



# Casitas Municipal Water District



## Water Rate Study

July 2023

**DRAFT**



BARTLE WELLS ASSOCIATES  
INDEPENDENT PUBLIC FINANCE ADVISORS

# Casitas Municipal Water District

## Water Rate Study

July 2023

Prepared by:



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July 7, 2023

Michael Flood  
General Manager  
Casitas Municipal Water District  
1055 Ventura Avenue  
Oak View, Ca. 93022

RE: Casitas Municipal Water District Water Rate Study

Bartle Wells Associates is pleased to submit the attached Water Rate Study. The study develops long-term financial projections and calculates new water rates designed to equitably recover the costs of providing service. The recommended rates are designed to meet the District's operational and capital funding needs, comply with legal requirements, and be fair to all customers.

The proposed rates incorporate both overall rate increases needed to maintain the water enterprise's financial stability and meet future funding needs. Six rate increases are phased in over five years, with the first increase by September 1st, 2023, and consistent annual increases each January 1st thereafter. The proposed rates are adequate to meet a delayed first increase on October 1<sup>st</sup>, 2023.

We enjoyed working with the District on this assignment and appreciate the ongoing assistance and input received throughout the project. Please contact us anytime if you have questions about the recommendations in this report or other related issues.

Sincerely,

BARTLE WELLS ASSOCIATES

Douglas Dove, PE, CIPFA  
Principal/President

Michael DeGroot  
Vice President

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## 1. Executive Summary

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### Purpose

Casitas Municipal Water District (“The District”) retained Bartle Wells Associates (“BWA”) to develop a financial plan and cost of service study for the District’s water rates to ensure financial stability over the next five years (FY 2023/24 to FY 2027/28).

The District provides water treatment and distribution services to western Ventura County including the City of Ojai, Upper Ojai, the Ventura River Valley area, the City of Ventura to Mills Road, and the beach communities of Solimar, La Conchita, and Rincon to the Santa Barbara County line. The District also operates the Lake Casitas Recreation Area, although the costs of providing recreation services are not included in this water rate study.

### Proposition 218

Proposition 218, the “Right to Vote on Taxes Act”, was approved by California voters in November 1996 and is codified as Articles XIIC and XIID of the California Constitution. Proposition 218 establishes requirements for imposing any new or increasing any existing property-related fees and charges.

The District must follow the procedural requirements of Proposition 218 for all water rate increases. These requirements include:

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

Proposition 218 also established several substantive requirements that apply to water rates and charges, including:

- 1. Cost of Service:** Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service.” Agencies may carry a prudent level of reserves and save cash for future projects or emergencies.
- 2. Intended Purpose:** Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.

3. **Proportional Cost Recovery:** The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service:** No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.
5. **General Government Services:** No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for water, wastewater, and refuse collection are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to procedural requirements of Proposition 218.

## 2. Current Water Rates

Table 1 shows a summary of the current Casitas Municipal Water District monthly water rates. The District's last water rate increase went into effect July 1, 2021. Residential and Ag Domestic are billed at a flat rate by meter size plus a volumetric rate per hundred cubic feet (hcf) based on a three tier structure. Commercial, Agriculture, Resale, and Other are also billed at a flat rate by meter size plus a uniform volumetric rate per hcf. The volumetric rate varies depending on whether the customer receives pumped water service or gravity-fed water service.

**Table 1**  
**Casitas Municipal Water District**  
**Current Water Rates**

### Existing Monthly Service Charge (FY 2021/22)

Meter Size	Residential <sup>1</sup>	Commercial/Industrial	Agriculture	Ag Domestic <sup>1</sup>	Other <sup>2</sup>	Resale
5/8"-3/4"	\$45.24	\$36.15	-	-	\$32.31	\$39.76
1"	\$75.39	\$60.22	\$68.10	\$54.71	\$53.87	\$66.27
1-1/2"	\$150.77	\$120.47	\$136.20	\$109.47	\$107.74	\$132.55
2"	\$241.25	\$192.75	\$217.93	\$175.13	\$172.38	\$212.07
3"	\$527.70	\$421.65	\$476.74	\$383.12	\$377.09	\$463.93
4"	\$949.88	\$758.96	\$858.11	\$689.61	\$678.74	\$835.07
6"	\$1,960.09	\$1,566.11	\$1,770.72	\$1,423.00	\$1,400.62	\$1,723.14
12"	-	-	-	-	-	\$10,179.86
18"	-	-	-	-	-	\$18,923.76

### Existing Volumetric Rates - per HCF\* (FY 2021/22)

Monthly Tiers (per HCF)	Residential <sup>1</sup> Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic <sup>1</sup> Pumped	Other <sup>2</sup> Pumped	Resale Pumped
All Use		\$2.31	\$1.71		\$2.31	\$2.31
Tier 1 (0-10)	\$1.52			\$1.52		
Tier 2 (11-50)	\$2.31			\$2.31		
Tier 3 (51+)	\$3.72			\$1.71		

Monthly Tiers (per HCF)	Residential <sup>1</sup> Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic <sup>1</sup> Gravity	Other <sup>2</sup> Gravity	Resale Gravity
All Use		\$1.56	\$0.96		\$1.56	\$1.56
Tier 1 (0-10)	\$0.77			\$0.77		
Tier 2 (11-50)	\$1.56			\$1.56		
Tier 3 (51+)	\$2.97			\$0.96		

\*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

### 3. Water Financial Plan

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BWA developed a 10-year financial plan for the District's water enterprise designed to fund operating and capital needs and maintain adequate fund reserves. The financial plan serves as a roadmap for funding operating and capital programs and maintaining long-term financial health and determines the revenue requirement for the water rates.

#### Cash Fund Reserves

Table 2 shows the District's current cash reserves. The District divides its cash fund balance between restricted and unrestricted accounts. The unrestricted fund balance amounts to approximately \$18 MM as of July 1<sup>st</sup>, 2022. Cash fund balances have been drawn down over time due to drought conditions.

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**Table 2**  
**Casitas Municipal Water District**  
**Cash Reserves (July 1, 2022)**

<b>Restricted</b>	
Capital Facilities	\$322,327
CFD 2013-1 Improvement Fund	6,819,665
Adjudication Fund	127,982
<u>OPEB</u>	<u>1,443,076</u>
Total Restricted	\$8,713,050
<b>Un-Restricted (designated funds)</b>	
Operating Reserve	\$4,408,985
Storm Damage	2,346,282
Variation in Water Sales	3,544,353
Capital Replacement	1,985,040
Conservation Penalty	4,577,607
<u>Alternate Water Supply</u>	<u>1,107,797</u>
Total Un-Restricted (designated funds)	\$17,970,064
<b>Total Cash Reserves</b>	<b>\$26,683,114</b>

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## Operating Expenses

Table 3 shows the District’s projected operating expenses. The District’s operating costs are projected to increase by 5% per year for most items based on estimated cost inflation. BWA projects that the District will begin to incur operating costs for intertie wheeling in FY 2027/28. The intertie wheeling costs are estimated based on 1,500 Acre Feet (AF) of water annually at an estimated cost of \$1,700 per AF.

**Table 3**  
**Casitas Municipal Water District**  
**Water Enterprise Operating Expenses**

Category*	FY 2022/23	Escalation %	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
District Maintenance	\$677,000	5%	\$711,000	\$747,000	\$784,000	\$823,000	\$864,000	\$907,000	\$952,000	\$1,000,000	\$1,050,000	\$1,103,000
Engineering	1,436,000	5%	1,508,000	1,583,000	1,662,000	1,745,000	1,832,000	1,924,000	2,020,000	2,121,000	2,227,000	2,338,000
Garage	65,000	5%	68,000	71,000	75,000	79,000	83,000	87,000	91,000	96,000	101,000	106,000
Information Technology	428,000	5%	449,000	471,000	495,000	520,000	546,000	573,000	602,000	632,000	664,000	697,000
Board of Directors	251,000	5%	264,000	277,000	291,000	306,000	321,000	337,000	354,000	372,000	391,000	411,000
Electrical & Mechanical	3,196,000	5%	3,356,000	3,524,000	3,700,000	3,885,000	4,079,000	4,283,000	4,497,000	4,722,000	4,958,000	5,206,000
Administration	1,190,000	5%	1,250,000	1,313,000	1,379,000	1,448,000	1,520,000	1,596,000	1,676,000	1,760,000	1,848,000	1,940,000
Fisheries	624,000	5%	655,000	688,000	722,000	758,000	796,000	836,000	878,000	922,000	968,000	1,016,000
Human Resources	547,000	5%	574,000	603,000	633,000	665,000	698,000	733,000	770,000	809,000	849,000	891,000
Management	1,663,000	5%	1,746,000	1,833,000	1,925,000	2,021,000	2,122,000	2,228,000	2,339,000	2,456,000	2,579,000	2,708,000
Safety	208,000	5%	218,000	229,000	240,000	252,000	265,000	278,000	292,000	307,000	322,000	338,000
Pipeline	1,736,000	5%	1,823,000	1,914,000	2,010,000	2,111,000	2,217,000	2,328,000	2,444,000	2,566,000	2,694,000	2,829,000
Retiree	353,000	5%	371,000	390,000	410,000	431,000	453,000	476,000	500,000	525,000	551,000	579,000
Water Quality	914,000	5%	960,000	1,008,000	1,058,000	1,111,000	1,167,000	1,225,000	1,286,000	1,350,000	1,418,000	1,489,000
Water Treatment	2,095,000	5%	2,200,000	2,310,000	2,426,000	2,547,000	2,674,000	2,808,000	2,948,000	3,095,000	3,250,000	3,413,000
Conservation	758,000	5%	796,000	836,000	878,000	922,000	968,000	1,016,000	1,067,000	1,120,000	1,176,000	1,235,000
Utilities Maintenance	889,000	5%	933,000	980,000	1,029,000	1,080,000	1,134,000	1,191,000	1,251,000	1,314,000	1,380,000	1,449,000
General O&M	605,000	5%	635,000	667,000	700,000	735,000	772,000	811,000	852,000	895,000	940,000	987,000
Intertie Wheeling Costs	0	5%	0	0	0	0	2,550,000	2,677,500	2,811,375	2,951,944	3,099,541	3,254,518
State Water Expense	1,136,000	0%	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000
Adjudication	577,000	0%	577,000	577,000	577,000	577,000	0	0	0	0	0	0
<b>Total Operating Budget:</b>	<b>\$19,348,000</b>		<b>\$20,230,000</b>	<b>\$21,157,000</b>	<b>\$22,130,000</b>	<b>\$23,152,000</b>	<b>\$26,197,000</b>	<b>\$27,450,500</b>	<b>\$28,766,375</b>	<b>\$30,149,944</b>	<b>\$31,601,541</b>	<b>\$33,125,518</b>
<i>Overall Escalation</i>			4.6%	4.6%	4.6%	4.6%	13.2%	4.8%	4.8%	4.8%	4.8%	4.8%
<i>*Excludes recreation</i>												

## Existing Debt Service

Table 4 shows the District’s projected debt service expenses. Community Facilities District (CFD) related debt include the 2017 Special Tax Bonds and CFD 2013-1 (Ojai) Series C. The CFD related debt was issued to purchase the assets of the Golden State Water Company in the Ojai Service Area and the debt service is paid solely through customers of the Ojai Service Area.

**Table 4**  
**Casitas Municipal Water District**  
**Water Enterprise Existing Debt**

<b>Debt Issuance</b>	<b>FY 2022/23</b>	<b>FY 2023/24</b>	<b>FY 2024/25</b>	<b>FY 2025/26</b>	<b>FY 2026/27</b>	<b>FY 2027/28</b>	<b>FY 2028/29</b>	<b>FY 2029/30</b>	<b>FY 2030/31</b>	<b>FY 2031/32</b>	<b>FY 2032/33</b>
2017 Special Tax Bonds, CFD Series A & B	\$2,149,088	\$2,189,388	\$2,232,388	\$2,277,888	\$2,320,788	\$2,362,713	\$2,407,963	\$2,454,088	\$2,500,838	\$2,562,306	\$2,608,813
Casitas Dam Seismic Safety of Dam	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228
CFD 2013-1 (Ojai) Series C	<u>610,825</u>	<u>621,850</u>	<u>637,350</u>	<u>647,325</u>	<u>660,800</u>	<u>672,600</u>	<u>682,425</u>	<u>695,050</u>	<u>711,300</u>	<u>724,325</u>	<u>737,800</u>
<b>Total Existing Debt Service</b>	<b>\$2,837,141</b>	<b>\$2,888,466</b>	<b>\$2,946,966</b>	<b>\$3,002,441</b>	<b>\$3,058,816</b>	<b>\$3,112,541</b>	<b>\$3,167,616</b>	<b>\$3,226,366</b>	<b>\$3,289,366</b>	<b>\$3,363,859</b>	<b>\$3,423,841</b>

## Capital Improvement Program

Table 5 shows a summary of the District’s 10-year capital improvement program for the water enterprise and the funding sources by fiscal year. The full detailed capital improvement program is shown in Appendix A. The capital improvement program includes about \$77M of capital improvement projects over the next 5 years and \$121M over the next 10 years. The District has identified various funding sources including reserves and rate revenue, CFD funds, grants and low interest loans and bonds. The District has obtained FEMA funding, which provides 75% grant, with a 25% District match. Bond financing for capital improvement projects is estimated to be for 30 years at 4% interest, with 1.66% issuance costs.

**Table 5**  
**Casitas Municipal Water District**  
**Water Enterprise Capital Improvement Program Summary**

Fiscal Year	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	Total 10 Year
<b>Total Capital Improvements</b>	<b>11,506,251</b>	<b>14,373,633</b>	<b>19,169,175</b>	<b>22,631,689</b>	<b>9,629,574</b>	<b>8,944,360</b>	<b>11,357,478</b>	<b>9,515,451</b>	<b>5,755,546</b>	<b>8,140,000</b>	<b>121,023,157</b>
<b>FUNDING SOURCE</b>											
CMWD (Reserves or Rates)	2,327,596	4,473,633	4,639,175	3,583,189	2,265,874	2,394,360	2,032,478	1,794,451	2,255,546	1,640,000	<b>27,406,302</b>
CFD 2013-1	1,268,655	-	-	-	-	-	-	-	-	-	<b>1,268,655</b>
Grant/ Loan	6,500,000	5,000,000	10,000,000	-	-	-	-	-	-	-	<b>21,500,000</b>
Bonding	160,000	3,150,000	4,530,000	19,048,500	7,363,700	6,550,000	9,325,000	7,721,000	3,500,000	6,500,000	<b>67,848,200</b>
FEMA 75%; 25% match	1,250,000	1,750,000	-	-	-	-	-	-	-	-	<b>3,000,000</b>
<b>Total</b>	<b>11,506,251</b>	<b>14,373,633</b>	<b>19,169,175</b>	<b>22,631,689</b>	<b>9,629,574</b>	<b>8,944,360</b>	<b>11,357,478</b>	<b>9,515,451</b>	<b>5,755,546</b>	<b>8,140,000</b>	<b>121,023,157</b>

**Non Rate Revenue**

Table 6 shows the District’s non-rate revenue. Major sources of revenue include property taxes, CFD assessments, and operating revenues, which include state water project (SWP) water sales.

**Table 6**  
**Casitas Municipal Water District**  
**Water Enterprise Non Rate Revenue**

Category	FY 2022/23	Escalation	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
<b>Non Rate Revenue</b>												
Operating Revenue*	\$580,113	<b>Flat</b>	\$580,113	\$580,113	\$580,113	\$580,113	\$205,113	\$205,113	\$205,113	\$205,113	\$205,113	\$205,113
Fire Charges	28,284	<b>Flat</b>	28,284	28,284	28,284	28,284	28,284	28,284	28,284	28,284	28,284	28,284
Interest Earnings	282,023	<b>1.3% of Funds</b>	177,000	179,000	169,000	182,000	222,000	238,000	261,000	272,000	289,000	303,000
Capital Facility Charge	44,040	<b>Flat</b>	44,040	44,040	44,040	44,040	44,040	44,040	44,040	44,040	44,040	44,040
SWP Property Tax	1,135,687	<b>Flat</b>	1,135,687	1,135,687	1,135,687	1,135,687	1,135,687	1,135,687	1,135,687	1,135,687	1,135,687	1,135,687
Property Tax (1% & other)	2,804,858	<b>2.5% Growth</b>	2,874,979	2,946,854	3,020,525	3,096,038	3,173,439	3,252,775	3,334,095	3,417,447	3,502,883	3,590,455
CFD Assessment	2,890,140	<b>Flat</b>	2,890,140	2,890,140	2,890,140	2,890,140	2,890,140	2,890,140	2,890,140	2,890,140	2,890,140	2,890,140
Allocation Penalty	400,000	<b>Removed</b>	0	0	0	0	0	0	0	0	0	0
Stand-By Fee	0	<b>Flat</b>	0	0	0	0	0	0	0	0	0	0
Adjudication Fee	577,000	<b>End in 2026/27</b>	577,000	577,000	577,000	577,000	0	0	0	0	0	0
Grants / FEMA/LCRA Revenue	750,000	<b>Varies</b>	2,690,988	2,661,337	2,697,674	0	0	0	0	0	0	0
Total Other Revenue	\$9,492,145		\$10,998,232	\$11,042,455	\$11,142,464	\$8,533,302	\$7,698,703	\$7,794,039	\$7,898,359	\$7,992,711	\$8,095,147	\$8,196,719

\*Operating Revenue Includes SWP - Sale of Water (\$375,000 per year). Estimated to end in FY 2027/28.

## Water Rate Revenue

Table 7 shows the projected full year of rate revenue based on each rate increase. The proposed rates are recommended to be increased by 9.5% beginning on September 1<sup>st</sup>, 2023, and each January 1<sup>st</sup> thereafter until January 1<sup>st</sup>, 2028. 6.28% annual increases are estimated to be required each year thereafter. “Fiscal Year Revenue (Prorated)” shows the estimated total rate revenue generated during each fiscal year. The implementation of water rate increases in January is intended to mitigate the impact of the rate increases on agricultural users.

**Table 7**  
**Casitas Municipal Water District**  
**Projected Water Rate Revenue (13,000 Acre Feet)**

	5- Year Projection						Extended Projection				
	9/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033
<b>Calendar Year Phase In</b>											
<b>% Rate Revenue Increase</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>6.28%</b>	<b>6.28%</b>	<b>6.28%</b>	<b>6.28%</b>	<b>6.28%</b>
<b>Calendar Year Revenue (Full Year)</b>											
Rate Revenue	\$17,923,726	\$19,625,648	\$21,489,175	\$23,529,650	\$25,763,875	\$28,210,248	\$29,982,654	\$31,866,417	\$33,868,534	\$35,996,441	\$38,258,040
<b>Fiscal Year Rate Revenue (Prorated)</b>											
Rate Revenue	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>	<u>2030/31</u>	<u>2031/32</u>	<u>2032/33</u>	
	\$18,515,632	\$20,557,412	\$22,509,412	\$24,646,762	\$26,987,062	\$29,096,451	\$30,924,535	\$32,867,475	\$34,932,487	\$37,127,240	
<b>% Rate Revenue Increase</b>	<b>13.11%</b>	<b>11.03%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>7.82%</b>	<b>6.28%</b>	<b>6.28%</b>	<b>6.28%</b>	<b>6.28%</b>	

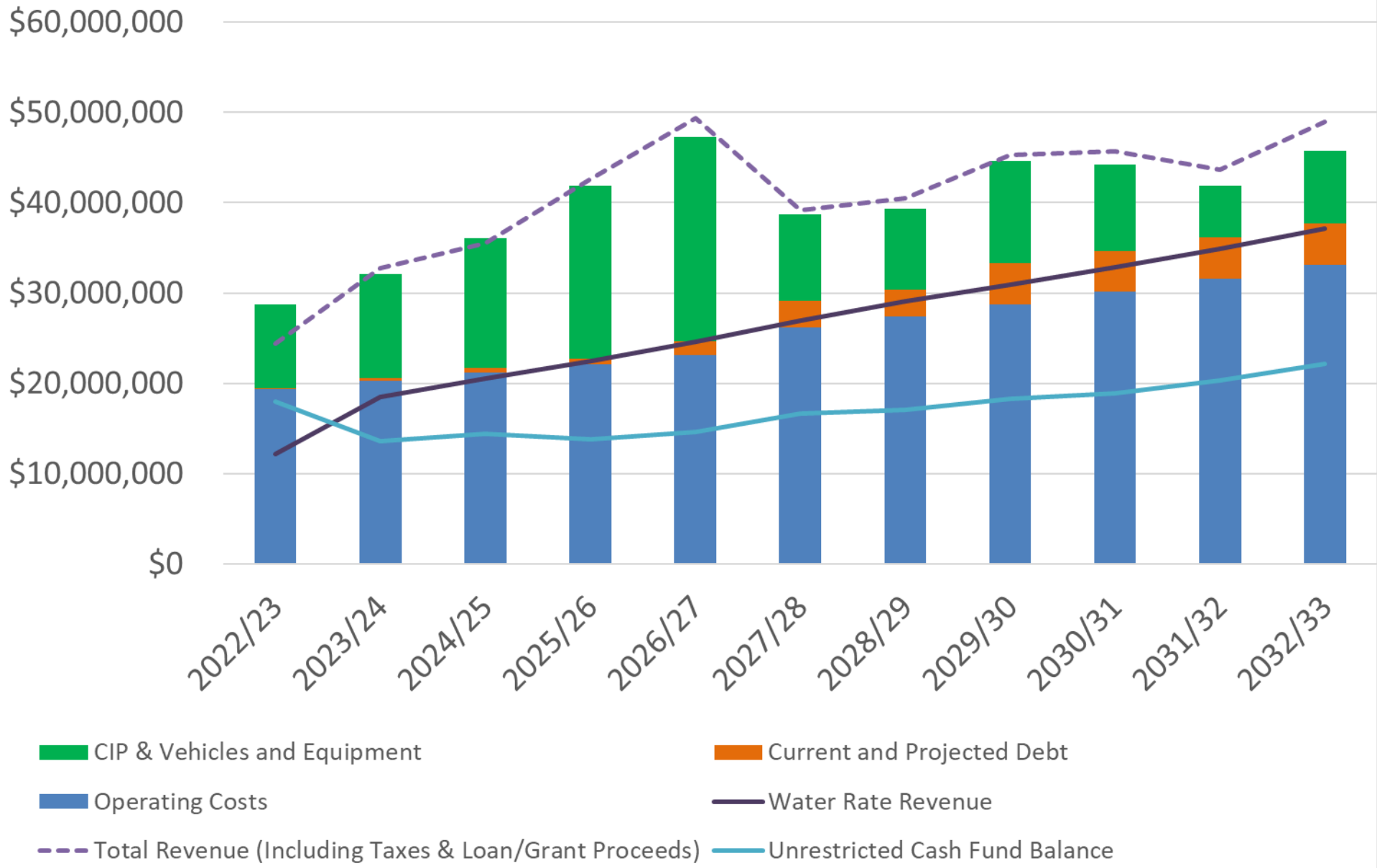
## Water Cash Flow Projection

Table 8 shows the water cash flow projection based on the calendar year phase in and water usage of 13,000 acre feet throughout the projection period. Projections are designed to build up District unrestricted reserves to \$25 MM by FY 2032/33 and to maintain an adequate debt service coverage ratio (net revenues divided by annual debt service) of greater than 1.58 times debt service. The minimum required debt service coverage for a typical revenue bond is at least 1.25 times annual debt service. Chart A shows the 10-year financial plan graphically.

**Table 8**  
**Casitas Municipal Water District**  
**Water Enterprise Cash Flow (September 1st 2023 & January 1st Thereafter Implementation)**

	Current	5- Year Projection					Extended Projection				
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Beginning Unrestricted Fund Balance</b>	<b>\$17,970,064</b>	<b>\$13,610,804</b>	<b>\$14,368,204</b>	<b>\$13,821,743</b>	<b>\$14,595,101</b>	<b>\$16,656,787</b>	<b>\$17,061,310</b>	<b>\$18,279,752</b>	<b>\$18,879,417</b>	<b>\$20,366,454</b>	<b>\$22,110,906</b>
<b>% Rate Revenue Increase*</b>		<b>13.11%</b>	<b>11.03%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>7.8%</b>	<b>6.3%</b>	<b>6.3%</b>	<b>6.3%</b>	<b>6.3%</b>
<i>*Rate revenue increase based on usage of 13,000 AF in FY 2023/24</i>											
<b>REVENUES</b>											
<b>Water Rate Revenue</b>	\$12,210,289	\$18,515,632	\$20,557,412	\$22,509,412	\$24,646,762	\$26,987,062	\$29,096,451	\$30,924,535	\$32,867,475	\$34,932,487	\$37,127,240
<b>Other Revenue</b>											
Operating Revenue	\$580,000	\$580,000	\$580,000	\$580,000	\$580,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000
Fire Charges	28,680	30,291	31,755	33,073	34,445	35,874	36,604	36,604	36,604	36,604	36,604
Interest Earnings	282,000	177,000	187,000	180,000	190,000	217,000	222,000	238,000	245,000	265,000	287,000
Capital Facility Charge	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
SWP Property Tax	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000
Property Tax (1% & other)	2,805,000	2,875,000	2,947,000	3,021,000	3,096,000	3,173,000	3,253,000	3,334,000	3,417,000	3,503,000	3,590,000
Adjudication Fee	577,000	577,000	577,000	577,000	577,000	0	0	0	0	0	0
Grants / FEMA/LCRA Revenue	750,000	2,690,988	2,661,337	2,697,674	0	0	0	0	0	0	0
CFD Funds Transfer In	5,550,000	1,268,655	0	0	0	0	0	0	0	0	0
Intertie Loan	0	4,746,512	3,651,163	7,302,326	0	0	0	0	0	0	0
Bonding	0	160,000	3,150,000	4,530,000	19,048,500	7,363,700	6,550,000	9,325,000	7,721,000	3,500,000	6,500,000
<b>Subtotal Non-Rate Revenues</b>	\$12,152,680	\$14,285,446	\$14,965,255	\$20,101,073	\$24,705,945	\$12,174,574	\$11,446,604	\$14,318,604	\$12,804,604	\$8,689,604	\$11,798,604
<b>Total Revenues</b>	<b>\$24,362,968</b>	<b>\$32,801,078</b>	<b>\$35,522,667</b>	<b>\$42,610,485</b>	<b>\$49,352,707</b>	<b>\$39,161,636</b>	<b>\$40,543,055</b>	<b>\$45,243,139</b>	<b>\$45,672,079</b>	<b>\$43,622,091</b>	<b>\$48,925,844</b>
<b>EXPENSES</b>											
<b>Operating Expenses</b>											
District Maintenance	\$677,000	\$711,000	\$747,000	\$784,000	\$823,000	\$864,000	\$907,000	\$952,000	\$1,000,000	\$1,050,000	\$1,103,000
Engineering	1,436,000	1,508,000	1,583,000	1,662,000	1,745,000	1,832,000	1,924,000	2,020,000	2,121,000	2,227,000	2,338,000
Garage	65,000	68,000	71,000	75,000	79,000	83,000	87,000	91,000	96,000	101,000	106,000
Information Technology	428,000	449,000	471,000	495,000	520,000	546,000	573,000	602,000	632,000	664,000	697,000
Board of Directors	251,000	264,000	277,000	291,000	306,000	321,000	337,000	354,000	372,000	391,000	411,000
Electrical & Mechanical Administration	3,196,000	3,356,000	3,524,000	3,700,000	3,885,000	4,079,000	4,283,000	4,497,000	4,722,000	4,958,000	5,206,000
Fisheries	1,190,000	1,250,000	1,313,000	1,379,000	1,448,000	1,520,000	1,596,000	1,676,000	1,760,000	1,848,000	1,940,000
Human Resources	624,000	655,000	688,000	722,000	758,000	796,000	836,000	878,000	922,000	968,000	1,016,000
Management	547,000	574,000	603,000	633,000	665,000	698,000	733,000	770,000	809,000	849,000	891,000
Safety	1,663,000	1,746,000	1,833,000	1,925,000	2,021,000	2,122,000	2,228,000	2,339,000	2,456,000	2,579,000	2,708,000
Pipeline	208,000	218,000	229,000	240,000	252,000	265,000	278,000	292,000	307,000	322,000	338,000
Retiree	1,736,000	1,823,000	1,914,000	2,010,000	2,111,000	2,217,000	2,328,000	2,444,000	2,566,000	2,694,000	2,829,000
Water Quality	353,000	371,000	390,000	410,000	431,000	453,000	476,000	500,000	525,000	551,000	579,000
Water Treatment	914,000	960,000	1,008,000	1,058,000	1,111,000	1,167,000	1,225,000	1,286,000	1,350,000	1,418,000	1,489,000
Conservation	2,095,000	2,200,000	2,310,000	2,426,000	2,547,000	2,674,000	2,808,000	2,948,000	3,095,000	3,250,000	3,413,000
Utilities Maintenance	758,000	796,000	836,000	878,000	922,000	968,000	1,016,000	1,067,000	1,120,000	1,176,000	1,235,000
General O&M	889,000	933,000	980,000	1,029,000	1,080,000	1,134,000	1,191,000	1,251,000	1,314,000	1,380,000	1,449,000
Intertie Wheeling Costs	605,000	635,000	667,000	700,000	735,000	772,000	811,000	852,000	895,000	940,000	987,000
State Water Expense	0	0	0	0	0	2,550,000	2,677,500	2,811,375	2,951,944	3,099,541	3,254,518
Adjudication	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000
Total Operating Expenses	577,000	577,000	577,000	577,000	577,000	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>\$19,348,000</b>	<b>\$20,230,000</b>	<b>\$21,157,000</b>	<b>\$22,130,000</b>	<b>\$23,152,000</b>	<b>\$26,197,000</b>	<b>\$27,450,500</b>	<b>\$28,766,375</b>	<b>\$30,149,944</b>	<b>\$31,601,541</b>	<b>\$33,125,518</b>
<b>Net Revenues</b>	<b>\$5,014,968</b>	<b>\$12,571,078</b>	<b>\$14,365,667</b>	<b>\$20,480,485</b>	<b>\$26,200,707</b>	<b>\$12,964,636</b>	<b>\$13,092,555</b>	<b>\$16,476,764</b>	<b>\$15,522,135</b>	<b>\$12,020,550</b>	<b>\$15,800,326</b>
<b>Non Operating Expenses</b>											
CIP	\$9,297,000	\$11,506,000	\$14,374,000	\$19,169,000	\$22,632,000	\$9,630,000	\$8,944,000	\$11,357,000	\$9,515,000	\$5,756,000	\$8,140,000
Existing Debt	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228
Santa Barbara Loan	0	0	0	0	0	454,198	454,198	454,198	454,198	454,198	454,198
Proposed Bonds (4%, 30 Yr, 1.66% Fees)	0	230,450	460,899	460,899	1,429,793	2,398,687	2,398,687	3,988,672	3,988,672	3,988,672	3,988,672
<b>Total Non Operating Expenses</b>	<b>\$9,374,228</b>	<b>\$11,813,678</b>	<b>\$14,912,128</b>	<b>\$19,707,128</b>	<b>\$24,139,021</b>	<b>\$12,560,113</b>	<b>\$11,874,113</b>	<b>\$15,877,098</b>	<b>\$14,035,098</b>	<b>\$10,276,098</b>	<b>\$12,660,098</b>
<b>Net Income</b>	<b>(\$4,359,260)</b>	<b>\$757,400</b>	<b>(\$546,461)</b>	<b>\$773,357</b>	<b>\$2,061,686</b>	<b>\$404,523</b>	<b>\$1,218,442</b>	<b>\$599,666</b>	<b>\$1,487,037</b>	<b>\$1,744,452</b>	<b>\$3,140,228</b>
<b>Ending Fund Balance</b>	<b>\$13,610,804</b>	<b>\$14,368,204</b>	<b>\$13,821,743</b>	<b>\$14,595,101</b>	<b>\$16,656,787</b>	<b>\$17,061,310</b>	<b>\$18,279,752</b>	<b>\$18,879,417</b>	<b>\$20,366,454</b>	<b>\$22,110,906</b>	<b>\$25,251,134</b>
Days O&M (Minimum >90 Days)	253	256	235	237	259	234	240	236	243	252	274
Debt Service Coverage (Min 1.25x)	-	12.04	9.11	11.06	4.75	1.91	2.23	1.58	1.73	1.89	2.06

### Chart A: Casitas MWD: 10-Year Financial Plan



## 4. Cost Allocation

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### Water Enterprise Functional Cost Allocation

The functional cost allocation was calculated based on the fiscal year cash flow data from Appendix B. The proposed rates are based on the fiscal year implementation, but to mitigate impacts to customers the District has decided to phase rates by calendar year, which results in a reduction in rate revenue over the phase in period. Table 9 and Table 10 show the water enterprise functional cost allocation. BWA allocated the various categories of projected water enterprise costs in the final year of the rate study projection (FY 2027/28) to cost recovery components including:

- Customer Service: Costs related to billing customers and handling account specific issues.
- Readiness-to-Serve: Costs related to maintaining system readiness to deliver water.
- Pumping: Additional costs related to delivering pumped water versus gravity fed water.
- Source of Supply: Costs associated with water production and acquiring new sources of water supply.
- Treatment: Costs associated with water treatment.
- Conservation: Costs associated with the District's conservation program.
- Affordability: Tier 1 water usage subsidy.
- Separate Funding: The cost of the State Water Project (SWP) receives separate funding from property taxes and is not funded from water rates.

Non rate revenue sources are allocated to the various components to offset rate revenue requirements. Property taxes are allocated to offset the costs of water treatment for agricultural customers, reduce the cost of water supply for all customers, and reduce the cost of tier 1 water usage. Both capital facility charges and fire charges are allocated to offset the meter charge because capital facilities charges help offset the cost of debt service on capital projects associated with maintaining readiness-to-serve, while fire charges recover a portion of administrative costs associated with maintaining readiness-to-serve. The remaining non-rate revenue and use of reserves is allocated to each category based on a weighting of the category to the total expenditures.

**Table 9**  
**Casitas Municipal Water District**  
**Water Enterprise Functional Cost Allocation (Percentage Allocation)**

Budget Line Items	FY 2027/28 Budget	Percent Allocation to Revenue Recovery Components						Separate Funding
		Per Account Charge	Meter Charge	Water Usage Charge				
		Customer Service	Readiness-to-Serve	Pumping	Source of Supply	Treatment	Conservation	
<b>DEPARTMENT OPERATING COSTS</b>								
District Maintenance	\$864,000		80%		20%			
State Water Expense	\$1,136,000							100%
Engineering	\$1,832,000		70%		15%	15%		
Garage	\$83,000				50%	50%		
Information Technology	\$546,000				75%	25%		
Board of Directors	\$321,000				100%			
Electrical & Mechanical	\$4,079,000		10%	70%	10%	10%		
Administration	\$1,520,000	30%	70%					
Fisheries	\$796,000				100%			
Human Resources	\$698,000		100%					
Management	\$2,122,000				100%			
Safety	\$265,000				100%			
Pipeline	\$2,217,000		70%	10%	10%	10%		
Retiree	\$453,000		100%					
Water Quality	\$1,167,000				75%	25%		
Water Treatment	\$2,674,000					100%		
Conservation	\$968,000						100%	
Utilities Maintenance	\$1,134,000		80%		10%	10%		
General O&M	\$772,000		70%	10%	10%	10%		
Intertie Water Wheeling	\$2,550,000				100%			
<b>NON-OPERATING COSTS</b>								
Debt Service	\$2,930,113		53%			47%		
Cash-Funded Capital Spending	\$2,266,300				10%	90%		
<b>SOURCES</b>								
SWP Property Tax	(\$1,136,000)							100%
Property Tax (1% & other)	(\$3,173,000)					28%	57%	15%
Capital Facility Charge	(\$44,000)		100%					
Fire Charges	(\$36,604)		100%					
Non-Rate Revenue	(\$427,000)	2%	31%	12%	41%	14%		
Use of Reserves	\$1,633,439	2%	31%	12%	41%	14%		
<b>Totals:</b>	<b>\$28,210,248</b>							



**Table 10**  
**Casitas Municipal Water District**  
**Water Enterprise Functional Cost Allocation (Revenue Recovery Components)**

Budget Line Items	FY 2027/28 Budget	Cost Allocation to Revenue Recovery Components								
		Per Account Charge	Meter Charge	Water Usage (Volumetric Rate)					Separate Funding	
		Customer Service	Readiness-to-Serve	Pumping	Source of Supply	Treatment	Conservation	Affordability		
<b>DEPARTMENT OPERATING COSTS</b>										
District Maintenance	\$864,000		\$691,200		\$172,800					
State Water Expense	\$1,136,000									\$1,136,000
Engineering	\$1,832,000		\$1,282,400		\$274,800	\$274,800				
Garage	\$83,000				\$41,500	\$41,500				
Information Technology	\$546,000				\$409,500	\$136,500				
Board of Directors	\$321,000				\$321,000					
Electrical & Mechanical	\$4,079,000		\$407,900	\$2,855,300	\$407,900	\$407,900				
Administration	\$1,520,000	\$456,000	\$1,064,000							
Fisheries	\$796,000				\$796,000					
Human Resources	\$698,000		\$698,000							
Management	\$2,122,000				\$2,122,000					
Safety	\$265,000				\$265,000					
Pipeline	\$2,217,000		\$1,551,900	\$221,700	\$221,700	\$221,700				
Retiree	\$453,000		\$453,000							
Water Quality	\$1,167,000				\$875,250	\$291,750				
Water Treatment	\$2,674,000					\$2,674,000				
Conservation	\$968,000						\$968,000			
Utilities Maintenance	\$1,134,000		\$907,200		\$113,400	\$113,400				
General O&M	\$772,000		\$540,400	\$77,200	\$77,200	\$77,200				
Intertie Water Wheeling	\$2,550,000				\$2,550,000					
<b>NON-OPERATING COSTS</b>										
Debt Service	\$2,930,113		\$1,566,073		\$1,364,040					
Cash-Funded Capital Spending	\$2,266,300			\$226,630	\$2,039,670					
<b>SOURCES</b>										
SWP Property Tax	(\$1,136,000)									(\$1,136,000)
Property Tax (1% & other)	(\$3,173,000)				(\$878,742)	(\$1,818,308)		(\$475,950)		
Capital Facility Charge	(\$44,000)		(\$44,000)							
Fire Charges	(\$36,604)		(\$36,604)							
Non-Rate Revenue	(\$427,000)	(\$6,648)	(\$133,571)	(\$49,288)	(\$175,698)	(\$61,795)				
Use of Reserves	\$1,633,439	\$25,431	\$510,959	\$188,545	\$672,114	\$236,390				
<b>Totals:</b>	<b>\$28,210,248</b>	<b>\$474,800</b>	<b>\$9,458,900</b>	<b>\$3,520,100</b>	<b>\$11,669,400</b>	<b>\$2,595,000</b>	<b>\$968,000</b>	<b>(\$476,000)</b>		<b>\$0</b>

## Volumetric Rate Calculation

Table 11 shows a calculation of the rate components which compose the proposed volumetric rates, while Table 12 shows an allocation of the rate components to each usage rate category. The total volumetric revenue requirement amounts to \$18.3 MM in FY 2027/28.

The projected District water usage during the rate study projection period is 13,000 acre feet annually. The water usage is estimated based on an increase in pumped water usage of about 18.4% and a decrease in projected gravity usage of approximately 21%. The projected changes in usage result in a net increase in District water usage of about 1,000 acre feet from FY 2021/22 actuals. Gravity water usage is expected to fall overall due to substantial planned cutbacks from the City of Ventura (a major gravity resale customer), while pumped usage is expected to rise overall due to a reversion to historical norms. Water usage is highly uncertain, and usage may not rebound, which would result in a need for additional rate increases.

Costs from the functional cost allocation (Table 10) that are factored into the volumetric rate include: pumping, source of supply, treatment, conservation, and affordability.

- Pumping: These costs are allocated to pumped water.
- Source of Supply: Water supply costs are divided by all units of water.
- Treatment: Water treatment costs are divided by all units of water except for agricultural use, whose treatment cost is subsidized by a portion of property taxes.
- Conservation: Conservation costs are allocated based on the percentage of total water usage between tiered customers and uniform customers. Conservation costs are recovered by Tier 3 for tiered customers and all units of water for uniform customers.
- Tier 1 Subsidy (Affordability): Tier 1 water usage cost is subsidized by a portion of property taxes.

**Table 11**  
**Casitas Municipal Water District**  
**Volumetric Rate Components**

**Projected Water Usage (hcf) - Estimated Based on 13,000 Acre Feet**

<b>Usage By Category</b>		<b>Usage Subtotals For Rate Calculations</b>	
Gravity Tier 1	8,410	Uniform Sales	4,321,019
Gravity Tier 2	7,060	Tiered Water Sales	
Gravity Tier 3	1,982	Tier 1 Sales	561,166
Pumped Tier 1	552,756	Tier 2 Sales	556,994
Pumped Tier 2	549,934	Tier 3 Sales	<u>223,607</u>
Pumped Tier 3	221,625	Total Tiered Water Sales	1,341,768
Gravity Uniform	905,472	Non-Ag Water Sales	3,233,606
Pumped Uniform	986,366	Pumped Water	4,595,101
Gravity Ag	144,761		
Pumped Ag	<u>2,284,420</u>		
<b>Total Usage</b>	<b>5,662,787</b>		

<b>Category</b>	<b>Pumping</b>	<b>Source of Supply</b>		<b>Conservation*</b>		<b>Tier 1 Subsidy</b>
		<b>Treatment</b>	<b>Tiered Rates</b>	<b>Uniform Rates</b>		
<b>Units of Service</b>	<b>4,595,101</b> HCF Pumped Water	<b>5,662,787</b> HCF All Water	<b>3,233,606</b> HCF Non-Ag Water	<b>223,607</b> HCF Tier 3 Water	<b>4,321,019</b> HCF Uniform Water	<b>561,166</b> HCF Tier 1 Water
<b>Revenue Requirement</b>	<b>\$3,520,100</b>	<b>\$11,669,400</b>	<b>\$2,595,000</b>	<b>\$229,363</b>	<b>\$738,637</b>	<b>-\$476,000</b>
<b>Unit Costs</b>	<b>\$0.77</b> per HCF	<b>\$2.06</b> per HCF	<b>\$0.80</b> per HCF	<b>\$1.03</b> per HCF	<b>\$0.17</b> per HCF	<b>-\$0.85</b> per HCF

\*Conservation costs allocated based on the percentage of total water usage between tiered customers and uniform customers.

**Table 12**  
**Casitas Municipal Water District**  
**Volumetric Rates Calculation**

<i>Proposed Water Use Rate (\$/HCF)</i>				
	<b>Rate (\$/HCF)</b>	<b>Usage HCF (Rounded)</b>	<b>Annual Revenue</b>	<b>Note</b>
Pumped Tier 1	<b>\$2.78</b>	552,800	\$1,537,363	Pumping + Supply + Treatment - Tier 1 Subsidy
Pumped Tier 2	<b>\$3.63</b>	549,900	\$1,995,742	Pumping + Supply + Treatment
Pumped Tier 3	<b>\$4.66</b>	221,600	\$1,031,552	Pumping + Supply + Treatment + Conservation (Tier)
Gravity Tier 1	<b>\$2.01</b>	8,400	\$16,926	Supply + Treatment - Tier 1 Subsidy
Gravity Tier 2	<b>\$2.86</b>	7,100	\$20,329	Supply + Treatment
Gravity Tier 3	<b>\$3.89</b>	2,000	\$7,778	Supply + Treatment + Conservation (Tier)
Pumped Uniform	<b>\$3.80</b>	986,400	\$3,748,539	Pumping + Supply + Treatment + Conservation (Uniform)
Gravity Uniform	<b>\$3.03</b>	905,500	\$2,747,438	Supply + Treatment + Conservation (Uniform)
Pumped Ag	<b>\$3.00</b>	2,284,400	\$6,847,974	Pumping + Supply + Conservation (Uniform)
Gravity Ag	<b>\$2.23</b>	144,800	\$323,144	Supply + Conservation (Uniform)
<b>Totals</b>		<b>5,662,900</b>	<b>\$18,276,785</b>	

**Current and Proposed Meter Ratios**

Table 13 shows the District’s current meter equivalent ratios and a calculation of proposed meter ratios. The District’s current meter equivalents are based on the maximum safe operating capacity in gallons per minute (gpm) for each meter size. BWA analyzed how these ratios compare with the ratio of the actual usage of each meter size. BWA found that the meter ratios were close in alignment for smaller meters (1.5” and below), however larger meter sizes use substantially more water than is reflected in the current meter ratios. For example, a 2” meter has 5.3 times the gpm of capacity than a ¾” meter, however, they use an average of 15.11 times the amount of water as an average ¾” meter.

BWA recommends that the District transition to meter ratios based on actual usage because Casitas customers with meters larger than 1.5” place a disproportionate level of demand on the water system than is suggested by the capacity of their meter size. The District incurs substantial costs associated with readiness-to-serve these demands.

BWA made an adjustment to the usage ratios to a major resale customer (City of Ventura) who notified the District that their usage is planned to decrease by approximately 710 AF and remain at that level for the next 5 year period. The City of Ventura meters are the only meters in both the 12” and 18” classification and the City several other meters of varying sizes. The 710 AF usage reduction was applied proportionally to City meters based on water usage in FY 2021/22. BWA recommends combining the 12” and 18” meters into one category: 12” and above. To ensure that the proposed meter ratios accurately reflect usage in future study updates, the District should incorporate planned consumption for customers who own greater than 50% of the meters in a particular category.

**Table 13**  
**Casitas Municipal Water District**  
**New Meter Ratio Calculation - FY 2021/22 Usage Data**

<u>Meter Size</u>	<u>Current Meter Equivalents</u>	<u>Consumption (AF/YR)</u>	<u>Count*</u>	<u>Average HCF Per</u>		<u>Proposed Meter Ratios</u>
				<u>Day by Meter Size</u>	<u>Ratio (HCF/Day)</u>	
3/4	1	531	1,371	0.46	1.00	1.00
1	1.7	900	1,109	0.97	2.10	2.10
1.5	3.3	100	76	1.57	3.41	3.41
2	5.3	2,124	363	6.98	15.11	15.11
3	11.7	1,610	77	24.95	53.99	53.99
4	21.0	2,647	46	68.67	148.61	148.61
6**	43.3	645	8	96.23	208.24	208.24
12 Inch & Above**	256-475.9	1,926	2	1,149.47	2,487.46	2487.46

\*Count based on June 2022

\*\*Reduced consumption estimate by ~710 AF per City of Ventura usage projections

### Fixed Rate Calculation

Table 14 shows a calculation of the rate components which compose the fixed rates, while Table 15 shows an allocation of the rate components to each meter size category. The total customer service charge revenue requirement in FY 2027/28 amounts to \$474,800, while the meter charge revenue requirement amounts to \$9,458,900. The District has a total of 6,062 accounts and 30,197 ¾” meter equivalents based on the proposed meter ratios. Costs from the functional cost allocation (Table 10) that are factored into the fixed rate include: customer service and readiness-to-serve (meter).

- Customer Service: These costs are allocated as a fixed charge per account.
- Readiness-to-Serve (Meter): These costs are allocated as a fixed cost based on meter size. Larger meters use more water on average, and therefore pay proportionally more of the costs associated with maintaining readiness to provide water.

**Table 14**  
**Casitas Municipal Water District**  
**Fixed Rate Components**

<b>Category</b>	<b>Customer Service</b>	<b>Meter</b>
<b>Units of Service</b>	<b>6,062</b> Accounts	<b>30,197</b> Equivalent 3/4" Meters
<b>Revenue Requirement</b>	<b>\$474,800</b>	<b>\$9,458,900</b>
<b>Unit Costs</b>	<b>\$6.53</b> per account per month	<b>\$26.10</b> per 3/4" equivalent meter per month

**Table 15**  
**Casitas Municipal Water District**  
**Meter Rates Calculation**

<b>Number of Customers By Meter Size</b>	<b>5/8" - 3/4"</b>	<b>1"</b>	<b>1 1/2"</b>	<b>2"</b>	<b>3"</b>	<b>4"</b>	<b>6"</b>	<b>12"</b>	<b>18"</b>	<b>Total</b>
Residential	4,000	907	33	87	2	3	-	-	-	<b>5,032</b>
Residential Multi	142	67	22	22	1	5	-	-	-	<b>259</b>
Commercial	235	74	12	52	9	4	2	-	-	<b>388</b>
Industrial	2	3	1	2	1	4	-	-	-	<b>13</b>
Ag	-	4	-	36	17	6	1	-	-	<b>64</b>
Ag Domestic	-	13	2	119	32	15	-	-	-	<b>181</b>
Multi Ag Domestic	-	-	-	3	1	1	-	-	-	<b>5</b>
Other	30	16	7	29	2	3	-	-	-	<b>87</b>
District	2	1	-	-	5	1	-	-	-	<b>9</b>
Resale	-	1	-	6	3	7	5	1	1	<b>24</b>
<b>Total Accounts</b>	<b>4,411</b>	<b>1,086</b>	<b>77</b>	<b>356</b>	<b>73</b>	<b>49</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>6,062</b>
Proposed Meter Factors	1.00	2.10	3.41	15.11	53.99	148.61	208.24	2,487.46	2,487.46	
3/4" Equivalent Meters	4,411	2,281	263	5,379	3,941	7,282	1,666	2,487	2,487	<b>30,197</b>
<b>Monthly Service Charge</b>										
Meter Charge	\$26.10	\$54.82	\$89.01	\$394.42	\$1,409.30	\$3,879.17	\$5,435.69	\$64,930.23	\$64,930.23	
Customer Service Charge	\$6.53	\$6.53	\$6.53	\$6.53	\$6.53	\$6.53	\$6.53	\$6.53	\$6.53	
<b>Total</b>	<b>\$32.63</b>	<b>\$61.34</b>	<b>\$95.54</b>	<b>\$400.94</b>	<b>\$1,415.83</b>	<b>\$3,885.70</b>	<b>\$5,442.22</b>	<b>\$64,936.76</b>	<b>\$64,936.76</b>	
<b>Customer Service Charge Revenue</b>	<b>\$345,487</b>	<b>\$85,060</b>	<b>\$6,031</b>	<b>\$27,883</b>	<b>\$5,718</b>	<b>\$3,838</b>	<b>\$627</b>	<b>\$78</b>	<b>\$78</b>	<b>\$474,800</b>
<b>Meter Charge Revenue</b>	<b>\$1,381,685</b>	<b>\$714,367</b>	<b>\$82,246</b>	<b>\$1,684,948</b>	<b>\$1,234,549</b>	<b>\$2,280,952</b>	<b>\$521,827</b>	<b>\$779,163</b>	<b>\$779,163</b>	<b>\$9,458,900</b>

**Proposed Water Rates**

Table 16 shows the proposed rates in the final year of the rate study. The final proposed rates transition to a fixed rate structure that is consistent for meter sizes across all customer classes and maintain the current structure for the volumetric rates. The proposed cost of service changes by rate class are shown in Appendix C. The rate structure change is designed to keep the percentage of fixed versus volumetric revenue the same (35% fixed), however, the residential customer class fixed revenue would decrease, while all other classes would see an increase in the percentage of revenue collected from fixed charges.

**Table 16  
Casitas Municipal Water District  
Proposed Water Rates - Year 5**

**Proposed Monthly Service Charge (1/1/2028)**

<b>Meter Size</b>	<b>All Customers</b>
5/8"-3/4"	\$32.63
1"	\$61.34
1-1/2"	\$95.54
2"	\$400.94
3"	\$1,415.83
4"	\$3,885.70
6"	\$5,442.22
12"	\$64,936.76
18"	\$64,936.76

**Proposed Volumetric Rates - per HCF\* (1/1/2028)**

<b>Monthly Tiers (per HCF)</b>	<b>Residential<sup>1</sup> Pumped</b>	<b>Commercial/Industrial Pumped</b>	<b>Agriculture Pumped</b>	<b>Ag Domestic<sup>1</sup> Pumped</b>	<b>Other<sup>2</sup> Pumped</b>	<b>Resale Pumped</b>
All Use		\$3.80	\$3.00		\$3.80	\$3.80
Tier 1 (0-10)	\$2.78			\$2.78		
Tier 2 (11-50)	\$3.63			\$3.63		
Tier 3 (51+)	\$4.66			\$3.00		

<b>Monthly Tiers (per HCF)</b>	<b>Residential<sup>1</sup> Gravity</b>	<b>Commercial/Industrial Gravity</b>	<b>Agriculture Gravity</b>	<b>Ag Domestic<sup>1</sup> Gravity</b>	<b>Other<sup>2</sup> Gravity</b>	<b>Resale Gravity</b>
All Use		\$3.03	\$2.23		\$3.03	\$3.03
Tier 1 (0-10)	\$2.01			\$2.01		
Tier 2 (11-50)	\$2.86			\$2.86		
Tier 3 (51+)	\$3.89			\$2.23		

\*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.



## 5. Basis for Rate Methodology

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### **Yolo Ratepayers for Affordable Public Utility Services [YRAPUS] v. City of Davis, California, 2014**

Consumption based fixed charges have legal precedent in California. The City of Davis proposed a rate structure which assessed fixed costs based on actual metered use of the system. A local organization representing taxpayers filed a lawsuit claiming that the City of Davis rates go against Proposition 218, which requires charges to be proportional. However, the Yolo County Superior Court heard the case and rejected the critique. They found that the method of assessing charges based on actual metered usage, rather than the capacity of the meter size, is constitutional, fair, and in compliance with Proposition 218.

### **Examples of Agencies that Base Fixed Charges on Metered Usage**

In 2023, Marin Municipal Water District adopted base charges that reflect usage rather than capacity in their most recent rate study. Within this study, the meter equivalent unit ratios for the single-family and duplex classes were calculated based on a three-year average of the maximum bi-monthly billing period usage for each meter size relative to the maximum bi-monthly billing period usage of a 5/8" meter. The decision to base single-family and duplex meter equivalent unit ratios on actual water usage was to align their respective meter equivalent unit ratios more closely with their proportion of system capacity.

The Metropolitan Water District of Southern California (MWD) supplies water to numerous agencies within the region of Southern California. In their most recent water rate study, MWD implemented a consumption-based fixed rate for its readiness-to-serve charge – a fixed charge meant to recover the cost of the portion of system that is available to provide emergency service and available capacity during outages and hydrologic variability. This rate is allocated to member agencies based on each agency's share of a ten-year rolling average of all firm demands. MWD found that this rate design provides a better matching of costs and benefits through recovering and allocating the costs in a more efficient manner.

## 6. Proposed Water Rate Phase-In Schedule

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### Rate Phase-In Methodology

Table 17 shows the proposed six step phase-in schedule of the water rates based on the first increase on September 1<sup>st</sup>, 2023. The final proposed water rates shown in Table 16 are recommended to be phased in six steps to mitigate impacts to customers.

BWA calculated the phase in based on 9.5% rate revenue increases in each step. BWA escalated each rate based on the compound annual growth rate required to escalate each rate to the final rate over six periods. BWA then calculated the overall percentage shortfall between the revenue generated from the rates in each period and the rate revenue requirement in each period and applied the percentage difference to all rates proportionately in each period.

### October Implementation

BWA calculated the impact of delaying the proposed rate increase to October 1<sup>st</sup>, 2023, to be approximately \$130,000 less rate revenue than projected in FY 2023/24. No changes are recommended to the proposed rates under this scenario, as the District is projected to meet all debt service coverage and reserve targets.

### Proposed Fire Meter Rates

Appendix D shows the development of the proposed fire meter charges. BWA recalculated the new fire charges by using the ratio of the fire meter capacity based on the maximum flow in gallons per minute for each fire meter size. The proposed fire charges were escalated by 5% for inflation each fiscal year. To align with a calendar year phase-in, the final proposed fire meter charges were increased over 6 periods by 4.15% each period.

**Table 17**  
**Casitas Municipal Water District**  
**Proposed Water Rates Phase In Schedule**

**Existing Monthly Service Charge**

<b>Meter Size</b>	<b>Residential<sup>1</sup></b>	<b>Commercial/Industrial</b>	<b>Agriculture</b>	<b>Ag Domestic<sup>1</sup></b>	<b>Other<sup>2</sup></b>	<b>Resale</b>
5/8"-3/4"	\$45.24	\$36.15	-	-	\$32.31	\$39.76
1"	\$75.39	\$60.22	\$68.10	\$54.71	\$53.87	\$66.27
1-1/2"	\$150.77	\$120.47	\$136.20	\$109.47	\$107.74	\$132.55
2"	\$241.25	\$192.75	\$217.93	\$175.13	\$172.38	\$212.07
3"	\$527.70	\$421.65	\$476.74	\$383.12	\$377.09	\$463.93
4"	\$949.88	\$758.96	\$858.11	\$689.61	\$678.74	\$835.07
6"	\$1,960.09	\$1,566.11	\$1,770.72	\$1,423.00	\$1,400.62	\$1,723.14
12"	-	-	-	-	-	\$10,179.86
18"	-	-	-	-	-	\$18,923.76

**Existing Volumetric Rates - per HCF\***

<b>Monthly Tiers (per HCF)</b>	<b>Residential<sup>1</sup> Pumped</b>	<b>Commercial/Industrial Pumped</b>	<b>Agriculture Pumped</b>	<b>Ag Domestic<sup>1</sup> Pumped</b>	<b>Other<sup>2</sup> Pumped</b>	<b>Resale Pumped</b>
All Use		\$2.31	\$1.71		\$2.31	\$2.31
Tier 1 (0-10)	\$1.52			\$1.52		
Tier 2 (11-50)	\$2.31			\$2.31		
Tier 3 (51+)	\$3.72			\$1.71		
<b>Monthly Tiers (per HCF)</b>	<b>Residential<sup>1</sup> Gravity</b>	<b>Commercial/Industrial Gravity</b>	<b>Agriculture Gravity</b>	<b>Ag Domestic<sup>1</sup> Gravity</b>	<b>Other<sup>2</sup> Gravity</b>	<b>Resale Gravity</b>
All Use		\$1.56	\$0.96		\$1.56	\$1.56
Tier 1 (0-10)	\$0.77			\$0.77		
Tier 2 (11-50)	\$1.56			\$1.56		
Tier 3 (51+)	\$2.97			\$0.96		

\*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

## Proposed Monthly Service Charge (9/1/2023)

Meter Size	Residential <sup>1</sup>	Commercial/Industrial	Agriculture	Ag Domestic <sup>1</sup>	Other <sup>2</sup>	Resale
5/8"-3/4"	\$43.49	\$36.08	-	-	\$32.85	\$39.06
1"	\$73.95	\$61.32	\$67.94	\$56.61	\$55.88	\$66.41
1-1/2"	\$141.85	\$117.66	\$130.33	\$108.64	\$107.21	\$127.41
2"	\$266.55	\$221.08	\$244.90	\$204.11	\$201.43	\$239.40
3"	\$631.49	\$523.80	\$580.24	\$483.60	\$477.25	\$567.22
4"	\$1,219.48	\$1,011.50	\$1,120.48	\$933.87	\$921.59	\$1,095.35
6"	\$2,359.03	\$1,956.69	\$2,167.51	\$1,806.51	\$1,782.80	\$2,118.87
12"	-	-	-	-	-	\$14,073.65
18"	-	-	-	-	-	\$23,593.64

## Proposed Volumetric Rates - per HCF\* (9/1/2023)

Monthly Tiers (per HCF)	Residential <sup>1</sup> Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic <sup>1</sup> Pumped	Other <sup>2</sup> Pumped	Resale Pumped
All Use		\$2.55	\$1.91		\$2.55	\$2.55
Tier 1 (0-10)	\$1.71			\$1.71		
Tier 2 (11-50)	\$2.53			\$2.53		
Tier 3 (51+)	\$3.92			\$1.91		
Monthly Tiers (per HCF)	Residential <sup>1</sup> Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic <sup>1</sup> Gravity	Other <sup>2</sup> Gravity	Resale Gravity
All Use		\$1.77	\$1.12		\$1.77	\$1.77
Tier 1 (0-10)	\$0.92			\$0.92		
Tier 2 (11-50)	\$1.75			\$1.75		
Tier 3 (51+)	\$3.15			\$1.12		

\*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

**Proposed Monthly Service Charge (1/1/2024)**

Meter Size	Residential <sup>1</sup>	Commercial/Industrial	Agriculture	Ag Domestic <sup>1</sup>	Other <sup>2</sup>	Resale
5/8"-3/4"	\$41.57	\$35.79	-	-	\$33.21	\$38.14
1"	\$72.11	\$62.08	\$67.38	\$58.23	\$57.63	\$66.17
1-1/2"	\$132.68	\$114.25	\$123.99	\$107.18	\$106.05	\$121.76
2"	\$292.78	\$252.09	\$273.59	\$236.48	\$234.00	\$268.66
3"	\$751.26	\$646.90	\$702.08	\$606.86	\$600.48	\$689.45
4"	\$1,556.44	\$1,340.19	\$1,454.50	\$1,257.25	\$1,244.00	\$1,428.35
6"	\$2,822.53	\$2,430.36	\$2,637.68	\$2,279.95	\$2,255.98	\$2,590.21
12"	-	-	-	-	-	\$19,342.88
18"	-	-	-	-	-	\$29,243.64

**Proposed Volumetric Rates - per HCF\* (1/1/2024)**

Monthly Tiers (per HCF)	Residential <sup>1</sup> Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic <sup>1</sup> Pumped	Other <sup>2</sup> Pumped	Resale Pumped
All Use		\$2.79	\$2.11		\$2.79	\$2.79
Tier 1 (0-10)	\$1.90			\$1.90		
Tier 2 (11-50)	\$2.75			\$2.75		
Tier 3 (51+)	\$4.11			\$2.11		

Monthly Tiers (per HCF)	Residential <sup>1</sup> Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic <sup>1</sup> Gravity	Other <sup>2</sup> Gravity	Resale Gravity
All Use		\$2.00	\$1.30		\$2.00	\$2.00
Tier 1 (0-10)	\$1.09			\$1.09		
Tier 2 (11-50)	\$1.96			\$1.96		
Tier 3 (51+)	\$3.33			\$1.30		

\*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

## Proposed Monthly Service Charge (1/1/2025)

Meter Size	Residential <sup>1</sup>	Commercial/Industrial	Agriculture	Ag Domestic <sup>1</sup>	Other <sup>2</sup>	Resale
5/8"-3/4"	\$39.49	\$35.30	-	-	\$33.37	\$37.02
1"	\$69.90	\$62.47	\$66.43	\$59.55	\$59.09	\$65.53
1-1/2"	\$123.36	\$110.27	\$117.25	\$105.12	\$104.28	\$115.67
2"	\$319.67	\$285.74	\$303.83	\$272.37	\$270.22	\$299.72
3"	\$888.44	\$794.17	\$844.46	\$757.01	\$751.03	\$833.03
4"	\$1,974.69	\$1,765.12	\$1,876.88	\$1,682.55	\$1,669.23	\$1,851.51
6"	\$3,357.04	\$3,000.75	\$3,190.76	\$2,860.36	\$2,837.78	\$3,147.60
12"	-	-	-	-	-	\$26,426.94
18"	-	-	-	-	-	\$36,031.28

## Proposed Volumetric Rates - per HCF\* (1/1/2025)

Monthly Tiers (per HCF)	Residential <sup>1</sup> Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic <sup>1</sup> Pumped	Other <sup>2</sup> Pumped	Resale Pumped
All Use		\$3.05	\$2.33		\$3.05	\$3.05
Tier 1 (0-10)	\$2.11			\$2.11		
Tier 2 (11-50)	\$2.98			\$2.98		
Tier 3 (51+)	\$4.28			\$2.33		
Monthly Tiers (per HCF)	Residential <sup>1</sup> Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic <sup>1</sup> Gravity	Other <sup>2</sup> Gravity	Resale Gravity
All Use		\$2.24	\$1.50		\$2.24	\$2.24
Tier 1 (0-10)	\$1.28			\$1.28		
Tier 2 (11-50)	\$2.17			\$2.17		
Tier 3 (51+)	\$3.49			\$1.50		

\*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

## Proposed Monthly Service Charge (1/1/2026)

Meter Size	Residential <sup>1</sup>	Commercial/Industrial	Agriculture	Ag Domestic <sup>1</sup>	Other <sup>2</sup>	Resale
5/8"-3/4"	\$37.29	\$34.60	-	-	\$33.33	\$35.72
1"	\$67.35	\$62.49	\$65.10	\$60.52	\$60.21	\$64.51
1-1/2"	\$114.00	\$105.79	\$110.21	\$102.46	\$101.92	\$109.21
2"	\$346.92	\$321.92	\$335.37	\$311.79	\$310.15	\$332.33
3"	\$1,044.30	\$969.06	\$1,009.54	\$938.59	\$933.64	\$1,000.42
4"	\$2,490.15	\$2,310.70	\$2,407.23	\$2,238.06	\$2,226.24	\$2,385.49
6"	\$3,968.56	\$3,682.55	\$3,836.41	\$3,566.78	\$3,547.98	\$3,801.73
12"	-	-	-	-	-	\$35,886.55
18"	-	-	-	-	-	\$44,125.22

## Proposed Volumetric Rates - per HCF\* (1/1/2026)

Monthly Tiers (per HCF)	Residential <sup>1</sup> Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic <sup>1</sup> Pumped	Other <sup>2</sup> Pumped	Resale Pumped
All Use		\$3.30	\$2.55		\$3.30	\$3.30
Tier 1 (0-10)	\$2.33			\$2.33		
Tier 2 (11-50)	\$3.20			\$3.20		
Tier 3 (51+)	\$4.43			\$2.55		
Monthly Tiers (per HCF)	Residential <sup>1</sup> Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic <sup>1</sup> Gravity	Other <sup>2</sup> Gravity	Resale Gravity
All Use		\$2.49	\$1.73		\$2.49	\$2.49
Tier 1 (0-10)	\$1.50			\$1.50		
Tier 2 (11-50)	\$2.40			\$2.40		
Tier 3 (51+)	\$3.64			\$1.73		

\*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

### Proposed Monthly Service Charge (1/1/2027)

Meter Size	Residential <sup>1</sup>	Commercial/Industrial	Agriculture	Ag Domestic <sup>1</sup>	Other <sup>2</sup>	Resale
5/8"-3/4"	\$35.00	\$33.71	-	-	\$33.09	\$34.25
1"	\$64.48	\$62.11	\$63.40	\$61.13	\$60.97	\$63.11
1-1/2"	\$104.70	\$100.86	\$102.94	\$99.26	\$99.00	\$102.48
2"	\$374.16	\$360.42	\$367.87	\$354.71	\$353.77	\$366.20
3"	\$1,219.87	\$1,175.10	\$1,199.40	\$1,156.48	\$1,153.43	\$1,193.97
4"	\$3,120.64	\$3,006.09	\$3,068.24	\$2,958.46	\$2,950.64	\$3,054.35
6"	\$4,662.30	\$4,491.16	\$4,584.02	\$4,420.00	\$4,408.33	\$4,563.25
12"	-	-	-	-	-	\$48,429.14
18"	-	-	-	-	-	\$53,701.25

### Proposed Volumetric Rates - per HCF\* (1/1/2027)

Monthly Tiers (per HCF)	Residential <sup>1</sup> Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic <sup>1</sup> Pumped	Other <sup>2</sup> Pumped	Resale Pumped
All Use		\$3.55	\$2.77		\$3.55	\$3.55
Tier 1 (0-10)	\$2.55			\$2.55		
Tier 2 (11-50)	\$3.42			\$3.42		
Tier 3 (51+)	\$4.55			\$2.77		

Monthly Tiers (per HCF)	Residential <sup>1</sup> Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic <sup>1</sup> Gravity	Other <sup>2</sup> Gravity	Resale Gravity
All Use		\$2.76	\$1.97		\$2.76	\$2.76
Tier 1 (0-10)	\$1.74			\$1.74		
Tier 2 (11-50)	\$2.63			\$2.63		
Tier 3 (51+)	\$3.78			\$1.97		

\*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.



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## Proposed Monthly Fire Meter Rates

<u>Meter Size (Inches)</u>	<u>9/1/2023</u>	<u>1/1/2024</u>	<u>1/1/2025</u>	<u>1/1/2026</u>	<u>1/1/2027</u>	<u>1/1/2028</u>
2	\$4.88	\$5.09	\$5.30	\$5.52	\$5.75	\$5.99
3	\$10.69	\$11.13	\$11.59	\$12.07	\$12.57	\$13.09
4	\$19.23	\$20.03	\$20.86	\$21.73	\$22.63	\$23.57
6	\$39.69	\$41.34	\$43.05	\$44.84	\$46.70	\$48.64
8	\$48.85	\$50.88	\$52.99	\$55.19	\$57.48	\$59.86
10	\$70.22	\$73.13	\$76.17	\$79.33	\$82.62	\$86.05

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### Water Bill Impacts

Appendix E shows the bill impacts for various customers. As shown in Appendix E, Chart A, the bills for a typical gravity single family residential customer using 12 HCF per month with a ¾” meter would compare on the low side with other regional agencies. As shown in Appendix E, Chart B through Chart E, a typical single family residential customers would see a decrease in the proportion of the bill that is fixed, while a typical agricultural customer with a 2” meter would maintain the proportion of the bill that is fixed.

## Appendix A – Capital Improvement Program

**Table 1**  
**Casitas Municipal Water District**  
**Water Enterprise Capital Improvement Program**

Fiscal Year	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	Total 10 Year	Funding
4M Reservoir Recoating								3,000,000			3,000,000	Bonding
Camp Chafee System - Pipeline/Pump Station				150,000	2,350,000						2,500,000	Bonding
Casitas Dam & Outlet Works - Pipeline & Equipment												
Rehab/Replacement		75,000	100,000								175,000	Bonding
East Ojai Reservoir Recoating Project			2,000,000	2,000,000							4,000,000	Bonding
Fairview Reservoir Recoating							3,000,000				3,000,000	Bonding
Faria Beach Main Relocation			750,000	750,000							1,500,000	Bonding
Gardens System Modification		50,000	105,000								155,000	Bonding
Marion Walker WTP Piping Improvement/Replacement	60,000	300,000	325,000	350,000	375,000	400,000	425,000	471,000			2,706,000	Bonding
Mira Monte Well Replacement					100,000	500,000	500,000				1,100,000	Bonding
Oak View Reservoir #1 Recoating						2,500,000					2,500,000	Bonding
Oak View Reservoir #2 Recoating								2,500,000			2,500,000	Bonding
Oak View/ Miramonte Pipeline Valve Insertion		150,000									150,000	Bonding
Ojai Valley Pipeline Valve Insertion		150,000									150,000	Bonding
Ojai Valley Pump Station		420,000									420,000	Bonding
OWS Integration with Casitas Legacy System				400,000	2,200,000	150,000	400,000	250,000	2,500,000	1,000,000	6,900,000	Bonding
Rincon 2M Pipeline Replacement	100,000	200,000		9,000,000							9,300,000	Bonding
Rincon Balancing Reservoir #1 Recoating						1,500,000					1,500,000	Bonding
Rincon Balancing Reservoir #2 Recoating							1,500,000				1,500,000	Bonding
Rincon Control Reservoir Replacement		800,000									800,000	Bonding
Rincon Pipeline Vent Structure				250,000							250,000	Bonding
Robles Diversion Cleanout and Cutoff Wall Rehab				2,000,000			2,000,000			2,000,000	6,000,000	Bonding
Santa Ana Pipeline Valve Insertion		150,000									150,000	Bonding
Signal Booster Zone Hydraulic Improvements		205,000		2,898,500	1,338,700						4,442,200	Bonding
Transmission & Distribution Pipeline Replacements		500,000	500,000	500,000	1,000,000	1,500,000	1,500,000	1,500,000	1,000,000	1,000,000	9,000,000	Bonding
Upper Ojai Reservoir Recoating										2,500,000	2,500,000	Bonding
Upper Rincon Lateral Replacement			750,000	750,000							1,500,000	Bonding
Villanova Pipeline Valve Insertion		150,000									150,000	Bonding
Sub total Bonding	160,000	3,150,000	4,530,000	19,048,500	7,363,700	6,550,000	9,325,000	7,721,000	3,500,000	6,500,000	67,848,200	
Running Ridge/Foothill Pipeline Modification	300,000										300,000	CFD 2013-1
West and East Ojai Avenue Pipeline Replacement	968,655										968,655	CFD 2013-1
Sub total CFD 2013-1	1,268,655	-	-	-	-	-	-	-	-	-	1,268,655	
Admin Data Servers		20,000				20,000					40,000	CMWD (Reserves or Rates)
Anodes Replacement - Casitas Dam Inlet Structure		-			225,000						225,000	CMWD (Reserves or Rates)
Automation-Engineering Services		60,000									60,000	CMWD (Reserves or Rates)
Ave#1/2 Pump #4 Rehabilitation		300,000	325,000								625,000	CMWD (Reserves or Rates)
B.W. Residuals Drying Bed Rehabilitations		45,000									45,000	CMWD (Reserves or Rates)
Backwash Surge Tank "B" Coating and Restoration		160,000									160,000	CMWD (Reserves or Rates)
Casitas Dam Drainage Improvement/Rehabilitation		200,000									200,000	CMWD (Reserves or Rates)
Casitas Dam Hollow Jet Valve Replacement/Modification		250,000									250,000	CMWD (Reserves or Rates)
Casitas Dam Spillway Erosion Control		350,000									350,000	CMWD (Reserves or Rates)
Chemical Dosing Equipment Replacement		45,000	40,000	40,000	45,000						170,000	CMWD (Reserves or Rates)
Dam Intake Screen Maintenance	60,000										60,000	CMWD (Reserves or Rates)
Dam Intake Structure Restoration and Rehab		100,000									100,000	CMWD (Reserves or Rates)
Dam Spillway Drainage System / Stilling Basin Cleanout / Drainage Modifications		30,000	150,000	1,200,000							1,380,000	CMWD (Reserves or Rates)
DBP Reduction by Converting Fat Pipe to Chloramines	280,500										280,500	CMWD (Reserves or Rates)
Distribution System Vault Rehabilitation	55,000	57,000	60,000	63,000	66,000	69,000	72,000	75,000	78,000	81,000	676,000	CMWD (Reserves or Rates)
District Fleet Vehicle Replacement	221,121	163,133	524,175	469,189	390,874	574,360	531,478	349,451	382,546		3,606,327	CMWD (Reserves or Rates)

District Office Maintenance - Replace Admin Bldg. Roof			500,000									500,000	CMWD (Reserves or Rates)
District Water Facility Building Improvements		30,000	30,000	30,000	35,000	35,000	35,000	35,000				230,000	CMWD (Reserves or Rates)
Facility Paving	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000	CMWD (Reserves or Rates)	
Filter Media Cleaning Filter	123,050	125,000	125,000	125,000	125,000	125,000	125,000	100,000	100,000	100,000	1,173,050	CMWD (Reserves or Rates)	
Fortress Reservoir Site Stability Improvements	50,000	250,000									300,000	CMWD (Reserves or Rates)	
Heidelberger Booster Station and Reservoir Slope Stability		100,000									100,000	CMWD (Reserves or Rates)	
Lab Renovation; incubator; backup power	28,401										28,401	CMWD (Reserves or Rates)	
Lake Casitas Bathymetric Survey							100,000				100,000	CMWD (Reserves or Rates)	
Lake Water Quality Department Vessel	101,182										101,182	CMWD (Reserves or Rates)	
Large Valve Replacement - Distribution System		150,000	157,000	164,000	171,000	179,000	187,000	195,000	204,000	213,000	1,620,000	CMWD (Reserves or Rates)	
Lower Rincon Main Crossing Replacements (2)	30,000										30,000	CMWD (Reserves or Rates)	
Marion Walker Treatment Plant Building Expansion		400,000									400,000	CMWD (Reserves or Rates)	
Matilija Conduit Abandonment Ojala Improvements	40,000										40,000	CMWD (Reserves or Rates)	
Meter Replacements	155,000	163,000	171,000	180,000	189,000	198,000	208,000	218,000	229,000	240,000	1,951,000	CMWD (Reserves or Rates)	
Mutual #7 Well Awning	17,000										17,000	CMWD (Reserves or Rates)	
MXU Battery Replacement			90,000	95,000	100,000	105,000	110,000	116,000	122,000	128,000	866,000	CMWD (Reserves or Rates)	
New Accounting System			250,000								250,000	CMWD (Reserves or Rates)	
New Ojai System Well - Design										105,000	105,000	CMWD (Reserves or Rates)	
Ojai Valley Pump Plant Improvements				350,000							350,000	CMWD (Reserves or Rates)	
Paint Exterior and Interior of Marion Walker Treatment Plant			45,000	200,000	125,000						370,000	CMWD (Reserves or Rates)	
Paving Marion Walker Treatment Plant	48,000										48,000	CMWD (Reserves or Rates)	
Pump Plant Control Valves		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	90,000	CMWD (Reserves or Rates)	
Pump Plant Motor Awnings		26,000	28,000								54,000	CMWD (Reserves or Rates)	
Pump Repairs and Mechanical Seal Installs	89,600	53,000	56,000	59,000	62,000	65,000	68,000	71,000	75,000	79,000	677,600	CMWD (Reserves or Rates)	
Replacement Pumps (Sludge Pump and Backwash Mix Pump)	11,200										11,200	CMWD (Reserves or Rates)	
Reservoir Cleaning and Inspections					50,000					50,000	100,000	CMWD (Reserves or Rates)	
Reservoir Mixers	41,042	43,000	45,000	47,000							176,042	CMWD (Reserves or Rates)	
Reservoir Seismic Upgrades	300,000		350,000		350,000		350,000		350,000		1,700,000	CMWD (Reserves or Rates)	
Rewind motors and rebuild pumps	16,000	52,000	54,000	56,000	58,000	61,000	64,000	67,000	70,000	73,000	571,000	CMWD (Reserves or Rates)	
Rincon Regulator vault improvements	25,000	25,000	25,000								75,000	CMWD (Reserves or Rates)	
Robles Canal Access Road Paving	300,000	300,000	300,000								900,000	CMWD (Reserves or Rates)	
Robles Crane System		100,000									100,000	CMWD (Reserves or Rates)	
Robles Diversion Canal Panel Replacement	104,000		109,000		114,000		119,000		124,000		570,000	CMWD (Reserves or Rates)	
Robles Diversion Fish Passage Improvements	100,000	300,000	300,000						-		700,000	CMWD (Reserves or Rates)	
Robles Forebay Restoration - Staff Executed Cleanouts			350,000			350,000			350,000		1,050,000	CMWD (Reserves or Rates)	
San Antonio Booster C Rehabilitation		20,000	150,000								170,000	CMWD (Reserves or Rates)	
San Antonio Filter Upgrade		85,000									85,000	CMWD (Reserves or Rates)	
Sludge Bed #3 Rehab	9,500										9,500	CMWD (Reserves or Rates)	
Small Tank Recoating - Various Sites		275,000		350,000		350,000		400,000		400,000	1,775,000	CMWD (Reserves or Rates)	
Turnout Piping Improvements		18,000	20,000	20,000	20,000	23,000	23,000	23,000	26,000	26,000	199,000	CMWD (Reserves or Rates)	
Upgrade Fortress Pump Plant		25,000	250,000								275,000	CMWD (Reserves or Rates)	
Upgrade Panel view on VFD at Rincon Pump Plant		18,500									18,500	CMWD (Reserves or Rates)	
Valve and Actuator Replacements (Marion Walker Treatment Plant)		25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000	35,000	270,000	CMWD (Reserves or Rates)	
Vertical Mast Light Tower (tow behind)	22,000										22,000	CMWD (Reserves or Rates)	
Sub total CMWD (Reserves or Rates)	2,327,596	4,473,633	4,639,175	3,583,189	2,265,874	2,394,360	2,032,478	1,794,451	2,255,546	1,640,000	27,406,302		
Robles Diversion/ Forebay FEMA REIMBURSEMENT - 2023 Storm Related	1,000,000	1,000,000									2,000,000	FEMA 75%; 25% match	
Emergency Generator at Rincon Pumping Plant	250,000	750,000									1,000,000	FEMA 75%; 25% match	
Ventura-Santa Barbara Counties Intertie	6,500,000	5,000,000	10,000,000								21,500,000	Grant/ Loan	
Sub total FEMA, Grant, and Loans	7,750,000	6,750,000	10,000,000	-	-	-	-	-	-	-	24,500,000		
<b>Total Capital Improvements</b>	<b>11,506,251</b>	<b>14,373,633</b>	<b>19,169,175</b>	<b>22,631,689</b>	<b>9,629,574</b>	<b>8,944,360</b>	<b>11,357,478</b>	<b>9,515,451</b>	<b>5,755,546</b>	<b>8,140,000</b>	<b>121,023,157</b>		
<b>FUNDING SOURCE</b>													
CMWD (Reserves or Rates)	2,327,596	4,473,633	4,639,175	3,583,189	2,265,874	2,394,360	2,032,478	1,794,451	2,255,546	1,640,000	27,406,302		
CFD 2013-1	1,268,655	-	-	-	-	-	-	-	-	-	1,268,655		
Grant/ Loan	6,500,000	5,000,000	10,000,000								21,500,000		
Bonding	160,000	3,150,000	4,530,000	19,048,500	7,363,700	6,550,000	9,325,000	7,721,000	3,500,000	6,500,000	67,848,200		
FEMA 75%; 25% match	1,250,000	1,750,000	-	-	-	-	-	-	-	-	3,000,000		
<b>Total</b>	<b>11,506,251</b>	<b>14,373,633</b>	<b>19,169,175</b>	<b>22,631,689</b>	<b>9,629,574</b>	<b>8,944,360</b>	<b>11,357,478</b>	<b>9,515,451</b>	<b>5,755,546</b>	<b>8,140,000</b>	<b>121,023,157</b>		

## Appendix B – Fiscal Year Cash Flow

Table 1 assumes rate increases on September 1<sup>st</sup>, 2023, and each July 1<sup>st</sup> thereafter until July 1<sup>st</sup>, 2027.

**Table 1**  
**Casitas Municipal Water District**  
**Water Enterprise Cash Flow (Fiscal Year)**

	Current	5- Year Projection				
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Beginning Unrestricted Fund Balance</b>	\$17,970,064	\$13,610,804	\$13,790,522	\$13,029,352	\$13,973,610	\$16,681,620
<b>% Rate Revenue Increase*</b>		<b>11.50%</b>	<b>11.50%</b>	<b>11.50%</b>	<b>11.50%</b>	<b>11.50%</b>
<i>*Rate revenue increase based on usage of 13,000 AF in FY 2023/24</i>						
<b>REVENUES</b>						
<b>Water Rate Revenue</b>	\$12,210,289	\$17,938,126	\$20,350,838	\$22,691,185	\$25,300,671	\$28,210,248
<b>Other Revenue</b>						
Operating Revenue*	\$580,000	\$580,000	\$580,000	\$580,000	\$580,000	\$205,000
Fire Charges	28,680	30,114	31,620	33,201	34,861	36,604
Interest Earnings	282,000	177,000	179,000	169,000	182,000	222,000
Capital Facility Charge	44,000	44,000	44,000	44,000	44,000	44,000
SWP Property Tax	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000
Property Tax (1% & other)	2,805,000	2,875,000	2,947,000	3,021,000	3,096,000	3,173,000
Allocation Penalty	400,000	0	0	0	0	0
Stand-By Fee	0	0	0	0	0	0
Adjudication Fee	577,000	577,000	577,000	577,000	577,000	0
<b>Grants / FEMALCRA Revenue</b>	<b>750,000</b>	<b>2,690,988</b>	<b>2,661,337</b>	<b>2,697,674</b>	<b>0</b>	<b>0</b>
<b>CFD Funds Transfer In</b>	<b>5,550,000</b>	<b>1,268,655</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Intertie Loan</b>	<b>0</b>	<b>4,746,512</b>	<b>3,651,163</b>	<b>7,302,326</b>	<b>0</b>	<b>0</b>
<b>Bonding</b>	<b>0</b>	<b>160,000</b>	<b>3,150,000</b>	<b>4,530,000</b>	<b>19,048,500</b>	<b>7,363,700</b>
<b>Subtotal Non-Rate Revenues</b>	<b>\$12,152,680</b>	<b>\$14,285,269</b>	<b>\$14,957,120</b>	<b>\$20,090,201</b>	<b>\$24,698,361</b>	<b>\$12,180,304</b>
<b>Total Revenues</b>	<b>\$24,362,968</b>	<b>\$32,223,395</b>	<b>\$35,307,958</b>	<b>\$42,781,385</b>	<b>\$49,999,032</b>	<b>\$40,390,552</b>
<b>EXPENSES</b>						
<b>Operating Expenses</b>						
District Maintenance	\$677,000	\$711,000	\$747,000	\$784,000	\$823,000	\$864,000
Engineering	1,436,000	1,508,000	1,583,000	1,662,000	1,745,000	1,832,000
Garage	65,000	68,000	71,000	75,000	79,000	83,000
Information Technology	428,000	449,000	471,000	495,000	520,000	546,000
Board of Directors	251,000	264,000	277,000	291,000	306,000	321,000
Electrical & Mechanical	3,196,000	3,356,000	3,524,000	3,700,000	3,885,000	4,079,000
Administration	1,190,000	1,250,000	1,313,000	1,379,000	1,448,000	1,520,000
Fisheries	624,000	655,000	688,000	722,000	758,000	796,000
Human Resources	547,000	574,000	603,000	633,000	665,000	698,000
Management	1,663,000	1,746,000	1,833,000	1,925,000	2,021,000	2,122,000
Safety	208,000	218,000	229,000	240,000	252,000	265,000
Pipeline	1,736,000	1,823,000	1,914,000	2,010,000	2,111,000	2,217,000
Retiree	353,000	371,000	390,000	410,000	431,000	453,000
Water Quality	914,000	960,000	1,008,000	1,058,000	1,111,000	1,167,000
Water Treatment	2,095,000	2,200,000	2,310,000	2,426,000	2,547,000	2,674,000
Conservation	758,000	796,000	836,000	878,000	922,000	968,000
Utilities Maintenance	889,000	933,000	980,000	1,029,000	1,080,000	1,134,000
General O&M	605,000	635,000	667,000	700,000	735,000	772,000
Intertie Wheeling Costs	0	0	0	0	0	2,550,000
State Water Expense	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000	1,136,000
Adjudication	577,000	577,000	577,000	577,000	577,000	0
<b>Total Operating Expenses</b>	<b>\$19,348,000</b>	<b>\$20,230,000</b>	<b>\$21,157,000</b>	<b>\$22,130,000</b>	<b>\$23,152,000</b>	<b>\$26,197,000</b>
<b>Net Revenues</b>	<b>\$5,014,968</b>	<b>\$11,993,395</b>	<b>\$14,150,958</b>	<b>\$20,651,385</b>	<b>\$26,847,032</b>	<b>\$14,193,552</b>
<b>Non Operating Expenses</b>						
CIP	\$9,297,000	\$11,506,000	\$14,374,000	\$19,169,000	\$22,632,000	\$9,630,000
Existing Debt	77,228	77,228	77,228	77,228	77,228	77,228
Santa Barbara Loan	0	0	0	0	0	454,198
<b>Proposed Bonds (4%, 30 Yr, 1.66% Fees)</b>	<b>0</b>	<b>230,450</b>	<b>460,899</b>	<b>460,899</b>	<b>1,429,793</b>	<b>2,398,687</b>
<b>Total Non Operating Expenses</b>	<b>\$9,374,228</b>	<b>\$11,813,678</b>	<b>\$14,912,128</b>	<b>\$19,707,128</b>	<b>\$24,139,021</b>	<b>\$12,560,113</b>
<b>Net Income</b>	<b>(\$4,359,260)</b>	<b>\$179,717</b>	<b>(\$761,170)</b>	<b>\$944,258</b>	<b>\$2,708,010</b>	<b>\$1,633,439</b>
<b>Ending Fund Balance</b>	<b>\$13,610,804</b>	<b>\$13,790,522</b>	<b>\$13,029,352</b>	<b>\$13,973,610</b>	<b>\$16,681,620</b>	<b>\$18,315,059</b>
<b>Days O&amp;M (Minimum &gt;90 Days)</b>	<b>253</b>	<b>245</b>	<b>222</b>	<b>227</b>	<b>259</b>	<b>252</b>
<b>Debt Service Coverage (Min 1.25x)</b>	<b>-</b>	<b>10.16</b>	<b>8.71</b>	<b>11.38</b>	<b>5.17</b>	<b>2.33</b>

Appendix C – Cost of Service Comparisons

**Table 1**  
**Casitas Municipal Water District**  
**Cost of Service Comparison - Revenue by Customer Class**

Customer Class	Current		Total	Proposed CY 2028*			5- Year Change	Annualized Rate
	Fixed	Usage		Fixed	Usage	Total		
Residential	\$3,655,016	\$2,730,464	<b>\$6,385,481</b>	\$3,350,310	\$4,241,203	<b>\$7,591,513</b>	18.9%	<b>3.5%</b>
Commercial / Industrial	\$602,409	\$1,376,427	<b>\$1,978,836</b>	\$1,442,680	\$2,267,842	<b>\$3,710,522</b>	87.5%	<b>13.4%</b>
Ag	\$277,702	\$1,664,918	<b>\$1,942,620</b>	\$810,058	\$2,948,942	<b>\$3,759,000</b>	93.5%	<b>14.1%</b>
Ag Domestic	\$551,673	\$2,608,307	<b>\$3,159,980</b>	\$1,905,566	\$4,590,592	<b>\$6,496,159</b>	105.6%	<b>15.5%</b>
Other	\$32,192	\$161,060	<b>\$193,252</b>	\$133,097	\$264,962	<b>\$398,059</b>	106.0%	<b>15.5%</b>
Resale	\$555,543	\$2,153,555	<b>\$2,709,099</b>	\$2,291,988	\$3,962,959	<b>\$6,254,947</b>	130.9%	<b>18.2%</b>
<b>Total</b>	<b>\$5,674,536</b>	<b>\$10,694,730</b>	<b>\$16,369,266</b>	<b>\$9,933,700</b>	<b>\$18,276,500</b>	<b>\$28,210,200</b>	<b>72.3%</b>	<b>11.5%</b>

\*Totals vary slightly from cost of service tables due to rounding.

**Table 2**  
**Casitas Municipal Water District**  
**Cost of Service Comparison - % of Fixed Revenue by Customer Class**

Customer Class	CURRENT (Based on 13,000 AF Projected Use)			PROPOSED (Based on 13,000 AF Projected Use)*						
	Fixed	Volumetric	Total	Fixed	Volumetric	Fixed	Volumetric	Total	Fixed	Volumetric
Residential	\$3,655,016	\$2,730,464	<b>\$6,385,481</b>	57%	43%	\$3,350,310	\$4,241,203	<b>\$7,591,513</b>	44%	56%
Commercial / Industrial	\$602,409	\$1,376,427	<b>\$1,978,836</b>	30%	70%	\$1,442,680	\$2,267,842	<b>\$3,710,522</b>	39%	61%
Ag	\$277,702	\$1,664,918	<b>\$1,942,620</b>	14%	86%	\$810,058	\$2,948,942	<b>\$3,759,000</b>	22%	78%
Ag Domestic	\$551,673	\$2,608,307	<b>\$3,159,980</b>	17%	83%	\$1,905,566	\$4,590,592	<b>\$6,496,159</b>	29%	71%
Other	\$32,192	\$161,060	<b>\$193,252</b>	17%	83%	\$133,097	\$264,962	<b>\$398,059</b>	33%	67%
Resale	\$555,543	\$2,153,555	<b>\$2,709,099</b>	21%	79%	\$2,291,988	\$3,962,959	<b>\$6,254,947</b>	37%	63%
<b>Total</b>	<b>\$5,674,536</b>	<b>\$10,694,730</b>	<b>\$16,369,266</b>	<b>35%</b>	<b>65%</b>	<b>\$9,933,700</b>	<b>\$18,276,500</b>	<b>\$28,210,200</b>	<b>35%</b>	<b>65%</b>

\*Totals vary slightly from cost of service tables due to rounding.

Appendix D – Fire Meter Charge Calculation

Table 1  
Casitas Municipal Water District  
Proposed Fire Meter Rate Calculation

<u>Fire Meter</u>	<u>Meter Size</u>						<u>Recalculated</u>
<u>Count</u>	<u>(Inches)</u>	<u>Current Monthly Rate</u>	<u>Revenue</u>	<u>Est. Max Flow (GPM)</u>	<u>2" Meter Ratios</u>	<u>2" Meter Equivalents</u>	<u>Monthly Rate</u>
4	2	\$8.90	\$427	160	1.0	4	\$4.69
1	3	\$8.90	\$107	350	2.2	2	\$10.26
48	4	\$21.59	\$12,436	630	3.9	189	\$18.47
16	6	\$31.27	\$6,004	1,300	8.1	130	\$38.11
17	8	\$42.44	\$8,658	1,600	10.0	170	\$46.90
<u>1</u>	10	\$87.37	<u>\$1,048</u>	2,300	14.4	<u>14</u>	\$67.42
87			\$28,680			510	

<u>Meter Size</u>	<u>FY 2022/23</u>		<u>FY 2023/24</u>		<u>FY 2024/25</u>		<u>FY 2025/26</u>		<u>FY 2026/27</u>	<u>FY 2027/28</u>
<u>(Inches)</u>	<u>Monthly Rate</u>	<u>% Increase</u>	<u>Monthly Rate</u>		<u>Monthly Rate</u>		<u>Monthly Rate</u>		<u>Monthly Rate</u>	<u>Monthly Rate</u>
2	\$4.69	5%	\$4.92		\$5.17		\$5.43		\$5.70	\$5.99
3	\$10.26	5%	\$10.77		\$11.31		\$11.88		\$12.47	\$13.09
4	\$18.47	5%	\$19.39		\$20.36		\$21.38		\$22.45	\$23.57
6	\$38.11	5%	\$40.01		\$42.01		\$44.12		\$46.32	\$48.64
8	\$46.90	5%	\$49.25		\$51.71		\$54.30		\$57.01	\$59.86
10	\$67.42	5%	\$70.79		\$74.33		\$78.05		\$81.95	\$86.05

<u>Meter Size</u>	<u>Current</u>	<u>9/1/2023</u>	<u>1/1/2024</u>	<u>1/1/2025</u>	<u>1/1/2026</u>	<u>1/1/2027</u>	<u>1/1/2028</u>
<u>(Inches)</u>							
2	\$8.90	\$4.88	\$5.09	\$5.30	\$5.52	\$5.75	\$5.99
3	\$8.90	\$10.69	\$11.13	\$11.59	\$12.07	\$12.57	\$13.09
4	\$21.59	\$19.23	\$20.03	\$20.86	\$21.73	\$22.63	\$23.57
6	\$31.27	\$39.69	\$41.34	\$43.05	\$44.84	\$46.70	\$48.64
8	\$42.44	\$48.85	\$50.88	\$52.99	\$55.19	\$57.48	\$59.86
10	\$87.37	\$70.22	\$73.13	\$76.17	\$79.33	\$82.62	\$86.05

Appendix E – Water Bill Impacts

Chart A shows the regional water rate survey for a typical gravity single family user with a 3/4" meter using 12 HCF per month.

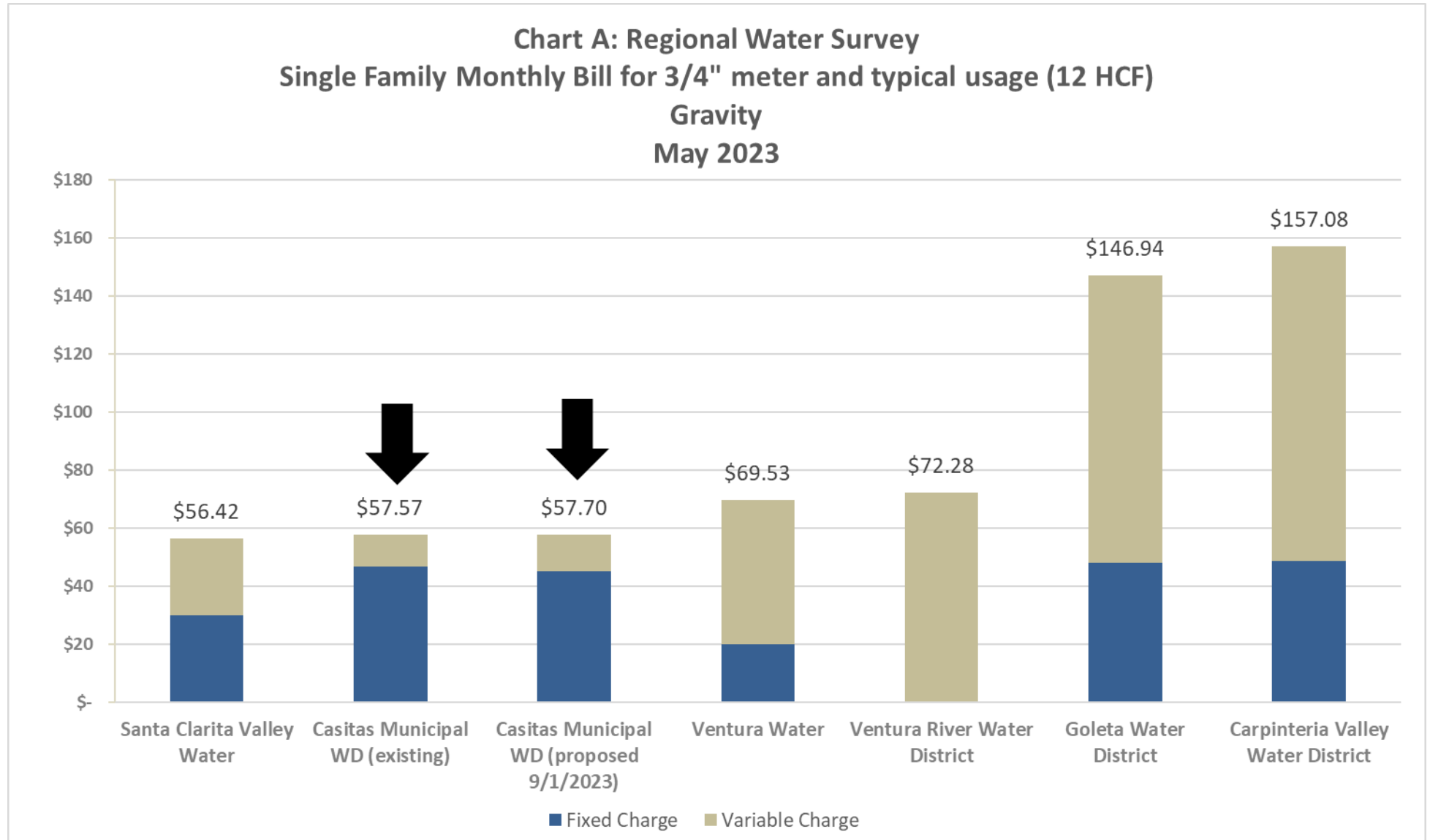


Chart B and Chart C show bill impacts for typical single family users with a 3/4" meter using 12 HCF per month.

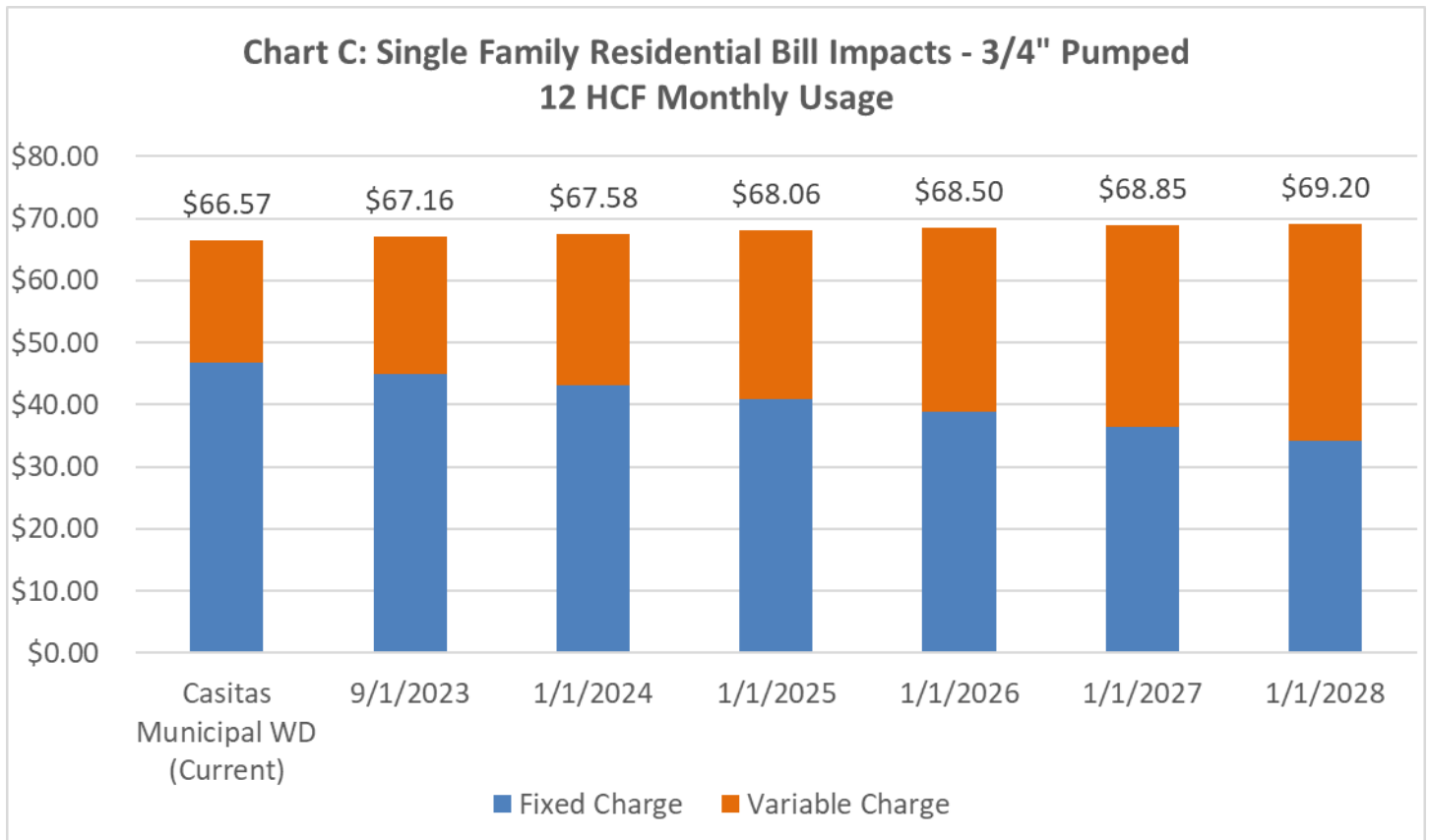
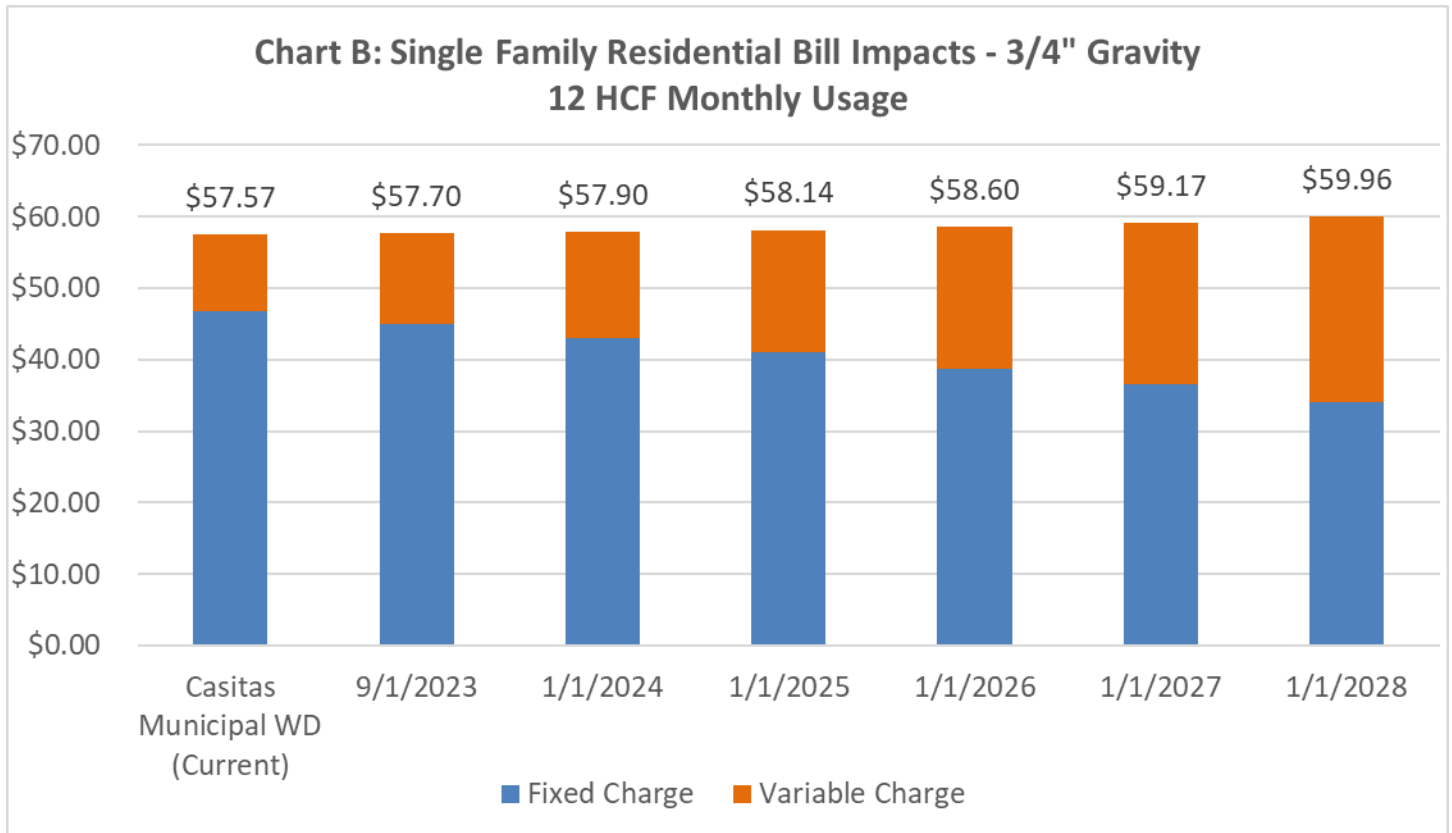




Chart D and Chart E show bill impacts for typical agricultural users with a 2" meter using 605 HCF per month.

