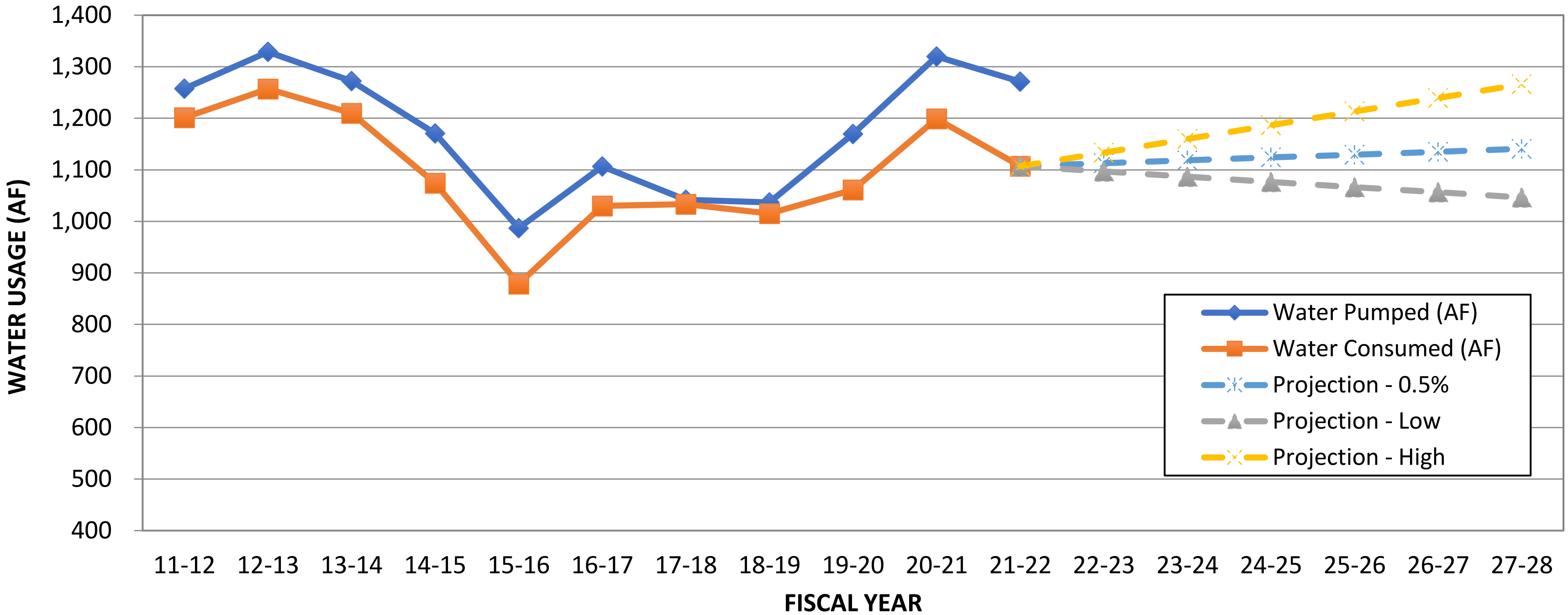

Figure 2-1: Projected Water Use

Table 2-4: Projected Revenues

	Actuals				Budget	Projected Budgets				
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28
Revenues										
Property Taxes	2,162	2,800	3,286	1,762	2,000	2,000	2,000	2,000	2,000	2,000
Revenues From Fees	53,872	53,089	54,441	49,892	40,000	47,000	46,780	46,560	46,340	46,120
Revenues From Rents and Leases	187,286	203,156	184,202	104,635	107,000	110,210	113,520	116,930	120,440	124,050
Water Sales/Revenues	2,611,953	2,696,355	3,007,584	2,964,667	2,875,000	2,898,143	2,911,697	2,925,317	2,939,005	2,952,779
Interest Income and other Revenues	383,052	20,871	333,463	108,959	28,700	29,540	30,410	31,300	32,220	33,170
Transfers In	50,000	50,000	50,000	50,000	50,000	50,000	0	0	0	0
Total Revenues	**3,288,325**	**3,026,271**	**3,632,977**	**3,279,914**	**3,102,700**	**3,136,893**	**3,104,407**	**3,122,107**	**3,140,005**	**3,158,119**

3 Revenue Requirements

The total water revenue generated each year from the customer rates should be equal to the total water operation expenditures planned for that year. Revenue requirements are to include long term financial objectives such as capital improvement and facility replacement projects in addition to regular operations and maintenance. With these basic principles, the required revenue can be projected and then rates can be determined. The following sections describe the assumptions that have been made for determining the required revenue for the District.

3.1 Water Operating Expenditures

The baseline water operations expenses were determined by the actual expenditures that occurred from FY18-19 to FY21-22 and the estimated expenditures in the FY22-23 Budget as summarized in **Table 3-1** and **Appendix A**, which includes the full detail for each of these expense categories. The total Operating Expenses for FY22-23 are estimated to be approximately $2.5 million (not including debt service and capital outlays). **Figure 3-1** graphically shows the breakdown of these expenses in a pie chart format.

Table 3-1: Historical Water Operations Expenses

	Actuals				Budget
	18-19	19-20	20-21	21-22	22-23
Expenses					
Operating Expenses					
Salaries & Benefits	980,987	1,139,227	1,056,302	1,129,671	1,384,520
General & Administrative	178,338	171,036	173,157	173,535	218,340
System Operations	262,682	231,770	343,917	332,075	354,850
Maintenance & Supplies	64,726	77,213	73,528	353,964	103,650
Utilities	150,256	142,388	173,210	200,653	211,420
Insurance	13,036	21,240	25,464	28,489	31,725
Outside Services	140,359	87,928	142,882	140,469	185,504
Total Operating Expenses	**1,790,384**	**1,870,802**	**1,988,460**	**2,358,856**	**2,490,009**
Debt Service	**139,763**	**137,063**	**139,222**	**136,334**	**139,075**
Capital Outlay					
Capital Improvements (from Rates)	**859,005**	**549,879**	**1,372,106**	**614,395**	**498,824**
Supplemental SWP Water Costs (WSF)	**155,000**	**0**	**0**	**0**	**50,000**
Total Expenses	**2,944,151**	**2,557,744**	**3,499,788**	**3,109,586**	**3,177,908**

A five-year projection of water operations expenditures is included as **Table 3-2**. Annual escalator factors were applied to individual budget line items as shown in **Appendix A**. Operating Expenses are expected to increase an average of 3 to 4% per year over the next five years. A chart of the projected Water Operating Expenses is shown in **Figure 3-2**.

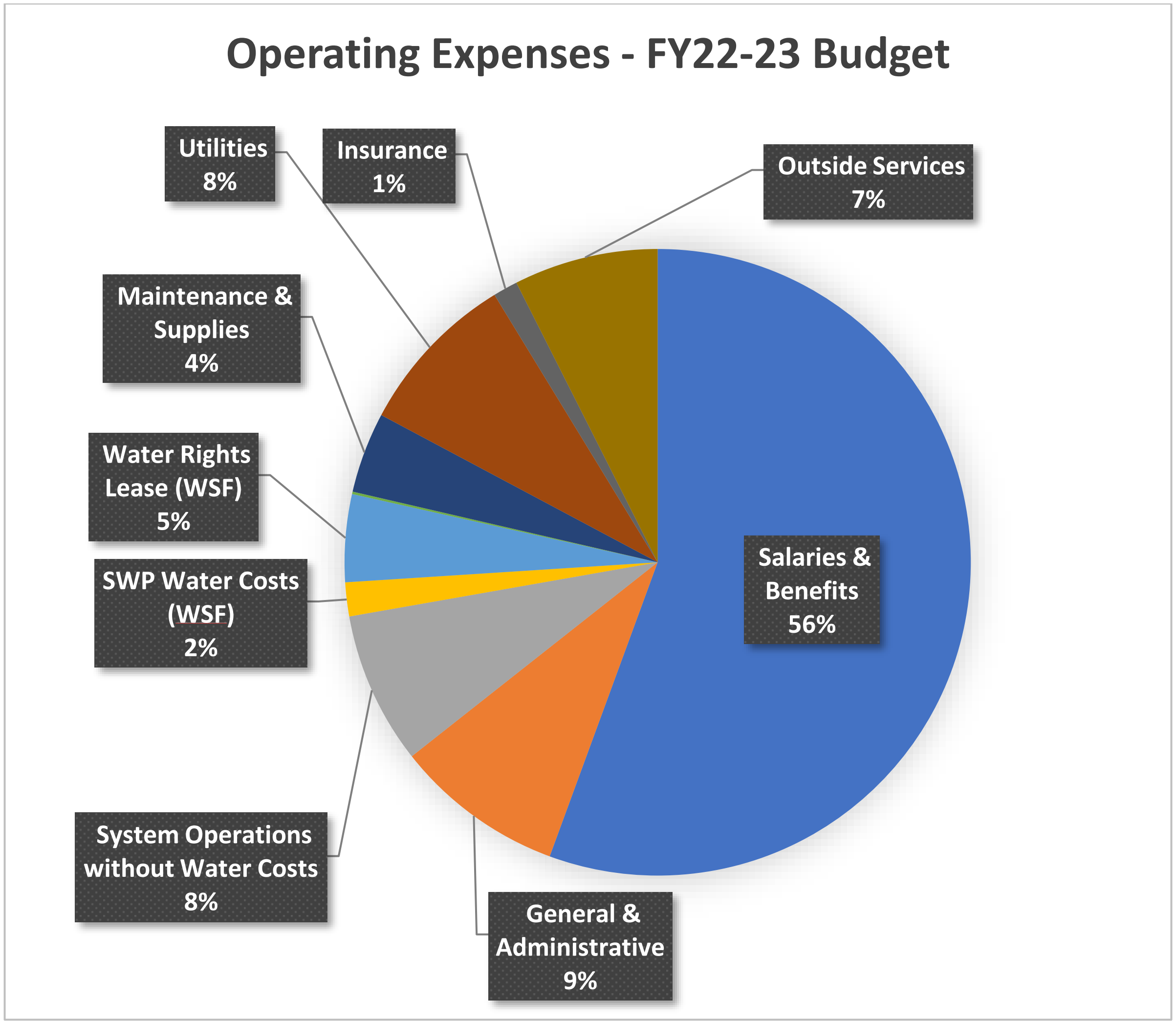

Figure 3-1: FY22-23 Water Operating Expenses

Table 3-2: Projected Water Operations Expenses

	Actuals				Budget	Projected Budgets				
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28
Expenses										
Operating Expenses										
Salaries & Benefits	980,987	1,139,227	1,056,302	1,129,671	1,384,520	1,354,900	1,428,429	1,499,962	1,560,612	1,624,281
General & Administrative	178,338	171,036	173,157	173,535	218,340	218,640	228,590	230,730	241,280	243,510
System Operations	262,682	231,770	343,917	332,075	354,850	330,187	339,718	374,864	389,394	399,629
Maintenance & Supplies	64,726	77,213	73,528	353,964	103,650	131,280	108,730	112,000	115,350	118,810
Utilities	150,256	142,388	173,210	200,653	211,420	210,504	223,580	237,490	252,300	268,040
Insurance	13,036	21,240	25,464	28,489	31,725	32,680	33,660	34,670	35,710	36,780
Outside Services	140,359	87,928	142,882	140,469	185,504	143,830	148,150	152,600	157,170	161,880
Total Operating Expenses	**1,790,384**	**1,870,802**	**1,988,460**	**2,358,856**	**2,490,009**	**2,422,021**	**2,510,858**	**2,642,316**	**2,751,816**	**2,852,930**
Debt Service	**139,763**	**137,063**	**139,222**	**136,334**	**139,075**	**135,019**	**136,888**	**138,569**	**139,081**	**140,425**
Capital Outlay										
Capital Improvements (from Rates)	**859,005**	**549,879**	**1,372,106**	**614,395**	**498,824**	**652,465**	**757,838**	**483,980**	**525,929**	**508,726**
Supplemental SWP Water Costs (WSF)	**155,000**	**0**	**0**	**0**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
Total Expenses	**2,944,151**	**2,557,744**	**3,499,788**	**3,109,586**	**3,177,908**	**3,259,505**	**3,455,584**	**3,314,865**	**3,466,827**	**3,552,081**

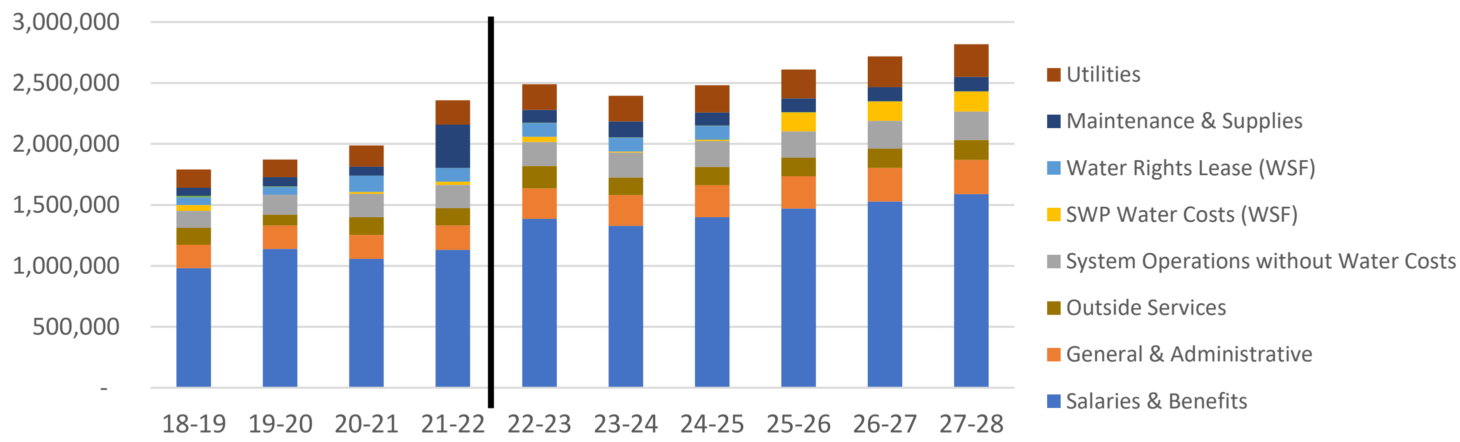

Figure 3-2: Projected Water Operating Expenses

3.2 Capital Outlays

Capital Outlays include costs for supplemental State Water Project (SWP) water costs and costs associated with the District's Capital Improvement Plan (CIP). The CIP has been prepared based on the planned major capital expenses over the next five fiscal years and is summarized in **Table 3-3**. Potential sources of revenue to fund these projects include capacity fees (to the extent that the project benefits the customers that have or will pay capacity fees), grants, loans, and direct funding from water rates. For purposes of this study, we assumed that no loan funding or grant funding will be used for these projects. The District's desire is to reserve loans for larger capital improvement projects (i.e., greater than $500k) or substantial emergencies. Grant funding will be pursued where applicable for specific projects.

Descriptions of significant projects in the CIP are contained in the following sections. Project details are conceptual and are subject to change as further research and design is conducted. A "planning level" preliminary opinion of probable cost has also been estimated for each project. These costs are based on approximate costs obtained from past similar projects assuming typical construction conditions. Included in these costs are typical engineering and surveying fees. These costs may be refined as the project is further developed.

Gravity Storage Tank and Hydropneumatic Tank Rehabilitation

The District is currently implementing a 10-year tank maintenance plan. This includes the rehabilitation of the interior and exteriors of the tanks throughout the district based on the priority established by District staff. Rehabilitation includes sand blasting, cleaning, coating, and modifications to enlarge manways, ladders and railings, roof hatch replacement, and other items. The rehabilitation is necessary to enhance the safety, sanitation, security, and longevity of the tanks, and to remain compliant with regulatory requirements.

Well Rehabilitation

The District's wells require periodic maintenance and replacement of equipment. Included in the CIP is the cleaning and swabbing of a well, video scoping, and the replacement/rehabilitation of its pump and motor. It is recommended that this work be performed for one well every two years. Based on the ten active wells in the District, the full cycle for this work at each well is 20 years and should be prioritized based on the condition of the wells, pumps, and motors. This rehabilitation will result in improved energy efficiency (cost savings) as pump impellers operate less efficiently over time.

Table 3-3: Summary of Five-Year Capital Improvement Program

Summary of Five-Year Water Operations Capital Improvement Program							
Category	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	5 -Year Total
Primary Capital Outlays							
Tank Rehabilitation Program	292,824	307,465	322,838	338,980	355,929	373,726	1,698,939
Hydropneumatic Rehabilitation Program	25,000	25,000	25,000				50,000
Well Rehabilitation Program	55,000	100,000	60,000	110,000	65,000	75,000	410,000
							-
Secondary Capital Outlays							-
New Well		1,150,000					1,150,000
Site Fences	36,000	25,000	75,000			25,000	125,000
Vehicle Replacement	55,000		60,000		70,000		130,000
Utility Work Truck		100,000(1)					100,000
Mobile Air Compressor			30,000				30,000
Dump Truck			150,000				150,000
Hot Box (Special Mix for Street Pavement)		40,000					40,000
Compactor		20,000					20,000
Unidentified	35,000	35,000	35,000	35,000	35,000	35,000	175,000
Total Capital Outlay	498,824	1,802,465	757,838	483,980	525,929	508,726	4,078,939
Sources of Funds							-
Existing Capacity Fees		1,150,000					1,150,000
Grants							-
Loans							-
Operations/Reserves	498,824	652,465	757,838	483,980	525,929	508,726	2,928,939
Total Funding Sources	498,824	1,802,465	757,838	483,980	525,929	508,726	4,078,939

(1) FY 20-21 Carryover

New Well

The existing S-2 Well is at the end of its service life and needs to be replaced. The District is planning to construct a replacement well in FY23-24. Work will include drilling a well on District owned land, installing pumping equipment and performing site improvements. The project cost is in the order of $1.2 million and will be funded from the capacity fee fund (the current fund balance is approximately $1.8 million).

Site Fences

The District is working to replace fences and gates at its water facility sites. The fences will be replaced at the Dovetail booster station, Santa Lucia tank site, Morris well site, and Sunnybrook booster station. The new fencing will improve security and aesthetics of each of the sites.

Vehicles and Equipment

The following has been identified for purchase over the five-year CIP:

- District vehicle replaced every other year
- Utility Work Truck in FY23-24
- Mobile Air Compressor
- Dump Truck
- Hot Box for street pavement repairs
- Compactor

3.3 Summary Financial Plan Prior to Rate Adjustments

Figure 3-3 shows historical and future projections of water revenue and expenditures from FY18-19 through FY27-28. The data for revenue and expenditures are as discussed in the previous sections and are summarized in **Table 3-4** (refer to **Appendix A** for full detail). Based on the projected expenses and the stagnant water revenues, the Net Operating Income shows a significant deficit projection.

In addition to the operating budget, reserves are required to stabilize and support utility financial management. With the existing rate structure, the District is not able to fund the reserve accounts to the levels identified by the Board, and in fact would utilize the available reserve balances to meet operating budget needs.

Based on the summary financial plan, additional revenue is required to cover the operating expenses and CIP funding. After these operating costs are covered, additional funds are also required to maintain sufficient reserve balances to help keep the District financially stable.

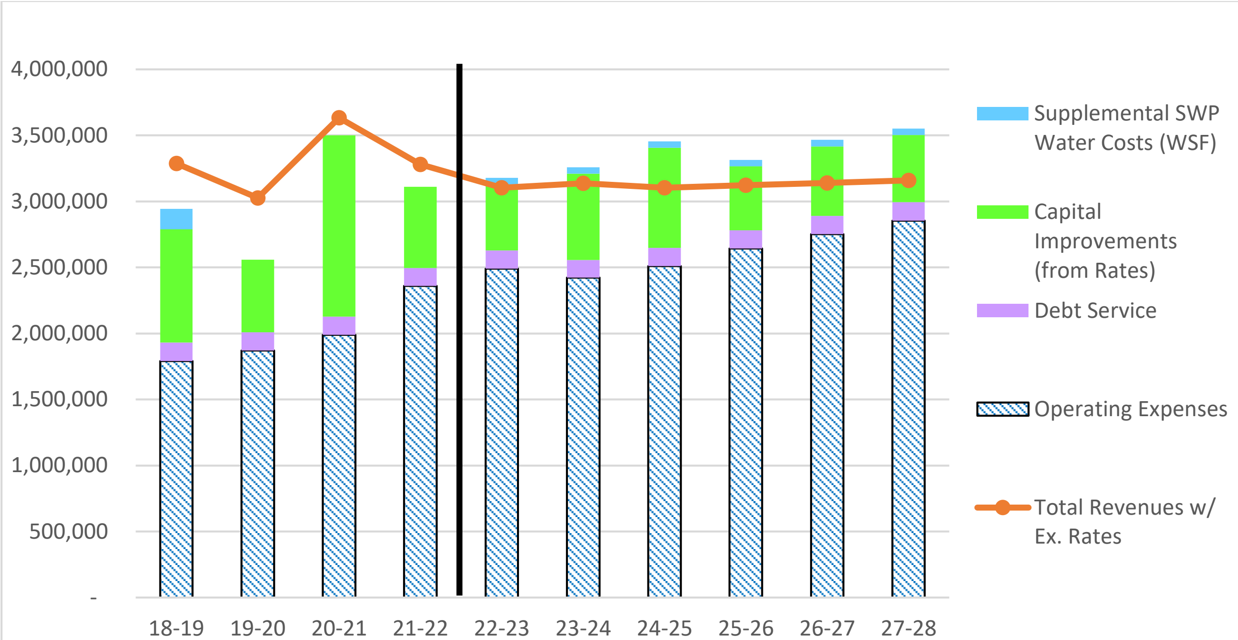

Figure 3-3: Projected Revenue vs Expenses with Existing Rates

Table 3-4: Summary Financial Plan before Rate Adjustments

Water Operations Revenues and Expenses Before Rate Increase	Actuals				Budget	Projected Budgets				
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28
Revenues										
Property Taxes	2,162	2,800	3,286	1,762	2,000	2,000	2,000	2,000	2,000	2,000
Revenues From Fees	53,872	53,089	54,441	49,892	40,000	47,000	46,780	46,560	46,340	46,120
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Water Sales/Revenues	2,611,953	2,696,355	3,007,584	2,964,667	2,875,000	2,898,143	2,911,697	2,925,317	2,939,005	2,952,779
Interest Income and other Revenues	383,052	20,871	333,463	108,959	28,700	29,540	30,410	31,300	32,220	33,170
Transfers In	50,000	50,000	50,000	50,000	50,000	50,000	0	0	0	0
Total Revenues	**3,288,325**	**3,026,271**	**3,632,977**	**3,279,914**	**3,102,700**	**3,136,893**	**3,104,407**	**3,122,107**	**3,140,005**	**3,158,119**
Expenses										
Operating Expenses										
Salaries & Benefits	980,987	1,139,227	1,056,302	1,129,671	1,384,520	1,354,900	1,428,429	1,499,962	1,560,612	1,624,281
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Debt Service	**139,763**	**137,063**	**139,222**	**136,334**	**139,075**	**135,019**	**136,888**	**138,569**	**139,081**	**140,425**
Capital Outlay										
Capital Improvements (from Rates)	**859,005**	**549,879**	**1,372,106**	**614,395**	**498,824**	**652,465**	**757,838**	**483,980**	**525,929**	**508,726**
Supplemental SWP Water Costs (WSF)	**155,000**	**0**	**0**	**0**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
Total Expenses	**2,944,151**	**2,557,744**	**3,499,788**	**3,109,586**	**3,177,908**	**3,259,505**	**3,455,584**	**3,314,865**	**3,466,827**	**3,552,081**
Revenue Over/(Under)	**344,174**	**468,527**	**133,189**	**170,329**	**(75,208)**	**(122,612)**	**(351,177)**	**(192,758)**	**(326,822)**	**(393,962)**
Total Reserves	**554,951**	**809,948**	**714,361**	**999,566**	**924,358**	**801,746**	**450,568**	**257,810**	**(69,012)**	**(462,974)**

4 Proposed Rate Schedule and Revenues

4.1 Adjustments to Rate Schedule

The two goals for conducting rate adjustments include fairness of the rates and equity among the different classes of customers, so that individuals pay their share of the cost incurred by the utility to provide the service.

The setting of the proposed Base Rates is consistent with the prior rate increase methodology discussed in Section 2.1 of this report. The Base Rate for SFRs is recommended to be increased by $7.05, from $30.95 to $38.00. An increase would also be applied to the Base Rate for commercial customers and will continue use of the EMFs in **Table 2-1**. The proposed new Base Rate by meter size is summarized in **Table 4-1**.

Regarding commodity rates, the Tier 1 Water Rate is recommended to increase by $0.05, from $3.05 to $3.10 per CCF. This charge would apply to the first ***15*** CCF of water use. For water use 16 CCF and above, the Tier 2 Water Rate would be increased by $0.62, from $3.50 to $4.12 per CCF. The basis for this Tier 2 Water Rate and the 15 CCF threshold is associated with the additional cost of obtaining water supply for use that is greater than the District's existing allowable groundwater pumping rights of 902.3 AF. Essentially, the net additional cost of the Tier 2 Rate above the Tier 1 Rate ($1.02/CCF) is considered the District's Water Sustainability Fee (WSF) and funds water supplies beyond the 902.3 AF (e.g., imported water source or leased groundwater rights). The targeted fund balance generated by this fee is approximately $215,000 on average for the 5-year period. For reference, **Figure 4-1** is a projection of anticipated District water supplies.

Table 4-1: Proposed Rate Schedule

Base Rate	Proposed Rate
SFR Base Rate	$ 38.00
Commercial Base Rates:	
3/4" Meter	$ 57.00
1" Meter	$ 95.19
1-1/2" Meter	$ 189.81
2" Meter	$ 303.81
3" Meter	$ 570.00
4" Meter	$ 949.96
6" Meter	$ 1,899.81

Tier 1 Unit Rate (1-15 Units):	**$3.10**	**Per Unit**
Tier 2 Unit Rate (16 & Over):	**$4.12**	**Per Unit**
Water Banking Reimbursement Fee (Every Unit):	**$0.18**	**Per Unit**

Each "Unit" of water is 100 cubic feet (748 gallons)

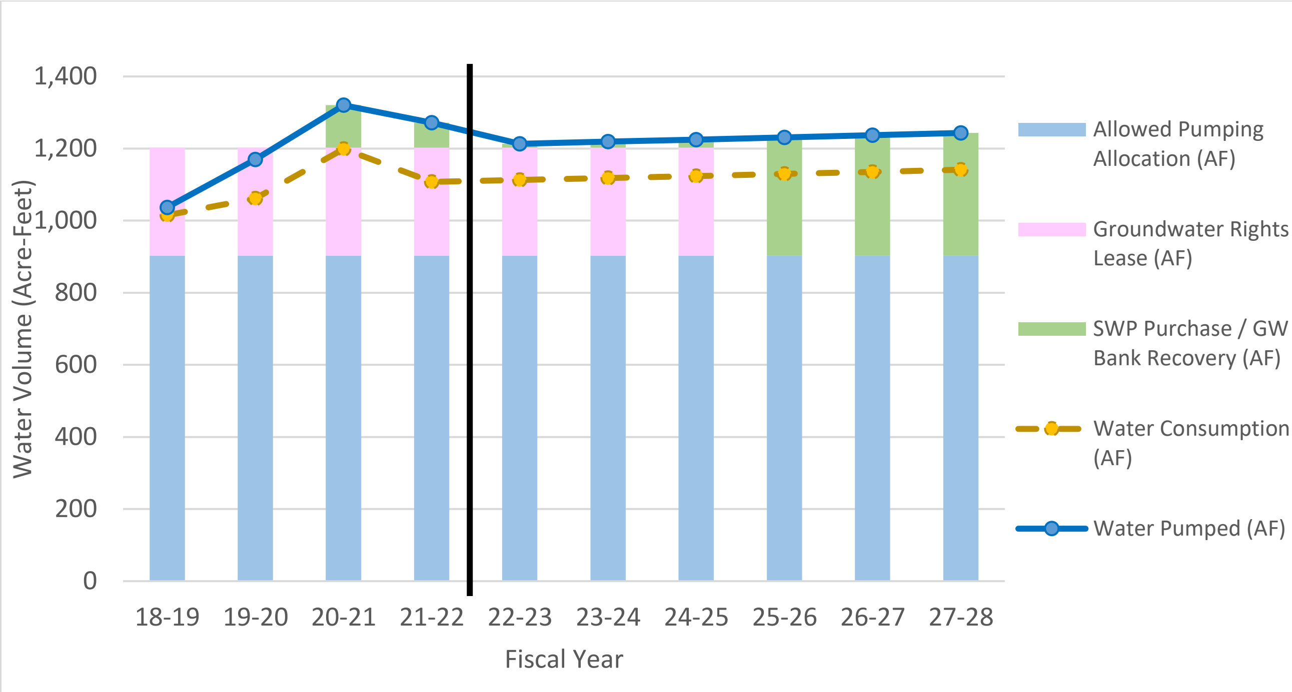

Figure 4-1: Projected Water Supplies

The WBRF funding need has also been re-evaluated for this study. The WBRF generates revenue for the purpose of obtaining and recharging surface water from TCCWD, or other wholesalers or individuals. Based on the projected use of this fund and the desired reserves to be built over the five-year period, it is recommended that the WBRF be reduced from $0.35 to $0.18 per CCF. Revenue generated by this fee is set aside in a reserve account specifically for this purpose.

Example bills for a SFR customer are provided in **Table 4-2**. The table compares the existing rates to the proposed rates for three different water use scenarios.

Table 4-2: Example SFR Bill Comparison

	GHCSD Existing Rates	GHCSD Proposed Rates
Example SFR Bill with 9 CCF of Water Use		
Base Rate Charge	$ 30.95	$ 38.00
Tier 1 Charge	$ 27.45	$ 27.90
Tier 2 Charge	$ -	$ -
WBRF Charge	$ 3.15	$ 1.62
Total Bill	**$ 61.55**	**$ 67.52**
Example SFR Bill with 27 CCF of Water Use		
Base Rate Charge	$ 30.95	$ 38.00
Tier 1 Charge	$ 27.45	$ 46.50
Tier 2 Charge	$ 63.00	$ 49.44
WBRF Charge	$ 9.45	$ 4.86
Total Bill	**$ 130.85**	**$ 138.80**
Example SFR Bill with 45 CCF of Water Use		
Base Rate Charge	$ 30.95	$ 38.00
Tier 1 Charge	$ 27.45	$ 46.50
Tier 2 Charge	$ 126.00	$ 123.60
WBRF Charge	$ 15.75	$ 8.10
Total Bill	**$ 200.15**	**$ 216.20**

4.2 Financial Plan after Proposed Rate Adjustments

A financial plan has been developed using the estimated revenue generated from the proposed rate structure as shown in **Table 4-3**.

This study recommends that the Board of Directors maintain the existing policy wherein the Board may, at their discretion, increase the water rates by an annual inflationary factor based on the CPI without the need for a majority protest for a five-year period. The increase would be in direct correspondence with the CPI increase as indicated through comparisons of the "CPI, All Urban Consumers, All Items Index, Western Cities with populations between 50,000 and 1,500,000" (the CPI-U). The change in the CPI is measured as of the end of the previous calendar year. Also, based on the current policy, the Board may recapture CPI increase in a subsequent year if the increase was not accounted for in the prior year.

Figure 4-2 graphically shows how the Water Operations revenue meets the overall expenditures and development of reserves (as detailed in **Table 4-4** with recommended targets). Through this proposed rate increase, the District can meet its operating expenses, pay for needed projects in the CIP, meet water banking funding needs, and over time fund the recommended reserves.

Table 4-3: Projected Revenues and Expenses after Rate Adjustments

Water Operations Revenues and Expenses After Rate Increase	Budget	Projected Budgets				
	22-23	23-24	24-25	25-26	26-27	27-28
Revenues						
Property Taxes	2,000	2,000	2,000	2,000	2,000	2,000
Revenues From Fees	40,000	47,000	46,780	46,560	46,340	46,120
Revenues From Rents and Leases	107,000	110,210	113,520	116,930	120,440	124,050
Water Sales/Revenues	2,875,000	3,338,317	3,429,206	3,522,801	3,619,185	3,718,461
Residential Water Sales	*1,900,000*	*2,245,800*	*2,313,174*	*2,382,569*	*2,454,046*	*2,527,668*
Commercial Water Sales	*470,000*	*555,540*	*572,206*	*589,372*	*607,054*	*625,265*
Water Sustainability Fee (WSF)	*100,000*	*204,000*	*210,120*	*216,424*	*222,916*	*229,604*
Water Banking Reimbursement Fee (WBRF)	*160,000*	*87,687*	*88,125*	*88,566*	*89,009*	*89,454*
District Facilities Repymt (1.00)	*35,000*	*35,000*	*35,000*	*35,000*	*35,000*	*35,000*
Water Operations Reserve (3.50)	*122,000*	*122,000*	*122,000*	*122,000*	*122,000*	*122,000*
Water Penalties	*54,000*	*54,000*	*54,000*	*54,000*	*54,000*	*54,000*
Other Water Sales/Revenues	*34,000*	*34,290*	*34,580*	*34,870*	*35,160*	*35,470*
Interest Income and other Revenues	28,700	29,540	30,410	31,300	32,220	33,170
Grants	*0*	*0*	*0*	*0*	*0*	*0*
Interest Income and other Revenues	*28,700*	*29,540*	*30,410*	*31,300*	*32,220*	*33,170*
Transfers In	50,000	50,000	0	0	0	0
Total Revenues	**3,102,700**	**3,577,067**	**3,621,916**	**3,719,591**	**3,820,185**	**3,923,801**
Expenses						
Operating Expenses						
Salaries & Benefits	1,384,520	1,354,900	1,428,429	1,499,962	1,560,612	1,624,281
General & Administrative	218,340	218,640	228,590	230,730	241,280	243,510
System Operations	354,850	330,187	339,718	374,864	389,394	399,629
System Operations without Water Costs	*195,650*	*206,630*	*213,260*	*215,190*	*226,790*	*234,080*
SWP Water Costs (WSF)	*43,600*	*7,932*	*10,833*	*156,549*	*159,479*	*162,424*
Water Rights Lease (WSF)	*112,500*	*112,500*	*112,500*	*0*	*0*	*0*
Recharge Costs (WBRF)	*3,100*	*3,125*	*3,125*	*3,125*	*3,125*	*3,125*
Maintenance & Supplies	103,650	131,280	108,730	112,000	115,350	118,810
Utilities	211,420	210,504	223,580	237,490	252,300	268,040
Insurance	31,725	32,680	33,660	34,670	35,710	36,780
Outside Services	185,504	143,830	148,150	152,600	157,170	161,880
Total Operating Expenses	**2,490,009**	**2,422,021**	**2,510,858**	**2,642,316**	**2,751,816**	**2,852,930**
Debt Service	**139,075**	**135,019**	**136,888**	**138,569**	**139,081**	**140,425**
Capital Outlay						
Capital Improvements (from Rates)	**498,824**	**652,465**	**757,838**	**483,980**	**525,929**	**508,726**
Supplemental SWP Water Costs (WSF)	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
Total Expenses	**3,177,908**	**3,259,505**	**3,455,584**	**3,314,865**	**3,466,827**	**3,552,081**
Revenue Over/(Under)	**(75,208)**	**317,562**	**166,332**	**404,726**	**353,358**	**371,720**

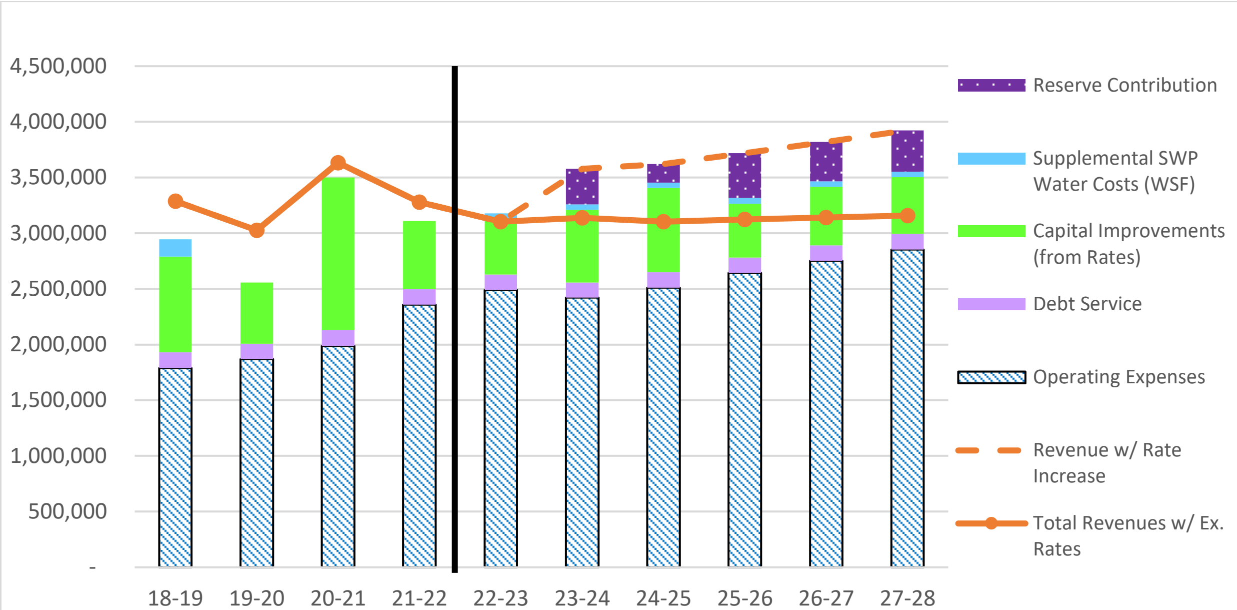

Figure 4-2: Projected Revenue vs Expenses with Proposed Rates

Table 4-4: Projected Reserves after Rate Adjustments

	Budget	Projected Reserve Balances					
	22-23	23-24	24-25	25-26	26-27	27-28	
Reserves (end of FY)							**Reserve Target**
O&M Reserve (15% of O&M Expenses)	411,050	411,050	411,050	411,050	411,050	427,939	**$425,000**
Capital Reserve (15% of Fixed Assets)	270,415	469,847	514,391	823,801	1,077,839	1,329,160	**$2,400,000**
Water Emergency Reserve	0	0	0	0	0	0	**$2,000,000**
Water Banking Reserve	51,895	136,457	221,458	306,899	392,783	479,112	**$600,000**
Water Sustainability Reserve	135,459	169,027	205,814	215,688	229,126	246,305	**$600,000**
Unassigned/Contingency Reserve	55,539	55,539	55,539	55,539	55,539	55,539	**up to $500,000**
Total Reserves	**924,358**	**1,241,920**	**1,408,251**	**1,812,977**	**2,166,336**	**2,538,055**	

	Budget	Projected Budgets				
Capacity Fee Account	22-23	23-24	24-25	25-26	26-27	27-28
Capacity Fee Collection	113,760	114,330	114,900	115,470	116,050	116,630
Capacity Fee Outlay			(1,150,000)			
Capacity Fee Balance	**1,834,000**	**1,948,330**	**913,230**	**1,028,700**	**1,144,750**	**1,261,380**

5 Conclusion & Implementation Plan

5.1 Conclusion

This study summarizes the cost-of-service analysis and recommendations for adjustments to the District's rate structure. The recommended rate adjustments proposed in this study allows the District to equalize its revenues and expenses and continue funding sufficient District reserves while maintaining equitable charges to the District's customer base. Therefore, it is our recommendation that the District implement the rate increase in accordance with Proposition 218 requirements.

5.2 Implementation Plan

The proposed rate increase is a property related fee and must be implemented in accordance with the requirements of Proposition 218. The District's legal counsel should be consulted on the proper procedures, notices, ordinances, and resolutions necessary to adopt and implement the proposed rate increases. The general implementation plan is as follows:

1. District Board of Directors reviews and accepts the report and recommendations.
2. The Board sets a date for a public protest hearing not less than 45 days after notices to customers have been mailed.
3. Mail customer notices with the proposed rate increase and time and date of the public protest hearing as well as any other required notice information as specified in Government Code Section 53753.
4. Hold public majority protest hearing.
5. Adopt revised rate structure should a majority not protest.
6. Review revenue versus expenditures annually to verify assumptions and projections in Water Rate Study. Consider decreasing water rates if appropriate based on this review. Consider increasing rates based on CPI-U as appropriate.
7. Conduct Water Rate Study update in FY27-28.

APPENDIX A

GHCSD Budget Projection Detail

	Actuals				Budget	Projected Budgets					%
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	Increase
Revenues											
Property Taxes											
Penalties/Cost Delinquent Tax	2,496	2,800	3,286	1,762	2,000	2,000	2,000	2,000	2,000	2,000	0%
	(334)	(330)	-	-							
Total Property Taxes and Fees	**2,162**	**2,800**	**3,286**	**1,762**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	
Revenues From Fees											
Water Standby Fee	49,621	48,440	48,476	47,123	37,000	44,000	43,780	43,560	43,340	43,120	-0.5%
Prior Year Standby	4,252	4,648	5,965	2,769	3,000	3,000	3,000	3,000	3,000	3,000	0%
Total Fees	**53,872**	**53,089**	**54,441**	**49,892**	**40,000**	**47,000**	**46,780**	**46,560**	**46,340**	**46,120**	
Revenues From Rents and Leases											
Water Rights Lease	87,253	101,456	80,423	-	-	-	-	-	-	-	0%
GHCSD Facilities Rents	100,033	101,700	103,779	104,635	107,000	110,210	113,520	116,930	120,440	124,050	3%
Total Rents and Leases	**187,286**	**203,156**	**184,202**	**104,635**	**107,000**	**110,210**	**113,520**	**116,930**	**120,440**	**124,050**	
Water Sales/Revenues											
Residential Water Sales	1,775,711	1,766,665	1,974,867	1,932,177	1,900,000	1,909,500	1,919,050	1,928,650	1,938,290	1,947,980	0.5%
Commercial Water Sales	330,921	429,569	478,488	499,961	470,000	472,350	474,710	477,080	479,470	481,870	0.5%
Water Sustainability Fee (WSF)	93,976	92,576	110,737	99,332	100,000	100,500	101,000	101,510	102,020	102,530	0.5%
Water Banking Reimbursement Fee (WBRF)	151,218	150,272	170,655	160,257	160,000	170,503	171,355	172,212	173,073	173,938	0.0%
District Facilities Repymt (1.00)	34,422	34,667	35,142	35,425	35,000	35,000	35,000	35,000	35,000	35,000	0%
Water Operations Reserve (3.50)	120,466	121,329	122,979	124,024	122,000	122,000	122,000	122,000	122,000	122,000	0%
Water Penalties	59,234	41,504	35,611	48,071	54,000	54,000	54,000	54,000	54,000	54,000	0%
Water Meter Sizing	5,200	9,150	11,150	9,000	3,000	3,000	3,000	3,000	3,000	3,000	0%
Water Sign Up	12,085	14,310	17,515	16,380	14,000	14,140	14,280	14,420	14,560	14,710	1%
Water Connection Fees	27,500	34,250	45,000	34,545	15,000	15,150	15,300	15,450	15,600	15,760	1%
Water Liens & Release Fees	1,220	2,063	5,441	5,495	2,000	2,000	2,000	2,000	2,000	2,000	0%
Total Water Sales/Revenues	**2,611,953**	**2,696,355**	**3,007,584**	**2,964,667**	**2,875,000**	**2,898,143**	**2,911,695**	**2,925,322**	**2,939,013**	**2,952,788**	
Interest Income and other Revenues											
Interest from County	3,451	55,537	40,859	49,507	28,000	28,840	29,710	30,600	31,520	32,470	3%
Interest from Investments	40	54	41	24	100	100	100	100	100	100	0%
Grants	-	-	54,295	-							
IRWMP Grant - Steuber Well	315,398	-	-	-	-	-	-	-	-	-	0%
COT Seg 3 Pipeline Cost	87,660	-	-	-	-	-	-	-	-	-	0%
Cal-OES Power Resiliency Grant	-	-	248,238	45,374							
NSF Penalties	455	360	405	300	500	500	500	500	500	500	0%
Over the Counter Misc Services	-	47	-	22	100	100	100	100	100	100	0%
Other Revenue	937	2,860	10,858	19,283							
Sale of Assets	17,000	-	-	-	-	-	-	-	-	-	0%
Gain/Loss on Asset Value	(50,991)	(40,421)	(26,234)	(10,956)	-	-	-	-	-	-	0%
Misc Reimbursement	9,102	2,434	5,000	5,406	-	-	-	-	-	-	0%
Total Interest Income and other Revenues	**383,052**	**20,871**	**333,463**	**108,959**	**28,700**	**29,540**	**30,410**	**31,300**	**32,220**	**33,170**	
Transfers In											
Nature Park Payment	25,000	25,000	25,000	25,000	25,000	25,000					0%
TUSD School Properties Payment	25,000	25,000	25,000	25,000	25,000	25,000					0%
Total Transfers In	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**-**	**-**	**-**	**-**	
Total Revenues	**3,288,325**	**3,026,271**	**3,632,977**	**3,279,914**	**3,102,700**	**3,136,893**	**3,104,405**	**3,122,112**	**3,140,013**	**3,158,128**	

	Actuals				Budget	Projected Budgets					%
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	Increase
Expenses											
Salaries & Benefits											
Salaries	576,862	648,936	653,148	675,138	875,000	818,956	870,456	919,506	957,806	998,241	7.5%
Overtime	40,106	25,783	20,114	19,339	37,000	30,504	32,554	34,604	36,654	38,704	7.5%
Special Duty Pay	99,856	9,952	9,874	9,802	9,800	9,800	9,800	9,800	9,800	9,800	0%
Elected Officials Salaries	12,954	10,859	9,888	9,696	11,520	15,000	15,000	15,000	15,000	15,000	0%
Board Secretary Fees	-	-	-	-	-	-	-	-	-	-	3%
Cal - PERS Retirement	166,374	187,960	170,351	101,180	120,960	143,500	150,680	158,210	166,120	174,430	5%
Pension - PARS	(111,836)	4,355	(78,253)	55,642	-	-	-	-	-	-	3%
Group Medical Insurance	145,879	175,202	194,832	184,871	230,400	237,310	244,430	251,760	259,310	267,090	3%
Unemployment Insurance	5,378	2,353	2,419	1,860	5,760	5,930	6,110	6,290	6,480	6,670	3%
Worker's Compensation	(1,425)	22,408	22,198	17,765	29,760	31,250	32,810	34,450	36,170	37,980	5%
Employer Payroll Tax Expense	46,838	51,419	51,730	54,379	64,320	62,650	66,590	70,342	73,272	76,365	7.5%
Total Salaries & Benefits	**980,987**	**1,139,227**	**1,056,302**	**1,129,671**	**1,384,520**	**1,354,900**	**1,428,429**	**1,499,962**	**1,560,612**	**1,624,281**	
General & Administrative											
Office Expense	31,020	37,436	34,155	27,155	33,300	34,300	35,330	36,390	37,480	38,600	3%
Communications	14,159	13,174	11,845	12,600	14,340	14,770	15,210	15,670	16,140	16,620	3%
Postage & Shipping	18,977	20,196	20,355	20,320	24,500	25,240	26,000	26,780	27,580	28,410	3%
General Meeting Expense	804	1,551	1,907	2,192	2,500	2,580	2,660	2,740	2,820	2,900	3%
Board Meeting Expense	1,483	950	1,092	757	1,800	1,850	1,910	1,970	2,030	2,090	3%
Staff CE & Compliance Training	9,836	16,590	7,396	13,527	22,000	20,000	20,000	20,000	20,000	20,000	3%
Employee Tuition Reimbursement	-	-	-	-	500	520	540	560	580	600	3%
Board CE & Compliance Training	5,689	4,218	-	-	8,000	8,240	8,490	8,740	9,000	9,270	3%
Professional Dues/Memberships	10,609	20,079	22,675	20,866	26,000	26,780	27,580	28,410	29,260	30,140	3%
Consumer Confidence Report	1,981	703	2,043	2,157	4,000	4,120	4,240	4,370	4,500	4,640	3%
Scholarship	-	-	1,250	-							
Legal Notices	47,878	320	655	258	1,000	1,030	1,060	1,090	1,120	1,150	3%
Vehicle Expense Reimbursement	1,243	-	-	-	500	520	540	560	580	600	3%
Software Maintenance Expenses	12,255	20,602	20,985	26,568	27,000	27,810	28,640	29,500	30,390	31,300	3%
Meter Maintenance Expenses	238	12,959	28,940	30,803	32,000	32,960	33,950	34,970	36,020	37,100	3%
Outside Billing Services	6,270	6,381	7,262	6,281	6,900	7,110	7,320	7,540	7,770	8,000	3%
Taxes & Licenses (Non-Auto)	1,782	2,530	2,099	2,121	2,500	2,580	2,660	2,740	2,820	2,900	3%
Election Expense	18	-	-	-	4,000	500	4,500	500	4,750	500	
Bank Charges	168	168	464	918	1,500	1,550	1,600	1,650	1,700	1,750	3%
Credit Card Fees	13,185	12,706	9,801	5,654	5,000	5,150	5,300	5,460	5,620	5,790	3%
Bad Debt Write-off	743	474	232	1,359	1,000	1,030	1,060	1,090	1,120	1,150	3%
Total General & Administrative	**178,338**	**171,036**	**173,157**	**173,535**	**218,340**	**218,640**	**228,590**	**230,730**	**241,280**	**243,510**	

	Actuals				Budget	Projected Budgets					%
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	Increase
Expenses (Cont'd)											
System Operations											
Water System Maintenance	85,944	104,517	128,475	129,727	130,000	133,900	137,920	142,060	146,320	150,710	3%
SCADA System Maintenance	-	7,834	17,363	6,875	8,000	8,240	8,490	8,740	9,000	9,270	3%
Tools & Equipment	9,399	7,900	10,412	3,915	9,000	9,270	9,550	9,840	10,140	10,440	3%
Safety Equipment	1,777	2,011	1,603	1,270	2,500	2,580	2,660	2,740	2,820	2,900	3%
Chemicals	9,610	9,711	11,955	14,110	14,000	14,420	14,850	15,300	15,760	16,230	3%
Water Testing	16,071	15,455	6,135	14,596	10,000	15,000	15,450	11,000	16,000	16,480	3%
Equipment Rental	386	-	2,355	-	2,000	2,060	2,120	2,180	2,250	2,320	3%
State Health Agency Fees	16,158	15,476	14,856	20,870	20,150	21,160	22,220	23,330	24,500	25,730	5%
Raw Water Recharge (WBRF)	77	89	108	108	100	125	125	125	125	125	0%
TCCWD Spreading Loss Costs (WBRF)	12,420	4,747	2,010	38	3,000	3,000	3,000	3,000	3,000	3,000	0%
SWP Water Costs (WSF)	48,066	-	16,114	28,066	43,600	7,932	10,833	156,549	159,479	162,424	0%
Water Rights Lease (WSF)	62,775	64,030	132,530	112,500	112,500	112,500	112,500	-	-	-	0%
Total System Operations	**262,682**	**231,770**	**343,917**	**332,075**	**354,850**	**330,187**	**339,718**	**374,864**	**389,394**	**399,629**	
Maintenance & Supplies											
Janitorial Services	14,646	15,087	15,312	15,524	16,500	17,000	17,510	18,040	18,580	19,140	3%
Uniform Expense	9,925	9,970	6,886	7,390	9,900	10,200	10,510	10,830	11,150	11,480	3%
Equipment Repair & Maintenance	6,729	5,978	4,494	4,383	9,000	9,270	9,550	9,840	10,140	10,440	3%
Vehicle Repair & Maintenance	4,971	11,535	3,473	9,347	13,500	13,910	14,330	14,760	15,200	15,660	3%
Structure Repair & Maintenance	10,702	13,693	21,731	9,303	24,750	50,000	25,000	25,750	26,520	27,320	3%
Equipment & Vehicle Fuel & Oil	17,754	20,950	21,632	29,171	30,000	30,900	31,830	32,780	33,760	34,770	3%
Tank Maintenance Program	-	-	-	278,846							
Total Maintenance & Supplies	**64,726**	**77,213**	**73,528**	**353,964**	**103,650**	**131,280**	**108,730**	**112,000**	**115,350**	**118,810**	
Utilities											
Electricity	149,044	140,710	171,430	196,569	207,000	205,944	218,880	232,650	247,320	262,920	5%
Natural Gas	1,212	1,678	601	2,035	1,920	1,980	2,040	2,100	2,160	2,220	3%
Propane	-	-	1,179	2,049	2,500	2,580	2,660	2,740	2,820	2,900	3%
Total Utilities	**150,256**	**142,388**	**173,210**	**200,653**	**211,420**	**210,504**	**223,580**	**237,490**	**252,300**	**268,040**	
Insurance											
General Insurance	13,036	21,240	25,464	28,489	31,725	32,680	33,660	34,670	35,710	36,780	3%
Total Insurance	**13,036**	**21,240**	**25,464**	**28,489**	**31,725**	**32,680**	**33,660**	**34,670**	**35,710**	**36,780**	
Outside Services											
Legal Services	34,313	20,668	30,854	55,008	51,794	53,350	54,950	56,600	58,300	60,050	3%
Accounting & Audit Services	21,850	22,500	23,820	23,650	22,500	23,180	23,880	24,600	25,340	26,100	3%
Engineering Services	25,732	6,136	30,965	18,219	75,000	30,000	30,900	31,830	32,780	33,760	3%
Security Services	817	-	-	87	1,000	1,030	1,060	1,090	1,120	1,150	3%
Inspections	-	-	-	-	1,000	1,030	1,060	1,090	1,120	1,150	3%
Other Professional Services	55,094	36,309	54,859	41,483	31,360	32,300	33,270	34,270	35,300	36,360	3%
County Administration Charges	2,553	2,316	2,385	2,021	2,850	2,940	3,030	3,120	3,210	3,310	3%
Total Outside Services	**140,359**	**87,928**	**142,882**	**140,469**	**185,504**	**143,830**	**148,150**	**152,600**	**157,170**	**161,880**	
Total Operating Expenses	**1,790,384**	**1,870,802**	**1,988,460**	**2,358,856**	**2,490,009**	**2,422,021**	**2,510,858**	**2,642,316**	**2,751,816**	**2,852,930**	

	Actuals				Budget	Projected Budgets					%
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	Increase
Expenses (Cont'd)											
Debt Service											
Interest Expense	67,763	65,063	62,222	59,334	57,075	54,019	50,888	47,569	44,081	40,425	-3%
Building Loan	72,000	72,000	77,000	77,000	82,000	81,000	86,000	91,000	95,000	100,000	3%
Total Debt Service	**139,763**	**137,063**	**139,222**	**136,334**	**139,075**	**135,019**	**136,888**	**138,569**	**139,081**	**140,425**	
Capital Outlay											
Capital Improvements (from Rates)											
Total Capital Improvements (from Rates)	**859,005**	**549,879**	**1,372,106**	**614,395**	**498,824**	**652,465**	**757,838**	**483,980**	**525,929**	**508,726**	3%
Supplemental SWP Water Costs (WSF)	155,000	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000	0%
Total Capital Outlay	**1,014,005**	**549,879**	**1,372,106**	**614,395**	**548,824**	**702,465**	**807,838**	**533,980**	**575,929**	**558,726**	
Total Expenses	**2,944,151**	**2,557,744**	**3,499,788**	**3,109,586**	**3,177,908**	**3,259,505**	**3,455,584**	**3,314,865**	**3,466,827**	**3,552,081**	
Revenue over Expenses	**344,174**	**468,527**	**133,189**	**170,329**	**(75,208)**	**(122,612)**	**(351,179)**	**(192,754)**	**(326,814)**	**(393,953)**	
Capacity Fees	**175,560**	**228,312**	**287,280**	**237,813**	**113,760**	**114,330**	**114,900**	**115,470**	**116,050**	**116,630**	0.5%