

COUNTY OF FRESNO
COUNTY SERVICE AREA NO. 49
FIVE POINTS – WATER RATE ANALYSIS

FRESNO COUNTY, CA
APRIL 2026

PREPARED FOR:
County of Fresno
Five Points, CA

PREPARED BY:
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ABBREVIATIONS

AWWA.....	American Water Works Association
County.....	County of Fresno
CSA.....	County Service Area
DFA.....	Division of Financial Assistance
DWR.....	Department of Water Resources
EDU.....	Equivalent Dwelling Unit
FYE.....	Fiscal Year End
gpd.....	gallons per day
HAA5.....	haloacetic acids
MCL.....	Maximum Contaminant Level
MG.....	Million Gallons
MHI.....	median household income
O&M.....	operation and maintenance
SADW.....	Safe and Affordable Drinking Water
SDAC.....	Severely Disadvantaged Community
SWRCB.....	State Water Resources Control Board
SWTP.....	Surface Water Treatment Plant
TTHM.....	total trihalomethanes
WWD.....	Westlands Water District

1 INTRODUCTION

1.1 PURPOSE AND OBJECTIVES

Provost and Pritchard Consulting Group was retained by the County of Fresno to conduct a water rate analysis for County Service Area 49. The County owns and operates the CSA 49 potable water system that serves the community of Five Points in Fresno County, California. The existing water system has many deficiencies and operating costs have increased due to more frequent maintenance and repairs. Operating revenue has not been sufficient to cover these operation and maintenance expenses.

The County is in the process of constructing new water supply and distribution infrastructure to replace existing facilities. The source of water will change from surface water to groundwater. The existing surface water treatment plant will be replaced by a new groundwater well for supply to the water system. The surface water treatment plant will potentially be maintained as a standby water source.

The purpose of this rate analysis is to determine revenue required to cover cash needs for operation of the new water system during the next 5 years. The primary objective of this analysis is to develop customer water rates consistent with American Water Works Association (AWWA) Manual M1, “Principles of Water Rates, Fees and Charges”. It is the intent of the County to adopt new water rates, based on the approval of customers, in conformance with the legal requirements of Articles XIII C and XIII D of the California Constitution, which is in Proposition 218.

1.2 BACKGROUND

Five Points is located at the intersection of California State Highway 145, West Excelsior Avenue, and South Lake Avenue in Fresno County, CA. Five Points is classified as a community water system and is operated by the County of Fresno under CSA 49. The water system supplies municipal water to 47 customers within the existing service area boundary of CSA 49, including Westside Elementary School, a day care center, a market and 3 commercial customers.

Five Points relies on raw water obtained from the California Aqueduct and conveyed to a surface water treatment plant through Westland’s Water District laterals. Existing facilities at Five Points include a package surface water treatment plant with contact clarification and filtration and a storage tank. Treated water is delivered to the distribution system using a booster pump station. The surface water treatment facility is currently the sole source of water supply to the community.

Historically, the surface water treatment plant has not complied with the secondary MCL for total trihalomethanes (TTHM). As such, the County of Fresno investigated developing a groundwater well to replace the current surface water supply. The County secured grant funds from the State Water Resource Control Board (SWRCB) to construct the groundwater supply well. The County is in the process of implementing the well construction project.

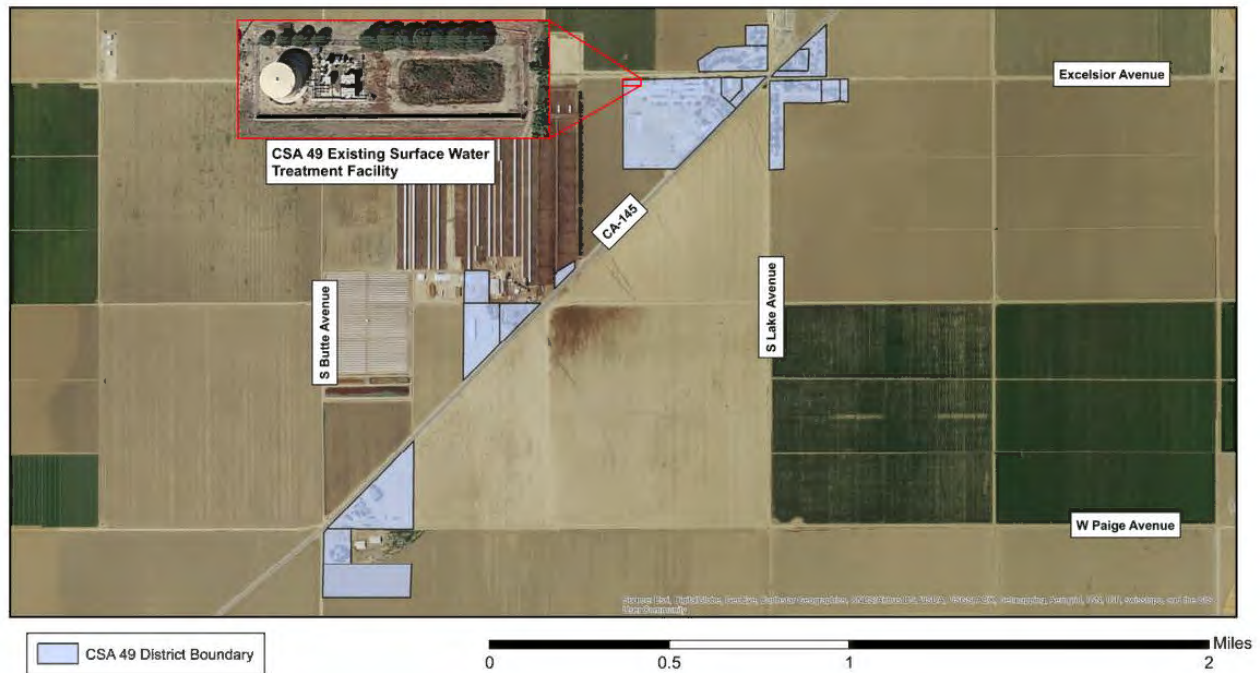


Figure 1-1. Vicinity Map

1.3 REFERENCE DOCUMENTS

The County provided the following information and documents for reference in the water rate analysis.

- Customer account list
- Current master fee schedule
- Line-item expenditure summary for FYE 2019 through 2025
- Policy Establishing Minimum Reserve Levels for Special Districts (November 7, 2006)
- Financial Audits FYE 2019 through 2021
- Water usage data for 2010 through 2023
- Summary of negative cash balance and held charges for unpaid labor
- County of Fresno Resolution Nos. 17-121 and 17-122 of the Board of Supervisors (February 2, 2017), Establishing County Service Area Revolving Fund and Policy for Use
- Fresno County Service Area 49 Assessment Report (June 6, 2006)
- County of Fresno, Resolution #06-500 Approving Assessments on Real Property within County Service Area No. 49 (August 15, 2006)
- Engineer's Report, Drinking Water-Service Rate Study, Fresno County Service Area 49 (August, 2009)
- County of Fresno, Resolution #09-511 Adopting a New Water Fee for County Service Area No. 49 for Fiscal Year 2009-10 (December 1, 2009)
- County of Fresno, Resolution #19-248 Adopting Budgets for County Service Areas, A Highway Lighting District, Maintenance Districts, and Waterworks Districts FY 2019-20 Based on Previously Approved Assessments, Fees, and Recovered Costs (June 18, 2019)
- County of Fresno, Resolution #22-241 Adopting Budgets for County Service Areas, A Highway Lighting District, Maintenance Districts, and Waterworks Districts FY 2022-23 Based on Previously Approved Assessments, Fees, and Recovered Costs (June 18, 2019)

2 EXISTING WATER SYSTEM

2.1 CUSTOMER ACCOUNTS AND WATER RATES

The CSA 49 water system has 47 water services but only 45 active customers which is comprised of single-family residential homes, a day care center, the Westside Elementary School building, a market, and 3 commercial buildings. The customer accounts and water rates are summarized in the table below. Current water rates are listed in the table below.

Table 2-1. Customer Accounts and Water Rates

Customer Classification	Number of Accounts	Monthly Rate
Fixed Monthly Charges		
Residential	39	\$39.98
Commercial	3	\$47.98
Market	1	\$79.95
Daycare (Head Start)	1	\$119.94
School	1	\$1,059.43
Total	45	
Water Usage Charges		
Water Commodity Fee (per 1000 gallons)		\$2.01
Residential	<i>(Allowance 1,000-28,000 gal.)</i>	
Commercial	<i>(Allowance 1,000-34,000 gal.)</i>	
Market	<i>(Allowance 1,000-56,000 gal.)</i>	
Daycare (Head Start)	<i>(Allowance 1,000-84,000 gal.)</i>	
School	<i>(Allowance 1,000-742,000 gal.)</i>	
Overuse Rate		\$3.35
Residential	<i>(Allowance 28,001 to 38,000 gal.)</i>	
Commercial	<i>(Allowance 34,001 to 44,000 gal.)</i>	
Market	<i>(Allowance 56,001 to 66,000 gal.)</i>	
Daycare (Head Start)	<i>(Allowance 84,001 to 94,000 gal.)</i>	
School	<i>(Allowance 742,001 to 752,000 gal.)</i>	
Overuse Rate		\$5.98
Residential	<i>(Allowance 38,001 and over gal.)</i>	
Commercial	<i>(Allowance 44,001 and over gal.)</i>	
Market	<i>(Allowance 66,001 and over gal.)</i>	
Daycare (Head Start)	<i>(Allowance 94,001 and over gal.)</i>	
School	<i>(Allowance 752,001 and over gal.)</i>	
Other Fees		
O&M General Administration		\$425.73/yr./EDU
SRF Loan Payment		\$12.46/yr./EDU

Water rates are charged monthly and include fixed and variable components. The fixed charge is billed monthly regardless of the amount of water used by each customer. This charge is intended to recover the fixed operating costs of the water system. The fixed charge for the school, day care center, market, and 3 commercial buildings are based on the estimated number of equivalent dwelling units (EDUs) for each service.

The variable charge, or water commodity fee, is billed based on water consumption and is intended to recover the cost to purchase untreated water from Westlands Water District (WWD). Each customer is charged for every 1000 gallons of water that passes through their meter. The County reads meters and charges based on water consumption every month. The variable charge has a tiered rate structure based on water consumption.

The Board of Supervisors adopted Resolution No. 06-500 approving tax assessments on real property within CSA 49 on August 15, 2006 for Operation and Maintenance (O&M) General Administration and repayment of a loan. A portion of the administrative expenses are recovered through the O&M General Administration tax assessment charged annually to property owners. The remaining O&M costs are recovered with water rate revenue collected from customers in CSA 49. Grant and loan funding was secured from the State Revolving Fund (SRF) to make improvements to the surface water treatment plant over 15 years ago. The funding consisted of \$1,900,000 in grants and \$80,000 in loans. The property tax assessment only includes repaying a portion of the SRF loan (\$18,750) based on the amount estimated at the time the property tax assessment was approved. Therefore, the remaining portion of the loan must be recovered through water rates charged to customers.

Water rate revenue can be estimated using the fixed monthly charge for each customer and annual water consumption. An estimate of revenue is summarized in the following table using average water consumption for a 12-month period. Annual water consumption is based on measured water usage from 2019 through 2023. The tax assessment revenue is estimated based on the total number of EDUs in the benefit area. The estimated annual revenue is about \$83,700 but actual revenue will vary based on the number of active accounts, water consumption from year-to-year, and collections from active customers.

Table 2-2. Revenue Estimate Based on Current Water Rates

Customer Classification	No. of Accounts	Rate	Annual Revenue
Fixed Monthly Charges			
Residential	39	\$39.98	\$18,711
Commercial	3	\$47.98	\$1,727
Market	1	\$79.95	\$959
Daycare (Head Start)	1	\$119.97	\$1,440
School	1	\$1,059.43	\$12,713
Subtotal	45		\$35,550
Water Usage Charges			
Customer Water Sales in Gallons	7,516,000		
Rate per 1000 Gallons		\$2.01	\$15,107
Subtotal			\$15,107
Assessments			
Total EDUs	75.3		
O&M General Administration (\$/EDU)		\$425.73	\$32,057
SRF Loan Payment (\$/EDU)		\$12.46	\$938
Subtotal			\$32,996
Total Revenue (Estimate)			\$83,653

Notes:

1. Total water consumption is based on average annual water usage from 2019 through 2023.

2.2 HISTORICAL WATER USAGE

Total water consumption of the CSA 49 community is summarized in the following table. Historic water usage data was provided by the County for 2010 through 2023. The data was obtained from meter register records which represent the total potable water consumption of customers as measured from their water meters. Total annual water consumption from 2019 through 2023 ranged from 6.5 to 9.8 million gallons (MG) with a 5-year annual

average of 7.5 MG. Annual water usage dropped in 2021 and has remained consistent through 2023 which appears to be due to a significant drop in water usage by the school service.

The water usage does not represent the amount of source water purchased from WWD. Source water requirements would be higher, accounting for additional water required for filter backwashing at the surface water treatment plant, leaks in the distribution system, unmetered fire hydrant use, and other water loss in the water system.

Table 2-3. Historical Water Usage (in Gallons)

Historical Water Usage (In Gallons)						
Month	2019	2020	2021	2022	2023	5-Year Average
January/February	899,296	953,975	721,774	990,338	662,048	845,486
March/April	975,847	1,325,649	1,089,828	1,020,212	740,552	1,030,418
May/June	1,501,505	1,888,867	1,290,554	1,059,960	1,082,571	1,364,691
July/August	2,191,003	2,511,340	1,431,676	1,490,572	1,833,396	1,891,597
September/October	1,555,249	1,950,231	1,504,710	975,709	1,358,913	1,468,962
November/December	1,038,806	1,158,578	573,493	1,029,754	773,064	914,739
Total	8,161,706	9,788,640	6,612,035	6,566,545	6,450,544	7,515,894

2.3 EQUIVALENT DWELLING UNITS

The amount of potable water used by a single-family residence typical within and to the area is expressed as an equivalent dwelling unit (EDU). Each single-family residence has a minimum EDU of one. The amount of potable water used by customers, that are not single-family residences, are also typically expressed in terms of the number of equivalent single-family residences or EDUs. The County determined the number of EDUs for each parcel in CSA 49 and the proportionate percent of benefit when the property tax assessment went into effect. A summary of the EDUs by customer classification is provided in the table below.

Table 2-4. Equivalent Dwelling Units (EDU's)

Customer Classification	Number of Service Connections	EDU	Total EDU
Residential	40	1.0 ¹	40.2
Day Care - Head Start	1	3.0	3.0
School	1	26.5	26.5
Market	1	2.0	2.0
Commercial	3	1.2	3.6
Total	46		75.3

Notes:

1. A residence with a swimming pool is 1.2 EDUs.

2.4 OPERATING COSTS

The County provided an expense summary for water system expenditures for fiscal year ending (FYE) 2019 through 2025. The fiscal year begins on July 1st each year and ends on June 30th. Expenses are segregated into the expense accounts listed in the following table.

Table 2-5. Operating Expenses Accounts

Account	Notes
Operating Expenses - 7000 Services & Supplies	
07010 Agriculture	Raw water purchase for surface water treatment plant
07070 Household Expense	Solid waste cost
07101 General Liability Insurance	
07205 Maintenance-Equipment	Outside vendor charges for repairs
07220 Maintenance-Buildings & Grounds	Equipment, materials, and chemical costs
07250 Memberships	
07265 Office Expense	
07268 Postage	
07287 Peoplesoft Financial Charge	Financial software cost per transaction
07295 Professional & Specialized Services	County staff administration and operator labor charges
07296 Data Processing Services	EWON plant operator alarm service fee
07385 Small Tools & Instruments	
07430 Utilities	Utility company electricity charges

The total annual operating expenses during the last 5 years range from \$143,659 to \$182,422 with an average of \$153,525 (see table below for summary). The total annual operating expenses shown below include held charges that exceeded the budget appropriations. The portion of the operating expenses paid for by the O&M General Administration property tax assessment is included in the expense summary below. No expenses are shown under the utilities line-item which should include utility charges for electricity. The County is connected to the school district electrical meter and pays the school for electricity use. The County provided estimated electricity costs for the last five years, which average \$5,400 per year. It is assumed that payments to the school are included under the Maintenance-Equipment expense line item.

The portion of the SRF loan paid with water rate revenue is charged to 07295 - Professional & Specialized Services according to County staff. The total annual loan payment amount is \$2,667. The portion of the loan paid by the property tax assessment is \$938 and the remaining amount of \$1,728 is paid with rate revenue.

Assuming customer approval of the water rates, under Proposition 218, operating costs will change since the water source will transition from surface water to groundwater. If such customer approval is obtained, (i) some expenses such as the agriculture line-item for surface water purchases will be eliminated after the surface water treatment plant (SWTP) is taken offline, and (ii) it is anticipated that most of the administrative costs will be relatively unchanged, however, other costs specific to operating the new water system supplied by groundwater wells will change. Operating cost changes are addressed later in this report.

Table 2-6. Historical Water Fund Expenditures

Historical Water Fund Expenditures						
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	Average
Operating Expenses - 7000 Services & Supplies						
07010 Agriculture	15,615	16,421	11,870	10,743	9,699	12,870
07040 Communications/Telephone	0	0	0	0	0	0
07070 Household Expense	0	0	0	0	0	0
07101 General Liability Insurance	1,517	14	15	2,124	3,984	1,531
07205 Maintenance-Equipment	23,003	5,330	12,966	12,675	31,491	17,093
07220 Maintenance-Buildings & Grounds	4,285	1,381	5,851	21,547	16,490	9,911
07250 Memberships	150	150	300	300	600	300
07265 Office Expense	0	0	0	0	0	0
07268 Postage	344	470	439	470	503	445
07287 Peoplesoft Financial Charge	2,800	2,219	2,737	2,549	2,214	2,504
07295 Professional & Specialized Services	42,461	60,468	52,727	28,409	35,179	43,849
07296 Data Processing Services	0	0	0	0	627	125
07325 Public & Legal Notices						
07385 Small Tools & Instruments	0	0	0	0	0	0
07400 Special Departmental Expense						
07430 Utilities	0	0	0	0	0	0
07565 Countywide Cost Allocation						
Subtotal Expenditures	90,176	86,453	86,904	78,816	100,788	88,627
Held Charges ¹	57,208	57,206	95,518	69,255	45,302	64,897
Total Expenditures	147,384	143,659	182,422	148,071	146,090	153,525

Notes:

1. Held charges are expenses that could not be applied to the water system account due to an exceedance of the adopted annual budget.

2.5 NEGATIVE CASH AND HELD CHARGES

Water rate revenue has not been sufficient to cover operating costs for multiple years. The existing surface water treatment plant facilities are old and has a high operating cost associated with maintenance and repairs. The high operating cost has been a major contributor to recurring insufficient revenues.

A budget is established each fiscal year and adopted by the Board of Supervisors. Due to the inadequacy of the rate revenue the expenses of the water system typically exceed the budget before the end of the fiscal year. Once the budget has been exceeded, costs are held in suspense, and tracked separately by the Department of Public Works and Planning for accounting purposes. During that period, costs are not charged to the water system's account. As a result, held charges are temporarily allocated to other County funds and those charges are applied to the water system at the beginning of the next fiscal year. When the water system's cash balance is exhausted, expenses are paid with other County funds (e.g. - purchase of chemicals, materials, electricity, and cost of repairs) and as a result there is a negative cash balance for accounting purposes. The engineer preparing this report is informed by the County that the negative cash balance, and the manner of tracking costs and unpaid held charges causing such negative balance, does not relieve the water system, including its customers, of its obligation for the full payment of those expenses.

The water system currently has a negative cash balance and unpaid held charges that need to be repaid to other County public funding sources to make them whole. Solely, to ensure that other County public funding sources are made whole, the negative cash is expected to be charged interest by the County Auditor-Controller/Treasurer-Tax

Collector at the County then-current pooled funds rate. The County pooled funds rate changes each quarter and is published on the County’s website. The rate for the quarter ending December 31, 2025 was 3.490% which was used to calculate estimated interest for the purpose of the rate analysis.

The negative cash balance and held charges will be repaid with water rate revenue. It is anticipated that new water rates referenced in this report will go into effect on July 1, 2026. Repayment of the negative cash balance and held charges will be incorporated into those new water rates. The current balance of negative cash and unpaid held charges is summarized in the following table, Table 2-7. Estimated payment amount on outstanding expenses referenced in Table 2-7 was calculated assuming quarterly payments over 5 years.

The Board of Supervisors’ approval of this report is not any approval or ratification, either express or implied, of the manner in which any negative cash balances, and unpaid held charges causing such negative balance, should be treated or accounted for, and in no way does the Board of Supervisors’ approval of this report operate, either expressly or impliedly, as a waiver or release of the right of the County to obtain the water system’s full payment of all water charges (including interest thereon for any negative cash balances and unpaid held charges causing such negative balance) as and when they are due.

Table 2-7. Summary of Negative Cash and Held Charges

Item	Amount
Negative Cash and Held Charges Balance	
Negative Cash Balance as of 11/20/2025	\$138,001
Unpaid Held Charges Accrued FY 2020-21	\$57,208
Unpaid Held Charges Accrued FY 2021-22	\$57,206
Unpaid Held Charges Accrued FY 2022-23	\$95,518
Unpaid Held Charges Accrued FY 2023-24	\$69,255
Unpaid Held Charges Accrued FY 2024-25	\$45,302
Estimated Held Charges FY 2025-26	\$50,000
Total Negative Cash and Held Charges	\$513,490
DFA Grant Funds Unclaimed	(\$35,304)
Adjusted Total Negative Cash and Held Charges	\$478,186
Debt Service	
Annual Interest Rate	3.490%
Repayment Period (in years)	5
Payments per Year	4
Payment Amount	\$26,160
Annual Debt Service	\$104,640
Cost Per Month	\$8,720

Notes:

1. Annual interest rate on County Pooled Funds as of December 31, 2025
2. Outstanding SRF Loan is paid through property tax assessment and is not included above.

The negative cash balance shown in the table includes expenditures for planning funding from the SWRCB that was used to drill a test hole. A portion of these funds will be reimbursable once grant funds are received for construction of the new wells. The remaining negative cash balance from operations will be paid with water rate revenue. Interest will continue to be accrued on the negative cash balance from operations until new water rates go into effect.

3 NEW WATER SYSTEM OPERATING COSTS

3.1 COST DETERMINATION

Operating costs for a water system supplied by a groundwater well will be different from that of the existing surface water treatment facility. Budgetary operating costs were developed based on assumptions for typical operations of a water system supplied by groundwater wells. The County reviewed budgetary operating costs to provide input based on similar County-operated systems. Historic operating costs for CSA 49 were used to develop budgetary estimates for administrative costs which are not anticipated to change significantly. Operating costs will need to be monitored by the County and actual costs should be used to adjust water rates accordingly in the future.

3.2 BUDGETARY OPERATING COSTS

Budgetary operating costs were grouped into four major categories described in the following sections. The basis of operating costs is summarized in tables included in [APPENDIX A](#).

3.2.1 PROFESSIONAL AND SPECIALIZED SERVICES

This category includes office and operator labor and laboratory testing expenses anticipated for the water system. Office labor includes staff time associated with bookkeeping, billing and collections, accounts payable, and related tasks to support administrative functions of the water system. Operator labor includes travel expense and staff time for routine site visits for water system operation and maintenance. Laboratory tests include water quality testing of samples for compliance with regulatory requirements. The operator labor includes annual startup and testing of the SWTP to ensure proper operation and function for use as a backup water supply.

3.2.2 UTILITIES AND CHEMICALS

This category includes utility and chemical costs for the well and storage tank site equipment. Utilities include electricity. Energy usage was estimated based on pump equipment power requirements and annual operating hours based on estimated annual average water pumping. Electricity costs are based on estimates of annual energy usage and unit cost of energy. The average unit cost of energy, in dollars per kilowatt hour, was derived from utility billing records provided by the County. Chemicals include purchase of chlorine for the well site. Chlorine will be used for disinfection of drinking water.

3.2.3 MAINTENANCE AND REPAIRS

This category includes maintenance and repairs of equipment and facilities. The budgetary cost for annual maintenance and repairs was set with input from County staff.

3.2.4 OTHER EXPENSES

This category includes other expenses such as general liability insurance, financial software service fees and other office and administrative expenses. It is not anticipated that administrative expenses will change significantly to operate the new water system. Budgetary expenses for this category of expenses were set relative to average costs observed in FYE 2021 through 2025.

3.3 SUMMARY OF OPERATING BUDGET

3.3.1 TRANSITION FROM SURFACE WATER TO GROUNDWATER SUPPLY

The County is still in the process of designing and constructing a water system improvement project that will transfer the water supply from surface water to groundwater. The project is anticipated to be complete within the

next 5 years. New water rates will initially be set based on the expected continued operation of the SWTP. Operating budgets were also developed based on operation of the groundwater well. Water rates based on groundwater well operation will be used after the well goes into service.

3.3.2 OPERATING EXPENSES – GROUNDWATER WELL OPERATION

Proposed budgetary operating costs for the new water system are summarized in Table 3-1. Current average costs are the average cost from FYE 2021 through 2025 taken from Table 2-6. These costs are included in the summary for reference. The new budgeted cost represents the proposed operating budget for the new system after the groundwater well is in service. Costs specific to operating the new water system were developed based on new equipment and operations as discussed in the previous sections. These costs are shown under Professional and Specialized Services; Utilities and Chemicals; and Maintenance and Repairs.

Professional and Specialized Services are anticipated to decrease from current levels. Utilities and chemical costs show an overall increase due to estimated electricity cost. Electricity cost is expected to be higher for groundwater pumping. The utility expense shown in Table 3-1 does not have any expense which clearly does not represent actual previous costs. The zero charges are due to negative cash and held charges that could not be applied as discussed in previous sections. In general, maintenance and repair costs are anticipated to be lower since old facilities will be replaced with all new equipment. However, the change in this category is minimal which also may be attributed to negative cash and held charges. Other expenses consisting primarily of administrative costs are not anticipated to change significantly as stated.

The new budgeted costs are escalated by an annual rate of 3% to July 1, 2026. New water rates based on groundwater well operation will not go into effect until approval is received from the SWRCB to place the new groundwater well into service.

Operating expenses are categorized as fixed costs, variable costs or partially fixed and variable costs by percentage. Fixed costs are usually recovered proportionately to customer service size or equivalent dwelling units, independent of monthly water usage. Expenses are typically classified as fixed costs based on the benefit to customers regardless of level of water usage. Expenses are classified as variable costs to the extent that costs are more directly related to water usage (e.g. - electricity, chemicals, and repairs). The distribution of fixed and variable operating costs is 74% fixed and 26% variable (excluding Non-Operating Expenses).

Table 3-1. Summary of New Budgetary Operating Expenses (Groundwater Well Operation)

Summary of New Budgetary Operating Expenses (Groundwater Well Operation)					
Expense Item	Current Average Costs	New Budgeted Cost ¹	Percent Fixed Cost	Fixed Cost	Variable Cost
Professional and Specialized Services					
07295 Professional & Specialized Services	\$43,849	<i>\$63,240</i>	100%	\$63,240	\$0
Utilities and Chemicals					
07010 Agriculture	\$12,870	-	-	-	-
07220 Maintenance-Buildings & Grounds (cost to purchase chlorine)	\$9,911	<i>\$4,740</i>	0%	\$0	\$4,740
07430 Utilities	\$0	<i>\$18,230</i>	0%	\$0	\$18,230
Maintenance and Repairs					
07205 Maintenance-Equipment	\$17,093	<i>\$5,670</i>	50%	\$2,835	\$2,835
Other Expenses					
07101 General Liability Insurance	\$1,531	\$4,120	100%	\$4,120	\$0
07250 Memberships	\$300	\$620	100%	\$620	\$0
07265 Office Expense	\$0	\$0	100%	\$0	\$0
07268 Postage	\$445	\$460	100%	\$460	\$0
07287 Peoplesoft Financial Charge	\$2,504	\$2,580	100%	\$2,580	\$0
07296 Data Processing Services	\$125	\$130	100%	\$130	\$0
07385 Small Tools & Instruments	\$0	\$0	100%	\$0	\$0
Subtotal Operating Expenses	\$88,627	\$99,790		\$73,985	\$25,805
Held Charges ²	\$64,898	-	-	-	-
Total Expenses	\$153,525	\$99,790		\$73,985	\$25,805
Percent Fixed and Variable Cost	-			74%	26%
Non-Operating Expenses					
Debt Service ³	-	\$104,640	100%	\$104,640	\$0
Operating Reserve Set-Aside (estimated) ⁴	-	\$10,920	100%	\$10,920	\$0
Replacement Reserve Set-Aside ⁴	-	\$3,500	100%	\$3,500	\$0
Total Operating + Non-Operating Expenses	\$153,525	\$218,850		\$193,045	\$25,805
Percent Fixed and Variable Cost				88%	12%

Notes:

1. New budgeted cost values (*italicized*) are estimated costs for new water system facilities. All other expenses are administrative and were derived from historic expenditures (FYE 2021 through FYE 2025) and escalated by 3% to July 2026.
2. Held charges represent expenses that exceeded the annual water system budget.
3. See Table 2-7 for payment calculation
4. See Section 3.3.3 for non-operating expense determination.

3.3.3 NON-OPERATING EXPENSES – GROUNDWATER WELL OPERATION

Non-operating expenses include payment of outstanding expenses, capital expenditures and funds set aside for reserves. The cost recovery for all non-operating expenses is included entirely as a fixed cost. The distribution of total fixed and variable operating and non-operating costs combined is 88% fixed and 12% variable.

Reserve funds are necessary to provide funds for capital improvements, emergency repairs and eventual replacement of equipment. The new water rates incorporate a minimum operating reserve and equipment replacement reserve as described below. No new capital projects were identified by the County since all facilities are in the process of being replaced as a part of the current water system improvement projects discussed in Section 2.5. Therefore, reserves for future capital improvement projects were not included in the new rate calculation.

The County Board of Supervisors adopted a policy establishing minimum reserve levels for special districts on November 7, 2006. For water service districts, the reserve amount target is 50% of the annual average of 3 years of operation, maintenance and administration expenditures (excluding extraordinary infrastructure or fixed asset projects) or \$13,000 for dissolution and reorganization costs, whichever is greater. The minimum operating reserve level incorporated into the new water rates is based on 50% of the annual average 3 years of operation, maintenance and administrative expenditures since this amount is greater than \$13,000. The operating reserve set-aside amount shown in Table 3-1 is 50% of the total operating expenses divided by the 5-year rate study period. The operating reserve will increase year-to-year as expenses increase with inflation.

Reserves for equipment replacement are incorporated into the new rates. Major equipment cost and service life was used to calculate the amount that should be set aside each year to build the needed reserve for future equipment replacement. A summary of equipment reserve amounts is included in **APPENDIX A** (see Table A-3).

3.3.4 OPERATING EXPENSES – INTERIM SWTP OPERATION

Proposed budgetary operating expenses for continued operation of the SWTP are summarized in Table 3-2. Current average costs are taken from Table 3-1 for reference. The new budgeted costs are the average historic costs escalated by an annual rate of 3% to July 1, 2026 when new rates are planned to go into effect. The distribution of fixed and variable operating costs (excluding Non-Operating Expenses) is 65% fixed and 35% variable. The distribution of total fixed and variable operating and non-operating costs is 80% fixed and 20% variable. A distribution of total fixed and variable cost of 80% fixed and 20% variable is used in the final rate calculation. This is consistent with the existing rate structure and revenue distribution calculated in Section 2.1. The non-operating expenses are the same as those shown in Table 3-1. Operating and equipment replacement reserve set-asides are based on long-term groundwater system operations.

The cost to purchase surface water from Westlands Water District (WWD) is not included in Table 3-2. The rate charged for surface water is set by WWD and varies seasonally. Customers will be billed a separate “commodity” charge to recover the cost of surface water. Customers will be charged based on the amount of water used at the rate set by WWD plus 10% to account for water losses. The SWTP requires additional surface water to backwash and clean filters. The backwash water is disposed and represents a loss of water that cannot be used to supply the community water system. The backwash rate is estimated to be 10% of treated water.

Table 3-2. Summary of Interim SWTP Budgetary Operating Expenses

Summary of Interim SWTP Budgetary Operating Expenses					
Expense Item	Current Average Costs	Interim Budgeted Cost ¹	Percent Fixed Cost	Fixed Cost	Variable Cost
Professional and Specialized Services					
07295 Professional & Specialized Services	\$43,849	\$45,160	100%	\$45,160	\$0
Utilities and Chemicals					
07010 Agriculture	\$12,870	-	0%	-	Actual ⁵
07220 Maintenance-Buildings & Grounds (cost to purchase chlorine)	\$9,911	\$10,210	0%	\$0	\$10,210
07430 Utilities	\$0	\$0	0%	\$0	\$0
Maintenance and Repairs					
07205 Maintenance-Equipment	\$17,093	\$17,610	50%	\$8,805	\$8,805
Other Expenses					
07101 General Liability Insurance	\$1,531	\$4,120	100%	\$4,120	\$0
07250 Memberships	\$300	\$620	100%	\$620	\$0
07265 Office Expense	\$0	\$0	100%	\$0	\$0
07268 Postage	\$445	\$460	100%	\$460	\$0
07287 Peoplesoft Financial Charge	\$2,504	\$2,580	100%	\$2,580	\$0
07296 Data Processing Services	\$125	\$130	100%	\$130	\$0
07385 Small Tools & Instruments	\$0	\$0	100%	\$0	\$0
Subtotal Operating Expenses	\$88,627	\$80,890		\$61,875	\$19,015
Held Charges ²	\$64,898	\$66,840	50%	\$33,420	\$33,420
Total Expenses	\$153,525	\$147,730		\$95,295	\$52,435
Percent Fixed and Variable Cost	-			65%	35%
Non-Operating Expenses					
Debt Service ³	-	\$104,640	100%	\$104,640	\$0
Operating Reserve Set-Aside (estimated) ⁴	-	\$10,920	100%	\$10,920	\$0
Replacement Reserve Set-Aside ⁴	-	\$3,500	100%	\$3,500	\$0
Total Operating + Non-Operating Expenses	\$153,525	\$266,790		\$214,355	\$52,435
Percent Fixed and Variable Cost				80%	20%

Notes:

1. Expenses were derived from historic expenditures (FYE 2021 through FYE 2025) and escalated by 3% to July 2026.
2. Held charges represent expenses that exceeded the annual water system budget.
3. See Table 2-7 for payment calculation
4. See Section 3.3.3 for non-operating expense determination.
5. Surface water will be charged separately to customers based on actual purchase cost from Westlands Water District.

4 PAYMENT OF OUTSTANDING EXPENSES

4.1 COUNTY SERVICE AREA REVOLVING FUND LOAN

The negative cash balance and held charges will need to be repaid with water rate revenue as discussed in Section 2.5. The County of Fresno established a County Service Area Revolving Fund pursuant to Government Code §25214.5 which allows county service areas to borrow from the County General Fund. The fund was established and funded through Board of Supervisor adoption of Resolution Nos. 17-121 and 17-122 on February 7, 2017. The Department of Public Works and Planning plans to recommend that the Board of Supervisors authorize a loan to CSA 49 from the revolving fund to pay the negative cash balance and held charges. The loan from the County Service Area Revolving Fund would be subject to approval by the Board of Supervisors.

5 PROPOSED WATER RATES

5.1 CASH FLOW ANALYSIS

A 5-year cash flow model was developed to determine the revenue requirement to fund budgetary operating costs, non-operating costs and target reserves. Two cash flow scenarios were reviewed for the water rate analysis. The first scenario is based on operating expenses after the groundwater well is constructed and supplying the water system. The second scenario is based on operating expenses for continued operation of the SWTP. The County will need to continue charging rates that will recover the higher operating cost of the SWTP until the new groundwater wells are in service. The cash flow analysis is included in **APPENDIX B** and explained below:

- The beginning operating reserve in year 1 is zero since the water system is currently operating in a deficit
- It is assumed that the property tax assessment for O&M General Administration will be adjusted each year for inflation in accordance with Resolution No. 06-500. This assessment is escalated by 3.0% each year.
- Interest is earned on future operating reserve balances at an estimated average rate of 1.5%. The interest rate is based on a conservative estimate of County pooled funds rates using historic rates.
- Operating expenses are escalated by 3.0% each year to account for price inflation.
- Revenue is escalated by 3.0% each year to meet the revenue requirement during the 5-year period.
- The Department of Public Works and Planning intends to recommend that the Board of Supervisors provide a loan from the County Service Area Revolving Fund to pay the negative cash balance and unpaid held charges (unpaid expenses). The principal and interest amount for repayment over the 5-year rate period is included in the cash flow analysis.
- The operating reserve is set at 50% of the average previous 3-year operating and maintenance total expenditures. The operating reserve is based on the operating cost for the last 3 years when the groundwater well is in service.
- Funds are set-aside and added to the equipment replacement reserve each year.
- The revenue requirement was determined by setting the revenue at amounts sufficient to pay continued operating expenses for the SWTP, future operating expense of the groundwater wells and repayment of unpaid expenses; with enough surplus revenue each year to build reserves to the minimum total reserve amount by Year 5.

5.2 WATER RATE DETERMINATION

Proposed water rate calculations are included in **APPENDIX C**. The revenue is segregated into fixed and variable rates based on the cost distributions shown in Table 3-1 and Table 3-2 for groundwater system operation and interim SWTP operation, respectively. Water rates were calculated for both scenarios discussed in the previous section. The fixed and variable water rate calculations are explained below.

- **Fixed Charge:** The total annual revenue is multiplied by the percent fixed rate to calculate the total fixed revenue requirement. The total fixed revenue is divided by the total equivalent dwelling units (EDU). Services for single-family homes are charged a fixed rate for 1 EDU. Non-residential and services with multiple homes are charged based on the total number of EDUs for each metered service connection. The fixed rate for each service is charged to customers each month independent of water usage.
- **Variable Charge:** The total annual revenue is multiplied by the percent variable rate to calculate total variable revenue requirement. The total variable revenue is divided by the average annual water usage. All water customers, regardless of service class, are charged at the variable water rate (dollars per 1,000 gallons used). While the SWTP continues to be in operation, the variable charge for each customer class is divided into two parts: (1) operations and (2) commodity.
 - **Operations:** The operations charge includes recovery of variable operating costs only.

- **Commodity:** The commodity charge is the cost to purchase surface water from WWD. The cost to purchase surface water is currently \$233.44 per acre-foot. The cost to customers will include an additional 10% for backwash water at the surface water treatment plant (\$0.79 per 1000 gallons). The cost to purchase surface water varies seasonally. The variable commodity charge will be adjusted when WWD rates change to recover actual costs whenever surface water rates change. After the groundwater wells are in service, the commodity charge will be eliminated.

5.3 SUMMARY OF PROPOSED WATER RATES

A proposed 5-year water rate schedule was developed for the following scenarios: (1) water rates after the new groundwater well is in service, and (2) interim water rates while the water system continues to be supplied with treated surface water. Table 5-1 shows the monthly water rates that will go into effect after the new well is in service. These rates are based on operating costs after the SWTP is taken out of service and the water system is supplied by the new groundwater well.

Table 5-1. Proposed Monthly Water Rates – Groundwater Well Supply

		Current Rate	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030
Fixed Rate							
Customer Classification	EDU						
Residential	1.0	\$39.98	\$174.45	\$179.72	\$185.09	\$190.65	\$196.41
Day Care	3.0	\$119.94	\$523.34	\$539.15	\$555.26	\$571.95	\$589.23
Elementary School	26.5	\$1,059.43	\$4,622.81	\$4,762.51	\$4,904.79	\$5,052.24	\$5,204.87
Market	2.0	\$79.95	\$348.89	\$359.43	\$370.17	\$381.30	\$392.82
Commercial	1.2	\$47.98	\$209.33	\$215.66	\$222.10	\$228.78	\$235.69
Variable Rate - Operations							
Rate per 1,000 gallons		-	\$2.81	\$2.89	\$2.98	\$3.07	\$3.16

Table 5-2 shows the monthly water rates that will be charged during the interim period while the water system continues to be supplied by treated surface water and the SWTP remains in operation. Both water rate schedules are shown for the same 5-year period since the exact date for groundwater well construction to be completed is not known. Water rates will be based on Table 5-2 when the new water rates initially go into effect. Water rates will switch to the rates shown in Table 5-1 after the groundwater wells go into service.

The fixed water rates will provide revenue to recover both fixed operating costs and repayment of unpaid expenses. Detailed water rate schedules showing the breakdown between operating cost and repayment of unpaid expenses are included in **APPENDIX D**.

Table 5-2. Proposed Monthly Water Rates – Interim Surface Water Supply

		Current Rate	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030
Fixed Rate							
Customer Classification	EDU						
Residential	1.0	\$39.98	\$201.49	\$207.53	\$213.76	\$220.16	\$226.74
Day Care	3.0	\$119.94	\$604.46	\$622.60	\$641.27	\$660.48	\$680.22
Elementary School	26.5	\$1,059.43	\$5,339.41	\$5,499.64	\$5,664.59	\$5,834.24	\$6,008.61
Market	2.0	\$79.95	\$402.97	\$415.07	\$427.52	\$440.32	\$453.48
Commercial	1.2	\$47.98	\$241.78	\$249.04	\$256.51	\$264.19	\$272.09
Variable Rate - Operations							
Rate per 1,000 gallons		-	\$5.94	\$6.12	\$6.30	\$6.49	\$6.68
Water Usage Charge - Commodity Fee							
Rate per 1,000 gallons		See Note 3	See Note 1				

Notes:

- Commodity variable rate is the cost to purchase surface water from Westlands. Actual cost will vary seasonally based on availability of water. Westlands rates shall be adjusted by a factor of 1.1 to account for water loss. Commodity charge to be eliminated after groundwater wells are in service.
- New water rates are expected to go into effect on July 1, 2026.
- See Table 2-1 in water rate study

5.4 RESIDENTIAL WATER BILLS

Monthly water bills for single-family residential customers are included in **APPENDIX E** to show the impact of new water rates on monthly bills. Sample water bills are based on a customer average water usage of 23,000 gallons per month. Sample water bills are also provided for a lower water usage of 17,000 gallons per month during the winter and a higher water usage of 30,000 gallons per month during the summer to demonstrate seasonal variation in water bills. The sample water bills were developed to show the change in water charges from current water rates to the interim rates shown in Table 5-2 and the final rates shown in Table 5-1 after the groundwater wells are in service. The sample water bills are based on typical usage but actual water bills for each customer will vary depending on actual water use.

APPENDICES

APPENDIX A: SUMMARY OF BUDGETARY OPERATING COSTS AND RESERVES

Table A-1
 CSA 49 - Five Points
 ESTIMATE OF EXPENSES FOR WELL

Expense Item	Assumed Values	CSA 49 Expense	
		Monthly	Annual
Professional and Specialized Services			
Administrative Labor			
Hours per week	1.5	6.5	78
Hourly labor rate	\$81		
Total Expense		\$527	\$6,318
Operator Labor & Travel Expense			
Normal Well Operation			
Site visits per week	3		
Hours per site visit	3.3	43.3	520
Travel cost per trip	\$60		
Hourly labor rate	\$81		
<i>Subtotal Expense</i>		<i>\$4,291</i>	<i>\$51,486</i>
Annual SWTP Startup			
Site visits per year	2		
Hours per site visit	8	69.3	832
<i>Subtotal Expense</i>			<i>\$1,416</i>
Total Expense			\$52,902
Laboratory Testing			
Cost per test	\$35		
Tests per year	14		
Total Expense			\$490
Total P&S Services			\$59,710
Maintenance & Repairs			
CSA 49 budgeted amount			\$5,500
Total Maintenance & Repairs			\$5,500
Utilities			
Electricity (see energy usage calculations)			\$17,712
Total Utilities			\$17,712
Chemicals			
Chlorine			
Cost per gallon	\$5.00		\$625
Gallons per year	125		
Delivery charges	\$250		\$2,000
Deliveries per year	8		
Annual SWTP Startup			\$2,000
Total Chemicals			\$4,625
Total			\$87,548

Notes:

1. Travel cost is \$0.79/mile x 76 miles.
2. Maintenance & Repair budget developed with input from Fresno County.

Table A-2
 CSA 49 - Five Points
 ENERGY USAGE CALCULATIONS

Equipment	Value	Notes
Well Pumps		
Water Pumped Annually (MG)	7.5	Average annual water usage (at customer meter) over last 4 years
Additional 10% Pumping for Filter Backwash	0.0	N/A
Total Pumped Annually (MG)	7.5	
Pump Flow Rate (gpm)	60	Well 1 and 2 design flow rate
Annual Pumping Time (hrs)	2,083	
Motor Power (kW)	14.9	20 HP motor
Total Energy Usage (kW-hr)	31,095	
Booster Pumps		
Water Pumped Annually (MG)	7.5	Total pumping into distribution system. Losses for distribution system leaks are not included
Pump Flow Rate (gpm)	60	Duty booster pumps design flow rate
Annual Pumping Time (hrs)	2,083	
Motor Power (kW)	11.2	15 HP motor
Total Energy Usage (kW-hr)	23,321	
Other Equipment		
Additional Energy Usage (Estimated)	5%	Other equipment (compressor, high capacity pump, chemical pump, lights, etc.)
Total Energy Usage (kW-hr)	2,721	
Total Energy Usage (kW-hr)	57,136	
\$ per kW-hr	\$0.31	Average energy unit cost for per CSA 30/32 rate study escalated 3% over 3 years.
Total Energy Usage		
Estimated Total Annual Energy Cost	\$17,712	
Estimated Average Monthly Energy Cost	\$1,476	

Table A-3
 CSA 49 - Five Points
 EQUIPMENT REPLACEMENT RESERVE

Equipment	Quantity	Estimated Cost	Total Reserve	Life Expect. (Years)	Annual Set-Aside
Well Pump and Motor	1	\$35,000	\$35,000	25	\$1,400
Duty Booster Pump	2	\$15,000	\$30,000	25	\$1,200
Air Compressor	1	\$3,500	\$3,500	15	\$233
Dosing Pump	1	\$2,500	\$2,000	10	\$200
PLC/HMI	1	\$5,000	\$5,000	10	\$500
Total			\$75,500		\$3,533

Rounded \$3,500

Notes:

1. Equipment life expectancies taken from State Water Board equipment life expectancy guidance.

APPENDIX B: FUTURE CASH FLOW PROJECTION

Table B-1
 CSA 49 - Five Points
 CASH FLOW PROJECTION - GROUNDWATER (ALL 5 YEARS)

	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030
Rate Adjustment %		3.00%	3.00%	3.00%	3.00%
Beginning Operating Reserve	\$0	\$7,256	\$17,955	\$32,253	\$50,352
REVENUES					
Water Rate	\$178,700	\$184,100	\$189,600	\$195,300	\$201,200
Assessment - O&M General Administration 3.0%	\$32,057	\$33,000	\$34,000	\$35,000	\$36,100
Assessment - SRF Loan Repayment	\$938	\$938	\$938	\$938	\$938
Interest Earnings 1.5%	\$0	\$100	\$300	\$500	\$800
Other	\$0	\$0	\$0	\$0	\$0
Subtotal	\$211,696	\$218,138	\$224,838	\$231,738	\$239,038
EXPENSES					
Operating & Maintenance	Groundwater				
Professional & Specialized Services 3.0%	\$63,200	\$65,100	\$67,100	\$69,100	\$71,200
Utilities & Chemicals 3.0%	\$23,000	\$23,700	\$24,400	\$25,100	\$25,900
Maintenance & Repairs 3.0%	\$5,700	\$5,900	\$6,100	\$6,300	\$6,500
Other Expenses 3.0%	\$7,900	\$8,100	\$8,300	\$8,500	\$8,800
Subtotal	\$99,800	\$102,800	\$105,900	\$109,000	\$112,400
Payment of Unpaid Expenses					
Negative Cash Balance & Held Charges	\$104,640	\$104,640	\$104,640	\$104,640	\$104,640
Subtotal	\$104,640	\$104,640	\$104,640	\$104,640	\$104,640
Total Expenses	\$204,440	\$207,440	\$210,540	\$213,640	\$217,040
Revenue Less Expenses	\$7,256	\$10,699	\$14,299	\$18,099	\$21,999
Ending Operating Reserve	\$7,256	\$17,955	\$32,253	\$50,352	\$72,350
Target Reserve					
Min Operating Reserve (50% of 3 year avg O&M)	\$54,600	\$54,600	\$54,600	\$54,600	\$54,600
Equipment Replacement	\$3,500	\$7,000	\$10,500	\$14,000	\$17,500
Subtotal	\$58,100	\$61,600	\$65,100	\$68,600	\$72,100
Actual Reserve Less Target (See Note 2)	(\$50,844)	(\$43,645)	(\$32,847)	(\$18,248)	\$250

Notes:

1. Target operating reserve is based on the average operating cost during the last 3 years.
2. Amount that actual reserve is above or below target reserve.

Table B-2
 CSA 49 - Five Points
 CASH FLOW PROJECTION - SURFACE WATER (ALL 5 YEARS)

	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030
Rate Adjustment %		3.00%	3.00%	3.00%	3.00%
Beginning Operating Reserve	\$0	\$7,156	\$17,755	\$32,053	\$50,152
REVENUES					
Water Rate	\$226,600	\$233,400	\$240,400	\$247,600	\$255,000
Assessment - O&M General Administration 3.0%	\$32,057	\$33,000	\$34,000	\$35,000	\$36,100
Assessment - SRF Loan Repayment	\$938	\$938	\$938	\$938	\$938
Interest Earnings 1.5%	\$0	\$100	\$300	\$500	\$800
Other	\$0	\$0	\$0	\$0	\$0
Subtotal	\$259,596	\$267,438	\$275,638	\$284,038	\$292,838
EXPENSES					
Operating & Maintenance	Surface Water				
Professional & Specialized Services 3.0%	\$45,200	\$46,600	\$48,000	\$49,400	\$50,900
Utilities & Chemicals 3.0%	\$10,200	\$10,500	\$10,800	\$11,100	\$11,400
Maintenance & Repairs 3.0%	\$84,500	\$87,000	\$89,600	\$92,300	\$95,100
Other Expenses 3.0%	\$7,900	\$8,100	\$8,300	\$8,500	\$8,800
Subtotal	\$147,800	\$152,200	\$156,700	\$161,300	\$166,200
Payment of Unpaid Expenses					
Negative Cash Balance & Held Charges	\$104,640	\$104,640	\$104,640	\$104,640	\$104,640
Subtotal	\$104,640	\$104,640	\$104,640	\$104,640	\$104,640
Total Expenses	\$252,440	\$256,840	\$261,340	\$265,940	\$270,840
Revenue Less Expenses	\$7,156	\$10,599	\$14,299	\$18,099	\$21,999
Ending Operating Reserve	\$7,156	\$17,755	\$32,053	\$50,152	\$72,150
Target Reserve					
Min Operating Reserve (50% of 3 year avg O&M)	\$54,600	\$54,600	\$54,600	\$54,600	\$54,600
Equipment Replacement	\$3,500	\$7,000	\$10,500	\$14,000	\$17,500
Subtotal	\$58,100	\$61,600	\$65,100	\$68,600	\$72,100
Actual Reserve Less Target (See Note 2)	(\$50,944)	(\$43,845)	(\$33,047)	(\$18,448)	\$50

Notes:

1. Target operating reserve is based on the average operating cost during the last 3 years from Table B-1 for well operation.
2. Amount that actual reserve is above or below target reserve.

APPENDIX C: WATER RATE CALCULATION

Table C-1

CSA 49 - Five Points

PROPOSED WATER RATE CALCULATIONS

GROUNDWATER (ALL 5 YEARS)

	Current Rate	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	
Total Rate Revenue		\$178,700	\$184,100	\$189,600	\$195,300	\$201,200	
Rate Adjustment %			3.00%	3.00%	3.00%	3.00%	
Fixed Rate Revenue		\$157,629	\$162,392	\$167,244	\$172,272	\$177,476	
Unpaid Expenses Portion		\$104,640	\$104,640	\$104,640	\$104,640	\$104,640	
Operating Expense Portion		\$52,989	\$57,752	\$62,604	\$67,632	\$72,836	
% Fixed		88%	88%	88%	88%	88%	
Total EDUs		75.3	75.3	75.3	75.3	75.3	
Fixed Rate per EDU							
Annual		\$2,093.35	\$2,156.61	\$2,221.03	\$2,287.81	\$2,356.92	
Total Monthly Fixed Rate		\$174.45	\$179.72	\$185.09	\$190.65	\$196.41	
Unpaid Expenses Portion		\$115.80	\$115.80	\$115.80	\$115.80	\$115.80	
Operating Cost Portion		\$58.64	\$63.91	\$69.28	\$74.85	\$80.61	
Customer Classification	EDU						
Residential	1.0	\$39.98	\$174.45	\$179.72	\$185.09	\$190.65	\$196.41
Unpaid Expenses Portion			\$115.80	\$115.80	\$115.80	\$115.80	\$115.80
Operating Cost Portion			\$58.64	\$63.91	\$69.28	\$74.85	\$80.61
Day Care	3.0	\$119.94	\$523.34	\$539.15	\$555.26	\$571.95	\$589.23
Unpaid Expenses Portion			\$347.41	\$347.41	\$347.41	\$347.41	\$347.41
Operating Cost Portion			\$175.93	\$191.74	\$207.85	\$224.54	\$241.82
Elementary School	26.5	\$1,059.43	\$4,622.81	\$4,762.51	\$4,904.79	\$5,052.24	\$5,204.87
Unpaid Expenses Portion			\$3,068.79	\$3,068.79	\$3,068.79	\$3,068.79	\$3,068.79
Operating Cost Portion			\$1,554.02	\$1,693.71	\$1,835.99	\$1,983.45	\$2,136.08
Market	2.0	\$79.95	\$348.89	\$359.43	\$370.17	\$381.30	\$392.82
Unpaid Expenses Portion			\$231.61	\$231.61	\$231.61	\$231.61	\$231.61
Operating Cost Portion			\$117.28	\$127.83	\$138.57	\$149.69	\$161.21
Commercial	1.2	\$47.98	\$209.33	\$215.66	\$222.10	\$228.78	\$235.69
Unpaid Expenses Portion			\$138.96	\$138.96	\$138.96	\$138.96	\$138.96
Operating Cost Portion			\$70.37	\$76.70	\$83.14	\$89.82	\$96.73
Variable Rate -Operations			\$21,071	\$21,708	\$22,356	\$23,028	\$23,724
% Variable			12%	12%	12%	12%	12%
Annual Water Sales (MG)			7.5	7.5	7.5	7.5	7.5
Rate per 1,000 gallons		-	\$2.81	\$2.89	\$2.98	\$3.07	\$3.16
Water Usage Charge - Commodity Fee							
Rate per 1,000 gallons	See Note 2			None			

Notes:

1. New water rates will go into effect after groundwater wells are in service.
2. See Table 2-1 in water rate

Table C-2
 CSA 49 - Five Points
 PROPOSED WATER RATE CALCULATIONS - SURFACE WATER (ALL 5 YEARS)

	Current Rate	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	
Total Rate Revenue		\$226,600	\$233,400	\$240,400	\$247,600	\$255,000	
Rate Adjustment %			3.00%	3.00%	3.00%	3.00%	
Fixed Rate Revenue		\$182,064	\$187,527	\$193,152	\$198,937	\$204,882	
Unpaid Expenses Portion		\$104,640	\$104,640	\$104,640	\$104,640	\$104,640	
Operating Expense Portion		\$77,424	\$82,887	\$88,512	\$94,297	\$100,242	
% Fixed		80%	80%	80%	80%	80%	
Total EDUs		75.3	75.3	75.3	75.3	75.3	
Fixed Rate per EDU							
Annual		\$2,417.85	\$2,490.40	\$2,565.10	\$2,641.92	\$2,720.88	
Total Monthly Fixed Rate		\$201.49	\$207.53	\$213.76	\$220.16	\$226.74	
Unpaid Expenses Portion		\$115.80	\$115.80	\$115.80	\$115.80	\$115.80	
Operating Cost Portion		\$85.68	\$91.73	\$97.95	\$104.36	\$110.94	
Customer Classification	EDU						
Residential	1.0	\$39.98	\$201.49	\$207.53	\$213.76	\$220.16	\$226.74
Unpaid Expenses Portion			\$115.80	\$115.80	\$115.80	\$115.80	\$115.80
Operating Cost Portion			\$85.68	\$91.73	\$97.95	\$104.36	\$110.94
Day Care	3.0	\$119.94	\$604.46	\$622.60	\$641.27	\$660.48	\$680.22
Unpaid Expenses Portion			\$347.41	\$347.41	\$347.41	\$347.41	\$347.41
Operating Cost Portion			\$257.05	\$275.19	\$293.86	\$313.07	\$332.81
Elementary School	26.5	\$1,059.43	\$5,339.41	\$5,499.64	\$5,664.59	\$5,834.24	\$6,008.61
Unpaid Expenses Portion			\$3,068.79	\$3,068.79	\$3,068.79	\$3,068.79	\$3,068.79
Operating Cost Portion			\$2,270.62	\$2,430.85	\$2,595.79	\$2,765.45	\$2,939.82
Market	2.0	\$79.95	\$402.97	\$415.07	\$427.52	\$440.32	\$453.48
Unpaid Expenses Portion			\$231.61	\$231.61	\$231.61	\$231.61	\$231.61
Operating Cost Portion			\$171.37	\$183.46	\$195.91	\$208.71	\$221.87
Commercial	1.2	\$47.98	\$241.78	\$249.04	\$256.51	\$264.19	\$272.09
Unpaid Expenses Portion			\$138.96	\$138.96	\$138.96	\$138.96	\$138.96
Operating Cost Portion			\$102.82	\$110.08	\$117.55	\$125.23	\$133.12
Variable Rate -Operations			\$44,536	\$45,873	\$47,248	\$48,663	\$50,118
% Variable			20%	20%	20%	20%	20%
Annual Water Sales (MG)			7.5	7.5	7.5	7.5	7.5
Rate per 1,000 gallons		-	\$5.94	\$6.12	\$6.30	\$6.49	\$6.68
Water Usage Charge - Commodity Fee							
Rate per 1,000 gallons	See Note 3	Actual Cost (See Note 1)					

Notes:

1. Commodity variable rate is the cost to purchase surface water from Westlands. Actual cost will vary seasonally based on availability of water. Westlands rates shall be adjusted by a factor of 1.1 to account for water loss. Commodity charge to be eliminated after groundwater wells are in service.
2. See Table 2-1 in water rate study report.

APPENDIX D: PROPOSED WATER RATE SCHEDULE

Table D-1
 CSA 49 - Five Points
 PROPOSED WATER RATE SUMMARY - GROUNDWATER (ALL 5 YEARS)

		Current Rate	Proposed Rates				
			Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030
CSA 49 - FIVE POINTS							
Fixed Rate							
Customer Classification	EDU						
<u>Residential</u>	1.0	\$39.98	<u>\$174.45</u>	<u>\$179.72</u>	<u>\$185.09</u>	<u>\$190.65</u>	<u>\$196.41</u>
Unpaid Expenses Portion			\$115.80	\$115.80	\$115.80	\$115.80	\$115.80
Operating Cost Portion			\$58.64	\$63.91	\$69.28	\$74.85	\$80.61
<u>Day Care</u>	3.0	\$119.94	<u>\$523.34</u>	<u>\$539.15</u>	<u>\$555.26</u>	<u>\$571.95</u>	<u>\$589.23</u>
Unpaid Expenses Portion			\$347.41	\$347.41	\$347.41	\$347.41	\$347.41
Operating Cost Portion			\$175.93	\$191.74	\$207.85	\$224.54	\$241.82
<u>Elementary School</u>	26.5	\$1,059.43	<u>\$4,622.81</u>	<u>\$4,762.51</u>	<u>\$4,904.79</u>	<u>\$5,052.24</u>	<u>\$5,204.87</u>
Unpaid Expenses Portion			\$3,068.79	\$3,068.79	\$3,068.79	\$3,068.79	\$3,068.79
Operating Cost Portion			\$1,554.02	\$1,693.71	\$1,835.99	\$1,983.45	\$2,136.08
<u>Market</u>	2.0	\$79.95	<u>\$348.89</u>	<u>\$359.43</u>	<u>\$370.17</u>	<u>\$381.30</u>	<u>\$392.82</u>
Unpaid Expenses Portion			\$231.61	\$231.61	\$231.61	\$231.61	\$231.61
Operating Cost Portion			\$117.28	\$127.83	\$138.57	\$149.69	\$161.21
<u>Commercial</u>	1.2	\$47.98	<u>\$209.33</u>	<u>\$215.66</u>	<u>\$222.10</u>	<u>\$228.78</u>	<u>\$235.69</u>
Unpaid Expenses Portion			\$138.96	\$138.96	\$138.96	\$138.96	\$138.96
Operating Cost Portion			\$70.37	\$76.70	\$83.14	\$89.82	\$96.73
Variable Rate - Operations							
Rate per 1,000 gallons		-	\$2.81	\$2.89	\$2.98	\$3.07	\$3.16
Water Usage Charge - Commodity Fee							
Rate per 1,000 gallons		See Note 2	None				

Notes:

1. New water rates will go into effect after groundwater wells are in service.
2. See Table 2-1 in water rate study report.

Table D-2
 CSA 49 - Five Points
 PROPOSED WATER RATE SUMMARY - SURFACE WATER (ALL 5 YEARS)

		Proposed Rates					
		Current Rate	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030
CSA 49 - FIVE POINTS							
Fixed Rate							
Customer Classification	EDU						
<u>Residential</u>	1.0	\$39.98	<u>\$201.49</u>	<u>\$207.53</u>	<u>\$213.76</u>	<u>\$220.16</u>	<u>\$226.74</u>
Unpaid Expenses Portion			\$115.80	\$115.80	\$115.80	\$115.80	\$115.80
Operating Cost Portion			\$85.68	\$91.73	\$97.95	\$104.36	\$110.94
<u>Day Care</u>	3.0	\$119.94	<u>\$604.46</u>	<u>\$622.60</u>	<u>\$641.27</u>	<u>\$660.48</u>	<u>\$680.22</u>
Unpaid Expenses Portion			\$347.41	\$347.41	\$347.41	\$347.41	\$347.41
Operating Cost Portion			\$257.05	\$275.19	\$293.86	\$313.07	\$332.81
<u>Elementary School</u>	26.5	\$1,059.43	<u>\$5,339.41</u>	<u>\$5,499.64</u>	<u>\$5,664.59</u>	<u>\$5,834.24</u>	<u>\$6,008.61</u>
Unpaid Expenses Portion			\$3,068.79	\$3,068.79	\$3,068.79	\$3,068.79	\$3,068.79
Operating Cost Portion			\$2,270.62	\$2,430.85	\$2,595.79	\$2,765.45	\$2,939.82
<u>Market</u>	2.0	\$79.95	<u>\$402.97</u>	<u>\$415.07</u>	<u>\$427.52</u>	<u>\$440.32</u>	<u>\$453.48</u>
Unpaid Expenses Portion			\$231.61	\$231.61	\$231.61	\$231.61	\$231.61
Operating Cost Portion			\$171.37	\$183.46	\$195.91	\$208.71	\$221.87
<u>Commercial</u>	1.2	\$47.98	<u>\$241.78</u>	<u>\$249.04</u>	<u>\$256.51</u>	<u>\$264.19</u>	<u>\$272.09</u>
Unpaid Expenses Portion			\$138.96	\$138.96	\$138.96	\$138.96	\$138.96
Operating Cost Portion			\$102.82	\$110.08	\$117.55	\$125.23	\$133.12
Variable Rate - Operations							
Rate per 1,000 gallons		-	\$5.94	\$6.12	\$6.30	\$6.49	\$6.68
Water Usage Charge - Commodity Fee							
Rate per 1,000 gallons		See Note 2	See Note 1				

Notes:

1. Commodity variable rate is the cost to purchase surface water from Westlands. Actual cost will vary seasonally based on availability of water. Westlands rates shall be adjusted by a factor of 1.1 to account for water loss. Commodity charge to be eliminated after groundwater wells are in service.
2. See Table 2-1 in water rate study report.

APPENDIX E: RESIDENTIAL CUSTOMER MONTHLY WATER BILL

Table E-1
 CSA 49 - Five Points
 RESIDENTIAL CUSTOMER MONTHLY WATER BILL

Typical Average Monthly Bill (water use of 23,000 gallons)

Current Rate				Proposed Interim Rates (Surface Water Supply)			Proposed Rates (Groundwater Supply)		
Fee	Rate	Units	Total Charge	Rate	Units	Total Charge	Rate	Units	Total Charge
Fixed Rate	\$39.98		\$39.98	\$201.49	X 1	\$201.49	\$174.45	X 1	\$174.45
Variable Rate (\$/1,000 gal)				\$5.94	X 23	\$136.58	\$2.81	X 23	\$64.62
Overuse Rate (Commodity Fee)				\$0.79	X 23	\$18.17			
(Allowance 1,000-28,000 gal.)	\$2.01	X 23	\$46.23						
(Allowance 28,001 to 38,000 gal.)	\$3.35	X 0	\$0.00						
(Allowance 38,001 and over gal.)	\$5.98	X 0	\$0.00						
Total Monthly Bill			\$86.21			\$356.23			\$239.06
						<i>Increase from Current</i>	\$270.02		
								\$152.85	

Typical Winter Monthly Bill (water use of 17,000 gallons)

Current Rate				Proposed Interim Rates (Surface Water Supply)			Proposed Rates (Groundwater Supply)		
Fee	Rate	Units	Total Charge	Rate	Units	Total Charge	Rate	Units	Total Charge
Fixed Rate	\$39.98		\$39.98	\$201.49	X 1	\$201.49	\$174.45	X 1	\$174.45
Variable Rate (\$/1,000 gal)				\$5.94	X 17	\$100.95	\$2.81	X 17	\$47.76
Overuse Rate (Commodity Fee)				\$0.79	X 17	\$13.43			
(Allowance 1,000-28,000 gal.)	\$2.01	X 17	\$34.17						
(Allowance 28,001 to 38,000 gal.)	\$3.35	X 0	\$0.00						
(Allowance 38,001 and over gal.)	\$5.98	X 0	\$0.00						
Total Monthly Bill			\$74.15			\$315.87			\$222.21
						<i>Increase from Current</i>	\$241.72		
								\$148.06	

Typical Summer Monthly Bill (water use of 30,000 gallons)

Current Rate				Proposed Interim Rates (Surface Water Supply)			Proposed Rates (Groundwater Supply)		
Fee	Rate	Units	Total Charge	Rate	Units	Total Charge	Rate	Units	Total Charge
Fixed Rate	\$39.98		\$39.98	\$201.49	X 1	\$201.49	\$174.45	X 1	\$174.45
Variable Rate (\$/1,000 gal)				\$5.94	X 30	\$178.14	\$2.81	X 30	\$84.28
Overuse Rate (Commodity Fee)				\$0.79	X 30	\$23.70			
(Allowance 1,000-28,000 gal.)	\$2.01	X 28	\$56.28						
(Allowance 28,001 to 38,000 gal.)	\$3.35	X 2	\$6.70						
(Allowance 38,001 and over gal.)	\$5.98	X 0	\$0.00						
Total Monthly Bill			\$102.96			\$403.33			\$258.73
						<i>Increase from Current</i>	\$300.37		
								\$155.77	