



DRAFT TABLES

City of Willows
Sewer Rate Study
April 27, 2026

NOTES

- The following represents a preliminary draft of the financial plan and rate design for the City's Sewer Enterprise Fund.
- The results may be revised based on feedback received from City Council and/or further residential winter water usage data received from California Water Service.

SCHEDULE

(City Council meets on the 2nd & 4th Tuesday of each month)

- April 28, 2026: Present draft rates to City Council
- May 12, 2026: Present final report to City Council; initiate Proposition 218 process
- May 29, 2026: Mail Prop 218 notice (must be mailed 45 days before the hearing)
- July 14, 2026: Public Hearing
- July 28, 2026: Public Hearing (back-up date)
- August 1, 2026: Rate Implementation
 - The tax roll billings will be prorated such that the first month of the new fiscal year is billed at existing rates and the remainder of the year is billed at the proposed rates.

PRELIMINARY TABLES

Table 1: Historic and Current Sewer Rates

Sewer Rate Schedule	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26
Fixed Service Charge						
Single Family Residential	\$40.19	\$47.19	\$52.85	\$59.19	\$66.29	\$74.24
Multi-Family Residential (per unit)	\$40.19	\$27.28	\$30.55	\$34.22	\$38.33	\$42.93
Commercial	\$40.19	\$55.69	\$62.37	\$69.85	\$78.23	\$87.62
Volumetric Charge (\$/hcf)						
Commercial (<i>Applied to Average Winter Water Use</i>)						
Car Wash	\$3.05	\$2.32	\$2.60	\$2.91	\$3.26	\$3.65
Hospital & Rest Home	\$3.17	\$2.78	\$3.11	\$3.48	\$3.90	\$4.37
Jail	\$3.54	\$3.49	\$3.91	\$4.38	\$4.91	\$5.50
Laundry	\$3.42	\$2.58	\$2.89	\$3.24	\$3.63	\$4.07
Market & Morgue	\$3.94	\$5.65	\$6.33	\$7.09	\$7.94	\$8.89
Motel & Hotel	\$3.22	\$3.01	\$3.37	\$3.77	\$4.22	\$4.73
Restaurant & Bakery	\$4.18	\$6.06	\$6.79	\$7.60	\$8.51	\$9.53
Other Commercial	\$3.01	\$3.49	\$3.91	\$4.38	\$4.91	\$5.50

Note: The City's most recent rate study was completed in 2021 and proposed the rates for FY 2021/22 through FY 2025/26.

Figure 1: Single Family Residential Monthly Bill Survey

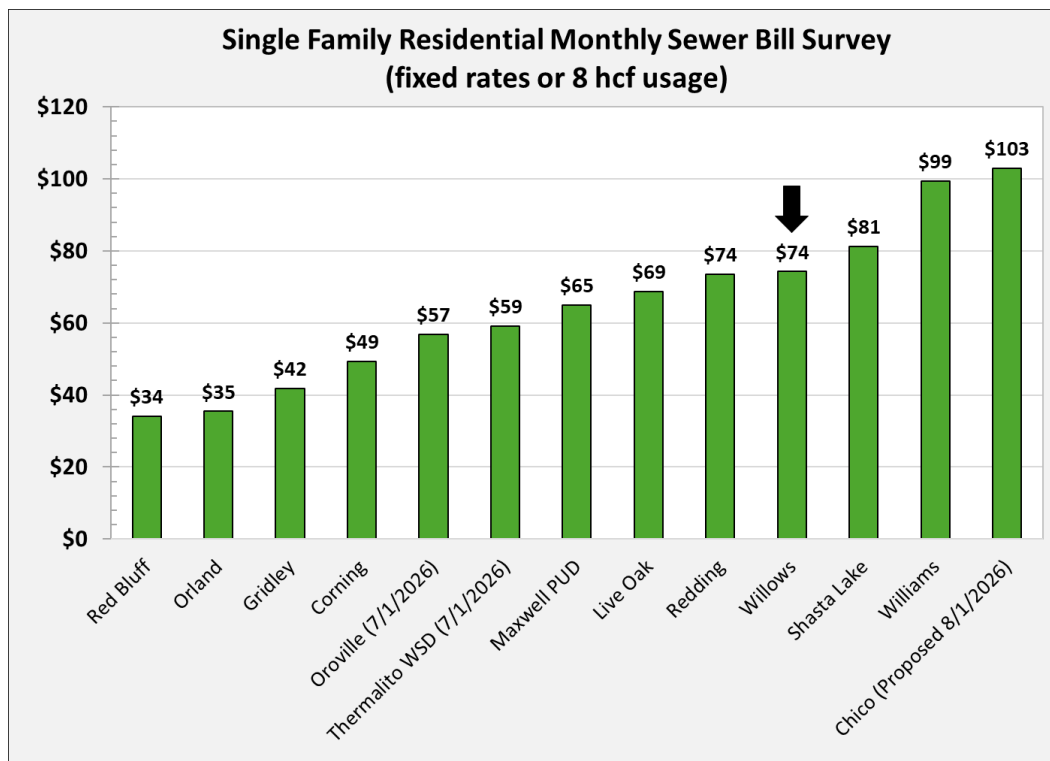


Table 2: Estimated Rate Revenues, FY2024/25

FIXED SERVICE CHARGES				
Customer Class	Number of Units	Monthly Rate	Total Revenues	% of Total
City of Willows				
Single Family Residential	2,029	\$66.29	\$1,614,029	
Multi-Family Residential	740	\$38.33	\$340,370	
Commercial	<u>245</u>	\$78.23	<u>\$229,996</u>	
Subtotal City of Willows	3,014		\$2,184,396	
Northeast Willows				
Single Family Residential	259	\$66.29	\$206,029	
Multi-Family Residential	35	\$38.33	\$16,099	
Commercial	<u>4</u>	\$78.23	<u>\$3,755</u>	
Subtotal Northeast Willows	298		\$225,883	
Total Fixed Service Charges	3,312		\$2,410,278	
VOLUMETRIC CHARGES (COMMERCIAL CUSTOMERS ONLY)				
Customer Class	Avg Monthly Winter Water Use (hcf)	Rate per hcf	Total Revenues	% of Total
City of Willows				
Car Wash	105	\$3.26	\$4,112	
Hospital & Rest Home	639	\$3.90	\$29,916	
Jail	0	\$4.91	\$0	
Laundry	75	\$3.63	\$3,250	
Market & Morgue	682	\$7.94	\$64,956	
Motel & Hotel	760	\$4.22	\$38,483	
Restaurant & Bakery	639	\$8.51	\$65,207	
Other Commercial	<u>1,629</u>	\$4.91	<u>\$95,976</u>	
Total Volumetric Charges	4,528		\$301,900	
TOTAL SEWER SERVICE CHARGE REVENUES				
			Total Revenues	% of Total
Fixed Charges			\$2,410,278	88.9%
Variable Charges			<u>\$301,900</u>	<u>11.1%</u>
Total Sewer Service Charge Revenues (LTMC Calculation)			\$2,712,179	100.0%
Estimated Actual Sewer Service Charge Revenues (From City Budget, p. 50)			\$2,524,293	
\$ Difference			-\$187,886	
% Difference			-7.4%	

Table 3: Projected Rate Revenues, FY2025/26

FIXED SERVICE CHARGES				
Customer Class	Number of Units	Monthly Rate	Total Revenues	% of Total
City of Willows				
Single Family Residential	2,029	\$74.24	\$1,807,596	
Multi-Family Residential	740	\$42.93	\$381,218	
Commercial	<u>245</u>	\$87.62	<u>\$257,603</u>	
Subtotal City of Willows	3,014		\$2,446,417	
Northeast Willows				
Single Family Residential	259	\$74.24	\$230,738	
Multi-Family Residential	35	\$42.93	\$18,031	
Commercial	<u>4</u>	\$87.62	<u>\$4,206</u>	
Subtotal Northeast Willows	298		\$252,974	
Total Fixed Service Charges	3,312		\$2,699,391	
VOLUMETRIC CHARGES (COMMERCIAL CUSTOMERS ONLY)				
Customer Class	Avg Monthly Winter Water Use (hcf)	Rate per hcf	Total Revenues	% of Total
City of Willows				
Car Wash	105	\$3.65	\$4,604	
Hospital & Rest Home	639	\$4.37	\$33,522	
Jail	0	\$5.50	\$0	
Laundry	75	\$4.07	\$3,644	
Market & Morgue	682	\$8.89	\$72,728	
Motel & Hotel	760	\$4.73	\$43,134	
Restaurant & Bakery	639	\$9.53	\$73,022	
Other Commercial	<u>1,629</u>	\$5.50	<u>\$107,509</u>	
Total Volumetric Charges	4,528		\$338,163	
TOTAL SEWER SERVICE CHARGE REVENUES				
			Total Revenues	% of Total
Fixed Charges			\$2,699,391	88.9%
Variable Charges			<u>\$338,163</u>	<u>11.1%</u>
Total Sewer Service Charge Revenues (LTMC Calculation)			\$3,037,554	100.0%
Projected Sewer Service Charge Revenues (From City Budget, p. 250)			\$2,255,000	
\$ Difference			-\$782,554	
% Difference			-34.7%	

Table 4: Sewer Fund Budget, FY 2025-26

	<u>ACTUAL</u> <u>FY 2022-23</u>	<u>ACTUAL</u> <u>FY 2023-24</u>	<u>ESTIMATED</u> <u>ACTUAL</u> <u>FY 2024-25</u>	<u>PROPOSED</u> <u>BUDGET</u> <u>FY 2025-26</u>
<u>Salaries & Benefits</u>				
40000 - Salaries	6,365	-	-	-
40002 - Overtime	405	-	-	-
40010 - Salaries - PT	0	-	-	-
40004 - CalPERS	2,445	-	-	-
40006 - Health Insurance	1,728	-	-	-
40007 - FICA/ Medicare	507	-	-	-
40020 - Life Insurance	62	-	-	-
40900 - Overhead - General Fund	<u>78,173</u>	<u>261,622</u>	<u>255,357</u>	<u>261,175</u>
Total Personnel Services:	89,685	261,622	255,357	261,175
<u>Operations & Maintenance</u>				
40500 - Dues & Memberships	0	2,000	0	0
40602 - Insurance	310	25,000	72,182	75,000
40999 - Special Department	26,191	212,000	150,000	0
41000 - Office Expense	29	100	0	0
41100 - Clothing	2,529	1,000	7,124	7,500
41200 - Fuel	5,700	5,000	11,000	12,000
41300 - Professional Services	26,554	35,000	20,000	70,000
41340 - Discharge Permit	13,676	14,500	18,277	19,000
41500 - Small Tools	0	500	0	0
43000 - Vehicle Maintenance	2,064	1,500	200	2,000
43100 - Equipment Maintenance	1,116	6,000	334	30,000
45100 - PG&E	293,978	10,000	320,000	300,000
45101 - Water & Sewer	<u>3,184</u>	<u>3,000</u>	<u>4,000</u>	<u>4,000</u>
Total Operations & Maintenance:	465,254	315,600	603,117	519,500
<u>Contract Operations - Plant Facility</u>				
44000 - Contractual Services	<u>720,787</u>	<u>737,000</u>	<u>650,000</u>	<u>700,000</u>
Total Contract Operations:	720,787	737,000	650,000	700,000
<u>Debt Service</u>				
48000/48001 - Principal / Interest on Debt	<u>394,448</u>	<u>534,564</u>	<u>501,519</u>	<u>536,019</u>
Total Debt Service:	394,448	534,564	501,519	536,019
<u>Capital Projects</u>				
61130 - Sycamore Street Lift Station	-	-	-	189,750
61130 - Pacific Avenue Lift Station	-	-	-	178,250
61130 - Lassen St Sewer Rehab	-	-	-	201,250
61130 - Road 57 Sewer Lift Station	-	-	-	103,500
61130 - Cherry Street Lift Station	-	-	-	139,165
61130 - Update Municipal Code	-	15,000	-	-
61130 - WWTP Safety Impvmts	-	-	-	30,000
61130 - Annual Sewer Replct Project	-	-	95,038	2,057,250
61130 - WWTP Upgrades	-	-	119,048	-
61130 - HVAC Air Ducts Cleaning	-	1,500	-	-
66021 - Tyler Utility Billing	-	-	-	<u>17,500</u>
Total Capital Projects:	-	16,500	214,086	2,916,665
Total Sewer Enterprise:	1,670,174	1,865,286	2,224,078	4,933,359

Table 5: Operating Expense Projection

	Budget FY2025/26	Escalation Factor	Projected					
			FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	
Salaries & Benefits								
Overhead - General Fund	\$261,175	3.0%	\$269,000	\$277,100	\$285,400	\$294,000	\$302,800	
New Staff Member [1]		3.0%	<u>\$80,000</u>	<u>\$82,400</u>	<u>\$84,900</u>	<u>\$87,400</u>	<u>\$90,000</u>	
Subtotal Salaries & Benefits	\$261,175		\$349,000	\$359,500	\$370,300	\$381,400	\$392,800	
Operations & Maintenance								
Dues & Memberships	\$0	3.0%	\$0	\$0	\$0	\$0	\$0	
Insurance [2]	\$75,000	3.0%	\$85,000	\$87,600	\$90,200	\$92,900	\$95,700	
Special Department	\$0	3.0%	\$0	\$0	\$0	\$0	\$0	
Office Expense	\$0	3.0%	\$0	\$0	\$0	\$0	\$0	
Clothing	\$7,500	3.0%	\$7,700	\$7,900	\$8,100	\$8,300	\$8,500	
Fuel	\$12,000	3.0%	\$12,400	\$12,800	\$13,200	\$13,600	\$14,000	
Professional Services [3]	\$70,000	3.0%	\$30,000	\$30,900	\$31,800	\$32,800	\$33,800	
Discharge Permit	\$19,000	3.0%	\$19,600	\$20,200	\$20,800	\$21,400	\$22,000	
Small Tools	\$0	3.0%	\$0	\$0	\$0	\$0	\$0	
Supplies & Materials [4]		3.0%	\$10,000	\$10,300	\$10,600	\$10,900	\$11,200	
Vehicle Maintenance	\$2,000	3.0%	\$2,100	\$2,200	\$2,300	\$2,400	\$2,500	
Equipment Maintenance	\$30,000	3.0%	\$30,900	\$31,800	\$32,800	\$33,800	\$34,800	
PG&E [5]	\$300,000	3.0%	\$309,000	\$200,000	\$206,000	\$212,200	\$218,600	
<u>Water & Sewer</u>	<u>\$4,000</u>	3.0%	<u>\$4,100</u>	<u>\$4,200</u>	<u>\$4,300</u>	<u>\$4,400</u>	<u>\$4,500</u>	
Subtotal O & M	\$519,500		\$510,800	\$407,900	\$420,100	\$432,700	\$445,600	
Contract Operations - Plant Facility								
	\$700,000	3.0%	\$721,000	\$742,600	\$764,900	\$787,800	\$811,400	
Total Operating Expenses	\$1,480,675		\$1,580,800	\$1,510,000	\$1,555,300	\$1,601,900	\$1,649,800	

1 - It is expected that the City will hire a new staff member for the Sewer Fund in FY2026/27. The fully burdened cost of this employee is expected to begin at \$80,000 per year per City staff.

2 - Insurance is anticipated to increase to \$85,000 in FY2026/27, and is then escalated by 3.0% annually thereafter.

3 - Professional Services are expected to decrease to \$30,000 in FY2026/27, and are then escalated by 3.0% annually thereafter.

4 - Supplies & Materials is a new category that will be budgeted beginning in FY2026/27, per direction from City staff.

5 - FY2027/28, the City is expected to complete construction of a solar plant that will offset electricity costs of PG&E. City staff calculated that estimated electricity costs once the plant is completed will decrease to \$200,000 per year.

Table 6: Five-Year Capital Improvement Program with Proposed Modifications

Project Number	Project Name	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	Total
Rate-Funded Projects							
SS-002-232	Annual Sewer Replacement Project	412,500	-	-	-	-	412,500
SS-002-233	Annual Sewer Replacement Project	-	-	191,700	2,204,200	-	2,395,900
SS-003	Annual Sewer Replacement Project	-	-	-	50,000	1,150,000	1,200,000
SS-023	WWTP - Clarifier Improvements	-	10,000	95,000	200,000	-	305,000
SS-024	Chlorine Contact Chamber Improvements	120,000	-	60,000	-	-	180,000
SS-025	Chemical Storage and Pipelines	-	140,000	60,000	-	-	200,000
SS-026	Sodium Bisulfite injection System Housing Structure	-	85,000	-	-	-	85,000
SS-027	Wastewater Treatment Plan Safety Improvements	30,000	-	-	-	-	30,000
SS-029	WWTP Upgrades	125,000	122,000	117,000	-	-	364,000
SS-030	Blower Building Improvements	40,000	-	-	-	-	40,000
SS-031	Clarifier Improvements	-	200,000	-	-	-	200,000
SS-032	Tertiary Filtration Structure Repairs	50,000	-	-	-	-	50,000
SS-033	WWTP Pond Liners	-	850,000	600,000	-	-	1,450,000
SS-034	WWTP SCADA and Admin Bldg Upgrade	45,000	-	-	-	-	45,000
	Annual Vehicle Replacement	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>825,000</u>
	Total Sewer Projects	987,500	1,572,000	1,288,700	2,619,200	1,315,000	7,782,400

Source: City of Willows Five Year Capital Improvement Program Fiscal Years 2025-2029

Proposed modifications from original:

- \$165,000 per year is added for annual vehicle replacements
- Defer SS-002-233 until 2029
- Defer SS-003 until 2030

Table 7: PROPOSED DRAFT Cash Flow Projection

	Projected: Proposition 218 Period				
	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
Rate Increase %	10.0%	10.0%	10.0%	5.0%	5.0%
Rate Increase Effective Date	Aug 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029	July 1, 2030
Revenues over 12 months	3,109,900	3,420,900	3,763,000	3,951,200	4,148,800
BEGINNING FUND BALANCE [1]	\$1,616,300	\$1,594,000	\$1,389,400	\$1,767,300	\$954,100
REVENUES					
Sewer Service Fees [2]	3,086,300	3,420,900	3,763,000	3,951,200	4,148,800
Interest Income	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Subtotal Revenues	3,086,300	3,420,900	3,763,000	3,951,200	4,148,800
EXPENSES					
<i>Operating Expenses</i>					
Salaries & Benefits	349,000	359,500	370,300	381,400	392,800
Operations & Maintenance	510,800	407,900	420,100	432,700	445,600
<u>Contract Operations</u>	<u>721,000</u>	<u>742,600</u>	<u>764,900</u>	<u>787,800</u>	<u>811,400</u>
Subtotal Operating	1,580,800	1,510,000	1,555,300	1,601,900	1,649,800
Net Operating Revenues	1,505,500	1,910,900	2,207,700	2,349,300	2,499,000
<i>Non-Operating Expenses</i>					
CIP Projects	987,500	1,572,000	1,288,700	2,619,200	1,315,000
<u>Existing Debt Service</u>	<u>540,300</u>	<u>543,500</u>	<u>541,100</u>	<u>543,300</u>	<u>539,900</u>
Subtotal Non-Operating	1,527,800	2,115,500	1,829,800	3,162,500	1,854,900
Total Expenses	3,108,600	3,625,500	3,385,100	4,764,400	3,504,700
Total Net Revenues	(22,300)	(204,600)	377,900	(813,200)	644,100
ENDING FUND BALANCE	\$1,594,000	\$1,389,400	\$1,767,300	\$954,100	\$1,598,200
Target Reserve Balance [3]	1,630,700	1,598,500	1,618,800	1,644,300	1,664,800
Target Met?	<i>no</i>	<i>no</i>	<i>yes</i>	<i>no</i>	<i>no</i>
Debt Service Coverage [4]	2.79	3.52	4.08	4.32	4.63

1 - Beginning Fund Balance provided by City Staff reflects estimated cash reserves in Sewer Enterprise Fund accounts.

2 - Projected sewer service fee earnings for FY2026/27 are prorated based on the August 1 implementation date. It is expected that the City will collect one month of revenues at the existing FY2025/26 rates, and 11 months of revenues at the proposed FY2026/27 rates.

3 - Annual target is 50% of operating expenses + total annual debt service + \$300,000 for emergency capital reserve

4- Net operating revenues divided by total debt service. Annual target is > 1.2

Figure 2: Illustrative Cash Flow Projection

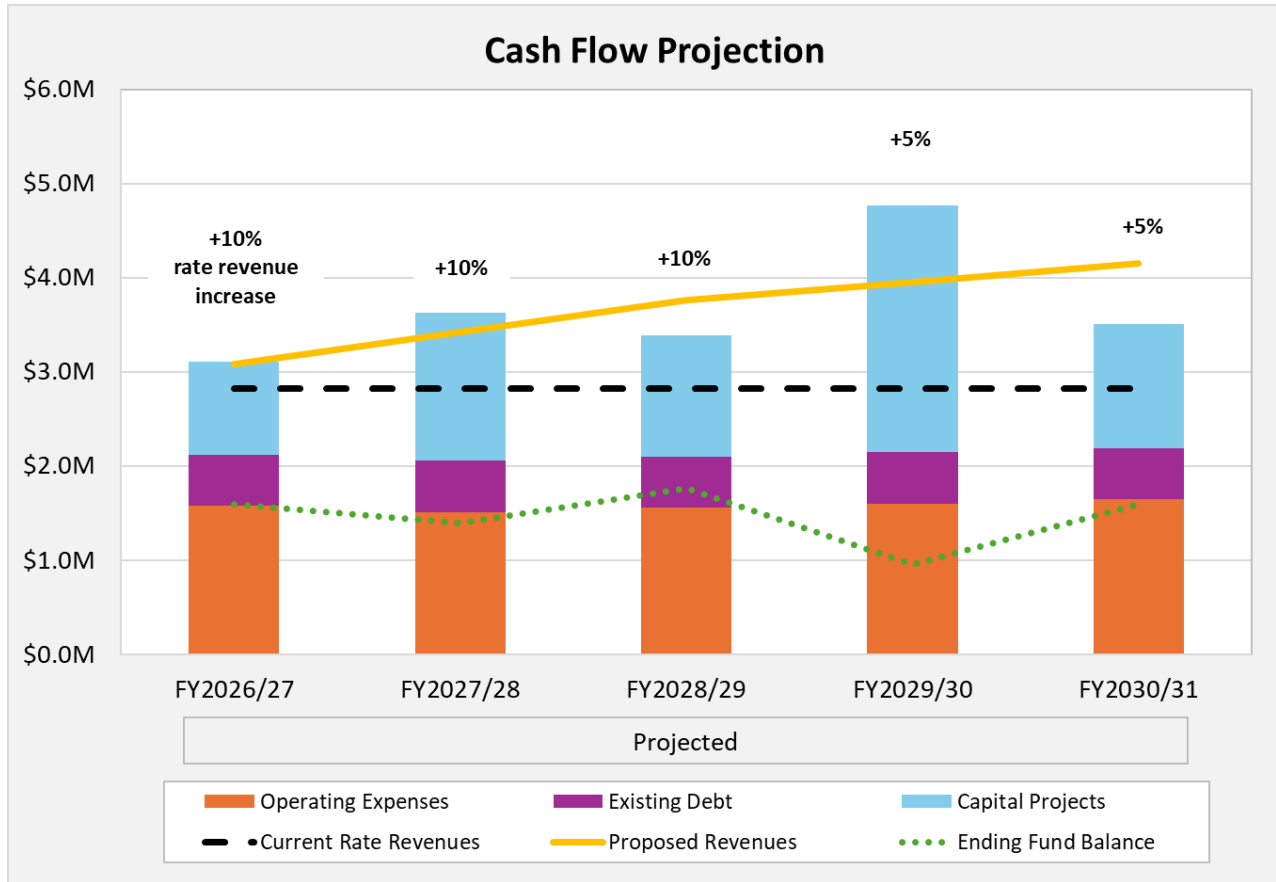


Table 8: Cost Allocation

	Projected FY2026/27	Customer Service	Flow	BOD	TSS
Operating Expenses					
<u>Salaries & Benefits</u>					
Overhead - General Fund	\$269,000	100.0%	0.0%	0.0%	0.0%
<u>New Staff Member</u>	<u>\$80,000</u>	<u>100.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Subtotal Salaries & Benefits	\$349,000	\$349,000	\$0	\$0	\$0
Allocation %		100.0%	0.0%	0.0%	0.0%
<u>Operations & Maintenance</u>					
Insurance	\$85,000	100.0%	0.0%	0.0%	0.0%
Clothing	\$7,700	0.0%	60.0%	20.0%	20.0%
Fuel	\$12,400	0.0%	60.0%	20.0%	20.0%
Professional Services	\$30,000	40.0%	40.0%	10.0%	10.0%
Discharge Permit	\$19,600	0.0%	60.0%	20.0%	20.0%
Supplies & Materials	\$10,000	40.0%	40.0%	10.0%	10.0%
Vehicle Maintenance	\$2,100	0.0%	60.0%	20.0%	20.0%
Equipment Maintenance	\$30,900	0.0%	60.0%	20.0%	20.0%
PG&E	\$309,000	0.0%	80.0%	10.0%	10.0%
<u>Water & Sewer</u>	<u>\$4,100</u>	<u>0.0%</u>	<u>80.0%</u>	<u>10.0%</u>	<u>10.0%</u>
Subtotal O & M	\$510,800	\$101,000	\$310,100	\$49,900	\$49,900
Allocation %		19.8%	60.7%	9.8%	9.8%
<u>Contract Operations</u>					
<u>Plant Facility</u>	<u>\$721,000</u>	<u>40.0%</u>	<u>40.0%</u>	<u>10.0%</u>	<u>10.0%</u>
Subtotal O & M	\$721,000	\$288,400	\$288,400	\$72,100	\$72,100
Allocation %		40.0%	40.0%	10.0%	10.0%
Non-Operating Expenses [1]					
Capital Projects	\$1,556,500	40.0%	40.0%	10.0%	10.0%
<u>Existing Debt Service</u>	<u>\$541,600</u>	<u>40.0%</u>	<u>40.0%</u>	<u>10.0%</u>	<u>10.0%</u>
Subtotal Non-Operating	\$2,098,100	\$839,200	\$839,200	\$209,800	\$209,800
Allocation %		40.0%	40.0%	10.0%	10.0%
TOTAL EXPENSES	\$3,678,900	\$1,577,600	\$1,437,700	\$331,800	\$331,800
Proposed Allocation %			68.42%	15.79%	15.79%

1 - Average 5-year costs

Table 9: Estimated Sewer Flows & Loadings

Customer Class	Annual Flow (hcf) [1]	Wastewater Strength		Wastewater Loadings		
		BOD (mg/L)	TSS (mg/L)	Flow (gal/yr)	BOD (lbs/yr)	TSS (lbs/yr)
Residential Customers						
Single Family Residential	194,784	250	250	145,698,432	303,781	303,781
Multi-Family Residential	53,280	250	250	39,853,440	83,094	83,094
Non-residential Customers (with 8 hcf minimum) [2]						
Low Strength	2,049	150	150	1,532,652	1,917	1,917
Medium Strength	44,583	250	250	33,348,084	69,531	69,531
High Strength	16,009	800	550	11,974,732	79,895	54,928
Northeast Willows						
Single Family Residential	24,864	250	250	18,598,272	38,777	38,777
Multi-Family Residential	2,520	250	250	1,884,960	3,930	3,930
Other Commercial	480	250	250	359,040	749	749
Total	338,569			253,249,612	581,675	556,708

1 - Total estimated flow is based on estimated flows of 8 hcf per month for single family residential, 6 hcf per month for multi-family residential. Non-residential flows are based on billed flows from FY2025/26, adjusted to account for proposed 8 hcf minimum charge. Reflects estimated conservation + some delinquency.

Residential flow estimates will be updated if data is received from Cal Water.

2 – Non-residential customers are classified as follows:

Low Strength = existing Car Wash and Laundry customers

Medium Strength = existing Hospital & Rest Home, Jail, Motel & Hotel, & Other Commercial customers

High Strength = existing Market & Morgue, Restaurant & Bakery customers

Table 10: Number of Accounts and Dwelling Units

Customer Class	No. of Accounts [1]	% of Total	No. of Units [1]	% of Total
Residential Customers				
Single Family Residential	2,029	77.1%	2,029	61.3%
Multi-Family Residential	<u>78</u>	<u>3.0%</u>	<u>740</u>	<u>22.3%</u>
Subtotal Residential	2,107	80.1%	2,769	83.6%
Non-residential Customers				
Car Wash	2	0.1%	2	0.1%
Hospital & Rest Home	7	0.3%	7	0.2%
Jail	0	0.0%	0	0.0%
Laundry	1	0.0%	1	0.0%
Market & Morgue	16	0.6%	16	0.5%
Motel & Hotel	8	0.3%	8	0.2%
Restaurant & Bakery	20	0.8%	20	0.6%
Other Commercial	<u>191</u>	<u>7.3%</u>	<u>191</u>	<u>5.8%</u>
Subtotal Commercial	245	9.3%	245	7.4%
Northeast Willows				
Single Family Residential	259	9.8%	259	7.8%
Multi-Family Residential	16	0.6%	35	1.1%
Commercial	<u>4</u>	<u>0.2%</u>	<u>4</u>	<u>0.1%</u>
Subtotal Northeast Willows	279	10.6%	298	9.0%
Total	2,631	100.0%	3,312	100.0%

1 - The number of accounts and units is taken from the City's residential tax roll data from FY2024/25, commercial billing data from FY2025/26, and Northeast Willows tax roll data from FY2025/26.

Table 11: FY2026/27 Sewer Rate Revenue Requirement Allocation

	Cost Allocation %	FY2026/27 Revenue Requirement
Total Revenue Requirement [1]		\$3,109,900
Customer Service		\$1,577,600
Flow and Strength [2]		\$1,532,300
Flow and Strength Allocation		
Flow	68.42%	\$1,048,393
BOD	15.79%	\$241,954
TSS	15.79%	<u>\$241,954</u>
Total Flow and Strength		\$1,532,301

1 - From Cash Flow; Revenues over 12 months

2 - Calculated as the Total Revenue Requirement less the Customer Service Requirement (from **Table 8**)

Table 12: FY2026/27 Unit Cost Calculation

Cost Allocation	Cust. Serv.	Flow	BOD	TSS
FY2026/27 Revenue Requirement	\$1,577,600	\$1,048,393	\$241,954	\$241,954
Billing Units	3,312	338,569	581,675	556,708
	# of units	hcf/year	lbs/year	lbs/year
Rate	\$39.69	\$3.10	\$0.42	\$0.43
	\$/unit	\$/hcf	\$/lb	\$/lb

Table 13: FY2026/27 Flow Charge Derivation

	Flow (hcf)	BOD (lbs)	TSS (lbs)	Total Flow Charge (\$/hcf)
Unit Cost	\$3.10	\$0.42	\$0.43	
Low Strength	\$3.10	\$0.39	\$0.40	\$3.89
Medium Strength	\$3.10	\$0.66	\$0.67	\$4.43
High Strength	\$3.10	\$2.10	\$1.48	\$6.68

Commercial customers are classified as follows:

Low Strength = existing Car Wash and Laundry customers

Medium Strength = existing Hospital & Rest Home, Jail, Motel & Hotel, & Other Commercial customers

High Strength = existing Market & Morgue, Restaurant & Bakery customers

Table 14: FY2026/27 Fixed Sewer Fee Derivation

Customer Class	Customer Service Charge (\$/mo)		Flow (hcf)		Flow Charge (\$/hcf)		Total Monthly Rate or Base Fee
Single Family Residential	\$39.69	+	8	x	\$4.43	=	\$75.13
Multi-Family Residential	\$39.69	+	6	x	\$4.43	=	\$66.27
Low Strength Non-Residential	\$39.69	+	8	x	\$3.89	=	\$70.81
Medium Strength Non-Residential	\$39.69	+	8	x	\$4.43	=	\$75.13
High Strength Non-Residential	\$39.69	+	8	x	\$6.68	=	\$93.13

Table 15: Proposed Five-Year Rate Plan

Current		Proposed					
Customer Class	July 1, 2025	Customer Class	August 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029	July 1, 2030
Residential Fixed Charge		Residential Fixed Charge					
Single Family	\$74.24	Single Family	\$75.13	\$82.64	\$90.90	\$95.45	\$100.22
Multi-Family (per unit)	\$42.93	Multi-Family (per unit)	\$66.27	\$72.90	\$80.19	\$84.20	\$88.41
Commercial Fixed Charge		Non-Residential Base Fee (for up to 8 hcf)					
Commercial	\$87.62	Low Strength	\$70.81	\$77.89	\$85.68	\$89.96	\$94.46
		Medium Strength	\$75.13	\$82.64	\$90.90	\$95.45	\$100.22
		High Strength	\$93.13	\$102.44	\$112.68	\$118.31	\$124.23
Commercial Volumetric Charge		Volumetric Charge for Non-residential Flow Over Base (\$/hcf above 8 hcf) [1]					
Car Wash	\$3.65	Low Strength	\$3.89	\$4.28	\$4.71	\$4.95	\$5.20
Laundry	\$4.07						
Hospital & Rest Home	\$4.37	Medium Strength	\$4.43	\$4.87	\$5.36	\$5.63	\$5.91
Motel & Hotel	\$4.73						
Jail	\$5.50						
Other Commercial	\$5.50	High Strength	\$6.68	\$7.35	\$8.09	\$8.49	\$8.91
Market & Morgue	\$8.89						
Restaurant & Bakery	\$9.53						

1 - Per hundred cubic feet (hcf). 1 hcf = 748 gallons. Applied to average winter water use.

Figure 3: Single Family Residential Bill Survey

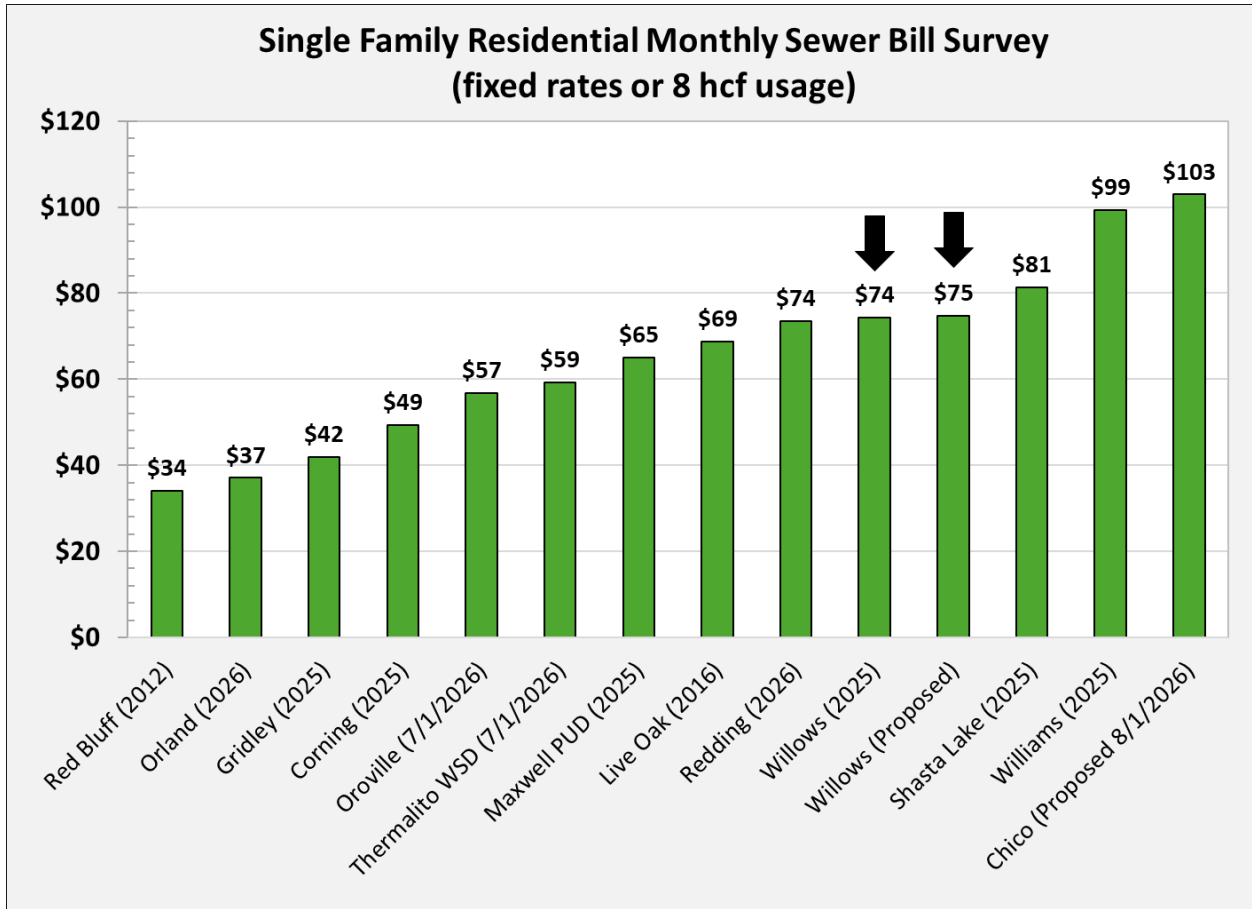


Table 16: Sample Low Strength Non-residential Bill Impacts

Current Bill	Rate	Count	Total Monthly Bill	Proposed Bill	Rate	Count	Total Monthly Bill
Car Wash (8 hcf)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$3.89	x 8	<u>\$31.12</u>
				Subtotal Base Fee			\$70.81
Volumetric Charge	\$3.65	x 8	<u>\$29.20</u>	Flow Above Minimum	\$3.89	x 0	<u>\$0.00</u>
Total Monthly Bill			\$116.82	Total Monthly Bill			\$70.81
				<i>\$ Change</i>			<i>-\$46.01</i>
				<i>% Change</i>			<i>-39.4%</i>
Laundry (8 hcf)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$3.89	x 8	<u>\$31.12</u>
				Subtotal Base Fee			\$70.81
Volumetric Charge	\$4.07	x 8	<u>\$32.56</u>	Flow Above Minimum	\$3.89	x 0	<u>\$0.00</u>
Total Monthly Bill			\$120.18	Total Monthly Bill			\$70.81
				<i>\$ Change</i>			<i>-\$49.37</i>
				<i>% Change</i>			<i>-41.1%</i>
Car Wash (52 hcf - average use)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$3.89	x 8	<u>\$31.12</u>
				Subtotal Base Fee			\$70.81
Volumetric Charge	\$3.65	x 52	<u>\$189.80</u>	Flow Above Minimum	\$3.89	x 44	<u>\$171.16</u>
Total Monthly Bill			\$277.42	Total Monthly Bill			\$241.97
				<i>\$ Change</i>			<i>-\$35.45</i>
				<i>% Change</i>			<i>-12.8%</i>
Laundry (75 hcf - average use)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$3.89	x 8	<u>\$31.12</u>
				Subtotal Base Fee			\$70.81
Volumetric Charge	\$4.07	x 75	<u>\$305.25</u>	Flow Above Minimum	\$3.89	x 67	<u>\$260.63</u>
Total Monthly Bill			\$392.87	Total Monthly Bill			\$331.44
				<i>\$ Change</i>			<i>-\$61.43</i>
				<i>% Change</i>			<i>-15.6%</i>

Table 17: Sample Medium Strength Non-residential Bill Impacts

Current Bill	Rate	Count	Total Monthly Bill	Proposed Bill	Rate	Count	Total Monthly Bill
Rest Home (8 hcf)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$4.43	x 8	<u>\$35.44</u>
				Subtotal Base Fee			\$75.13
Volumetric Charge	\$4.37	x 8	<u>\$34.96</u>	Flow Above Minimum	\$4.43	x 0	<u>\$0.00</u>
Total Monthly Bill			\$122.58	Total Monthly Bill			\$75.13
				<i>\$ Change</i>			<i>-\$47.45</i>
				<i>% Change</i>			<i>-38.7%</i>
Other Commercial (8 hcf)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$4.43	x 8	<u>\$35.44</u>
				Subtotal Base Fee			\$75.13
Volumetric Charge	\$5.50	x 8	<u>\$44.00</u>	Flow Above Minimum	\$4.43	x 0	<u>\$0.00</u>
Total Monthly Bill			\$131.62	Total Monthly Bill			\$75.13
				<i>\$ Change</i>			<i>-\$56.49</i>
				<i>% Change</i>			<i>-42.9%</i>
Other Commercial (15 hcf - average use)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$4.43	x 8	<u>\$35.44</u>
				Subtotal Base Fee			\$75.13
Volumetric Charge	\$5.50	x 15	<u>\$82.50</u>	Flow Above Minimum	\$4.43	x 7	<u>\$31.01</u>
Total Monthly Bill			\$170.12	Total Monthly Bill			\$106.14
				<i>\$ Change</i>			<i>-\$63.98</i>
				<i>% Change</i>			<i>-37.6%</i>
Other Commercial (38 hcf)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$4.43	x 8	<u>\$35.44</u>
				Subtotal Base Fee			\$75.13
Volumetric Charge	\$5.50	x 38	<u>\$209.00</u>	Flow Above Minimum	\$4.43	x 30	<u>\$132.90</u>
Total Monthly Bill			\$296.62	Total Monthly Bill			\$208.03
				<i>\$ Change</i>			<i>-\$88.59</i>
				<i>% Change</i>			<i>-29.9%</i>

Table 18: Sample High Strength Non-residential Bill Impacts

Current Bill	Rate	Count	Total Monthly Bill	Proposed Bill	Rate	Count	Total Monthly Bill
Restaurant (8 hcf)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$6.68	x 8	<u>\$53.44</u>
				Subtotal Base Fee			\$93.13
Volumetric Charge	\$9.53	x 8	<u>\$76.24</u>	Flow Above Minimum	\$6.68	x 0	<u>\$0.00</u>
Total Monthly Bill			\$163.86	Total Monthly Bill			\$93.13
				<i>\$ Change</i>			<i>-\$70.73</i>
				<i>% Change</i>			<i>-43.2%</i>
Market (8 hcf)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$6.68	x 8	<u>\$53.44</u>
				Subtotal Base Fee			\$93.13
Volumetric Charge	\$8.89	x 8	<u>\$71.12</u>	Flow Above Minimum	\$6.68	x 0	<u>\$0.00</u>
Total Monthly Bill			\$158.74	Total Monthly Bill			\$93.13
				<i>\$ Change</i>			<i>-\$65.61</i>
				<i>% Change</i>			<i>-41.3%</i>
Restaurant (32 hcf - average use)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$6.68	x 8	<u>\$53.44</u>
				Subtotal Base Fee			\$93.13
Volumetric Charge	\$9.53	x 32	<u>\$304.96</u>	Flow Above Minimum	\$6.68	x 24	<u>\$160.32</u>
Total Monthly Bill			\$392.58	Total Monthly Bill			\$253.45
				<i>\$ Change</i>			<i>-\$139.13</i>
				<i>% Change</i>			<i>-35.4%</i>
Market (42 hcf - average use)							
Fixed Charge	\$87.62	x 1	\$87.62	Customer Service Charge	\$39.69	x 1	\$39.69
				Flow and Strength Minimum	\$6.68	x 8	<u>\$53.44</u>
				Subtotal Base Fee			\$93.13
Volumetric Charge	\$8.89	x 42	<u>\$373.38</u>	Flow Above Minimum	\$6.68	x 34	<u>\$227.12</u>
Total Monthly Bill			\$461.00	Total Monthly Bill			\$320.25
				<i>\$ Change</i>			<i>-\$140.75</i>
				<i>% Change</i>			<i>-30.5%</i>