



NEVADA COUNTY SANITATION DISTRICT NO. 1

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Mali LaGoe
Interim Deputy District Administrator

Trisha Tillotson
Director of Public Works

AGENDA

NEVADA COUNTY SANITATION DISTRICT NO. 1 ADVISORY COMMITTEE

MEETING of April 8, 2021, at 10:30 a. m.
The Meeting will be held online via Zoom

Pursuant to Governor Gavin Newsom's Executive Order pertaining to the convening of public meetings in response to the COVID-19 pandemic, the County of Nevada will hold its regularly scheduled meeting of the Nevada County Sanitation District No. 1 Advisory Commission by remote. This meeting can be viewed live through the web at <https://zoom.us/j/96317319859?pwd=OXBqRmJHMEZOVllqSllsRXh2VjBFOT09>

Meeting ID: 963 1731 9859

Passcode: 931003

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This agenda may be obtained at [Sanitation District Advisory Committee \(SDAC\) | Nevada County, CA \(mynevadacounty.com\)](https://www.mynevadacounty.com/sanitation-district-advisory-committee).

Please note that the on-line agenda may not include all related or updated documents. Proposed actions and supporting documents are considered draft until acted upon by the Board. All items listed on the agenda may be acted upon by the Advisory Committee.

1. **Call to Order**
2. **Announcements**
3. **Action Items**
 - A. Approve April 11, 2019 SDAC Meeting minutes
 - B. Approve November 11-18-20 SDAC Meeting Minutes
4. **Informational Items**
 - A. Staff Changes

- B. Zone Updates General – Brad Torres
- C. Zone Wastewater Treatment Plant Update – Chad McBride
- D. Rate Study – Discussion and Budget overview
- E. Public Outreach
- F. Open Issues Discussion

5. Public Comment

6. Upcoming Meeting June 16th, 2021

7. Adjournment

This agenda was posted on bulletin boards 72 hours in advance of the meeting at the following locations: Eric Rood Administrative Center Lobby, CDA Bulletin Board, Empire Conference Room and Nevada County Courthouse. Posted: _____



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TECHNICAL MEMORANDUM

To: Trisha Tillotson, Director of Public Works, Nevada County

From: Rick Simonson, Senior Vice President, HF&H
Gabe Sasser, Senior Associate, HF&H

Date: April 7, 2021

Subject: Sewer Rate Update - FY 2021-22 through FY 2025-26

This memorandum provides our recommendation for updating the Nevada County Sanitation District No. 1's (District's) sewer rates for Fiscal Years (FYs) 2021-22 through 2025-26. This memorandum summarizes the projected revenue requirements and proposed rates over the next five fiscal years for customers within all 10 zones of the District. The revenue requirements are based on the operating budget and the capital improvement program prepared by the District. The study included considering consolidation of zones which are in close proximity to reduce overhead costs and improve service to the users within the consolidated zones.

I. STUDY OBJECTIVES

The purpose of this study is to update the District's rates to ensure that they generate sufficient revenue to recover the District's costs and that the rate structure reflects the District's current rate-making objectives. The District's rate-making objectives include the following:

1. Rates must comply with Proposition 218 and applicable State codes.
2. Provide revenue sufficiency and financial stability to fund the projected capital and Operation and Maintenance (O&M) costs of each zone within the District.
3. Meet the District's operations and capital reserve targets.
4. Charge rates that are clear and understandable to the customers to meet the following parameters:
 - a. Cover projected costs incurred to maintain the wastewater system within the respective zone. Each zone funds only their respective costs.
 - b. Maximize costs savings by consolidating zones, where practical.
 - c. If a zone is part of a consolidation, achieve uniform rates among all prior independent zones by FY 2024-25 (Year 4).
 - d. Utilize available zone-specific reserve funds to smooth in significant rate increases over time.
 - e. Utilize a low-interest loan¹ if reserve funds alone are not sufficient to allow the smoothing-in of significant rate increases.

¹ Our analysis assumes a 2% annual interest rate for funds needed to maintain positive reserves to achieve the goal of smoothing significant rate increase over time instead of all in Year 1. The need for the loans is based on projected



- f. Be approaching or achieve zone-specific reserve fund targets² by FY 2025-26 (Year 5).

II. FINDINGS AND RECOMMENDATIONS

In preparing this sewer rate study, expenses, revenues, and reserves were projected for a planning period through FY 2029-30 to provide a long-term outlook of the projected fund balances within each zone. However, the proposed annual sewer charges cover only the first five fiscal years (FY 2021-22 through FY 2025-26). Article XIIID, Section 6 of the State Constitution³ limits municipalities in adopting rates to a maximum of five years, at any one time.

1. **Current rates.** Rates are updated annually but have not been studied within the last five years. **Figure ES-1** and **Figure ES-2** list the current O&M service charge, Capital service charge, and standby service charge per Equivalent Dwelling Unit (EDU) by zone.

Figure ES-1. Current Annual Sewer Rates

District Zones	O&M Service Charge/EDU	Capital Service Charge/EDU
Lake Wildwood	\$712	\$283
Lake of the Pines	\$810	\$375
North San Juan	\$785	\$0
Gold Creek	\$235	\$0
Penn Valley	\$880	\$115
Mt. Lake Estates	\$565	\$0
Cascade Shores	\$2,231	\$214
Eden Ranch	\$1,148	\$0
Higgins Village	\$1,675	\$0
Valley Oak Court	\$2,000	\$0

revenues and expenses. The loans will be taken on an as-needed basis as actual results may vary from projection. The loans will be paid back within the five-year rate setting period.

² The District bills annually on the tax roll; therefore, most of the revenue is received in December and April. A year-end cash reserve balance is necessary to fund the day-to-day operations during the lag between billing and receiving the revenue. The methodology for determining each zone’s target reserve balance is discussed in Section II.

³ This law was enacted by Proposition 218 in 1996. The law contains procedural and substantive requirements that apply to property-related fees and charges such as sewer rates. The law exempts connection charges, which instead are governed by Section 66000 of the Government Code.



The District bills a standby charge to parcels that have been allocated sewer capacity previously but are not currently connected to the sewer system. The standby charge is based on the cost of required capital acquisitions and improvements, as well as the cost of the maintenance to the pertinent capital improvements in proportion to the total sewage capacity allocated to the parcel. The combined standby charge is billed annually via the tax roll. The District is planning to assess the current value of its system as it examines current connection fees. Any updates to the valuation of the system will be reflected in future proposed standby charges.

Figure ES-2. Current Annual Standby Charges

District Zones	Current Rate \$/EDU
Lake Wildwood	\$385
Lake of the Pines	\$475
North San Juan	\$48
Gold Creek	\$0
Penn Valley	\$245
Mt. Lake Estates	\$138
Cascade Shores	\$735
Eden Ranch	\$180
Higgins Village	\$0
Valley Oak Court	\$0

2. **Zone consolidations.** Results reflect reducing the number of independent zones from the current 10 to 7. Our analyses and proposed rates assume the consolidation of the Lake Wildwood (Z1), Penn Valley (Z6), and Valley Oak Court (Z12) zones and will be referred to as Consolidated #1 throughout this memorandum and our subsequent analyses. In addition, our analyses and proposed rates assume the consolidation of the Lake of the Pines (Z2) and Higgins Village (Z11) zones and will be referred to as Consolidated #2 throughout this memorandum and our subsequent analyses.
3. **Operating Cost projections.** Operating and Maintenance (O&M) expenses for personnel and utilities are increasing at a rate equal to or less than inflation.
4. **Capital Cost projections.** The District projects overall increases to its capital improvements program (CIP) to upgrade or rehabilitate its aging infrastructure. The District's capital expenses are summarized by zone in **Figure ES-3** and include a construction cost inflation factor of 2.64% per year based on the 20-year average change in the Engineering News Record Construction Cost Index (ENR CCI).



Figure ES-3. Projected CIP Schedule

Project Description	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total	Average Annual
Z1 Lake Wildwood	\$307,924	\$158,029	\$162,203	\$166,487	\$170,884	\$965,526	\$193,105
Z2 Lake of the Pines	\$153,962	\$105,352	\$108,135	\$110,991	\$113,923	\$592,364	\$118,473
Z4 North San Juan	\$10,264	\$2,634	\$2,703	\$2,775	\$2,848	\$21,224	\$4,245
Z5 Gold Creek	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Z6 Penn Valley	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Z7 MLE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Z8 Cascade Shores	\$5,132	\$5,268	\$5,407	\$5,550	\$5,696	\$27,052	\$5,410
Z9 Eden Ranch	\$46,189	\$10,535	\$10,814	\$11,099	\$11,392	\$90,029	\$18,006
Z11 Higgins Village	\$5,132	\$0	\$0	\$0	\$0	\$5,132	\$1,026
Z12 Valley Oak Court	\$5,132	\$0	\$0	\$0	\$0	\$5,132	\$1,026
Total	\$533,735	\$281,818	\$289,261	\$296,902	\$304,744	\$1,706,459	\$341,292

5. **Debt service projections.** The District has previously issued debt to fund large capital projects in various zones. The current debt service payments are summarized in **Figure ES-4**. When debts are paid off, the funds used to pay the current debt service will still be needed to fund necessary capital projects that are purposely being delayed until the current debt is paid off.



Figure ES-4. Current Debt Service

Zone	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Final Payment Due
Cascade Shores SRF Loan							
Principal	\$16,958	\$16,958	\$16,958	\$16,958	\$16,958	\$16,958	FY 2028-29
Interest	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal	\$16,958	\$16,958	\$16,958	\$16,958	\$16,958	\$16,958	
Lake of the Pines BoA Loan							
Principal	\$147,059	\$147,059	\$147,059	\$147,059	\$147,059	\$147,059	FY 2026-27
Interest	\$32,871	\$27,612	\$22,352	\$17,093	\$11,834	\$6,574	
Subtotal	\$179,930	\$174,670	\$169,411	\$164,152	\$158,892	\$153,633	
Lake of the Pines SRF Loan							
Principal	\$948,958	\$948,958	\$948,958	\$948,958	\$948,958	\$948,958	FY 2027-28
Interest	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal	\$948,958	\$948,958	\$948,958	\$948,958	\$948,958	\$948,958	
Lake of the Pines Solar							
Principal	\$87,565	\$88,075	\$88,748	\$89,272	\$89,803	\$90,495	FY 2036-37
Interest	\$48,879	\$46,062	\$43,225	\$40,369	\$37,497	\$34,606	
Subtotal	\$136,444	\$134,137	\$131,973	\$129,641	\$127,300	\$125,101	
Lake Wildwood BoA Loan							
Principal	\$58,824	\$58,824	\$58,824	\$58,824	\$58,824	\$58,824	FY 2026-27
Interest	\$13,148	\$11,045	\$8,941	\$6,837	\$4,733	\$2,630	
Subtotal	\$71,972	\$69,868	\$67,764	\$65,661	\$63,557	\$61,453	
Lake Wildwood SRF Loan							
Principal	\$640,414	\$654,503	\$668,902	\$683,618	\$698,657	\$714,028	FY 2027-28
Interest	\$66,428	\$58,743	\$50,889	\$42,862	\$34,659	\$26,275	
Service Charge	\$55,356	\$48,952	\$42,407	\$35,718	\$28,882	\$21,896	
Grant Charge	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal	\$762,198	\$762,198	\$762,198	\$762,198	\$762,198	\$762,198	
Total Debt Service	\$2,116,459	\$2,106,790	\$2,097,262	\$2,087,568	\$2,077,863	\$2,068,301	

6. **Gold Creek low-interest loan.** In addition to proposed rate increases, a \$14,000 loan to this zone would help keep a positive reserve balance. **Figure ES-5** shows the proposed loan and repayment period ending in FY 20205-26.

Figure ES-5. Proposed Gold Creek Loan and Repayment Schedule

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Potential Loan Amount	\$10,000	\$4,000	\$0	\$0	\$0	\$0
Beginning Balance	\$10,000	\$14,200	\$14,484	\$14,774	\$11,332	\$6,509
Repayment				(\$3,700)	(\$5,000)	(\$6,573)
Balance Before Interest	\$10,000	\$14,200	\$14,484	\$11,074	\$6,332	(\$64)
Interest Due	\$200	\$284	\$290	\$258	\$177	\$64
Ending Balance	\$10,200	\$14,484	\$14,774	\$11,332	\$6,509	(\$0)



7. **Net Revenue Requirement.** The revenue requirement for each zone is made up of operating costs, capital costs, existing debt service and loan repayments, as described in items 3, 4, 5, and 6, above. **Figure ES-6** summarizes the five-year revenue requirements of the 7 zones. Net O&M costs include shared costs, direct operating costs, and non-operating revenues.

Figure ES-6. Projected Net Revenue Requirements

Service Area	Revenue Requirement	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Consolidated #1 (LWW, PV, VOC)	Net O&M	\$3,396,943	\$3,377,258	\$3,475,526	\$3,576,743	\$3,680,996
	Capital	\$313,056	\$158,029	\$162,203	\$166,487	\$170,884
	Debt Service	\$832,066	\$829,962	\$827,859	\$825,755	\$823,651
	Loan Repayments	\$0	\$0	\$0	\$0	\$0
	Net Revenue Requirement	\$4,542,065	\$4,365,249	\$4,465,587	\$4,568,984	\$4,675,531
Consolidated #2 (LOP, HV)	Net O&M	\$2,420,144	\$2,408,823	\$2,479,026	\$2,551,336	\$2,625,815
	Capital	\$159,094	\$105,352	\$108,135	\$110,991	\$113,923
	Debt Service	\$1,257,765	\$1,250,342	\$1,242,751	\$1,235,150	\$1,227,692
	Loan Repayments	\$0	\$0	\$0	\$0	\$0
	Net Revenue Requirement	\$3,837,003	\$3,764,517	\$3,829,912	\$3,897,477	\$3,967,429
Z4 North San Juan	Net O&M	\$101,764	\$100,976	\$103,909	\$106,930	\$110,041
	Capital	\$10,264	\$2,634	\$2,703	\$2,775	\$2,848
	Debt Service	\$0	\$0	\$0	\$0	\$0
	Loan Repayments	\$0	\$0	\$0	\$0	\$0
	Net Revenue Requirement	\$112,028	\$103,610	\$106,612	\$109,705	\$112,890
Z5 Gold Creek	Net O&M	\$16,572	\$14,671	\$15,051	\$15,442	\$15,845
	Capital	\$0	\$0	\$0	\$0	\$0
	Debt Service	\$0	\$0	\$0	\$0	\$0
	Loan Repayments	\$0	\$0	\$3,700	\$5,000	\$6,573
	Net Revenue Requirement	\$16,572	\$14,671	\$18,751	\$20,442	\$22,418
Z7 Mountain Lake Estates	Net O&M	\$29,682	\$29,020	\$29,852	\$30,708	\$31,591
	Capital	\$0	\$0	\$0	\$0	\$0
	Debt Service	\$0	\$0	\$0	\$0	\$0
	Loan Repayments	\$0	\$0	\$0	\$0	\$0
	Net Revenue Requirement	\$29,682	\$29,020	\$29,852	\$30,708	\$31,591
Z8 Cascade Shores	Net O&M	\$247,668	\$248,552	\$255,844	\$263,355	\$271,092
	Capital	\$5,132	\$5,268	\$5,407	\$5,550	\$5,696
	Debt Service	\$16,958	\$16,958	\$16,958	\$16,958	\$16,958
	Loan Repayments	\$0	\$0	\$0	\$0	\$0
	Net Revenue Requirement	\$269,758	\$270,777	\$278,209	\$285,863	\$293,746
Z9 Eden Ranch	Net O&M	\$29,068	\$28,394	\$29,208	\$30,045	\$30,908
	Capital	\$46,189	\$10,535	\$10,814	\$11,099	\$11,392
	Debt Service	\$0	\$0	\$0	\$0	\$0
	Loan Repayments	\$0	\$0	\$0	\$0	\$0
	Net Revenue Requirement	\$75,256	\$38,930	\$40,021	\$41,144	\$42,300

8. **Revenue at Current Rates.** Revenues at current rates (including growth projections) do not cover costs. Rate increases are necessary to cover costs that existing reserves cannot



help offset. **Figure ES-7** summarizes the projected surplus/shortfall of revenue requirement versus the revenue at current O&M, capital, and standby rates for each of the 7 zones.

Figure ES-7. Projected Net Revenue at Current Rates

Service Area	Revenue					
	Requirement	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Consolidated #1 (LWW, PV, VOC)	at Current Rates	\$3,691,369	\$3,695,809	\$3,701,129	\$3,705,569	\$3,710,889
	Net Rev. Req.	(\$4,542,065)	(\$4,365,249)	(\$4,465,587)	(\$4,568,984)	(\$4,675,531)
	Surplus/(Shortfall)	(\$850,696)	(\$669,440)	(\$764,458)	(\$863,415)	(\$964,642)
Consolidated #2 (LOP, HV)	at Current Rates	\$2,739,130	\$2,745,055	\$2,750,980	\$2,756,905	\$2,762,830
	Net Rev. Req.	(\$3,837,003)	(\$3,764,517)	(\$3,829,912)	(\$3,897,477)	(\$3,967,429)
	Surplus/(Shortfall)	(\$1,097,873)	(\$1,019,462)	(\$1,078,932)	(\$1,140,572)	(\$1,204,599)
Z4 North San Juan	at Current Rates	\$68,405	\$68,405	\$68,405	\$68,405	\$68,405
	Net Rev. Req.	(\$112,028)	(\$103,610)	(\$106,612)	(\$109,705)	(\$112,890)
	Surplus/(Shortfall)	(\$43,623)	(\$35,205)	(\$38,207)	(\$41,300)	(\$44,485)
Z5 Gold Creek	at Current Rates	\$10,340	\$10,340	\$10,340	\$10,340	\$10,340
	Net Rev. Req.	(\$16,572)	(\$14,671)	(\$18,751)	(\$20,442)	(\$22,418)
	Surplus/(Shortfall)	(\$6,232)	(\$4,331)	(\$8,411)	(\$10,102)	(\$12,078)
Z7 Mountain Lake Estates	at Current Rates	\$23,428	\$23,428	\$23,428	\$23,428	\$23,428
	Net Rev. Req.	(\$29,682)	(\$29,020)	(\$29,852)	(\$30,708)	(\$31,591)
	Surplus/(Shortfall)	(\$6,254)	(\$5,592)	(\$6,424)	(\$7,280)	(\$8,163)
Z8 Cascade Shores	at Current Rates	\$225,945	\$225,945	\$225,945	\$225,945	\$225,945
	Net Rev. Req.	(\$269,758)	(\$270,777)	(\$278,209)	(\$285,863)	(\$293,746)
	Surplus/(Shortfall)	(\$43,813)	(\$44,832)	(\$52,264)	(\$59,918)	(\$67,801)
Z9 Eden Ranch	at Current Rates	\$34,620	\$34,620	\$34,620	\$34,620	\$34,620
	Net Rev. Req.	(\$75,256)	(\$38,930)	(\$40,021)	(\$41,144)	(\$42,300)
	Surplus/(Shortfall)	(\$40,636)	(\$4,310)	(\$5,401)	(\$6,524)	(\$7,680)

- Operating Reserve and Capital Reserve Targets.** Operating reserve and capital reserve targets for each zone have been independently calculated based on their projected annual expenses. The operating reserve target for each zone was to achieve the equivalent of six-months of operating expenses. The capital reserve target for each zone was to achieve the equivalent five-year average annual CIP amount.

Not all zones will be able to achieve the reserve balance targets described above, even with proposed rate increases (as shown in Figure ES-9) during the five-year period. In these cases, minimal reserves with the proposed increases have been modeled. **Figure ES-8** provides a summary by zone of the operating reserve target, capital reserve target and surplus or deficit in reserves (after the proposed rate increases) compared to the fiscal year target.



Figure ES-8. Reserve Targets

Service Area	Target	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Consolidated #1 (LWW, PV, VOC)	O&M	\$1,700,507	\$1,690,665	\$1,739,799	\$1,790,407	\$1,842,534
	Capital	\$440,500	\$440,500	\$440,500	\$440,500	\$440,500
	Total Reserve Target	\$2,141,007	\$2,131,165	\$2,180,299	\$2,230,907	\$2,283,034
	Projected Reserve Balance	\$189,661	\$381,012	\$999,746	\$1,669,167	\$2,392,283
	\$ Above/(Below) Target	(\$1,951,346)	(\$1,750,153)	(\$1,180,553)	(\$561,740)	\$109,249
Consolidated #2 (LOP, HV)	O&M	\$1,212,220	\$1,206,559	\$1,241,661	\$1,277,816	\$1,315,055
	Capital	\$345,500	\$345,500	\$345,500	\$345,500	\$345,500
	Total Reserve Target	\$1,557,720	\$1,552,059	\$1,587,161	\$1,623,316	\$1,660,555
	Projected Reserve Balance	\$648,575	\$609,568	\$1,127,697	\$1,589,677	\$1,992,891
	\$ Above/(Below) Target	(\$909,145)	(\$942,492)	(\$459,464)	(\$33,639)	\$332,336
Z4 North San Juan	O&M	\$50,947	\$50,552	\$52,019	\$53,529	\$55,085
	Capital	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
	Total Reserve Target	\$53,947	\$53,552	\$55,019	\$56,529	\$58,085
	Projected Reserve Balance	\$110,832	\$90,041	\$74,247	\$64,191	\$60,692
	\$ Above/(Below) Target	\$56,886	\$36,488	\$19,228	\$7,661	\$2,607
Z5 Gold Creek	O&M	\$8,326	\$7,375	\$7,565	\$7,761	\$7,963
	Capital	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
	Total Reserve Target	\$10,126	\$9,175	\$9,365	\$9,561	\$9,763
	Projected Reserve Balance	\$678	\$900	\$18	\$1,019	\$4,341
	\$ Above/(Below) Target	(\$9,448)	(\$8,276)	(\$9,347)	(\$8,542)	(\$5,422)
Z7 Mountain Lake Esta	O&M	\$14,867	\$14,536	\$14,952	\$15,380	\$15,821
	Capital	\$300	\$300	\$300	\$300	\$300
	Total Reserve Target	\$15,167	\$14,836	\$15,252	\$15,680	\$16,121
	Projected Reserve Balance	\$32,907	\$29,759	\$27,014	\$24,711	\$22,892
	\$ Above/(Below) Target	\$17,740	\$14,923	\$11,762	\$9,031	\$6,771
Z8 Cascade Shores	O&M	\$123,944	\$124,386	\$128,032	\$131,788	\$135,656
	Capital	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
	Total Reserve Target	\$139,944	\$140,386	\$144,032	\$147,788	\$151,656
	Projected Reserve Balance	\$328,674	\$293,677	\$255,529	\$214,083	\$169,187
	\$ Above/(Below) Target	\$188,730	\$153,291	\$111,497	\$66,296	\$17,531
Z9 Eden Ranch	O&M	\$14,564	\$14,227	\$14,634	\$15,053	\$15,484
	Capital	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
	Total Reserve Target	\$27,064	\$26,727	\$27,134	\$27,553	\$27,984
	Projected Reserve Balance	\$124,231	\$120,412	\$115,484	\$109,413	\$102,160
	\$ Above/(Below) Target	\$97,167	\$93,685	\$88,351	\$81,860	\$74,176

While all other zones project to reach their respective total reserve targets before or by the end of FY 2025-26, Gold Creek is an exception. In this case, Gold Creek projects to meet its total reserve target by the end of FY 2026-27.

- Proposed O&M Service Charges and Capital Service Charges.** Figure ES-9 summarizes the proposed rates per EDU which would go into effect each fiscal year, beginning July 1, 2021. Uniform rates are achieved for all zones within each consolidation over a multi-year transition period by FY 2023-24. For the other 5 separate zones, proposed rates will allow each zone to reach or approach the target reserve by FY 2025-26.



Figure ES-9. Proposed Sewer Rates

Service Area	Current Rate	Proposed Rates (\$/EDU)				
	\$/EDU	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Consolidated #1						
Z1 Lake Wildwood - O&M	\$712	\$830	\$966	\$1,126	\$1,160	\$1,195
Z1 Lake Wildwood - Capital	\$283	\$282	\$282	\$273	\$281	\$290
Z6 Penn Valley - O&M	\$880	\$955	\$1,037	\$1,126	\$1,160	\$1,195
Z6 Penn Valley - Capital	\$115	\$155	\$207	\$273	\$281	\$290
Z12 Valley Oak Court - O&M	\$2,000	\$830	\$966	\$1,126	\$1,160	\$1,195
Z12 Valley Oak Court - Capital	\$0	\$91	\$182	\$273	\$281	\$290
Consolidated #2						
Z2 Lake of the Pines - O&M	\$810	\$1,017	\$1,251	\$1,525	\$1,525	\$1,525
Z2 Lake of the Pines Capital	\$375	\$367	\$367	\$367	\$367	\$367
Z11 Higgins Village - O&M	\$1,675	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525
Z11 Higgins Village - Capital	\$0	\$367	\$367	\$367	\$367	\$367
Z4 North San Juan - O&M	\$785	\$864	\$950	\$1,045	\$1,149	\$1,264
Z5 Gold Creek - O&M	\$235	\$282	\$338	\$406	\$487	\$585
Z7 Mountain Lake Estates - O&M	\$565	\$593	\$623	\$654	\$687	\$721
Z8 Cascade Shores - O&M	\$2,231	\$2,276	\$2,321	\$2,368	\$2,415	\$2,463
Z8 Cascade Shores - Capital	\$214	\$218	\$223	\$227	\$232	\$236
Z9 Eden Ranch - O&M	\$1,148	\$1,148	\$1,148	\$1,148	\$1,148	\$1,148

11. Standby Service Charges. In keeping with historical practice, we do not recommend adjusting standby charges at this time. **Figure ES-10** summarizes the current and future standby service charges per EDU.

Figure ES-10. Proposed Standby Service Charges

Service Area	Current Rate	Proposed Rates (\$/EDU)				
	\$/EDU	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Consolidated #1						
Z1 Lake Wildwood	\$385	\$385	\$385	\$385	\$385	\$385
Z6 Penn Valley	\$245	\$245	\$245	\$245	\$245	\$245
Z12 Valley Oak Court	\$0	\$0	\$0	\$0	\$0	\$0
Consolidated #2						
Z2 Lake of the Pines	\$475	\$475	\$475	\$475	\$475	\$475
Z11 Higgins Village	\$0	\$0	\$0	\$0	\$0	\$0
Z4 North San Juan	\$48	\$48	\$48	\$48	\$48	\$48
Z5 Gold Creek	\$0	\$0	\$0	\$0	\$0	\$0
Z7 Mountain Lake Estates	\$138	\$138	\$138	\$138	\$138	\$138
Z8 Cascade Shores	\$735	\$735	\$735	\$735	\$735	\$735
Z9 Eden Ranch	\$180	\$180	\$180	\$180	\$180	\$180

