

REVISED FINAL

2020 Sewer Service Charges Study

Prepared for
Mt. View Sanitary District
Martinez, California
February 2020
Revised April 9, 2020

MUNICIPAL FINANCIAL SERVICES
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List of Abbreviations

BOD	Biochemical Oxygen Demand
CCCSD	Central Contra Costa Sanitary District
CIP	Capital Improvement Program
Code	Mt. View Sanitary District Code
District	Mt. View Sanitary District
FRP	Facilities Rehabilitation Program
FY	Fiscal year (July 1 to June 30)
FY21	July 1, 2020 to June 30, 2021
FY 2021	July 1, 2020 to June 30, 2021
gpd	Gallons per Day
HCF	Hundred Cubic Feet (equal to ~ 748.1 gallons)
MVSD	Mt. View Sanitary District
NPDES	National Pollutant Discharge Elimination System
O&M	Operation and maintenance
PMA	Private Meter Agreement
SOI	Sphere of Influence
SSC	Sewer Service Charge
TSS	Total Suspended Solids

Executive Summary

In October 2019 the Mt. View Sanitary District (MVSD or District) contracted with Municipal Financial Services (MFS) to evaluate sewer service charges and recommend a revised schedule of sewer service charges. Sewer Service Charges are intended to recover revenues sufficient to adequately fund sewer utility operations, maintenance, and capital replacement expenditures, meet debt service obligations, keep rates as competitive as possible and maintain a prudent level of reserves.

At the Regular Board Meeting on February 13, 2020, the Board adopted Resolution 1511-2020 calling for a public hearing to be held April 9, 2020, and providing notice of intent to adopt a schedule of District fees and charges for the Fiscal years 2020-2021 through 2024-2025 as presented in the Final 2020 Sewer Service Charges Study. At its April 9, 2020 meeting, the Board deliberated the onset of the global COVID-19 pandemic and raised concerns about the ability of ratepayers to support the rate increases adopted at its February meeting. Because of this concern, the District Manager has asked MFS to present alternative five-year rate increase schedules to the Board for consideration. The Board selected an alternative schedule of rates and the 2020 Sewer Service Charges Study was revised to incorporate reflect the changes. A subsequent Notice of Continued Public hearing was timely mailed scheduling the Continued Public Hearing for May 14, 2020.

Projected Cash Flow

Beginning and ending fund balances, expenditures and revenues for the current fiscal year (FY20) and the next eight fiscal years, FY21 – FY28, are summarized in the table below.

Cash flow for FY26 - FY28 is shown to provide context for the need for temporary, higher ending fund balances. Capital project expenditures in those three fiscal years are projected to be approximately \$19,400,000. During those three years, the total fund balance will decrease by approximately \$1,440,000 to fund a portion of the projected expenditures. The ending fund balance in FY28 is projected to be near the Fund 3409 target level.

	Budget 2019-20	Five-Year Rate Development Period					Projected 2025-26	Projected 2026-27	Projected 2027-28
		2020-21	2021-22	2022-23	2023-24	2024-25			
Beginning Cash/Investment Balance, July 1	9,050,870	6,683,900	6,607,130	6,214,990	4,846,650	5,618,010	6,486,970	7,877,230	9,907,890
Expenditures									
Fund 3409	6,696,750	7,321,840	7,542,440	7,771,640	8,010,040	8,257,740	8,515,340	8,783,440	9,062,440
Fund 3410	607,500	300,000	309,000	318,300	327,900	337,700	347,800	358,200	368,900
Fund 3412	2,791,200	6,752,000	1,830,000	3,670,000	2,504,000	3,259,000	3,803,000	4,375,000	11,242,500
Fund 3415	0	0	0	0	0	0	0	0	0
Total	10,095,450	14,373,840	9,681,440	11,759,940	10,841,940	11,854,440	12,666,140	13,516,640	20,673,840
Revenues									
Fund 3409	7,604,780	8,213,400	9,201,900	10,331,200	11,550,700	12,659,200	13,989,500	15,477,100	17,132,900
Fund 3410	5,000	0	400	2,700	5,100	7,700	10,400	13,200	16,100
Fund 3412	86,000	6,067,000	87,000	57,700	57,500	56,500	56,500	57,000	56,600
Fund 3415	32,700	16,670	0	0	0	0	0	0	0
Total	7,728,480	14,297,070	9,289,300	10,391,600	11,613,300	12,723,400	14,056,400	15,547,300	17,205,600
Net Transfers									
Fund 3409 to Fund 3410/Fund 3412	(400,000)	(412,000)	(704,400)	(4,037,100)	(2,850,200)	(3,663,700)	(4,247,600)	(4,791,900)	(11,686,700)
Fund 3410 from Fund 3409	400,000	412,000	424,400	437,100	450,200	463,700	477,600	491,900	506,700
Fund 3412 from Fund 3409/Fund 3415	1,223,500	1,683,770	280,000	3,600,000	2,400,000	3,200,000	3,770,000	4,300,000	11,180,000
Fund 3415 to Fund 3412	(1,223,500)	(1,683,770)	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Ending Cash/Investment Balance, June 30	6,683,900	6,607,130	6,214,990	4,846,650	5,618,010	6,486,970	7,877,230	9,907,890	6,439,650

Revenue from Sewer Service Charges will increase by approximately \$540,000 in FY21 and by an average of approximately \$1,070,000 per year during FY22 – FY25. The total increase in revenue from Sewer Service Charges attributable to rate increases during FY21 - FY25 will be approximately \$13,400,000.

Beginning and ending fund balances, expenditures and revenues for fiscal years FY21 – FY25, are summarized in the table below. The summary shows that, excluding loan proceeds, the main source of revenue for the sewer funds is sewer service charges.

Table ES-2. Fund Balances, Revenue and Expenditures Summary for FY21 – FY25

<i>Values for Funds 3409, 3410 and 3412</i>	<i>All values rounded to \$thousands</i>	
Beginning Balance, July 1, 2020	6,684,000	
Revenues		
Sewer Service Charges	48,015,000	82%
Loan	6,017,000	10%
Ad Valorem Taxes	2,187,000	4%
Other	1,528,000	3%
Interest	568,000	1%
Total	58,315,000	100%
Expenditures		
Operations & Maintenance	34,594,000	59%
Capital Projects	19,608,000	34%
Debt Service	4,310,000	7%
Total	58,512,000	100%
Ending Balance, July 1, 2025	6,487,000	

Customer Characteristics

As part of the 2017 Study, customer characteristics for Flow, BOD and TSS were evaluated to ensure that those characteristics approximately represent the volume of wastewater and pounds of conventional pollutants (BOD and TSS) entering the District's Wastewater Treatment Plant and represent the approximate amount of volume and pounds of BOD and TSS generated by each customer or customer class connected to the District's wastewater system.

Changes in Flow and BOD/TSS concentrations for Apartments/Mobile Homes and General Commercial customer classes were to be implemented over a five-year period – from FY18 through FY22.

The changes in wastewater discharge volume and strength for those two customer classes for FY21 and FY22 (the next two fiscal years) are correlated with the sewer service charges adopted for those customer classes. For example, over the next two fiscal years, the flow assigned to the Apartment/Mobile Home Units customer class is lowered by about 11 percent. As a result of the lower flows, the previously adopted annual sewer service charges for the Apartment/Mobile Home Units customer class are approximately 5.7 percent lower over the next two years.

In general, as a result of the changes in flow and strength over the next two years adopted in the 2017 Study which are incorporated into this study, the adopted sewer service charges for Apartments/Mobile Homes and General Commercial customer classes vary from those developed for other customer classes.

Changes in flow and strength adopted as part of the 2017 Study are listed in the table below. Text in red color indicates values that are changed from the prior year.

Table ES-3. Changes in Wastewater Discharge Characteristics FY18 – FY22					
Rate Structure Feature	Adopted Flows and BOD/TSS				
	FY18	FY19	FY20	FY21	FY22
SINGLE FAMILY FLOW AND BOD/TSS CONCENTRATIONS					
Residential Average Daily Flow (gpd)	150	150	150	150	150
Residential Average BOD/TSS (mg/L)	287	287	287	287	287
APARTMENT/MOBILE HOME UNITS FLOW AND BOD/TSS CONCENTRATIONS					
Apartment Units Average Daily Flow (gpd)	143	138	129	120	113
Percent of Residential Flow	95%	92%	86%	80%	75%
Apartment Units Average BOD/TSS (mg/L)	287	287	287	287	287
COMMERCIAL GROUP 1 BOD/TSS CONCENTRATIONS					
General Commercial Average Daily Flow (gpd)	varies	varies	varies	varies	varies
General Commercial Average BOD/TSS (mg/L)	250	259	268	277	287
Percent of Residential BOD/TSS	87%	90%	93%	97%	100%

Note: Text in red color indicates values changed from the prior year.

Recommended Sewer Service Charges

The combined impact of changes in customer characteristics and the annual increase in revenue requirements on units costs and sewer service charges is shown in the table below. When the impact of changes in customer characteristics is combined with the impact of the increase in revenue requirements, the changes in customer bills varies between customer classes.

Table ES-4. Current and Recommended Unit Costs and Sewer Service Charges							
		Current	Recommended Unit Costs				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<i>Flow, \$ per million gallons ></i>		\$6,778	\$7,815	\$8,831	\$9,979	\$11,277	\$12,404
<i>BOD \$ per thousand pounds ></i>		\$0.89	\$1.03	\$1.16	\$1.31	\$1.49	\$1.63
<i>TSS, \$ per thousand pounds ></i>		\$0.97	\$1.12	\$1.27	\$1.43	\$1.62	\$1.78
Customer Class	Unit	Current	Recommended Sewer Service Charges				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Residential	Annual	\$615.60	\$709.80	\$802.08	\$906.36	\$1,024.20	\$1,126.68
Apt/MH	Annual	\$530.16	\$568.56	\$642.48	\$726.00	\$820.32	\$902.40
Group 1	\$ per HCF	\$8.16	\$9.70	\$10.92	\$12.36	\$13.92	\$15.36
Group 1A	\$ per HCF	\$8.41	\$9.70	\$10.92	\$12.36	\$13.92	\$15.36
Group 2	\$ per HCF	\$9.17	\$10.55	\$11.88	\$13.44	\$15.24	\$16.80
Group 3	\$ per HCF	\$11.52	\$13.30	\$15.00	\$16.92	\$19.08	\$21.00
Group 4	\$ per HCF	\$12.53	\$14.45	\$16.32	\$18.48	\$20.88	\$22.92
Group 5	\$ per HCF	\$14.38	\$16.60	\$18.72	\$21.12	\$23.88	\$26.28

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Section 1

Introduction

Sewer Service Charges are intended to recover revenues sufficient to adequately fund sewer utility operations, maintenance, and capital replacement expenditures, meet debt service obligations, keep rates as competitive as possible and maintain a prudent level of reserves.

1.1 Wastewater Management System Description

MVSD is an independent district, formed in 1923 pursuant to the Sanitary District Act of 1923 (Health & Safety Code §6400 et seq.). MVSD serves an estimated population of 22,000 residents consisting of approximately 7,958 residential and 278 commercial, industrial and institutional sewer connections. The District's service area is approximately 4.7 square miles. The District's sphere of influence (SOI)

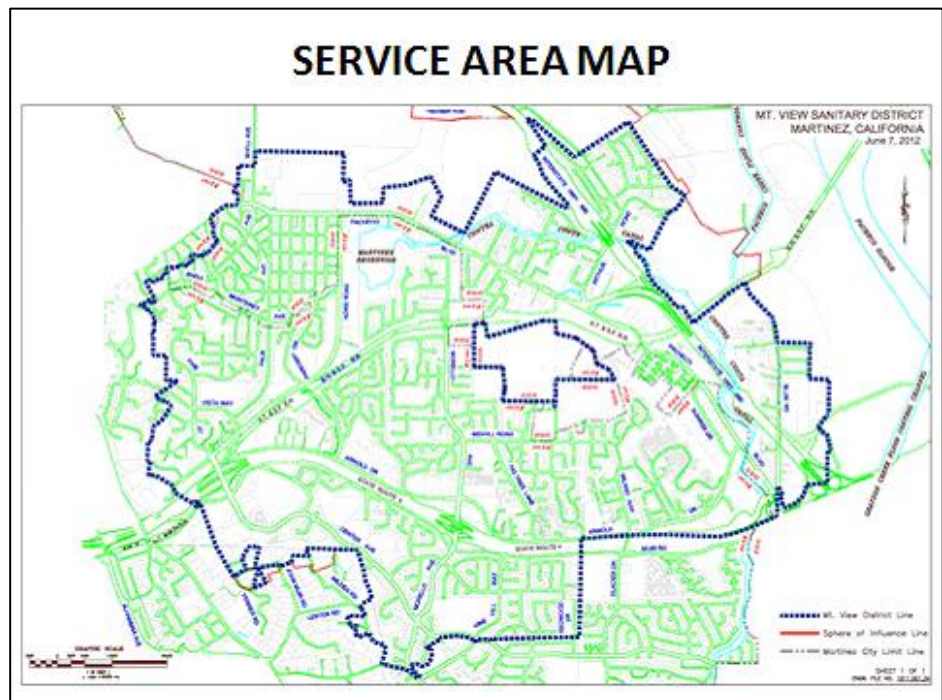
encompasses an additional 1.6 square miles and primarily includes an area of 1.46 square miles of industrially zoned land to the north of the District's boundary as well as an island within the center of the District of 0.14 square miles that is in agricultural use. The SOI area to the north of the District is designated as heavy industrial to the west of I-680 and open space and parks and recreation to the east of I-680.

The District's wastewater collection system is

located in the rolling hills in and surrounding Martinez and serves three zones or watersheds. The collection system includes four pumping stations and 73 miles of sewer pipelines ranging in diameter from 6 to 24 inches.

MVSD provides wastewater collection, treatment, and disposal services for the northeasterly portion of the City of Martinez and adjacent unincorporated lands to the northeast. The plant receives approximately 1.45 million gallons per day during dry weather.

The District collaborates with the Central Contra Costa Sanitary District (CCCSD) to provide a permanent Household Hazardous Waste Collection facility and disposal services for the central portion of the county. MVSD has a franchise agreement with Allied Waste (parent company to Pleasant Hill Bayshore Disposal) for Allied Waste to provide trash collection, recycling, and disposal services within the unincorporated area of MVSD's boundaries. The effluent is comprised of approximately 90% residential and 10% small business waste.

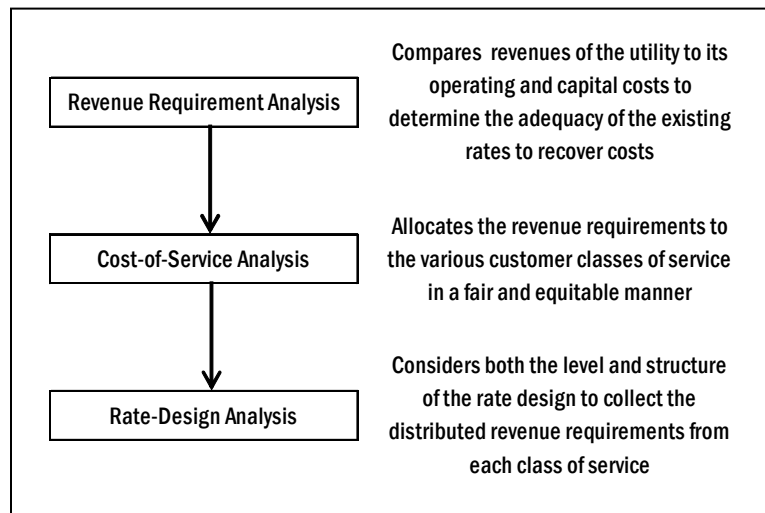


1.2 Regulatory Requirements

The updated Sewer Service Charges (SSCs) recommended in this study will fulfill the requirements found in the *Revenue Program Guidelines* published by the California Environmental Protection Agency’s State Water Resource Control Board from its Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities.

1.3 Rate Setting Process

Sewer rate studies classically have three categories of technical analysis – the development of revenue required from rates, the allocation of costs among functional cost categories (cost-of-service analysis) and the design of a rate structure. An overview of the rate-setting analytical steps is shown in Figure 1-1.



The District previously completed a sewer rate study in 2017 (2017 Study). The study incorporated a revenue analysis, cost-of-service analysis and rate-design analysis.

The current rate study includes an updated revenue requirement analysis, maintains the rate-design changes made in the 2017 Study, and incorporates the last two years of sewer service charge cost-of-service allocation adjustments from the 2017 Study.

Figure 1-1. Overview of Rate Setting Analytical Steps

1.4 Financial and Parcel Data

Information and data for the development of wastewater rates include a number of documents provided by the District. The list of documents, and the key information and data from each used in this study, are summarized below.

Mt. View Sanitary District 2019-20 Fiscal Year Budget

MVSD operates under a fiscal year budget cycle beginning July 1 and ending June 30. The District’s Budget is balanced and consistent in its commitment to provide for the long-term continued provision of services to the District’s ratepayers.

Mt. View Sanitary District Financial Statements June 30, 2019 and 2018

The Financial Statements provide discussion and analysis of the District financial performance and financial activities for the year ended June 30, 2019. The District presents a balance sheet; statements of revenues, expenses and changes in net position; and statements of cash flows.

Mt. View Sanitary District, District Financial Reserves Policy, No. 3125

The District Financial Reserves Policy sets policy to enable realistic long-term planning, to assist with effective development of annual budgets, and to promote clear communications with the general public and District.

Mt. View Sanitary District Capital Project Expenditure Program

Capital expenditures are from a December 2019 update of the District’s “Facilities Rehabilitation Program & Capital Improvement Program Fiscal Year 2019-2020 Update” dated July 11, 2019. The update document includes program expenditure estimates for the next 10-years.

Installment Sale Agreement #18-015

The District and Municipal Finance Corporation entered into an Installment Sale Agreement on October 1, 2018 (Series 2018 Debt Agreement), to affect the issuance of debt and acquisition of \$6,000,000 in funds by the District to pay for capital projects defined in the Installment Sale Agreement.¹ Installment payments for the Series 2018 Debt Agreement are \$449,344.52 due every October from 2019 through 2038 (20 years). Covenants of the District in the Series 2018 Debt Agreement require the District to maintain rates and charges for the Sewer System at a level that yields “Net Revenues” (all revenues net of operation and maintenance expenses) at least greater or equal to 115 percent of the debt service installment payments for a fiscal year.

Parcel Billing Data

Parcel billing data is from the Mt. View Sanitary District 2018-19 Fiscal Year Sewer Service Charge Report and an extract from the District GIS (Geographic Information System) data base.

Evaluation of Sewer Service Charges

Current and projected sewer service charges were developed in an April 2017 report titled, “Final Evaluation of Sewer Service Charges.”

1.5 Sewer Service Charges Approved in 2017

During April 2017, the District’s Board of Directors adopted Ordinance No. 2017-120, *Promulgating General Regulation No. 120 Adopting and Establishing a 5-year Schedule of Charges and Fees for Fiscal Years 2017-2018 through 2021-2022*. A list of current (FY20) and FY21 and FY22 adopted SSCs for each customer class and the annual and two-year cumulative percent increase in SSCs is shown in the table below.

Table 1-1. Current and Adopted Sewer Service Charges FY20, FY21 and FY22						
Customer Class	SSCs Approved in 2017			Percent Increase in SSCs		
	Current 2019-20	Adopted 2020-21	Adopted 2021-22	Annual 2020-21	Annual 2021-22	Cumulative Two-Years
Residential	\$615.60	\$641.28	\$666.72	4.2%	4.0%	8.3%
Apt/MH	\$530.16	\$513.72	\$500.16	-3.1%	-2.6%	-5.7%
Group 1	\$8.16	\$8.67	\$9.11	6.3%	5.0%	11.7%
Group 1A	\$8.41	\$8.76	\$9.11	4.2%	4.0%	8.3%
Group 2	\$9.17	\$9.55	\$9.93	4.2%	4.0%	8.3%
Group 3	\$11.52	\$12.00	\$12.48	4.2%	4.0%	8.3%
Group 4	\$12.53	\$13.06	\$13.57	4.2%	4.0%	8.3%
Group 5	\$14.38	\$14.98	\$15.58	4.2%	4.0%	8.3%

¹ Municipal Finance Corporation and Municipal Financial Services have no affiliations or relations with each other. The similarity in names is a coincidence.

1.6 Private Meter Agreements

Customers with Private Meter Agreements (PMAs) are charged based upon wastewater flows estimates for each wastewater discharge point source multiplied by the corresponding Sewer Service Charge for that source. Section 7.2.5.4 from the District Code that describes PMAs is included below.

7.2.5.4 Private Meter Agreement. When multiple non-residential establishments with different strength sewage are served by a single public potable water meter, the Owner may install at the Owner's expense, a submeter or meters of a type and at a location(s) approved by the District. Private meters shall be installed in such a manner as to clearly differentiate between or among the quantities discharged by each establishment according to strength of sewage and Sewer Service Charge rate. Such meter(s) shall be tested for accuracy at the expense of the User when deemed necessary by the District Manager. (Ord. No. 2013-111)

A Private Meter Agreement shall be entered into by property owner with the District in a form approved by the District Manager. The initial cost and minimum annual charge for development and annual administration of a Private Meter Agreement shall be the actual costs incurred by the District. The District's annual charge to administer Private Meter Agreements shall not be less than the amount shown in Table 7-1. (Ord. No. 2010-102). The form of the agreement shall be prescribed by the District Manager. The Owner shall pay all costs required for the preparation and administration of the agreement and for reading, recording and submitting sub-meter readings in a form and frequency required by the District Manager. The Private Meter Agreement shall be recorded in the office of the County Recorder. (Ord. No. 2013-111).

Section 2

Summary of Users and Wastewater Characteristics

The purpose of this section is to summarize the identification of residential and commercial users and their corresponding wastewater characteristics in terms of wastewater flow and wastewater strength.

2.1 Customer Characteristics

As part of the 2017 Study, customer characteristics for Flow, BOD and TSS were evaluated to ensure that those characteristics approximately represent the volume of wastewater and pounds of conventional pollutants (BOD and TSS) entering the District's Wastewater Treatment Plant and represent the approximate amount of volume and pounds of BOD and TSS generated by each customer or customer class connected to the District's wastewater system.

Changes in Flow and BOD/TSS concentrations for Apartments/Mobile Homes and General Commercial accounts were to be implemented over a five-year period – from FY18 through FY22.

The changes in flow and strength for these two customer classes for FY21 and FY22 are correlated with the sewer service charges adopted for those customer classes. As a result of the changes in flow and strength over time, the adopted sewer service charges vary from those developed for other customer classes with flow and strength characteristics that do not vary over those years. Changes in flow and strength adopted as part of the 2017 Study are listed in the table below. Text in red color indicates values that are changed from the prior year.

Table 2-1. Changes in Wastewater Discharge Characteristics FY18 – FY22

Rate Structure Feature	Adopted Flows and BOD/TSS				
	FY18	FY19	FY20	FY21	FY22
SINGLE FAMILY FLOW AND BOD/TSS CONCENTRATIONS					
Residential Average Daily Flow (gpd)	150	150	150	150	150
Residential Average BOD/TSS (mg/L)	287	287	287	287	287
APARTMENT/MOBILE HOME UNITS FLOW AND BOD/TSS CONCENTRATIONS					
Apartment Units Average Daily Flow (gpd)	143	138	129	120	113
Percent of Residential Flow	95%	92%	86%	80%	75%
Apartment Units Average BOD/TSS (mg/L)	287	287	287	287	287
COMMERCIAL GROUP 1 BOD/TSS CONCENTRATIONS					
General Commercial Average Daily Flow (gpd)	varies	varies	varies	varies	varies
General Commercial Average BOD/TSS (mg/L)	250	259	268	277	287
Percent of Residential BOD/TSS	87%	90%	93%	97%	100%

Note: Text in red color indicates values changed from the prior year.

2.2 Updated Rate Structure

In addition to changes in flow and strength for customer classes, the 2017 Study also incorporated changes to the rate structure in terms of the number of customer classes. Changes in rate structure made as part of the 2017 Study are summarized below for the residential and nonresidential customer classes.

Residential. The residential customer class was changed to separate Single Family accounts from Apartments and Mobile Homes accounts due to their significantly different wastewater discharge flows. This change in the rate structure is congruent with the wastewater discharge characteristics shown in the previous section.

Nonresidential. Nonresidential customer classes were aggregated into groups. The groups were based on the combined strengths of BOD and TSS (as measured in mg/L). Five groups were developed. Group 1 and Group 1A combined accounts that had different Sewer Service Charges in FY18. By FY22, Group 1 and Group 1A have nearly identical wastewater discharge characteristics and are bundled in Group 1.

Nonresidential customer class groups adopted in the 2017 Study and the associated nonresidential customer classes are summarized in the table below. The wastewater discharge characteristics shown are projected for FY22.

Table 2-2. Residential and Nonresidential Customer Classes, Groups and Wastewater Strength

Customer Class	Customer Class Description	Approximate Number of Accounts	Wastewater Discharge Characteristics			
			BOD mg/L	TSS mg/L	BOD + TSS, mg/L	BOD + TSS Range for Customer Class
Residential	Residential Dwelling Unit	6,830	287	287	574	0 to 600
	Apartments and Mobile Homes	2,203	287	287	574	0 to 600
Commercial						
Group 1	Churches, Car wash, General commercial/office, Medical/dental, Public Agency, Schools	242	287	287	574	0 to 600
	Group 1A					
Group 2	Café/limited on-site cooking, Hospital/nursing/clinics	12	350	350	700	601 to 1000
Group 3	Café/Fast Food-I-NG, Markets/Fast Food-I-NG, Restaurants/Fast Food-I-NG	11	600	500	1100	1001 to 1200
Group 4	Café/Fast Food-NI-NG	5	800	480	1280	1201 to 1500
Group 5	Markets/Fast Food-NI-NG, Restaurants/Fast Food-NI-NG	4	1000	600	1600	1501 to 1800

I=Interceptor; NI-No Interceptor; NG-No Food Grinder

Section 3

Revenue Required from Sewer Service Charges

Sewer Service Charges must adequately fund sewer utility operations, capital costs, reserves, and bonded debt related to the provision of sewer service. The revenue required from Sewer Service Charges is developed in this section.

3.1 Capital Improvement Program

District capital projects are administered jointly through the Facilities Rehabilitation Program (FRP) and Capital Improvement Program (CIP).² Small capital projects that do not involve design and engineering such as smaller, recurring capital expenditures, equipment repair and replacement, and maintenance projects, the FRP, are under Fund 3410 The CIP is managed under Fund 3412 and encompasses larger, long-term projects and studies related to repairs / improvements to, or rehabilitation / replacement of the District's core capital assets.

Fund 3410 is funded with *Ad Valorem* tax revenue. Fund 3412 is funded with Connection Fee and Sewer Service Charge revenues (reserves), capacity charge revenues and loan disbursements.³

The previous overall FRP / CIP plan, adopted by the District's Board of Directors in 2011, spanned twenty (20) years and was broken into four, 5-year phases. It identified the District's capital project needs and anticipated expenditures and revenues over that time period, and was based upon a number of planning documents including the 1998 Long Range Plan Update, the 2009 Sanitary Sewer Management Plan and biennial audits, the 2009 Pump Station Reliability Evaluation, the 2011 Wastewater Treatment Plant System Reliability Evaluation, the 2013 Moorhen Marsh Management Plan, and the 2013 Collection System Flow Monitoring and Hydraulic Modeling Study.

Nearly eight (8) fiscal years have passed since the 2011 plan was originally adopted, and significant progress has been made on the projects planned therein.

District staff have reviewed a list of outstanding projects from the 2011 plan, added recognized needs, removed unnecessary projects, and re-prioritized an updated project list. Based on those priorities, a new FRP / CIP plan with a ten-year horizon has been created; beyond eight years, project needs, estimated costs, and projected revenues become difficult to forecast. The new plan attempts to achieve financial balance (cash flow) and also organizational balance (staff's ability to manage and support the workload) to the maximum extent possible.

² Background information presented in this section of the report is copied and / or summarized from the District's "Facilities Rehabilitation Program & Capital Improvement Program Fiscal Year 2019-2020 Update" dated July 11, 2019.

³ Operating and maintenance expenditures and revenues are managed under Fund 3409.

The following table and figure summarize the wastewater treatment plant, collection system and pump station, and marsh-related capital program projects envisioned for FY20 – FY28 (eight years).

Project Category	<i>Values in \$millions</i>									FY21-FY25		FY21-FY28
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	5 Year Total	8 Year Total	
Plant	0.8	5.5	0.8	3.0	1.3	2.0	2.6	2.3	11.1	12.6	28.6	
Collection	1.3	1.3	1.0	0.7	1.2	1.2	1.2	2.1	0.0	5.4	8.7	
Marsh	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2	
Total	2.8	6.8	1.8	3.7	2.5	3.3	3.8	4.4	11.2	18.0	37.4	
FY21-FY28 Cumulative		6.8	8.6	12.3	14.8	18.0	21.8	26.2	37.4			
Average Annual		4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7			

3.2 Debt Issuance and Service

In late 2018, the District issued \$6,000,000 in debt to pay for capital projects. Installment payments for the Series 2018 Debt Agreement are \$449,344.52 due every October from 2019 – 2038 (20 years).

In order to fund a portion of capital program expenditures described in the previous section, the District plans to issue an additional debt of up to \$6,000,000. Installment payments are projected to be approximately \$410,000 due every fiscal year from 2021 – 2038 (20 years).

3.3 Operations and Maintenance Expenditures

Operating and maintenance expenditures and revenues from Sewer Service Charges are accounted for in Fund 3409. Projected operating and maintenance expenditures for FY20 through FY28 are summarized in the table below. Projected expenditures were based on escalation of costs shown in the FY20 adopted budget.

Note that the annual percent increase in expenditures for FY21 is approximately six percent higher than succeeding years (nine percent versus three percent). Expenditures for FY21 include the debt service for a new, \$6,000,000 loan. The additional annual debt service is estimated to be \$410,000 which increases expenditures in that year by approximately six percent.

	Budget		Projected							Avg % of
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Salaries, Wages and Benefits	\$3,838,040	\$3,953,200	\$4,071,800	\$4,193,900	\$4,319,700	\$4,449,300	\$4,582,800	\$4,720,300	\$4,861,900	54%
Contractual Services	\$672,650	\$692,800	\$713,600	\$735,000	\$757,100	\$779,800	\$803,200	\$827,300	\$852,100	9%
Debt Service	\$449,340	\$862,040	\$862,040	\$862,040	\$862,040	\$862,040	\$862,040	\$862,040	\$862,040	10%
Utilities and Chemicals	\$532,560	\$567,500	\$604,800	\$644,600	\$687,100	\$732,400	\$780,800	\$832,400	\$887,500	9%
Professional Services	\$485,440	\$500,000	\$515,000	\$530,500	\$546,400	\$562,800	\$579,700	\$597,100	\$615,000	7%
Repairs and Maintenance	\$211,220	\$217,600	\$224,100	\$230,800	\$237,700	\$244,800	\$252,100	\$259,700	\$267,500	3%
Insurance	\$151,010	\$163,100	\$176,100	\$190,200	\$205,400	\$221,800	\$239,500	\$258,700	\$279,400	3%
All Other Expenses	\$356,490	\$365,600	\$375,000	\$384,600	\$394,600	\$404,800	\$415,200	\$425,900	\$437,000	5%
Totals	\$6,696,750	\$7,321,840	\$7,542,440	\$7,771,640	\$8,010,040	\$8,257,740	\$8,515,340	\$8,783,440	\$9,062,440	
Annual Increase										
Dollars		\$625,090	\$220,600	\$229,200	\$238,400	\$247,700	\$257,600	\$268,100	\$279,000	
Percent		9%	3%	3%	3%	3%	3%	3%	3%	

3.4 Projected Cash Flow

Revenue from Sewer Service Charges must be sufficient to adequately fund sewer utility operations, maintenance, capital replacement expenditures, and meet debt service obligations, while keeping rates as competitive as possible and maintaining a prudent level of reserves.

Beginning and ending fund balances, expenditures and revenues for the current fiscal year (FY20) and the next eight fiscal years, FY21 – FY28, are summarized in the table below. Detailed data for each fund is included in Appendix A, Table A-1. Revenue from Sewer Service Charges will increase by approximately \$540,000 in FY21 and by an average of approximately \$1,070,000 per year during FY22 – FY25. The total increase in revenue from Sewer Service Charges attributable to rate increases during FY21 - FY25 will be approximately \$13,400,000.

Cash flow for FY26 - FY28 is shown to provide context for the need for temporary, higher ending fund balances. Capital project expenditures in those three fiscal years are projected to be approximately \$19,400,000. During those three years, the total fund balance will decrease by approximately \$1,440,000 to fund a portion of the projected expenditures. The ending fund balance in FY28 is projected to be near the Fund 3409 target level.

Table 3-3. Fund Balances, Revenue and Expenditures for FY20 – FY28

	Budget 2019-20	Five-Year Rate Development Period					Projected 2025-26	Projected 2026-27	Projected 2027-28
		2020-21	2021-22	2022-23	2023-24	2024-25			
Beginning Cash/Investment Balance, July 1	9,050,870	6,683,900	6,607,130	6,214,990	4,846,650	5,618,010	6,486,970	7,877,230	9,907,890
Expenditures									
Fund 3409	6,696,750	7,321,840	7,542,440	7,771,640	8,010,040	8,257,740	8,515,340	8,783,440	9,062,440
Fund 3410	607,500	300,000	309,000	318,300	327,900	337,700	347,800	358,200	368,900
Fund 3412	2,791,200	6,752,000	1,830,000	3,670,000	2,504,000	3,259,000	3,803,000	4,375,000	11,242,500
Fund 3415	0	0	0	0	0	0	0	0	0
Total	10,095,450	14,373,840	9,681,440	11,759,940	10,841,940	11,854,440	12,666,140	13,516,640	20,673,840
Revenues									
Fund 3409	7,604,780	8,213,400	9,201,900	10,331,200	11,550,700	12,659,200	13,989,500	15,477,100	17,132,900
Fund 3410	5,000	0	400	2,700	5,100	7,700	10,400	13,200	16,100
Fund 3412	86,000	6,067,000	87,000	57,700	57,500	56,500	56,500	57,000	56,600
Fund 3415	32,700	16,670	0	0	0	0	0	0	0
Total	7,728,480	14,297,070	9,289,300	10,391,600	11,613,300	12,723,400	14,056,400	15,547,300	17,205,600
Net Transfers									
Fund 3409 to Fund 3410/Fund 3412	(400,000)	(412,000)	(704,400)	(4,037,100)	(2,850,200)	(3,663,700)	(4,247,600)	(4,791,900)	(11,686,700)
Fund 3410 from Fund 3409	400,000	412,000	424,400	437,100	450,200	463,700	477,600	491,900	506,700
Fund 3412 from Fund 3409/Fund 3415	1,223,500	1,683,770	280,000	3,600,000	2,400,000	3,200,000	3,770,000	4,300,000	11,180,000
Fund 3415 to Fund 3412	(1,223,500)	(1,683,770)	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Ending Cash/Investment Balance, June 30	6,683,900	6,607,130	6,214,990	4,846,650	5,618,010	6,486,970	7,877,230	9,907,890	6,439,650

Fund balances, expenditures and revenues for the current fiscal year (FY20) and the next eight fiscal years are summarized in the figure below.

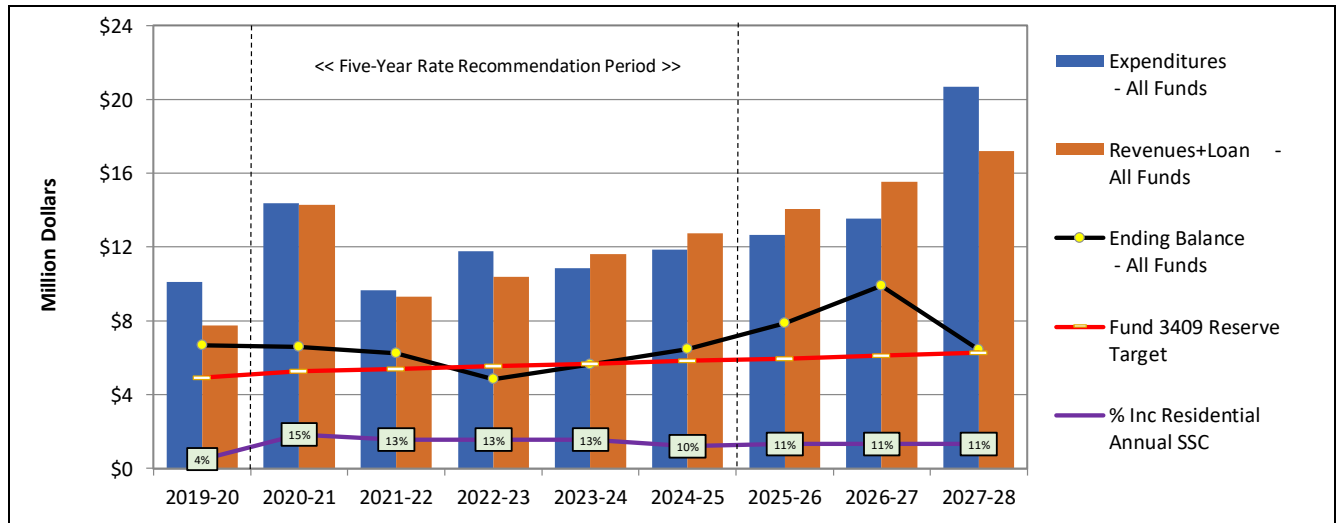


Figure 3-2. Fund Balances, Revenue and Expenditures, FY20 – FY28

Section 4

Sewer Service Charges

The District's current and recommended sewer service charges and units costs for Flow, BOD and TSS, are summarized in this section. Revenues from recommended sewer service charges is also summarized.

4.1 Development of Sewer Service Charges

The combined impact of changes in customer characteristics and the annual increase in revenue requirements is shown in the table below. The recommended charges maintain the rate-design changes made in the 2017 Study and incorporate the last two years of sewer service charge cost-of-service allocation adjustments from the 2017 Study. When the impact of allocation adjustments from the 2017 Study is combined with the impact of the increase in revenue requirements, the changes in customer bills varies between customer classes.

Table 4-1. Current and Recommended Unit Costs and Sewer Service Charges

		Current	Recommended Unit Costs				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<i>Flow, \$ per million gallons ></i>		\$6,778	\$7,815	\$8,831	\$9,979	\$11,277	\$12,404
<i>BOD \$ per thousand pounds ></i>		\$0.89	\$1.03	\$1.16	\$1.31	\$1.49	\$1.63
<i>TSS, \$ per thousand pounds ></i>		\$0.97	\$1.12	\$1.27	\$1.43	\$1.62	\$1.78
Customer Class	Unit	Current 2019-20	Recommended Sewer Service Charges				
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Residential	Annual	\$615.60	\$709.80	\$802.08	\$906.36	\$1,024.20	\$1,126.68
Apt/MH	Annual	\$530.16	\$568.56	\$642.48	\$726.00	\$820.32	\$902.40
Group 1	\$ per HCF	\$8.16	\$9.70	\$10.92	\$12.36	\$13.92	\$15.36
Group 1A	\$ per HCF	\$8.41	\$9.70	\$10.92	\$12.36	\$13.92	\$15.36
Group 2	\$ per HCF	\$9.17	\$10.55	\$11.88	\$13.44	\$15.24	\$16.80
Group 3	\$ per HCF	\$11.52	\$13.30	\$15.00	\$16.92	\$19.08	\$21.00
Group 4	\$ per HCF	\$12.53	\$14.45	\$16.32	\$18.48	\$20.88	\$22.92
Group 5	\$ per HCF	\$14.38	\$16.60	\$18.72	\$21.12	\$23.88	\$26.28

4.2 Revenue from Sewer Service Charges

Revenue from current and recommended Sewer Service Charges is summarized in the table below. Detailed calculation of revenues for each year are shown in Appendix B, Table B-1.

Table 4-2. Revenue from Current and Recommended Sewer Service Charges

Customer Class	Projected Annual Revenue from SSCs (\$thousands)					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Residential	\$4,205	\$4,848	\$5,478	\$6,190	\$6,995	\$7,695
Apt/MH	\$1,168	\$1,253	\$1,415	\$1,599	\$1,807	\$1,988
Group 1	\$608	\$722	\$813	\$920	\$1,037	\$1,144
Group 1A	\$45	\$51	\$58	\$66	\$74	\$81
Group 2	\$86	\$99	\$112	\$127	\$144	\$158
Group 3	\$102	\$118	\$133	\$149	\$169	\$186
Group 4	\$91	\$105	\$119	\$134	\$152	\$167
Group 5	\$13	\$15	\$17	\$19	\$22	\$24
PMA's	\$86	\$99	\$111	\$126	\$142	\$156
VA Clinic	\$132	\$152	\$172	\$193	\$219	\$241
Total ALL	\$6,535	\$7,462	\$8,428	\$9,525	\$10,760	\$11,840

Section 5

Conclusions and Recommendations

5.1 Conclusions

Based on our evaluation of the District's sewer service charges we have drawn the following conclusions:

- The District's projected operating expenditures for FY21 – FY25 are approximately \$34.6 million.
- The District's projected capital expenditures for FY21 – FY25 are approximately \$19.6 million.
- The District's projected debt service expenditures for FY21 – FY25 are approximately \$4.3 million.
- The District's projected total expenditures for FY21 – FY25 are approximately \$58.5 million.
- The District's revenues, without an increase in Sewer Service Charges for FY21 – FY25, would be approximately \$38.5 million.
- The District's total expenditures for FY21 – FY25 would exceed revenues by approximately \$20.0 million without an increase in Sewer Service Charges.
- The District must collect approximately \$13.5 million of additional revenue from Sewer Service Charges during FY21 – FY25 to meet capital and operating expenditures, maintain a prudent level of reserves and meet debt service obligations.

5.2 Recommendations

The following recommendations are offered to ensure the financial viability of the wastewater fund and improve the implementation of the District's Sewer Service Charges:

Recommendation 1. Adopt and implement the Sewer Service Charges recommended for FY21 – FY25.

Recommendation 2. Update cash flow projections in the event of a significant change to any expenditure or revenue assumption.

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Section 6

Limitations

This document was prepared solely for the Mt. View Sanitary District in accordance with professional standards at the time the services were performed and in accordance with Task Order No. 1 to Contract 19-0019 between Mt. View Sanitary District and Municipal Financial Services. This document is governed by the specific scope of work authorized by Mt. View Sanitary District; it is not intended to be relied upon by any other party. We have relied on information or instructions provided by Mt. View Sanitary District and, unless otherwise expressly indicated, have made no independent investigation as to the validity, completeness, or accuracy of such information.

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Appendix A: Funds Cash Flow

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Table A-1

Funds Projected Cash Flow

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
FUND 3409									
FISCAL YEAR BEGINNING CASH/INVEST BAL	4,050,967	4,558,997	5,038,557	5,993,617	4,516,077	5,206,537	5,944,297	7,170,857	9,072,617
FISCAL YEAR REVENUE	7,604,780	8,213,400	9,201,900	10,331,200	11,550,700	12,659,200	13,989,500	15,477,100	17,132,900
SUBTOTAL	11,655,747	12,772,397	14,240,457	16,324,817	16,066,777	17,865,737	19,933,797	22,647,957	26,205,517
INTERFUND TRANSFERS TO FUND 3410	(400,000)	(412,000)	(424,400)	(437,100)	(450,200)	(463,700)	(477,600)	(491,900)	(506,700)
SUBTOTAL	11,255,747	12,360,397	13,816,057	15,887,717	15,616,577	17,402,037	19,456,197	22,156,057	25,698,817
INTERFUND TRANSFERS TO FUND 3412	0	0	(280,000)	(3,600,000)	(2,400,000)	(3,200,000)	(3,770,000)	(4,300,000)	(11,180,000)
SUBTOTAL	11,255,747	12,360,397	13,536,057	12,287,717	13,216,577	14,202,037	15,686,197	17,856,057	14,518,817
ESTIMATED FISCAL YEAR EXPENDITURES	(6,696,750)	(7,321,840)	(7,542,440)	(7,771,640)	(8,010,040)	(8,257,740)	(8,515,340)	(8,783,440)	(9,062,440)
SUBTOTAL	4,558,997	5,038,557	5,993,617	4,516,077	5,206,537	5,944,297	7,170,857	9,072,617	5,456,377
LOAN RESERVES	0	0	0	0	0	0	0	0	0
TOTAL FISCAL YEAR END RESERVES	4,558,997	5,038,557	5,993,617	4,516,077	5,206,537	5,944,297	7,170,857	9,072,617	5,456,377
FUND 3410									
FISCAL YEAR BEGINNING CASH/INVEST BAL	110,344	(92,156)	19,844	135,644	257,144	384,544	518,244	658,444	805,344
FISCAL YEAR REVENUE	5,000	0	400	2,700	5,100	7,700	10,400	13,200	16,100
SUBTOTAL	115,344	(92,156)	20,244	138,344	262,244	392,244	528,644	671,644	821,444
INTERFUND TRANSFERS FROM FUND 3409	400,000	412,000	424,400	437,100	450,200	463,700	477,600	491,900	506,700
SUBTOTAL	515,344	319,844	444,644	575,444	712,444	855,944	1,006,244	1,163,544	1,328,144
INTERFUND TRANSFERS TO FUND 3412	0	0	0	0	0	0	0	0	0
SUBTOTAL	515,344	319,844	444,644	575,444	712,444	855,944	1,006,244	1,163,544	1,328,144
ESTIMATED FISCAL YEAR EXPENDITURES	(607,500)	(300,000)	(309,000)	(318,300)	(327,900)	(337,700)	(347,800)	(358,200)	(368,900)
SUBTOTAL	(92,156)	19,844	135,644	257,144	384,544	518,244	658,444	805,344	959,244
LOAN RESERVES	0	0	0	0	0	0	0	0	0
TOTAL FISCAL YEAR END RESERVES	(92,156)	19,844	135,644	257,144	384,544	518,244	658,444	805,344	959,244
FUND 3412									
FISCAL YEAR BEGINNING CASH/INVEST BAL	2,031,654	549,954	1,548,724	85,724	73,424	26,924	24,424	47,924	29,924
FISCAL YEAR REVENUE	86,000	67,000	87,000	57,700	57,500	56,500	56,500	57,000	56,600
SUBTOTAL	2,117,654	616,954	1,635,724	143,424	130,924	83,424	80,924	104,924	86,524
INTERFUND TRANSFERS FROM FUND 3409	0	0	280,000	3,600,000	2,400,000	3,200,000	3,770,000	4,300,000	11,180,000
SUBTOTAL	2,117,654	616,954	1,915,724	3,743,424	2,530,924	3,283,424	3,850,924	4,404,924	11,266,524
INTERFUND TRANSFERS FROM FUND 3415	1,223,500	1,683,770	0	0	0	0	0	0	0
SUBTOTAL	3,341,154	2,300,724	1,915,724	3,743,424	2,530,924	3,283,424	3,850,924	4,404,924	11,266,524
ESTIMATED FISCAL YEAR EXPENDITURES	(2,791,200)	(6,752,000)	(1,830,000)	(3,670,000)	(2,504,000)	(3,259,000)	(3,803,000)	(4,375,000)	(11,242,500)
SUBTOTAL	549,954	(4,451,276)	85,724	73,424	26,924	24,424	47,924	29,924	24,024
LOAN RESERVES	0	6,000,000	0	0	0	0	0	0	0
TOTAL FISCAL YEAR END RESERVES	549,954	1,548,724	85,724	73,424	26,924	24,424	47,924	29,924	24,024

Table A-1

Funds Projected Cash Flow

FUND 3415	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
FISCAL YEAR BEGINNING CASH/INVEST BAL	2,857,900	1,667,100	0	0	0	0	0	0	0
FISCAL YEAR REVENUE	32,700	16,670	0	0	0	0	0	0	0
SUBTOTAL	2,890,600	1,683,770	0	0	0	0	0	0	0
INTERFUND TRANSFERS TO FUND 3412	(1,223,500)	(1,683,770)	0	0	0	0	0	0	0
TOTAL FISCAL YEAR END RESERVES	1,667,100	0	0	0	0	0	0	0	0
TOTAL ALL FUNDS	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
FISCAL YEAR BEGINNING CASH/INVEST BAL	9,050,865	6,683,895	6,607,125	6,214,985	4,846,645	5,618,005	6,486,965	7,877,225	9,907,885
FISCAL YEAR REVENUE	7,728,480	8,297,070	9,289,300	10,391,600	11,613,300	12,723,400	14,056,400	15,547,300	17,205,600
ESTIMATED FISCAL YEAR EXPENDITURES	(10,095,450)	(14,373,840)	(9,681,440)	(11,759,940)	(10,841,940)	(11,854,440)	(12,666,140)	(13,516,640)	(20,673,840)
LOAN RESERVES	0	6,000,000	0	0	0	0	0	0	0
TOTAL FISCAL YEAR END RESERVES	6,683,895	6,607,125	6,214,985	4,846,645	5,618,005	6,486,965	7,877,225	9,907,885	6,439,645

Table A-1
Funds Projected Cash Flow

SUMMARY ALL FUNDS	Adopted		Projected									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28			
Beginning Cash/Investment Balance, July 1												
Fund 3409	4,050,967	4,558,997	5,038,557	5,993,617	4,516,077	5,206,537	5,944,297	7,170,857	9,072,617			
Fund 3410	110,344	(92,156)	19,844	135,644	257,144	384,544	518,244	658,444	805,344			
Fund 3412	2,031,654	549,954	1,548,724	85,724	73,424	26,924	24,424	47,924	29,924			
Fund 3415	2,857,900	1,667,100	0	0	0	0	0	0	0			
Total	9,050,865	6,683,895	6,607,125	6,214,985	4,846,645	5,618,005	6,486,965	7,877,225	9,907,885			
Revenues												
Fund 3409	7,604,780	8,213,400	9,201,900	10,331,200	11,550,700	12,659,200	13,989,500	15,477,100	17,132,900			
Fund 3410	5,000	0	400	2,700	5,100	7,700	10,400	13,200	16,100			
Fund 3412	86,000	6,067,000	87,000	57,700	57,500	56,500	56,500	57,000	56,600			
Fund 3415	32,700	16,670	0	0	0	0	0	0	0			
Total	7,728,480	14,297,070	9,289,300	10,391,600	11,613,300	12,723,400	14,056,400	15,547,300	17,205,600			
Expenditures												
Fund 3409	6,696,750	7,321,840	7,542,440	7,771,640	8,010,040	8,257,740	8,515,340	8,783,440	9,062,440			
Fund 3410	607,500	300,000	309,000	318,300	327,900	337,700	347,800	358,200	368,900			
Fund 3412	2,791,200	6,752,000	1,830,000	3,670,000	2,504,000	3,259,000	3,803,000	4,375,000	11,242,500			
Fund 3415	0	0	0	0	0	0	0	0	0			
Total	10,095,450	14,373,840	9,681,440	11,759,940	10,841,940	11,854,440	12,666,140	13,516,640	20,673,840			
Net Transfers												
Fund 3409 to Fund 3410/Fund 3412	(400,000)	(412,000)	(704,400)	(4,037,100)	(2,850,200)	(3,663,700)	(4,247,600)	(4,791,900)	(11,686,700)			
Fund 3410 from Fund 3409	400,000	412,000	424,400	437,100	450,200	463,700	477,600	491,900	506,700			
Fund 3412 from Fund 3409/Fund 3415	1,223,500	1,683,770	280,000	3,600,000	2,400,000	3,200,000	3,770,000	4,300,000	11,180,000			
Fund 3415 to Fund 3412	(1,223,500)	(1,683,770)	0	0	0	0	0	0	0			
Total	0	0	0	0	0	0	0	0	0			
Ending Cash/Investment Balance, June 30												
Fund 3409	4,558,997	5,450,557	6,698,017	8,553,177	8,056,737	9,607,997	11,418,457	13,864,517	17,143,077			
Fund 3410	(92,156)	(392,156)	(288,756)	(179,956)	(65,656)	54,544	180,844	313,444	452,544			
Fund 3412	549,954	(135,046)	(194,276)	(3,526,576)	(2,373,076)	(3,175,576)	(3,722,076)	(4,270,076)	(11,155,976)			
Fund 3415	1,667,100	1,683,770	0	0	0	0	0	0	0			
Total	6,683,895	6,607,125	6,214,985	4,846,645	5,618,005	6,486,965	7,877,225	9,907,885	6,439,645			

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Appendix B: Revenue from Sewer Service Charges

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Table B-1

Recommended SSCs, Unit Costs and Revenue from SSCs

			Current	Recommended Unit Costs				
			2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<i>Flow, \$ per million gallons ></i>			\$6,778	\$7,815	\$8,831	\$9,979	\$11,277	\$12,404
<i>BOD \$ per thousand pounds ></i>			\$0.89	\$1.03	\$1.16	\$1.31	\$1.49	\$1.63
<i>TSS, \$ per thousand pounds ></i>			\$0.97	\$1.12	\$1.27	\$1.43	\$1.62	\$1.78
Billing Method	Customer Class	Unit	Current 2019-20	Recommended Sewer Service Charges				
			2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Tax roll	Residential	Annual	\$615.60	\$709.80	\$802.08	\$906.36	\$1,024.20	\$1,126.68
Tax roll	Apt/MH	Annual	\$530.16	\$568.56	\$642.48	\$726.00	\$820.32	\$902.40
Tax roll	Group 1	\$ per HCF	\$8.16	\$9.70	\$10.92	\$12.36	\$13.92	\$15.36
Tax roll	Group 1A	\$ per HCF	\$8.41	\$9.70	\$10.92	\$12.36	\$13.92	\$15.36
Tax roll	Group 2	\$ per HCF	\$9.17	\$10.55	\$11.88	\$13.44	\$15.24	\$16.80
Tax roll	Group 3	\$ per HCF	\$11.52	\$13.30	\$15.00	\$16.92	\$19.08	\$21.00
Tax roll	Group 4	\$ per HCF	\$12.53	\$14.45	\$16.32	\$18.48	\$20.88	\$22.92
Tax roll	Group 5	\$ per HCF	\$14.38	\$16.60	\$18.72	\$21.12	\$23.88	\$26.28
Tax roll	PMA's *	\$ per HCF	\$9.33	\$10.75	\$12.12	\$13.68	\$15.48	\$17.04
Direct bill	VA Clinic *	\$ per HCF	\$8.03	\$9.25	\$10.44	\$11.76	\$13.32	\$14.64
<i>* The SSCs and other data for accounts with PMA's (Private Meter Agreements) are the approximate average for the class.</i>								
Billing Method	Customer Class	Percent Increase in Recommended Sewer Service Charges						
		2020-21	2021-22	2022-23	2023-24	2024-25		
Tax roll	Residential	15%	13%	13%	13%	10%		
Tax roll	Apt/MH	7%	13%	13%	13%	10%		
Tax roll	Group 1	19%	13%	13%	13%	10%		
Tax roll	Group 1A	15%	13%	13%	13%	10%		
Tax roll	Group 2	15%	13%	13%	13%	10%		
Tax roll	Group 3	15%	13%	13%	13%	10%		
Tax roll	Group 4	15%	13%	13%	13%	10%		
Tax roll	Group 5	15%	13%	13%	13%	10%		
Tax roll	PMA's *	15%	13%	13%	13%	10%		
Direct bill	VA Clinic *	15%	13%	13%	13%	10%		
Billing Method	Customer Class	Residential Dwelling Units; Apartment/Mobile Home Units and Nonresidential Wastewater Discharge (HCF)						
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Tax roll	Residential	6,830	6,830	6,830	6,830	6,830	6,830	
Tax roll	Apt/MH	2,203	2,203	2,203	2,203	2,203	2,203	
Tax roll	Group 1	74,472	74,472	74,472	74,472	74,472	74,472	
Tax roll	Group 1A	5,300	5,300	5,300	5,300	5,300	5,300	
Tax roll	Group 2	9,419	9,419	9,419	9,419	9,419	9,419	
Tax roll	Group 3	8,835	8,835	8,835	8,835	8,835	8,835	
Tax roll	Group 4	7,270	7,270	7,270	7,270	7,270	7,270	
Tax roll	Group 5	920	920	920	920	920	920	
Tax roll	PMA's *	9,183	9,183	9,183	9,183	9,183	9,183	
Direct bill	VA Clinic *	16,443	16,443	16,443	16,443	16,443	16,443	
Billing Method	Customer Class	Projected Annual Revenue from SSCs (\$thousands)						
		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Tax roll	Residential	\$4,205	\$4,848	\$5,478	\$6,190	\$6,995	\$7,695	
Tax roll	Apt/MH	\$1,168	\$1,253	\$1,415	\$1,599	\$1,807	\$1,988	
Tax roll	Group 1	\$608	\$722	\$813	\$920	\$1,037	\$1,144	
Tax roll	Group 1A	\$45	\$51	\$58	\$66	\$74	\$81	
Tax roll	Group 2	\$86	\$99	\$112	\$127	\$144	\$158	
Tax roll	Group 3	\$102	\$118	\$133	\$149	\$169	\$186	
Tax roll	Group 4	\$91	\$105	\$119	\$134	\$152	\$167	
Tax roll	Group 5	\$13	\$15	\$17	\$19	\$22	\$24	
Tax roll	PMA's *	\$86	\$99	\$111	\$126	\$142	\$156	
Direct bill	VA Clinic *	\$132	\$152	\$172	\$193	\$219	\$241	
Total ALL		\$6,535	\$7,462	\$8,428	\$9,525	\$10,760	\$11,840	

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