

# REGULAR MEETING OF THE BOARD OF DIRECTORS

IDYLLWILD WATER DISTRICT  
25945 Highway 243  
Idyllwild, CA 92549

June 20, 2018 - 6:00 P.M.

## AGENDA

### CALL TO ORDER:

### ROLL CALL:

### PUBLIC COMMENTS:

Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the District. Please note that for items not listed on the agenda, the Brown Act imposes limitations on what the Board may do at this time. The Board may not take action on the item at this meeting. As to matters on the Agenda, persons will be given an opportunity to address the Board when the matter is considered. If you wish to speak during public comment, please fill out a "Speaker Request Form" and give it to the Board Secretary. When the Board President calls your name, please immediately step to the podium and begin by giving your name and address for the record. Each speaker will be given four (4) minutes to address the Board.

### 1. CONSENT CALENDAR:

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

**A. MINUTES** – May 16, 2018 Regular Meeting Minutes  
May 30, 2018 Special Meeting Minutes

### **B. FINANCIAL REPORTS MAY 2018**

1. Income statement for the Eleventh month ending May 2018
2. District warrants for May 2018.

Check #	14784 – 14839	= \$	183,094.15
Gross Payroll		= \$	56,873.19
Federal/State PR taxes		= \$	17,838.54
LAIF Transfers		= \$	0.00
Transfers/charges		= \$	0.00

### **C. OPERATIONS REPORT FOR THE ELEVENTH MONTH – MAY 2018**

2. **BOARD VACANCY** – The Board will appoint a qualified candidate to the Board of Directors to fill the vacant seat. If necessary the Board will interview the applicants prior to the appointment.

3. **PUBLIC HEARING ON WATER AND SEWER RATES** – The Board of Directors will hold a Public Hearing to receive public input regarding the proposed Water and Sewer Rates.
4. **RESOLUTION #753 WATER RATES** – The Board of Directors may adopt the proposed Water Rates.
5. **RESOLUTION #754 SEWER RATES** – The Board of Directors may adopt the proposed Sewer Rates.
6. **RESOLUTION #755 BUDGET FOR FY 2018/2019** – The Board of Directors may adopt the Budget for Fiscal Year 2018/2019.
7. **BOARD SECRETARY** – The Board of Directors will consider appointment of a Secretary to the Board of Directors.
8. **JOB DESCRIPTION AND SALARY RANGE FOR OFFICE ASSISTANT** – The Board of Directors will consider a job description and salary range for the position of Office Assistant.
9. **CONSIDER FORMATION OF A CONSOLIDATION AD HOC COMMITTEE** – The Board of Directors will consider the appointing an Ad Hoc Committee/Liaison to determine the level of interest in consolidation of local water agencies.
10. **EMPLOYEE STIPEND** – Consider an employee stipend to encourage Idyllwild Water District workers to live in the immediate Mountain area.
11. **DESIGNATE AGENCY REPRESENTATIVES FOR THE CALIFORNIA ASSOCIATION OF SANITATION AGENCIES** – The Board of Directors will designate an official agency representative to CASA.

**DIRECTORS COMMENTS :**

**GENERAL MANAGER'S COMMENTS:**

**ADJOURNMENT:**

To the next Board meeting is a Regular Meeting scheduled for July 18, 2018 at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA 92549.

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Please remember during Public Comments:

- Comments should be limited to 4 minutes or less
- Comments should be directed to the Board as a whole and not directed to individual Board members.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a District meeting or other services offered by this District, please contact the District office @ 951-659-2143 or email: [admin@idyllwildwater.com](mailto:admin@idyllwildwater.com). Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with a disability. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

**MINUTES OF THE REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
**IDYLLWILD WATER DISTRICT**

*The Board of Directors of the Idyllwild Water District met in regular session on May 16, 2018, in the Idyllwild Water District Board Room.*

**CALL TO ORDER:**

The meeting was called to order by President Schelly at 6:00 p.m.

**ROLL CALL:**

Directors present: President Charles Schelly, Steve Kunkle, and David Hunt. General Manager Jack Hoagland, Chief Financial Officer Hosny Shouman and Board Secretary Erica Gonzales were also present.

Vice President Szabadi had an excused absence.

General public present: (19)

**PUBLIC COMMENT:**

**VIC SIRKIN** – Would like the Board to delay their decision on changing the rates. Feels that Idyllwild Water District has not done enough to inform the public of why the rate changes are needed. Would like the District to reduce costs before implementing a rate change.

**KRIS KIRSHBAUM** – Stated that she has been attending all meetings, therefore understands why the changes are needed.

**SUE NASH** – Public was explained how the rates were going to work but doesn't understand why pipeline replacement isn't being done by Idyllwild Water District staff and what CIP priorities are and what they will cost. Doesn't think that legal fees should be included in fixed costs.

**DAVID LILIEHOLM** – Concerned about the rate increases and would like to be explained the justification for the changes. Would like a notification to the public through the mail. Would like the June 20, 2018 Public Hearing to be cancelled.

**MARGE MUIR** – Thinks meter sizes should not influence the base rate that people pay.

**VIC SIRKIN** – Agrees with Marge Muir.

**ITEM 1 - CONSENT CALENDAR:**

- A. MINUTES –** April 10, 2018 Workshop Meeting Minutes  
 April 18, 2018 Regular Meeting Minutes

**FINANCIAL REPORTS APRIL 2018**

- A. Income statement for the Tenth month ending April 2018
- B. District warrants for April 2018.
 

Check #	14729 – 14783	= \$	175,875.01
Gross Payroll		= \$	55,836.79
Federal/State PR taxes		= \$	17,389.20
LAIF Transfers		= \$	0.00
Transfers/charges		= \$	194.11

**OPERATIONS REPORT AND GRAPHS FOR THE TENTH MONTH ENDING APRIL 2018.**

No mainline leaks were reported in April and there were no unmetered leaks. Foster Lake’s level was at 2 feet 8 inches at the end of April. There was 0” of precipitation in April and there has been 6.99” of precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 11.6’ below ground level, the downtown well #23 is currently static at 9’ and the downtown well #24 is static at 18’ below ground level respectively. Production for April was 938,035 cubic feet. April’s unaccounted for water was 1.87% of water production. Fiscal year to date unaccounted for water average is 5.77% of water production.

**DISCUSSION:**

**JP CRUMRINE** – Noticed the Foster Lake level is low and asked if Idyllwild Water District water conditions were fine and will Idyllwild Water District be moving into a Drought Stage?

**JACK HOAGLAND** – Water conditions are stable and Idyllwild Water District will not be moving into a Drought Stage

A MOTION was made by Director Hunt to approve the Consent Calendar and Director Kunkle seconded. The vote was as follows:

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
David Hunt			Peter Szabadi
Steve Kunkle			
Charles Schelly			

**Consent Calendar was approved.**



**ITEM 3 – PUBLIC HEARING ON WATER AND SEWER STANDBY FEES**

Recommendation: That the Idyllwild Water District Board of Directors hold a public hearing to receive public input relative to the imposition of water and sewer standby fees for undeveloped parcels within the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area).

Background: At the March 21, 2018 Regular Board meeting the Idyllwild Water District Board of Directors set May 16, 2018 at 6:00 pm as the time for a public hearing relative to the continued imposition of standby fees on undeveloped parcels within the Water Service area and Improvement District No. 1 (Sewer Service Area).

**President Schelly opened the Public Hearing on Water and Sewer Stand by fees.**

**MARGE MUIR** – Asked for the fee amount to be clarified.

Director Hunt made a MOTION to close the Public Hearing on Water and Sewer Stand by Fees and Director Kunkle seconded. The vote was as follows:

<b>AYES</b> David Hunt Steve Kunkle Charles Schelly	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b> Peter Szabadi
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**Motion approved.**

**ITEM 3 – RESOLUTION #751 AND #752 FOR WATER AND SEWER STAND BY FEES IN FY 2018-2019**

Recommendation: That the Idyllwild Water District Board of Directors consider adoption of Resolutions #751 and #752 for the imposition of water and sewer standby fees for undeveloped parcels within the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area).

Background: In order to equitably allocate costs for benefits received by having water and/or sewer service available to vacant lots, Idyllwild Water District has for decades imposed a Standby Fee on unimproved lots within the Water Service area or Improvement District No.1 (Sewer Service area).

The fees are not proposed to change and will be collected on the unified property tax bill issued by Riverside County.

**DISCUSSION:**

**JP CRUMRINE** – Asked for clarification on if the amount of the fee needed to be in the

wording of the Resolution.

**JACK HOAGLAND** – It is defined as “Exhibit A” and the Exhibit states the amount for each parcel.

A MOTION was made by Director Kunkle to approve Resolution No. 751 and 752 for the imposition of water and sewer standby fees for undeveloped parcels within the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area) and Director Hunt seconded. The vote was as follows:

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<b>Steve Kunkle</b> <b>David Hunt</b> <b>Charles Schelly</b>			<b>Peter Szabadi</b>

**Motion approved.**

#### **ITEM 4 – VACANCY ON THE BOARD OF DIRECTORS**

Recommendation: That the Idyllwild Water District Board of Directors accept the resignation of Catherine Dearing and determine to fill the vacancy on the Board of Directors by the appointment process and direct staff to take the required steps of advertisement of the vacancy.

Background: Catherine Dearing resigned from the Idyllwild Water District Board of Directors effective May 1, 2018.

State law provides the District with several options for filling the vacancies:

- The remaining Board members may appoint a qualified applicant to the position;
- The Board can call a special election to fill the position; or
- The Board can default to the Board of Supervisors of Riverside County to appoint a qualified applicant to the position.

Considering that the Board of Directors might select the least costly and most timely option for filling the Board Vacancy, Staff will post notice of the vacancy and run an ad in the Town Crier advising of the vacancy. Both venues will solicit interested, qualified candidates to submit a letter of interest and any additional pertinent information to the President of the Board of Directors by June 13, 2018. The Board of Directors can then review the applicants and make a selection at the June 20, 2018 regular meeting.

#### **DISCUSSION:**

**JP CRUMRINE** – Asked if the appointment would be before or after the Public Hearing

at the June 20, 2018 meeting.

**PRESIDENT SCHELLY** – We would follow precedent and have it be the first item on the Agenda.

**SUMMER BROWN** – Asked if qualifications and requirements are included in the advertisement.

**VIC SIRKIN** – People don't read the newspaper and can't afford the internet so should not rely on those mediums for communication with the public. Should use mailers.

**TOM PAULEK** – It is important to inform the public of the requirements of the job of being a Board Member. Supports the idea of using mailers.

**SUE NASH** – Would like to make sure that people know that the recordings of the meetings are now posted online. Would like to encourage anyone wanting to apply for the Board seat listen to the recordings so they can get a sense of what a Board meeting entails if they have never attended a Board Meeting before.

**DIRECTOR KUNKLE** – Suggested a "Sandwich Board" to inform public of things going on in the District.

**STEVE MOULTON** – Clarified that tenants are still eligible to be on the Board as long as they are registered to vote in the Idyllwild Water District.

**DIRECTOR HUNT** – Appreciates the feedback from the public. Asked if we could hold the Public Hearing but delay the vote a month.

A MOTION was made by President Schelly to fill the vacant Board Seat by appointment at the June 20, 2018 Regular meeting and that we advertise through a mailing as well as the publishing requirements set by the State and Director Hunt seconded. The vote was as follows:

**AYES**  
Charles Schelly  
David Hunt  
Steve Kunkle

**NAYS**

**ABSTAIN**

**ABSENT**  
Peter Szabadi

**Motion approved.**

**DIRECTOR'S COMMENTS:**

**DIRECTOR KUNKLE** – Commented that Idyllwild Water District has held meetings about the Rate Changes. Agrees that the Prop 218 Notice could have had more

information. Would like to have a Workshop meeting to educate the public more.

**PRESIDENT SCHELLY** – Set a Workshop Meeting for Wednesday, May 30, 2018 at 6:00 pm.

**DIRECTOR HUNT** – These rate changes are proposed in order to address the infrastructure problems that the District is facing. Does want to see Idyllwild Water District staff do more of the work in regards to replacing pipeline but can't happen overnight.

**PRESIDENT SCHELLY** – Idyllwild Water District has a 10 year plan that was produced during the meetings and includes training staff to do more of the work as time progresses. It also includes inflation costs. Rate study is legally defensible. Herb Bergstrom was hired to make an accurate inventory of Idyllwild Water District's pipeline. Many places in this nation are having major emergencies and leaks that are catastrophic and this Board is trying to avoid such situations by having a plan. Feels irresponsible to put off repairs until they break and cannot be put off any longer.

**GENERAL MANAGER'S COMMENTS:**

None.

**ADJOURNMENT:**

A MOTION was made by Director Hunt to ADJOURN and the motion died for lack of a second.

**SUE NASH** – The Board did not go over priorities and why they are a priority. Thinks it is important for more detail at the Workshop on May 30, 2018.

**VIC SIRKIN** – Feels the cost savings benefit of training staff and not using outside contractors will outweigh the cost of delaying the Rate Change.

**PRESIDENT SCHELLY** – The previous project was in motion before the current Board or General Manager held their positions.

**VIC SIRKIN** – Jerry Johnson can replace pipe. Need to wait until Jerry Johnson trains the rest of staff and they can replace the pipelines.

**PRESIDENT SCHELLY** – Jerry Johnson is one man and not an engineer. There are other aspects to prep work for projects that Jerry Johnson is not qualified for.

**MARGE MUIR** – Water Districts should consolidate. Legal Fees need to be addressed.

**PRESIDENT SCHELLY** – New attorneys were hired and needed to research and be brought up to date on a few things. They billed us for this. These are fees that we will not have to incur again.

A MOTION was made by Director Hunt to ADJOURN and Director Kunkle seconded. The vote was as follows:

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
David Hunt Steve Kunkle	Charles Schelly		Peter Szabadi

**Motion failed.**

**SUMMER BROWN** – Inquired as to the type of organizations of the Water Districts on the hill and why is it so difficult to consolidate.

**VAL VELEZ** – Asked for clarification on procedure.

**MARGE MUIR** – Wanted to stress that the public be informed that only written protests are counted as forma protests.

**TRUDY LEVY** – Feels like the public is being shut out of the process and a decision has already been made.

**STEVE MOULTON** – Pine Cove Water District and Fern Valley Water District both had meetings with public input and at the same meetings passed the new rates despite the people protesting in the room. Idyllwild Water District is going to hold another work shop to help people understand and let them be heard.

**HOSNY SHOUMAN** – The NBS Study is online. The budget is based on these proposed rates and there is a deadline to pass a Budget because it must be sent to the County of Riverside. If the Board rejects the Rates, the Budget cannot be approved.

A MOTION was made by Director Hunt to ADJOURN and Director Kunkle seconded. The vote was as follows:

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
David Hunt Steve Kunkle Charles Schelly			Peter Szabadi

**The meeting was adjourned at 8:11 pm.**

IDYLLWILD WATER DISTRICT

BY: \_\_\_\_\_  
DR. CHARLES SCHELLY-  
BOARD PRESIDENT

IDYLLWILD WATER DISTRICT

BY: \_\_\_\_\_  
JEANNINE OLSEN-  
BOARD SECRETARY

**IDYLLWILD WATER DISTRICT**

**NOTICE OF ADJOURNMENT**

Due to lack of a quorum, the Special Meeting of the Idyllwild Water District Board of Directors scheduled for 6:00 pm, May 30, 2018 was adjourned to the Regular Meeting scheduled for Wednesday June 20, 2018 at 6:00 pm at the Idyllwild Water District Board Room, 25945 Highway 243, Idyllwild, CA 92549. The Workshop was still held and a presentation made by Greg Henry of NBS Financial. Members of the public were able to ask questions to Mr. Henry and the General Manager Jack Hoagland. A recording of this Workshop has been posted to [www.idyllwildwater.com](http://www.idyllwildwater.com).

**IDYLLWILD WATER DISTRICT  
WATER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING MAY 31, 2018**

BY CATEGORY	FOR THE MONTH OF		MAY	2018
	ACTUAL	BUDGET	F (U) VARIANCE	%
<b>WATER OPERATING EXPENSES:</b>				
1- WAGES AND SALARIES EXPENSES	47,452	50,000	2,548	5.10%
2- RETIREMENT PLAN AND LIFE INSURANCE	4,529	8,000	3,471	43.39%
3 -MEDICAL INSURANCE	15,750	14,000	-1,750	-12.50%
4 -UNIFORM EXPENSES	402	438	36	8.21%
5 -WORKER'S COMP INSURANCE	0	500	500	100.00%
6 -RETIREMENT MEDICAL INSURANCE	0	2,000	2,000	100.00%
7 -BOARD REIMBURSEMENT	75	500	425	85.00%
8 -OFFICE SUPPLIES	3,613	2,000	-1,613	-80.65%
9 -OFFICE CLEANING SERVICE	210	280	70	25.00%
10 -POSTAGE AND MAILING FEE	1,425	1,200	-225	-18.74%
11 -TRAINING AND EDUCATION	0	604	604	100.00%
12 -TRAVELING , MILEAGE, MEALS REIMBURSEMENT	110	629	520	82.58%
13 -DUES ,FEES , SUBSCRIPTIONS	1,179	5,000	3,821	76.43%
14 -COMPUTER SERVICES	721	1,000	279	27.88%
15 -LEGAL SERVICES	4,259	7,000	2,741	39.16%
16 -UTILITIES - ELECTRICITY	8,060	7,292	-768	-10.54%
17 -UTILITIES - GAS& FUEL	0	717	717	100.00%
18 -UTILITIES - PROPANE	0	325	325	100.00%
19 -UTILITIES - TELEPHONE INTERNET	717	761	44	5.74%
20 -UTILITIES - WASTE MANAGEMENT FEE	182	184	2	1.02%
32 -AUTO AND PROPERTY INSURANCE	0	1,712	1,712	100.00%
21 -STATE-COUNTY WATER SYSTEM FEES	0	4,000	4,000	100.00%
22 -GENERAL PLANT & TREATMENT SERVICES	22,169	18,000	-4,169	-23.16%
23 - VEHICLES REPAIRS AND MAINTENANCE	2,020	1,500	-520	-34.67%
24 -WATER ENGINEERING AND CONSULTING	19,520	875	-18,645	-2130.91%
25 -LABORATORY SERVICES	892	1,042	149	14.34%
26 -WATER SECURITY SYSTEM	0	771	771	100.00%
27 -ADVERTISING AND PUBLISHING	42	542	500	92.25%
28 -PROPERTY TAX EXPENSES	0	233	233	100.00%
29- COMPENSATED TIME	0	1,833	1,833	100.00%
30 -BANK FEE CHARGE	0	200	200	100.00%
31 -WATER MAINTENCE AND SUPPLIES	23,016	1,042	-21,975	-2109.58%
33 -ACCOUNTING AND AUDITING FEE	0	7,500	7,500	100.00%
<b>TOTAL OPERATING EXPENSES:</b>	<b>156,343</b>	<b>141,679</b>	-14,665	-10.35%
<b>TOTAL INCOME AND (LOSS)</b>	<b>(50,401)</b>	<b>(33,812)</b>		



**IDYLLWILD WATER DISTRICT  
WATER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING MAY 31, 2018**

BY CATEGORY	FOR THE MONTH OF		MAY	2018
	ACTUAL	BUDGET	F (U)	%
<b>WATER OPERATING EXPENSES:</b>				
1- WAGES AND SALARIES EXPENSES	47,452	50,000	2,548	5.10%
2- RETIREMENT PLAN AND LIFE INSURANCE	4,529	8,000	3,471	43.39%
3 -MEDICAL INSURANCE	15,750	14,000	-1,750	-12.50%
4 -UNIFORM EXPENSES	402	438	36	8.21%
5 -WORKER'S COMP INSURANCE	0	500	500	100.00%
6 -RETIREMENT MEDICAL INSURANCE	0	2,000	2,000	100.00%
7 -BOARD REIMBURSEMENT	75	500	425	85.00%
8 -OFFICE SUPPLIES	3,613	2,000	-1,613	-80.65%
9 -OFFICE CLEANING SERVICE	210	280	70	25.00%
10 -POSTAGE AND MAILING FEE	1,425	1,200	-225	-18.74%
11 -TRAINING AND EDUCATION	0	604	604	100.00%
12 -TRAVELING , MILEAGE, MEALS REIMBURSEMENT	110	629	520	82.58%
13 -DUES ,FEES , SUBSCRIPTIONS	1,179	5,000	3,821	76.43%
14 -COMPUTER SERVICES	721	1,000	279	27.88%
15 -LEGAL SERVICES	4,259	7,000	2,741	39.16%
16 -UTILITIES - ELECTRICITY	8,060	7,292	-768	-10.54%
17 -UTILITIES - GAS& FUEL	0	717	717	100.00%
18 -UTILITIES - PROPANE	0	325	325	100.00%
19 -UTILITIES - TELEPHONE INTERNET	717	761	44	5.74%
20 -UTILITIES - WASTE MANAGEMENT FEE	182	184	2	1.02%
32 -AUTO AND PROPERTY INSURANCE	0	1,712	1,712	100.00%
21 -STATE-COUNTY WATER SYSTEM FEES	0	4,000	4,000	100.00%
22 -GENERAL PLANT & TREATMENT SERVICES	22,169	18,000	-4,169	-23.16%
23 - VEHICLES REPAIRS AND MAINTENANCE	2,020	1,500	-520	-34.67%
24 -WATER ENGINEERING AND CONSULTING	19,520	875	-18,645	-2130.91%
25 -LABORATORY SERVICES	892	1,042	149	14.34%
26 -WATER SECURITY SYSTEM	0	771	771	100.00%
27 -ADVERTISING AND PUBLISHING	42	542	500	92.25%
28 -PROPERTY TAX EXPENSES	0	233	233	100.00%
29- COMPENSATED TIME	0	1,833	1,833	100.00%
30 -BANK FEE CHARGE	0	200	200	100.00%
31 -WATER MAINTENCE AND SUPPLIES	23,016	1,042	-21,975	-2109.58%
33 -ACCOUNTING AND AUDITING FEE	0	7,500	7,500	100.00%
<b>TOTAL OPERATING EXPENSES:</b>	<b>156,343</b>	<b>141,679</b>	-14,665	-10.35%
<b>TOTAL INCOME AND (LOSS)</b>	<b>(50,401)</b>	<b>(33,812)</b>		

**IDYLLWILD WATER DISTRICT  
WATER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING MAY 31, 2018**

	FOR THE MONTH OF		MAY	2018
BY CATEGORY	ACTUAL	BUDGET	F (U)	
<b>WATER OPERATING EXPENSES:</b>			VARIANCE	%
1- WAGES AND SALARIES EXPENSES	47,452	50,000	2,548	5.10%
2- RETIREMENT PLAN AND LIFE INSURANCE	4,529	8,000	3,471	43.39%
3 -MEDICAL INSURANCE	15,750	14,000	-1,750	-12.50%
4 -UNIFORM EXPENSES	402	438	36	8.21%
5 -WORKER'S COMP INSURANCE	0	500	500	100.00%
6 -RETIREMENT MEDICAL INSURANCE	0	2,000	2,000	100.00%
7 -BOARD REIMBURSEMENT	75	500	425	85.00%
8 -OFFICE SUPPLIES	3,613	2,000	-1,613	-80.65%
9 -OFFICE CLEANING SERVICE	210	280	70	25.00%
10 -POSTAGE AND MAILING FEE	1,425	1,200	-225	-18.74%
11 -TRAINING AND EDUCATION	0	604	604	100.00%
12 -TRAVELING , MILEAGE, MEALS REIMBURSEMENT	110	629	520	82.58%
13 -DUES ,FEES , SUBSCRIPTIONS	1,179	5,000	3,821	76.43%
14 -COMPUTER SERVICES	721	1,000	279	27.88%
15 -LEGAL SERVICES	4,259	7,000	2,741	39.16%
16 -UTILITIES - ELECTRICITY	8,060	7,292	-768	-10.54%
17 -UTILITIES - GAS& FUEL	0	717	717	100.00%
18 -UTILITIES - PROPANE	0	325	325	100.00%
19 -UTILITIES - TELEPHONE INTERNET	717	761	44	5.74%
20 -UTILITIES - WASTE MANAGEMENT FEE	182	184	2	1.02%
32 -AUTO AND PROPERTY INSURANCE	0	1,712	1,712	100.00%
21 -STATE-COUNTY WATER SYSTEM FEES	0	4,000	4,000	100.00%
22 -GENERAL PLANT & TREATMENT SERVICES	22,169	18,000	-4,169	-23.16%
23 - VEHICLES REPAIRS AND MAINTENANCE	2,020	1,500	-520	-34.67%
24 -WATER ENGINEERING AND CONSULTING	19,520	875	-18,645	-2130.91%
25 -LABORATORY SERVICES	892	1,042	149	14.34%
26 -WATER SECURITY SYSTEM	0	771	771	100.00%
27 -ADVERTISING AND PUBLISHING	42	542	500	92.25%
28 -PROPERTY TAX EXPENSES	0	233	233	100.00%
29- COMPENSATED TIME	0	1,833	1,833	100.00%
30 -BANK FEE CHARGE	0	200	200	100.00%
31 -WATER MAINTENCE AND SUPPLIES	23,016	1,042	-21,975	-2109.58%
33 -ACCOUNTING AND AUDITING FEE	0	7,500	7,500	100.00%
<b>TOTAL OPERATING EXPENSES:</b>	<b>156,343</b>	<b>141,679</b>	-14,665	-10.35%
<b>TOTAL INCOME AND (LOSS)</b>	<b>(50,401)</b>	<b>(33,812)</b>		

**IDYLLWILD WATER DISTRICT  
SEWER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING May 31, 2018**

CONDENSED BY CATEGORY	FOR THE MONTH OF MAY 2018			
	ACTUAL	BUDGET	F (U) VARIANCE	%
<b>OPERATING REVENUES:</b>				
BASE-RESIDENTIAL/COMMERCIAL	52,652	52,575	77	0.15%
OTHER OPERATING	25	25	0	0.00%
<b>TOTAL OPERATING REVENUES</b>	<b>52,677</b>	<b>52,600</b>	77	0.15%
<b>OPERATING EXPENSES:</b>				
1- WAGES AND SALARIES	13,654	15,000	1,346	8.98%
2- RETIREMENT AND LIFE INSURANCE	1,510	2,000	490	24.52%
3- MEDICAL INSURANCE	5,250	5,000	-250	-5.00%
4- UNIFORM EXPENSE	134	300	166	55.38%
5-WORKER'S COMPENSATION INSURANCE	0	145	145	100.00%
6- RETIREMENT MEDICAL INSURANCE	0	917	917	100.00%
7- BOARD REIMBURSEMENT	25	200	175	87.50%
8- OFFICE SUPPLIES	207	400	193	48.24%
9- OFFICE CLEANING SERVICES	70	150	80	53.33%
10- POSTAGE AND MAIL FEE	474	100	-374	-373.87%
11- EDUCATION AND TRAINING	0	200	200	100.00%
12- TRAVELING, MILAGE, MEAL REIMBURSEMENT	0	292	292	100.00%
13- DUE AND SUBSCRIPTION FEE	89	542	452	83.52%
14- COMPUTER SERVICES	174	1,000	826	82.63%
15- LEGAL SERVICES	1,420	500	-920	-183.93%
16- UTILITIES - ELECTRICITY	0	4,000	4,000	100.00%
17- UTILITIES - GAS & FUEL	0	437	437	100.00%
18- UTILITIES - PROPANE	0	25	25	100.00%
19- UTILITIES - TELEPHONE&INTERNET	232	292	59	20.37%
20- UTILITIES - WASTE MANAGEMENT FEE	61	125	64	51.39%
21- VEHICLES REPAIRS AND MAINTENANCE	98	500	402	80.45%
22- SEWER ENGINEERING SERVICES	4,433	15,000	10,567	70.45%
22- SEWER MAINTENANCE AND SUPPLIES	0	200	200	100.00%
23- GENERAL PLANT SERVICES	977	500	-477	-95.39%
24- SEWER PERMIT AND LICENSE(State Fee)	0	500	500	100.00%
25- MINOR EQUIPMENT AND SUPPLIES	0	42	42	100.00%
26- SEWER LEASE	0	250	250	100.00%
27- ADVERTISING AND PUBLISHING	0	125	125	100.00%
28- LABORATORY SERVICES	755	500	-255	-51.05%
29- GENERAL AUTO AND LIBILITY INSURANCE	0	570	570	100.00%
30- SECURITY SYSTEM (ADT)	0	208	208	100.00%
31- ACCOUNTING & AUDITING FEE	0	2,000	2,000	100.00%
32- LINE CLEANING	0	0	0	0.00%
<b>Total Expenses</b>	<b>29,561</b>	<b>52,018</b>	22,456	43.17%
<b>Total INCOME OR (LOSS)</b>	<b>23,115</b>	<b>582</b>		

**IDYLLWILD WATER DISTRICT  
SEWER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING May 31, 2018**

FOR THE MONTH OF MAY 2018

SEWER FUND OPERATING REVENUES

	ACTUAL	BUDGET	F (U) VARIANCE	%
BASE RATE-COMMERCIAL	35,937	35,860	77	0.21%
BASE RATE- RESIDENTIAL	16,715	16,715	0	0.00%
TRANSFER FEE	25	25	0	0.00%
FACILITY CHARGE FROM IAF	0	0	0	0.00%
INSPECTION FEE	0	0	0	0.00%
OTHER MISCE	0	0	0	0.00%
<b>TOTAL OPERATING REVENUE</b>	<b>52,677</b>	<b>52,600</b>	<b>77</b>	<b>0.15%</b>

EQUIVALENT DWELLING UNITS (E.D.U'S)

RESIDENTIAL	456	456	0.0	0.00%
COMMERCIAL	937	937	0.0	0.00%
<b>TOTAL E.D.U'S</b>	<b>1,393</b>	<b>1,393</b>	<b>0.0</b>	<b>0.00%</b>

**IDYLLWILD WATER DISTRICT  
DISTRICT WARRANTS AND OTHER DISBURSEMENTS  
FOR THE MONTH ENDED MAY 31, 2018**

<b>DATE</b>	<b>CHECK NUMBER</b>	<b>PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
5/2/2018	14784	ACWA/JPIA	Workers Comp Insurance Quarterly Payment	3,249.13
5/2/2018	14785	Allen Tire Company	New Tires for Unit #6	860.69
5/2/2018	14786	Browning Electric Co.	Service Call for Well #23	98.75
5/2/2018	14787	California Computer Options	Monthly IT Support	695.00
5/2/2018	14788	Chase Card Services	Supplies for Water- 795.61, Training- 555.21, Office Supplies- 298.00, Subscription Renewals- 539.95	1,039.75
5/2/2018	14789	Engineering Resources of So Cal	Professional Services for Inundation Study	1,485.00
5/2/2018	14790	Four Seasons Cleaning Service	Monthly Office Cleaning	280.00
5/2/2018	14791	Frontier Communications	Internet and Phone at Foster Lake and WWTP	403.55
5/2/2018	14792	Home Depot Credit Services	Tools and Supplies for Water and Sewer	776.45
5/2/2018	14793	Idyllwild Garage	Replace Brake Pads and Rotors on Unit #7	343.28
5/2/2018	14794	Idyllwild Heating and Cooling, Inc	Service Office Filters and check Board Room AC	193.66
5/2/2018	14795	Mission Linen & Uniform Service	Monthly Charge for Uniform and Laundry Service	535.43
5/2/2018	14796	NBS	Third Installment of Rate Study	17,731.25
5/2/2018	14797	Peter Szabadi	Reimburse for Milage and Toll Costs for meeting w/ counsel	109.60
5/2/2018	14798	Ponton Industries	Wireless Logger for Lily Creek measuring wier	6,099.52
5/2/2018	14799	Riverside County Waste Management	Grinder Station Deposit	500.00
5/2/2018	14800	SCE	Monthly Charge for Electricity	7,390.24
5/2/2018	14801	Streamline	Monthly Website Hosting Fee	200.00
5/2/2018	14802	The So Co Group	Fuel for Fleet Vehicles	3,988.20
5/2/2018	14803	USA Bluebook	Supplies for Water	48.03
5/2/2018	14804	Verizon Wireless	Monthly charge for GM and On Call cell phones	156.19
5/2/2018	14805	Engineering Resources of So Cal	Professional Services for Wall Map and WWTP Influent Stru	3,661.98
5/9/2018	14806	Babcock & Sons	Labs for Water and Sewer	1,647.50
5/9/2018	14807	Central Communications	Monthly Answering Service	110.50
5/9/2018	14808	Idyllwild Town Crier	Legal Ad in Paper for Public Hearing	42.00
5/9/2018	14809	Idyllwild Water District	To be Deposited at Hemet Bank for Payroll	25,000.00
5/9/2018	14810	NAPA Auto Parts	Parts for Fleet Vehicles	391.05
5/9/2018	14811	Northern Safety & Industrial	Safety Equipment and tools for Water Dept	609.85
5/9/2018	14812	Ponton Industries, Inc.	Long Life Battery for Lily Creek Measuring device	1,523.59
5/9/2018	14813	Sandlin & Son	Tool rental for airline video inspection	50.00
5/9/2018	14814	Thomas Gray & Associates, Inc	Radioactive resin disposal from Fern Valley 1A	17,750.00
5/9/2018	14815	Dig Alert	Monthly Service Fee and 32 new tickets	62.80
5/9/2018	14816	USA Bluebook	Supplies for Sewer	511.91
5/9/2018	14817	Tyler Puckett	Reimbursement for Work Boots	150.00
5/16/2018	14818	Arrow Printing	Prop 218 Mailing and Postage	1333.59
5/16/2018	14819	CR&R Inc.	Monthly Trash Service	243.05
5/16/2018	14820	Evoqua Water Technologies LLC	Uranium Removal for Fern Valley 1A	15,393.23
5/16/2018	14821	Idyllwild Automotive	Replace Heater Core and Shift Tube on Unit #6	522.96
5/16/2018	14822	InfoSend, Inc	Postage and Mailing for Bills sent 04/04/18	945.89
5/16/2018	14823	Lee Arnson	Survey for Easement for Pipeline	1,075.00
5/16/2018	14824	SCE	Monthly Charge for Electricity	529.43
5/16/2018	14825	Erica Gonzales	Reimburse Cash Drawer	132.86
5/16/2018	14826	Gallade Chemical	Supplies for Water	980.66
5/16/2018	14827	T-Mobile	Monthly charge for Solar Panels	20.00

5/16/2018	14828	Arrow Printing	Fee for Workshop and Vacancy notice	1,189.50
5/23/2018	14829	ACWA/JPIA	Medical Insurance for June 2018	17,750.70
5/23/2018	14830	Aleshire & Wyinder	Legal Fees	5,678.71
5/23/2018	14831	Allstate Benefits	Monthly Life Insurance Payment for Employees	473.77
5/23/2018	14832	Dillon Pulatie	Boot Reimbursement	139.60
5/23/2018	14833	Forest Lumber	Supplies for Water and Sewer	879.44
5/23/2018	14834	Idyllwild Water District	To be Deposited at Hemet Bank for Payroll	35,000.00
5/23/2018	14835	InfoSend, Inc	Postage and Mailing for Bills sent 12/04/17	949.60
5/23/2018	14836	Staples Credit	Office Supplies	828.12
5/23/2018	14837	Spectrum Business	Monthly Charge for Internet and Phone at Office	369.36
5/23/2018	14838	Tyler Technologies	Annual Maintenance Fees for 6/1/2018 through 5/31/19	823.00
5/23/2018	14839	Pine Cove Water District	Electricity Charge for Dutch Flat Well for 2017-2018	140.78

TOTAL DISTRICT WARRANTS \$183,094.15

OTHER DISBURSEMENTS:

GROSS PAYROLL	56,873.19
NET PAYROLL CHECKS-DIRECT DEPOSIT	39,978.65
FEDERAL PAYROLL TAXES-ELECTRONIC TRANSFERS	12,965.60
STATE PAYROLL TAXES-ELECTRONIC TRANSFERS	4,872.94
L.A.I.F. ELECTRONIC TRANSFERS	0.00
BANK SERVICE CHARGES AND FEES	0.00

TOTAL DISTRICT WARRANTS & OTHER DISBURSEMENTS \$239,967.34

## Operations Report for May 2018

Currently – No Stage

Production – May 1,094,581 c.f., 183.4 avg. gpm

Foster Lake level – 9.5 in-

Water and Sewer installations - 0

Leaks -0-

Mainline -0-/Unmetered -0/Metered -0

May Water Loss = 10.12%-- 6.2% Y.T.D.

Production

Drinking water storage- 3.43 MG

14 wells available/7 utilized/2 Full Time/5 Part Time

Wastewater Treatment Plant

May 2018-Average daily flow 90,799 gpd/Average weekend flow 104,190 gpd

May 2017-Average daily flow 110,887 gpd/Average weekend flow 125,420 gpd

Precipitation

May 2018 – 0.42” Y.T.D. – 7.41” May 2017 – 0.0” Y.T.D. 2017 – 27.76”

Diversion -34,000 CF-

### STATIC WELL LEVELS

	<b>APRIL 2018</b>	<b>MAY 2018</b>	<b>MAY 2017</b>	<b>MAY 2016</b>
<b>Foster Lake (Average 3 wells)</b>	11.6’ Static	16’ Static	0’ Static	32’ Static
<b>Well # 26 (Nature Center)</b>	40’ Static	40’ Static	49’ Static	88’ Static
<b>Well # 27 (Nature Center)</b>	40’ Static	40’ Static	42’ Static	84’ Static
<b>Well #28 (Rockdale)</b>	120’ Static	120’ Static	117’ Static	141’ Static
<b>Downtown Wells* #23 &amp; #24</b>	9’ Static 18’ Static	8’ Static 18’ Static	210’ Pumping 23’ Static	13’ Static
<b>FV1A</b>	2’ Static	364’ Pumping	329’ Pumping	385’ Pumping
<b>FV2</b>	308’ Pumping	319’ Pumping	307’ Pumping	290’ Pumping

\*Downtown Wells Static level is an average for 2016. May 2017 and 2018 both well levels are included

IDYLLWILD WATER DISTRICT  
 MONTHLY WATER RE-CAP SUMMARY  
 FOR THE MONTH OF: **MAY**

DATE: **06-04-2018**

IN DISTRICT STORAGE SUPPLY	<u>190,753</u>	C.F.	}	<u>458,637</u> CF
FOSTER LAKE STORAGE SUPPLY	<u>267,884</u>	C.F.		
				TOTAL STORAGE SUPPLY
INCREASE	_____	C.F.		
DECREASE	_____	C.F.		
SUPPLIES TO SYSTEM	<u>1,094,581</u>	C.F.		
I.W.D. FLUSHING	_____	C.F.		
FOSTER LAKE LEVEL	<u>0.80 Ft</u>	MAXIMUM OF 18'		

**STATIC GROUND WATER LEVELS:**

F.L. AREA	<u>16</u>	FEET	Static
F.V. AREA:			
F.V.1A	<u>364</u>	FEET	Pumping
F.V.#2	<u>319</u>	FEET	Pumping
CREEK AREA	<u>23- 8'</u>	FEET	24- 18' Static
WELL #26	<u>40</u>	FEET	Static
WELL #27	<u>40</u>	FEET	Static

STORAGE SUPPLIES(MAXIMUM OF 3.702 MILLION GALLONS) 92 %

MAINLINE LEAK REPAIRS \_\_\_\_\_

STRAWBERRY CREEK DIVERSION	<u>34,000</u>	C.F.	<u>.78</u>	A.F.
FERN VALLEY 1A WELL	<u>258,850</u>	C.F.	<u>5.9</u>	A.F.
STRATTON WELL #23 DRAW			<u>2.7</u>	A.F.
OAKWOOD WELL DRAW(PRIVATE)			<u>0</u>	A.F.
WELL #26 (COUNTY OF RIVERSIDE)			<u>0</u>	A.F.
WELL #27 (COUNTY OF RIVERSIDE)			<u>0</u>	A.F.

**COMMENTS:**

	LEVEL	VOLUME
SOUTHRIDGE TANKS (3,509 CF/FOOT)	<u>19.4</u>	<u>68,074</u> CF
GOLDEN ROD TANK (891 CF/FOOT)	<u>22.0</u>	<u>19,602</u> CF
WILDWOOD TANK (919 CF/FOOT)	<u>13.1</u>	<u>12,038</u> CF
ROCKDALE TANK (2,718 CF/FOOT)	<u>24.1</u>	<u>65,503</u> CF
FOSTER LAKE TANKS (11,698 CF/FOOT)	<u>22.9</u>	<u>267,884</u> CF
SEWER PLANT USAGE		
DELANO TANK (1,337 CF/FOOT)	<u>19.1</u>	<u>25,536</u> CF
HYDRANT SALES IN CUBIC FEET		



Idyllwild Water District Well Production Data

Month: May Year: 2018

Date: 06-04-2018

	Well Name	#	Acre Feet	Cubic Feet	PT/FT	Status	GPM
1	Horizontal	1	0			OFF	10
2	Foster Lake	2	13.8	569,150	FT	ON	96
3	Foster Lake	4	0				
4	Foster Lake	5				OUT OF SERVICE	No Water
5	Foster Lake	8				OUT OF SERVICE	
6	Foster Lake	9				OUT OF SERVICE	
7	Foster Lake	10	.97	42,460	PT	ON	7.9
8	Foster Lake	11				OUT OF SERVICE	
9	Foster Lake	12				OFF	
10	Foster Lake	13	1.45	63,520	PT	ON	40.5
11	Foster Lake	15				OFF	
12	Foster Lake	16				OFF	Not Hooked Up
13	Nature Ctr	26				OFF	25.6
14	Nature Ctr	27				OFF	No Water
15	Stratton	23	2.70	117,390	PT	ON	42.2
16	Curtis	24				OFF	
17	Donahoo	25				OFF	
18	Golden Rod		.49	21,270	PT	ON	17.4
19	Fern Valley	1A	5.9	258,850	FT	ON	42.6
20	Fern Valley	2	3.9	171,881	PT	ON	36.1
21	Rockdale	28				OFF	
22	Dutch Flats	1				OUT OF SERVICE	No Pump
23	Dutch Flats	2				OFF	
24	Dutch Flats	3				OUT OF SERVICE	

Total Cubic Feet: 1,224,521 CF

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Cedar Glen 4" Meter                      525,190 CF                      12.0 AF  
1,094,581 CF  
**Supplies to System**

In District Production                      569,391 CF                      13.0 AF  
 Wells 13-19

25 AF  
**Total AF**

Production Days 31  
 Minutes                      44,640                      183.4 GPM

MONTHLY RE-CAP

(General Manager copy)

MONTH MAY YEAR 2018 DATE 06-04-18 INIT JJ

Production days 31

Avg. GPM production 183.4

Total number of sources available 14

Total number of sources used 7 Full Time 2 Part Time 5

Sources used, Well No's. 2, 10, 13, 23, FV1A, FV2, Golden Rod

Total GPM available 333 ( $\pm$ ) 15 GPM

Total supplies to system 1,094,581 CF 25 AF

Hydrant water sales \_\_\_\_\_ CF

Potable water in storage 3.43 MG (3.7 MG max) 92 %

Foster Lake level 0.80 Feet

Strawberry Creek diversion draw 0.78 AF

Fern Valley 1-A pumped to Lake \_\_\_\_\_ AF

Distribution system flushing including fire dept. use 0 CF

Static water levels:

Foster Lake area 16 ft

Fern Valley Area: F.V.1A 364 ft pL F.V. #2 319 ft pL

Creek area 23- 8 ft st, 24- 18 ft st

Well #26 40 ft st

Well #27 40 ft st

Notes: Well #28- 120 ft Static

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# Memo

**To: Board of Directors**

**From: General Manager**

**Date: June 20, 2018**

**Subject: ITEM #2 - CONSIDER FILLING A VACANCY ON THE BOARD OF DIRECTORS**

## Recommendation

Appoint a qualified candidate to fill the current vacancy on the Board of Directors.

## Background

As a result of the resignation of Catherine Dearing, the Idyllwild Water District Board of Directors has a vacancy.

State law provides the District with several options for filling the vacancies:

- The remaining Board members may appoint qualified applicants to the position;
- The Board can call a special election to fill the positions; or
- The Board can default to the Board of Supervisors of Riverside County to appoint a qualified applicant to the position.

The Board, at its May 16, 2018 Regular Meeting, chose to appoint a qualified candidate as the most expeditious and fiscally prudent option.

The appointed board member will be required to stand for election at the next regularly scheduled election in August 2020 if they desire to continue on the Board.

Two residents have submitted a letter of interest for the vacant position:

Leslie Gin

Susan Nash

Each interested resident will have a 3-minute opportunity to address the Board of Directors at the meeting prior to the Board decision process.

Attachments: Information submitted by the candidate

Leslie M. Gin

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**Idyllwild Water District**

25945 Highway 243  
Idyllwild, CA 92549

**RE: Open Board Position**

To Whom it May Concern,

I would like to be considered a candidate for the Idyllwild Water District Board vacant seat. I bring with me 40+ years of executive financial management experience and have sat on numerous public foundation boards in Phoenix and Tucson AZ; namely Dignity Health [formerly St. Josephs Hospital] for 10 years and Maricopa County Community College for 2/4 year terms.

I bring to the Idyllwild Water District a body of experience including budgeting and efficiency in cash management due to 40 years of executive financial management experience in banking. I have also succeeded in achieving consensus between multiple parties by employing conflict resolution skills which include active listening.

My community service contributions include an array of community organizations. In addition to building community I have acted as a liaison between underserved and overserved groups.

I've lived in Idyllwild for more than 18 months and would appreciate an opportunity to serve the water district. Please find my resume attached.

Sincerely,



Les Gin

6-4-2018

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# *Leslie M. Gin*

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## Summary

- *Executive Banking professional with 38 years' experience with small business and commercial retail bank management.*
- *Founding President of the first Asian Bank in Arizona.*
- *Fiscally responsible for mortgage loans, small business commercial loans, deposit growth, home equity lines of credit, SBA loans, merchant services and wealth management.*
- *Real Estate sales residential, commercial and un-improved land.*
- *Series 6 & 63 investment licenses and Annuities License*

## Professional History

### **2009-2012 Comerica Bank, Scottsdale, AZ**

Deposit and loan consultant — specializing in home equity lines of credit and business development. Assisted in attainment of branch goals; mentored, trained and developed new personal bankers.

- **Met 400% of goal attainment for deposits and 120% of goal for home equity lines of credit in**

### **2012. 2003-2008 The Asian Bank of AZ, Phoenix, AZ**

Founder, President and CEO - This community bank was located in the Chinese Cultural Center, on target to attain \$20m in deposits by 2010, \$10m in small business loans, on a pace of \$5m/annum in home mortgages and SBA loans valued at \$10m. The parent bank was Capitol Bank Corp, Detroit, MI. Asian Bank operations were directly impacted by economic downturn and deposits were consolidated into Sunrise Bank of AZ currently part of First Fidelity Bank.

### **1998-2003 Wells Fargo Bank of AZ, Tucson AZ**

Vice-President, Branch and Manager, Sunrise and Swan Rd Banking Center. Responsible for deposits of \$400m, \$200m in commercial loans, \$20m in mortgage originations/annum, \$10m in SBA loans/annum, an investment portfolio totaling \$50m requiring securities and insurance licenses, responsible for all aspects of operations.

- **Consistently meeting and exceeding branch goals.**

### **1978-1997 JP Morgan Chase, Tucson, AZ**

Assistant Vice-President and Manager Camino Seco & Broadway Banking Center. Responsible for deposits of \$150m, \$10m in commercial loans, \$5m in mortgage originations/annum, \$15m in SBA loans/annum, an investment portfolio totaling \$25m requiring securities and insurance licenses, responsible for all aspects of operations.

- **Consistently meeting and exceeding branch goals.**

## **Leslie M. Gin**

### *Education*

**1969-1971**      **Pima Community College** — Engineering and Business Administration  
**1970-1972**      **University of Arizona** - Civil Engineering and Business Administration  
**1972-1974**      **Point Loma University** — Business Administration, Finance and Real-estate — Graduate BA

### *Boards and Commissions*

#### **Tucson, AZ**

**Metropolitan Education Commission** — Commissioner, representing the Asian Community 10 years  
**Pima Prevention Partnership** — Board member, 20 years to present  
**Arizona Collegiate High School** — Governing school board member 10 years to present  
**Pima Community College Bond Oversight Committee** — Member 4 years  
**Multi Leadership Development Alliance** — Board member 4 years  
**Fiesta Bowl Committee, College Basketball** — Board member 6 years  
**Tucson Chinese Association** — Board Member 15 years  
**Asian American Faculty Staff and Alumni Association, U of A** — Board member 10 years

#### **Phoenix, AZ**

**St Joseph's Hospital Foundation Board [aka Dignity Health]** — Board Member 12 years to present  
**Maricopa College Foundation Board** — Board Member 10 years  
**Phoenix Rotary 100** — Member 6 years  
**Asian Pacific Community in Action** — Board Member 12 years  
**Chinese American Citizens Alliance** — Vice President 12 years  
**Phoenix Chinese Week** — Vice President 8 years  
**Filipino Chamber of Commerce of AZ [PACAI]** — Board member 12 years  
**Japanese American Citizens League** — Member at large 10 years  
**Arizona Asian Chamber of Commerce** — Treasurer 20 years

### *Community*

**Phoenix Rotary 100 Phoenix Country Club** — Member 6 years  
**Arizona Asian American Association** — Part time Festival cashier  
**Japanese American Summer Bowling League** — Bowler  
**Chicano Por La Causa** — **Golf Tournament** - Hospitality coordinator  
**Victoria Foundation** — **Golf Tournament** — Hospitality coordinator, Red Chili Tamale Fest, And Green Chili Roaster

### *Outreach*

**1982-present**    **Founder, Pan Asian Community Alliance**

**This organization was created to unite Asian Communities in Tucson, AZ, namely the Chinese, Filipino, Korean, Vietnamese, Thai, Indian, Japanese, Taiwanese, Sri Lankan and many more. I organized the community to fund and built PACA cultural center in 1983; the organization remains active in the Tucson community to this day.**

Susan Nash

June 11, 2018

Board of Directors  
Idyllwild Water District  
25945 Hwy 243  
P.O. Box 397  
Idyllwild CA 92549

Idyllwild Water District Board of Directors:

I am very interested in being appointed to the Board of Directors of the Idyllwild Water District.

I will first work to ensure that all rate increases (water, sewer, and drought) fully comply with Proposition 218 and that a separate protest ballot for each of the three rate increases is sent to each eligible voter.

I will secondly work to ensure that a public information meeting is held on the Strawberry Creek litigation. My review of the documents shows that even if the State gives IWD all that it asks for, it may still not be enough water to meet our demand. What does this mean?

I will thirdly begin to attend joint meetings with LAFCO [Local Agency Formation Commission] and willing members from the Pine Cove and Fern Valley water districts to discuss the formation of a new Water and Sewer District.

The Idyllwild Watershed is facing numerous, often conflicting, demands on our limited water supply and sewer capacity. Human-induced Climate Change and the increasing severity and duration of drought in our watershed is real. The increased water and sewer demands from growth are real. Rather than spending any money on working towards Consolidation with Pine Cove and Fern Valley Water Districts, we are spending hundreds of thousands of dollars on



attorney fees on seemingly fruitless litigation over water rights to Strawberry and other adjacent creeks.

**WE ARE ONE WATERSHED AND SHOULD BE WORKING ON THE GOAL OF SUSTAINIBILITY FOR THE ENTIRE WATERSHED COMMUNITY TOGETHER.**

As a Board member I will work to make certain that all of the District's discretionary decisions are only discussed at our regularly scheduled monthly Board meetings, an audio of which shall be archived online. I will insist that the Board at the monthly meetings shall first approve discretionary actions taken by staff. Closed sessions shall be strictly limited to issues stated in the Brown Act and Special Meetings shall be reserved for one-item emergencies only.

I will insist that all procedural & substantive laws and regulations are strictly enforced. This includes but is not limited to the Brown Act, the Public Records Act, the California Environmental Quality Act, Forest Service permits and regulations, the Santa Ana Regional Quality Control Board regulations.

I will seek to get to the bottom of why we cannot attract and keep employees who want to live on the Hill and stay with our district.

I am committed to working with Fern Valley and Pine Cove Water Districts. I will request quarterly meetings to work together to sustain the interconnected water systems in our mountain watershed.

## EDUCATIONAL HISTORY

1963- High School

1967 BS English Education

1973 Masters English Education

1978 Special Education Credential

1985 Law degree, admitted to CA Bar

## EMPLOYMENT HISTORY

1967-1968 English teacher (9-12)

1978-1980 Special Education teacher

1985-1987 Staff Attorney, California Court of Appeal, 4th district, div. 2.

1987-2002 Deputy County Counsel, San Bernardino County

2002 - present Private Environmental Law Practice

Sincerely,

Susan Nash

# Memo

**To: Board of Directors**

**From: General Manager**

**Date: June 20, 2018**

**Subject: ITEM #3 – Public Hearing on Water and Sewer Rates**

Recommendation: That the Idyllwild Water District Board of Directors hold a public hearing to receive public input relative to the imposition of water and sewer rates to sustain the operation of the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area).

Background: At the April 18, 2018 Regular Board meeting the Idyllwild Water District Board of Directors set June 20, 2018 at 6:00 pm as the time for a public hearing relative to the revised water and sewer rates for services provided within the Water Service area and Improvement District No. 1 (Sewer Service Area).

# Memo

**To: Board of Directors**

**From: General Manager**

**Date: June 20, 2017**

**Subject: ITEM #4 – Adopt Resolution #753 Establishing Revised Water Rates, Fees and Charges**

Recommendation: That the Idyllwild Water District Board of Directors adopt Resolution #753 establishing revised water fees and charges to sustain the operation of the Idyllwild Water District (water service area) in a fair and supportable manner.

Background: At the April 18, 2018 Regular Board meeting the Idyllwild Water District Board of Directors set June 20, 2017 at 6:00 pm as the time for a public hearing relative to the revised rates, fees and charges for services provided within the Water Service area.

This year, the District engaged NBS Financial to perform a Rate Study and develop a rate structure that would provide sustainable revenue for the District over the next 5-years (through FY 2022-23) and be compliant with the legislative and judicial interpretations of Proposition 218.

The proposed revised water rate structure changes almost every aspect of the water rates and results in almost meaningless comparisons with previous rates. The overall intended result is to increase water revenue by 5% each year over the 5-year period

and to change the amount of fixed revenue generated from 50% in year one (fixed revenue is only 40% of total revenue in the current rate structure) to 60% in year five.

Staff have posted all of the relevant supporting materials on the District website ([www.idyllwildwater.com](http://www.idyllwildwater.com)) to minimize waste.

Attached is the summary of the old and new rates provided to ratepayers in the Proposition 218 Notice, a comparison of Idyllwild Water District rates with the adjacent San Jacinto Mountain water agency rates and Resolution #753.

#### Attachments

Summary of Rates

Rate Comparison

Resolution No. 753

## Water Rate Schedule

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Monthly Fixed Service Charges:</b>						
<i>Single Family Residential</i>						
5/8 inch	\$29.70	\$28.13	\$30.92	\$33.92	\$37.13	\$40.59
3/4 inch	\$40.35	\$41.25	\$45.39	\$49.83	\$54.60	\$59.73
1 inch	\$61.25	\$67.49	\$74.31	\$81.65	\$89.54	\$98.01
<i>All Other Customers:</i>						
5/8 inch	\$20.90	\$28.13	\$30.92	\$33.92	\$37.13	\$40.59
3/4 inch	\$31.35	\$41.25	\$45.39	\$49.83	\$54.60	\$59.73
1 inch	\$52.25	\$67.49	\$74.31	\$81.65	\$89.54	\$98.01
1 1/2 inch	\$104.50	\$133.08	\$146.64	\$161.22	\$176.89	\$193.72
2 inch	\$167.20	\$211.79	\$233.42	\$256.69	\$281.70	\$308.57
3 inch	\$313.50	\$421.68	\$464.85	\$511.29	\$561.21	\$614.84
<i>Idyllwild Arts Academy</i>						
3 inch	\$313.50	\$4,248.35	\$4,844.19	\$5,488.99	\$6,186.16	\$6,939.33
<i>Fire Service Charges:</i>						
2 inch	--	\$7.18	\$7.54	\$7.92	\$8.31	\$8.73
3 inch	--	\$13.45	\$14.12	\$14.83	\$15.57	\$16.35
4 inch	--	\$25.00	\$26.25	\$27.56	\$28.94	\$30.39
<b>Commodity Charges</b>						
<b>Rate per cf of water consumed:</b>						
<i>Uniform Potable Rate (Commercial)</i>						
	--	\$0.0759	\$0.0757	\$0.0752	\$0.0744	\$0.0735
<i>Tiered Rate (SFR Customers)</i>						
Tier 1	300 cf 450 cf	\$0.0000	\$0.0192	\$0.0202	\$0.0212	\$0.0234
Tier 2	600 cf 900 cf	\$0.0633	\$0.1307	\$0.1292	\$0.1273	\$0.1218
Tier 3	1500 cf 900+ cf	\$0.1000	\$0.1598	\$0.1577	\$0.1550	\$0.1475
Tier 4	1500+ cf --	\$0.1000	N/A	N/A	N/A	N/A

## Sewer Rate Schedule

Sewer Rate Schedule	Current Rates	Proposed Rates				
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<i>Projected Increase in Rate Revenue per Financial Plan:</i>						
		5.00%	2.50%	2.50%	2.50%	2.50%
<b>Monthly Fixed Service Charges:</b>						
Monthly Fixed EDU Charge	\$38.25	\$40.00	\$41.00	\$42.05	\$43.10	\$44.20





# IDYLLWILD WATER DISTRICT

Final Report

Water and Sewer  
Rate Study

June 2018

**OFFICE LOCATIONS:**

**Temecula – Corporate Headquarters**  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592

**San Francisco – Regional Office**  
870 Market Street, Suite 1223  
San Francisco, CA 94102

**California Satellite Offices**  
Atascadero, Davis  
Huntington Beach,  
Joshua Tree, Riverside  
Sacramento, San Jose

[www.nbsgov.com](http://www.nbsgov.com)

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# Section 1. PURPOSE AND OVERVIEW OF THE STUDY

## A. Purpose

The Idyllwild Water District (District) retained NBS to conduct a comprehensive water and sewer rate study for a number of reasons, including meeting revenue requirements, providing greater financial stability for the water enterprise in particular, and complying with certain legal requirements (such as California Constitution article XIII D, section 6, which is commonly referred to as Proposition 218 [Prop 218]). The rates resulting from this study were developed in a manner that is consistent with industry standard cost of service principles. In addition to documenting the rate study methodology, this report is provided with the intent of assisting the District to maintain transparent communications with its residents and businesses.

In developing new water and sewer rates, NBS worked cooperatively with District staff and the District’s Board of Directors (Board), in selecting appropriate rate alternatives. Based on input from District staff and the Board, the proposed rates are summarized in this report.

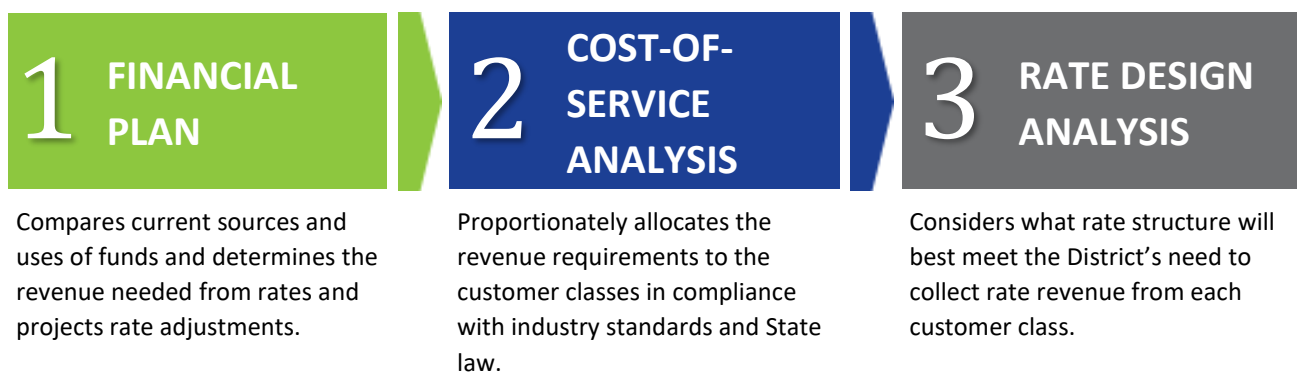
Rate increases are needed for both the water and sewer utilities in order to fund necessary capital improvements. The District also needs cash available to take advantage of capital improvement opportunities. For example, CalTrans is currently planning to do road work in the service area, and the District is using this opportunity to replace part of the water main beneath the road. Doing this project at this time allows the District to avoid paying for street resurfacing later.

## B. Overview of the Study

Comprehensive rate studies such as this one typically include the following three components, as outlined in **Figure 1**:

1. Preparation of a **Financial Plan**, which identifies the net revenue requirements for the utility.
2. **Cost of Service Analysis** determines the cost of providing service to each customer class.
3. **Rate Design Analysis** evaluates various rate design alternatives.

**Figure 1. Primary Components of a Rate Study**



These steps are intended to follow industry standards and reflect the fundamental principles of cost-of-service ratemaking embodied in the American Water Works Association (AWWA) Principles of Water Rates,

Fees, and Charges<sup>1</sup>, also referred to as the M1 Manual. They also address requirements under Proposition 218 that rates not exceed the cost of providing the service, and that they be proportionate to the cost of providing service to all customers. In terms of the chronology of the study, these three steps represent the order they were performed in this Study. Detailed tables and figures documenting the development of the proposed rates are provided in the Appendices.

## FINANCIAL PLAN

As a part of this rate study, NBS projected revenues and expenditures on a cash flow basis for the next twenty years. The amount of rate revenue required, that will allow reserves to be maintained at the recommended levels, is known as the **net revenue requirement**. As current rate revenue falls short of the net revenue requirement, rate adjustments - or more accurately, adjustments in the total revenue collected from rates for both utilities - are recommended. This report presents an overview of the methodologies, assumptions, and data used, along with the financial plans and proposed rates developed in this study<sup>2</sup>.

For the Sewer utility, staff determined that the current cost allocations and rate design were adequate; therefore, only completed the Financial Plan analysis for this utility.

## WATER COST OF SERVICE ANALYSIS

Once the net revenue requirements are determined, the cost of service analysis proportionately distributes those revenue requirements to each of the customer classes. The cost of service analysis consists of two major components: (1) the classification of expenses, and (2) the allocation of costs to customer classes. Costs were classified, using the commodity-demand method which is found in the AWWA M1 Manual, corresponding to the function they serve. All costs in the District's budget are allocated to each component of the rates in proportion to the level of service required by customers. The levels of service are related to volumes of peak and non-peak demand, infrastructure capacity, and customer service. These are based on allocation factors, such as water consumption, peaking factors, and number of accounts by meter size. Ultimately, a cost-of-service analysis is intended to result in rates that are proportional to the cost of providing service to each customer.

## WATER RATE DESIGN ANALYSIS

Rate Design is typically the stage in the study where NBS, staff and the Board must work closely together, to develop rate alternatives that will meet the District's objectives. It is important for the water utility to send proper price signals to its customers about the actual cost of their water usage. This objective is typically addressed through both the magnitude of the rates, and the rate structure design. In other words, both the amount of revenue collected, and the way in which the revenue is collected from customers are important.

Several criteria are typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been documented in a number of rate-setting manuals, such as the AWWA Manual M1. The foundation for evaluating rate structures is generally credited to James C. Bonbright in the *Principles of Public Utility Rates*<sup>3</sup>, which outlines pricing policies, theories, and economic

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<sup>1</sup> *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017.*

<sup>2</sup> *The complete financial plan for each utility is set forth in the Appendices.*

<sup>3</sup> *James C. Bonbright; Albert L. Danielsen and David R. Kamerschen, Principles of Public Utility Rates, (Arlington, VA: Public Utilities Report, Inc., Second Edition, 1988), p. 383-384.*

concepts along with various rate designs. The following is a simplified list of the attributes of a sound structure:

- Rates should be easy to understand from the customer’s perspective.
- Rates should be easy to administer from the utility’s perspective.
- Rates should promote the efficient allocation of the resource.
- Rates should be equitable and non-discriminating (that is, cost based).
- There should be continuity in the ratemaking philosophy over time.
- Rates should address other utility policies (for example, encouraging conservation & economic development).
- Rates should provide month-to-month and year-to-year revenue stability.

The following are the basic rate design criteria that were considered in this study:

**Rate Structure Basics** –The vast majority of rate structures contain a fixed or minimum charge in combination with a volumetric charge. The revenue requirements for each customer class are collected from both fixed monthly meter charges and variable commodity charges. Based on direction from the Board, the rates proposed in this study are designed to collect 50 percent of rate revenue from the fixed meter charges in the first year, and escalate to 60 percent of rate revenue in the fifth year. Variable commodity charges will collect the difference, and will transition from being 50 percent of rate revenue in the first year to 40 percent of rate revenue in the fifth year.

**Fixed Charges** – Fixed charges can be called base charges, minimum monthly charges, customer charges, fixed meter charges, etc. The fixed meter charges recognize that the Water utility incurs fixed costs regardless of whether customers actually use water. The charges typically have two components, one that reflects capacity costs that are scaled based on hydraulic capacity of each size meter connected to the water system, and a second component that represents customer related costs that does not vary by meter size and is based on the number of bills sent to customers.

**Variable Commodity (Consumption-Based) Charges** – In contrast to fixed charges, variable costs such as water supply, the cost of electricity used in pumping water, and the cost of chemicals for treatment tend to change with the quantity of water produced. For a water utility, variable charges are generally based on metered consumption and charged on a dollar-per-unit cost (for example, per 100 cubic feet, or hcf).

**Uniform (Single-Tier) Water Charges** – There are significant variations in the basic philosophy of variable charge rate structure alternatives. Under a uniform (single tier) rate structure, the cost per unit does not change with consumption, and provides a simple and straightforward approach from the perspective of customers regarding their understanding of the rates, and for the utility’s administration and billing of the rates.

**Multi-Tiered Water Rates** – In contrast to a uniform tier, an inclining block rate structure attempts to send a price signal to customers that their consumption costs more as more water is consumed, and is generally considered to be a more conservation-oriented rate structure. Tiered water rates are encouraged by state law and regulatory mandates, but are also intended to represent the higher costs for customers that

contribute more to peak summertime usage and place greater demands on the system. The San Juan Capistrano ruling<sup>4</sup> placed requirements and guidelines on how Tired Rates must be developed.

## **DROUGHT AND WATER CONSERVATION**

On January 17, 2014, Governor Jerry Brown declared a State of Emergency throughout California due to severe drought conditions. On April 1, 2015, the Governor issued Executive Order B-29-15 mandating statewide water conservation of 25 percent. The specific conservation mandate for each community in California varied from 4 to 36 percent. Due to the District's small customer base, the District was excluded from the conservation requirement, however the District suffers from a source of supply that is susceptible to drought and has no external resources. Thus, conservation is necessary for the District to maintain adequate supply.

Water consumption has an impact on both revenue and expenses. For this analysis, consumption from calendar year 2017 is used as the baseline<sup>5</sup> as it is assumed to be the "new normal," with approximately 9,344,193 cubic feet (cf) or nearly seventy million gallons of billable water consumed. No increase in consumption beyond expected customer growth is assumed for the five-year rate period.

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<sup>4</sup> *Capistrano Taxpayers Association, Inc. vs City of San Juan Capistrano (Superior Court of California, County of Orange, 2015.)*

<sup>5</sup> *Consumption for Idyllwild Arts Academy adjusted given recent leak fixes.*

## Section 2. WATER RATE STUDY

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### A. Key Water Rate Study Issues

The District's water rate analysis was undertaken with a few specific objectives, including:

- Avoiding operational deficits and further depletion of reserves.
- Improving revenue stability.
- Generating additional revenue needed to meet projected funding requirements, including capital improvement program costs.
- Continuing to encourage water conservation with a tiered rate structure.

NBS developed various water rate alternatives as requested by District staff and the Board over the course of this Study. All rate structure alternatives relied on industry standards and cost-of-service principles. The rate alternative that will be implemented, is ultimately the decision of the Board. The fixed and volumetric charges were calculated based on the net revenue requirements, number of customer accounts (by customer class and meter size), water consumption, and other District-provided information.

### B. Financial Plan

It is important for municipal utilities to maintain reasonable reserves in order to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate adjustments are governed by the need to meet operating and capital costs, maintain adequate debt coverage, and build reasonable reserve funds. The current state of the District, with regard to these objectives, is as follows.

**Net Revenue Requirements:** For FY 2017/18 through FY 2021/22, the projected net revenue requirement (that is, total annual expenses plus debt service and rate-funded capital costs, less non-rate revenues) for the District is approximately \$1.5 million, annually. If no rate adjustments are implemented, the District is projected to average a \$170,000 deficit each year.

**Building and Maintaining Reserve Funds:** Reserve funds provide a basis for a utility to cope with fiscal emergencies such as revenue shortfalls, asset failure, natural disasters, among other events. Reserve policies provide guidelines for sound financial management, with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and emergencies. The District plans to reach the proposed reserve target by the end of FY 2022/23, one year following the end of the proposed rate plan developed in this Study. The reserve funds for the Water utility are considered unrestricted reserves and consist of the following:

- **The Operating Reserve** has been set by the Board to be \$500,000, which is approximately 35 to 42 percent of annual operating expenses for the next five years. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Fluctuations in revenue can be caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (such as volumetric charges), and – particularly in periods of economic distress – changes or trends in age of receivables.

- **The Emergency Reserve** has been set by the Board to be \$350,000, which is approximately 25 to 30 percent of annual operating expenses for the next five years. This reserve is set aside to address unexpected revenue shortfalls.
- **The Capital Rehabilitation and Replacement Reserve** has been set by the Board to be \$1,000,000, which is approximately 24 percent of net asset value for the water utility. This reserve is set aside to address long-term capital system replacement and rehabilitation needs.
- **The Vehicle and Equipment Replacement Reserve** has been set by the Board to be \$500,000, which is approximately 12 percent of net asset value for the water utility. This reserve is set aside to address vehicle and equipment needs.
- **The Vacation/Sick/Annual Leave Reserve** has been set by the Board to be \$75,000, which is set aside to address the accumulated leave liability.
- **The OPEB Liability Reserve** has been set by the Board to be \$675,000, which is set aside to address future other employment benefits, namely healthcare costs of retirees.

**Funding Capital Improvement Projects:** The District must also be able to fund necessary capital improvements in order to maintain current service levels. District staff has identified \$700,000 in capital expenditures in FY 2018/19 and \$400,000 annually for FY 2019/20 through 2022/23.

**Inflation and Growth Projections** – Assumptions regarding cost inflation were made in order to project future revenues and expenses for the study period. The following inflation factors were used in the analysis:

- Customer growth is expected to be 0.5 percent annually.
- General cost inflation is 2.5 percent annually.
- Salary cost inflation is 5 percent annually.
- Benefits cost inflation is 5 percent annually.
- Energy cost inflation is 2.5 percent annually.
- Chemicals cost inflation is 2.5 percent annually.
- Fuel cost inflation is 2.5 percent annually.
- Tax inflation is 1.5 percent annually.
- Standby Revenue is reduced at 3 percent annually.

**Effective Date of Rate Adjustments:** The financial plan modelling assumes that rate adjustments occur on the July bill<sup>6</sup> of each year.

Rate revenue adjustments of 5 percent from FY 2018/19 through 2022/23, will be needed in order to fully fund all operating expenses, planned capital projects, and build reserves to the recommended targets by FY 2022/23. **Figure 2** summarizes the sources and uses of funds, net revenue requirements, and the recommended annual percent adjustments in total rate revenue recommended for the next five-years for the District.

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<sup>6</sup> The first rate adjustment is scheduled for July 1, 2018 followed by each July 1st thereafter.

**Figure 2. Summary of Water Revenue Requirements**

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget		Projected			
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Sources of Water Funds</b>						
Rate Revenue Under Prevailing Rates	\$ 1,272,297	\$ 1,278,658	\$ 1,285,052	\$ 1,291,477	\$ 1,297,934	\$ 1,304,424
Non-Rate Revenues	314,712	318,322	322,012	325,783	329,635	333,569
Interest Earnings	3,000	8,185	10,708	13,972	14,711	20,980
<b>Total Sources of Funds</b>	<b>\$ 1,590,009</b>	<b>\$ 1,605,165</b>	<b>\$ 1,617,771</b>	<b>\$ 1,631,232</b>	<b>\$ 1,642,281</b>	<b>\$ 1,658,972</b>
<b>Uses of Water Funds</b>						
Operating Expenses	\$ 1,150,562	\$ 1,196,558	\$ 1,246,743	\$ 1,299,196	\$ 1,354,025	\$ 1,411,343
Rate-Funded Capital Expenses	577,000	721,000	424,360	437,091	450,204	463,710
<b>Total Use of Funds</b>	<b>\$ 1,727,562</b>	<b>\$ 1,917,558</b>	<b>\$ 1,671,103</b>	<b>\$ 1,736,287</b>	<b>\$ 1,804,229</b>	<b>\$ 1,875,052</b>
Additional Revenue from Rate Increases	-	63,933	131,718	203,569	279,713	360,388
<b>Surplus (Deficiency) after Rate Increase</b>	<b>\$ (137,553)</b>	<b>\$ (248,459)</b>	<b>\$ 78,386</b>	<b>\$ 98,514</b>	<b>\$ 117,765</b>	<b>\$ 144,308</b>
<b>Projected Annual Rate Revenue Increase</b>	<b>0.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>
<i>Cumulative Increases</i>	0.00%	5.00%	10.25%	15.76%	21.55%	27.63%
<b>Net Revenue Requirement (2)</b>	<b>\$ 1,056,336</b>	<b>\$ 1,093,861</b>	<b>\$ 1,135,143</b>	<b>\$ 1,177,997</b>	<b>\$ 1,222,499</b>	<b>\$ 1,268,726</b>

1. Assumes new rates are implemented July 1, 2018 and July 1 each year thereafter.
2. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from water rates.

**Figure 3** summarizes the projected reserve fund balances and reserve targets. A summary of the utility's proposed five-year financial plan is included in Tables 1 and 2 of Appendix A. The appendix tables include revenue requirements, reserve funds, revenue sources, proposed rate adjustments, and the District's capital improvement program. As can be seen in Figure 3, given proposed rate adjustments, reserves do not quite meet the minimum target by the end of the five-year rate period; however, it is expected that the District will be well positioned to achieve the reserve targets in the following year. It should be noted that Vacation/Sick/Annual Leave and OPEB Liability Reserves are maintained at their current levels (below the target) over the five year rate period. Those reserves are not expected to achieve the target level without additional rate increases beyond the rate period.

**Figure 3. Summary of Reserve Funds**

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget		Projected			
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Reserve</b>						
Ending Balance	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
<i>Recommended Minimum Target</i>	500,000	500,000	500,000	500,000	500,000	500,000
<b>Emergency Reserve</b>						
Ending Balance	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
<i>Recommended Minimum Target</i>	350,000	350,000	350,000	350,000	350,000	350,000
<b>Capital Rehabilitation and Replacement Reserve &amp; Vehicle Replacement Reserve</b>						
Ending Balance	\$ 1,183,045	\$ 934,586	\$ 1,012,972	\$ 1,111,486	\$ 1,229,251	\$ 1,373,559
<i>Recommended Minimum Target</i>	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Total Ending Unrestricted Balance</b>	<b>\$ 2,033,045</b>	<b>\$ 1,784,586</b>	<b>\$ 1,862,972</b>	<b>\$ 1,961,486</b>	<b>\$ 2,079,251</b>	<b>\$ 2,223,559</b>
<b>Vacation/Sick/Annual Leave Liability Reserve</b>						
Ending Balance	\$ 16,878	\$ 16,946	\$ 17,047	\$ 17,175	\$ 17,304	\$ 17,479
<i>Recommended Minimum Target</i>	75,000	75,000	75,000	75,000	75,000	75,000
<b>OPEB Reserve</b>						
Ending Balance	\$ 488,840	\$ 490,808	\$ 493,753	\$ 497,456	\$ 501,187	\$ 506,244
<i>Recommended Minimum Target</i>	675,000	675,000	675,000	675,000	675,000	675,000
<b>Total Ending Balance</b>	<b>\$ 2,538,763</b>	<b>\$ 2,292,340</b>	<b>\$ 2,373,772</b>	<b>\$ 2,476,118</b>	<b>\$ 2,597,742</b>	<b>\$ 2,747,282</b>
<b>Total Recommended Minimum Target</b>	<b>\$ 3,100,000</b>	<b>\$ 3,100,000</b>	<b>\$ 3,100,000</b>	<b>\$ 3,100,000</b>	<b>\$ 3,100,000</b>	<b>\$ 3,100,000</b>



## C. Cost of Service Analysis

### CLASSIFICATION OF COSTS

Most costs are not typically allocated 100 percent to fixed or variable categories and, therefore, are allocated to multiple functions of water service. Costs were classified using the commodity-demand method which is found in the AWWA M1 Manual<sup>7</sup>. In accordance with this method, budgeted costs were “classified” into four categories: commodity, capacity, customer and fire protection. The classification process provides the basis for allocating costs to various customer classes based on the cost causation (classification) components described below:

- **Capacity related costs** are associated with sizing facilities to meet the maximum, or peak demand. This includes both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events.
- **Customer related costs** are associated with having a customer on the water system, such as meter reading, postage and billing.
- **Fire Protection related costs** are associated with providing sufficient capacity in the system for fire meters and other operations and maintenance costs of providing water to properties for private fire service protection.
- **Commodity related costs** are those that change as the volume of water produced and delivered changes. These commonly include the costs of chemicals used in the treatment process, energy related to pumping for transmission and distribution, and source of supply.

The District’s budgeted costs were reviewed and allocated to these cost causation components which are used as the basis for establishing new water rates and translate to fixed and variable charges. Tables 16 through 19 in Appendix A show how the District’s expenses were classified and allocated to these cost causation components. Additionally, each cost causation component is considered fixed or variable, as summarized in **Figure 4**.

**Figure 4. Cost Classification Summary**



Ideally (from a financial stability perspective), utilities should recover all of their fixed costs from fixed charges and all of their variable costs from volumetric charges. When this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable costs. When rates are set in this manner, they provide greater revenue stability for the utility. However, other factors are often

<sup>7</sup> *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017, p. 83.*

considered when designing water rates such as community values, water conservation goals, ease of understanding, and ease of administration.

Based on the District’s projected costs, the Cost of Service Analysis (COSA) resulted in a distribution that is approximately 87 percent fixed and 13 percent variable. The District’s current rate structure collects approximately 40 percent of revenue from fixed charges and 60 percent from variable charges. The Board of Directors tried to meet the dual goals of both revenue stability and easing the impact of rate changes to customers by selecting a rate structure that will collect 50 percent of revenue from fixed charges and 50 percent from volumetric rates for the first year. The rate structure then will transition over the five-year period to collect 60 percent of rate revenue from fixed charges and 40 percent from volumetric rates, in the final year. This is closer to the COSA results and will provide more financial stability for the District. However, a share of the District’s capacity costs will need to be collected from the volumetric rates. Thus, capacity related costs (which are normally considered fixed) will be collected from both fixed and volumetric rates.

**Figure 5** summarizes the allocation of the net revenue requirements to each cost causation component for the first and fifth years in the rate adjustment plan.

**Figure 5. Allocation of Water Revenue Requirements**

Classification Categories	COSA Results		Revenue Target FY 2018/19		Revenue Target FY 2021/22	
	Unadjusted Net Revenue Requirements (2018-19) 87% Fixed / 13% Variable		Adjusted Net Revenue Requirements (2018-19) 50% Fixed / 50% Variable		Adjusted Net Revenue Requirements (2018-19) 60% Fixed / 40% Variable	
<b>Variable Costs:</b>						
Commodity - Related Costs	\$ 179,810	13.4%	\$ 179,810	13.4%	\$ 179,810	13.4%
Capacity - Related Costs (volumetric allocation)	-	0.0%	491,486	36.6%	357,227	26.6%
<b>Sub-Total Variable Costs</b>	<b>\$ 179,810</b>	<b>13.4%</b>	<b>\$ 671,296</b>	<b>50.0%</b>	<b>\$ 537,037</b>	<b>40.0%</b>
<b>Fixed Costs:</b>						
Capacity - Related Costs (fixed allocation)	\$ 1,124,732	83.8%	\$ 633,246	47.2%	\$ 767,506	57.2%
Customer - Related Costs	37,495	2.8%	37,495	2.8%	37,495	2.8%
Fire Protection - Related Costs	554	0.0%	554	0.0%	554	0.0%
<b>Sub-Total Fixed Costs</b>	<b>\$ 1,162,782</b>	<b>86.6%</b>	<b>\$ 671,296</b>	<b>50.0%</b>	<b>\$ 805,555</b>	<b>60.0%</b>
<b>Net Revenue Requirement</b>	<b>\$ 1,342,591</b>	<b>100%</b>	<b>\$ 1,342,591</b>	<b>100%</b>	<b>\$ 1,342,591</b>	<b>100%</b>

## CUSTOMER CLASSES

**Customer classes** are determined by combining customers with similar demand characteristics, types of use and, in this case, a single large customer into categories that reflect the cost differentials to serve each type of customer. This process is limited by the desire to not overcomplicate the District’s rate structure.

For the District, four customer classes were created: single-family residential, non-single family residential, Idyllwild Arts Academy and private fire protection. Single-family residential customers are separated from other customers for the sake of the rate calculation because non-single family residential customers exhibit the following characteristics:

1. Water usage on average per account is greater than single-family residential customers.
2. Water usage varies greatly among these customers based on the specific type of customer and meter size.

Idyllwild Arts Academy was separated into its own class because it represents a significant portion of the District’s system demands, and is unlike any other customer in the service area.

Customer classes are further subdivided by meter size. For single-family residential customers, setting the same fixed rate for all meter sizes was considered in the study; however, as shown in **Figure 6**, consumption for single-family residential customers with different meter sizes (5/8 inch to 1 inch) are sufficiently different. In terms of average consumption and peaking factors, these meters will continue to be charged different fixed rates (based upon meter size), as non-single family residential customers are.

**Figure 6. Single Family Residential Meter Characteristics**

Meter Size	Number of Meters	Average Monthly Consumption (cf) CY 2017	Peak Monthly Consumption (cf) CY 2017	Peaking Factor
5/8 inch	1,428	654	851	1.30
3/4 inch	12	1,182	2,808	2.38
1 inch	24	1,481	3,750	2.53
<b>Total</b>	<b>1,464</b>			

The amount of consumption, peaking factors and the number of meters by size are used in the cost-of-service analysis to allocate costs to customer classes and determine the appropriate rate structures for each. The District’s most recent consumption is summarized in **Figure 7**, peaking factors are shown in **Figure 8** and **Figure 9**, and number of customers by customer class is shown in **Figure 10**.

Commodity related costs are costs associated with the annual water consumption by customer class, as shown in Figure 7. Consumption from Calendar Year 2017 was used as the basis for this analysis, because staff believes it best estimates the expected consumption for FY 2017/18, since customers have increased consumption following recent drought restrictions.

**Figure 7. Water Consumption by Customer Class**

Customer Class	Volume (cf) <sup>1</sup>	Percent of Total Volume
Residential	5,236,816	56.0%
Idyllwild Arts Academy <sup>2</sup>	1,132,136	12.1%
All Other Standard Meters	2,975,241	31.8%
Fire Service	0	0.0%
<b>Total</b>	<b>9,344,193</b>	<b>100.0%</b>

1. Consumption and Meters from source files:  
Billed Consumption Excel Export 2015, 2016, 2017.xlsx
2. Per client phone call March 26, 2018, Idyllwild Arts Academy adjusted given recent leak fixes.

Peaking factors for each customer class are shown in Figure 8. A “peaking factor” is the relationship of each customer class’ average use to peak (which is generally, summer) use.

**Figure 8. Peaking Factors by Customer Class**

Customer Class	Average Monthly Use (cf)	Peak Monthly Use (cf) <sup>1</sup>	Monthly Peaking Factor	Peak Capacity Factor
Residential	436,401	653,548	1.50	52.6%
Idyllwild Arts Academy <sup>2</sup>	94,345	127,088	1.35	10.2%
All Other Standard Meters	247,937	461,004	1.86	37.1%
Fire Service	0	0		0.0%
<b>Total</b>	<b>778,683</b>	<b>1,241,640</b>		<b>100.0%</b>

1. Based on 2017 monthly billing data (peak day data not available).
2. Per client phone call March 26, 2018, Idyllwild Arts Academy adjusted given recent leak fixes.

Additional capacity factors within the single-family residential class are shown in Figure 9. The “additional capacity factor” represents the cumulative peak consumption in each tier. No additional capacity factor is assigned to Tier 1 water use, as this represents a base level of consumption by customers in the lowest tier, therefore no additional capacity costs would be incurred if all customers stayed within the Tier 1 threshold. The additional capacity factors are shown in the fourth column of Figure 9, as the “Percentage of Total SFR Consumption.” These percentages are used to allocate capacity costs to the Tier 2 and Tier 3 volumetric rates.

**Figure 9. Single-Family Residential Peak Capacity Allocation Factors**

Consumption by Tier			
Tier	Monthly Breakpoint	Expected Consumption CY2017 (cf)	Percentage of Total SFR Consumption
Tier 1	450 cf	3,145,764	60.1%
Tier 2	900 cf	1,207,314	23.1%
Tier 3	--	883,738	16.9%
<b>Total</b>		<b>5,236,816</b>	<b>100%</b>

1. Tier 1 breakpoint set to 450 cf per district staff on phone call March 23, 2018. (55 gallons per day per 2 people.) Tier 2 breakpoint set to 900 cf.
2. Consumption for all SFR customers (including 1.5" meters)  
 Source files: Rate Study Billing Info Jan to June 2014, 2015, 2016, 2017.xlsx  
 (data combined and summarized in pivotTables.xlsx)

The number of customers for each customer class (also known as customer allocation factors) is shown in Figure 10.

**Figure 10. Number of Meters by Customer Class**

Customer Class	Number of Meters (1)	Percent of Total
Residential	1,464	89.0%
Idyllwild Arts Academy	1	0.1%
All Other Standard Meters	178	10.8%
Fire Service	2	0.1%
<b>Total</b>	<b>1,645</b>	<b>100%</b>

**COSTS ALLOCATED TO CUSTOMER CLASSES**

Costs are allocated to each customer class based on the customer characteristics of each class in order to reflect the cost differentials to serve each type of customer. **Figure 11** summarizes how the costs for each cost causation component from Figure 5 are allocated to each customer class.

**Figure 11. Cost Allocation Methodology**

Capacity Related Costs (fixed share)	<ul style="list-style-type: none"><li>• Allocated based on peak water consumption by customer class</li><li>• Then allocated based on the hydraulic capacity of each meter size</li></ul>
Customer Related Costs	<ul style="list-style-type: none"><li>• Allocated based on the total number of meters</li></ul>
Fire Protection Related Costs	<ul style="list-style-type: none"><li>• Allocated based on the hydraulic capacity of fire meters</li></ul>
Commodity Related Costs	<ul style="list-style-type: none"><li>• Allocated based on water consumption by customer class</li></ul>
Capacity Related Costs (volumetric share)	<ul style="list-style-type: none"><li>• Allocated based on peak consumption by customer class</li></ul>

The costs allocated to each causation component are assigned to each customer class using the cost allocation methodology described in Figure 11. This process is shown in the following sections, in Figure 12 through Figure 16.

#### **Capacity Related Costs (fixed share)**

The capacity related costs (fixed share) allocation is summarized in **Figure 12**. Capacity related costs are those costs associated with constructing and operating the water system to ensure there is sufficient capacity in the system to meet the demand of each meter connected. These costs are first allocated to customer classes and then by hydraulic capacity. For all standard and fire service customers, costs are allocated based on meter size. Because the Idyllwild Arts Academy represents a significant portion of the District’s consumption and peaking, capacity related costs have been allocated directly.

Larger meters have the potential to use more of the system’s capacity, compared to smaller meters. The potential capacity demanded is proportional to the maximum safe meter operating capacity as established by the AWWA<sup>8</sup>. The meter capacity factors used in this study are shown in the third column of Figure 12.

A “Hydraulic Capacity Factor” (column *a* in Figure 12) is calculated by dividing the maximum capacity or flow of large meters by the capacity of the base meter size, which is typically the most common residential meter size (in this case a 5/8-inch meter). For example, Figure 12 shows the hydraulic capacity of a two-inch meter is 8 times that of a 5/8-inch meter and therefore, the capacity component of the fixed meter charge is 8 times that of the 5/8 inch meter.

The actual number of meters by size (column *b* in Figure 12) is multiplied by the corresponding capacity ratios to calculate the total number of equivalent meters (column *c* in Figure 12). The number of equivalent meters is used as a proxy for the potential demand that each customer can place on the water system and

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<sup>8</sup> *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017, p. 338.*

the percentage of capacity related costs (fixed share) distributed to each meter size by the Percent of Total Hydraulic Capacity.

**Figure 12. Capacity Related Costs (fixed share) Allocation**

Number of Meters by Class and Size (1)	Percentage of Peak Capacity	Meter Capacity (gpm)	Hydraulic Capacity Factor	Number of Meters	Total Equivalent Meters	Percent of Total	Allocated Costs
			<i>a</i>	<i>b</i>	<i>c = a * b</i>		
Basic Meters	88%						\$ 582,289
5/8 inch		20	1	1536	1536	83%	483,588
3/4 inch		30	1.5	30	45	2%	14,168
1 inch		50	2.5	59	148	8%	46,438
1 1/2 inch		100	5	13	65	4%	20,464
2 inch		160	8	5	40	2%	12,593
3 inch		320	16	1	16	1%	5,037
<b>Subtotal Basic Meters</b>				<b>1644</b>	<b>1850</b>	<b>100%</b>	<b>\$ 582,289</b>
Idyllwild Arts Academy	12%			1			\$ 50,957
Fire Service Meters	0%						\$ -
4 inch		700	35	2	70	0%	-
<b>Total</b>	<b>100%</b>			<b>1647</b>			<b>\$ 633,246</b>

**Customer Related Costs**

The customer related cost allocation is summarized in **Figure 13**. Customer related costs are comprised of those costs relating to reading and maintaining meters, customer billing and collection, and other customer service related costs. The customer service costs do not differ among the various meter sizes, therefore, these costs are spread equally among all meters. Each customer class is allocated customer related costs based upon the percentage of total meters that are in that class.

**Figure 13. Customer Related Cost Allocation**

Number of Meters by Class and Size (1)	Number of Meters	Percent of Total	Allocated Costs
Basic Meters			
5/8 inch	1,536	93%	34,968
3/4 inch	30	2%	683
1 inch	59	4%	1,343
1 1/2 inch	13	1%	296
2 inch	5	0%	114
3 inch	1	0%	23
<b>Subtotal Basic Meters</b>	<b>1,644</b>		<b>\$ 37,427</b>
Idyllwild Arts Academy	1	0%	\$ 23
Fire Service Meters			
4 inch	2	0%	\$ 46
<b>Total</b>	<b>1,647</b>		<b>\$ 37,495</b>

### Fire Protection Related Costs

The fire protection cost allocation is summarized in **Figure 14**. Only Fire Protection meters are allocated this cost component. A direct allocation is made in the functionalization and classification step in the cost of service analysis to represent their share of system capacity and other related operations and maintenance costs. This cost is allocated to the two fire meters using the same methodology as used in Figure 12.

**Figure 14. Fire Protection Cost Allocation**

Number of Meters by Class and Size (1)	Meter Capacity (gpm)	Hydraulic Capacity Factor	Number of Meters	Total Equivalent Meters	Percent of Total	Allocated Costs
Fire Service Meters 4 inch	700	35	2	70	100%	554
<b>Total</b>			<b>2</b>	<b>70</b>	<b>100%</b>	<b>\$ 554</b>

### Commodity Related Costs

The District currently has a four-tiered volumetric rate for all customers with meters 1 inch or smaller. NBS’ second recommendation in the Study, was to adjust the tiered rate structure by reducing the number of tiers to three, setting new breakpoints and imposing a charge for all water consumed. In addition to these changes, the proposed tiered volumetric will only apply to single-family residential customers because they are a homogenous customer class, with similar consumption patterns that are used to establish appropriate tier breakpoints.

Tier breakpoints were established and expected consumption in each tier was determined. The goals when setting the tier breakpoints were twofold:

1. The breakpoint for the first tier was set to the 450 cf<sup>9</sup>, which is approximately 55 gallons per day for two people per month.
2. The breakpoint for the second tier was set to 900 hcf, which is approximately 55 gallons per day for four people per month.

The commodity related cost allocation is summarized in **Figure 15**. Commodity related costs are those costs related to the amount of water sold and commonly include the costs of chemicals used in the treatment process, energy related to pumping for transmission and distribution, and source of supply. Each customer class is allocated commodity related costs based upon the percentage of total consumption by that class.

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<sup>9</sup> HCF is one hundred cubic feet of water.



**Figure 15. Commodity Related Costs Allocation**

Customer Class	Volume (hcf) <sup>1</sup>	Percent of Total	Allocated Costs
Single Family Residential			
Tier 1	3,145,764	33.7%	\$ 60,534
Tier 2	1,207,314	12.9%	23,232
Tier 3	883,738	9.5%	17,006
<b>Subtotal SFR</b>	<b>5,236,816</b>	<b>56.0%</b>	<b>\$ 100,772</b>
<b>Non-SFR</b>			
Commercial Consumption	2,975,241	31.8%	29,065
Idyllwild Arts Academy	1,132,136	12.1%	21,047
<b>Total</b>	<b>9,344,193</b>	<b>100.0%</b>	<b>\$ 150,884</b>

**Capacity Related Costs (variable share)**

The capacity related costs allocated to the variable rates for each customer class are shown in **Figure 16**. Capacity related costs collected from the variable rate are allocated to each customer class based upon the percentage of peak monthly use.

**Figure 16. Capacity Related Costs (variable share)**

Customer Class	Peak Use (hcf)	Percent of Total	Allocated Costs
Single Family Residential	<b>653,548</b>	<b>52.6%</b>	<b>\$ 258,698</b>
<b>Non-SFR Customers</b>			
Commercial Consumption	461,004	37.1%	182,482
Idyllwild Arts Academy	127,088	10.2%	50,306
<b>Total</b>	<b>1,241,640</b>	<b>100%</b>	<b>\$ 491,486</b>

The Capacity Related Costs (variable share) (from Figure 16) within the single-family residential class are further allocated to expected consumption by tier as shown in **Figure 17**. The “additional capacity required” represents the cumulative peak consumption in each tier. No additional capacity factor is assigned to Tier 1 water use, as this represents a base level of consumption by customers in the lowest tier, therefore no additional capacity costs would be incurred if all customers stayed within the Tier 1 threshold.

**Figure 17. Single Family Residential Capacity Related Costs (variable share)**

Customer Class	Peak Monthly Use (hcf)	Additional Capacity Required (hcf) <sup>2</sup>	Percent of Total	Allocated Costs
Single Family Residential				
Tier 1	330,030	0	0.0%	\$ -
Tier 2	498,250	168,220	52.0%	134,515
Tier 3	653,548	155,298	48.0%	124,182
<b>Total</b>		<b>323,518</b>	<b>100%</b>	<b>\$ 258,698</b>

## D. Rate Design Analysis

The process of evaluating the water rate structure provides the opportunity to incorporate a number of rate-design objectives and policies, including revenue stability, equity among customer classes, and water conservation. NBS discussed several water rate alternatives and methodologies with District Staff over the course of this study, such as the percentage of revenue collected from fixed vs. volumetric rates and differentiating rates by customer class. Based on input provided by District staff and the Board of Directors, the proposed rates were developed. The following sections describe this process.

NBS recommends that the District make the following modifications to the water rate structure:

1. Update the volumetric rates for Single Family Residential customers as follows:
  - a. Eliminate the 300 units of Tier 1 water that is provided at no charge
  - b. Reduce the number of tiers from four to three
  - c. Establish new tier breakpoints based on recent consumption statistics
2. Move all other customers to a uniform volumetric rate, and impose a charge for all water consumed

### FIXED CHARGES

The fixed meter charge recognizes that the water utility incurs fixed costs regardless of whether customers actually use water. There are two components that comprise the fixed meter charge: the customer component and the capacity component, as described in the previous section. Using the costs allocated to each meter size from Figure 12 through Figure 14; **Figure 18** calculates the monthly charge for each meter size.

**Figure 18. Fixed Meter Charges FY 2017/18**

Number of Meters by Class and Size (1)	Number of Meters	Allocated Capacity Costs	Allocated Customers Costs	Allocated Fire Protection Costs	Total Costs	Monthly Charge
	<i>a</i>	<i>b</i>		<i>d</i>	<i>e = b + c + d</i>	<i>f = e / a / 12</i>
Basic Meters						
5/8 inch	1,536	\$ 483,588	\$ 34,968		\$ 518,556	\$28.12
3/4 inch	30	14,168	682.97		14,851	\$41.25
1 inch	59	46,438	1,343.17		47,781	\$67.49
1 1/2 inch	13	20,464	295.95		20,760	\$133.08
2 inch	5	12,593	113.83		12,707	\$211.79
3 inch	1	5,037	22.77		5,060	\$421.68
<b>Subtotal Basic Meters</b>	<b>1,644</b>	<b>\$ 582,289</b>	<b>\$ 37,427</b>	<b>\$ -</b>	<b>\$ 619,716</b>	
Idyllwild Arts Academy	1	50,957	22.77		50,980	\$4,248.35
Fire Service Meters						
4 inch	2	-	45.53	\$ 554	600	\$25.00
<b>Total</b>	<b>\$ 1,645</b>	<b>\$ 633,246</b>	<b>\$ 37,449</b>	<b>\$ 554</b>	<b>\$ 670,696</b>	

## VARIABLE CHARGES

NBS' recommendation regarding rate structure is to maintain non-SFR customers on a uniform volumetric rate. This is due to the varying consumption characteristics of these customers; a uniform volumetric rate better represents their cost-of-service and includes non-SFR customers who's meters are 1 inch and smaller who were previously under a tiered rate.

Using the costs allocated to each customer class in Figure 15 – Figure 17, **Figure 19** calculates the per unit volumetric charge for each customer class and tier.

**Figure 19. Calculated Variable Charges for FY 2016/17**

Customer Class and Tier	Volume (cf)	Allocated Commodity Costs	Allocated Capacity Costs	Total Costs	Charge per Unit Sold (\$/cf)
Single Family Residential					
Tier 1	3,145,764	\$ 60,534	\$ -	\$ 60,534	\$0.0192
Tier 2	1,207,314	23,232	134,515	157,747.675	\$0.1307
Tier 3	883,738	17,006	124,182	141,188.172	\$0.1598
<b>Subtotal SFR</b>	<b>5,236,816</b>	<b>\$ 100,772</b>	<b>\$ 258,698</b>	<b>\$ 359,470</b>	
Commerical Consumption	2,975,241	57,252	182,482	239,734	\$0.0759
Idyllwild Arts Academy	1,132,136	21,786	50,306	72,092	
<b>Total</b>	<b>9,344,193</b>	<b>\$ 179,810</b>	<b>\$ 491,486</b>	<b>\$ 671,296</b>	

## TRANSITION OF FIXED AND VARIABLE RATE REVENUE

In order to transition to collecting a greater percentage of revenue from the fixed rate, an incremental transition is applied to the rate calculations in order to collect a greater percentage of revenue from the fixed rate, as shown in the right two columns of Figure 5. Over the five-year rate period, rates are transitioned from collecting 50 percent of rate revenue from fixed charges, to collection 60 percent of rate revenue from fixed charges. For the details on how these rates were calculated, please see Tables 22 – 36 in Appendix A.

## E. Current and Proposed Water Rates

The Cost of Service analysis is used to establish the rates for FY 2018/19. In the subsequent four years of the rate study, proposed charges are adjusted by the proposed adjustment in total rate revenue needed, to meet projected revenue requirements and to transition to collecting a greater percentage of revenue from the fixed charge. **Figure 20** provides a comparison of the current and proposed rates for FY 2018/19 through FY 2022/23. More detailed tables on the developed of the proposed charges are documented in Appendix A.

**Figure 20. Current and Proposed Water Rates**

<b>Proposed Rates - Transition 50% Fixed to 60% Fixed</b>								
Water Rate Schedule	Number of Customers	Current Rates	Proposed Rates					
			FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	
<b>Monthly Fixed Service Charges:</b>								
<i>Single Family Residential</i>								
5/8 inch	1,427	\$29.70	\$28.13	\$30.92	\$33.91	\$37.13	\$40.59	
3/4 inch	12	\$40.35	\$41.25	\$45.38	\$49.83	\$54.60	\$59.73	
1 inch	24	\$61.25	\$67.49	\$74.31	\$81.65	\$89.54	\$98.01	
<i>All Other Customers:</i>								
5/8 inch	109	\$20.90	\$28.13	\$30.92	\$33.91	\$37.13	\$40.59	
3/4 inch	30	\$31.35	\$41.25	\$45.38	\$49.83	\$54.60	\$59.73	
1 inch	59	\$52.25	\$67.49	\$74.31	\$81.65	\$89.54	\$98.01	
1.5 inch	13	\$104.50	\$133.08	\$146.64	\$161.22	\$176.89	\$193.72	
2 inch	5	\$167.20	\$211.79	\$233.42	\$256.69	\$281.70	\$308.57	
3 inch	1	\$313.50	\$421.68	\$464.85	\$511.29	\$561.21	\$614.84	
<i>Idyllwild Arts Academy</i>								
3 inch	1	\$313.50	\$4,248.35	\$4,844.19	\$5,488.99	\$6,186.16	\$6,939.33	
<i>Fire Service Charges:</i>								
2 inch	0	--	\$7.18	\$7.54	\$7.92	\$8.31	\$8.73	
3 inch	0	--	\$13.45	\$14.12	\$14.83	\$15.57	\$16.35	
4 inch	2	--	\$25.00	\$26.25	\$27.56	\$28.94	\$30.39	
<b>Monthly Commodity Charges per cf of water consumed</b>								
	<u>Current</u>	<u>Proposed</u>						
<i>Tiered Rate (Commercial Customers)</i>								
Tier 1	1000 cf		\$0.0333	--	--	--	--	
Tier 2	4000 cf		\$0.0633	--	--	--	--	
Tier 3	8000 cf		\$0.1000	--	--	--	--	
Tier 4	8001+ cf		\$0.1000	--	--	--	--	
<i>Uniform Potable Rate (Commercial Customers)</i>				\$0.0759	\$0.0757	\$0.0752	\$0.0744	\$0.0735
<i>Tiered Rate (SFR Customers)</i>								
Tier 1	300 cf	450 cf	\$0.0000	\$0.0192	\$0.0202	\$0.0212	\$0.0223	\$0.0234
Tier 2	600 cf	900 cf	\$0.0633	\$0.1307	\$0.1292	\$0.1273	\$0.1248	\$0.1218
Tier 3	1500 cf	900+ cf	\$0.1000	\$0.1598	\$0.1577	\$0.1550	\$0.1516	\$0.1475
Tier 4	1500+ cf	--	\$0.1000	N/A	N/A	N/A	N/A	N/A

## F. Comparison of Current and Proposed Water Bills

Figure 21 and Figure 22 compare a range of monthly water bills for the current and proposed water rates as a result of the initial rate adjustment for single-family residential customers (with a 5/8-inch meter) and non-single family residential customers (with a 1-inch meter). These bills are based on typical meter sizes, and the average consumption levels for each customer class are highlighted.

Figure 21. Monthly Bill Comparison for Single Family Customers

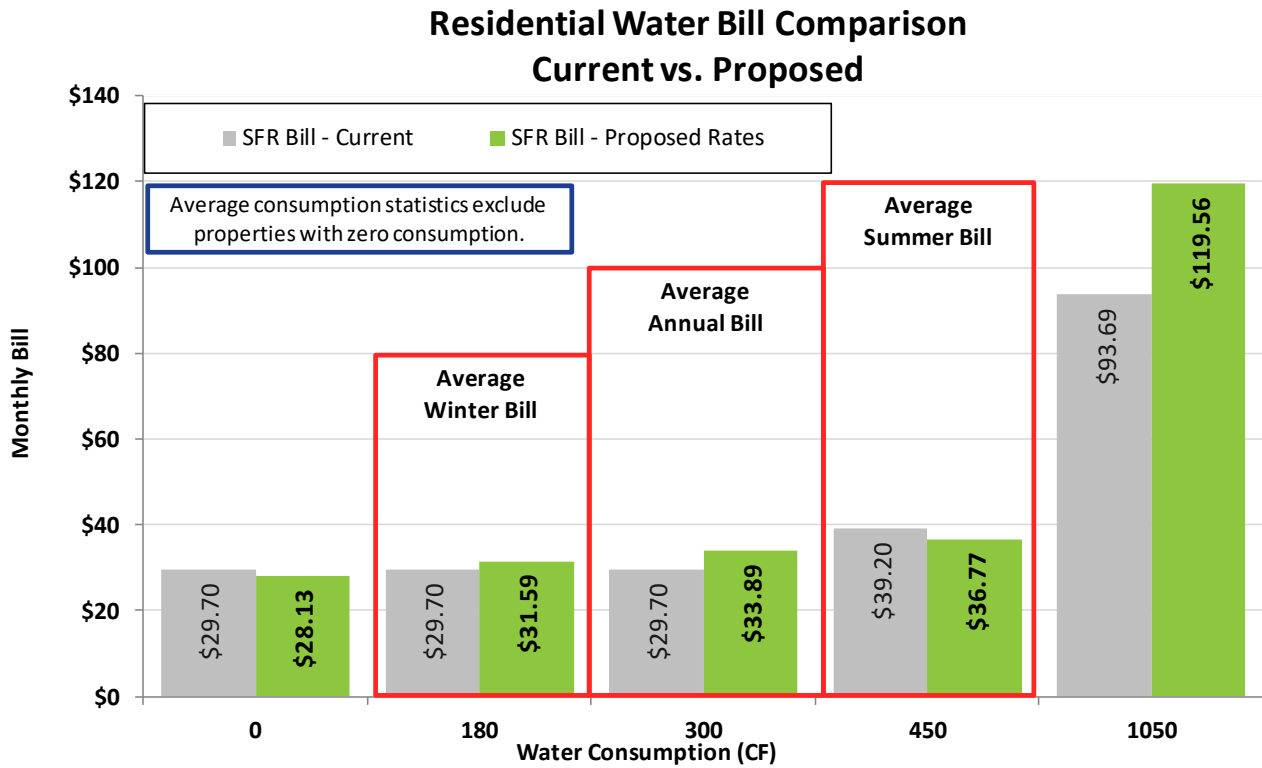
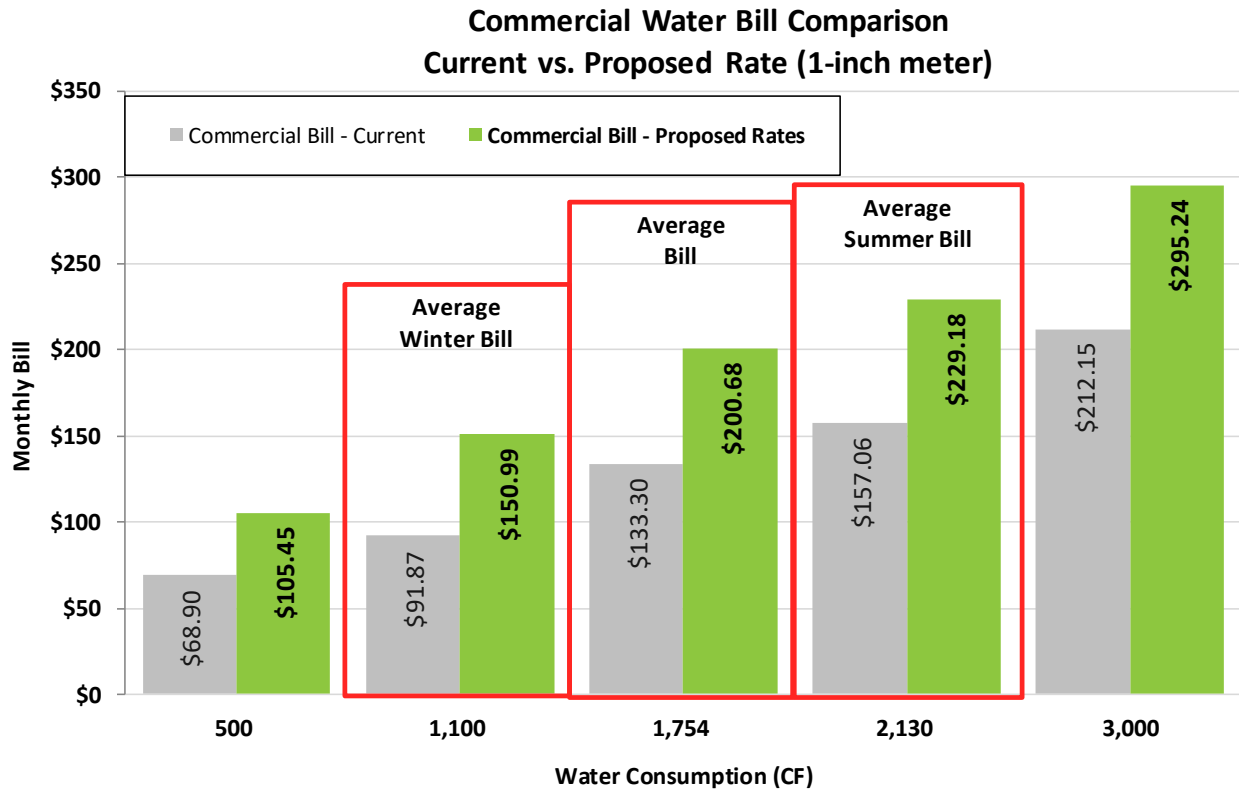


Figure 22. Monthly Water Bill Comparison for Commercial Customers



## Section 3. SEWER RATES

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### A. Key Sewer Rate Study Issues

The District's sewer rate analysis was undertaken with a few specific objectives, including:

- Avoiding operational deficits and depletion of reserves beyond the target minimum reserve level.
- Generating additional revenue needed to meet projected funding requirements.

NBS developed various sewer rate alternatives as requested by District staff and the Board over the course of this Study. All rate structure alternatives relied on industry standards and cost-of-service principles. The rate alternative that will be implemented, is ultimately the decision of the Board. The fixed and volume-based charges were calculated based on the net revenue requirements, number of customer accounts, estimated sewer flow, and other District-provided information.

### B. Financial Plan

It is important for municipal utilities to maintain reasonable reserves in order to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate increases are governed by the need to meet operating and capital costs, maintain adequate debt coverage, and build reasonable reserve funds. The current state of the District's Sewer utility, with regard to these objectives, is as follows:

**Net Revenue Requirements:** For FY 2018/19 through FY 2022/23, the projected net revenue requirement (that is, total annual expenses plus debt service and rate-funded capital costs, less non-rate revenues) grows from, \$410,000 to \$480,000 annually.

**Building and Maintaining Reserve Funds:** The District plans to reach the proposed reserve targets by the end of FY 2022/23, one year following the end of the proposed rate increases. The reserve funds for the Utility are considered unrestricted reserves and consist of the following:

- **The Operating Reserve** has been set by the Board to be \$250,000, which is equal to between 40 and 50 percent of annual operating expenses for the next five years. As with the Water Utility, this reserve is primarily intended to provide a short-term cash resource for unexpected financial viability.
- **The Emergency Reserve** has been set by the Board to be \$150,000, which is equal to between 20 and 30 percent of annual operating expenses for the next five years. This reserve is set aside to address unexpected revenue difficulties.
- **The Capital Rehabilitation and Replacement Reserve** has been set by the Board to be \$750,000 and represents the general cost of an unexpected capital project.
- **The Vehicle and Equipment Replacement Reserve** has been set by the Board to be \$250,000, which represents 20 percent of the net asset value for the sewer utility. This reserve is set aside to address vehicle and equipment needs.
- **The Vacation/Sick/Annual Leave Reserve** has been set by the Board to be \$25,000, which is set aside to address the accumulated leave liability.
- **The OPEB Liability Reserve** has been set by the Board to be \$225,000, which is set aside to address future other employment benefits, namely healthcare costs of retirees.

**Funding Capital Improvement Projects:** The District must also be able to fund necessary capital improvements in order to maintain current service levels. District staff has identified roughly \$250,000 annually in expected capital expenditures for FY 2018/19 through 2022/23. With the recommended rate increases, these expenditures can be accomplished while increasing reserves to the minimum recommended target.

**Inflation and Growth Projections** – Assumptions regarding cost inflation were made in order to project future revenues and expenses for the study period. The following inflation factors were used in the analysis (the same factors were used for the water utility):

- Customer growth is expected to be 0.3 percent annually.
- General cost inflation is 2.5 percent annually.
- Salary cost inflation is 5 percent annually.
- Benefits cost inflation is 5 percent annually.
- Energy cost inflation is 2.5 percent annually.
- Chemicals cost inflation is 2.5 percent annually.
- Fuel cost inflation is 2.5 percent annually.
- Tax inflation is 1.5 percent annually.
- Standby Revenue is reduced at 3 percent annually.

**Effective Date of Rate Adjustments:** As with the water utility, the financial plan modelling assumes that rate adjustments occur on the July bill<sup>10</sup> of each year.

An initial increase to \$40 per EDU followed by increases of 2.5 percent annually from FY 2019/20 through 2022/23 will be needed in order to fully fund all operating expenses, planned capital projects and maintain reserves to the recommended targets by FY 2022/23<sup>11</sup>. **Figure 23** summarizes the sources and uses of funds, net revenue requirements, and the recommended annual percent increases in total rate revenue recommended for the next five-years for the District’s sewer utility.

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<sup>10</sup> The first rate adjustment is scheduled for July 1st, 2018 followed by each July 1st thereafter.



**Figure 23. Summary of Sewer Revenue Requirements**

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budgeted		Projected			
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Sources of Sewer Funds</b>						
Rate Revenue Under Prevailing Rates	\$ 630,006	\$ 631,896	\$ 633,792	\$ 635,693	\$ 637,600	\$ 639,513
Additional Revenue from Rate Increases <sup>1</sup>	-	36,744	53,620	71,018	88,952	107,437
Non-Rate Revenues	115,775	117,502	119,256	121,035	122,841	124,674
Interest Earnings	1,500	6,561	9,781	12,195	12,117	16,103
Other Non-Operating Income	10,450	10,316	10,186	10,061	9,940	9,823
<b>Total Sources of Funds</b>	<b>\$ 757,731</b>	<b>\$ 803,019</b>	<b>\$ 826,635</b>	<b>\$ 850,002</b>	<b>\$ 871,450</b>	<b>\$ 897,550</b>
<b>Uses of Sewer Funds</b>						
Salaries and Benefits	\$ 264,865	\$ 278,108	\$ 292,014	\$ 306,614	\$ 321,945	\$ 338,042
Sewer Utilities	\$ 91,655	\$ 93,946	\$ 96,295	\$ 98,702	\$ 101,170	\$ 103,699
Sewer Operating Expenses	\$ 168,462	\$ 172,829	\$ 177,310	\$ 181,908	\$ 186,628	\$ 191,472
<b>Total Use of Funds</b>	<b>\$ 524,982</b>	<b>\$ 544,883</b>	<b>\$ 565,618</b>	<b>\$ 587,225</b>	<b>\$ 609,743</b>	<b>\$ 633,213</b>
<b>Surplus (Deficiency) before Rate Increase</b>	<b>\$ 232,749</b>	<b>\$ 258,135</b>	<b>\$ 261,016</b>	<b>\$ 262,776</b>	<b>\$ 261,707</b>	<b>\$ 264,337</b>
<b>Surplus (Deficiency) after Rate Increase</b>	<b>\$ 232,749</b>	<b>\$ 294,879</b>	<b>\$ 314,637</b>	<b>\$ 333,795</b>	<b>\$ 350,659</b>	<b>\$ 371,774</b>
<b>Projected Annual Rate Revenue Increase</b>	<b>0.00%</b>	<b>5.81%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>
<i>Cumulative Increases</i>	0.00%	5.81%	8.46%	11.17%	13.95%	16.80%
<b>Net Revenue Requirement<sup>2</sup></b>	<b>\$ 397,257</b>	<b>\$ 410,505</b>	<b>\$ 426,396</b>	<b>\$ 443,935</b>	<b>\$ 464,845</b>	<b>\$ 482,613</b>

1. Assumes new rates are implemented July 1, 2018

2. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from rates.

**Figure 24** summarizes the projected reserve fund balances and reserve targets. A summary of the utility’s proposed five-year financial plan is included in Tables 1 and 2 of Appendix B. The appendix tables include revenue requirements, reserve funds, revenue sources, proposed rate increases, and the District’s capital improvement program. As can be seen in Figure 24, given proposed rate increases, the total reserve balance exceeds the target at the end of the five-year period. This will allow the District to lessen future impacts as it prepares to replace the treatment plant. As with water, it should be noted that Vacation/Sick/Annual Leave and OPEB Liability Reserves are maintained at their current levels (below the target) over the five year rate period. Additional rate increases would be needed, in order to meet these reserve targets.

**Figure 24. Summary of Reserve Funds**

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budgeted	Projected				
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Reserve</b>						
Ending Balance	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
<i>Recommended Minimum Target</i>	<i>250,000</i>	<i>250,000</i>	<i>250,000</i>	<i>250,000</i>	<i>250,000</i>	<i>250,000</i>
<b>Emergency Reserve</b>						
Ending Balance	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
<i>Recommended Minimum Target</i>	<i>150,000</i>	<i>150,000</i>	<i>150,000</i>	<i>150,000</i>	<i>150,000</i>	<i>150,000</i>
<b>Capital Rehabilitation and Replacement Reserve &amp; Vehicle Replacement Reserve</b>						
Ending Balance	\$ 1,229,544	\$ 1,230,179	\$ 1,225,971	\$ 1,215,566	\$ 1,195,895	\$ 1,170,413
<i>Recommended Minimum Target</i>	<i>750,000</i>	<i>750,000</i>	<i>750,000</i>	<i>750,000</i>	<i>750,000</i>	<i>750,000</i>
<b>Total Ending Unrestricted Balance</b>	<b>\$ 1,629,544</b>	<b>\$ 1,630,179</b>	<b>\$ 1,625,971</b>	<b>\$ 1,615,566</b>	<b>\$ 1,595,895</b>	<b>\$ 1,570,413</b>
<b>Vacation/Sick/Annual Leave Liability Reserve</b>						
Ending Balance	\$ 5,626	\$ 5,648	\$ 5,682	\$ 5,725	\$ 5,768	\$ 5,826
<i>Recommended Minimum Target</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>
<b>OPEB Reserve</b>						
Ending Balance	\$ 162,945	\$ 163,601	\$ 164,583	\$ 165,817	\$ 167,061	\$ 168,747
<i>Recommended Minimum Target</i>	<i>225,000</i>	<i>225,000</i>	<i>225,000</i>	<i>225,000</i>	<i>225,000</i>	<i>225,000</i>
<b>Total Ending Balance</b>	<b>\$ 1,798,115</b>	<b>\$ 1,799,429</b>	<b>\$ 1,796,236</b>	<b>\$ 1,787,108</b>	<b>\$ 1,768,724</b>	<b>\$ 1,744,986</b>
<b>Total Recommended Minimum Target</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>

**C. Current and Proposed Sewer Rates**

For the Sewer utility, the District determined that the current cost allocations and rate design were adequate; therefore, there was no change to the rate structure. Existing Sewer rates are simply increased by the percentage increase in total rate revenue needed, to meet projected revenue requirements. **Figure 25** provides a comparison of the current and proposed rates for FY 2018/19 through FY 2022/23.

**Figure 25. Current and Proposed Sewer Rates**

Sewer Rate Schedule	Current Monthly Rates <sup>1</sup>	Proposed Monthly Sewer Rates				
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Rate Per EDU	\$38.25	\$40.00	\$41.00	\$42.03	\$43.08	\$44.15

1. Sewer customers are charged on the basis of their number of assigned Equivalent Dwelling Units (EDUs).

**D. Comparison of Current and Proposed Sewer Bills**

**Figure 26** and **Figure 27** compare monthly sewer bills under current and proposed sewer rates for single-family residential customers and commercial customers. These bills are based on typical assigned EDUs for each customer type.

Figure 26. Monthly Sewer Bill Comparison for Single Family Customers

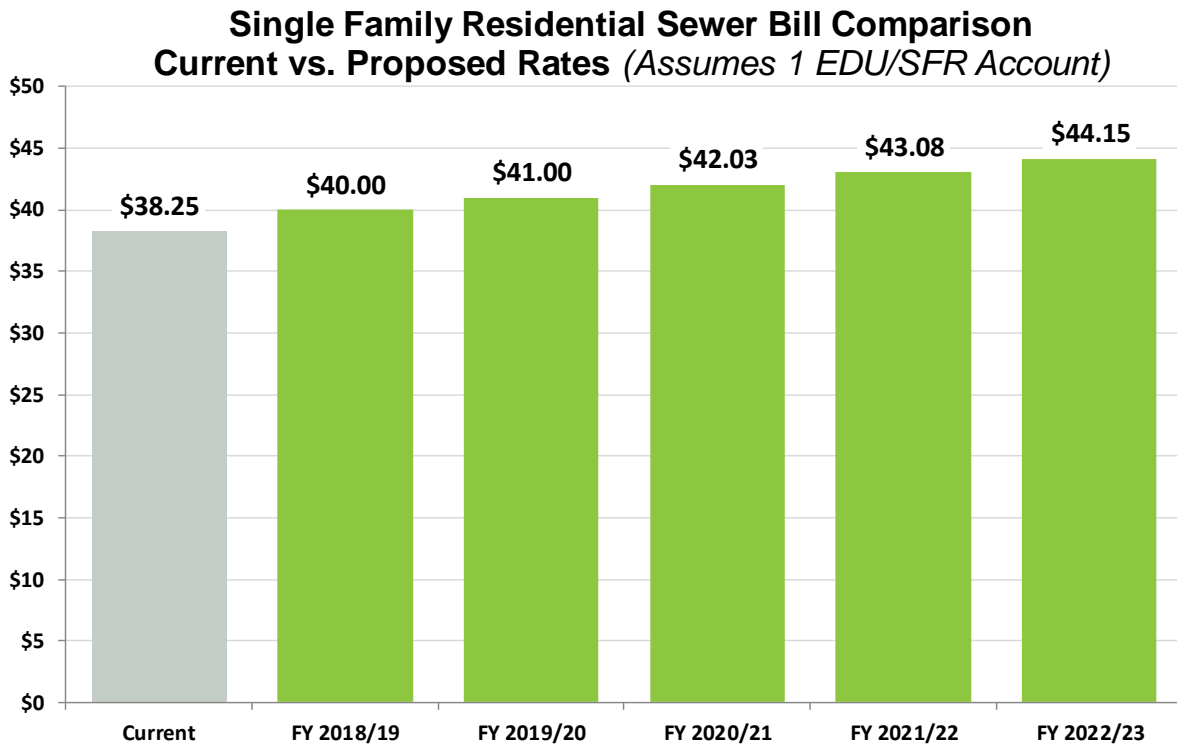
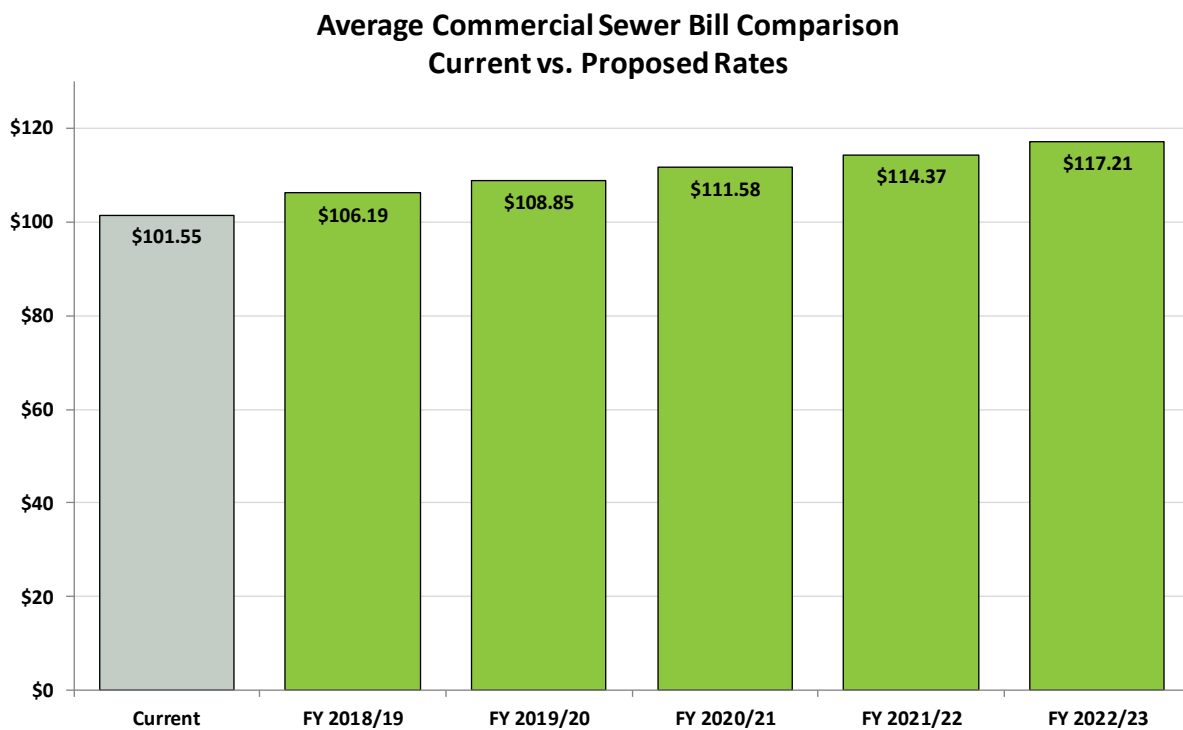


Figure 27. Monthly Sewer Bill Comparison for Commercial Customers



## Section 4. RECOMMENDATIONS AND NEXT STEPS

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### A. Consultant Recommendations

NBS recommends District take the following actions:

**Approve and accept this Study:** NBS recommends the District Board formally approve and adopt this Study and its recommendations, and proceed with the steps required to implement the proposed water and sewer rates. This will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates.

**Implement Recommended Levels of Rate Adjustments and Proposed Rates:** Based on successfully meeting the Proposition 218 procedural requirements, the District Board should proceed with implementing the five-year schedule of proposed rates and rate adjustments previously shown in Figure 20 and Figure 25. This will help ensure the continued financial health of District’s water and sewer utilities.

### B. Next Steps

Annually Review Rates and Revenue – Any time an agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements—particularly those related to environmental regulations that can significantly affect capital improvements and repair and replacement costs.

*Note: The attached Appendices provides more detailed information on the analysis of the revenue requirements, cost-of-service analysis and cost allocations, and the rate design analyses that have been summarized in this Study.*

### C. NBS’ Principal Assumptions and Considerations

In preparing this report and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions, and events that may occur in the future. This information and these assumptions, including District’s budgets, capital improvement costs, and information from District staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS’ use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that future conditions differ from those assumed by us or provided to us by others.

# Appendix A: Detailed Water Study Tables and Figures

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**TABLE 1 - FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS**

RATE REVENUE REQUIREMENTS SUMMARY (1)	Budget	Projected									
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
<b>Sources of Water Funds</b>											
<i>Potable Rate Revenue:</i>											
Water Sales Revenue Under Current Rates	\$ 1,272,297	\$ 1,278,658	\$ 1,285,052	\$ 1,291,477	\$ 1,297,934	\$ 1,304,424	\$ 1,310,946	\$ 1,317,501	\$ 1,324,088	\$ 1,330,709	\$ 1,337,362
Revenue from Rate Increases (2)	-	63,933	131,718	203,569	279,713	360,388	395,653	431,934	469,257	507,650	547,139
Subtotal: Rate Revenue After Rate Increases	1,272,297	1,342,591	1,416,770	1,495,046	1,577,647	1,664,812	1,706,599	1,749,435	1,793,346	1,838,359	1,884,501
<i>Non-Rate Revenue:</i>											
Tax Revenue	\$ 275,000	\$ 279,125	\$ 283,312	\$ 287,562	\$ 291,875	\$ 296,253	\$ 300,697	\$ 305,207	\$ 309,785	\$ 314,432	\$ 319,149
Charges for Other Services	39,712	39,197	38,700	38,222	37,760	37,316	36,887	36,475	36,078	35,697	35,329
Interest Income	3,000	8,185	10,708	13,972	14,711	20,980	22,436	23,624	24,520	25,101	25,341
Subtotal: Non-Rate Revenue	317,712	326,507	332,720	339,755	344,346	354,548	360,020	365,306	370,384	375,230	379,819
<b>Total Sources of Funds</b>	<b>\$ 1,590,009</b>	<b>\$ 1,669,098</b>	<b>\$ 1,749,489</b>	<b>\$ 1,834,801</b>	<b>\$ 1,921,994</b>	<b>\$ 2,019,361</b>	<b>\$ 2,066,619</b>	<b>\$ 2,114,741</b>	<b>\$ 2,163,730</b>	<b>\$ 2,213,589</b>	<b>\$ 2,264,320</b>
<b>Uses of Water Funds</b>											
<i>Operating Expenses (3):</i>											
Water Operating Expenses	\$ 1,150,562	\$ 1,196,558	\$ 1,246,743	\$ 1,299,196	\$ 1,354,025	\$ 1,411,343	\$ 1,471,266	\$ 1,533,920	\$ 1,599,433	\$ 1,667,943	\$ 1,739,591
Subtotal: Operating Expenses:	\$ 1,150,562	\$ 1,196,558	\$ 1,246,743	\$ 1,299,196	\$ 1,354,025	\$ 1,411,343	\$ 1,471,266	\$ 1,533,920	\$ 1,599,433	\$ 1,667,943	\$ 1,739,591
<i>Other Expenditures:</i>											
Existing Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Debt Service (4)	-	-	-	-	-	-	-	-	-	-	-
Rate-Funded Capital Expenses	577,000	721,000	424,360	437,091	450,204	463,710	477,621	491,950	426,545	384,157	376,078
Subtotal: Other Expenditures	\$ 577,000	\$ 721,000	\$ 424,360	\$ 437,091	\$ 450,204	\$ 463,710	\$ 477,621	\$ 491,950	\$ 426,545	\$ 384,157	\$ 376,078
<b>Total Uses of Water Funds</b>	<b>\$ 1,727,562</b>	<b>\$ 1,917,558</b>	<b>\$ 1,671,103</b>	<b>\$ 1,736,287</b>	<b>\$ 1,804,229</b>	<b>\$ 1,875,052</b>	<b>\$ 1,948,887</b>	<b>\$ 2,025,869</b>	<b>\$ 2,025,978</b>	<b>\$ 2,052,100</b>	<b>\$ 2,115,670</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$ (137,553)</b>	<b>\$ (248,459)</b>	<b>\$ 78,386</b>	<b>\$ 98,514</b>	<b>\$ 117,765</b>	<b>\$ 144,308</b>	<b>\$ 117,732</b>	<b>\$ 88,872</b>	<b>\$ 137,752</b>	<b>\$ 161,488</b>	<b>\$ 148,651</b>
<b>Net Revenue Req't. (Total Uses less Non-Rate Revenue)</b>	<b>\$ 1,409,850</b>	<b>\$ 1,591,051</b>	<b>\$ 1,338,383</b>	<b>\$ 1,396,532</b>	<b>\$ 1,459,883</b>	<b>\$ 1,520,504</b>	<b>\$ 1,588,867</b>	<b>\$ 1,660,563</b>	<b>\$ 1,655,594</b>	<b>\$ 1,676,870</b>	<b>\$ 1,735,851</b>
<b>Projected Annual Rate Revenue Adjustment</b>	<b>0.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>
<i>Cumulative Increase from Annual Revenue Increases</i>	0.00%	5.00%	10.25%	15.76%	21.55%	27.63%	30.18%	32.78%	35.44%	38.15%	40.91%
<i>Debt Coverage After Rate Increase</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- Revenue and expenses for FY 2017/18 are from Source file: 2017-2018 Budget.pdf, Pages 6-7.  
Budget values have been adjusted as part of the analysis, as detailed in Exhibit 1 (O&M).
- Revenue from rate increases assumes an implementation date of July 1, 2018 and July 1 each year thereafter.
- The FY 2017/18 operating expenses are from the budget. Inflationary factors are applied to these expenses to project costs in FY 2018/19 and beyond.
- Financial Statements. Source File: 2016-2017 Financial Statements.pdf; Note 6, Net position reserves, Page 26

TABLE 2 - RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Budget	Projected									
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
<b>UN-RESTRICTED RESERVES</b>											
<b>Total Beginning Cash (1, 2)</b>	\$ 2,674,288										
<b>Working Capital Reserve Fund</b>											
Beginning Cash Reserve Balance (2)	\$ 1,795,598	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Net: Operating Cash Flow (After Rate Increases)	(137,553)	(248,459)	78,386	98,514	117,765	144,308	117,732	88,872	137,752	161,488	148,651
Plus: Transfer of Debt Reserve Surplus	-	-	-	-	-	-	-	-	-	-	-
Net: Transfer Out / In to Emergency Fund Reserve	(1,158,045)	248,459	(78,386)	(98,514)	(117,765)	(144,308)	(117,732)	(88,872)	(137,752)	(161,488)	(148,651)
<b>Ending Working Capital Reserve Fund Balance</b>	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
<b>Target Ending Balance (\$500K) (3)</b>	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
<b>Emergency Reserve Fund</b>											
Beginning Reserve Balance (2)	\$ 150,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Net: Transfer of Operating Reserve Surplus	1,158,045	(248,459)	78,386	98,514	117,765	144,308	117,732	88,872	137,752	161,488	148,651
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-	-	-	-	-	-
Net: Transfer Out / In to Capital R&R Reserve	(958,045)	248,459	(78,386)	(98,514)	(117,765)	(144,308)	(117,732)	(88,872)	(137,752)	(161,488)	(148,651)
<b>Ending Emergency Reserve Fund Balance</b>	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
<b>Target Emergency Reserve Fund (\$350K) (3)</b>	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
<b>Capital Rehabilitation &amp; Replacement Reserve</b>											
Beginning Reserve Balance (2,4)	\$ 225,000	\$ 1,183,045	\$ 934,586	\$ 1,012,972	\$ 1,111,486	\$ 1,229,251	\$ 1,373,559	\$ 1,491,292	\$ 1,580,163	\$ 1,637,752	\$ 1,661,488
Net: Transfer of Emergency Reserve Surplus	958,045	(248,459)	78,386	98,514	117,765	144,308	117,732	88,872	137,752	161,488	148,651
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-	-	-	(80,163)	(137,752)	(161,488)
<b>Ending Capital Rehab &amp; Replacement Reserve Balance</b>	\$ 1,183,045	\$ 934,586	\$ 1,012,972	\$ 1,111,486	\$ 1,229,251	\$ 1,373,559	\$ 1,491,292	\$ 1,580,163	\$ 1,637,752	\$ 1,661,488	\$ 1,648,651
<b>Target Capital R&amp;R Reserve (\$1.5M) (3,4)</b>	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
<b>Ending Balance</b>	\$ 2,033,045	\$ 1,784,586	\$ 1,862,972	\$ 1,961,486	\$ 2,079,251	\$ 2,223,559	\$ 2,341,292	\$ 2,430,163	\$ 2,487,752	\$ 2,511,488	\$ 2,498,651
<b>Minimum Target Ending Balance</b>	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000	\$ 2,350,000
<b>Ending Surplus/(Deficit) Compared to Targets</b>	\$ (316,955)	\$ (565,414)	\$ (487,028)	\$ (388,514)	\$ (270,749)	\$ (126,441)	\$ (8,708)	\$ 80,163	\$ 137,752	\$ 161,488	\$ 148,651
<b>Semi-Restricted Reserves (5):</b>											
<b>Vacation/Sick/Annual Leave Liability</b>											
Beginning Reserve Balance (2)	\$ 16,810	\$ 16,878	\$ 16,946	\$ 17,047	\$ 17,175	\$ 17,304	\$ 17,479	\$ 17,655	\$ 17,833	\$ 18,013	\$ 18,195
Interest Earnings	68	68	102	128	129	175	176	178	180	182	184
<b>Ending Vacation/Sick/Annual Leave Liability</b>	\$ 16,878	\$ 16,946	\$ 17,047	\$ 17,175	\$ 17,304	\$ 17,479	\$ 17,655	\$ 17,833	\$ 18,013	\$ 18,195	\$ 18,378
<b>Target Vacation/Sick/Annual Leave Liability (\$75K) (3)</b>	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
<b>OPEB</b>											
Beginning Reserve Balance (2)	\$ 486,880	\$ 488,840	\$ 490,808	\$ 493,753	\$ 497,456	\$ 501,187	\$ 506,244	\$ 511,352	\$ 516,512	\$ 521,723	\$ 526,987
Interest Earnings	1,960	1,968	2,945	3,703	3,731	5,057	5,108	5,160	5,212	5,264	5,317
<b>Ending OPEB Liability</b>	\$ 488,840	\$ 490,808	\$ 493,753	\$ 497,456	\$ 501,187	\$ 506,244	\$ 511,352	\$ 516,512	\$ 521,723	\$ 526,987	\$ 532,305
<b>Target OPEB Liability (\$675K) (3)</b>	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000
<b>Restricted Reserves (6):</b>											
<b>Capacity Charge Reserve</b>											
Beginning Reserve Balance (2)	\$ -	\$ 3,186	\$ 6,401	\$ 9,657	\$ 12,964	\$ 16,311	\$ 19,742	\$ 23,224	\$ 26,758	\$ 30,343	\$ 33,982
Plus: Capacity Charge Revenue	3,186	3,202	3,218	3,234	3,250	3,266	3,283	3,299	3,316	3,332	3,349
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-	-	-	-	-	-
Interest Earnings	-	13	38	72	97	165	199	234	270	306	343
<b>Ending Capacity Charges Reserves</b>	\$ 3,186	\$ 6,401	\$ 9,657	\$ 12,964	\$ 16,311	\$ 19,742	\$ 23,224	\$ 26,758	\$ 30,343	\$ 33,982	\$ 37,673
<b>Annual Interest Earnings Rate (7)</b>	0.40%	0.40%	0.60%	0.75%	0.75%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%

1. Source file: 2016-2017 Financial Statements.pdf; Note 3, Total Cash and Cash Equivalents, Page 22.  
2. Financial Statements. Source File: 2016-2017 Financial Statements.pdf; Note 6, Net position reserves, Page 26.  
3. Reserve Policy Targets: Source File: Target Reserve Fund.pdf. Capital R&R reduced to \$1.0m following a discussion with staff on 4.02.18.  
4. Capital Rehab and Replacement Reserve Fund includes Funds from "Vehicle & Equipment Replacement Reserve Fund"  
5. Vacation/Sick/Annual Leave Liability and OPEB reserve funds are not restricted, but are held in reserve which should not be used for standard operations.  
6. Water and Sewer Capacity Charge revenue must be maintained in a restricted reserve in accordance with CA Code 66013.  
7. Interest earnings in FY 2018/19 equal to 5-year LAIF average (2012/13-2016/17). Interest earnings increase to 10-year LAIF average by FY 2022/23.

CHART 1

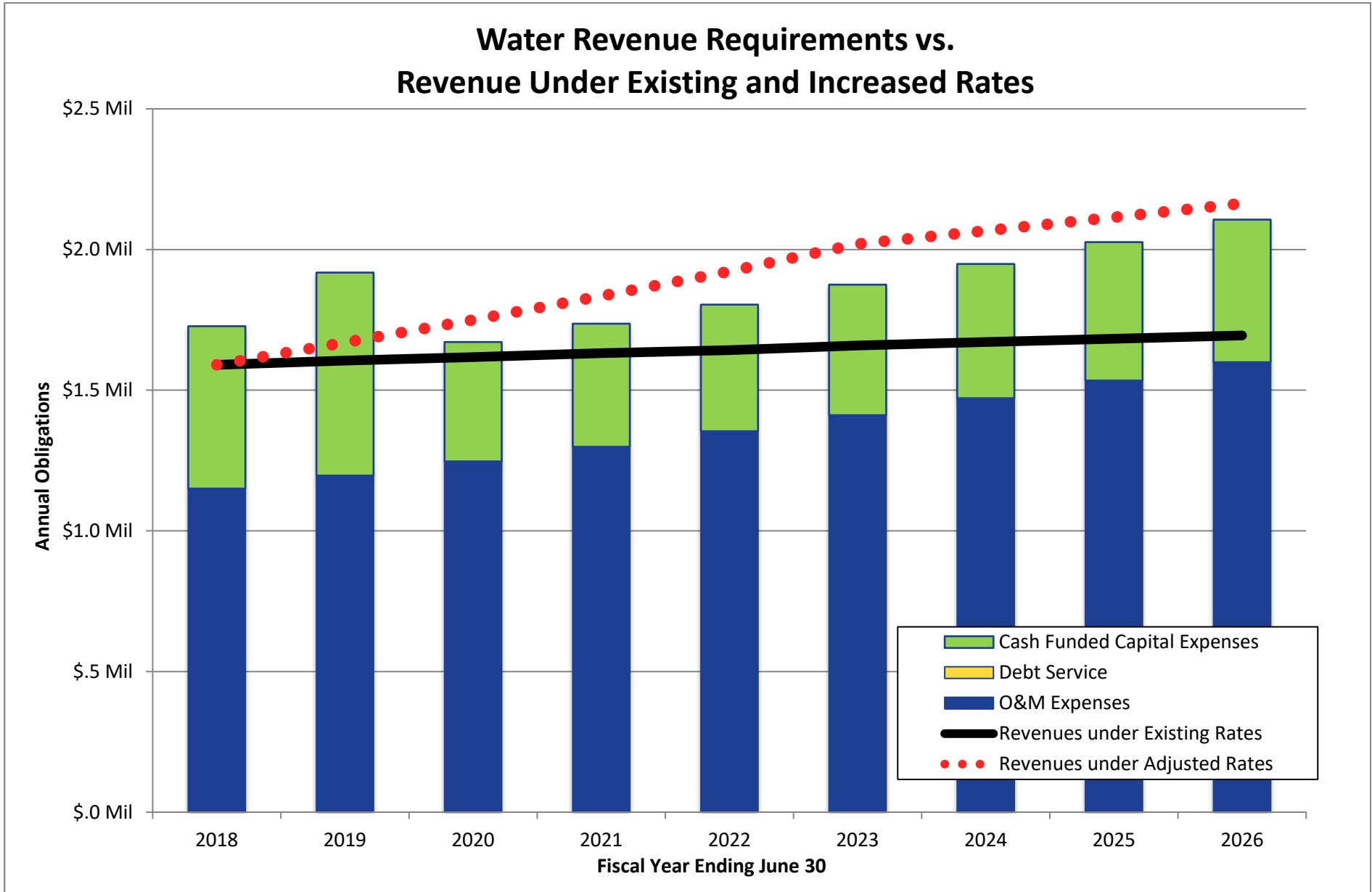




CHART 2

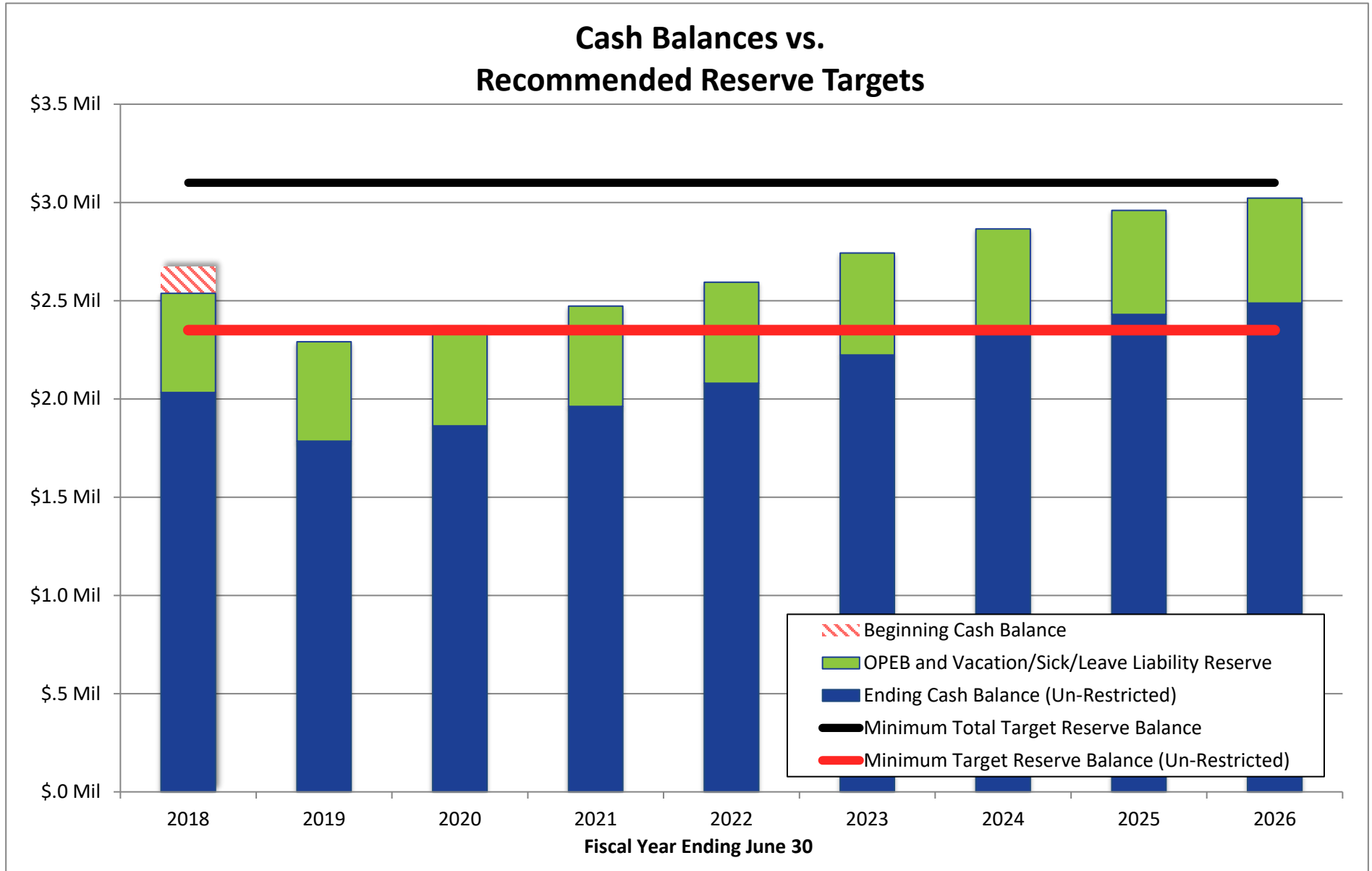
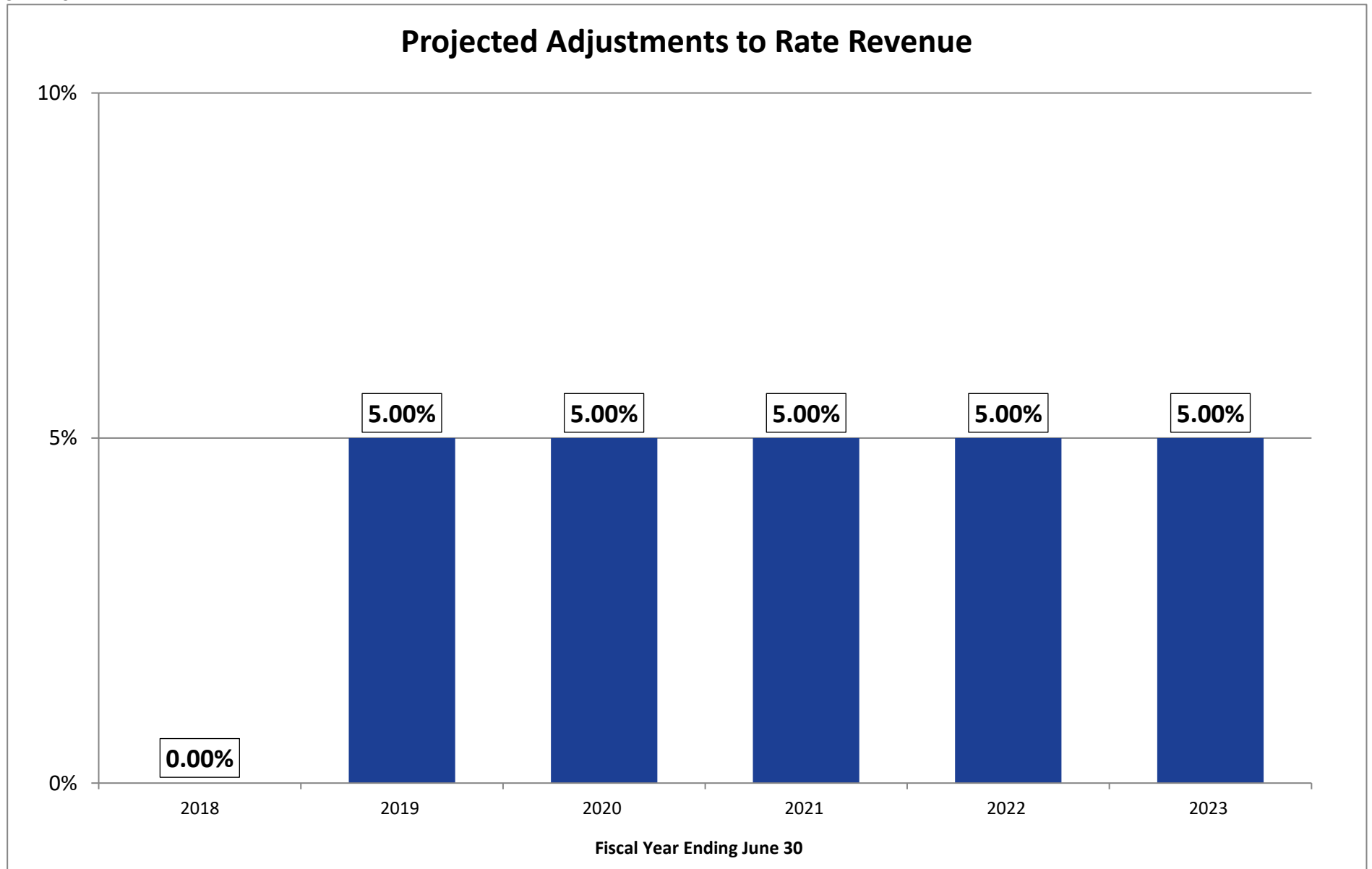


CHART 3



IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

TABLE 3 - REVENUE FORECAST (1)

DESCRIPTION	Inflation Basis	Budget									
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Water Operating Revenue</b>											
Water Base Rate - Commercial	1	\$ 158,169	\$ 158,960	\$ 159,755	\$ 160,553	\$ 161,356	\$ 162,163	\$ 162,974	\$ 163,789	\$ 164,608	\$ 165,431
Water Base Rate - Residential	1	512,699	515,262	517,839	520,428	523,030	525,645	528,274	530,915	533,569	536,237
<b>Subtotal: Water Base Rate</b>		<b>\$ 670,868</b>	<b>\$ 674,222</b>	<b>\$ 677,593</b>	<b>\$ 680,981</b>	<b>\$ 684,386</b>	<b>\$ 687,808</b>	<b>\$ 691,247</b>	<b>\$ 694,704</b>	<b>\$ 698,177</b>	<b>\$ 701,668</b>
Water Sales - Commercial	1	\$ 375,557	\$ 377,435	\$ 379,322	\$ 381,219	\$ 383,125	\$ 385,040	\$ 386,965	\$ 388,900	\$ 390,845	\$ 392,799
Water Sales - Residential	1	224,972	226,097	227,227	228,363	229,505	230,653	231,806	232,965	234,130	235,301
Water Sales - Construction	1	700	704	707	711	714	718	721	725	728	732
Water Sales - Other	1	200	201	202	203	204	205	206	207	208	209
<b>Subtotal: Water Sales</b>		<b>\$ 601,429</b>	<b>\$ 604,436</b>	<b>\$ 607,458</b>	<b>\$ 610,496</b>	<b>\$ 613,548</b>	<b>\$ 616,616</b>	<b>\$ 619,699</b>	<b>\$ 622,797</b>	<b>\$ 625,911</b>	<b>\$ 629,041</b>
Water Transfer Fees	1	\$ 3,075	\$ 3,090	\$ 3,106	\$ 3,121	\$ 3,137	\$ 3,153	\$ 3,168	\$ 3,184	\$ 3,200	\$ 3,216
Water Turn On/Off Fees	1	900	905	909	914	918	923	927	932	937	941
Water Will Serve Letter Fees	1	500	503	505	508	510	513	515	518	520	523
Water Delinquency Fees	1	7,037	7,072	7,108	7,143	7,179	7,215	7,251	7,287	7,323	7,360
Water Installation Fees	1	3,186	3,202	3,218	3,234	3,250	3,266	3,283	3,299	3,316	3,332
Water Lien Fees	1	800	804	808	812	816	820	824	828	833	837
Water Other Fees and Charges	1	4,675	4,698	4,722	4,745	4,769	4,793	4,817	4,841	4,865	4,890
Water Renewable Energy Costs	1	-	-	-	-	-	-	-	-	-	-
<b>Subtotal: Water Operating Revenue</b>		<b>\$ 1,292,470</b>	<b>\$ 1,298,932</b>	<b>\$ 1,305,427</b>	<b>\$ 1,311,954</b>	<b>\$ 1,318,514</b>	<b>\$ 1,325,106</b>	<b>\$ 1,331,732</b>	<b>\$ 1,338,391</b>	<b>\$ 1,345,083</b>	<b>\$ 1,351,808</b>
<b>Water Non-Operating Revenue</b>											
Water Taxes and Assessments	8	\$ 275,000	\$ 279,125	\$ 283,312	\$ 287,562	\$ 291,875	\$ 296,253	\$ 300,697	\$ 305,207	\$ 309,785	\$ 314,432
Water Investment Income	10	-	-	-	-	-	-	-	-	-	-
Water Stand By Assessments	9	20,000	19,400	18,818	18,253	17,706	17,175	16,659	16,160	15,675	15,205
Water Interest Earned	See FP	3,000	-	-	-	-	-	-	-	-	-
Water Other Non-Operating Revenue	10	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725	2,725
<b>Subtotal: Water Non-Operating Revenue</b>		<b>\$ 300,725</b>	<b>\$ 301,250</b>	<b>\$ 304,855</b>	<b>\$ 308,540</b>	<b>\$ 312,306</b>	<b>\$ 316,153</b>	<b>\$ 320,081</b>	<b>\$ 324,092</b>	<b>\$ 328,185</b>	<b>\$ 332,362</b>
<b>TOTAL: REVENUE</b>		<b>\$ 1,593,195</b>	<b>\$ 1,600,182</b>	<b>\$ 1,610,282</b>	<b>\$ 1,620,494</b>	<b>\$ 1,630,820</b>	<b>\$ 1,641,259</b>	<b>\$ 1,651,813</b>	<b>\$ 1,662,483</b>	<b>\$ 1,673,268</b>	<b>\$ 1,684,170</b>

TABLE 4 - REVENUE SUMMARY

<b>OPERATING FUND:</b>											
Rate Revenue		\$ 1,272,297	\$ 1,278,658	\$ 1,285,052	\$ 1,291,477	\$ 1,297,934	\$ 1,304,424	\$ 1,310,946	\$ 1,317,501	\$ 1,324,088	\$ 1,330,709
Tax Revenue		275,000	279,125	283,312	287,562	291,875	296,253	300,697	305,207	309,785	314,432
Interest Income		3,000	-	-	-	-	-	-	-	-	-
Other Fees		39,712	39,197	38,700	38,222	37,760	37,316	36,887	36,475	36,078	35,697
Capacity Charges		3,186	3,202	3,218	3,234	3,250	3,266	3,283	3,299	3,316	3,332
<b>TOTAL: REVENUE</b>		<b>\$ 1,593,195</b>	<b>\$ 1,600,182</b>	<b>\$ 1,610,282</b>	<b>\$ 1,620,494</b>	<b>\$ 1,630,820</b>	<b>\$ 1,641,259</b>	<b>\$ 1,651,813</b>	<b>\$ 1,662,483</b>	<b>\$ 1,673,268</b>	<b>\$ 1,684,170</b>

1. Revenue and expenses for FY 2017-18 are from source file: 2017-2018 Budget.pdf, Pages 6-7.

**IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Operating Revenue and Expenses**

**EXHIBIT 1**

**TABLE 5 - OPERATING EXPENSE FORECAST (1)**

DESCRIPTION	Inflation Basis	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>WATER OPERATING EXPENSES</b>											
Water Payroll	3	\$ 472,000	\$ 495,600	\$ 520,380	\$ 546,399	\$ 573,719	\$ 602,405	\$ 632,525	\$ 664,151	\$ 697,359	\$ 732,227
Water Retirement and Life Insurance	4	49,000	51,450	54,023	56,724	59,560	62,538	65,665	68,948	72,395	76,015
Water Medical Insurance	4	130,000	136,500	143,325	150,491	158,016	165,917	174,212	182,923	192,069	201,673
Water Worker's Comp Insurance	4	12,000	12,600	13,230	13,892	14,586	15,315	16,081	16,885	17,729	18,616
Water Non-Employee Health Insurance	4	26,265	27,578	28,957	30,405	31,925	33,522	35,198	36,957	38,805	40,746
<b>Salaries and Benefits - TOTAL</b>		<b>\$ 689,265</b>	<b>\$ 723,728</b>	<b>\$ 759,915</b>	<b>\$ 797,910</b>	<b>\$ 837,806</b>	<b>\$ 879,696</b>	<b>\$ 923,681</b>	<b>\$ 969,865</b>	<b>\$ 1,018,358</b>	<b>\$ 1,069,276</b>
Water Engineering Services	2	\$ 6,000	\$ 6,150	\$ 6,304	\$ 6,461	\$ 6,623	\$ 6,788	\$ 6,958	\$ 7,132	\$ 7,310	\$ 7,493
Water Legal Services	2	4,979	5,103	5,231	5,362	5,496	5,633	5,774	5,918	6,066	6,218
State-County Water System Fees	2	30,845	31,616	32,407	33,217	34,047	34,898	35,771	36,665	37,582	38,521
Water General Plant Expense	2	118,020	120,971	123,995	127,095	130,272	133,529	136,867	140,289	143,796	147,391
Water Minor Equipment/Parts	2	600	615	630	646	662	679	696	713	731	749
Water Vehicle Repairs and Main.	2	9,160	9,389	9,624	9,864	10,111	10,364	10,623	10,888	11,161	11,440
Water Utilities - Electricity	5	85,000	87,125	91,481	96,055	100,858	105,901	111,196	116,756	122,594	128,723
Water Utilities - Gas and Fuel	7	9,200	9,430	9,666	9,907	10,155	10,409	10,669	10,936	11,209	11,490
Water Utilities - Propane	7	3,754	3,848	3,944	4,043	4,144	4,247	4,353	4,462	4,574	4,688
Water Telephone and Internet	2	8,361	8,570	8,784	9,004	9,229	9,460	9,696	9,939	10,187	10,442
Water Computer Services	2	18,774	19,243	19,724	20,218	20,723	21,241	21,772	22,316	22,874	23,446
Water Board Reimbursement	2	6,000	6,150	6,304	6,461	6,623	6,788	6,958	7,132	7,310	7,493
Water Other Operating Expenses	2	450	461	473	485	497	509	522	535	548	562
Water Accounting and Auditing	2	9,000	9,225	9,456	9,692	9,934	10,183	10,437	10,698	10,966	11,240
Water Postage and Postage Fees	2	12,000	12,300	12,608	12,923	13,246	13,577	13,916	14,264	14,621	14,986
Water Office Supplies	2	6,000	6,150	6,304	6,461	6,623	6,788	6,958	7,132	7,310	7,493
Water Traveling	2	3,537	3,625	3,716	3,809	3,904	4,002	4,102	4,204	4,309	4,417
Water Office Cleaning Services	2	2,940	3,014	3,089	3,166	3,245	3,326	3,409	3,495	3,582	3,672
Water Maintenance	2	13,500	13,838	14,183	14,538	14,901	15,274	15,656	16,047	16,448	16,860
Water Due, Fees and Subscriptions	2	14,000	14,350	14,709	15,076	15,453	15,840	16,236	16,642	17,058	17,484
Water Advertising and Publishing	2	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
Water Leasing Equipment	2	500	513	525	538	552	566	580	594	609	624
Water Utilities Trash Fee	2	2,145	2,199	2,254	2,310	2,368	2,427	2,488	2,550	2,613	2,679
Water Bank Fee Charge	2	972	996	1,021	1,047	1,073	1,100	1,127	1,155	1,184	1,214
Water Auto and General Insurance	2	26,000	26,650	27,316	27,999	28,699	29,417	30,152	30,906	31,678	32,470
Water Laboratory Services	2	18,500	18,963	19,437	19,922	20,421	20,931	21,454	21,991	22,540	23,104
Water Donation	2	-	-	-	-	-	-	-	-	-	-
Water Compensated Time	2	18,900	19,373	19,857	20,353	20,862	21,384	21,918	22,466	23,028	23,604
Water Uniform Expenses	2	7,000	7,175	7,354	7,538	7,727	7,920	8,118	8,321	8,529	8,742
Water Property Tax Expenses	2	1,800	1,845	1,891	1,938	1,987	2,037	2,087	2,140	2,193	2,248
Water Consulting	2	3,000	3,075	3,152	3,231	3,311	3,394	3,479	3,566	3,655	3,747
Water Leak (IWD Site)	2	6,000	6,150	6,304	6,461	6,623	6,788	6,958	7,132	7,310	7,493
Water Security System	2	2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	2,437	2,498
Training and Seminars	2	7,360	7,544	7,733	7,926	8,124	8,327	8,535	8,749	8,967	9,192
<i>Materials and Operations- Utilities- Water- Leases</i>	2	-	-	-	-	-	-	-	-	-	-
<b>Materials and Operations- TOTAL</b>		<b>\$ 461,297</b>	<b>\$ 472,829</b>	<b>\$ 486,828</b>	<b>\$ 501,286</b>	<b>\$ 516,220</b>	<b>\$ 531,646</b>	<b>\$ 547,585</b>	<b>\$ 564,055</b>	<b>\$ 581,075</b>	<b>\$ 598,667</b>
<b>GRAND TOTAL: WATER OPERATING EXPENSES</b>		<b>\$ 1,150,562</b>	<b>\$ 1,196,558</b>	<b>\$ 1,246,743</b>	<b>\$ 1,299,196</b>	<b>\$ 1,354,025</b>	<b>\$ 1,411,343</b>	<b>\$ 1,471,266</b>	<b>\$ 1,533,920</b>	<b>\$ 1,599,433</b>	<b>\$ 1,667,943</b>

**TABLE 6 - FORECASTING ASSUMPTIONS**

<b>INFLATION FACTORS</b>	<b>Inflation Basis</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Customer Growth (3)	1	--	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
General Cost Inflation (4)	2	--	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Inflation (5)	3	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Benefits Inflation (5)	4	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Energy (4)	5	--	2.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Chemicals (4)	6	--	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Fuel (4)	7	--	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Tax Inflation (6)	8	--	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Standby Deflation (7)	9	--	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%
No Escalation	10	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenue and expenses for FY 2017/18 are from source files: 2017-2018 Budget.pdf; Page 6-7.
2. Direct O&M Expenses for water are expected to increase 1% for the coming year of 2017/2018. Also General Expenses are expected to increase by 1%. From source file: 2017-2018 Budget.pdf; Page 14.
3. Customer Growth rate given in Source file: Idyllwild response to data request 1.5.18.pdf.
4. Projected growth rates for General Inflation, Chemicals, Etc. given in Source File: Idyllwild response to data request 1.5.18.pdf.
5. Projected growth rates for Labor given in Source File: Idyllwild response to data request 1.5.18.pdf.
6. Tax inflation set to 1.5% per phone call with IWD on March 23, 2018.
7. Standby Deflation is set at 3% annually per IWD phone call, March 23, 2018.

IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Capital Improvement Plan Expenditures

EXHIBIT 2

TABLE 7 - CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Budget		Projected								
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
<b>Funding Sources:</b>											
Grants (1)	\$ 155,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Capacity Charge Revenue	-	-	-	-	-	-	-	-	-	-	-
Use of SRF Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
Use of New Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-
Use of Capital Rehabilitation and Replacement Reserve	-	-	-	-	-	-	-	-	80,163	137,752	161,488
Rate Revenue	577,000	721,000	424,360	437,091	450,204	463,710	477,621	491,950	426,545	384,157	376,078
<b>Total Sources of Capital Funds</b>	<b>\$ 732,000</b>	<b>\$ 721,000</b>	<b>\$ 424,360</b>	<b>\$ 437,091</b>	<b>\$ 450,204</b>	<b>\$ 463,710</b>	<b>\$ 477,621</b>	<b>\$ 491,950</b>	<b>\$ 506,708</b>	<b>\$ 521,909</b>	<b>\$ 537,567</b>
<b>Uses of Capital Funds:</b>											
Total Project Costs	\$ 732,000	\$ 721,000	\$ 424,360	\$ 437,091	\$ 450,204	\$ 463,710	\$ 477,621	\$ 491,950	\$ 506,708	\$ 521,909	\$ 537,567
<b>Capital Funding Surplus (Deficiency)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>New SRF Loan Proceeds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>New Revenue Bond Proceeds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

1. Grant funds are from Riverside County. From Source file: 2017-2018 Budget.pdf, Page 3.

CAPITAL IMPROVEMENT PROGRAM

TABLE 8 - Capital Improvement Program Costs (in Current-Year Dollars) (2):

Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Source of Supply (G/L #1321)</b>											
Well Rehabilitation - #8, 9 and 11 including road improvements	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well Drilling (New well carry over from last year)	100,000	-	-	-	-	-	-	-	-	-	-
<b>Storage Tanks: (G/L #1324)</b>											
Storage Tank Repairs	50,000	-	-	-	-	-	-	-	-	-	-
<b>Transmission and Distributing: (G/L #1324)</b>											
Water Line Piping Replacement	465,000	-	-	-	-	-	-	-	-	-	-
<b>Water Treatment Plant (G/L #1325)</b>											
pH Monitoring Sensors for Well and Aeration Plant	7,000	-	-	-	-	-	-	-	-	-	-
<b>General Plant Structures, Power and Other Equipment</b>											
Various Fire Hydrant Improvements	15,000	-	-	-	-	-	-	-	-	-	-
Skid Steer Tractor with Attachments (50% Water)	20,000	-	-	-	-	-	-	-	-	-	-
<b>Future Year Capital Projects, Estimated (3)</b>		700,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
<b>Total: CIP Program Costs (Current-Year Dollars)</b>	<b>\$ 732,000</b>	<b>\$ 700,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>

IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Capital Improvement Plan Expenditures

EXHIBIT 2

TABLE 9 - Capital Improvement Program Costs (in Future-Year Dollars) (2):

Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Source of Supply (G/L #1321)</b>											
Well Rehabilitation - #8, 9 and 11 including road improvements	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well Drilling (New well carry over from last year)	100,000	-	-	-	-	-	-	-	-	-	-
<b>Storage Tanks: (G/L #1324)</b>											
Storage Tank Repairs	50,000	-	-	-	-	-	-	-	-	-	-
<b>Transmission and Distributing: (G/L #1324)</b>											
Water Line Piping Replacement	465,000	-	-	-	-	-	-	-	-	-	-
<b>Water Treatment Plant (G/L #1325)</b>											
pH Monitoring Sensors for Well and Aeration Plant	7,000	-	-	-	-	-	-	-	-	-	-
<b>General Plant Structures, Power and Other Equipment</b>											
Various Fire Hydrant Improvements	15,000	-	-	-	-	-	-	-	-	-	-
Skid Steer Tractor with Attachments (50% Water)	20,000	-	-	-	-	-	-	-	-	-	-
<b>Future Year Capital Projects, Estimated</b>	-	721,000	424,360	437,091	450,204	463,710	477,621	491,950	506,708	521,909	537,567
<b>Total: CIP Program Costs (Future-Year Dollars)</b>	<b>732,000</b>	<b>721,000</b>	<b>424,360</b>	<b>437,091</b>	<b>450,204</b>	<b>463,710</b>	<b>477,621</b>	<b>491,950</b>	<b>506,708</b>	<b>521,909</b>	<b>537,567</b>

TABLE 10 - FORECASTING ASSUMPTIONS:

Economic Variables (4)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Annual Construction Cost Inflation, Per Engineering News Record	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Cumulative Construction Cost Multiplier from 2019	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34

- Grant funds are from Riverside County. From Source file: 2017-2018 Budget.pdf, Page 3.
- CIP plans found in Source File: 2017-2018 Budget.pdf, Page 3
- Additional Projects represent unknown capital projects funded through rates. Per district staff on phone call March, 23, 2018, future CIP set at \$400K.
- Construction inflator is based on the most current 10 year average of the Engineering News-Record Construction Cost Index. Source: [www.enr.com/economics](http://www.enr.com/economics)

**IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Current Rate Schedule**

**EXHIBIT 3**

**TABLE 11 - Current Water Rate Schedule:**

<b>Current Residential Water Rates</b>					
Rate Code	Meter Size	Monthly Base Rate	Water Consumption Charge (1,2)	Monthly Use (cf)	
R1	5/8"	\$29.70	Tier 1	1-300	\$0.0000
R2	3/4"	\$40.35	Tier 2	301-600	\$0.0633
R3	1"	\$61.25	Tier 3	601-1500	\$0.1000
R4	1 1/2"	\$113.50	Tier 4	1501+	\$0.1000
			Meters 1-1/2" & Larger Uniform Block Rate		
			Construction Meters Uniform Block Rate		
<b>Current Commercial Water Rates</b>					
Rate Code	Meter Size	Base Rate	Water Consumption Charge (1,2)	Monthly Use (cf)	
R1	5/8"	\$20.90	Tier 1	1-1000	\$0.0333
R2	3/4"	\$31.35	Tier 2	1001-4000	\$0.0633
R3	1"	\$52.25	Tier 3	4001-8000	\$0.1000
R4	1 1/2"	\$104.50	Tier 4	8001+	\$0.1000
R5	2"	\$167.20			
IA	3"	\$313.50			

1. Proposed Monthly Water Rates Effective July 1, 2017: File Source: Current Residential Water Rates.pdf and Current Commercial Water Rates.

2. HCF = Hundred Cubic Feet or 748 gallons.



**IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Cost of Service Analysis**

**TABLE 12**

<b>Classification of Expenses</b>										
<b>Budget Categories</b>		<b>Total Revenue</b>	<b>Commodity</b>	<b>Capacity</b>	<b>Customer</b>	<b>Fire Protection</b>	<b>Basis of Classification</b>			
		<b>Requirements</b>					<b>(COM)</b>	<b>(CAP)</b>	<b>(CA)</b>	<b>(FP)</b>
		<b>FY 2018/19</b>	<b>(COM)</b>	<b>(CAP)</b>	<b>(CA)</b>	<b>(FP)</b>				
<b>WATER OPERATING EXPENSES</b>										
5436	Water Payroll	\$ 495,600	\$ 49,560	\$ 421,031	\$ 24,780	\$ 229	10%	85%	5%	0.05%
5415	Water Retirement and Life Insurance	51,450	5,145	43,709	2,573	\$ 24	10%	85%	5%	0.05%
5426	Water Medical Insurance	136,500	13,650	115,962	6,825	\$ 63	10%	85%	5%	0.05%
5427	Water Worker's Comp Insurance	12,600	1,260	10,704	630	\$ 6	10%	85%	5%	0.05%
5428	Water Non-Employee Health Insurance	27,578	2,758	23,429	1,379	\$ 13	10%	85%	5%	0.05%
5403	Water Engineering Services	6,150	615	5,225	308	\$ 3	10%	85%	5%	0.05%
5404	Water Legal Services	5,103	510	4,336	255	\$ 2	10%	85%	5%	0.05%
5405	State-County Water System Fees	31,616	3,162	26,859	1,581	\$ 15	10%	85%	5%	0.05%
5406	Water General Plant Expense	120,971	36,291	78,575	6,049	\$ 56	30%	65%	5%	0.05%
5407	Water Minor Equipment/Parts	615	62	522	31	\$ 0	10%	85%	5%	0.05%
5408	Water Vehicle Repairs and Main.	9,389	939	7,976	469	\$ 4	10%	85%	5%	0.05%
5410	Water Utilities - Electricity	87,125	87,125	-	-	\$ -	100%	0%	0%	0.00%
5411	Water Utilities - Gas and Fuel	9,430	9,430	-	-	\$ -	100%	0%	0%	0.00%
5412	Water Utilities - Propane	3,848	3,848	-	-	\$ -	100%	0%	0%	0.00%
5414	Water Telephone and Internet	8,570	857	7,281	429	\$ 4	10%	85%	5%	0.05%
5417	Water Computer Services	19,243	1,924	16,348	962	\$ 9	10%	85%	5%	0.05%
5418	Water Board Reimbursement	6,150	615	5,225	308	\$ 3	10%	85%	5%	0.05%
5419	Water Other Operating Expenses	461	46	392	23	\$ 0	10%	85%	5%	0.05%
5420	Water Accounting and Auditing	9,225	923	7,837	461	\$ 4	10%	85%	5%	0.05%
5421	Water Postage and Postage Fees	12,300	1,230	10,449	615	\$ 6	10%	85%	5%	0.05%
5422	Water Office Supplies	6,150	615	5,225	308	\$ 3	10%	85%	5%	0.05%
5423	Water Traveling	3,625	363	3,080	181	\$ 2	10%	85%	5%	0.05%
5025	Water Office Cleaning Services	3,014	301	2,560	151	\$ 1	10%	85%	5%	0.05%
5425	Water Maintenance	13,838	1,384	11,755	692	\$ 6	10%	85%	5%	0.05%
5429	Water Due, Fees and Subscriptions	14,350	1,435	12,191	718	\$ 7	10%	85%	5%	0.05%
5430	Water Advertising and Publishing	5,125	513	4,354	256	\$ 2	10%	85%	5%	0.05%
5431	Water Leasing Equipment	513	51	435	26	\$ 0	10%	85%	5%	0.05%
5432	Water Utilities Trash Fee	2,199	220	1,868	110	\$ 1	10%	85%	5%	0.05%
5433	Water Bank Fee Charge	996	100	846	50	\$ 0	10%	85%	5%	0.05%
5435	Water Auto and General Insurance	26,650	2,665	22,640	1,333	\$ 12	10%	85%	5%	0.05%
5438	Water Laboratory Services	18,963	18,963	-	-	\$ -	100%	0%	0%	0.00%
5439	Water Donation	-	-	-	-	\$ -	10%	85%	5%	0.05%
5440	Water Compensated Time	19,373	1,937	16,458	969	\$ 9	10%	85%	5%	0.05%
5441	Water Uniform Expenses	7,175	718	6,095	359	\$ 3	10%	85%	5%	0.05%
5442	Water Property Tax Expenses	1,845	185	1,567	92	\$ 1	10%	85%	5%	0.05%
5443	Water Consulting	3,075	308	2,612	154	\$ 1	10%	85%	5%	0.05%
5444	Water Leak (IWD Site)	6,150	6,150	-	-	\$ -	100%	0%	0%	0.00%
5445	Water Security System	2,050	205	1,742	103	\$ 1	10%	85%	5%	0.05%
5446	Training and Seminars	7,544	754	6,409	377	\$ 3	10%	85%	5%	0.05%
<b>Total Operating Expense</b>		<b>\$ 1,196,558</b>	<b>\$ 256,814</b>	<b>\$ 885,698</b>	<b>\$ 53,552</b>	<b>\$ 494</b>	<b>21%</b>	<b>74%</b>	<b>4%</b>	<b>0.04%</b>

IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Cost of Service Analysis

TABLE 13

Classification of Expenses, continued									
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Fire Protection	Basis of Classification			
	FY 2018/19	(COM)	(CAP)	(CA)	(FP)	(COM)	(CAP)	(CA)	(FP)
<b>Capital Expenditures</b>									
Rate Funded Capital Expenses	\$ 721,000	\$ -	\$ 720,702	\$ -	\$ 298	0%	100%	0%	0%
<b>TOTAL REVENUE REQUIREMENTS</b>	<b>\$ 1,917,558</b>	<b>\$ 256,814</b>	<b>\$ 1,606,400</b>	<b>\$ 53,552</b>	<b>\$ 792</b>	<b>13%</b>	<b>84%</b>	<b>3%</b>	<b>0%</b>
<b>Less: Non-Rate Revenues</b>									
4201 Water Base Rate - Commercial									
4202 Water Base Rate - Residential									
4203 Water Sales - Commercial									
4204 Water Sales - Residential									
4205 Water Sales - Construction									
4206 Water Sales - Other									
4208 Water Transfer Fees	\$ (3,090)	\$ (414)	\$ (2,589)	\$ (86)	\$ (1)	13%	84%	3%	0%
4209 Water Turn On/Off Fees	(905)	(121)	(758)	(25)	(0)	13%	84%	3%	0%
4210 Water Will Serve Letter Fees	(503)	(67)	(421)	(14)	(0)	13%	84%	3%	0%
4211 Water Delinquency Fees	(7,072)	(947)	(5,925)	(198)	(3)	13%	84%	3%	0%
4212 Water Installation Fees									
4213 Water Lien Fees	(804)	(108)	(674)	(22)	(0)	13%	84%	3%	0%
4214 Water Other Fees and Charges	(4,698)	(629)	(3,936)	(131)	(2)	13%	84%	3%	0%
4215 Water Renewable Energy Costs	-	-	-	-	-	13%	84%	3%	0%
4901 Water Taxes and Assessments	(279,125)	(37,383)	(233,832)	(7,795)	(115)	13%	84%	3%	0%
4902 Water Investment Income	-	-	-	-	-	13%	84%	3%	0%
4903 Water Stand By Assessments	(19,400)	(2,598)	(16,252)	(542)	(8)	13%	84%	3%	0%
4904 Water Interest Earned	(8,185)	(1,096)	(6,857)	(229)	(3)	13%	84%	3%	0%
4919 Water Other Non-Operating Revenue	(2,725)	(365)	(2,283)	(76)	(1)	13%	84%	3%	0%
<b>NET REVENUE REQUIREMENTS</b>	<b>\$ 1,591,051</b>	<b>\$ 213,085</b>	<b>\$ 1,332,875</b>	<b>\$ 44,434</b>	<b>\$ 657</b>				
<i>Allocation of Revenue Requirements</i>	<i>100.0%</i>	<i>13%</i>	<i>84%</i>	<i>3%</i>	<i>0%</i>				

Net Revenue Req't. Check from Financial Plan \$ -

TABLE 14

Classification of Expenses, continued					
Adjustments to Classification of Expenses					
Adjustment for Current Rate Level:	Total	(COM)	(CAP)	(CA)	(FP)
FY 2017/18 Target Rate Rev. After Rate Increases	\$ 1,342,591				
Projected Rate Revenue at Current Rates	\$ 1,278,658				
FY 2017/18 Projected Rate Increase	5.0%				
<b>Adjusted Net Revenue Req't</b>	<b>\$ 1,342,591</b>	<b>\$ 179,810</b>	<b>\$ 1,124,732</b>	<b>\$ 37,495</b>	<b>\$ 554</b>
<i>Percent of Revenue</i>	<i>100.0%</i>	<i>13.4%</i>	<i>83.8%</i>	<i>2.8%</i>	<i>0.0%</i>

**IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Water Cost of Service Analysis**

**TABLE 15 - Single Family Residential Meter Characteristics:**

Meter Size	Number of Meters	Average Monthly Consumption (cf) CY 2017	Peak Monthly Consumption (cf) CY 2017	Peaking Factor
5/8 inch	1,428	654	851	1.30
3/4 inch	12	1,182	2,808	2.38
1 inch	24	1,481	3,750	2.53
<b>Total</b>	<b>1,464</b>			

**TABLE 16**

Development of the COMMODITY Allocation Factor					
Customer Class	Volume CY 2015 (cf) (1)	Volume CY 2016 (cf) (1)	Volume CY 2017 (cf) (1)	Volume (cf) (1)	Percent of Total Volume
Residential	4,339,440	4,807,474	5,236,816	5,236,816	<b>56.0%</b>
Apartment	90,130	122,880	126,910	126,910	<b>1.4%</b>
Trailer Park	472,130	420,930	225,250	225,250	<b>2.4%</b>
Business	776,440	794,838	940,521	940,521	<b>10.1%</b>
Motel	527,290	529,260	522,850	522,850	<b>5.6%</b>
Restaurant	509,580	577,538	531,580	531,580	<b>5.7%</b>
School	35,880	37,500	39,340	39,340	<b>0.4%</b>
Camp	229,780	166,727	344,640	344,640	<b>3.7%</b>
Church	55,760	59,480	76,890	76,890	<b>0.8%</b>
Park	165,250	178,740	167,260	167,260	<b>1.8%</b>
Idyllwild Arts Academy (2)	1,415,170	1,252,240	1,551,490	1,132,136	<b>12.1%</b>
Fire Service	0	0	0	0	<b>0.0%</b>
<b>Total</b>	<b>8,616,850</b>	<b>8,947,607</b>	<b>9,763,547</b>	<b>9,344,193</b>	<b>100.0%</b>

1. Consumption and Meters from source files: Billed Consumption Excel Export 2015, 2016, 2017.xlsx (data combined and summarized in pivot Tables).

Pivot tables found in Source File: Pivot Tables - Billed Consumption Excel Export 2015-2017 Water.xlsx. Consumption based on 2017 consumption.

2. Per client phone call March 26, 2018, Idyllwild Arts Academy consumption adjusted given recent leak fixes.

**Commodity Related Costs:** These costs are associated with the total consumption (flow) of water over a specified period of time (e.g. annual).

**IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Water Cost of Service Analysis**

**TABLE 17**

<b>Development of the CAPACITY (MAX MONTH) Allocation Factor</b>							
<b>Customer Class</b>	<b>Peak Monthly 2015 (cf) (1)</b>	<b>Peak Monthly 2016 (cf) (1)</b>	<b>Peak Monthly 2017 (cf) (1)</b>	<b>Average Monthly Use (cf)</b>	<b>Peak Monthly Use (cf) (1)</b>	<b>Monthly Peaking Factor</b>	<b>Monthly Max Capacity Factor</b>
Residential	510,690	622,375	653,548	436,401	653,548	<b>1.50</b>	<b>52.6%</b>
Apartment	12,030	13,860	12,770	10,576	12,770	<b>1.21</b>	<b>1.0%</b>
Trailer Park	49,020	57,440	41,320	18,771	41,320	<b>2.20</b>	<b>3.3%</b>
Business	77,990	92,160	99,730	78,377	99,730	<b>1.27</b>	<b>8.0%</b>
Motel	57,060	78,700	59,940	43,571	59,940	<b>1.38</b>	<b>4.8%</b>
Restaurant	60,190	59,240	56,690	44,298	56,690	<b>1.28</b>	<b>4.6%</b>
School	4,790	9,600	8,660	3,278	8,660	<b>2.64</b>	<b>0.7%</b>
Camp	41,000	32,460	149,336	28,720	149,336	<b>5.20</b>	<b>12.0%</b>
Church	8,540	8,910	9,348	6,408	9,348	<b>1.46</b>	<b>0.8%</b>
Park	23,390	28,150	23,210	13,938	23,210	<b>1.67</b>	<b>1.9%</b>
Idyllwild Arts Academy (2)	164,700	158,860	228,500	94,345	127,088	<b>1.35</b>	<b>10.2%</b>
Fire Service	0	0	0	0	0	<b>0.00</b>	<b>0.0%</b>
<b>Total</b>	<b>1,009,400</b>	<b>1,161,755</b>	<b>1,343,052</b>	<b>778,683</b>	<b>1,241,640</b>	<b>1.59</b>	<b>100%</b>

1. Based on 2017 monthly billing data (peak day data not available).
2. Per client phone call March 26, 2018, Idyllwild Arts Academy peaking adjusted given recent leak fixes.

**Capacity Related Costs:** Costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.

**TABLE 18**

<b>Development of the CUSTOMER Allocation Factor</b>		
<b>Customer Class</b>	<b>Number of Meters (1)</b>	<b>Percent of Total</b>
Residential	1,464	<b>89.0%</b>
Apartment	9	<b>0.5%</b>
Trailer Park	3	<b>0.2%</b>
Business	98	<b>6.0%</b>
Motel	27	<b>1.6%</b>
Restaurant	16	<b>1.0%</b>
School	4	<b>0.2%</b>
Camp	6	<b>0.4%</b>
Church	12	<b>0.7%</b>
Park	3	<b>0.2%</b>
Idyllwild Arts Academy	1	<b>0.1%</b>
Fire Service	2	<b>0.1%</b>
<b>Total</b>	<b>1,645</b>	<b>100%</b>

1. Meter Count for Dec 2017. Idyllwild bills monthly.  
Source files: Billed Consumption Excel Export for Water 2015, 2016, 2017.xlsx (data combined and summarized in pivot Tables)

**Customer Related Costs:** Costs associated with having a customer on the water system. These costs vary with the addition or deletion of customers on the system. Examples: Meter-reading, Postage and billing.

**IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Water Cost of Service Analysis/Rate Design**

**TABLE 19**

<b>Consumption by Tier</b>			
<b>Tier</b>	<b>Monthly Breakpoint</b>	<b>Expected Consumption CY2017 (cf)</b>	<b>Percentage of Total SFR Consumption</b>
Tier 1	450 cf	3,145,764	60.1%
Tier 2	900 cf	1,207,314	23.1%
Tier 3	--	883,738	16.9%
<b>Total</b>		<b>5,236,816</b>	<b>100%</b>

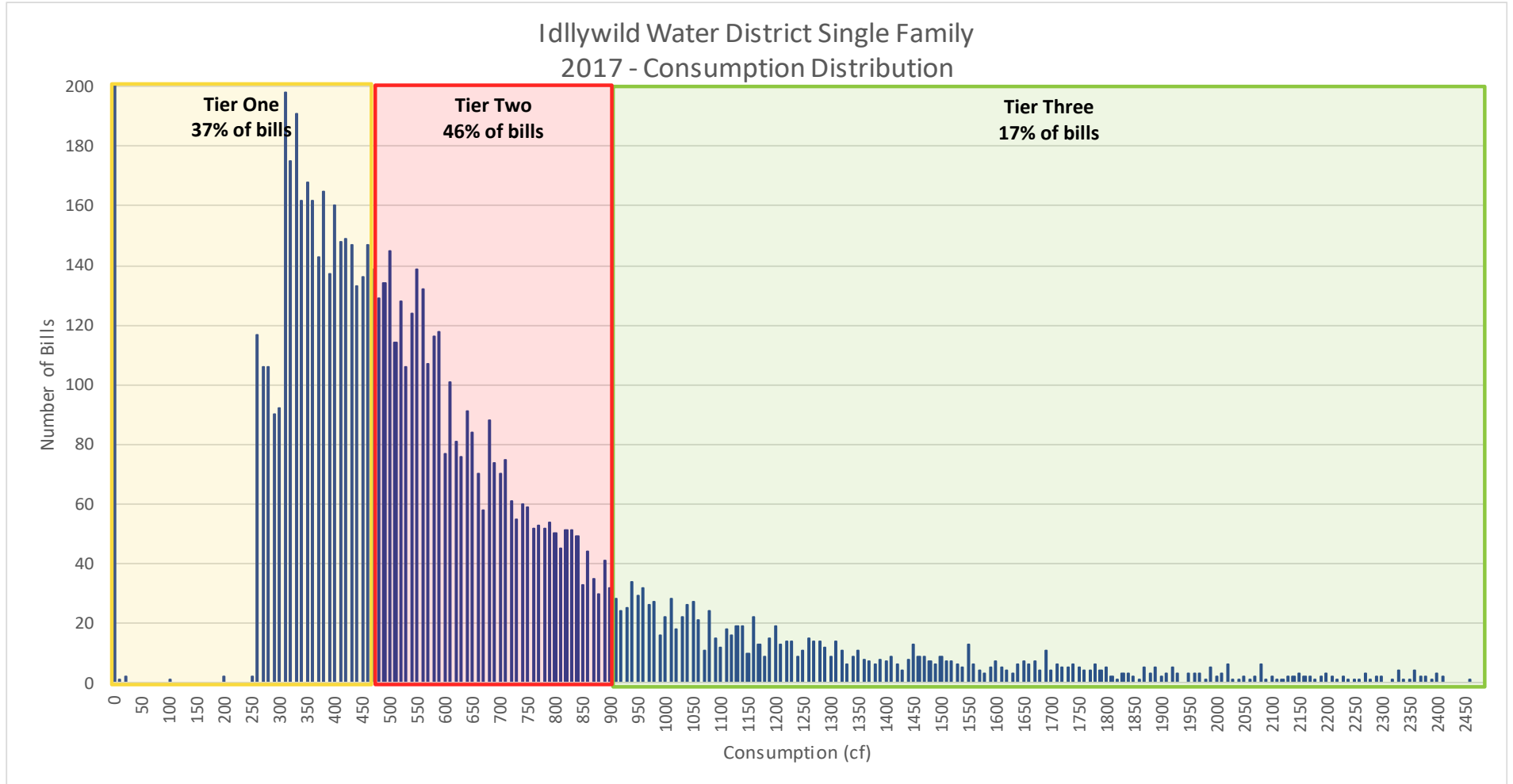
1. Tier 1 break point set to 450 cf per district staff on phone call March 23, 2018. (55 gallons per day per 2 people.)  
Tier 2 break point set to 900 cf.
2. Consumption for all SFR customers (including 1.5" meters)  
Source files: Rate Study Billing Info Jan to June 2014, 2015, 2016, 2017.xlsx (data combined and summarized in pivotTables.xlsx)

**TABLE 20 - DEVELOPMENT OF ADDITIONAL CAPACITY FACTORS FOR SINGLE FAMILY RESIDENTIAL CUSTOMERS FY 2017/18**

<b>Development of the Single Family Residential PEAK CAPACITY (MAX BI-MONTHLY) Allocation Factors</b>				
<b>Tier</b>	<b>Description</b>	<b>Peak Consumption CY2017 (cf) (1)</b>	<b>Additional Capacity Required (cf) (4)</b>	<b>Additional Capacity Factor</b>
Tier 1	Max Tier 1 Capacity (2)	330,030	0	<b>0.0%</b>
Tier 2	Peak up to Tier 2 (3)	498,250	168,220	<b>52.0%</b>
Tier 3	Peak up to Tier 3 (3)	653,548	155,298	<b>48.0%</b>
<b>Total</b>			<b>323,518</b>	<b>100.0%</b>

1. Source files: Rate Study Billing Info Jan to June 2014, 2015, 2016, 2017.xlsx (data combined and summarized in pivotTables.xlsx)
2. Capacity allocated to the first tier represents the tier break multiplied by the number of customers.
3. This is the cumulative peak consumption up to the tier break; it represents capacity required to provide service to a given tier.
4. This is the additional cumulative capacity to meet peak consumption at each tier.

Single Family Residential Consumption Distribution Curve:



**IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Water Cost of Service Analysis/Rate Design**

**TABLE 21**

Meter Size	Standard Meters (1)		Fire Service Meters	
	Meter Capacity (gpm)	Equivalency to 5/8- inch	Meter Capacity (gpm)	Equivalency to 5/8- inch
	<u>Displacement Meters</u>		<u>Displacement Meters</u>	
5/8 inch	20	1.00	20	1.00
3/4 inch	30	1.50	30	1.50
1 inch	50	2.50	50	2.50
1.5 inch	100	5.00	100	5.00
2 inch	160	8.00	160	8.00
	<u>Compound Class I Meters</u>		<u>Fire Service Type I &amp; II (2)</u>	
3 inch	320	16.00	350	17.50
4 inch	500	25.00	700	35.00
6 inch	1,000	50.00	1,600	80.00
	<u>Turbine Class II Meters</u>		<u>Turbine Class I Meters</u>	
8 inch	2,800	140.00	2,800	140.00
10 inch	4,200	210.00	4,200	210.00

1. Meter flow rates are from AWWA M-1 (Seventh Edition) Table B-2.
2. Fire Service meter flow rates are from AWWA M-6 Table 5-3.

**TABLE 22 - ALLOCATION OF WATER REVENUE REQUIREMENTS:**

Classification Categories	COSA Results		Revenue Target FY 2018/19		Revenue Target FY 2021/22	
	Unadjusted Net Revenue Requirements (2018-19) 87% Fixed / 13% Variable		Adjusted Net Revenue Requirements (2018-19) 50% Fixed / 50% Variable		Adjusted Net Revenue Requirements (2018-19) 60% Fixed / 40% Variable	
<b>Variable Costs:</b>						
Commodity - Related Costs	\$ 179,810	13.4%	\$ 179,810	13.4%	\$ 179,810	13.4%
Capacity - Related Costs (volumetric allocation)	-	0.0%	491,486	36.6%	357,227	26.6%
<b>Sub-Total Variable Costs</b>	<b>\$ 179,810</b>	<b>13.4%</b>	<b>\$ 671,296</b>	<b>50.0%</b>	<b>\$ 537,037</b>	<b>40.0%</b>
<b>Fixed Costs:</b>						
Capacity - Related Costs (fixed allocation)	\$ 1,124,732	83.8%	\$ 633,246	47.2%	\$ 767,506	57.2%
Customer - Related Costs	37,495	2.8%	37,495	2.8%	37,495	2.8%
Fire Protection - Related Costs	554	0.0%	554	0.0%	554	0.0%
<b>Sub-Total Fixed Costs</b>	<b>\$ 1,162,782</b>	<b>86.6%</b>	<b>\$ 671,296</b>	<b>50.0%</b>	<b>\$ 805,555</b>	<b>60.0%</b>
<b>Net Revenue Requirement</b>	<b>\$ 1,342,591</b>	<b>100%</b>	<b>\$ 1,342,591</b>	<b>100%</b>	<b>\$ 1,342,591</b>	<b>100%</b>

<u>Unadjusted Net Rev. Req't.</u>		<u>Adjusted Net Rev. Req't.</u>	
50%	total variable	40%	total variable
50%	total fixed	60%	total fixed
100%		100%	

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**TABLE 23 - Allocation of Adjusted Net Revenue Requirements - FY 2018/19:**

<b>Net Revenue Requirements (50% Fixed / 50% Variable)</b>							
Customer Classes	Classification Components					Cost of Service Net Rev. Req't	% of COS Net Revenue Req't
	Commodity-Related Costs	Capacity-Related Costs Volumetric Allocation	Capacity-Related Costs Fixed Allocation	Customer-Related Costs	Fire Service Costs		
Residential	\$ 100,772	\$ 258,698	\$ 333,315	\$ 33,369	\$ -	\$ 726,154	54.1%
Apartment	2,442	5,055	6,513	205	-	14,215	1.1%
Trailer Park	4,334	16,356	21,074	68	-	41,832	3.1%
Business	18,098	39,477	50,863	2,234	-	110,672	8.2%
Motel	10,061	23,726	30,570	615	-	64,973	4.8%
Restaurant	10,229	22,440	28,912	365	-	61,946	4.6%
School	757	3,428	4,417	91	-	8,693	0.6%
Camp	6,632	59,113	76,163	137	-	142,044	10.6%
Church	1,480	3,700	4,768	274	-	10,221	0.8%
Park	3,219	9,187	11,837	68	-	24,312	1.8%
Idyllwild Arts Academy	21,786	50,306	64,816	23	-	136,930	10.2%
Fire Service	-	-	-	46	554	600	0.0%
<b>Total Net Revenue Requirement</b>	<b>\$ 179,810</b>	<b>\$ 491,486</b>	<b>\$ 633,246</b>	<b>\$ 37,495</b>	<b>\$ 554</b>	<b>\$ 1,342,591</b>	<b>100%</b>
	13%	37%	47%	3%	0%	100.00%	

**TABLE 24 - Allocation of Adjusted Net Revenue Requirements - FY 2018/19:**

<b>Net Revenue Requirements (60% Fixed / 40% Variable)</b>							
Customer Classes	Classification Components					Cost of Service Net Rev. Req't	% of COS Net Revenue Req't
	Commodity-Related Costs	Capacity-Related Costs Volumetric Allocation	Capacity-Related Costs Fixed Allocation	Customer-Related Costs	Fire Service Costs		
Residential	\$ 100,772	\$ 188,029	\$ 403,983	\$ 33,369	\$ -	\$ 726,154	54.1%
Apartment	2,442	3,674	7,894	205	-	14,215	1.1%
Trailer Park	4,334	11,888	25,541	68	-	41,832	3.1%
Business	18,098	28,693	61,647	2,234	-	110,672	8.2%
Motel	10,061	17,245	37,051	615	-	64,973	4.8%
Restaurant	10,229	16,310	35,042	365	-	61,946	4.6%
School	757	2,492	5,353	91	-	8,693	0.6%
Camp	6,632	42,965	92,310	137	-	142,044	10.6%
Church	1,480	2,689	5,778	274	-	10,221	0.8%
Park	3,219	6,678	14,347	68	-	24,312	1.8%
Idyllwild Arts Academy	21,786	36,564	78,558	23	-	136,930	10.2%
Fire Service	-	-	-	46	554	600	0.0%
<b>Total Net Revenue Requirement</b>	<b>\$ 179,810</b>	<b>\$ 357,227</b>	<b>\$ 767,506</b>	<b>\$ 37,495</b>	<b>\$ 554</b>	<b>\$ 1,342,591</b>	<b>100%</b>
	13%	27%	57%	3%	0%	100.00%	



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**TABLE 25 - Cost-of-Service Summary of Revenue Requirements:**

Customer Class	CY2017		Net Revenue Requirements (50% Fixed / 50% Variable)			Net Revenue Requirements (60% Fixed / 40% Variable)		
	Rate Revenue	% of Revenue	COS Rev. Req't	% of COS Rev. Req't.	% Change	COS Rev. Req't	% of COS Rev. Req't.	% Change
Residential	\$ 758,859	63.3%	\$ 726,154	54.1%	-9.2%	\$ 726,154	54.1%	-9.2%
Apartment	10,405	0.9%	14,215	1.1%	0.2%	14,215	1.1%	0.2%
Trailer Park	22,657	1.9%	41,832	3.1%	1.2%	41,832	3.1%	1.2%
Business	103,020	8.6%	110,672	8.2%	-0.4%	110,672	8.2%	-0.4%
Motel	45,974	3.8%	64,973	4.8%	1.0%	64,973	4.8%	1.0%
Restaurant	44,241	3.7%	61,946	4.6%	0.9%	61,946	4.6%	0.9%
School	4,500	0.4%	8,693	0.6%	0.3%	8,693	0.6%	0.3%
Camp	35,695	3.0%	142,044	10.6%	7.6%	142,044	10.6%	7.6%
Church	9,108	0.8%	10,221	0.8%	0.0%	10,221	0.8%	0.0%
Park	18,642	1.6%	24,312	1.8%	0.3%	24,312	1.8%	0.3%
Idyllwild Arts Academy	145,267	12.1%	136,930	10.2%	-1.9%	136,930	10.2%	-1.9%
Fire Service	-	0.0%	600	0.0%	0.0%	600	0.0%	0.0%
<b>Total</b>	<b>\$ 1,198,368</b>	<b>100.0%</b>	<b>\$ 1,342,591</b>	<b>100.0%</b>	<b>0.0%</b>	<b>\$ 1,342,591</b>	<b>100.0%</b>	<b>0.0%</b>

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**TABLE 26 - CALCULATION OF IDYLLWILD ARTS ACADEMY FOR FY 2018/19:**

<b>Net Revenue Requirements (50% Fixed / 50% Variable)</b>					
<b>Class (1)</b>	<b>Meters</b>	<b>Allocated Capacity Costs (2)</b>	<b>Allocated Customer Costs</b>	<b>Total Allocated Costs</b>	<b>Monthly Charge</b>
	<b>a</b>	<b>b</b>	<b>c</b>	<b>d = b+c</b>	<b>c=d/a/12</b>
Idyllwild Arts Academy	1	50,957	\$ 23	\$ 50,980	\$4,248.35

**TABLE 27 - CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES FOR FY 2018/19:**

<b>Net Revenue Requirements (50% Fixed / 50% Variable)</b>									
<b>Number of Meters by Class and Size (1)</b>	<b>FY 2017/18</b>								<b>Total</b>
	<b>5/8 inch</b>	<b>3/4 inch</b>	<b>1 inch</b>	<b>1 1/2 inch</b>	<b>2 inch</b>	<b>3 inch</b>	<b>4 inch</b>	<b>6 inch</b>	
Residential	1,427	12	24	1	-	-	-	-	1,464
Apartment	6	-	2	1	-	-	-	-	9
Trailer Park	2	-	2	-	1	-	-	-	5
Business	69	12	12	3	2	-	-	-	98
Motel	15	2	6	2	2	-	-	-	27
Restaurant	6	2	7	1	-	-	-	-	16
School	2	-	1	1	-	-	-	-	4
Camp	1	-	3	2	-	-	-	-	6
Church	8	2	1	1	-	-	-	-	12
Park	-	-	1	1	-	1	-	-	3
<b>Total Meters/Accounts</b>	<b>1,536</b>	<b>30</b>	<b>59</b>	<b>13</b>	<b>5</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1,644</b>
<i>Hydraulic Capacity Factor (3)</i>	<i>1.00</i>	<i>1.50</i>	<i>2.50</i>	<i>5.00</i>	<i>8.00</i>	<i>16.00</i>	<i>25.00</i>	<i>50.00</i>	
<b>Total Equivalent Meters</b>	<b>1,536</b>	<b>45</b>	<b>148</b>	<b>65</b>	<b>40</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>1,850</b>
<b>Monthly Fixed Service Charges</b>									
Customer Costs (\$/Acct/month) (4)	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	
Capacity Costs (\$/Acct/month) (5)	\$26.24	\$39.35	\$65.59	\$131.18	\$209.89	\$419.78	\$655.91	\$1,311.82	
<b>Total Monthly Meter Charge</b>	<b>\$28.13</b>	<b>\$41.25</b>	<b>\$67.49</b>	<b>\$133.08</b>	<b>\$211.79</b>	<b>\$421.68</b>	<b>\$657.81</b>	<b>\$1,313.71</b>	
<b>Annual Fixed Costs Allocated to Monthly Meter Charges</b>									
Customer Costs	\$ 37,427								
Capacity Costs	582,289								
<b>Total Fixed Meter Costs</b>	<b>\$ 619,715</b>								
<b>Annual Revenue from Monthly Meter Charges</b>									
Customer Charges	\$ 34,968	\$ 683	\$ 1,343	\$ 296	\$ 114	\$ 23	\$ -	\$ -	<b>\$ 37,427</b>
Capacity Charges	483,588	14,168	46,438	20,464	12,593	5,037	-	-	<b>\$ 582,289</b>
<b>Total Revenue</b>	<b>\$ 518,556</b>	<b>\$ 14,851</b>	<b>\$ 47,781</b>	<b>\$ 20,760</b>	<b>\$ 12,707</b>	<b>\$ 5,060</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 619,715</b>

1. Consumption and Meters from source files: Billed Consumption Excel Export 2015, 2016, 2017.xlsx (data combined and summarized in pivot Tables).  
Pivot tables found in Source File: Pivot Tables - Billed Consumption Excel Export 2015-2017 Water.xlsx
2. Capacity Costs allocated to the Arts Academy are total Cost of Service net of other expected rate revenue.
3. Meter flow rates & hydraulic capacity ratio are from *AWWA M-1 (Seventh Edition)* Table B-2.
4. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
5. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

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**TABLE 28 - CALCULATION OF IDYLLWILD ARTS ACADEMY FOR FY 2018/19:**

<i>Net Revenue Requirements (60% Fixed / 40% Variable)</i>					
Class (1)	Meters	Allocated Capacity Costs (2)	Allocated Customer Costs	Total Allocated Costs	Monthly Charge
	a	b	c	d = b+c	c=d/a/12
Idyllwild Arts Academy	1	\$ 68,485	\$ 23	\$ 68,508	\$5,709.00

**TABLE 29 - CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES FOR FY 2018/19:**

<i>Net Revenue Requirements (60% Fixed / 40% Variable)</i>									
Number of Meters by Class and Size (1)	FY 2018/19								Total
	5/8 inch	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	
Residential	1,427	12	24	1	-	-	-	-	1,464
Apartment	6	-	2	1	-	-	-	-	9
Trailer Park	2	-	2	-	1	-	-	-	5
Business	69	12	12	3	2	-	-	-	98
Motel	15	2	6	2	2	-	-	-	27
Restaurant	6	2	7	1	-	-	-	-	16
School	2	-	1	1	-	-	-	-	4
Camp	1	-	3	2	-	-	-	-	6
Church	8	2	1	1	-	-	-	-	12
Park	-	-	1	1	-	1	-	-	3
<b>Total Meters/Accounts</b>	<b>1,536</b>	<b>30</b>	<b>59</b>	<b>13</b>	<b>5</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1,644</b>
<i>Hydraulic Capacity Factor (3)</i>	<i>1.00</i>	<i>1.50</i>	<i>2.50</i>	<i>5.00</i>	<i>8.00</i>	<i>16.00</i>	<i>25.00</i>	<i>50.00</i>	
<b>Total Equivalent Meters</b>	<b>1,536</b>	<b>45</b>	<b>148</b>	<b>65</b>	<b>40</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>1,850</b>
<b>Monthly Fixed Service Charges</b>									
Customer Costs (\$/Acct/month) (4)	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	
Capacity Costs (\$/Acct/month) (5)	\$31.50	\$47.24	\$78.74	\$157.48	\$251.97	\$503.93	\$787.40	\$1,574.80	
<b>Total Monthly Meter Charge</b>	<b>\$33.39</b>	<b>\$49.14</b>	<b>\$80.64</b>	<b>\$159.38</b>	<b>\$253.86</b>	<b>\$505.83</b>	<b>\$789.29</b>	<b>\$1,576.69</b>	
<b>Annual Fixed Costs Allocated to Monthly Meter Charges</b>									
Customer Costs	\$ 37,427								
Capacity Costs	699,020								
<b>Total Fixed Meter Costs</b>	<b>\$ 736,447</b>								
<b>Annual Revenue from Monthly Meter Charges</b>									
Customer Charges	\$ 34,968	\$ 683	\$ 1,343	\$ 296	\$ 114	\$ 23	\$ -	\$ -	<b>\$ 37,427</b>
Capacity Charges	580,533	17,008	55,748	24,567	15,118	6,047	-	-	<b>\$ 699,020</b>
<b>Total Revenue</b>	<b>\$ 615,501</b>	<b>\$ 17,691</b>	<b>\$ 57,091</b>	<b>\$ 24,863</b>	<b>\$ 15,232</b>	<b>\$ 6,070</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 736,447</b>

1. Consumption and Meters from source files: Billed Consumption Excel Export 2015, 2016, 2017.xlsx (data combined and summarized in pivot Tables).

Pivot tables found in Source File: Pivot Tables - Billed Consumption Excel Export 2015-2017 Water.xlsx

2. Capacity Costs allocated to the Arts Academy are total Cost of Service net of other expected rate revenue.

3. Meter flow rates & hydraulic capacity ratio are from *AWWA M-1 (Seventh Edition)* Table B-2.

4. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.

5. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

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**TABLE 30 - CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES FOR FY 2021/22:**

<i>Net Revenue Requirements (60% Fixed / 40% Variable)</i>									
	FY 2022/23								
	5/8 inch	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	Idyllwild Arts Academy
Total Monthly Meter Charge	\$40.59	\$59.73	\$98.01	\$193.72	\$308.57	\$614.84	\$959.39	\$1,916.48	\$6,939.33

**TABLE 31 - CALCULATION OF MONTHLY FIXED FIRE METER SERVICE CHARGES FOR FY 2018/19:**

Number of Meters by Class and Size (1)	FY 2018/19			Total
	2 Inch	3 Inch	4 Inch	
Fire Service	-	-	2	2
<b>Total Meters/Accounts</b>	-	-	2	2
<i>Hydraulic Capacity Factor (2)</i>	8.00	17.50	35.00	
<b>Total Equivalent Meters</b>	-	-	70	70
<b>Bi-Monthly Fixed Service Charges</b>				
Customer Costs (\$/Acct/month) (3)	\$1.90	\$1.90	\$1.90	
Capacity Costs (\$/Acct/month) (4)	\$5.28	\$11.55	\$23.10	
<b>Total Monthly Meter Charge</b>	<b>\$7.18</b>	<b>\$13.45</b>	<b>\$25.00</b>	
<b>Annual Fixed Costs Allocated to Monthly Meter Charges</b>				
Customer Costs	\$ 46			
Fire Protection Costs	554			
<b>Total Fixed Meter Costs</b>	<b>\$ 600</b>			
<b>Annual Revenue from Monthly Meter Charges</b>				
Customer Charges	\$ -	\$ -	\$ 46	\$ 46
Capacity Charges	-	-	554	554
<b>Total Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 600</b>	<b>\$ 600</b>

1. Fire Service Meter numbers provided by district staff on phone call April 2, 2018.
2. Meter flow rates & hydraulic capacity ratio are from *AWWA M-1 (Seventh Edition)* Table B-2.
3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
4. Fire Protection costs are allocated by meter size and the hydraulic capacity of the meter.

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**PROPOSED VOLUMETRIC CHARGES FOR FY 2018/19:**

**Net Revenue Requirements (50% Fixed / 50% Variable)**

**TABLE 32**

Customer Classes	Number of Meters <sup>1</sup>	Water Consumption (cf/yr) <sup>1</sup>	Commodity Assigned Costs	Capacity Assigned Costs	Total Target Rev. Req't from Vol. Charges	% of Total Rate Revenue	Uniform Commodity Rates (\$/cf)	Proposed Rate Structure
Residential	1,464	5,236,816	\$ 100,772	\$ 258,698	\$ 359,470	27%	N/A	Tiered
Apartment	9	126,910	2,442	5,055	7,497	1%		Uniform
Trailer Park	3	225,250	4,334	16,356	20,690	2%		Uniform
Business	98	940,521	18,098	39,477	57,575	4%		Uniform
Motel	27	522,850	10,061	23,726	33,788	3%		Uniform
Restaurant	16	531,580	10,229	22,440	32,669	2%		Uniform
School	4	39,340	757	3,428	4,185	0%	\$0.0759	Uniform
Camp	6	344,640	6,632	59,113	65,744	5%		Uniform
Church	12	76,890	1,480	3,700	5,180	0%		Uniform
Park	3	167,260	3,219	9,187	12,406	1%		Uniform
Idyllwild Arts Academy	1	1,132,136	21,786	50,306	72,092	5%		Uniform
Fire Service	2	0	-	-	-	0%		Uniform
<b>Total</b>	<b>1,645</b>	<b>9,344,193</b>	<b>\$ 179,810</b>	<b>\$ 491,486</b>	<b>\$ 671,296</b>	<b>50%</b>		

1. Consumption and Meters from source files: Billed Consumption Excel Export 2015, 2016, 2017.xlsx (data combined and summarized in pivot Tables).

Pivot tables found in Source File: Pivot Tables - Billed Consumption Excel Export 2015-2017 Water.xlsx

2. Per client phone call March 26, 2018, Idyllwild Arts Academy accounts for 80% of 2016 consumption.

**TABLE 33**

Single-Family Residential Tiered Rates	Tier Break	Water Consumption (cf/yr)	Commodity Assigned Costs	Capacity Assigned Costs	Total Target Rev. Req't from Vol. Charges	% of Residential Volumetric Rate Revenue	Tiered Rates (\$/cf)
Tier 1	450	3,145,764	\$ 60,534	\$ -	\$ 60,534	16.8%	\$0.0192
Tier 2	900	1,207,314	23,232	134,515	157,748	43.9%	\$0.1307
Tier 3	--	883,738	17,006	124,182	141,188	39.3%	\$0.1598
<b>Total</b>		<b>5,236,816</b>	<b>\$ 100,772</b>	<b>\$ 258,698</b>	<b>\$ 359,470</b>	<b>100%</b>	

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**PROPOSED VOLUMETRIC CHARGES FOR FY 2018/19:**

*Net Revenue Requirements (60% Fixed / 40% Variable)*

**TABLE 34**

Customer Classes	Number of Meters <sup>1</sup>	Water Consumption (cf/yr) <sup>1</sup>	Commodity Assigned Costs	Capacity Assigned Costs	Total Target Rev. Req't from Vol. Charges	% of Total Rate Revenue	Uniform Commodity Rates (\$/cf)	Proposed Rate Structure
Residential	1,464	5,236,816	\$ 100,772	\$ 188,029	\$ 288,801	22%	N/A	Tiered
Apartment	9	126,910	2,442	3,674	6,116	0%		Uniform
Trailer Park	3	225,250	4,334	11,888	16,222	1%		Uniform
Business	98	940,521	18,098	28,693	46,791	3%		Uniform
Motel	27	522,850	10,061	17,245	27,306	2%		Uniform
Restaurant	16	531,580	10,229	16,310	26,539	2%		Uniform
School	4	39,340	757	2,492	3,249	0%	\$0.0604	Uniform
Camp	6	344,640	6,632	42,965	49,597	4%		Uniform
Church	12	76,890	1,480	2,689	4,169	0%		Uniform
Park	3	167,260	3,219	6,678	9,896	1%		Uniform
Idyllwild Arts Academy	1	1,132,136	21,786	36,564	58,350	4%		Uniform
Fire Service	2	0	-	-	-	0%		Uniform
<b>Total</b>	<b>1,645</b>	<b>9,344,193</b>	<b>\$ 179,810</b>	<b>\$ 357,227</b>	<b>\$ 537,037</b>	<b>40%</b>		

1. Consumption and Meters from source files: Billed Consumption Excel Export 2015, 2016, 2017.xlsx (data combined and summarized in pivot Tables).

Pivot tables found in Source File: Pivot Tables - Billed Consumption Excel Export 2015-2017 Water.xlsx

2. Per client phone call March 26, 2018, Idyllwild Arts Academy accounts for 80% of 2016 consumption.

**TABLE 35**

Single-Family Residential Tiered Rates	Tier Break	Water Consumption (cf/yr) <sup>1</sup>	Commodity Assigned Costs	Capacity Assigned Costs	Total Target Rev. Req't from Vol. Charges	% of Residential Volumetric Rate Revenue	Tiered Rates (\$/cf)
Tier 1	450	3,145,764	\$ 60,534	\$ -	\$ 60,534	21%	\$0.0192
Tier 2	900	1,207,314	23,232	97,770	121,002	42%	\$0.1002
Tier 3	--	883,738	17,006	90,260	107,265	37%	\$0.1214
<b>Total</b>		<b>5,236,816</b>	<b>\$ 100,772</b>	<b>\$ 188,029</b>	<b>\$ 288,801</b>	<b>100%</b>	

**TABLE 36**

FY 2022/23 Rates	Tier Break	Rate
Uniform Commercial Break	N/A	<b>\$0.0735</b>
<b>Single-Family Residential</b>		
Tier 1	450	<b>\$0.0234</b>
Tier 2	900	<b>\$0.1218</b>
Tier 3	--	<b>\$0.1475</b>

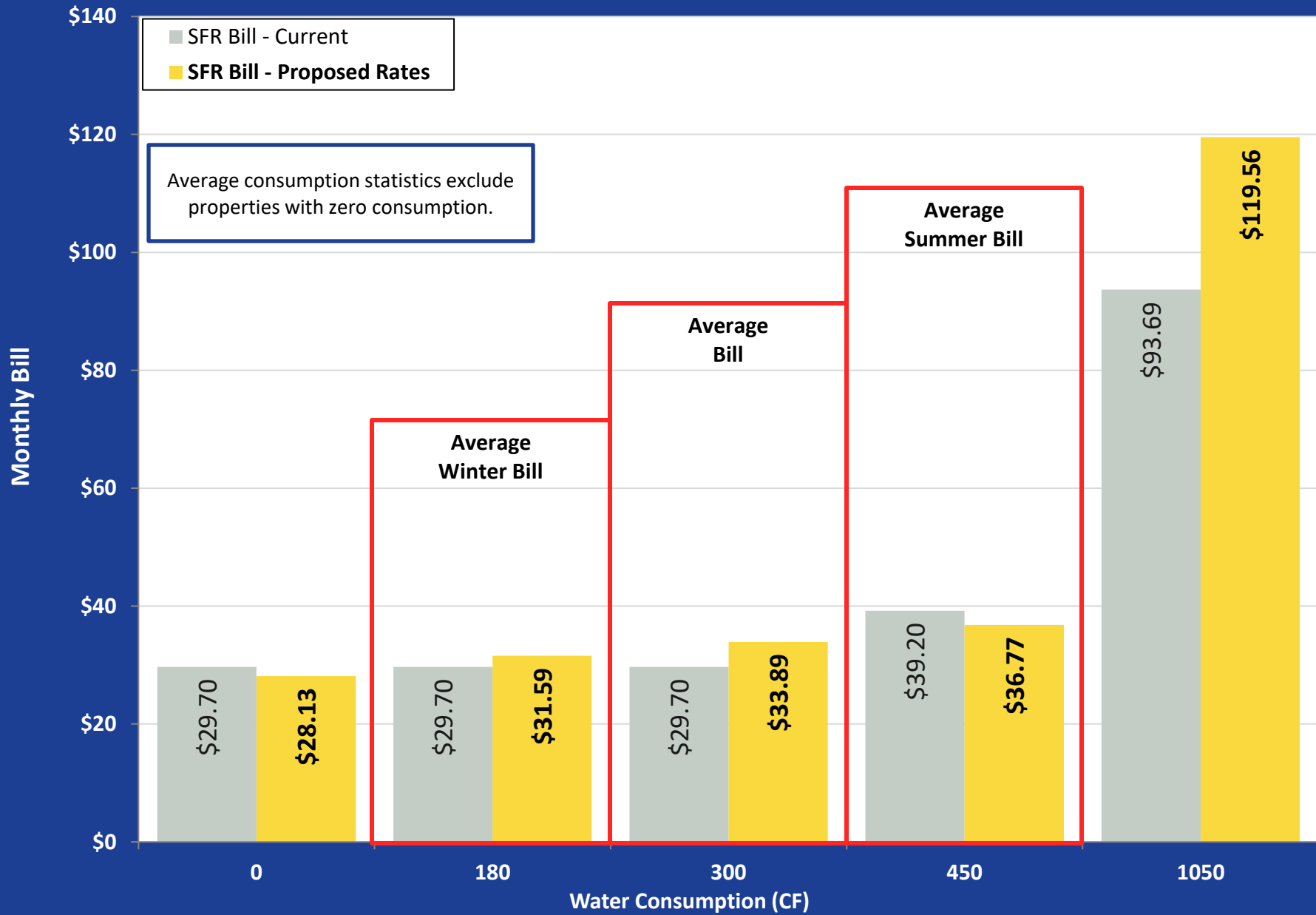
**IDYLLWILD WATER DISTRICT  
WATER RATE STUDY  
Water Cost of Service Analysis/Rate Design**

**CURRENT VS. PROPOSED WATER RATES:**

**TABLE 37**

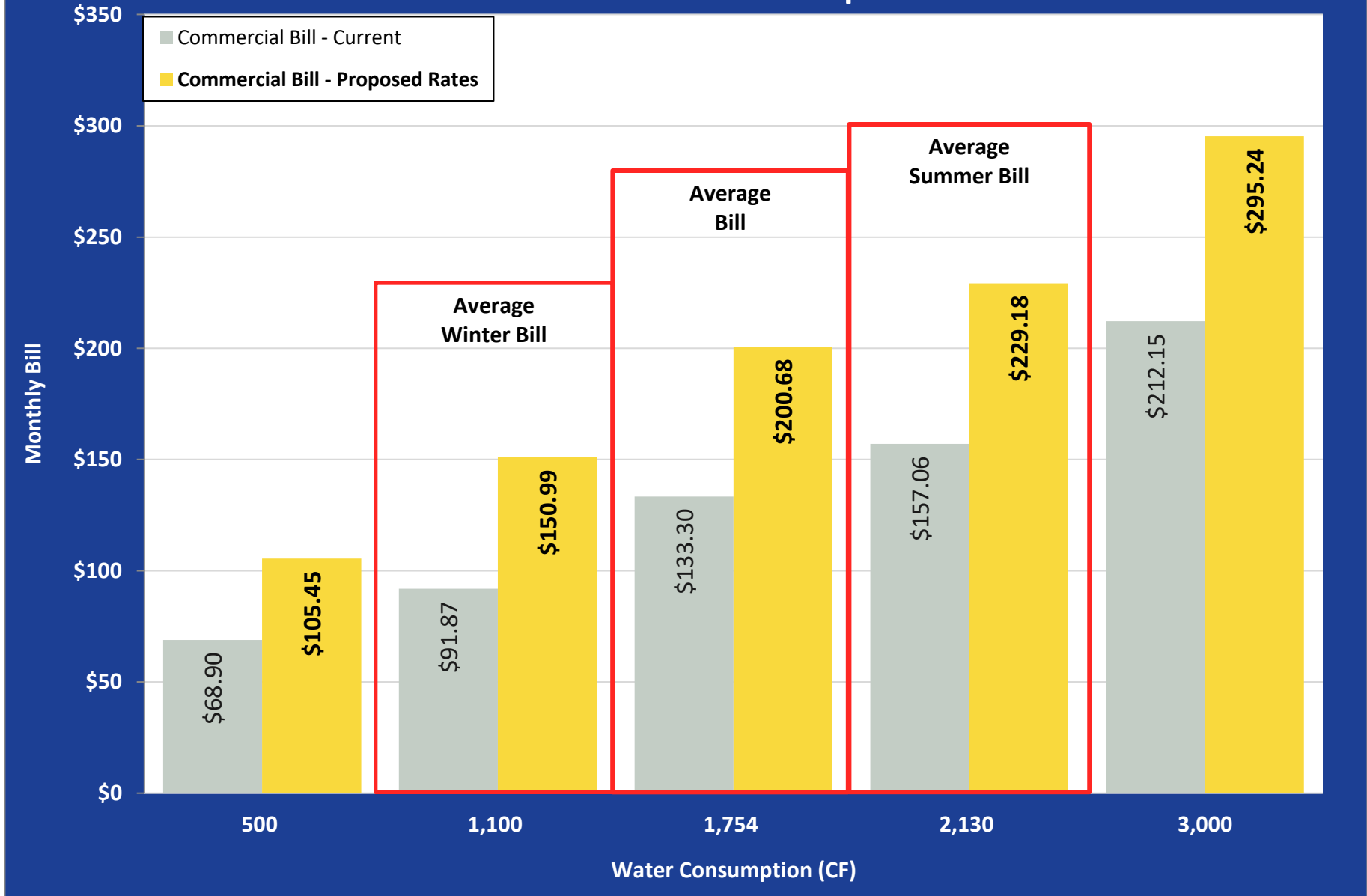
<b>Proposed Rates - Transition 50% Fixed to 60% Fixed</b>								
Water Rate Schedule	Number of Customers	Current Rates	Proposed Rates					
			FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	
<b>Monthly Fixed Service Charges:</b>								
<i>Single Family Residential</i>								
5/8 inch	1,427	\$29.70	\$28.13	\$30.92	\$33.91	\$37.13	\$40.59	
3/4 inch	12	\$40.35	\$41.25	\$45.38	\$49.83	\$54.60	\$59.73	
1 inch	24	\$61.25	\$67.49	\$74.31	\$81.65	\$89.54	\$98.01	
<i>All Other Customers:</i>								
5/8 inch	109	\$20.90	\$28.13	\$30.92	\$33.91	\$37.13	\$40.59	
3/4 inch	30	\$31.35	\$41.25	\$45.38	\$49.83	\$54.60	\$59.73	
1 inch	59	\$52.25	\$67.49	\$74.31	\$81.65	\$89.54	\$98.01	
1.5 inch	13	\$104.50	\$133.08	\$146.64	\$161.22	\$176.89	\$193.72	
2 inch	5	\$167.20	\$211.79	\$233.42	\$256.69	\$281.70	\$308.57	
3 inch	1	\$313.50	\$421.68	\$464.85	\$511.29	\$561.21	\$614.84	
<i>Idyllwild Arts Academy</i>								
3 inch	1	\$313.50	\$4,248.35	\$4,844.19	\$5,488.99	\$6,186.16	\$6,939.33	
<i>Fire Service Charges:</i>								
2 inch	0	--	\$7.18	\$7.54	\$7.92	\$8.31	\$8.73	
3 inch	0	--	\$13.45	\$14.12	\$14.83	\$15.57	\$16.35	
4 inch	2	--	\$25.00	\$26.25	\$27.56	\$28.94	\$30.39	
<b>Monthly Commodity Charges per cf of water consumed</b>								
	<u>Current</u>	<u>Proposed</u>						
<i>Tiered Rate (Commercial Customers)</i>								
Tier 1	1000 cf	\$0.0333	--	--	--	--	--	
Tier 2	4000 cf	\$0.0633	--	--	--	--	--	
Tier 3	8000 cf	\$0.1000	--	--	--	--	--	
Tier 4	8001+ cf	\$0.1000	--	--	--	--	--	
<i>Uniform Potable Rate (Commercial Customers)</i>			\$0.0759	\$0.0757	\$0.0752	\$0.0744	\$0.0735	
<i>Tiered Rate (SFR Customers)</i>								
Tier 1	300 cf	450 cf	\$0.0000	\$0.0192	\$0.0202	\$0.0212	\$0.0223	\$0.0234
Tier 2	600 cf	900 cf	\$0.0633	\$0.1307	\$0.1292	\$0.1273	\$0.1248	\$0.1218
Tier 3	1500 cf	900+ cf	\$0.1000	\$0.1598	\$0.1577	\$0.1550	\$0.1516	\$0.1475
Tier 4	1500+ cf	--	\$0.1000	N/A	N/A	N/A	N/A	N/A

## Residential Water Bill Comparison 5/8" Meter - Current vs. Proposed

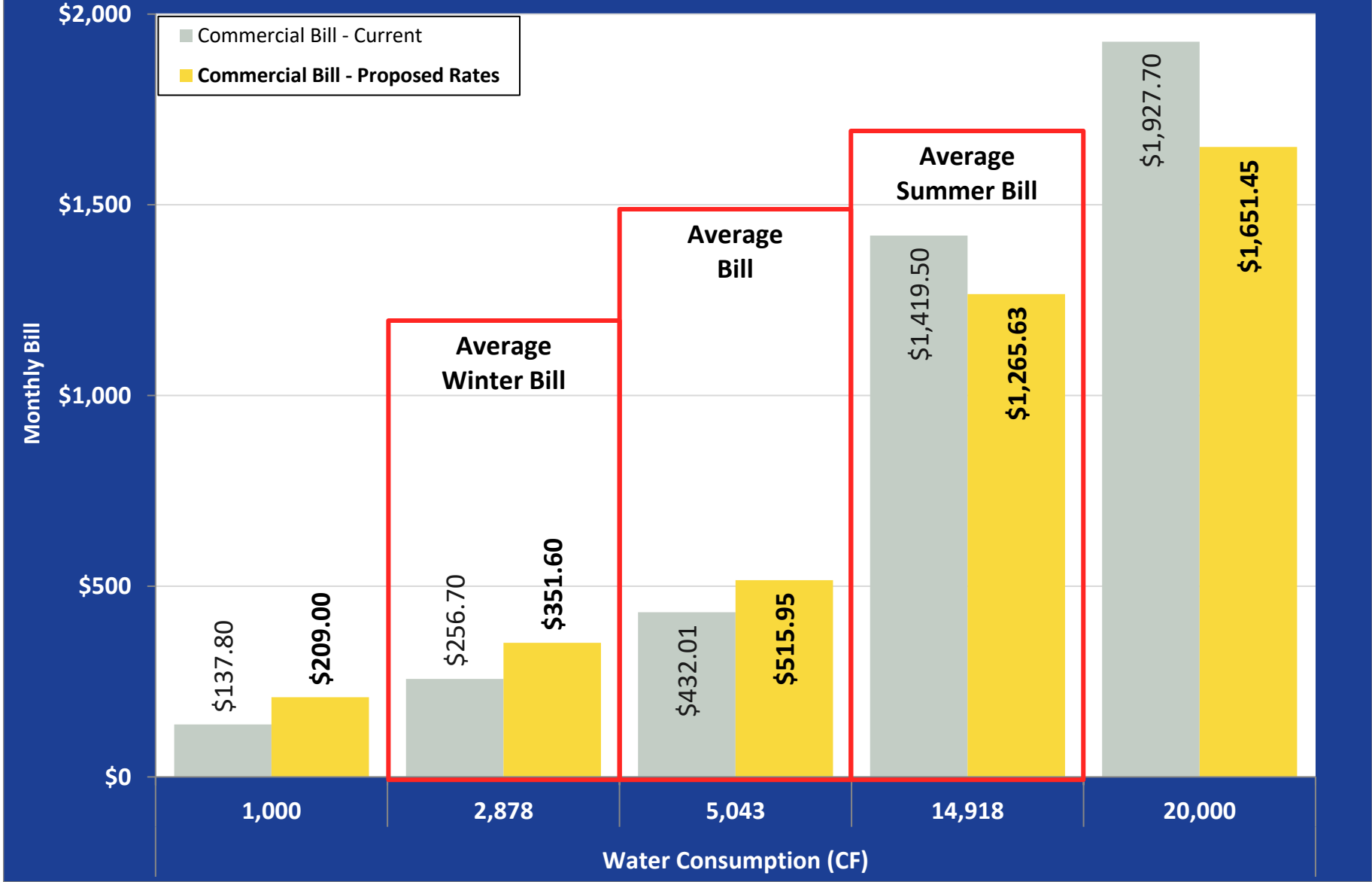




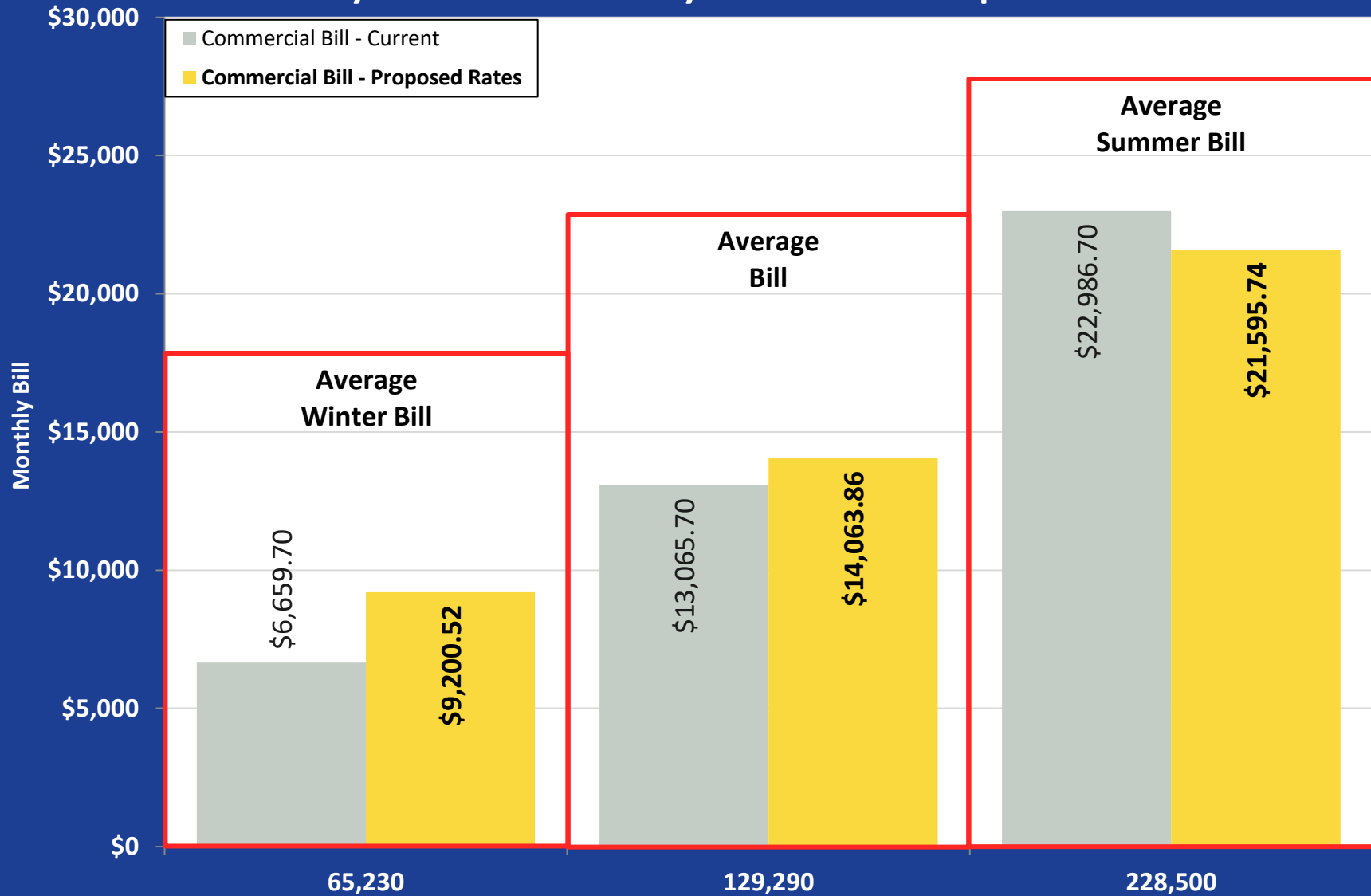
## Commercial Water Bill Comparison 1" Meter - Current vs. Proposed Rate



# Commercial Water Bill Comparison 1.5" Meter - Current vs. Proposed Rate



## Commercial Water Bill Comparison Idyllwild Arts Academy - Current vs. Proposed Rate



# Appendix B: Detailed Sewer Study Tables and Figures

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TABLE 1  
FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY (1, 2, 3)	Budgeted	Projected									
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
<b>Sources of Sewer Funds</b>											
<i>Rate Revenue:</i>											
Revenue Under Current Rates	\$ 630,006	\$ 631,896	\$ 633,792	\$ 635,693	\$ 637,600	\$ 639,513	\$ 641,431	\$ 643,356	\$ 645,286	\$ 647,222	\$ 649,163
Revenue from Rate Increases (2)	-	36,744	53,620	71,018	88,952	107,437	130,235	153,845	178,295	203,611	229,823
Subtotal: Rate Revenue After Rate Increases	630,006	668,640	687,412	706,711	726,552	746,950	771,667	797,201	823,580	850,833	878,987
<i>Non-Rate Revenue:</i>											
Sewer Transfer Fees	\$ 775	\$ 777	\$ 780	\$ 782	\$ 784	\$ 787	\$ 789	\$ 791	\$ 794	\$ 796	\$ 799
Sewer Other Fees, Refunds	-	-	-	-	-	-	-	-	-	-	-
Sewer Taxes	115,000	116,725	118,476	120,253	122,057	123,888	125,746	127,632	129,547	131,490	133,462
Interest Income	1,500	6,561	9,781	12,195	12,117	16,103	15,845	15,518	15,116	14,632	14,061
Other Non-operating Income	10,450	10,316	10,186	10,061	9,940	9,823	9,710	9,601	9,496	9,395	9,297
Subtotal: Non-Rate Revenue	127,725	134,379	139,223	143,291	144,898	150,600	152,091	153,543	154,952	156,312	157,619
<b>Total Sources of Funds</b>	<b>\$ 757,731</b>	<b>\$ 803,019</b>	<b>\$ 826,635</b>	<b>\$ 850,002</b>	<b>\$ 871,450</b>	<b>\$ 897,550</b>	<b>\$ 923,757</b>	<b>\$ 950,744</b>	<b>\$ 978,532</b>	<b>\$ 1,007,145</b>	<b>\$ 1,036,605</b>
<b>Uses of Sewer Funds</b>											
<i>Operating Expenses:</i>											
Sewer Operating Expenses	\$ 524,982	\$ 544,883	\$ 565,618	\$ 587,225	\$ 609,743	\$ 633,213	\$ 657,679	\$ 683,185	\$ 709,779	\$ 737,511	\$ 766,432
Sewer Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
Subtotal: Operating Expenses	\$ 524,982	\$ 544,883	\$ 565,618	\$ 587,225	\$ 609,743	\$ 633,213	\$ 657,679	\$ 683,185	\$ 709,779	\$ 737,511	\$ 766,432
<i>Other Expenditures:</i>											
Existing Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Debt Service	-	-	-	-	-	-	-	-	-	-	-
Rate-Funded Capital Expenses	-	-	-	-	-	-	-	-	-	26,063	92,407
Subtotal: Other Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,063	\$ 92,407
<b>Total Uses of Funds</b>	<b>\$ 524,982</b>	<b>\$ 544,883</b>	<b>\$ 565,618</b>	<b>\$ 587,225</b>	<b>\$ 609,743</b>	<b>\$ 633,213</b>	<b>\$ 657,679</b>	<b>\$ 683,185</b>	<b>\$ 709,779</b>	<b>\$ 763,573</b>	<b>\$ 858,839</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$ 232,749</b>	<b>\$ 258,135</b>	<b>\$ 261,016</b>	<b>\$ 262,776</b>	<b>\$ 261,707</b>	<b>\$ 264,337</b>	<b>\$ 266,079</b>	<b>\$ 267,559</b>	<b>\$ 268,754</b>	<b>\$ 243,572</b>	<b>\$ 177,766</b>
<b>Net Revenue Req't. (Total Uses less Non-Rate Revenue)</b>	<b>\$ 397,257</b>	<b>\$ 410,505</b>	<b>\$ 426,396</b>	<b>\$ 443,935</b>	<b>\$ 464,845</b>	<b>\$ 482,613</b>	<b>\$ 505,588</b>	<b>\$ 529,642</b>	<b>\$ 554,827</b>	<b>\$ 607,261</b>	<b>\$ 701,220</b>
<b>Projected Annual Rate Revenue Adjustment</b>	<b>0.00%</b>	<b>5.81%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>
<i>Cumulative Increase from Annual Revenue Increases</i>	0.00%	5.81%	8.46%	11.17%	13.95%	16.80%	20.30%	23.91%	27.63%	31.46%	35.40%
<i>Debt Coverage After Rate Increase</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- Revenue and expenses for FY 2017-18 are from source file: 2017-2018 Budget.pdf, Pages 10-11.  
Budget values have been adjusted as part of the analysis, as detailed in Exhibit 1 (O&M).
- Revenue from rate increases assumes an implementation date of July 1, 2018 and July 1 each year thereafter.
- The FY 2017/18 revenue and operating expenses are from the budget. Inflationary factors are applied to these expenses to project costs in FY 2018/19 and beyond.

TABLE 2  
RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY UN-RESTRICTED RESERVES	Budgeted	Projected										
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	
<b>Total Beginning Cash (1, 2)</b>	<b>\$ 1,734,690</b>											
<b>Operating Reserve Fund</b>												
Beginning Reserve Balance (2)	\$ 1,441,795	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Plus: Net Cash Flow (After Rate Increases)	232,749	258,135	261,016	262,776	261,707	264,337	266,079	267,559	268,754	243,572	177,766	
Less: Transfer Out to Emergency Reserve	(1,424,544)	(258,135)	(261,016)	(262,776)	(261,707)	(264,337)	(266,079)	(267,559)	(268,754)	(243,572)	(177,766)	
<b>Ending Working Capital Reserve Balance</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>
<b>Target Ending Balance (\$250K) (3)</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>
<b>Emergency Reserve Fund</b>												
Beginning Reserve Balance (2)	\$ 50,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Net: Transfer of Working Capital Reserve Surplus	1,424,544	258,135	261,016	262,776	261,707	264,337	266,079	267,559	268,754	243,572	177,766	
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-
Net: Transfer Out / In to Capital R&R Reserve	(1,324,544)	(258,135)	(261,016)	(262,776)	(261,707)	(264,337)	(266,079)	(267,559)	(268,754)	(243,572)	(177,766)	
<b>Ending Emergency Reserve Fund Balance</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>
<b>Target Emergency Reserve Fund (\$150K) (3)</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>
<b>Capital Rehabilitation &amp; Replacement Reserve</b>												
Beginning Reserve Balance (2,4)	\$ 75,000	\$ 1,229,544	\$ 1,230,179	\$ 1,225,971	\$ 1,215,566	\$ 1,195,895	\$ 1,170,413	\$ 1,137,979	\$ 1,098,069	\$ 1,050,131	\$ 993,572	\$ 993,572
Plus: Transfer of Emergency Reserve Surplus	1,324,544	258,135	261,016	262,776	261,707	264,337	266,079	267,559	268,754	243,572	177,766	
Less: Use of Reserves for Capital Projects	(170,000)	(257,500)	(265,225)	(273,182)	(281,377)	(289,819)	(298,513)	(307,468)	(316,693)	(300,131)	(243,572)	
<b>Ending Capital Rehab &amp; Replacement Reserve Balance</b>	<b>\$ 1,229,544</b>	<b>\$ 1,230,179</b>	<b>\$ 1,225,971</b>	<b>\$ 1,215,566</b>	<b>\$ 1,195,895</b>	<b>\$ 1,170,413</b>	<b>\$ 1,137,979</b>	<b>\$ 1,098,069</b>	<b>\$ 1,050,131</b>	<b>\$ 993,572</b>	<b>\$ 927,766</b>	
<b>Target Capital R&amp;R Reserve (\$750K) (3,4)</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>
<b>Ending Balance</b>	<b>\$ 1,629,544</b>	<b>\$ 1,630,179</b>	<b>\$ 1,625,971</b>	<b>\$ 1,615,566</b>	<b>\$ 1,595,895</b>	<b>\$ 1,570,413</b>	<b>\$ 1,537,979</b>	<b>\$ 1,498,069</b>	<b>\$ 1,450,131</b>	<b>\$ 1,393,572</b>	<b>\$ 1,327,766</b>	
<b>Minimum Target Ending Balance</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,150,000</b>
<b>Ending Surplus/(Deficit) Compared to Reserve Targets</b>	<b>\$ 479,544</b>	<b>\$ 480,179</b>	<b>\$ 475,971</b>	<b>\$ 465,566</b>	<b>\$ 445,895</b>	<b>\$ 420,413</b>	<b>\$ 387,979</b>	<b>\$ 348,069</b>	<b>\$ 300,131</b>	<b>\$ 243,572</b>	<b>\$ 177,766</b>	
<b>Semi-Restricted Reserves (5):</b>												
<b>Vacation/Sick/Annual Leave Liability</b>												
Beginning Reserve Balance (2)	\$ 5,603	\$ 5,626	\$ 5,648	\$ 5,682	\$ 5,725	\$ 5,768	\$ 5,826	\$ 5,885	\$ 5,944	\$ 6,004	\$ 6,065	\$ 6,065
Interest Earnings	23	23	34	43	43	58	59	59	60	61	61	61
<b>Ending Vacation/Sick/Annual Leave Liability</b>	<b>\$ 5,626</b>	<b>\$ 5,648</b>	<b>\$ 5,682</b>	<b>\$ 5,725</b>	<b>\$ 5,768</b>	<b>\$ 5,826</b>	<b>\$ 5,885</b>	<b>\$ 5,944</b>	<b>\$ 6,004</b>	<b>\$ 6,065</b>	<b>\$ 6,126</b>	
<b>Target Vacation/Sick/Annual Leave Reserve (\$25K) (3)</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
<b>OPEB</b>												
Beginning Reserve Balance (2)	\$ 162,292	\$ 162,945	\$ 163,601	\$ 164,583	\$ 165,817	\$ 167,061	\$ 168,747	\$ 170,449	\$ 172,169	\$ 173,906	\$ 175,661	\$ 175,661
Interest Earnings	653	656	982	1,234	1,244	1,686	1,703	1,720	1,737	1,755	1,772	1,772
<b>Ending Vacation/Sick/Annual Leave Liability</b>	<b>\$ 162,945</b>	<b>\$ 163,601</b>	<b>\$ 164,583</b>	<b>\$ 165,817</b>	<b>\$ 167,061</b>	<b>\$ 168,747</b>	<b>\$ 170,449</b>	<b>\$ 172,169</b>	<b>\$ 173,906</b>	<b>\$ 175,661</b>	<b>\$ 177,433</b>	
<b>Target OPEB Reserve (\$225K) (3)</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>
<b>Restricted Reserves (6):</b>												
<b>Capacity Charge Reserve</b>												
Beginning Reserve Balance (2)	\$ -	\$ 5,250	\$ 10,537	\$ 15,882	\$ 21,298	\$ 26,771	\$ 32,371	\$ 38,042	\$ 43,787	\$ 49,607	\$ 55,501	\$ 55,501
Plus: Capacity Charge Revenue	5,250	5,266	5,282	5,297	5,313	5,329	5,345	5,361	5,377	5,393	5,410	5,410
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-
Interest Earnings	-	21	63	119	160	270	327	384	442	501	560	560
<b>Ending Capacity Charges Reserves</b>	<b>\$ 5,250</b>	<b>\$ 10,537</b>	<b>\$ 15,882</b>	<b>\$ 21,298</b>	<b>\$ 26,771</b>	<b>\$ 32,371</b>	<b>\$ 38,042</b>	<b>\$ 43,787</b>	<b>\$ 49,607</b>	<b>\$ 55,501</b>	<b>\$ 61,470</b>	
<b>Annual Interest Earnings Rate (7)</b>	<b>0.40%</b>	<b>0.40%</b>	<b>0.60%</b>	<b>0.75%</b>	<b>0.75%</b>	<b>1.01%</b>	<b>1.01%</b>	<b>1.01%</b>	<b>1.01%</b>	<b>1.01%</b>	<b>1.01%</b>	<b>1.01%</b>

1. Found from Statement of Cash Flows. Source file: 2016-2017 Financial Statements.pdf; Note 3, Total Cash and Cash Equivalents, Page 22.  
2. Financial Statements. Source File: 2016-2017 Financial Statements.pdf; Note 6, Net position reserves, Page 26.  
3. Found from Reserve Policy Targets: Source Files: Target Reserve Fund.pdf.  
4. Capital Rehab and Replacement Reserve Fund includes Funds from "Vehicle & Equipment Replacement Reserve Fund"  
5. Vacation/Sick/Annual Leave Liability and OPEB reserve funds are not restricted, but are held in reserve which should not be used for standard operations.  
6. Water and Sewer Capacity Charge revenue must be maintained in a restricted reserve in accordance with CA Code 66013.  
7. Interest earnings in FY 2018/19 equal to 5-year LAIF average (2012/13-2016/17). Interest earnings increase to 10-year LAIF average by FY 2022/23.

CHART 1

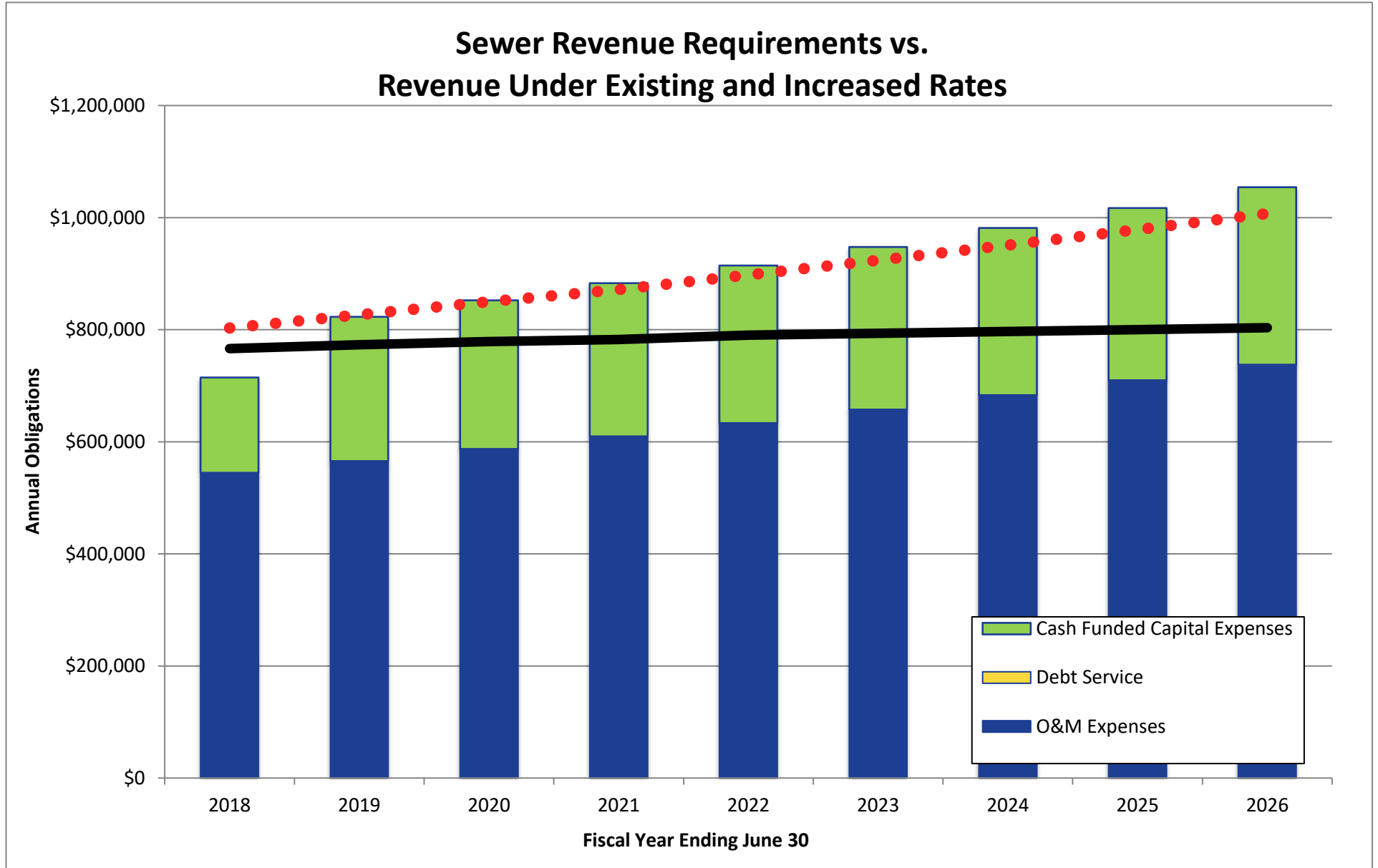


CHART 2

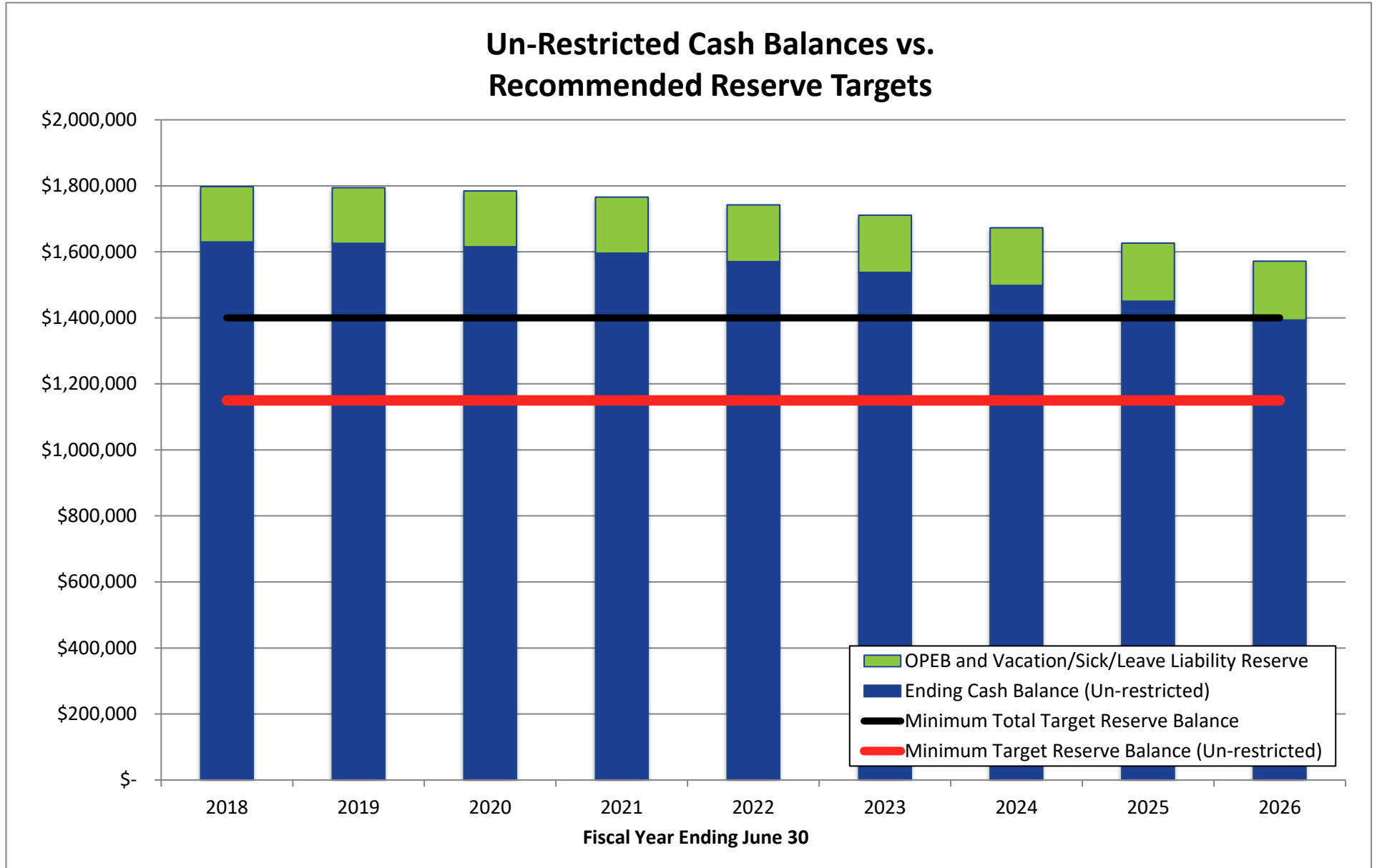
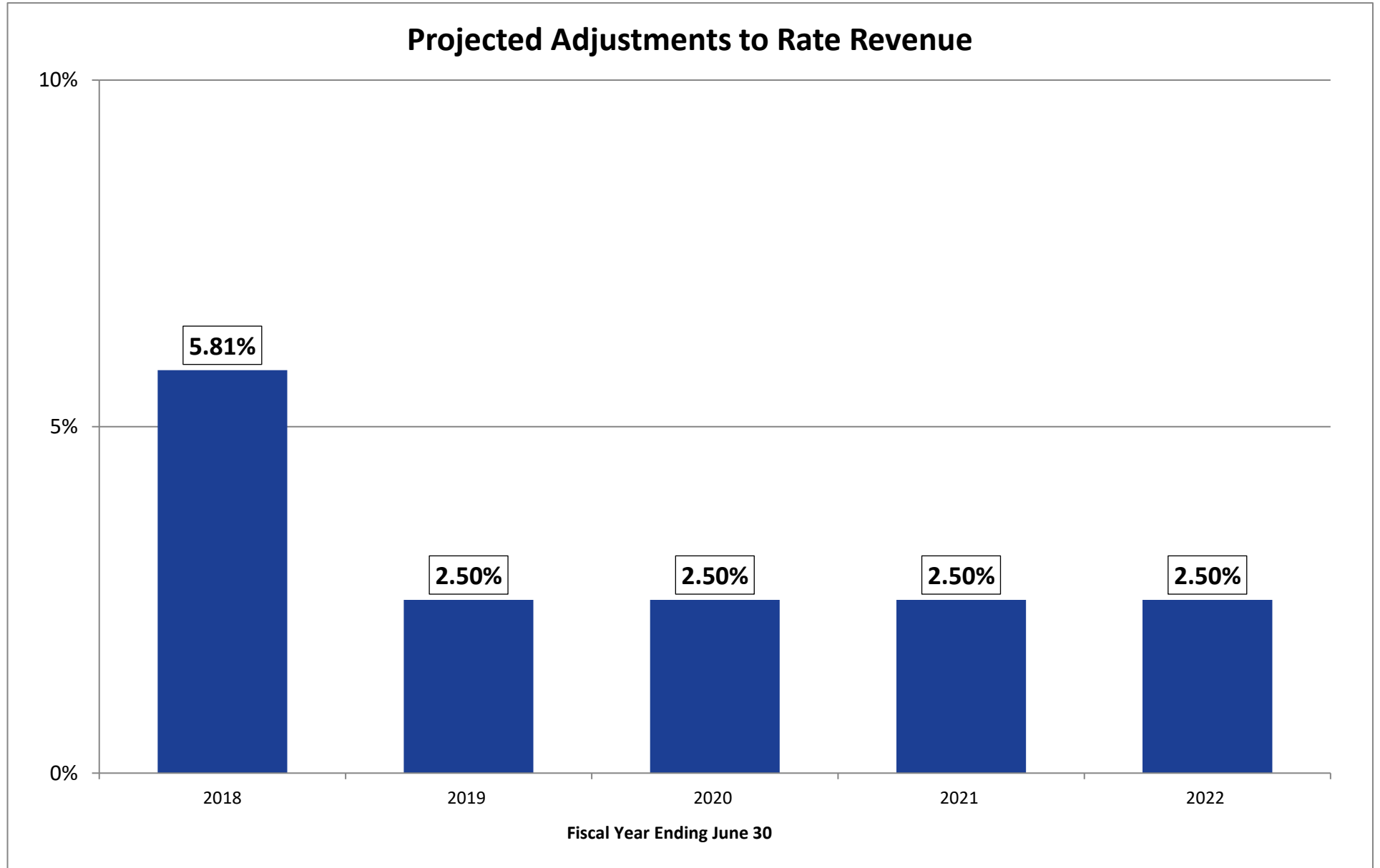




CHART 3



IDYLLWILD WATER DISTRICT  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

TABLE 3 - REVENUE FORECAST (1):

DESCRIPTION	Inflation Basis	Budget										
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>SEWER OPERATING REVENUE</b>												
Sewer Base Fees - Commercial	1	\$ 423,456	\$ 424,726	\$ 426,001	\$ 427,279	\$ 428,560	\$ 429,846	\$ 431,136	\$ 432,429	\$ 433,726	\$ 435,027	\$ 436,333
Sewer Base Fees - Residential	1	206,550	207,170	207,791	208,415	209,040	209,667	210,296	210,927	211,560	212,194	212,831
Sewer Transfer Fees	1	775	777	780	782	784	787	789	791	794	796	799
Sewer Other Fees, Refunds	1	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal: Sewer Operating Revenue</b>		<b>\$ 630,781</b>	<b>\$ 632,673</b>	<b>\$ 634,571</b>	<b>\$ 636,475</b>	<b>\$ 638,385</b>	<b>\$ 640,300</b>	<b>\$ 642,221</b>	<b>\$ 644,147</b>	<b>\$ 646,080</b>	<b>\$ 648,018</b>	<b>\$ 649,962</b>
<b>SEWER NON-OPERATING REVENUE</b>												
Sewer Taxes and Assessments	9	\$ 115,000	\$ 116,725	\$ 118,476	\$ 120,253	\$ 122,057	\$ 123,888	\$ 125,746	\$ 127,632	\$ 129,547	\$ 131,490	\$ 133,462
Sewer Stand By Assessments	7	5,000	4,850	4,705	4,563	4,426	4,294	4,165	4,040	3,919	3,801	3,687
Sewer Interest Earned	See FP	1,500	-	-	-	-	-	-	-	-	-	-
Sewer Facilities Charges	1	5,250	5,266	5,282	5,297	5,313	5,329	5,345	5,361	5,377	5,393	5,410
Sewer Other Non-Operating Revenue	10	200	200	200	200	200	200	200	200	200	200	200
<b>Subtotal: Sewer Non-Operating Revenue</b>		<b>\$ 126,950</b>	<b>\$ 127,041</b>	<b>\$ 128,662</b>	<b>\$ 130,314</b>	<b>\$ 131,997</b>	<b>\$ 133,711</b>	<b>\$ 135,456</b>	<b>\$ 137,233</b>	<b>\$ 139,043</b>	<b>\$ 140,884</b>	<b>\$ 142,759</b>
<b>TOTAL: SEWER REVENUE</b>		<b>\$ 757,731</b>	<b>\$ 759,714</b>	<b>\$ 763,233</b>	<b>\$ 766,789</b>	<b>\$ 770,381</b>	<b>\$ 774,010</b>	<b>\$ 777,677</b>	<b>\$ 781,381</b>	<b>\$ 785,122</b>	<b>\$ 788,902</b>	<b>\$ 792,721</b>

TABLE 4 - REVENUE SUMMARY:

<b>OPERATING REVENUE:</b>												
Sewer Billing		\$ 630,006	\$ 631,896	\$ 633,792	\$ 635,693	\$ 637,600	\$ 639,513	\$ 641,431	\$ 643,356	\$ 645,286	\$ 647,222	\$ 649,163
Other Charges for Services		775	777	780	782	784	787	789	791	794	796	799
Interest Income		1,500	-	-	-	-	-	-	-	-	-	-
<b>OTHER REVENUE:</b>												
Sewer Non-Operating Revenue		120,200	121,775	123,380	125,016	126,683	128,381	130,111	131,872	133,665	135,491	137,349
Capacity Charge Revenue		5,250	5,266	5,282	5,297	5,313	5,329	5,345	5,361	5,377	5,393	5,410
<b>TOTAL: SEWER REVENUE</b>		<b>\$ 752,481</b>	<b>\$ 754,448</b>	<b>\$ 757,952</b>	<b>\$ 761,491</b>	<b>\$ 765,068</b>	<b>\$ 768,681</b>	<b>\$ 772,331</b>	<b>\$ 776,019</b>	<b>\$ 779,745</b>	<b>\$ 783,509</b>	<b>\$ 787,311</b>

**IDYLLWILD WATER DISTRICT  
SEWER RATE STUDY  
Operating Revenue and Expenses**

**EXHIBIT 1**

**TABLE 5 - OPERATING EXPENSE FORECAST (1):**

DESCRIPTION	Inflation Basis	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>SEWER OPERATING EXPENSES</b>												
Sewer Payroll	3	\$ 190,000	\$ 199,500	\$ 209,475	\$ 219,949	\$ 230,946	\$ 242,493	\$ 254,618	\$ 267,349	\$ 280,717	\$ 294,752	\$ 309,490
Sewer Retirement and Life Insurance	4	22,500	23,625	24,806	26,047	27,349	28,716	30,152	31,660	33,243	34,905	36,650
Sewer Medical Insurance	4	38,032	39,934	41,930	44,027	46,228	48,540	50,967	53,515	56,191	59,000	61,950
Sewer Worker's Comp Insurance	4	1,736	1,823	1,914	2,010	2,110	2,216	2,326	2,443	2,565	2,693	2,828
Sewer Non-Employee Insurance	4	12,597	13,227	13,888	14,583	15,312	16,077	16,881	17,725	18,612	19,542	20,519
<b>Subtotal: Salaries and Benefits</b>		<b>\$ 264,865</b>	<b>\$ 278,108</b>	<b>\$ 292,014</b>	<b>\$ 306,614</b>	<b>\$ 321,945</b>	<b>\$ 338,042</b>	<b>\$ 354,944</b>	<b>\$ 372,692</b>	<b>\$ 391,326</b>	<b>\$ 410,893</b>	<b>\$ 431,437</b>
Sewer Treatment Fees	2	\$ 12,000	\$ 12,300	\$ 12,608	\$ 12,923	\$ 13,246	\$ 13,577	\$ 13,916	\$ 14,264	\$ 14,621	\$ 14,986	\$ 15,361
Sewer General Plant Expense	2	37,382	38,317	39,274	40,256	41,263	42,294	43,352	44,435	45,546	46,685	47,852
Sewer Minor Equipment/Parts	2	600	615	630	646	662	679	696	713	731	749	768
Sewer Vehicle Repairs and Maintenance	2	6,000	6,150	6,304	6,461	6,623	6,788	6,958	7,132	7,310	7,493	7,681
Sewer Utilities - Electricity	5	30,000	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466	38,403
Sewer Utilities - Gas and Fuel	5	2,091	2,143	2,197	2,252	2,308	2,366	2,425	2,486	2,548	2,611	2,677
Sewer Utilities - Propane	5	200	205	210	215	221	226	232	238	244	250	256
Sewer Utilities - Telephone	2	2,667	2,734	2,802	2,872	2,944	3,017	3,093	3,170	3,249	3,331	3,414
Sewer Utilities - Trash Fee	2	715	733	751	770	789	809	829	850	871	893	915
<b>Subtotal: Sewer Utilities</b>		<b>\$ 91,655</b>	<b>\$ 93,946</b>	<b>\$ 96,295</b>	<b>\$ 98,702</b>	<b>\$ 101,170</b>	<b>\$ 103,699</b>	<b>\$ 106,292</b>	<b>\$ 108,949</b>	<b>\$ 111,673</b>	<b>\$ 114,465</b>	<b>\$ 117,326</b>
Sewer Legal Services	8	\$ 9,000	\$ 9,315	\$ 9,641	\$ 9,978	\$ 10,328	\$ 10,689	\$ 11,063	\$ 11,451	\$ 11,851	\$ 12,266	\$ 12,695
Sewer Computer Services	8	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053
Sewer Cleaning Expense	8	1,500	1,553	1,607	1,663	1,721	1,782	1,844	1,908	1,975	2,044	2,116
Sewer Accounting and Audit Service	2	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244	6,400
Sewer Postage and Mail Fee	2	6,000	6,150	6,304	6,461	6,623	6,788	6,958	7,132	7,310	7,493	7,681
Sewer Office Supplies	2	3,000	3,075	3,152	3,231	3,311	3,394	3,479	3,566	3,655	3,747	3,840
Sewer Maintenance	2	19,265	19,747	20,240	20,746	21,265	21,797	22,341	22,900	23,473	24,059	24,661
Sewer Dues, Fees and Subscriptions	2	7,009	7,184	7,364	7,548	7,737	7,930	8,128	8,331	8,540	8,753	8,972
Sewer Advertising and Publishing	2	1,500	1,538	1,576	1,615	1,656	1,697	1,740	1,783	1,828	1,873	1,920
Sewer Leasing Equipment	2	600	615	630	646	662	679	696	713	731	749	768
Sewer Bank Fee Charge	2	500	513	525	538	552	566	580	594	609	624	640
Sewer Auto And General Insurance	2	11,134	11,412	11,698	11,990	12,290	12,597	12,912	13,235	13,566	13,905	14,252
Sewer Laboratory Service	2	9,982	10,232	10,487	10,750	11,018	11,294	11,576	11,865	12,162	12,466	12,778
Sewer Removal Disposal Fee	2	3,972	4,071	4,173	4,277	4,384	4,494	4,606	4,721	4,839	4,960	5,084
Sewer Consulting	2	75,000	76,875	78,797	80,767	82,786	84,856	86,977	89,151	91,380	93,665	96,006
Traveling and Entertainment	2	2,500	2,563	2,627	2,692	2,760	2,829	2,899	2,972	3,046	3,122	3,200
Training and Seminar Expenses	2	6,000	6,150	6,304	6,461	6,623	6,788	6,958	7,132	7,310	7,493	7,681
Sewer Security System	2	1,500	1,538	1,576	1,615	1,656	1,697	1,740	1,783	1,828	1,873	1,920
<b>Subtotal: Sewer Operating Expenses</b>		<b>\$ 168,462</b>	<b>\$ 172,829</b>	<b>\$ 177,310</b>	<b>\$ 181,908</b>	<b>\$ 186,628</b>	<b>\$ 191,472</b>	<b>\$ 196,442</b>	<b>\$ 201,544</b>	<b>\$ 206,780</b>	<b>\$ 212,153</b>	<b>\$ 217,669</b>
<b>TOTAL: SEWER EXPENSES</b>		<b>\$ 524,982</b>	<b>\$ 544,883</b>	<b>\$ 565,618</b>	<b>\$ 587,225</b>	<b>\$ 609,743</b>	<b>\$ 633,213</b>	<b>\$ 657,679</b>	<b>\$ 683,185</b>	<b>\$ 709,779</b>	<b>\$ 737,511</b>	<b>\$ 766,432</b>

**IDYLLWILD WATER DISTRICT  
SEWER RATE STUDY  
Operating Revenue and Expenses**

**EXHIBIT 1**

**TABLE 6 - FORECASTING ASSUMPTIONS**

INFLATION FACTORS	Inflation Basis	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Customer Growth (3)	1	--	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
General Cost Inflation (4)	2	--	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Inflation (5)	3	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Benefits Inflation (5)	4	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Energy (4)	5	--	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Fuel (4)	6	--	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Standby Deflation (6)	7	--	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.00%
Contractor Inflation (6)	8	--	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Tax Inflation (6)	9	--	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
No Escalation	10	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenue and expenses for FY 2017-18 are from source file: *2017-2018 Budget.pdf, Pages 10-11.*
2. Sewer depreciation from FY 2017-18 budget are \$65,000. Leaving out of this analysis as it is not cash.
3. Annual Growth from Source File: Idyllwild response to data request 1.5.18.pdf, Page 1, Paragraph 7.
4. CPI projected at 2.5% for general inflation, chemicals, etc. Source File: Idyllwild response to data request 1.5.18.pdf, Page 1, Paragraph 7.
5. Labor Growth Rates projected to increase 5%. Source file: Idyllwild response to data request 1.5.18.pdf, Page 1, Paragraph 7.
6. Standby Deflation set to -3%, Contractor Inflation set to 3.5%, and Tax inflation set to 1.5% per phone call with IWD on March 23, 2018.

IDYLLWILD WATER DISTRICT  
SEWER RATE STUDY  
Capital Improvement Plan Expenditures

EXHIBIT 2

TABLE 7 - CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Budgeted	Projected								
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
<b>Funding Sources:</b>										
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Capacity Fee Reserves	-	-	-	-	-	-	-	-	-	-
Use of SFR Proceeds	-	-	-	-	-	-	-	-	-	-
Use of New Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Use of Capital Rehabilitation and Replacement Reserve	170,000	257,500	265,225	273,182	281,377	289,819	298,513	307,468	316,693	300,131
Rate Revenue	-	-	-	-	-	-	-	-	-	26,063
<b>Total Sources of Capital Funds</b>	<b>\$ 170,000</b>	<b>\$ 257,500</b>	<b>\$ 265,225</b>	<b>\$ 273,182</b>	<b>\$ 281,377</b>	<b>\$ 289,819</b>	<b>\$ 298,513</b>	<b>\$ 307,468</b>	<b>\$ 316,693</b>	<b>\$ 326,193</b>
<b>Uses of Capital Funds:</b>										
Total Project Costs	\$ 170,000	\$ 257,500	\$ 265,225	\$ 273,182	\$ 281,377	\$ 289,819	\$ 298,513	\$ 307,468	\$ 316,693	\$ 326,193
<b>Capital Funding Surplus (Deficiency)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SFR revenue Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>New Revenue Bond Proceeds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CAPITAL IMPROVEMENT PROGRAM

TABLE 8 - Capital Improvement Program Costs (in Current-Year Dollars) (1):

Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Wastewater Treatment Plant (G/L #1316)</b>										
Manual Bar Screen to Headworks	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-Surface Lines (G/L #1315)</b>										
Clean and Video collection System	135,000	-	-	-	-	-	-	-	-	-
<b>General Plant - Structures, Power and Other Equipment</b>										
Skid Steer Tractor with attachments (50% sewer)	20,000	-	-	-	-	-	-	-	-	-
<b>Future Projects (2)</b>										
	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
<b>Total: CIP Program Costs (Current-Year Dollars)</b>	<b>\$ 170,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>

IDYLLWILD WATER DISTRICT  
SEWER RATE STUDY  
Capital Improvement Plan Expenditures

EXHIBIT 2

TABLE 9 - Capital Improvement Program Costs (in Future-Year Dollars):

Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Wastewater Treatment Plant (G/L #1316)</b>										
Manual Bar Screen to Headworks	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-Surface Lines (G/L #1315)</b>										
Clean and Video collection System	135,000	-	-	-	-	-	-	-	-	-
<b>General Plant - Structures, Power and Other Equipment</b>										
Skid Steer Tractor with attachments (50% sewer)	20,000	-	-	-	-	-	-	-	-	-
<b>Future Projects (2)</b>	-	257,500	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193
<b>Total: CIP Program Costs (Future-Year Dollars)</b>	<b>\$ 170,000</b>	<b>\$ 257,500</b>	<b>\$ 265,225</b>	<b>\$ 273,182</b>	<b>\$ 281,377</b>	<b>\$ 289,819</b>	<b>\$ 298,513</b>	<b>\$ 307,468</b>	<b>\$ 316,693</b>	<b>\$ 326,193</b>

TABLE 10 - FORECASTING ASSUMPTIONS:

Economic Variables	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Annual Construction Cost Inflation, Per Engineering News Record (3)	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Cumulative Construction Cost Multiplier from 2018	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30

1. CIP projected project costs from File Source: 2017-2018 Budget.pdf, Page 4.
2. Future projects, beyond the initial 5-year rate period are estimated to be 250K per district staff phone call on March 23, 2018.
3. Construction inflation values used from Engineering News Record website: www.enr.com

**IDYLLWILD WATER DISTRICT  
SEWER RATE STUDY  
Projected Water Rates Under Existing Rate Schedule**

**EXHIBIT 3**

**TABLE 11 Current Sewer Rate Schedule:**

<b>Current Sewer Rates per EDU</b>		
<b>Code</b>	<b>EDU</b>	<b>Rate</b>
All	1.0	\$38.25

File Source: Current Sewer Rate Structure.pdf

**IDYLLWILD WATER DISTRICT  
SEWER RATE STUDY  
Cost of Service Analysis**

**TABLE 16 - Development of the EDU Allocation Factor**

Customer Class	Number of Accounts (1)	Number of EDUs (1)	Percentage of Assigned EDUs	Average EDUs per Account
Apartment	9	35.5	2.5%	3.9
Business	93	246.9	17.7%	2.7
Camp	3	50.0	3.6%	16.7
Church	11	19.5	1.4%	1.8
Motel	25	82.0	5.9%	3.3
Park	2	30.0	2.2%	15.0
Residential	419	445.0	31.9%	1
Restaurant	17	120.7	8.7%	7.1
School	5	227.4	16.3%	45.5
Trailer Park	2	136.0	9.8%	68.0
<b>Total</b>	<b>586</b>	<b>1,393.0</b>	<b>100.0%</b>	<b>2.4</b>

1. Source: Commercial Sewer EDUs.xlsx and Income Statement 02-14-18.pdf (residential EDUs).

**TABLE 17 - FY 2018/19 Rate Calculation**

	Total Rate Revenue	Number of EDUs (2)	Monthly Charge
	a	b	c = a/b/12
Monthly Charge Per Current EDU	\$668,640	1,393	\$40.00



**IDYLLWILD WATER DISTRICT  
SEWER RATE STUDY  
Sewer Rate Development**

**TABLE 18 Current vs. Proposed Sewer Rates (Monthly)**

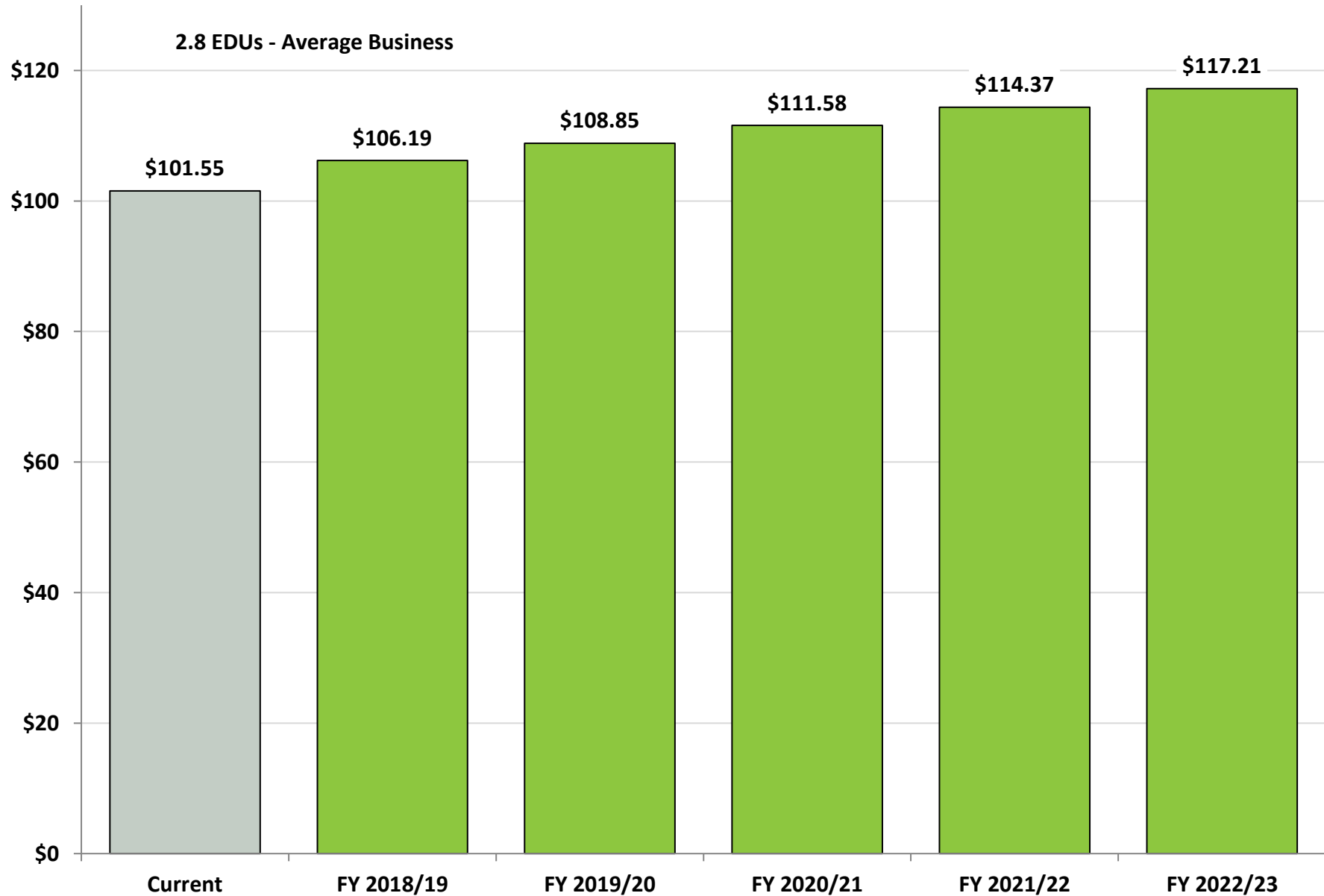
Sewer Rate Schedule	Current Monthly Rates (1)	Proposed Monthly Sewer Rates				
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Rate Per EDU	\$38.25	\$40.00	\$41.00	\$42.03	\$43.08	\$44.15

1. Sewer customers are charged on the basis of their number of assigned Equivalent Dwelling Units (EDUs).

## Single Family Residential Sewer Bill Comparison Current vs. Proposed Rates (*Assumes 1 EDU/SFR Account*)



## Average Commercial Sewer Bill Comparison Current vs. Proposed



# San Jacinto Mountains Water Agency

## Residential Rate Comparisons

Samples			1473 Customers		1177 Customers		1108 Customers
Usage	+	Base	Idyllwild Water District (Proposed Choice D)		Fern Valley 2018		Pine Cove 2018/19
300 CF	+	5/8"	\$33.89	3/4"	\$42.00	3/4"	\$39.23
300 CF	+	3/4"	\$47.01	1"	\$62.10	1"	\$39.23
300 CF	+	1"	\$73.25	1.5"	\$111.90	1.5"	\$39.23
450 CF	+	5/8"	\$36.77	3/4"	\$48.00	3/4"	\$42.60
450 CF	+	3/4"	\$49.89	1"	\$68.10	1"	\$42.60
450 CF	+	1"	\$76.13	1.5"	\$117.90	1.5"	\$42.60
900 CF	+	5/8"	\$95.59	3/4"	\$66.00	3/4"	\$52.70
900 CF	+	3/4"	\$108.71	1"	\$86.10	1"	\$52.70
900 CF	+	1"	\$134.95	1.5"	\$135.90	1.5"	\$52.70

**RESOLUTION NO. 753**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IDYLLWILD WATER DISTRICT  
ADOPTING WATER RATES FOR  
FISCAL YEARS 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23**

**WHEREAS, California Water Code Section 30000 et seq. authorizes the Idyllwild Water District to fix and collect water and sewer rates for water and sewer service provided to property owners and residents within the District; and**

**WHEREAS, there has been presented to the Board of Directors (Board) a proposed water rates for the District for the Fiscal Years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23; and**

**WHEREAS, the District previously adopted water rate Resolution Number 738 for the Fiscal Year 2017-18.**

**WHEREAS, at Regular meetings on April 18, 2018, and May 16, 2018 and June 20, 2018, the Board reviewed the 2018 Water and Sewer Rate Study, as well as holding a special Board Meeting workshop on April 10, 2018 and providing a Public workshop hosted by the rate consultant on May 30, 2018; and**

**WHEREAS, on June 20, 2018, the Board determined that the water rate increases described in the Water and Sewer Rate Study are necessary and sufficient to cover, without exceeding, the cost to provide water service to each customer connection; and**

**WHEREAS, pursuant to Proposition 218, Article XIID, on April 27, 2018, the District mailed notice of the water rate increase to all property owners within the District's service area, which included the proposed rates for FY 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23; and**

**WHEREAS, the proposed water rates have been reviewed and considered by the Board, and it has been determined to be in the best interest of the District to adopt water rates for the sound financial operation of the District; and**

**WHEREAS, the Board held a public hearing on June 20, 2018 at 6:00 p.m. at the office of the District at which date, time, and place, the Board heard all persons who wished to comment on the subject and considered and tabulated all written protests; and**

**WHEREAS, the Board of Directors desires to establish water rates for FY 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23.**

**NOW, THEREFORE, be it hereby resolved, determined, and ordered by the Board of Directors of the Idyllwild Water District as follows:**

**Section 1. The matters set forth in the recitals to this Resolution are true and correct statements.**

**Section 2. The prior water rate schedule adopted as part of Resolution Number 738 is rescinded and replaced by Resolution Number 753.**

Section 3. Written protests against the proposed rates and charges were not presented by a majority of owners.

Section 4. The Board of Directors has reviewed the entire record for this matter, which includes the 2018 Water and Sewer Rate Study (2018 Study), the final version of which is incorporated herein by reference, and the analyses of expenses and revenues set forth therein. Based on the Board of Directors' review, it finds and determines that the record supports the Board of Directors' findings that:

A. As set forth in the 2018 Study, revenues derived from the rates and charges will not exceed the revenues required to provide the property related service; and

B. As set forth in the 2018 Study, revenues derived from the rates and charges will not be used for any purpose other than that for which the rates or charges are imposed; and

C. As set forth in the 2018 Study, the amount of a rate or charge imposed upon any parcel or person as an incident of property ownership does not exceed the proportional cost of the service attributable to the parcel.

Section 5. The Board of Directors hereby determines that no rate or charge will be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.

Section 6. The Board of Directors hereby determines that no rate or charges will be imposed for general governmental services including, but not limited to police, ambulance, fire, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Section 7. The Board of Directors of the Idyllwild Water District do adopt the attached water rates attached hereto and made a part hereof to provide sufficient revenue for the sustainable operation of the Idyllwild Water District.

Section 8. The attached water rates shall take effect on July 1, 2018.

Passed and Adopted this 20<sup>th</sup> day of June 2018.

IDYLLWILD WATER DISTRICT

By: \_\_\_\_\_  
CHARLES SCHELLY, President  
Board of Directors

**ATTEST:**

I, JEANNINE OLSEN, Secretary of the IDYLLWILD WATER DISTRICT, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted by the Board of Directors of the IDYLLWILD WATER DISTRICT at its meeting of June 20, 2018, by the following vote:

**AYES:**

**NAYS:**

**ABSTAIN:**

**ABSENT:**

In witness whereof, I have executed by statement and affix the official seal of the IDYLLWILD WATER DISTRICT this 20<sup>th</sup> day of June, 2018.

**IDYLLWILD WATER DISTRICT**

---

**JEANNINE OLSEN, Secretary**

# Memo

**To: Board of Directors**

**From: General Manager**

**Date: June 20, 2017**

**Subject: ITEM #5 – Adopt Resolution #754 Establishing Revised Sewer Rates**

Recommendation: That the Idyllwild Water District Board of Directors adopt Resolution #754 establishing revised Sewer rates to sustain the operation of the Idyllwild Water District Improvement District No. 1 (sewer service area) in a fair and supportable manner.

Background: At the April 18, 2018 Regular Board meeting the Idyllwild Water District Board of Directors set June 20, 2017 at 6:00 pm as the time for a public hearing relative to the revised rates, fees and charges for services provided within Improvement District No. 1, Sewer Service area.

This year, the District engaged NBS Financial to perform a Rate Study and develop a rate structure that would provide sustainable revenue for the District over the next 5-years (through FY 2022-23) and be compliant with the legislative and judicial interpretations of Proposition 218.

The proposed sewer rate structure makes no changes in the underlying “Equivalent Dwelling Unit or EDU” rate structure but increases the previous rates by 5% in year one and by 2.5% in each of years two through five.



Staff have posted all of the relevant supporting materials on the District website ([www.idyllwildwater.com](http://www.idyllwildwater.com)) to minimize waste.

Attached is the summary of the old and new rates provided to ratepayers in the Proposition 218 Notice and Resolution #754.

#### Attachments

Summary of Rates

Resolution No. 754

## Water Rate Schedule

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Monthly Fixed Service Charges:</b>						
<i>Single Family Residential</i>						
5/8 inch	\$29.70	\$28.13	\$30.92	\$33.92	\$37.13	\$40.59
3/4 inch	\$40.35	\$41.25	\$45.39	\$49.83	\$54.60	\$59.73
1 inch	\$61.25	\$67.49	\$74.31	\$81.65	\$89.54	\$98.01
<i>All Other Customers:</i>						
5/8 inch	\$20.90	\$28.13	\$30.92	\$33.92	\$37.13	\$40.59
3/4 inch	\$31.35	\$41.25	\$45.39	\$49.83	\$54.60	\$59.73
1 inch	\$52.25	\$67.49	\$74.31	\$81.65	\$89.54	\$98.01
1 1/2 inch	\$104.50	\$133.08	\$146.64	\$161.22	\$176.89	\$193.72
2 inch	\$167.20	\$211.79	\$233.42	\$256.69	\$281.70	\$308.57
3 inch	\$313.50	\$421.68	\$464.85	\$511.29	\$561.21	\$614.84
<i>Idyllwild Arts Academy</i>						
3 inch	\$313.50	\$4,248.35	\$4,844.19	\$5,488.99	\$6,186.16	\$6,939.33
<i>Fire Service Charges:</i>						
2 inch	--	\$7.18	\$7.54	\$7.92	\$8.31	\$8.73
3 inch	--	\$13.45	\$14.12	\$14.83	\$15.57	\$16.35
4 inch	--	\$25.00	\$26.25	\$27.56	\$28.94	\$30.39
<b>Commodity Charges</b>						
<b>Rate per cf of water consumed:</b>						
<i>Uniform Potable Rate (Commercial)</i>						
	--	\$0.0759	\$0.0757	\$0.0752	\$0.0744	\$0.0735
<i>Tiered Rate (SFR Customers)</i>						
Tier 1	300 cf 450 cf	\$0.0000	\$0.0192	\$0.0202	\$0.0212	\$0.0223
Tier 2	600 cf 900 cf	\$0.0633	\$0.1307	\$0.1292	\$0.1273	\$0.1248
Tier 3	1500 cf 900+ cf	\$0.1000	\$0.1598	\$0.1577	\$0.1550	\$0.1516
Tier 4	1500+ cf --	\$0.1000	N/A	N/A	N/A	N/A

## Sewer Rate Schedule

Sewer Rate Schedule	Current Rates	Proposed Rates				
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<i>Projected Increase in Rate Revenue per Financial Plan:</i>						
		5.00%	2.50%	2.50%	2.50%	2.50%
<b>Monthly Fixed Service Charges:</b>						
Monthly Fixed EDU Charge	\$38.25	\$40.00	\$41.00	\$42.05	\$43.10	\$44.20

**RESOLUTION NO. 754**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IDYLLWILD WATER DISTRICT  
ADOPTING SEWER RATES FOR  
FISCAL YEARS 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23**

**WHEREAS, California Water Code Section 30000 et seq. authorizes the Idyllwild Water District to fix and collect water and sewer rates for water and sewer service provided to property owners and residents within the District; and**

**WHEREAS, there has been presented to the Board of Directors (Board) a proposed sewer rates for the District for the Fiscal Years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23; and**

**WHEREAS, the District previously adopted sewer rate Resolution Number 694 for October 1, 2014 through June 30, 2018.**

**WHEREAS, at Regular meetings on April 18, 2018, and May 16, 2018 and June 20, 2018, the Board reviewed the 2018 Water and Sewer Rate Study, as well as holding a special Board Meeting workshop on April 10, 2018 and providing a Public workshop hosted by the rate consultant on May 30, 2018; and**

**WHEREAS, on June 20, 2018, the Board determined that the sewer rate increases described in the Water and Sewer Rate Study are necessary and sufficient to cover, without exceeding, the cost to provide sewer service to each customer connection; and**

**WHEREAS, pursuant to Proposition 218, Article XIID, on April 27, 2018, the District mailed notice of the sewer rate increase to all property owners within the District's service area, which included the proposed rates for FY 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23; and**

**WHEREAS, the proposed sewer rates have been reviewed and considered by the Board, and it has been determined to be in the best interest of the District to adopt sewer rates for the sound financial operation of the District; and**

**WHEREAS, the Board held a public hearing on June 20, 2018 at 6:00 p.m. at the office of the District at which date, time, and place, the Board heard all persons who wished to comment on the subject and considered and tabulated all written protests; and**

**WHEREAS, the Board of Directors desires to establish sewer rates for FY 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23.**

**NOW, THEREFORE, be it hereby resolved, determined, and ordered by the Board of Directors of the Idyllwild Water District as follows:**

**Section 1. The matters set forth in the recitals to this Resolution are true and correct statements.**

**Section 2.** The prior sewer rate schedule adopted as part of Resolution Number 694 is rescinded and replaced by Resolution Number 754.

**Section 3.** Written protests against the proposed rates and charges were not presented by a majority of owners.

**Section 4.** The Board of Directors has reviewed the entire record for this matter, which includes the 2018 Water and Sewer Rate Study (2018 Study), the final version of which is incorporated herein by reference, and the analyses of expenses and revenues set forth therein. Based on the Board of Directors' review, it finds and determines that the record supports the Board of Directors' findings that:

A. As set forth in the 2018 Study, revenues derived from the rates and charges will not exceed the revenues required to provide the property related service; and

B. As set forth in the 2018 Study, revenues derived from the rates and charges will not be used for any purpose other than that for which the rates or charges are imposed; and

C. As set forth in the 2018 Study, the amount of a rate or charge imposed upon any parcel or person as an incident of property ownership does not exceed the proportional cost of the service attributable to the parcel.

**Section 5.** The Board of Directors hereby determines that no rate or charge will be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.

**Section 6.** The Board of Directors hereby determines that no rate or charges will be imposed for general governmental services including, but not limited to police, ambulance, fire, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

**Section 7.** The Board of Directors of the Idyllwild Water District do adopt the attached sewer rates attached hereto and made a part hereof to provide sufficient revenue for the sustainable operation of the Idyllwild Water District.

**Section 8.** The attached sewer rates shall take effect on July 1, 2018.

Passed and Adopted this 20<sup>th</sup> day of June 2018.

IDYLLWILD WATER DISTRICT

By: \_\_\_\_\_  
CHARLES SCHELLY, President  
Board of Directors

**ATTEST:**

I, JEANNINE OLSEN, Secretary of the IDYLLWILD WATER DISTRICT, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted by the Board of Directors of the IDYLLWILD WATER DISTRICT at its meeting of June 20, 2018, by the following vote:

**AYES:**

**NAYS:**

**ABSTAIN:**

**ABSENT:**

In witness whereof, I have executed by statement and affix the official seal of the IDYLLWILD WATER DISTRICT this 20<sup>th</sup> day of June, 2018.

**IDYLLWILD WATER DISTRICT**

---

**JEANNINE OLSEN, Secretary**

# Memo

**To: Board of Directors**

**From: General Manager**

**Date: June 20, 2018**

**Subject: ITEM #6 – Consider Resolution #755 to Adopt a Budget for FY2018-19**

Recommendation: That the Idyllwild Water District Board of Directors adopt the attached Resolution #755 and Budget for FY 2018-19 for the sustainable operation of the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area).

Background: The attached budget has been presented to the Idyllwild Water District Board of Directors for consideration and discussion on several occasions, including public sessions for discussion. The Budget will provide for operation of the District in a sustainable manner for the upcoming Fiscal Year.

As always, the budget is a plan based on the information and assumptions available during its development. Should conditions change during the year, the Board of Directors will have the ability to modify the budget to respond to those changing conditions.







# **Idyllwild Water District Fiscal Year 2018/2019 Budget**



## Idyllwild Water District Board of Directors



Dr. Charles Schelly- President of the Board



Peter Szabadi – Vice President of the Board



Catherine Dearing- Director



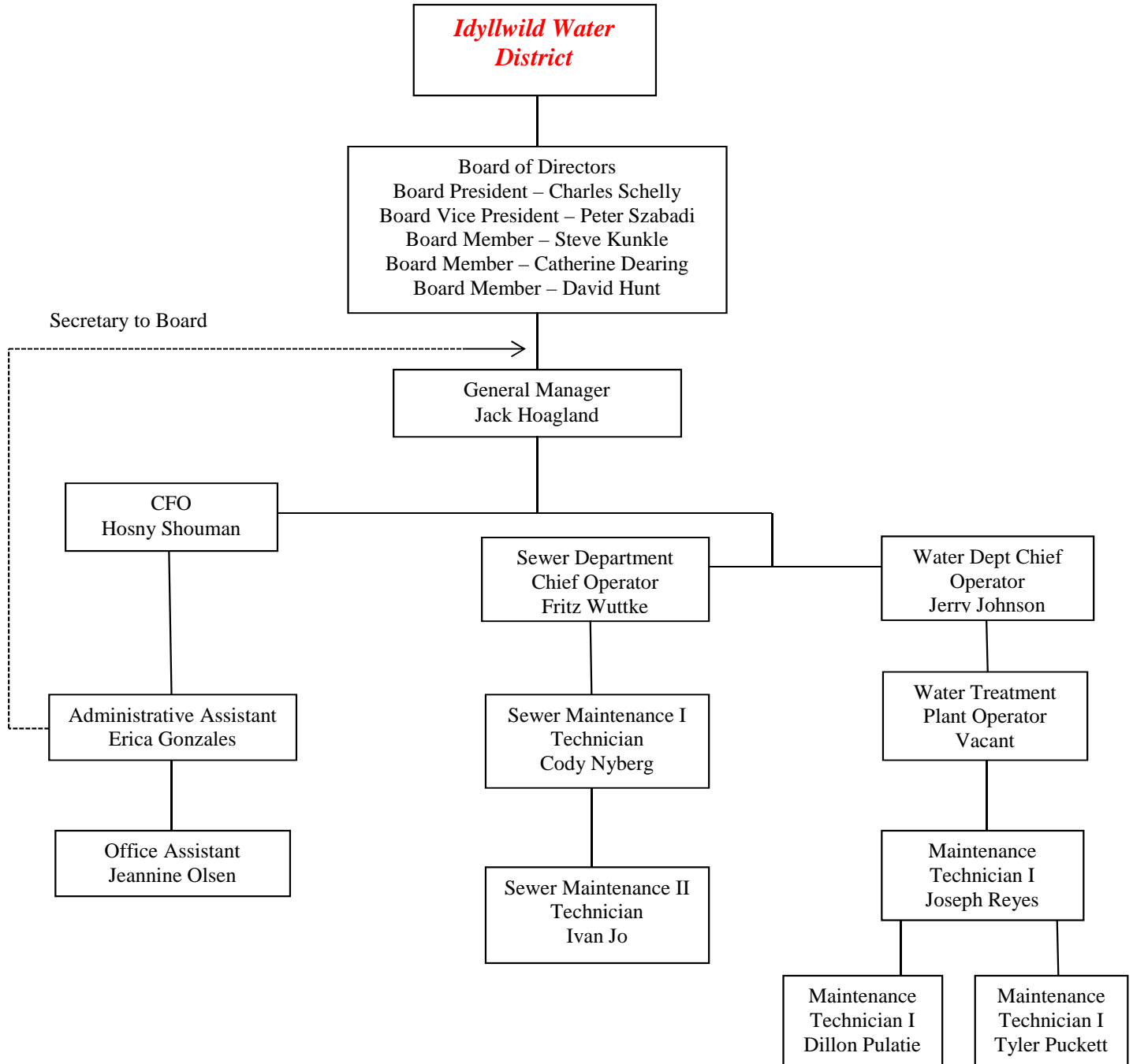
Steve Kunkle- Director



David Hunt- Director

# Idyllwild Water District

## Organizational Chart



# Idyllwild Water District

The Idyllwild Water District (District) operates under the authority of Section 30000 et al., Division 12 of the California Water Code and engages in water and wastewater activities which are classified as "proprietary". These activities are accounted for much like that of a private business and use the full accrual method of accounting for financial transactions. The activated latent powers include: production and treatment of groundwater; sale and delivery of water to domestic and commercial accounts; and collection, treatment and disposal of wastewater.

Formed as the Idyllwild County Water District through voter approval in 1956 as a government entity, the District's initial purpose was to provide water services and to acquire the assets of the Idyllwild Water Company. Later the District dropped "County" from its name to become the Idyllwild Water District.

For the first five-years District's main responsibility was the provision of water services. In 1966, the District incurred substantial debt and constructed its wastewater treatment plant and the sewer collection system, all of which came on-line in 1969. The District operates and maintains a complex system of water distribution with seven water pressure zones, including: 28 wells; 5 water treatment systems; 11 water storage tanks; 130,000 feet of water lines; 63,000 feet of sewer lines; and a wastewater treatment facility that is permitted to handle 250,000 gallons a day all located within 9 square miles. The District provides water services to 1650 customers and sewer services to 587 customers in the unincorporated area of Idyllwild in the County of Riverside with 11 employees. The full-time population of the District is 2,600, while the transient population can reach as higher than 7,000 on summer holiday weekends.

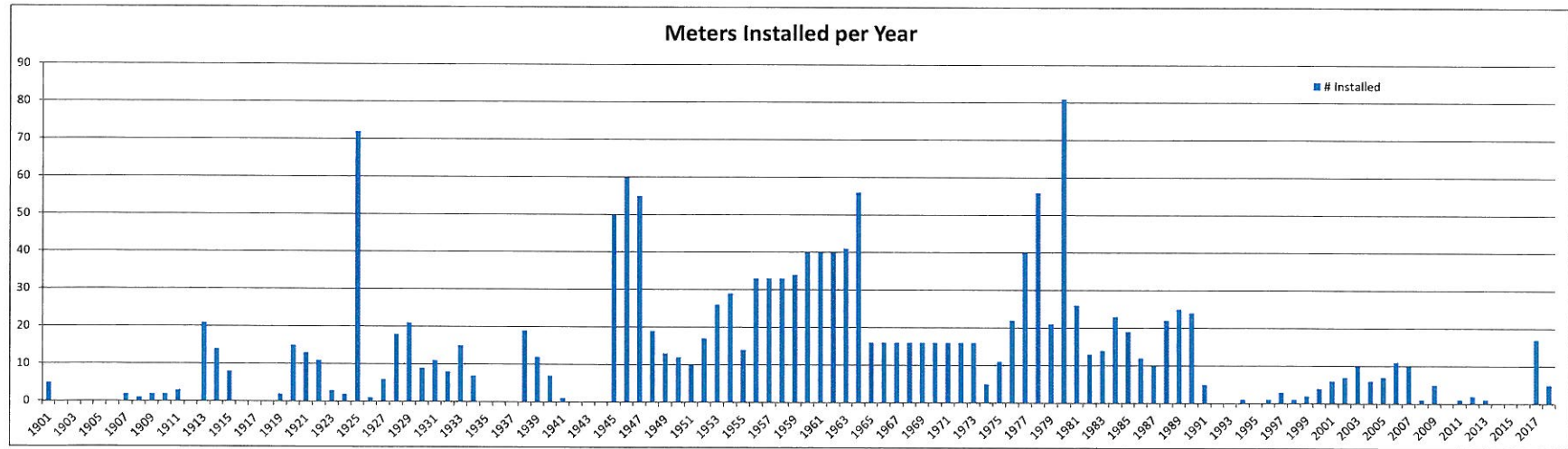
In addition to a 42kW solar generating system at Foster Lake to mitigate electrical costs, the district has other water facilities including the 18,000,000 gallon namesake Foster Lake used to collect and store up to 40 acre-feet of water annually from Lilly Creek as well as water diverted from Strawberry Creek from pre-1914 rights and pumped from the Diversion to Foster Lake for storage. The lake percolates the stored water into the surrounding ground water and in turn provides source water for the District's wells in the area. Foster Lake is artificial with an earthen dam. The dam was built in 1945, is inspected regularly by the State Division of Dam Safety, and has not had any problems related to structure or safety.

# Idyllwild Water District

## Historical Data

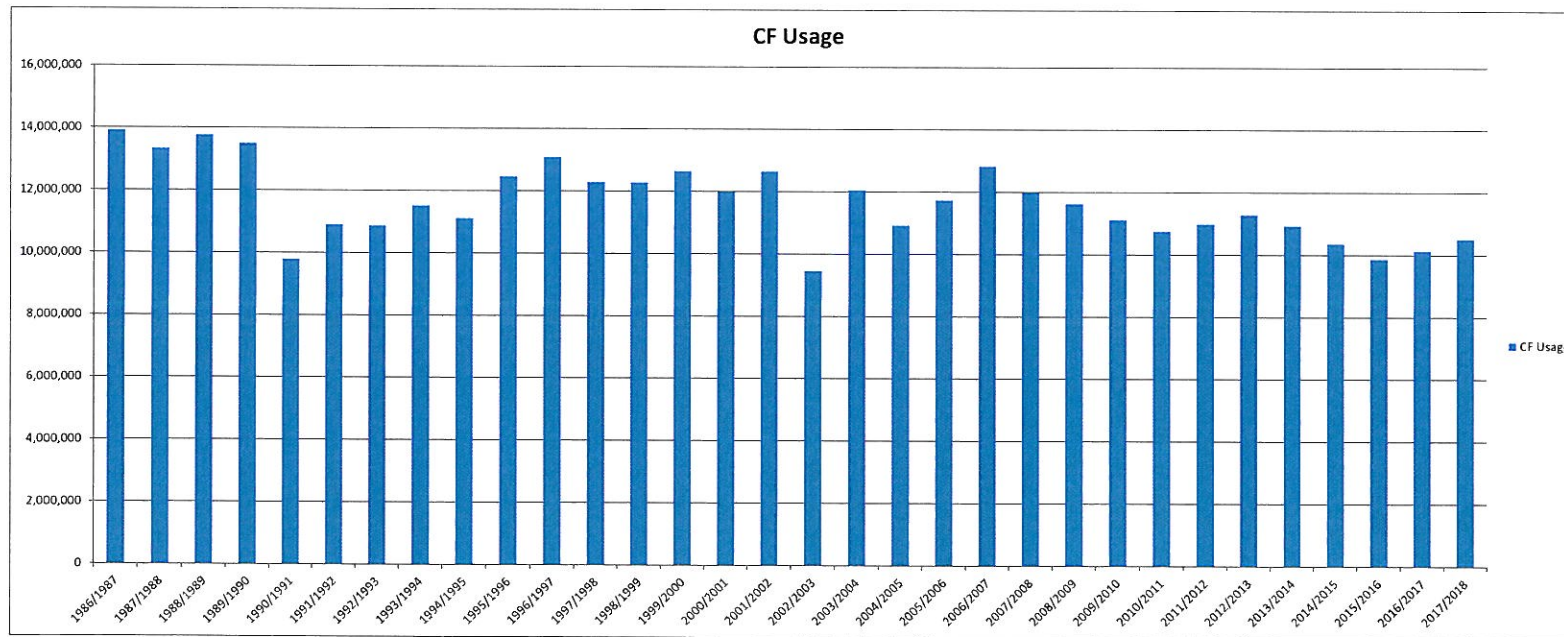
**Idyllwild Water District**  
**# of Connections Per Year**

Year	# of Connections	# Installed	Year	# of Connections	# Installed	Year	# of Connections	# Installed	Year	# of Connections	# Installed	Year	# of Connections	# Installed	Year	# of Connections	# Installed
1901	5	5	1924	104	2	1947	477	55	1970	1063	16	1993	1550	0	2016	1629	0
1902	5	0	1925	176	72	1948	496	19	1971	1079	16	1994	1551	1	2017	1646	17
1903	5	0	1926	177	1	1949	509	13	1972	1095	16	1995	1551	0	2018	1650	5
1904	5	0	1927	183	6	1950	521	12	1973	1111	16	1996	1552	1			
1905	5	0	1928	201	18	1951	531	10	1974	1116	5	1997	1555	3			
1906	5	0	1929	222	21	1952	548	17	1975	1127	11	1998	1556	1			
1907	7	2	1930	231	9	1953	574	26	1976	1159	22	1999	1558	2			
1908	8	1	1931	242	11	1954	603	29	1977	1199	40	2000	1562	4			
1909	10	2	1932	250	8	1955	617	14	1978	1255	56	2001	1568	6			
1910	12	2	1933	265	15	1956	650	33	1979	1276	21	2002	1575	7			
1911	15	3	1934	272	7	1957	683	33	1980	1357	81	2003	1585	10			
1912	15	0	1935	272	0	1958	716	33	1981	1383	26	2004	1591	6			
1913	36	21	1936	272	0	1959	750	34	1982	1396	13	2005	1598	7			
1914	50	14	1937	272	0	1960	790	40	1983	1410	14	2006	1609	11			
1915	58	8	1938	291	19	1961	830	40	1984	1433	23	2007	1619	10			
1916	58	0	1939	303	12	1962	870	40	1985	1452	19	2008	1620	1			
1917	58	0	1940	311	7	1963	911	41	1986	1464	12	2009	1625	5			
1918	58	0	1941	312	1	1964	967	56	1987	1474	10	2010	1625	0			
1919	60	2	1942	312	0	1965	983	16	1988	1496	22	2011	1626	1			
1920	75	15	1943	312	0	1966	999	16	1989	1521	25	2012	1628	2			
1921	88	13	1944	312	0	1967	1015	16	1990	1545	24	2013	1629	1			
1922	99	11	1945	362	50	1968	1031	16	1991	1550	5	2014	1629	0			
1923	102	3	1946	422	60	1969	1047	16	1992	1550	0	2015	1629	0			



**Idyllwild Water District**  
**Cubic Feet of Usage by Fiscal Year**

FY Year	CF Usage	FY Year	CF Usage
1986/1987	13,914,925	2009/2010	11,113,820
1987/1988	13,332,359	2010/2011	10,744,470
1988/1989	13,763,613	2011/2012	10,982,063
1989/1990	13,503,167	2012/2013	11,280,745
1990/1991	9,787,739	2013/2014	10,932,621
1991/1992	10,905,690	2014/2015	10,359,505
1992/1993	10,869,416	2015/2016	9,864,126
1993/1994	11,522,600	2016/2017	10,129,022
1994/1995	11,121,300	2017/2018	10,511,768
1995/1996	12,461,500		
1996/1997	13,089,190		
1997/1998	12,286,470		
1998/1999	12,280,380		
1999/2000	12,647,980		
2000/2001	11,985,700		
2001/2002	12,648,550		
2002/2003	9,449,580		
2003/2004	12,053,683		
2004/2005	10,920,150		
2005/2006	11,734,313		
2006/2007	12,820,578		
2007/2008	11,988,262		
2008/2009	11,636,300		

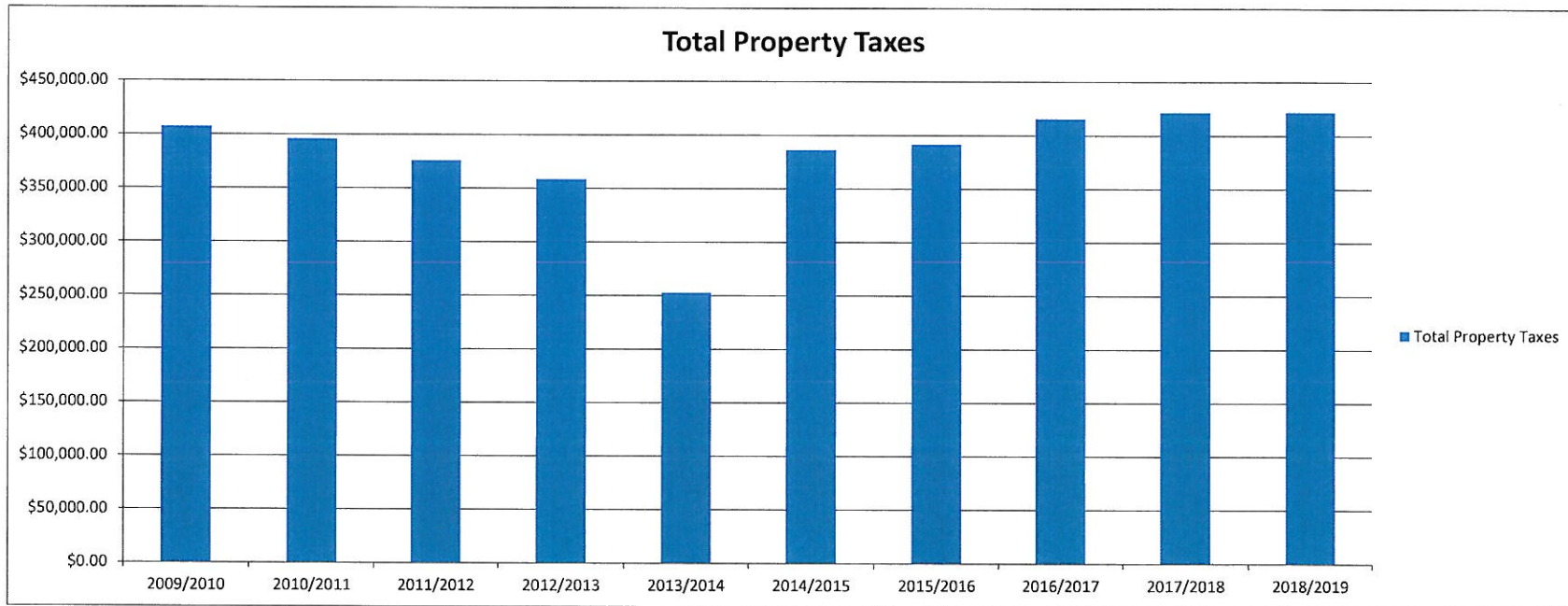




Idyllwild Water District  
 Total Property Taxes  
 Fiscal Year Ending June 30, 2018

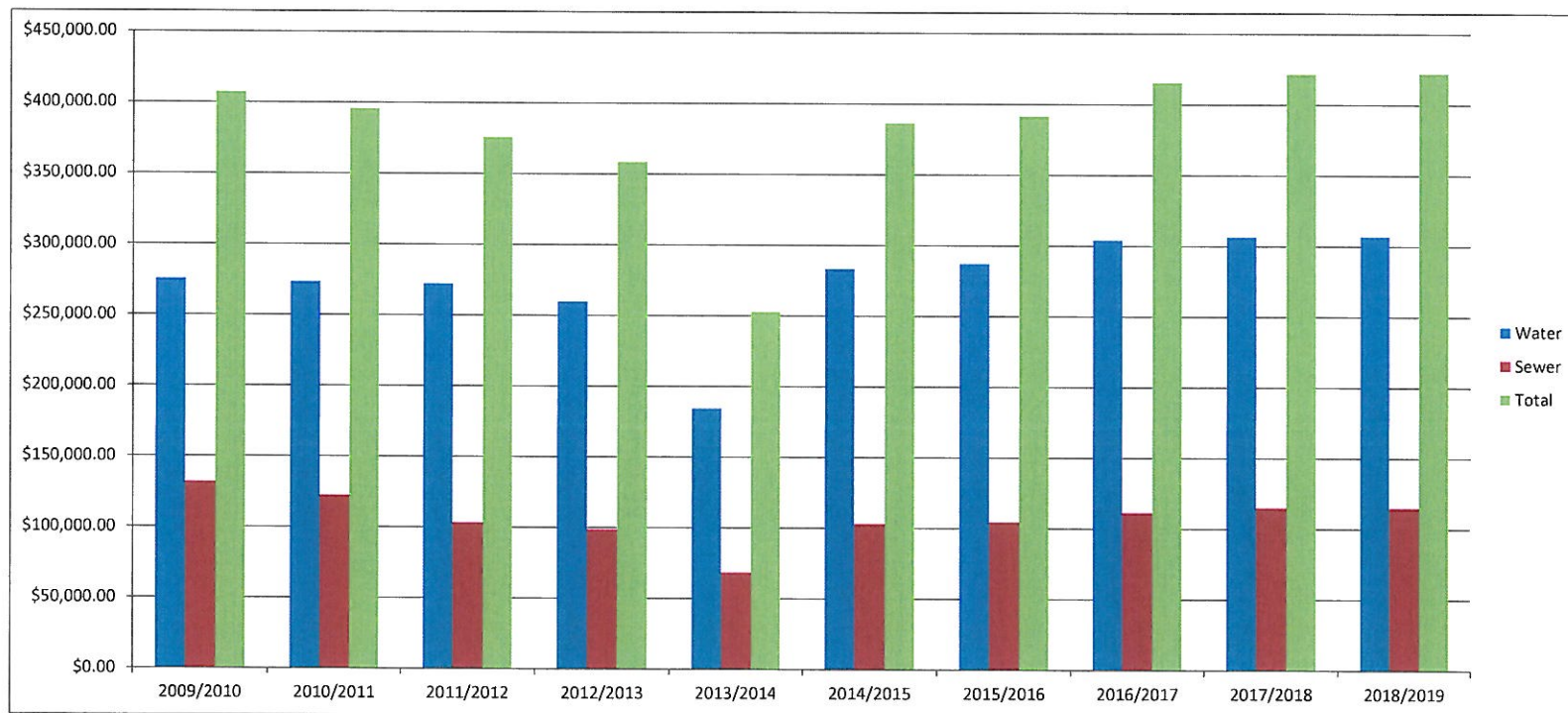
Fiscal Year	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Total Amount	\$407,294.97	\$395,692.57	\$375,650.20	\$358,375.59	\$252,646.93	\$386,380.40	\$391,614.10	\$415,429.72	\$421,540.59	\$422,000.00
% Change	-2.10%	-2.85%	-5.07%	-4.60%	-29.50%	52.93%	1.35%	6.08%	1.47%	0.11%

Projected



Idyllwild Water District  
 Water and Sewer Property Taxes  
 Fiscal Year Ending June 30, 2018

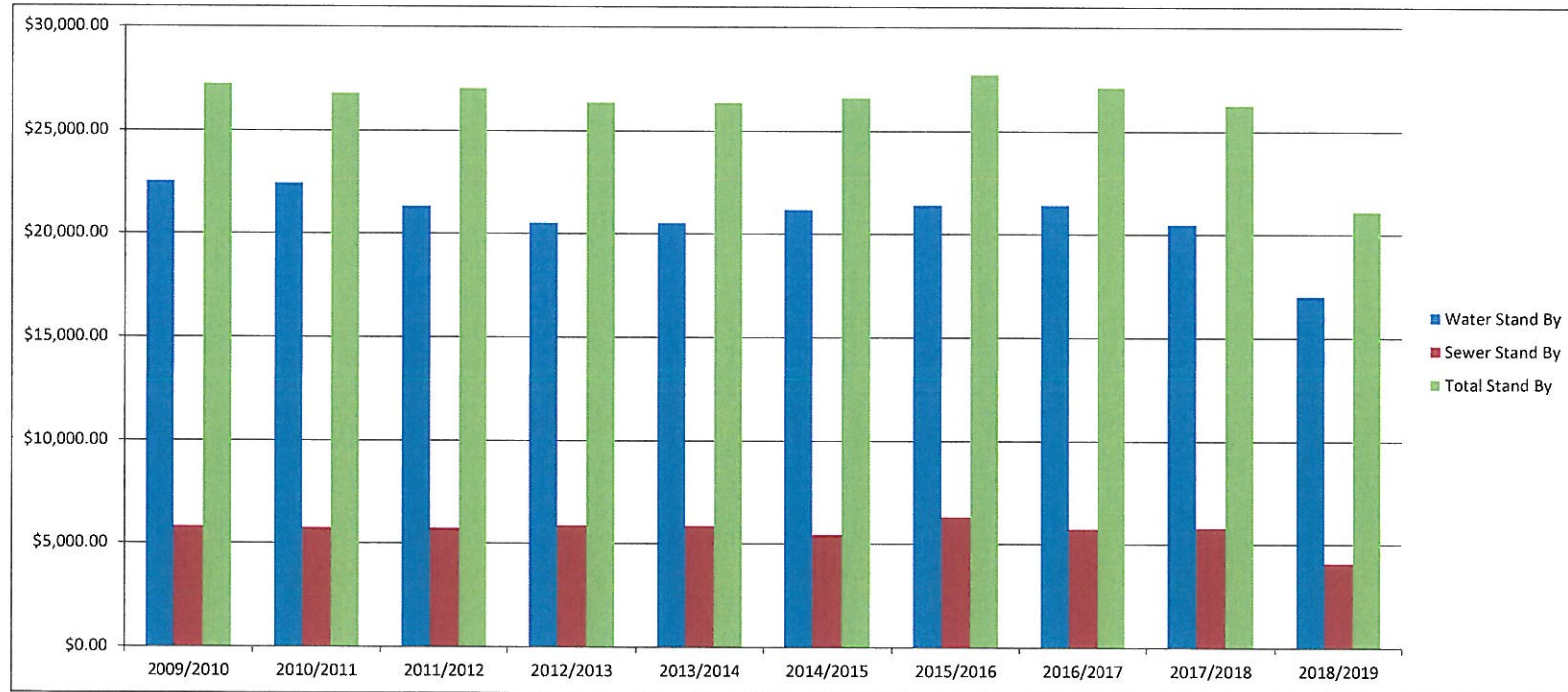
Fiscal Year	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Water	\$275,320.00	\$273,250.00	\$272,244.96	\$259,750.72	\$184,247.71	\$283,277.75	\$287,118.05	\$303,939.91	\$306,540.00	\$307,000.00
Sewer	\$131,974.97	\$122,442.57	\$103,405.24	\$98,624.87	\$68,399.22	\$103,102.65	\$104,496.05	\$111,489.81	\$115,000.00	\$115,000.00
Total	\$407,294.97	\$395,692.57	\$375,650.20	\$358,375.59	\$252,646.93	\$386,380.40	\$391,614.10	\$415,429.72	\$421,540.00	\$422,000.00
% Change	-2.10%	-2.85%	-5.07%	-4.60%	-29.50%	52.93%	1.35%	6.08%	1.47%	0.11%



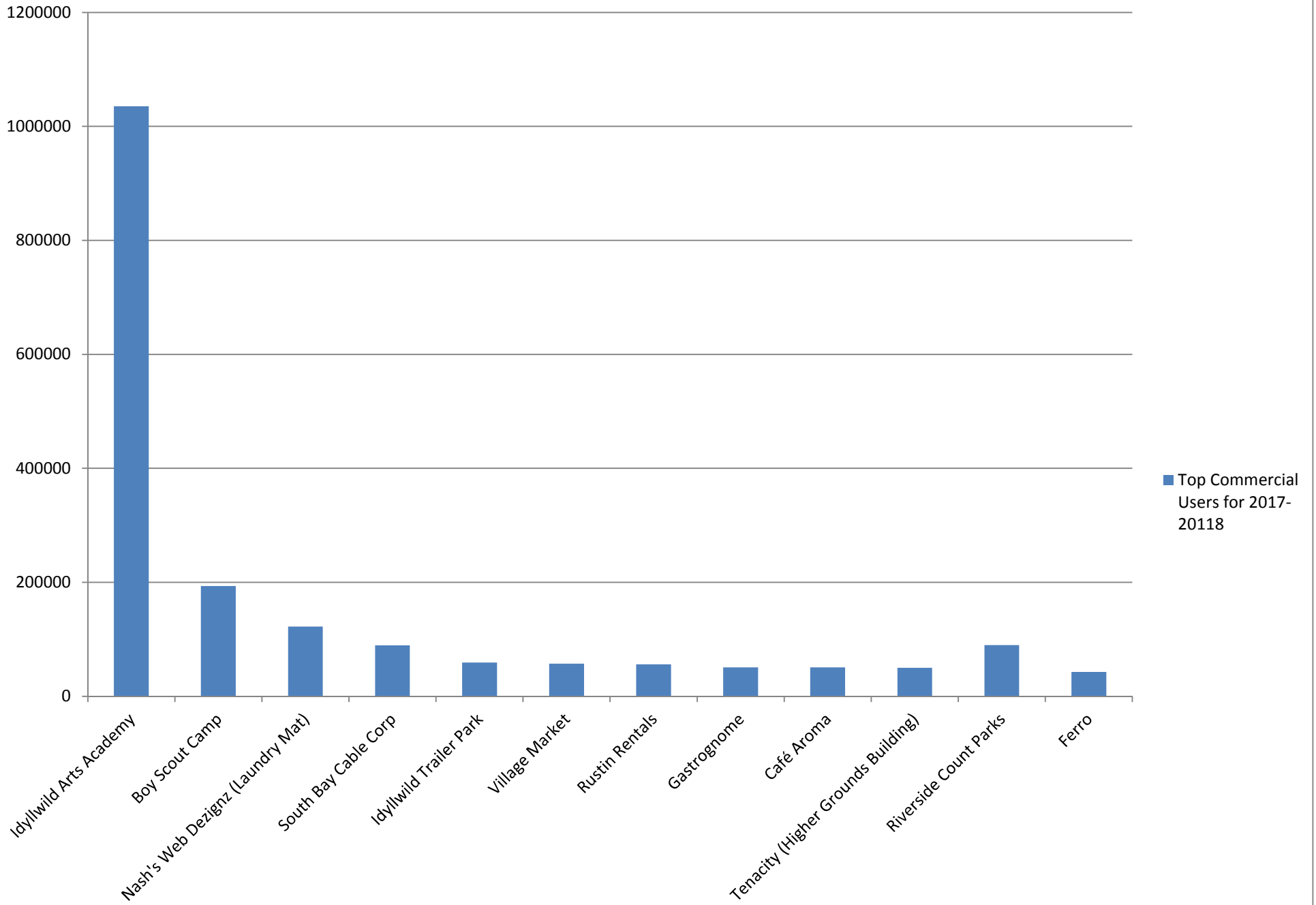


Idyllwild Water District  
 Stand By Fees  
 Fiscal Year Ending June 30, 2018

Fiscal Year	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Water Stand By	\$22,500.00	\$22,400.00	\$21,305.39	\$20,506.74	\$20,506.00	\$21,161.35	\$21,386.21	\$21,382.19	\$20,462.40	\$17,000.00
Sewer Stand By	\$5,800.00	\$5,750.00	\$5,724.11	\$5,861.19	\$5,860.00	\$5,441.87	\$6,339.27	\$5,728.68	\$5,792.70	\$4,089.00
Total Stand By	\$27,250.00	\$26,790.00	\$27,029.50	\$26,367.93	\$26,366.00	\$26,603.22	\$27,725.48	\$27,110.87	\$26,255.10	\$21,089.00
% Change	0	-1.69%	0.89%	-2.45%	-0.01%	0.90%	4.22%	-2.22%	-3.16%	-19.68%



# Top Commercial Users for 2017-20118



# Total Annual Revenue for Water

WATER	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	Projected
Comm. Base	\$101,485	\$102,536	\$102,786	\$102,102	\$116,147	\$116,453	\$116,616	\$117,202	\$117,158	\$123,886	\$126,540	\$132,756	\$147,511	\$157,180	\$155,326	\$155,938	\$89,400	
Res Base	\$320,752	\$323,239	\$324,237	\$326,825	\$373,296	\$375,231	\$376,979	\$378,856	\$379,186	\$403,377	\$406,778	\$428,126	\$485,943	\$512,947	\$512,697	\$504,402	\$525,262	
Comm. Sales	\$167,311	\$103,995	\$125,529	\$162,557	\$169,604	\$204,810	\$289,900	\$168,847	\$159,870	\$162,763	\$171,976	\$173,196	\$209,461	\$381,605	\$365,172	\$350,615	\$322,500	
Res. Sales	\$163,587	\$125,411	\$139,425	\$127,012	\$134,414	\$167,312	\$181,758	\$136,389	\$120,371	\$124,248	\$117,680	\$159,466	\$175,556	\$239,223	\$191,063	\$232,720	\$253,000	
<b>TOTALS</b>	<b>\$753,135</b>	<b>\$655,182</b>	<b>\$691,977</b>	<b>\$718,496</b>	<b>\$793,461</b>	<b>\$863,806</b>	<b>\$965,254</b>	<b>\$801,294</b>	<b>\$776,585</b>	<b>\$814,274</b>	<b>\$822,973</b>	<b>\$893,544</b>	<b>\$1,018,471</b>	<b>\$1,290,955</b>	<b>\$1,224,258</b>	<b>\$1,224,258</b>	<b>\$1,224,258</b>	

# Total Annual Revenue for Sewer

	Projected																
Sewer	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
Base Resid.	\$90,653	\$90,671	\$90,670	\$92,040	\$101,688	\$102,023	\$102,414	\$102,681.60	\$102,663	\$102,663	\$106,800	\$115,801	\$127,870	\$189,581	\$206,550	\$208,314	\$201,960
Base Comm.	\$178,517	\$179,877	\$180,130	\$179,323	\$199,460	\$201,504	\$201,675	\$200,696.40	\$201,628	\$201,628	\$213,397	\$251,766	\$254,319	\$373,104	\$417,677	\$428,264	\$430,548
<b>Total</b>	<b>\$269,170</b>	<b>\$270,548</b>	<b>\$270,800</b>	<b>\$271,362</b>	<b>\$301,148</b>	<b>\$303,526</b>	<b>\$304,090</b>	<b>\$303,378.00</b>	<b>\$304,291</b>	<b>\$304,291</b>	<b>\$320,197</b>	<b>\$367,567</b>	<b>\$382,189</b>	<b>\$562,684</b>	<b>\$624,227</b>	<b>\$624,227</b>	<b>\$624,227</b>

**Idyllwild Water District**

**Budget**

**FY 2018/2019**

**Budget for Revenues & Expenses  
2018-2019**

Category	Operating Services		Total
	Water	Sewer	
<b><u>Operating Revenue</u></b>			
Water-Base Rate Commercial	\$173,412		\$173,412
Water-Base Rate Residential	\$551,525		\$551,525
Water Sales Commercial	\$252,000		\$252,000
Water Sales Residential	\$357,000		\$357,000
Sewer Base Fees Commercial		\$455,040	\$455,040
Sewer Base Fees Residential		\$212,160	\$212,160
<b>Total Operating Revenue</b>	<b>\$1,333,937</b>	<b>\$667,200</b>	<b>\$2,001,137</b>
<b><u>Non-Operating Revenue</u></b>			
Property Taxes Assessments	\$307,000	\$115,000	\$422,000
Standby Charges Assessments	\$17,000	\$4,089	\$21,089
Interest income	\$7,500	\$2,500	\$10,000
Other Fees and Charge	\$41,314	\$7,085	\$48,399
<b>Total Non-Operating Revenue</b>	<b>\$372,814</b>	<b>\$128,674</b>	<b>\$501,488</b>
<b>Total Revenues</b>	<b>\$1,706,751</b>	<b>\$795,874</b>	<b>\$2,502,625</b>
<b><u>Operating Expense</u></b>			
Water Operations Expenses	<b>\$1,365,090</b>		<b>\$1,365,090</b>
Sewer Operations Expenses		<b>\$512,967</b>	<b>\$512,967</b>
<b>Total Operating Expense</b>	<b>\$1,365,090</b>	<b>\$512,967</b>	<b>\$1,878,057</b>
<b><u>Non-Operating Expense</u></b>			
Loan Interest Expense	\$0	\$0	\$0
Miscellaneous Expense			
<b>Total Non-Operating Expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Other Commitments</u></b>			
OPEB	<b>\$68,886</b>	<b>\$22,961</b>	<b>\$91,847</b>
<b>Total Other Commitments</b>	<b>\$68,886</b>	<b>\$22,961</b>	<b>\$91,847</b>
<b>Total Expenses</b>	<b>\$1,433,976</b>	<b>\$535,928</b>	<b>\$1,969,904</b>
<b>Net Operating Margin</b>	<b>\$272,775</b>	<b>\$259,946</b>	<b>\$532,721</b>
<b><u>Capital Commitments</u></b>			
Capital Improvements and Equipment	\$700,000	\$175,000	\$875,000
<b>Total Capital Commitments</b>	<b>\$700,000</b>	<b>\$175,000</b>	<b>\$875,000</b>
<b>Net Fund Contribution/(Deficit)</b>	<b>(\$427,225)</b>	<b>\$84,946</b>	<b>(\$342,279)</b>
Beginning Reserve Fund Balance (CIP)			<b>\$1,500,000</b>
Projected Ending Reserve Fund Balance(CIP)			<b>\$1,157,721</b>

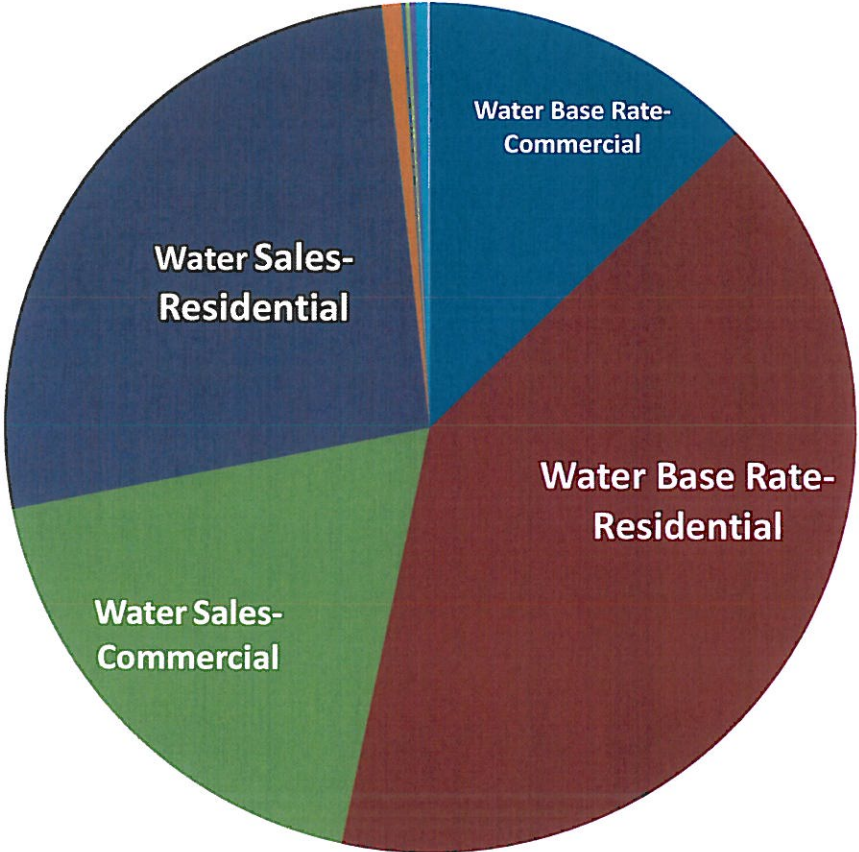
\* The Net Deficit will be covered from the Reserve

**IDYLLWILD WATER DISTRICT**  
**WATER FUND INCOME STATEMENT**  
**YEAR ENDING June 30, 2018**

	2016/2017	2017/2018	2018/2019
	Actual	Projected	Budgeted
<b>Income</b>			
4201 · Water Base Rate-Commercial	155,938	89,400	\$173,412
4202 · Water Base Rate-Residential	504,403	525,262	\$551,525
4203 · Water Sales-Commercial	350,616	322,500	\$252,000
4204 · Water Sales-Residential	232,720	253,000	\$357,000
4205 · Water Sales-Construction	1,000	500	\$525
4206 · Water Sales-Other	66	9,621	\$10,102
4208 · Water Transfer Fees	3,250	1,633	\$1,700
4209 · Water Turn On/Off Fees	900	393	\$412
4210 · Water Will Serve Letter Fees	0	3,900	\$2,000
4211 · Water Delinquency Fees	5,776	1,200	\$3,200
4212 · Water Installation Fees	2,614	45,000	\$6,000
4213 · Water Lien Fees	53	109	\$114
4214 · Water Other Fees & Charges	3,160	1,200	\$1,260
<b>Total Income</b>	<b>1,260,496</b>	<b>1,253,718</b>	<b>1,359,251</b>
<b>WATER</b>			
<b>5400 · WATER OPERATING EXPENSES</b>			
5436 · Water Payroll	457,585	488,500	547,120
5403 · Water Engineering Services	2,315	82,191	84,656
5404 · Water Legal Services	32,075	113,042	50,000
5405 · State-County Water System Fees	41,764	34,488	35,522
5406 · Water General Plant Expense	101,475	146,884	151,291
5407 · Water Minor Equipment/ Parts	500	600	618
5408 · Water Vehicle Repairs & Maint.	11,614	7,860	8,096
5410 · Water Utilities-Electricity	45,899	70,066	72,168
5411 · Water Utilities-Gas & Fuel	8,238	6,726	6,928
5412 · Water Utilities-Propane	2,065	2,545	2,621
5414 · Water Telephone & Internet	8,337	8,268	8,516
5415 · Water Retirement and Life insur	45,849	40,105	41,308
5417 · Water Computer Services	25,357	17,737	18,269
5418 · Water Board Reimbursement	3,675	2,050	2,111
5419 · Water Other Operating Expenses	0	6,424	6,617
5420 · Water Accounting & Auditing	7,483	9,255	9,532
5421 · Water Postage & Postage Fee	4,638	8,922	9,190
5422 · Water Office Supplies	21,866	9,001	9,271
5423 · Water Traveling	5,095	1,106	1,139
5025 · Water Office Cleaning Services	2,385	2,520	2,596
5425 · Water Maintenance	32,829	14,321	14,751
5426 · Water Medical Insurance	104,857	138,645	142,805
5427 · Water Worker's Compensation Ins	(279)	2,346	2,416
5428 · Water Retiree Health Insurance	24,215	30,452	31,365
5429 · Water Dues, Fees, Subscription	18,011	19,947	20,545
5430 · Water Advertising & Publishing	1,331	2,255	2,323
5431 · Water Leasing Equipment	500	0	0
5432 · Water Utilities Trash Fee	2,145	2,187	2,253
5433 · Water Bank Fee Charge	956	1,874	1,930
5435 · Water Auto & General Insurance	27,182	23,202	24,000
5438 · Water Laboratory Services	20,288	15,186	18,000
5440 · Water Compensated Time	8,000	12,000	12,360
5441 · Water Uniform Expenses	3,305	2,834	2,920
5442 · Water Property Tax Expenses	620	660	680
5443 · Water Consulting	2,960	6,200	6,000
5444 · Water Leak (IWD Site)	0	5,000	8,000
5445 · Water Security System	0	3,800	4,000
5446 · Training and Semina	15,982	3,079	3,172
5600 · Water Depreciation	212,374	212,374	218,745
5099 · OPEB Obligation Expense	66,880	66,880	68,886
<b>Total · WATER OPERATING EXPEI</b>	<b>1,370,372</b>	<b>1,621,534</b>	<b>1,652,721</b>
<b>Net Ordinary Income</b>	<b>(109,876)</b>	<b>(367,816)</b>	<b>(293,470)</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
4901 · Water Taxes & Assessments	303,493	305,400	307,000
4903 · Water Stand By Assessments	21,829	17,993	17,000
4904 · Water Interest Earned	11,079	8,200	7,500
4919 · Water Other Non-Operating Rev	85,335	261,104	16,000
<b>Total Other Income</b>	<b>421,737</b>	<b>592,697</b>	<b>347,500</b>
<b>Net Income</b>	<b>311,861</b>	<b>224,881</b>	<b>54,030</b>



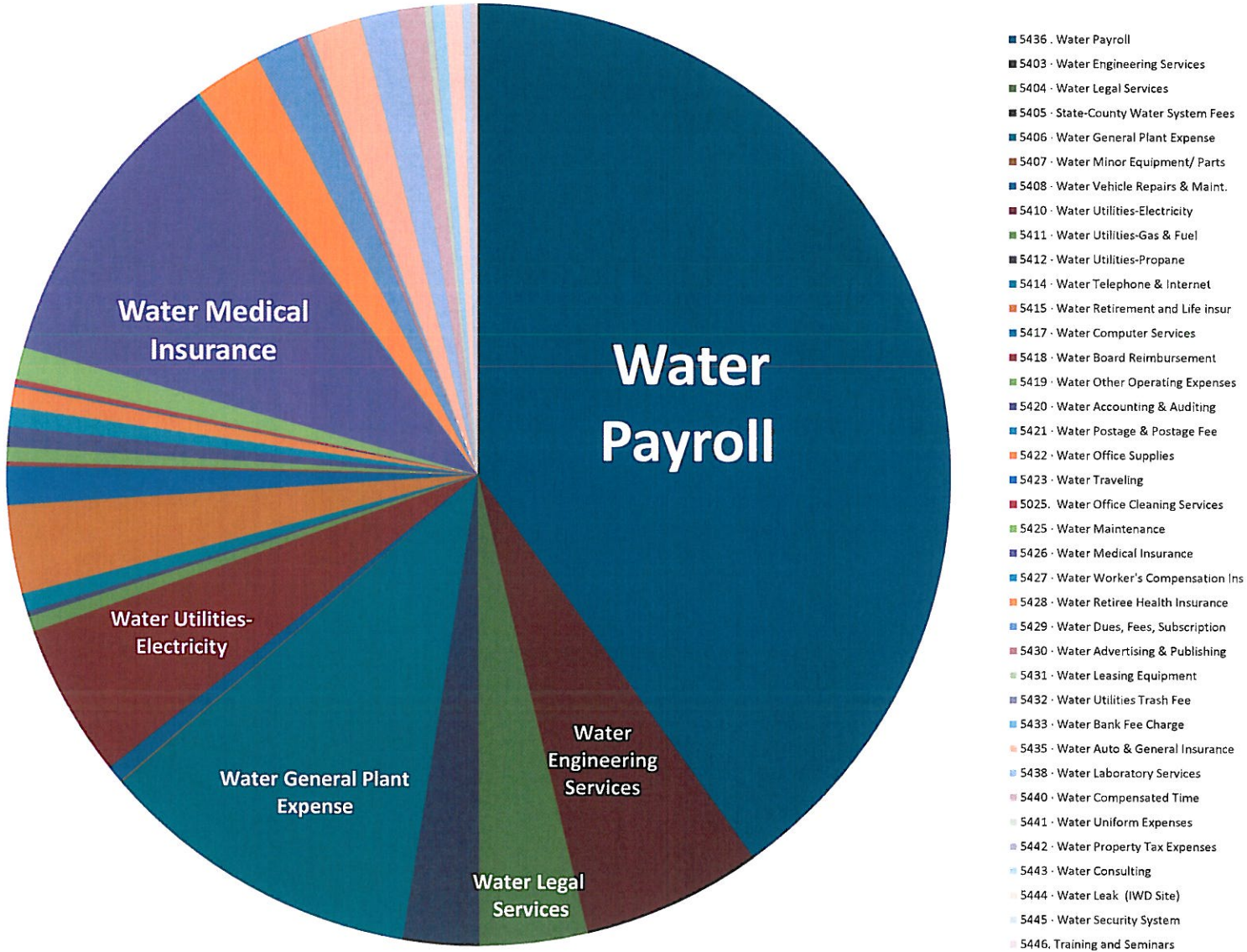
# WATER INCOME



- 4201 · Water Base Rate-Commercial
- 4202 · Water Base Rate-Residential
- 4203 · Water Sales-Commercial
- 4204 · Water Sales-Residential
- 4205 · Water Sales-Construction
- 4206 · Water Sales-Other
- 4208 · Water Transfer Fees
- 4209 · Water Turn On/Off Fees
- 4210 · Water Will Serve Letter Fees
- 4211 · Water Delinquency Fees
- 4212 · Water Installation Fees
- 4213 · Water Lien Fees
- 4214 · Water Other Fees & Charges



# WATER OPERATING EXPENSES



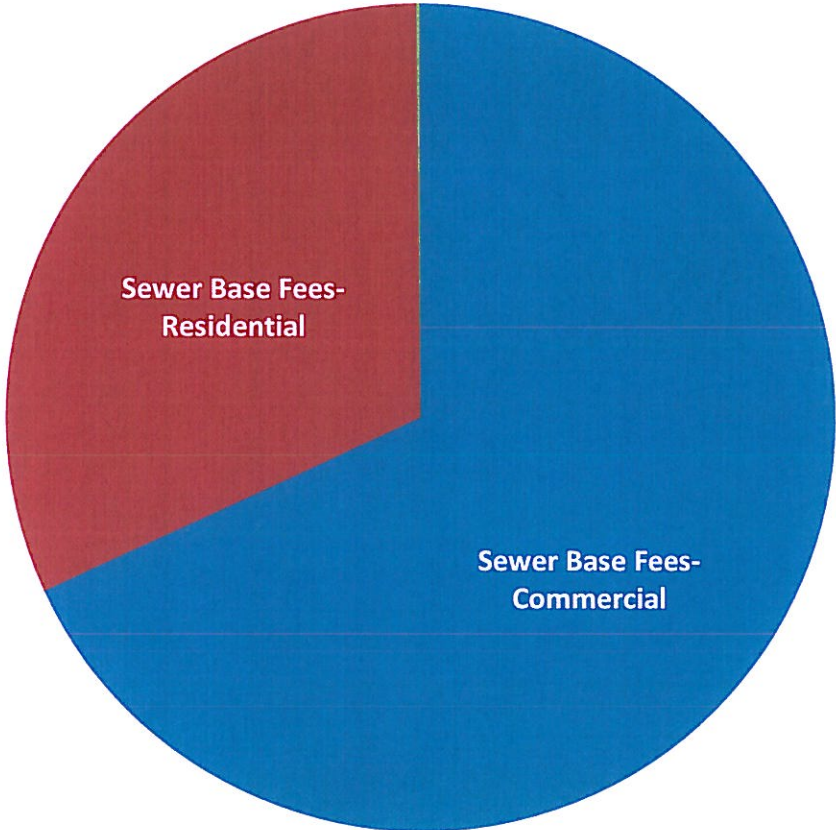
**IDYLLWILD WATER DISTRICT  
 CAPITAL EXPENDITURES FOR WATER FUND  
 FOR BUDGET YEAR ENDING JUNE 30, 2019**

CAPITAL EXPENDITURE DESCRIPTION	CAPITAL EXPENDITURE FINANCE BY IWD
<b><u>SOURCE OF SUPPLY(G/L # 1321):</u></b>	
1- Well Rehabilitation No # 8 and # 11	\$15,000
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$15,000</b>
<b><u>STORAGE TANKS:(G/L # 1324):</u></b>	
	\$0
<b>TOTAL STORAGE TANKS</b>	<b>\$0</b>
<b><u>TRANSMISSION AND DISTRIBUTION(G/L # 1324):</u></b>	
4-Replace 2600 feet of 8-inch water line	\$520,000
6- Replace Aeration System	\$60,000
<b>TOTAL TRANSMISSION AND DISTRIBUTION</b>	<b>\$580,000</b>
<b><u>WATER TREATMENT PLANT(G/L # 1325):</u></b>	
	\$0
<b>TOTAL WATER TREATMENT PLANT</b>	<b>\$0</b>
<b><u>GENERAL PLANT-STRUCTURES, POWER &amp; OTHER EQUIPMENT:</u></b>	
6- Various Fire Hydrant Improvements	\$15,000
7- Install 200 Water Meter Radio (Commercial Only)	\$40,000
9- Replace 100 Meters 5/8 ish and 5 Other Sizes	\$7,000
10-Resurface Shop Pave Lot	\$43,000
<b>GENERAL PLANT-POWER &amp; OTHER EQUIPMENT</b>	<b>\$105,000</b>
<b>TOTAL WATER FUND CAPITAL IMPROVEMENT AND EQUIPMENT EXPENDITURE</b>	<b>\$700,000</b>

**IDYLLWILD WATER DISTRICT**  
**SEWER FUND INCOME STATEMENT**  
**YEAR ENDING June 30, 2018**

Ordinary Income/Expense	FY16/17	FY17/18	FY18/19
	Actual	Projected	Budgeted
<b>Income</b>			
4101 · Sewer Base Fees-Commercial	428,264	430,548	455,040
4102 · Sewer Base Fees-Residential	208,314	201,960	212,160
4108 · Sewer Transfer Fees	850	467	820
4109 · Sewer Other Fees, Refunds	0	100	100
<b>Total Income</b>	<b>637,428</b>	<b>633,075</b>	<b>668,120</b>
<b>6400 · SEWER OPERATING EXPENSES</b>			
6400 · Sewer Payroll	138,142	144,266	168,000
6404 · Sewer Retirement and Life Ins	14,965	13,368	18,200
6405 · Sewer Treatment Fees	4,400	4,400	4,750
5005 · Sewer Uniforms Expense	1,102	888	1,350
5008 · Board of Directors Reimbursement	1,225	683	704
6406 · Sewer General Plant Expense	26,258	44,021	45,342
6408 · Sewer Vehicle Repairs & Maint.	2,631	1,218	2,200
6410 · Sewer Utilities-Electricity	30,711	24,296	28,000
6411 · Sewer Utilities-Gas & Fuel	1,995	4,313	4,442
6413 · Sewer Utilities-Telephone	2,659	2,649	2,728
6415 · Sewer Legal Services	29,679	37,730	22,000
6417 · Sewer Computer Services	10,444	5,468	5,632
6419 · Sewer Other Operating Expenses- (Cleaning)	770	840	865
6420 · Sewer Accounting & Audit Service	2,494	3,314	2,383
6421 · Sewer Postage & Mail Fee	1,366	2,657	2,736
6422 · Sewer Office Supplies	3,076	2,126	2,190
6423 · Sewer Medical Insurance	34,317	46,215	49,500
6425 · Sewer Maintenance	20,287	3,124	5,000
6426 · Sewer Worker's Comp Insurance	543	1,043	1,074
6428 · Sewer Retiree Health Insurance	9,018	8,184	8,430
6429 · Sewer Dues, Fees & Subscription	6,370	8,454	8,708
6430 · Sewer Advertising & Publishing	2,478	752	774
6431 · Sewer Maintenance	1,170	12,026	12,387
6432 · Sewer Utilities - Trash Fee	715	729	751
6433 · Sewer Bank Fee Charge	85	69	95
6435 · Sewer Auto & General Insurance	9,061	7,734	7,966
6438 · Sewer Laboratory Service	14,315	17,614	18,142
6441 · Sewer Removal Disposal Fee	3,972	2,735	2,817
6443 · Sewer Consulting	149,991	172,478	38,000
6444 · Traveling and Entertainment	148	150	750
6448 · Training & Seminar Expenses	5,592	6,000	3,000
6507 · Sewer Line Cleaning	0	107,046	44,000
6445 · Sewer Security System	50	50	52
5099 · OPEB Obligation Expense	22,292	22,292	22,961
6446 · Depreciation	122,221	122,221	125,888
<b>Total 6400 · SEWER OPERATING EXPENSES</b>	<b>674,539</b>	<b>830,152</b>	<b>661,816</b>
<b>Net Ordinary Income</b>	<b>Net Ordinary Income</b>	<b>-37,111</b>	<b>-197,077</b>
<b>Other Income/Expense</b>			<b>6,304</b>
<b>Other Income</b>			
4801 · Sewer Taxes & Assessments	112,165	114,400	115,000
4803 · Sewer Stand By Assessments	5,073	4,089	4,089
4804 · Sewer Interest Earned	8,609	2,800	2,500
4805 · Sewer Facilities Charges	0	5,697	5,697
4819 · Sewer Other Non-Operating Rev	300	468	468
<b>Total Other Income</b>	<b>126,148</b>	<b>127,454</b>	<b>127,754</b>
<b>Net Income</b>	<b>89,037</b>	<b>-69,623</b>	<b>134,058</b>

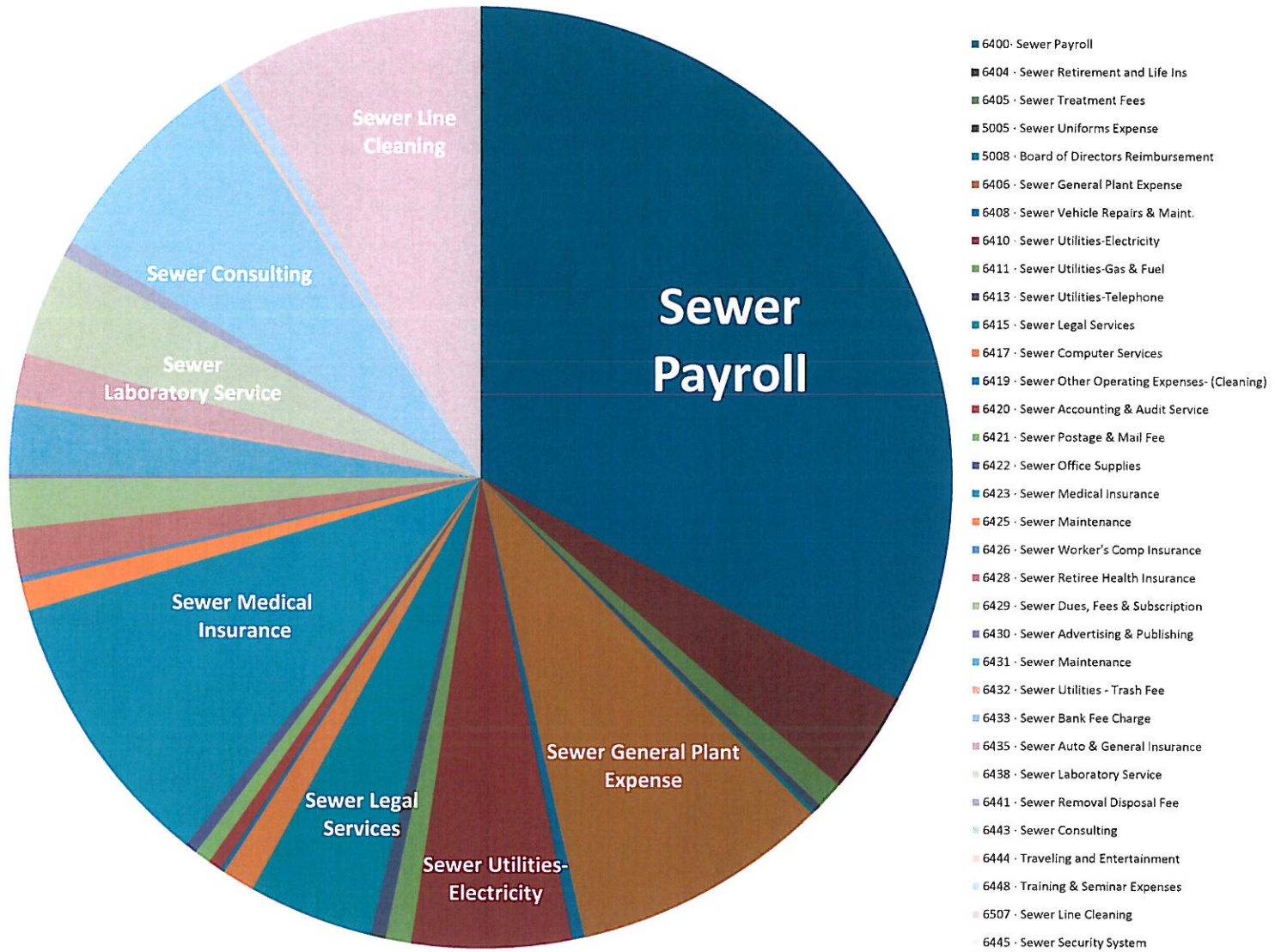
# SEWER INCOME



- 4101 · Sewer Base Fees-Commercial
- 4102 · Sewer Base Fees-Residential
- 4108 · Sewer Transfer Fees
- 4109 · Sewer Other Fees, Refunds



# SEWER OPERATING EXPENSES



**IDYLLWILD WATER DISTRICT  
CAPITAL EXPENDITURES FOR SEWER FUND  
FOR BUDGET YEAR ENDING JUNE 30, 2019**

**CAPITAL EXPENDITURE  
DESCRIPTION**

**WASTEWATER TREATMENT PLANT(G/L # 1316):**

1- Install Influent Screen and Dewatering Equipment	\$100,000
2- Install effluent Flow , PH and EC Monitoring	\$30,000

**TOTAL WASTEWATER TREATMENT PLANT** **\$130,000**

**SUB-SURFACE LINES:(G/L # 1315):**

1- Clean and Video collection System Hwy243	\$30,000
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**TOTAL SUB-SURFACE LINES** **\$30,000**

**GENERAL PLANT-STRUCTURES, POWER & OTHER EQUIPMENT:**

3- Application for WWTP Replacement SRF Funding	\$15,000
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**GENERAL PLANT-POWER & OTHER EQUIPMENT** **\$15,000**

**TOTAL SEWER FUND CAPITAL IMPROVEMENT AND EQUIPMENT EXPENDITURE** **\$175,000**

IDYLLWILD WATER DISTRICT

BUDGET FISCAL YEAR ENDING JUNE 30, 2019

**Water Department**

- \*Idyllwild Water District revised the rate structure for the fiscal year 2018/2019
- \*Water Operating Base Rate Revenues for Residential and Commercial will equal \$724,937.00 for the Fiscal Year 2018/2019.
- \*Water Sales Revenue for Residential and Commercial is expected to be \$609,000.00 for the Fiscal Year 2018/2019.
- \*Property Tax Revenues from the County of Riverside are expected to slightly increase by 1% from \$305,000.00 to \$307,000.00.
- \*Direct Operating Expenses for Water are expected to increase 2% for the Fiscal Year 2018/2019 from the previous year.
- \*Capital Improvement Budget items for Fiscal Year 2018/2019 will cost \$700,000 in total which will be financed completely by the Idyllwild water District.
- \*Operating Expenses are expected to increase between 3% and 5% within the Fiscal Year 2018/2019.
- \*No principle debt or interest exists within the Water Department.
- \*Utilities for Idyllwild Water District, including electric, telephone, fuel and propane expenses are expected to increase by 3% total.
- \*Cost of Living wage increase for all employees of 2.5% for Fiscal Year 2018/2019.
- \*Health insurance costs are expected to increase by 10% according to ACWA/JPIA.

	<u>Current</u> <u>2017/2018</u>	<u>Budgeted</u> <u>2018/2019</u>
Employee + Family	\$2,194.50	\$2,413.95
Employee + 1 Dependent	\$1,752.30	\$1,927.50
Employee	\$907.00	\$997.70

- \*There will be no change to life insurance benefits.
- \*The interest rate earned from investments is expected to remain the same as the previous year.

## **Sewer Department**

- \*The Improvement District #1 will increase the base charge to \$40.00 per E.D.U. from \$38.25 per E.D.U. E.D.U. = Equivalent Dwelling Unit
- \*Improvement District #1 Commercial Operating Revenue is expected to be \$455,040.00 for Fiscal Year 2018/2019 which is a 5% increase from the previous year.
- \*Improvement District #1 Residential Operating Revenue is expected to be \$212,160.00 for Fiscal Year 2018/2019 which is a 5% increase from the previous year.
- \*Direct Operating expenses for Improvement District #1 are expected to increase between 3 and 5% for Fiscal Year 2018/2019.
- \*Property Tax Revenues from the County of Riverside are expected to slightly increase by 1% from \$113,000.00 to \$115,000.00.
- \*The Capital Improvement Budget for the Fiscal Year 2018-2019 is \$175,000. This includes \$44,000 to clean and video the Highway 243 portion of the collection system for Improvement District #1.
- \*No principle debt or interest exists within Improvement District #1.
- \*Staff has succeeded in hiring a Chief Sewer Operator, therefore has cancelled the contract with SUSP, Inc. which will significantly reduce consulting fees within Improvement District #1.

## **Other Information**

- \*Idyllwild Water District will be diligently working to increase satisfaction from our customers.
- \*Idyllwild Water District sold just under 50 Water Service Applications and installed roughly 25 new water connections.
- \*Staff is working with the Board of Directors to increase District Transparency.



**RESOLUTION NO. 755**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IDYLLWILD WATER DISTRICT  
ADOPTING A BUDGET FOR  
FISCAL YEAR 2018-2019**

**WHEREAS**, the General Manager of Idyllwild Water District (District) has prepared and submitted to the Board of Directors of Idyllwild Water District (Board) a proposed budget for Fiscal Year 2018-2019 (Proposed Budget).

**WHEREAS**, the Board has received on April 18, 2018 and reviewed the Proposed Budget; and

**WHEREAS**, the Board held a public hearing on the Proposed Budget at the June 20, 2018 Board meeting, where all interested persons were heard; and

**WHEREAS**, the Board has considered the Proposed Budget and comments thereon, and has determined it is necessary for the efficient management of the District that certain sums of revenue be appropriated to the activities as set forth in said budget.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE IDYLLWILD WATER DISTRICT HEREBY FIND, DETERMINE, ORDER AND RESOLVE AS FOLLOWS:**

Section 1: The Board adopts the Budget for Fiscal Year 2018-2019, a copy of which is attached and made part of this Resolution.

Section 2: The District's General Manager is authorized to take all necessary actions to implement the provisions of the Budget as adopted by the Resolution.

Adopted this 20<sup>th</sup> day of June 2018.

**IDYLLWILD WATER DISTRICT**

By: \_\_\_\_\_  
**CHARLES SCHELLY, President**  
**Board of Directors**

**ATTEST:**

I, JEANNINE OLSEN, Secretary of the IDYLLWILD WATER DISTRICT, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted by the Board of Directors of the IDYLLWILD WATER DISTRICT at its meeting of June 20, 2018, by the following vote:

**AYES:**

**NAYS:**

**ABSTAIN:**

**ABSENT:**

In witness whereof, I have executed by statement and affix the official seal of the IDYLLWILD WATER DISTRICT this 20<sup>th</sup> day of June, 2018.

**IDYLLWILD WATER DISTRICT**

\_\_\_\_\_  
JEANNINE OLSEN, Secretary

# Memo

**To: Board of Directors**

**From: General Manager**

**Date: June 20, 2018**

**Subject: ITEM #7 – Appoint a Secretary of the Board of Directors**

Recommendation: That the Idyllwild Water District Board of Directors appoint Jeannine Olsen as Secretary of the Board of Directors.

Background: As a result of the resignation of the current Secretary of the Board of Directors the vacancy needs to be filled as the Secretary of the Board of Directors is a position designated in the enabling legislation of the District (California Water Code Section 30540 (a)). Ms. Olsen fulfills all of the requirements to perform the duties of Secretary of the Board of Directors, and staff recommends her appointment.

# Memo

**To: Board of Directors**

**From: General Manager**

**Date: June 20, 2018**

**Subject: ITEM #8 – Approve A Job Description And Salary Range For The Position Titled Office Assistant**

Recommendation: That the Idyllwild Water District Board of Directors approve the attached job description and salary range for a position titled Office Assistant.

Background: With the evolution in personnel as a result of employees taking advantage of positions outside the District, staff have evaluated the office organization and are recommending adding the position of Office Assistant in place of the position Billing Clerk. While billing is obviously important to the District's overall financial stability, office staff do much more than just billing as noted in the attached job description. In addition, based on the apparent workload, staff is proposing that the position be variable between 24 and 30 hours per week with benefits allocated at 75% of full-time. The proposed salary range is \$16.00 to \$22.06 per hour (14 steps of 2.5% increase consistent with the District's current salary schedule) (it is not proposed that this range would change July 1, 2018 but would be subject to change beginning July 1, 2019).

Attachments

IDYLLWILD WATER DISTRICT  
JOB DESCRIPTION

POSITION: Office Assistant

**Description.** Under general direction from the General Manager and Chief Financial Officer serves as deputy secretary to the Board of Directors and provides administrative support to the GM and CFO for a variety of administrative details; performs complex office support work using computer programs Word and Excel; assists in the preparation and distribution of the Board agenda; assists in maintaining the official records of the District and of Board proceedings and actions; receives and processes service requests; performs fiscal record keeping work in maintaining and updating billing accounts; prepares and issues billings for utility service; receives and processes billing payments; receives and resolves questions concerning delivery of services and status of accounts; updates the District website; and does related work as required.

**Examples of Duties.** Gathers and organizes a variety of information and materials for the General Manager and District Board of Directors; prepares and distributes the Board agenda under the direction of the Administrative Assistant and General Manager; may attend Board meetings, developing and maintaining minutes, following as necessary with proper distribution of resolutions and actions; acts as the officially designated Deputy District Secretary, maintaining official records of Board proceedings and actions; prepares correspondence, memoranda and other items as delegated by the Administrative Assistant or General Manager; answers the telephone and receives office visitors, providing a variety of information about District policies, programs and functions; receives and processes service requests, collecting appropriate funds, and coordinates establishment of services with other District personnel; prepares and issues utility bills; receives and processes billing payments; maintains and updates meter reading records; audits meter readings; resolves a variety of problems related to accurate meter readings, high usage, delinquent accounts, turn-ons, turn-offs and non-reads; coordinates problems of meter location, type of installation, and meter size with appropriate District personnel.

**General Requirements.** Requires a knowledge of operations, procedures and policies of the District; office management principles, operations and procedures; development and maintenance of filing and recordkeeping systems; notification and publication requirements for Board actions, ordinances and resolutions; computer systems and software applications related to District executive management support and administrative functions, including word processing and spreadsheet software, billing programs, and website maintenance.

Requires an ability to perform a variety of complex and responsible administrative support work for the administration of the District; prepare agenda, minutes and records for the Board of Directors; perform a variety of office coordination functions; prepare correspondence; perform research and prepare documents and reports; maintain, update and insure the accuracy of fiscal records and billing data; use computers and applicable software in the performance of office and administrative support assignments; effectively represent the District, including its programs and policies, with the public and other agencies; establish and maintain cooperative working relationships.

**Typical Physical Activities.** Communicates orally with District management, Directors, co-workers and the public; regularly uses the telephone; uses office equipment such as computers, copiers and fax machines; sits for extended time periods; hearing and vision must be within normal ranges.

**Qualifications.** Graduation from high school and at least four years of increasingly responsible experience in performing a variety of office and administrative support work; working knowledge of computer operations including word processing, spreadsheet software and website maintenance.

This position is nominally a ¾-time position but work may vary between 24 and 30 hours per week with benefits pro-rated at 75% of a full-time position. However, may work full-time to cover for office vacations or other situations when additional support is needed.

# Memo

**To:** Board of Directors

**From:** General Manager

**Date:** June 20, 2018

**Subject:** ITEM #9 – Consider Appointment Of An Ad Hoc Sub-Committee To Gather Input For Potential Consolidation Of San Jacinto Mountain Area Water Districts

Recommendation: That the Idyllwild Water District Board of Directors appoint an ad hoc sub-committee to gather input for potential consolidation of the San Jacinto Mountain Water Districts.

Background: Public attendees and Board members have brought up the concept of consolidation of the San Jacinto Mountain Water Agencies (Pine Cove, Idyllwild and Fern Valley Districts). Staff suggest that the President appoint an ad hoc sub-committee to evaluate the level of interest in the idea.

# Memo

**To: Board of Directors**

**From: General Manager**

**Date: June 20, 2018**

**Subject: ITEM #10 – Consider Offering an Employee Stipend for Residing Within 6 Miles of the District Office**

Recommendation: That the Idyllwild Water District Board of Directors Adopt a policy to offer a stipend of \$400 per month to “on-call” eligible employees to encourage them to live within a 6 mile radius of the District Office.

Background: Idyllwild Water District has the requirement to attract and retain qualified and skilled employees to operate the local water and sewer systems. An integral part of the responsibilities of District Field employees is the ability to respond in a relative short period to non-working hour emergencies and to participate in the “stand-by rotation” for non-emergency after-hours response requirements.

The District is located in mountainous terrain that can be subject to adverse weather conditions that can result in roads that are difficult to traverse resulting in extended response times. Responding employees that live relatively close to the District have the best chance of timely response to emergencies or to after-hours customer response. A major complicating factor, however, is that as a mountain resort community, the cost of housing is significantly higher than for comparable housing in a non-resort area. The nearest “affordable” housing area to the District are Banning (45 minutes under good conditions) and East Hemet (35 minutes under good conditions).



Although the District's salaries for field employees is in the second quartile of comparable jobs, it can be difficult for recruitment purposes to find employees that can manage the higher cost of housing in close proximity to the District.

Staff proposes to offer a proximity stipend for on call eligible field workers that live within a 6-mile radius of the District office. Four hundred dollars per month would work out to \$2.31/hour. On the advice of counsel, it would show as a separate hourly pay item, not part of the basic hourly wage rate. At this time there are 6 employees that could be potentially eligible but an indication that only 4 might qualify with an annual budget impact of \$20,400 for four employees ( $(\$4,800 \times 4) \times 1.062$ ) including the additional applicable social security taxes. This proximity stipend would not contribute to the retirement contribution base pay.

The underlying basis for offering the Proximity Stipend is making housing more affordable for qualified employees close the District's service area.

# Memo

**To:** Board of Directors

**From:** General Manager

**Date:** June 20, 2018

**Subject:** ITEM #11 – Designate Agency Representatives to the California Association of Sanitation Agencies and Approve the Receipt Of Official Notices Via Electronic Transmission

Recommendation: That the Idyllwild Water District Board of Directors appoint Agency Representatives to CASA and authorize the receipt of official notices from CASA via electronic transmission.

Background: Membership in CASA (like ACWA) requires that each member agency designate an official voting representative and two alternates. Similarly, as a mutual benefit corporation, CASA must receive each members consent to transmit official communications electronically.

A cover letter and the required forms are attached. Staff recommends that the General Manager be the second alternate voting representative.

Attachments



# CALIFORNIA ASSOCIATION of SANITATION AGENCIES

1225 8<sup>th</sup> Street, Suite 595 • Sacramento, CA 95814 • TEL: (916) 446-0388 • [www.casaweb.org](http://www.casaweb.org)

DATE: June 4, 2018  
TO: CASA Member Agencies  
FROM: Bobbi Larson, Executive Director  
SUBJECT: Designation of Agency Representative and Consent to Electronic Transmission

Dear Members:

We are requesting your assistance with a couple of administrative matters. CASA's bylaws require that each member agency designate an official voting representative and two alternates who are authorized to exercise the agency's voting rights. We are updating our records in advance of our annual election and ask that you complete a designation form even if you have previously submitted one in the past.

Secondly, as a nonprofit mutual benefit corporation, CASA must obtain our members' consent to transmit official communications electronically rather than regular mail. By signing and returning the enclosed authorization, you agree that CASA may send these communications such as ballots and other official business matters to you via email.

We request that you return both original documents via USPS by Monday, July 2, 2018 to:

CASA  
Attn: Cheryl MacKelvie  
1225 8<sup>th</sup> Street, Suite 595  
Sacramento, CA 95814

If you have any questions, please feel free to contact me at (916) 446-0388 or [blarson@casaweb.org](mailto:blarson@casaweb.org). Thank you for your assistance.



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## CONSENT TO ELECTRONIC TRANSMISSION

As a member of the CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA) your written consent is required in order to receive official communications from, and/or to send official communications to, CASA by electronic transmission (i.e. email).

This consent form will allow CASA to send you meeting notices, ballots, conduct meetings, and handle other official business that requires member or board approval, by electronic transmission. It also allows you to send the same types of information to CASA via electronic transmission.

Before signing this consent form, please review and be aware of the following:

1. You are not required to sign this form. You may request that meeting notices, ballots, and other matters of official business be sent to you via regular mail.
2. You have the right to withdraw your written consent at any time after signing this form by providing CASA with written notice that you are withdrawing your consent relative to electronic transmission.
3. This consent to electronic transmission is broad, and may include transmission of meeting notices, ballots, and other important information regarding CASA. It also allows CASA to conduct meetings via electronic transmission, although that will not be a frequent occurrence. This consent form represents consent under both California Corporations Code 20 and 21 (transmission from and to CASA). This consent form also meets the requirements for consent under the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Sec. 7001(c)(1)).
4. Consenting to electronic transmission via email requires that you have access to a computer, have a current email account, and have provided your current email address to CASA.

The undersigned CASA member representative has read and understands the foregoing, and hereby provides this written consent to receive and send information, including but not necessarily limited to meeting notices, ballots, and other information regarding CASA, via electronic transmission (i.e. email), until such time as this consent is revoked in writing. This consent also allows CASA to conduct meetings via electronic transmission.

### Idyllwild Water District

Signature of Member Agency Representative: \_\_\_\_\_

Date: \_\_\_\_\_

Print name and title: \_\_\_\_\_

\*Email address for official CASA notices:

\_\_\_\_\_

### PLEASE MAIL SIGNED ORIGINAL OF THIS FORM TO:

California Association of Sanitation Agencies  
Attn: Cheryl MacKelvie  
1225 8th Street, Suite 595, Sacramento, CA 95814

\*Please indicate if you do not have access to (or do not want) this type of transmission



# CALIFORNIA ASSOCIATION of SANITATION AGENCIES

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## 2018 DESIGNATION OF AGENCY REPRESENTATIVES

The bylaws of the California Association of Sanitation Agencies (CASA) provide that each voting member of the Association shall designate in writing the individual who shall exercise the voting rights and other privileges on behalf of the member agency, and two alternates to that individual as well. (Article II, Section 1.)

Please designate your agency's representative and two alternates and return this form to CASA. You may revise or update this designation at a future date.

### Idyllwild Water District

\_\_\_\_\_  
Type or print name of Agency Representative

\_\_\_\_\_  
Telephone number

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Type or print name of Alternate #1

\_\_\_\_\_  
Telephone number

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Type or print name of Alternate #2

\_\_\_\_\_  
Telephone number

\_\_\_\_\_  
Email address

Submitted by:

Date:

\_\_\_\_\_  
Signature

\_\_\_\_\_

\_\_\_\_\_  
Print name