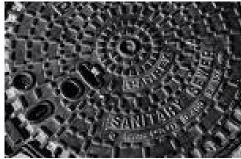
Draft Report

City of Woodland

Comprehensive Sewer Rate Study July 2013













July 18, 2013

Ms. Kimberly McKinney Finance Officer City of Woodland 300 First Street Woodland, California 95695

Subject: City of Woodland Comprehensive Draft Sewer Rate Study

Dear Ms. McKinney:

HDR Engineering, Inc. (HDR) is pleased to present the draft report on the comprehensive sewer rate study conducted for the City of Woodland (City). A key objective in developing the City's comprehensive sewer rate study was to develop a financial plan and rates that generate sufficient revenue to fund the operating and capital needs of the sewer utility. A second objective of this study was to determine the appropriateness of the current rates by conducting a cost of service analysis and reviewing the structure of the rates. Finally, revised rate structures were developed to collect the target revenue levels based on the customer strength levels and volumes. This report outlines the approach, methodology, findings, and conclusions of the comprehensive rate study process.

This report was developed utilizing the City's accounting, budget documents, capital improvement plan, sewer design costs, and customer characteristics. HDR has relied on this information to develop our analyses that form our findings, conclusions, and recommendations. At the same time, this study was developed utilizing generally accepted rate setting principles. The conclusions and recommendations contained within this report are intended to provide a long-term (five year) financial plan that meets the operating and capital needs of the City's sewer utility. Finally, this report provides the basis for developing and implementing rates that are cost-based, defensible, and equitable to the City's customers.

We appreciate the assistance provided by City staff in the development of this study. More importantly, we appreciate working with City of Woodland's staff, management, Sewer Utility Advisory Committee (WUAC), and City Council on this project.

Sincerely yours,

Shawn Koorn

Associate Vice President

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HDR Engineering, Inc.







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Executive Summary

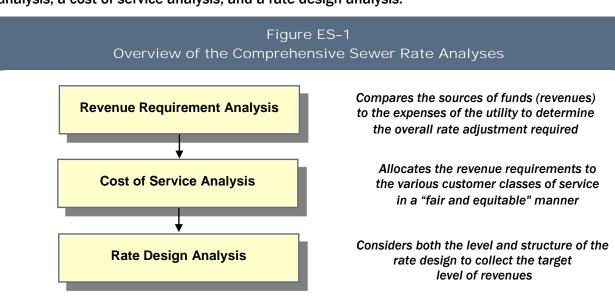
Introduction

HDR Engineering (HDR) was retained by the City of Woodland (City) to perform a comprehensive sewer rate study. The purpose of this rate study update was to determine the adequacy of the existing sewer rates based on current and projected operating and capital costs, and develop cost-based rates that reflect the customers use of the sewer system.

This section of the report will provide a brief overview of the analysis undertaken for the sewer rate study update as well as provide a summary of the conclusions and recommendations.

Overview of the Rate Study Process

A comprehensive rate study typically utilizes three interrelated analyses to address the adequacy and equity of a utility's rates. These three analyses are a revenue requirement analysis, a cost of service analysis, and a rate design analysis.



Each of the above analyses was completed for the City sewer rate study update. The analysis is specifically tailored to the City's chart of accounts, customer characteristics, and rate schedules.

Key Sewer Rate Study Results

A comprehensive review of the City's sewer rates was undertaken. The utility was financially evaluated on a stand alone basis. That is, no subsidies between the City's other utilities, or funds, should occur. By viewing the sewer utility on a stand alone basis, the need to adequately fund both operating expenses and capital infrastructure must be balanced against the rate impacts to customers.

Based on the technical analysis undertaken as part of this study, the following findings, conclusions, and recommendations have been developed.

- A revenue requirement analysis was developed for the City for Fiscal Years (FY) 2013 2022.
- For rate setting purposes, the focus of the study was on FY 2014 through FY 2018.
- Total sewer capital projects for the time period of FY 2014 FY 2016 total approximately \$31.4 million and \$50.5 million for the ten year period.
- Key to the study was developing a revenue transition plan to fund existing debt service, as well as new long-term debt to fund capital improvements.
- Multiple revenue transition plans were presented to the WUAC and staff.
- The recommended transition plan is 13% in FY 2014 followed by annual adjustments of 9.0% in FY's 2015 through 2018.
- Rates are proposed to be implemented mid-year of each FY, or in January of each year, starting January 2014.
- Cost of service differences exist between the various classes of service.
- Cost of service results were discussed with City staff and the WUAC and customer class adjustments are recommended.
- Rates were developed to reflect the results of the cost of service analysis and transitioned in over 2 years.
- The current residential (single-family, duplex, multi-family) rate structure was maintained.
- The non-residential rate structure has been revised and the proposed rates are based on the following:
 - Sewer strength levels (low, medium, high).
 - Individual customer average winter water use.
- Proposed rates were developed for FY 2014 through FY 2018 using the proposed revenue transition plan.
- In FY 2017, the City should review the need for future rate adjustments.

Summary of the Revenue Requirement Analysis

A revenue requirement analysis sums the utility's operating and capital expenses and compares it to the total revenues of the utility. The basis for the operating expenses is the City's Fiscal Year (FY) 2013 budget. Future years operating expenses were escalated to reflect assumed inflationary figures by cost category (salaries, benefits, materials and supplies, etc.) through FY 2022. At this time no additional operating costs over and above current budgeted expenses have been included.

Along with funding annual operating expenses, an important aspect of the sewer revenue requirement is the funding of the sewer capital improvement plan. The City anticipates funding for these projects will be from a combination of new long-term debt, reserves, and rates. A key aspect of the local capital improvement funding is maintaining an adequate level of rate funded capital. A general rule of thumb is to fund an amount greater or equal to annual depreciation expense. In this way, the City is funding the replacement of depleted infrastructure on an annual basis. For the City's analysis, it was determined that during the time period reviewed annual depreciation levels would not be reached given the impact on rates. Therefore, the level of rate funded capital was phased in over the ten year period.

Provided below in Table ES-1 is a summary of the sewer capital improvement projects followed by the assumed funding of the projects in Table ES-2.

Table ES-1 Summary of the Capital Improvement Plan (\$000's)										
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Capital Improvements										
Flood Safe Yolo	\$1,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NPDES Permit Requirements	0	103	85	0	0	0	119	61	0	0
Aeration Retrofit of Oxidation Ditch	246	1,021	3,476	3,157	1,251	0	172	177	0	0
Planned Growth	0	1,350	973	1,637	0	102	1,433	1,476	0	0
WPCF Major Equip. Replace.	140	1,154	145	523	3,337	1,095	602	1,510	925	689
Collection System R&R	577	1,614	1,662	1,712	1,763	1,816	1,871	1,927	1,985	1,392
Biosolids Existing Users	1,200	541	858	884	563	580	667	615	633	729
Total Capital Improvements	\$3,314	\$5,783	\$7,199	\$7,913	\$6,914	\$3,593	\$4,865	\$5,766	\$3,543	\$2,811

As shown in Table ES-1 the planned annual capital improvements range from \$3 million to \$7 million per year.

Table ES-2										
Summary of the Capital Improvement Plan Funding (\$000's)										
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Total Capital Improvements	\$3,314	\$5,783	\$7,199	\$7,913	\$6,914	\$3,593	\$4,865	\$5,766	\$3,543	\$2,811
Less Funding Sources										
Un-Assigned Operating Reserves	100	1,046	350	350	(0)	(0)	0	0	0	0
Bond Reserve	1,663	4,337	0	0	0	0	0	0	0	0
Storm Funding	1,151	0	0	0	0	0	0	0	0	0
New Revenue Bonds	0	0	6,199	6,663	<u>5,414</u>	<u> 1,843</u>	2,865	<u>3,516</u>	<u>1,043</u>	61
Total Funding Sources	\$2,914	\$5,383	\$6,549	\$7,013	\$5,414	\$1,843	\$2,865	\$3,516	\$1,043	\$61
Rate Funded Capital Improvements	\$400	\$400	\$650	\$900	\$1,500	\$1,750	\$2,000	\$2,250	\$2,500	\$2,750

As shown in Table ES-2, the primary funding source used to fund the capital improvements is long-term debt. The level of rate funded capital is being transitioned in over the ten year period to reach annual depreciation levels.

Based on the projected operating expenses and capital funding plan the revenue requirement can be developed. Provided in Table ES-3 is a summary of the ten year revenue requirement developed for the City's sewer utility.

		C	Table E			(\$000;-)				
	Summary of S	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Sources of Funds										
Operating Revenues	\$10.396	\$10.458	\$10,521	\$10,626	\$10,732	\$10,840	\$10,948	\$11,058	\$11.190	\$11.325
Other Revenue	134	135	136	135	140	146	175	192	218	232
Total Sources of Funds	\$10,530	\$10,593	\$10,657	\$10,761	\$10,872	\$10,986	\$11,123	\$11,249	\$11,409	\$11,557
Applications of Funds	<u> </u>	· ·	•		·				•	
Operation & Maintenance Expense										
Accounting - Sewer	\$354	\$367	\$380	\$395	\$410	\$426	\$442	\$460	\$479	\$499
Sewage Collection System	2,293	2,328	2,422	2,521	2,625	2,735	2,852	2,975	3,106	3,244
Sewage Treatment Plant	3,491	3,631	3,779	3,934	4,096	4,267	4,446	4,635	4,833	5,042
Environment Operations Laboratory	521	542	563	586	611	637	664	693	724	757
Utilities Engineering	540	559	579	600	622	646	670	696	724	753
Additions	0	0	0	0	0	0	0	0	0	0
Total Operating & Maintenance Expense	\$7,198	\$7,426	\$7,723	\$8,035	\$8,364	\$8,710	\$9,075	\$9,460	\$9,866	\$10,295
Net Capital Funded Through Rates	\$400	\$400	\$650	\$900	\$1,500	\$1,750	\$2,000	\$2,250	\$2,500	\$2,750
Net Debt ^[1]	\$1,821	\$3,393	\$4,026	\$4,557	\$4,987	\$5,135	\$5,361	\$5,640	\$5,725	\$5,727
Change in Working Capital +/-	\$1,111	\$28	\$106	\$260	\$279	\$1,054	\$1,299	\$932	\$801	\$735
Total Revenue Requirements	\$10,530	\$11,246	\$12,505	\$13,751	\$15,130	\$16,650	\$17,735	\$18,282	\$18,892	\$19,507
Cumulative Balance/(Deficiency) of Funds Without a Rate Increase	\$0	(\$654)	(\$1,848)	(\$2,991)	(\$4,258)	(\$5,663)	(\$6,612)	(\$7,033)	(\$7,483)	(\$7,951)
Cumulative Adjust. as % of Rate Revenues	0.0%	6.2%	17.6%	28.1%	39.7%	52.2%	60.4%	63.6%	66.9%	70.2%

It is important to note the annual deficiencies in the Table ES-3 are cumulative. That is, any adjustments in the initial years will reduce the deficiency in the later. As shown above, If no revenue adjustments are implemented, over the next 10 year time period, revenues will need to be increased by approximately \$7.9 million to adequately and properly fund the City's sewer utility operating expenses and capital infrastructure improvements. It should be noted that this level of revenue is necessary to support the assumed level of long-term debt financing and meet the funding requirements imposed when issuing long-term debt. While the revenue requirement was developed for a ten year period, the focus of the study for the rate setting process was the five year period of FY 2014 through FY 2018. Over this time period, revenues are deficient approximately \$5.6 million.

In discussion with City staff and the WUAC, it was determined that a transition to cost-based rates over the five year period would attempt to minimize rate impacts to customers and allow a smoother transition to cost-based levels. The need for the revenue adjustments are primarily the result funding existing, and future, long-term debt for past and future capital improvements necessary to maintain the system in a prudent manner and maintain the level of sewer service the City's customers are accustomed to. During the study several alternative revenue transition plans were developed and discussed with staff and the WUAC.

In addition to the development of the revenue transition plan, a key discussion was the timing of the rate implementation. The first consideration was the timing with the previously adopted water rate increases. Given these adopted increases, staff and the WUAC discussed if the timing should be the same, or different than the water increase. Ultimately, it was determined that the timing should be the same as the water rate increases. The other consideration was the amount of time for the City to provide information and outreach to the customers of the rate impacts as a result of the proposed rates. In discussion with City staff and the WUAC it is proposed that the rates are implemented in January of each year. The first proposed revenue adjustment will occur on January 1, 2014, followed by annual increases at the start of each calendar year (January 1) during the following four-year period. Provided in Table ES-4 is the proposed sewer utility revenue transition plan for the projected time period.

Table ES – 4 Sewer Utility –Revenue Transition Plan								
	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018			
Proposed Revenue Adjustment ¹	13.0%	9.0%	9.0%	9.0%	9.0%			

It is important to note that the proposed revenue transition plan does not imply that each customer will receive the same percentage increase in their bill. As discussed in the rate design section of the Executive Summary, and in later sections in the report, the bill impacts can vary from customer to customer as a result of the cost of service analysis and from changes to the rate structure.

Based on the revenue requirement analysis developed, HDR recommends the City increase the overall revenue levels of the sewer utility at this time. After designing multiple transition alternatives for the City and WUAC to review, the revenue transition plan in Table ES-4 was developed.

Summary of Cost of Service Analysis

A sewer cost of service analysis determines the equitable allocation of the sewer revenue requirement to the various customer classes of service. The objective of the sewer cost of service analysis is different from determining the revenue requirement. A revenue requirement analysis determines the utility's overall financial needs, while the cost of service analysis determines the fair and equitable manner to collect that revenue requirement from the various types of customers served by the City.

The cost of service is based on generally accepted methodologies which are outlined in the Water Environment Federation Manual of Practice 27 <u>Financing and Charges for Wastewater Systems</u>. The methodology results in the classification and allocation of costs based on each customer class's proportional share of volume, strength, and customer related needs.

For the City's sewer rate study the customer classes of service were based on the current rate schedules of residential, non-residential (e.g., commercial), institutional (i.e., schools), and the correctional facility. These customer classes of service are the typical customer classes used during a rate study. The correctional facility was allocated costs separately as the rate is based on a contractual agreement.

Utilizing generally accepted methodologies, the City's customer characteristics, and previously developed revenue requirement the cost of service analysis was developed. A summary of the sewer utility cost of service analysis for FY 2014 is shown in Table ES-5.

Table ES-5 Summary of the FY 2013/14 Cost of Service Analysis (\$000s)										
Class of Service Present Rate Allocated \$ Difference % Difference										
Residential	8,101	8,735	(\$634)	7.8%						
Commercial	1,963	1,895	\$68	-3.4%						
Schools	324	408	(84)	25.8%						
Corrections Facility	70	74	(4)	5.2%						
Total	\$10,458	\$11,112	-\$654	6.2%						

The cost of service analysis results indicate cost of service differences between the customer classes of service. A simple guideline in dealing with cost of service results is that a customer class is paying their fair allocation of costs if the costs of service results for that customer group are within $\pm 5\%$ of the overall adjustment. This range of values is used as the cost of service is based on one year of consumption data, expenses, and other customer characteristics.

While both the residential and corrections facility are within the reasonable range of the results, the commercial and schools are not. It appears that the current commercial rates are set slightly higher than what is reflected in the current cost of service analysis. This may be the result of the current rates, or the length of time between cost of service studies which has resulted in the commercial class results. For the schools, the driver is the assumed wastewater flow, which was difficult to determine exactly given the nature of the system. Many of the schools accounts include both indoor use and outdoor use, others are only outdoor use, while some appear to be only indoor use. Given the data concerns, the schools should be reviewed in more detail in future cost of service analyses to determine if the cost allocations remain at similar levels. If they do, rate adjustments can be implemented.

Summary of the Rate Designs

The final step of the comprehensive sewer rate study process is the design of sewer rates to collect the desired levels of revenue, based on the results of the revenue requirement and cost of service analysis. For the City's study it was determined, in discussion with City staff and the WUAC, that the proposed rates would reflect the results of the cost of service analysis. Specifically, this resulted in a slightly higher increase for the residential customers, when compared to the overall system adjustment, and a lower increase to commercial, schools, and the correctional facility when compared to the overall system adjustment. Provided below in Table ES-6 is a summary of the proposed revenue adjustments and timing of the adjustment for each of the customer classes of service.

Table ES-6 Alternative Revenue Transition Plan									
January 1, January 1, January 1, January 1, January 1, 2014 2015 2016 2017 2018									
Residential	15.0%	9.0%	9.0%	9.0%	9.0%				
Commercial	9.0%	7.0%	9.0%	9.0%	9.0%				
Institutional	9.0%	7.0%	9.0%	9.0%	9.0%				
Correctional Facility	9.0%	7.0%	9.0%	9.0%	9.0%				

In developing the proposed rate designs, the City's existing rate structures were reviewed. Presently the City has a fixed monthly rate for the single-family, condos, and multi-family units. Non-residential customers are charged a monthly fixed charge and a volume charge based on water consumption. The volume charge varies depending on the type of customer. Schools are charged a flat monthly rate based on average daily attendance (ADA). The City charges the correctional facility a flat monthly charge based on a contractual agreement.

Various alternative rate structures were reviewed and discussed with City staff and the WUAC. Maintaining the current fixed charge for residential customers was determined to be the most equitable at this time. Future rate structures for the residential customers will include a review of volume based rate structures. For the non-residential customers a strength based rate structure billed on winter water use is proposed. The rate structure for the schools and the correctional facility were not changed. Presented below are the present and proposed rates for the City's customers. The rates are based on the rate transition plan shown in Table ES-6.

The residential class of service included single-family, condos, apartments and mobile homes. The current rate structure is a monthly fixed charge which does not vary. As noted, the current rate structure has been maintained and the level of the rate structure adjusted based on the rate transition plan. Table ES-7 shows the present and proposed residential rates for the revenue transition period.

Table ES-7		
Present and Proposed Residential	Sewer	Rates

Customer Class	Present Rates	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018
Single Family	\$38.30	\$44.05	\$48.00	\$52.30	\$57.00	\$62.15
Condo	\$24.99	\$28.75	\$31.35	\$34.15	\$37.20	\$40.55
Apartment/Mobile Home	\$24.99	\$28.75	\$31.35	\$34.15	\$37.20	\$40.55
4-plex or less	\$24.99	\$28.75	\$31.35	\$34.15	\$37.20	\$40.55
Residential Attached	\$31.07	\$35.70	\$38.95	\$42.45	\$46.25	\$50.40
Residential Multi-Unit	\$31.07	\$35.70	\$38.95	\$42.45	\$46.25	\$50.40

As seen in Table ES-7, the residential rate structure has not been changed during the transition period, only the level of the rates has been adjusted. As the City collects additional metered water data it can begin to analyze the impacts of transitioning to a volume based sewer rate structure.

As noted the non-residential customers are charged a monthly fixed charge and a volume charge based on water use. The rate structure also is further defined between commercial. hospital, hotel/motel, industrial, restaurant, and special rate customers each with a different volume charge. As discussed, the proposed rate structure has been revised to reflect three (3) non-residential customer groups. These are based on sewer strength levels and the rates are set to reflect the increased cost of treatment for the higher strength sewer flow. In addition, the rate structure will be billed on winter water use rather than all water use. This process of billing on winter water use takes the summer outdoor watering use out of the sewer billing process. Each customer will have a winter water use calculation based on the prior years winter water use. This level of use, for each individual customer, will be the "ceiling" for sewer billing. In other words, each customer will be billed the maximum of the actual use or the calculated winter water use. During the winter periods, the actual consumption will be billed. City staff and HDR reviewed the non-residential customers and placed customers in the appropriate strength class (high, medium, or low). The winter water use was then calculated for each individual customer and the amount of consumption billed for the year was used to develop the rates. The rate differential between the strength categories was based on the costs of treating higher strength wastewater. Provided in Table ES-8 is a summary of the present and proposed non-residential rates.

	Present	and Propos	Table ES-8 ed Non-Res		wer Rates	
Customer Class	Present Rates	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018
Monthly Fixed Charge	#04.00	\$07.05	\$00.45	¢04.75	404.60	407.70
Non-Residential	\$24.99	\$27.25	\$29.15	\$31.75	\$34.60	\$37.70
<u>Volume Charges</u> Commercial	\$3.75	N/A	N/A	N/A	N/A	N/A
Hospital	\$4.26	N/A	N/A	N/A	N/A	N/A
Hotel/Motel	\$4.97	N/A	N/A	N/A	N/A	N/A
Industrial	\$3.75	N/A	N/A	N/A	N/A	N/A
Restaurant	\$9.41	N/A	N/A	N/A	N/A	N/A
Special Rate	\$3.75	N/A	N/A	N/A	N/A	N/A
Winter Water Average Volume Charges						
Low Strength	N/A	\$5.59	\$5.98	\$6.52	\$7.11	\$7.75
Medium Strength	N/A	\$6.46	\$6.91	\$7.53	\$8.21	\$8.95
High Strength	N/A	\$7.34	\$7.85	\$8.56	\$9.33	\$10.17

As can be seen the rate structure for the non-residential customers has been revised to include strength based volume charges based on winter water average use. The monthly fixed charge has increased each year based on the transition plan. The remaining revenue needs are collected through the volume charge. A key aspect of this rate structure is that all water use over the individual customers' winter water average is no longer billed for sewer. As a result, the amount of consumption billed is decreased and the cost per CCF has increased. This is the reason for what appears to be a large increase in the volume charge. However, the customer will no longer pay for outdoor water use in the sewer bill therefore reducing the amount of consumption charged in a given billing period. The change in the rate structure also makes it difficult to compare the impacts to customers as the current rate structure doesn't note if a customer is a low, medium, or high strength. However, for comparison purposes, the majority of the non-residential customers fall into the current volume charge of commercial and low for the proposed rates. A high strength customer example would be the industrial customers or restaurant customers.

The institutional, or school, customers are charged a rate based on ADA. At this time there is no proposed change to the school rate structure. The school rate has been increased to reflect the non-residential revenue transition plan. Provided in Table ES-9 is a summary of the present and proposed school rate structure.

P	Table ES-9 Present and Proposed Institutional Sewer Rates									
Customer Class	Present Rates	January 1, 2014	January 1, 20 1 5	January 1 , 2016	January 1, 2017	January 1, 2018				
Institutional/Schools	\$2.31	\$2.52	\$2.70	\$2.94	\$3.20	\$3.49				

Again, the school rate structure has not changed and only the level of the rate has been adjusted based on the non-residential revenue transition plan.

The final class of service is the rate structure for the correctional facility. The rate is a contractual rate and based on prior agreements between the City and the facility. However, as part of the study HDR developed a methodology to equitably allocate the costs of providing sewer service to the correctional facility. The correctional facility is charged a monthly fixed charge. Provided below in Table ES-10 is a summary of the present and proposed correctional facility rates.

Table ES-10 Present and Proposed Correctional Facility Sewer Rates									
Customer Class	Present Rates	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018			
Institutional/Schools	\$5,857.69	\$6,384.88	\$6,831.82	\$7,446.68	\$8,116.88	\$8,847.40			

As can be seen in Table ES-10 the rates for the correctional facility have been increased based on the non-residential revenue transition plan.

Summary of the Sewer Rate Study

This completes the analysis for the City's sewer utility. It is recommended that overall revenues be increased annually by 13.0% January 1, 2014 followed by annual 9.0% adjustments on January 1 in 2015 through 2018. A full and complete discussion of the development of the comprehensive sewer rate study and the proposed revenue adjustments can be found in following sections of this report.



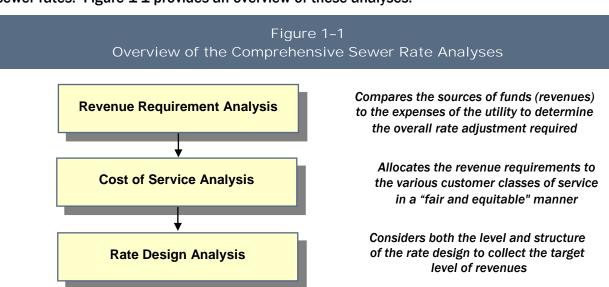
1.1 Introduction

The City of Woodland (City) retained HDR Engineering, Inc. (HDR) to perform a comprehensive sewer rate study. A comprehensive rate study determines the adequacy of the existing sewer rates to fund the City's future operating and capital needs and any resulting revenue adjustments to meet the funding needs. Revenue levels that are set too low may result in insufficient funds to prudently maintain the sewer system and invest in future improvements.

This study provides a rational basis for making adjustments to the overall level of revenues; as well as, addressing the fairness and equity of current rates between the various customer classes of service. This report will describe the methodology used to analyze the City's sewer rates and summarizes the findings, conclusions and recommendations of this study.

1.2 Overview of the Rate Study Process

A comprehensive rate study consists of three interrelated analyses to properly review the City's sewer rates. Figure 1-1 provides an overview of these analyses.



A revenue requirement analysis is concerned with the overall funding sources and expenses of the utility. From this analysis, a determination can be made as to the overall level of revenues needed to prudently fund the utility. Next, a cost of service analysis is performed to equitably distribute the revenue requirement to the various types of customers served (e.g., residential, commercial, etc.). Finally, once an overall level of revenues is determined and an equitable distribution of those costs between the customers, the final step of the rate study process is the design of rates to collect the appropriate level of revenues while considering the other rate design goals and objectives (e.g., revenue stability, affordability, etc.). As a part of this study, HDR developed each of these analyses to analyze the City's current sewer rates. In developing these analyses, "generally accepted" cost of service and rate setting techniques were utilized

and then tailored to specifically reflect the operation of the City's sewer system, and the customer's wastewater strength and volumes.

1.3 Report Organization

This report is organized as follows:

- Section 2 provides an overview of the utility rate setting process.
- Section 3 reviews the revenue requirement analysis.
- Section 4 reviews the cost of service analysis.
- Section 5 reviews the rate design analysis.

A technical appendix is attached at the end of the report which provides the technical analyses used in the preparation of this report.

1.4 Summary

This report will review the comprehensive sewer rate study completed for the City. This report has been developed utilizing generally accepted rate setting methodologies. The next section of the report will provide a brief overview of the general rate setting process that was used to review the City's sewer rates.



2.1 Introduction

This section provides background information about the rate setting process, including descriptions of generally accepted principles, types of utilities, methods of determining the revenue requirement, the cost of service approach, and rate design. This information is useful for gaining a better understanding of the details presented in Sections 3 through 5.

2.2 Generally Accepted Rate Setting Principles

As a practical matter, there should be a general set of principles around which rates are set. These guiding principles may be items such as setting rates that are cost-based, etc. These types of principles may be referred to as "global principles" since they should be utilized by all utilities (e.g., water, sewer, solid waste, etc.) in the development of their rates.

Provided below is a brief listing of the global principles around which the City should consider setting its utility rates:

- Cost-based, equitable, and set at a level that meets the utility's full revenue requirement
- Easy to understand and administer
- Designed to conform with generally accepted rate setting techniques
- Stable in their ability to provide adequate revenues for meeting the utility's financial, operating, and regulatory requirements
- Established at a level that is stable from year-to-year from a customer's perspective

These guiding principles will be utilized within this study to help develop sewer rates that are cost-based and equitable.

2.3 Types of Utilities

Utilities are generally divided into two types:

Public utilities are usually owned by a city, county, or special district, and are theoretically operated at zero profit. A public utility is locally owned since its customers are also its owners. As a point of reference, the City's sewer utility is a public utility.

Public utilities are capitalized or financed by issuing debt and soliciting funds from customers through direct capital contributions or user rates. Public or municipal utilities are

"Public Utilities are... theoretically operated at zero profit. As a point of reference, the City's sewer utility is a public utility."

typically exempt from state and federal income taxes. A publicly elected city council or board of trustees usually regulates public utilities.

■ **Private utilities** are "for profit" enterprises and are owned by a private company and/or stockholders. The shareholders are, in essence, the owners of the private utility. Therefore, the owners of a private utility may not be customers or local citizens, but rather numerous individuals or shareholders spread across the United States.

A private utility is capitalized by issuing stock to the general public. Private utilities are taxable entities. Given their for profit status, their rates and operations are generally regulated by a state public utility commission or other regulatory body.

The analysis developed herein has been based on the methodology generally utilized by a municipal, or public, sewer utility.

2.4 Determining the Revenue Requirement

Because public and private utilities have very different administrative and financial characteristics, their methods differ for determining revenue requirements and setting rates.

2.4.1 Public Utilities

Most public utilities use the "cash basis" approach for establishing their revenue requirement and setting rates. This approach conforms to most public utility budgetary requirements and the calculation is easy to understand. A public utility:

- Totals its cash expenditures for a period of time to determine required revenues.
- Adds operation and maintenance (O&M) expenses to any applicable taxes and/or transfer payments to determine total operating expenses. Operation and maintenance expenses include the materials, electricity, labor, supplies, etc. needed to keep the utility functioning.
- Calculates capital costs by adding debt service payments (principal and interest) to capital improvements financed with rate revenues. In lieu of including capital improvements financed with rate revenues, a utility sometimes includes depreciation expense to stabilize annual revenue requirement.

Under the "cash basis" approach to accounting, the sum of the capital and operating expenses equals the utility's revenue requirement during any period of time (see Table 2-1).

Note that the two portions of the capital expense component (debt service and capital improvements financed from rates) are necessary under the "cash basis" approach because utilities generally cannot finance all their capital facilities with long-term debt. An exception occurs if a public utility provides service to a wholesale or contract customer. In this situation, a public utility could use the "utility basis" approach (see Table 2-1) to earn a fair return on its investment.

	Table 2-1 Cash versus Utility Basis Comparison								
	Cash Basis			Utility Basis (Accrual)					
+	+ O&M Expense		+	O&M Expense					
+	+ Taxes or Transfer Payments		+	Taxes or Transfer Payments					
+	+ Capital Improvements Financed with Rate Revenues (≥ Depreciation Expense)		+	Depreciation Expense					
+	+ Debt service (Principal + Interest)		+	Return on Investment					
-	Total Revenue Requirement	•	=	Total Revenue Requirement					

2.4.2 Private Utilities

Most private utilities use a "utility basis" or accrual approach for establishing revenue requirement and setting rates (see Table 2-1). A private utility typically:

- Totals its O&M expenses, taxes, and depreciation expense for a period of time. Depreciation expense is a means of recouping the cost of capital facilities over their useful lives and generating internal cash.
- Adds a fair return on investment.

Private utilities must pay state and federal income taxes along with any applicable property, franchise, sales, or other form of revenue taxes. The return portion of this type of revenue requirement pays for the private utility's interest expense on indebtedness, provides funds for a return to the utility's shareholders in the form of dividends, and leaves a balance for retained earnings and cash flow purposes.

In summary, a revenue requirement analysis provides a comparison between the current sources of funds and the expenses of the utility. The analysis provides an overall measure of the adequacy of the utility's existing rates. The next analytical step is a cost of service which attempts to equitably allocate the revenue requirement to the various customer groups served by the utility.

2.5 Analyzing Cost of Service

After the total revenue requirement is determined, it is equitably allocated to the users of the service. The allocation, usually analyzed through a cost of service study, reflects the cost relationships for producing and delivering services.

A cost of service study requires three steps:

- 1. Costs are *functionalized* or grouped into the various cost categories related to providing service (e.g., source of supply, treatment, transmission, distribution, etc.). This step is largely accomplished by the utility's accounting system.
- 2. The functionalized costs are then *classified* to specific cost components. Classification refers to the arrangement of the functionalized data into cost components. For example, a sewer utility's costs are typically classified as volume-, strength-, or customer-related.
- 3. Once the costs are classified into components, they are *allocated* to the customer classes of service (e.g., residential, commercial). The allocation is based on each customer class' relative contribution to the cost component. For example, customer-related costs are allocated to each class of service based on the total number of customers in that class of service. Once costs are allocated, the required revenues for achieving cost-based rates can be determined.

In summary, the cost of service equitably allocates the revenue requirement to each customer class of service based upon that customer group's specific wastewater volume, strength, and customer characteristics. This allocation of total revenue requirements (costs) results in an equitable assignment of costs to each customer group for purposes of designing rates.

2.6 Designing Rates

Rates that meet the utility's objectives are designed based on the results of the revenue requirement and cost of service analyses. This results in rates that are cost-based and equitable to the City's customers. However, rate design may also consider factors, other than cost of service. These other rate design considerations may include items such as ability to pay, continuity of past rate philosophy, economic development, ease of administration, and customer understanding.

In designing rates, consideration is given to both the level and the structure of the rates. Level refers to the amount of revenue to be collected from the rates design, while structure is the

way in which it is collected, either through a fixed charge or volume charge based on water consumption.

2.7 Summary

This section of the report has provided a brief introduction to the general principles, techniques, and approach to evaluate and set cost-based sewer rates. These principles and techniques will become the basis for the City's analysis. The next section will review the development of the City's sewer revenue requirement analysis.



3.1 Introduction

This section of the report will provide the results of the revenue requirement analysis completed for the City's sewer utility. The revenue requirement analysis is the first analytical step in the comprehensive sewer rate study process. This analysis determines the adequacy of the City's overall sewer rates. From this analysis, a determination can be made as to the overall level of sewer revenue adjustment needed to provide adequate and prudent funding for both operating and capital needs. One of the main objectives of a sewer rate study is to develop fair and equitable rates while attempting to minimize the impacts to the utility's customers.

In developing the sewer revenue requirement, it was assumed the utility must financially "stand on its own" and be properly funded. As a result, the revenue requirement as developed herein assumes the full and proper funding needed to operate and maintain the system on a financially sound and prudent basis.

Provided below is a detailed discussion of the development of the revenue requirement analysis for the City's sewer utility and the key steps in that analysis. "... the revenue requirement as developed herein assumes the full and proper funding needed to operate and maintain the system on a financially sound and prudent basis."

3.2 Determining the Time Period and Approach

The first step in calculating the revenue requirement for the sewer utility was to establish a time frame for the revenue requirement analysis. For this study, the revenue requirement was developed for the projected ten-year time period of Fiscal Year (FY) 2012/13 – FY 2022/23. Reviewing a multi-year time period is generally recommended in an attempt to identify any major operating, or capital expenses, that may be on the horizon. By anticipating future financial requirements, the City can begin planning for these changes sooner, thereby minimizing short-term rate impacts and overall long-term rates. While a ten year plan was developed the focus of this study was on the next five year period, or the time period allowed under Proposition 218 for rate setting purposes.

The second step in determining the revenue requirement for the City was to decide on the basis of accumulating costs. For the City's revenue requirement, a "cash basis" approach was utilized. The "cash basis" approach is the most commonly used methodology by municipal utilities to set their revenue requirement. Section 2 of this report provided a simple overview of the cash basis methodology. The revenue requirement developed for the City was customized to follow the City's system of accounts (budget documents). However, the City's revenue requirement still contains the four basic cost components of a cash basis methodology. Table 3-1 provides a summary of the "cash basis" approach used to develop the City's sewer revenue requirement.

Table 3-1 Overview of the Sewer Utility Cash Basis Revenue Requirement

- + Sewer Operation and Maintenance Expenses
 - ✓ Accounting
 - √ Sewage Collection System
 - ✓ Sewage Treatment Plant
 - ✓ Environment Operations Laboratory
 - √ Utilities Engineering
 - ✓ Additions
- + Capital Funded Through Rates[1]
- + Debt Service (P + I) Existing and Future
- ± Transfer to Reserves
- = Total Sewer Revenue Requirement
- Miscellaneous Revenues
- = Net Revenue Requirement (Balance Required from Rates)

[1] Net Capital Funded Through Rates

- + Total Sewer Capital Improvement Projects Funding Sources Other than Rates
 - ✓ Reserves
 - ✓ Previously Issued Revenue Bond Funds
- ✓ New Long term debt issues
- Net Capital Improve. Funded From Rates

Given a time period around which to develop the revenue requirement and a method to accumulate the appropriate costs, the focus then shifts to the development and projection of the revenues and expenses of the City's sewer utility.

The primary financial inputs in this process were the City's historical billing records and adopted operating budget and capital improvement plan. Presented below is a detailed discussion of the steps and key assumptions contained in the development of the projections of the City's revenues and expenses.

3.3 Projection of Revenues

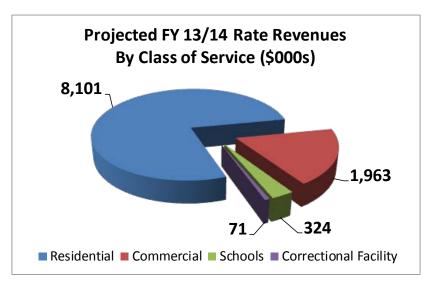
The next step in developing the revenue requirement was to develop a projection of revenues. This projection includes rate revenues, at current rate levels, and other miscellaneous revenues. The purpose of projecting revenues at present rate levels is to obtain a baseline measure of the adequacy of the existing revenues, before consideration of future revenue adjustments.

3.3.1 Projection of Rate Revenues

The development of the rate revenues was based on the City's most recent twelve months of customer data and water consumption records. The City currently bills its residential customers (single-family, multi-family, and condo customers) a flat monthly charge per living unit. Commercial customers, or all other customers, are billed a monthly flat charge as well as a volume charge based on water use. There are two customer groups that are billed under a different manner. These are the institutional customers and the correctional facility. The institutional customers (i.e., schools) are billed based on average daily attendance (ADA), while the correctional facility is billed under a contract rate.

Using the most recent customer data the projection of revenues at present rate levels was developed. This method of independently calculating revenues results in the revenue and billing units used to allocate costs being tied out for an equitable allocation (data is also used for the cost of service analysis) and comparison back to present rate levels.

The revenues at present rates were developed for the four customer classes mentioned above. residential. commercial, institutional, and the correctional facility. The majority of the City's rate revenues are derived from residential customers. total, at present rates, the City projected to receive approximately \$10.4 million rate revenue in 2012/13, at present rate levels, increasing over time based on assumed new



customer growth. . Over the planning horizon of this study, customer growth is expected to be 0.6% in FY 2013//14 and FY 2014/15 and 1.0% per year thereafter through FY 2021/22. Based on the assumed new customer growth, rate revenues, at present rate levels, are expected to increase to \$11.3 million in FY 2021/22.

3.3.2 Projection of Other Revenues

In addition to rate revenues, the City also receives two other sources of revenues. These are PCP land Lease revenues and Interest income earnings. The sewer utility is projected to receive approximately \$135,000 in miscellaneous revenues in FY 2012/13. Miscellaneous revenues are expected to increase slightly each year based on increased interest earnings on higher reserve funds as well as nominal increases in the PCP land lease revenues.

3.3.3 Total Revenues

On a combined basis, taking into account the rate revenues along with miscellaneous revenues, the City's total projected revenues are expected to be approximately \$10.5 million in FY 2012/13, increasing to approximately \$11.5 by FY 2021/22.

3.4 Projection of Operation and Maintenance Expenses

Operation and maintenance (O&M) expenses are incurred by the sewer utility to collect and treat wastewater from customers as well as maintain the existing infrastructure. The costs incurred in this area are expensed during the current fiscal year and are not capitalized or depreciated.

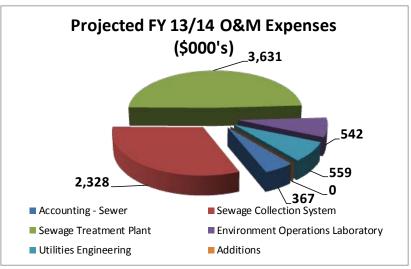
In general, operation and maintenance expenses are grouped into a number of major functional categories (see Table 3-1). To begin the process of projecting O&M expenses over the ten-year time period, escalation factors were developed. Escalation factors were developed for the basic types of expenses the City incurs. These included: labor, benefits – medical, benefits - other, materials & supplies, etc. Because of the recent large escalations in medical benefit costs the escalation factor from medical benefits was assumed to be 9.0% per

year over the planning horizon. The other escalation factors used were in the range of 2% to 5% per year, depending on the type of cost, and recent inflationary trends.

The starting point in developing a projection of future O&M expenses was the City's FY 2012/13 adopted sewer utility budget. The adopted budget was used as a starting point. Each budget line item was reviewed and the appropriate escalation factor applied to develop

the forecast of O&M expenses. By maintaining the sewer budget it allows for a quick comparison to future sewer budgets as well as for ease of future updates. During this review, and forecast, no additional O&M costs over and above current budgeted levels were included.

Based on the adopted sewer utility budget, and the projection of O&M expenses, total O&M expenses for the sewer utility range from



approximately \$7.2 million in FY 2012/13 to approximately \$10.3 million in FY 2021/22. The increase in O&M expenses is the result of the application of escalation factors representing estimated inflation over the projected time period.

3.5 Capital Funded Through Rates

A utility typically has two basic types of capital improvement projects to consider: renewals and replacements and growth-related projects. A utility may also need to make "regulatory" or "mandated" improvements. These may be required by Federal or State legislation (e.g., NPDES permit requirements). The City's most recent sewer capital improvement plan (CIP) were used to develop the capital funding analysis for the City.

Capital improvements over the 10 year period total approximately \$51.7 million. Major capital improvements are related to the aeration retrofit of the oxidation ditch at the wastewater treatment plant, collection system repairs and replacements, and major equipment replacements at the wastewater treatment plant. These projects reflect the need to provide sufficient capacity for existing and new customers, meet the required discharge permit levels, and replace aging infrastructure for the wastewater treatment plant and sewer collection system.

Provided below in Table 3-2 is the summary of the capital improvement for the projected time period.

Table 3-2 Summary of the Capital Improvement Plan (\$000's)										
	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Capital Improvements										
Flood Safe Yolo	\$1,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NPDES Permit Requirements	0	103	85	0	0	0	119	61	0	0
Aeration Retrofit of Oxidation Ditch	246	1,021	3,476	3,157	1,251	0	172	177	0	0
Planned Growth	0	1,350	973	1,637	0	102	1,433	1,476	0	0
WPCF Major Equip. Replace.	140	1,154	145	523	3,337	1,095	602	1,510	925	689
Collection System R&R	577	1,614	1,662	1,712	1,763	1,816	1,871	1,927	1,985	1,392
Biosolids Existing Users	1,200	<u>541</u>	<u>858</u>	884	<u>563</u>	<u>580</u>	<u>667</u>	<u>615</u>	633	<u>729</u>
Total Capital Improvements	\$3,314	\$5,783	\$7,199	\$7,913	\$6,914	\$3,593	\$4,865	\$5,766	\$3,543	\$2,811

As shown in Table 3-2 the planned annual capital improvements range from \$3 million to \$7 million per year. Provided below in Table 3-3 is a summary of the capital improvement funding plan.

Table 3–3 Summary of the Capital Improvement Plan Funding (\$000's)										
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Total Capital Improvements	\$3,314	\$5,783	\$7,199	\$7,913	\$6,914	\$3,593	\$4,865	\$5,766	\$3,543	\$2,811
Less Funding Sources										
Un-Assigned Operating Reserves	100	1,046	350	350	(0)	(0)	0	0	0	0
Bond Reserve	1,663	4,337	0	0	Ô	Ô	0	0	0	0
Storm Funding	1,151	0	0	0	0	0	0	0	0	0
New Revenue Bonds	0	0	6,199	6,663	<u>5,414</u>	<u>1,843</u>	2,865	<u>3,516</u>	1,043	<u>61</u>
Total Funding Sources	\$2,914	\$5,383	\$6,549	\$7,013	\$5,414	\$1,843	\$2,865	\$3,516	\$1,043	\$61
Rate Funded Capital Improvements	\$400	\$400	\$650	\$900	\$1,500	\$1,750	\$2,000	\$2,250	\$2,500	\$2,750

There are a number of different methods that may be used to fund the City's capital projects. Among the methods that may be used to finance these capital improvement projects are long-term debt, grants, growth related fees (MPFP), reserves, and rates.

A general financial guideline that can be used to determine proper funding levels for rate funded capital is that, at a <u>minimum</u>, a utility should fund an amount equal to or greater than annual depreciation expenses. Annual depreciation expense reflects the current investment in the plant that is being depreciated or "losing"

its useful life. Therefore, this portion of plant investment needs to be replaced to maintain the existing level of infrastructure. It must be kept in mind that, in theory, annual depreciation expense reflects an investment in infrastructure an average of fifteen (15) years ago, assuming a 30-year useful (depreciable) life. Simply funding an amount equal to annual depreciation expense will not be sufficient to replace the existing or depreciated facility. Therefore, consideration should be given to funding within rates some amount greater than annual depreciation expense for renewals and replacements. Whenever possible, the City should be funding capital projects from rates in an amount that is greater than annual depreciation expense.

A general financial guideline that can be used to determine proper funding levels for rate funded capital is that, at a minimum, a utility should fund an amount equal to or greater than annual depreciation expenses."

The City's local capital improvement plan totals approximately \$51.7 million over the ten year time period. As shown in Table 3-3 the funding sources of these projects are assumed to be rates, existing reserves, and new long-term debt. No growth related fees (MPFP) were used to fund the local capital improvements. If the City determines that growth related fees are applicable to funding these projects they can be used to offset the annual debt service related to funding the improvements.

3.6 Projection of Annual Debt Service

Debt service relates to the principal and interest obligations of the sewer utility when financing capital projects with long-term debt issues. The City currently has several outstanding loans. These include the 2002 leased revenue bonds, the 2005 wastewater bonds, and the 2009 wastewater bonds.

The 2002 and 2005 bonds include are split between wastewater repair and replacements and growth or expansion related which are funded through development fees. However, given the minimal level of growth experienced by the City in the last several years, development fees have not been sufficient to fund the growth related portion of these two debt issues. As a result, available wastewater reserves have funded developments share of the debt. During the projected time period, reserves are not at sufficient levels to continue to fund the annual debt service. Given the lack of funding, through developer fees or available reserves, wastewater rates will need to fund the portion not being funded by development fee revenues. Starting in FY 2013/14, when rates will fund the development share of annual debt service, total annual debt service is approximately \$3.7 million per year. Annual debt service payments on existing debt remain at this level throughout the projected 10 year period. At the completion of the study the City would like to refinance the 2002 lease revenue bonds once rates are in place.

In addition to existing annual debt service, the sewer utility is projected to incur additional long-term debt to fund future capital improvements. In total, an additional \$27 million will need to be borrowed to fund capital improvements. This level of borrowing is estimated to increase the annual debt service payment's by approximately \$2.2 million by FY 2021/22. However, the estimated annual debt service payments could change over time depending on the actual funding sources for projects (i.e., low interest loans, grants) and market conditions.

3.7 Summary of the Revenue Requirement

Given the above projections of revenues and expenses, a summary of the revenue requirement for the City's sewer utility can be developed. In developing the final revenue requirement, consideration was given to the financial policies and financial planning considerations of the City. In particular, emphasis was placed on attempting to minimize rates, yet still have adequate funds to support the operational activities and capital projects throughout the projected time period. Presented in Table 3-4 is a summary of the sewer revenue requirement. Detailed exhibits of the sewer revenue requirement analysis can be found in the Technical Appendices.

			Table 3	3–4						
	Summary of Sewer Utility Revenue Requirement (\$000's)									
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Sources of Funds										
Operating Revenues	\$10,396	\$10,458	\$10,521	\$10,626	\$10,732	\$10,840	\$10,948	\$11,058	\$11,190	\$11,325
Other Revenue	134	135	136	135	140	146	175	192	218	232
Total Sources of Funds	\$10,530	\$10,593	\$10,657	\$10,761	\$10,872	\$10,986	\$11,123	\$11,249	\$11,409	\$11,557
Applications of Funds Operation & Maintenance Expense										
Accounting - Sewer	\$354	\$367	\$380	\$395	\$410	\$426	\$442	\$460	\$479	\$499
Sewage Collection System	2,293	2,328	2,422	2,521	2,625	2,735	2,852	2,975	3,106	3,244
Sewage Treatment Plant	3,491	3,631	3,779	3,934	4,096	4,267	4,446	4,635	4,833	5,042
Environment Operations Laboratory	521	542	563	586	611	637	664	693	724	757
Utilities Engineering	540	559	579	600	622	646	670	696	724	753
Additions	0	0	0	0	0	0	0	0	0	0
Total Operating & Maintenance Expense	\$7,198	\$7,426	\$7,723	\$8,035	\$8,364	\$8,710	\$9,075	\$9,460	\$9,866	\$10,295
Net Capital Funded Through Rates	\$400	\$400	\$650	\$900	\$1,500	\$1,750	\$2,000	\$2,250	\$2,500	\$2,750
Net Debt ^[1]	\$1,821	\$3,393	\$4,026	\$4,557	\$4,987	\$5,135	\$5,361	\$5,640	\$5,725	\$5,727
Change in Working Capital +/-	\$1,111	\$28	\$106	\$260	\$279	\$1,054	\$1,299	\$932	\$801	\$735
Total Revenue Requirements	\$10,530	\$11,246	\$12,505	\$13,751	\$15,130	\$16,650	\$17,735	\$18,282	\$18,892	\$19,507
Cumulative Balance/(Deficiency) of Funds Without a Rate Increase	\$0	(\$654)	(\$1,848)	(\$2,991)	(\$4,258)	(\$5,663)	(\$6,612)	(\$7,033)	(\$7,483)	(\$7,951)
Cumulative Adjust. as % of Rate Revenues	0.0%	6.2%	17.6%	28.1%	39.7%	52.2%	60.4%	63.6%	66.9%	70.2%

^[1] Net debt reflects total annual debt service less development fee revenues.

It is important to note the annual deficiencies in the Table 3-4 are cumulative. That is, any adjustments in the initial years will reduce the deficiency in the later years. The projected time period was over FY 2012/13 through FY 2021/22; however, the focus of the rate study is to review a five-year time period of FY 2013/14 through FY 2017/18. If no revenue adjustments are implemented, over the next 5 year time period, revenues will need to be increased by approximately \$5.6 million, or 52%, to adequately and properly fund the City's sewer utility O&M and capital infrastructure needs.

This level of revenue is necessary to support the assumed level of long-term debt financing and meet the funding requirements imposed by the bonding community for future debt, and for any refinancing of existing debt. As noted in the Section 3.6 of this report, the City is able to refinance the 2002 lease revenue bonds. However, rates need to be adopted prior to the refinancing. Once rates are adopted, the City will be able to refinance the 2002 debt assuming market conditions remain at, or close, to current levels. This would result in some moderate savings on annual debt service payments and would allow the City to minimize additional long-term borrowing for future capital improvements.

3.8 Revenue Transition Plan

To implement the needed adjustments, a revenue transition plan was developed. The revenue adjustments are necessary to fund existing, and future, long-term annual debt service payments as well as provide sufficient revenue to allow the City to refinance existing debt once rates are adopted. The timing of the rate adjustment was also discussed. Considerations included the adopted water rates and how sewer rate adjustments would impact customers, allowing sufficient time for public outreach and education, the ability to implement a revenue adjustment as early as possible during FY 2013/14, and the ability to meet long-term debt requirements and funding of capital improvements during the five year period. Several alternative revenue transition plans were developed and discussed with staff and the WUAC. Provided in Table 3-5 is a summary of the alternative revenue transition plans

Table 3-5 Alternative Revenue Transition Plan								
	August 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018		
Alternative 1	6.5%	6.5%	9.0%	9.0%	9.0%	9.0%		
Alternative 2	0.0%	13.0%	9.0%	9.0%	9.0%	9.0%		

Each of the revenue transition plans would meet the capital funding needs as well as the financial requirements of the assumed new long-term debt. Given the timing to implement rate adjustments, City staff and the WUAC determined that alternative 2 would provide the most reasonable transition to cost based rates over the next five year period.

It is important to note that the proposed revenue transition plan does not imply that each customer will receive the same percentage increase in their bill. The next section of the report will discuss the cost of service analysis. The cost of service analysis may result in adjustments to individual customer classes to move towards cost-based rates. In addition, alternative rate structures discussed during the rate design analysis may result in changes to how the customers are billed which can also have an impact on individual customer bills.

3.9 Debt Service Coverage

The debt service coverage (DSC) ratio is a financial measure of the utility's ability to repay outstanding debt. The City must maintain a minimum of a 1.25 DSC on outstanding revenue bonded debt when including growth related revenues. Without growth related revenues a target of 1.10 must be maintained. Failure to meet the minimum DSC for an outstanding debt obligation is considered to be technical default, making the revenue bonds callable or payable upon demand. Therefore, it is critical that the utility meet this legal requirement. On this basis, the net revenue of the (gross revenue of the utility less operating and maintenance expenses) must currently equal at least 1.25 times the City's annual revenue bond debt service payments. With the proposed revenue adjustments the sewer utility meets the debt service coverage requirements. Absent any revenue adjustments the City will not meet the required debt service coverage ratios.

3.10 Consultant's Recommendations

Based on the revenue requirement analysis developed, HDR recommends the City increase the overall revenue levels of the sewer utility at this time. After reviewing multiple revenue transition alternatives, it was determined that a revenue adjustments of 13.0% would be implemented in January of 2014 followed by annual revenue adjustments of 9.0% each year beginning January 1, 2015 through January 1, 2018. If these revenue adjustments are not made, the City will not have adequate funds available for the current capital plan, existing annual debt service payments, or the ability to refinance existing debt to reduce annual debt service payments.

3.11 Summary

This section of the report has provided a discussion of the sewer utility revenue requirement analysis. The revenue requirement developed a financial plan to support the City's operating and capital needs. The next section will discuss the cost of service analysis developed for the City's sewer utility.







Section 4

Development of the Cost of Service

4.1 Introduction

In the previous section, the revenue requirement analysis focused on the total sources and application of funds necessary to meet the sewer utility's operating and capital needs. This section will discuss the development and results of the cost of service analysis. A cost of service analysis is a generally accepted methodology that equitably allocates the previously developed revenue requirement (Section 3) between the various customer classes of service (e.g., residential, commercial, etc.).

In recent years, increasing emphasis has been placed on cost of service studies by government agencies, customers, utility regulatory commissions, and other parties. This interest has been generated in part by continued inflationary trends, increased operating and capital expenditures, and concerns of equity in rates among customers. Following the generally-accepted guidelines and principles of a cost of service analysis will inherently lead to rates which are equitable, cost-based, and not viewed as arbitrary or capricious in nature.

"Following the generally accepted guidelines and principles of a cost of service analysis will inherently lead to rates which are equitable, cost-based, and not viewed as arbitrary or capricious in nature."

4.2 Objectives of a Cost of Service Study

There are two primary objectives in conducting a cost of service study:

- Equitably allocate the revenue requirement among the customer classes of service, and
- Derive average unit costs for subsequent rate designs

The objectives of the sewer cost of service analysis are different from determining revenue requirement. As noted in the previous section, a revenue requirement analysis determines the utility's overall financial needs, while the cost of service study determines the fair and equitable manner to collect the revenue requirement.

A cost of service analysis is also utilized to develop rate designs that properly reflect the costs incurred by the City. For example, a sewer utility incurs costs related to flow, strength, and customer cost components. Each of these types of costs may be collected in a slightly different manner as to allow for the development of rates that collect costs in the same manner as they are incurred. Each of these types of costs may be collected in a slightly different manner from the various customers to allow for the development of rates that collect costs in the same manner as they are incurred.

4.3 Determining the Customer Classes of Service

The first step in a cost of service study is to determine the customer classes of service. The purpose of developing specific customer classes for the cost of service analysis is to allow for the equitable allocation of costs to similar customers. The customer classes of service are typically based on the current rate schedules or the customer groups costs are allocated to for rate design purposes. Currently, the City has a separate rate schedule for single-family, multi-

family, and condo customers. These customers are charged a flat (fixed) monthly rate on a per living unit basis. For commercial customers, the rate structure includes a monthly flat rate plus a consumption charge based on water use. There are several different customer categories that are charged a varying consumption charge. These include restaurants, hotel/motel, hospital, industrial, special rate, and all other commercial. In addition to these commercial classes of service the City also has an institutional (schools) rate based on average daily attendance and a contract rate with the correctional facility. Based on the rate schedules, and customer characteristics and usage patterns, the following customer classes of service used within the sewer cost of service analysis are as follows:

- Residential
- Commercial
- Institutional
- Correctional Facility

The development of the cost of service for these customer classes of service will provide the basis for establishing cost-based rates during the rate design analysis.

4.4 General Cost of Service Procedures

In order to determine the cost to serve each customer class of service on the City's sewer system, a cost of service analysis is conducted. A cost of service study utilizes a three-step

approach to review costs. These were previously discussed in our generic discussion in Section 2, and take the form of functionalization, classification, and allocation. Provided below is a detailed discussion of the sewer cost of service analysis completed for the City's sewer utility, and the specific steps taken within the analysis.

"... a cost of service study utilizes a three step approach to review costs... and take the form of functionalization, classification, and allocation."

4.4.1 Functionalization of Costs

The first analytical step in the cost of service process is called functionalization. Functionalization is the arrangement of

operating expenses (O&M and capital) and infrastructure (plant) data by major operating function (e.g., treatment, pumping, collection). Within this study, the functionalization of the cost data was primarily accomplished through the City's sewer budget and system of accounts.

4.4.2 Classification of Costs

The second analytical task performed in a sewer cost of service study is the classification of the costs. Classification determines why the expenses were incurred or what type of need is being met. The City's infrastructure records and revenue requirement were reviewed and classified using the following cost classifiers:

■ Volume Related Costs: Volume related costs are those costs which tend to vary with the total quantity of wastewater collected and treated. Collection system costs and a portion of treatment costs are included in this component.

- Strength Related Costs: Strength related costs are those costs associated with the additional handling and treatment of high "strength" sewer. Strength of wastewater is typically measured in biochemical oxygen demand (BOD) and total suspended solids (TSS). Increased levels of BOD or TSS generally equate to increased treatment costs. Pre-treatment is generally required if the discharge is known to regularly exceed the typical waste strength.
- **Customer Related Costs:** Customer costs are those cost which vary with the number of customers on the sewer system. They do not vary based on the quantity of wastewater treated or collected. Customer costs were further classified as either actual or weighted. Actual customer costs vary proportionally, from customer to customer, with the addition or deletion of a customer regardless of the size of the customer. An example of an actual customer cost is postage for mailing bills. This cost does not vary from customer to customer, regardless of the size or consumption characteristics of the customer. In contrast, a weighted customer cost reflects a disproportionate cost, from customer to customer, with the addition or deletion of a customer. Examples of weighted customer costs are items such as customer billing and accounting related costs.
- Revenue Related Costs: Certain costs associated with the utility may vary with the amount of revenue received. An example is a utility tax based upon the amount of revenues received by the utility.
- Direct Assignments: Certain costs associated with operating the sewer system may be directly traced to a specific customer or class of service (e.g., bad debt expenses). In this case, these costs are then directly assigned to that specific class of service. This assures that other classes of service will not be allocated any costs for those significant facilities from which they do not benefit.

4.4.3 Development of Allocation Factors

Once the classification process is complete, and the customer classes of service are defined, the various classified costs are allocated to each customer class of service. The City's classified costs were allocated to the various customer groups using the following allocation factors.

Volume Allocation Factor: Volume-related costs are generally allocated on the basis of contribution to wastewater flows. In order to develop this allocation

Terminology of a Sewer Cost of Service Analysis

Functionalization – The arrangement of the cost data by functional category (e.g. treatment, collection etc.).

Classification – The assignment of functionalized costs to cost components (e.g. volume, strength, and customer related).

Allocation – Allocating the classified costs to each class of service based upon each class's proportional contribution to that specific cost component.

Volume Costs – Costs that are classified as volume related vary with the total flow of sewer (e.g. chemical use at a treatment plant).

Strength Costs – Costs classified as strength related refer to the wastewater treatment function. Typically, strength-related costs are further defined as biochemical oxygen demand (BOD) and suspended solids (SS). Different types of customers may have high wastewater strength characteristics and high strength wastewater costs more to treat. Facilities are often designed and sized around meeting these costs.

Customer Costs – Costs classified as customer related vary with the number of customers on the system, e.g. billing costs.

Direct Assignment – Costs that can be clearly identified as belonging to a specific customer group or group of customers.

factor, some knowledge of the contribution to flows must be determined. Sewer flows were estimated based on the winter water usage plus inflow and infiltration (I&I) for each customer class of service for the projected test period, FY 2013/14.

- Strength Allocation Factor: Strength-related costs are classified between biochemical oxygen demand (BOD) and suspended solids (SS). Both of these types of costs are allocated to the various classes of service based upon the relative estimated strengths that each class of service contributed to the overall flow at the plant. The City's strength characteristics by class of service were estimated within this study based on industry standard strength factors, City data, and strength levels at the sewer treatment plant.
- Customer Allocation Factor: Customer costs within the cost of service study are allocated to the various customer classes of service based on their respective customer counts. The number of customers, by customer class of service, was developed within the revenue requirement analysis. Two types of customer allocation factors were developed, actual and weighted. Actual customer costs do not vary by the volume or strength characteristics of the class of service and are based on the actual number of living units for each class of service. The weighted customer allocation factor was based on the number of bills and attempts to reflect the disproportionate costs associated with serving different customers.
- Revenue Related Allocation Factor: The revenue related allocation factor was developed from the projected rate revenues for FY 2013/14 for each customer group. These same revenues were used within the revenue requirement analysis previously discussed in Section 4.

Given the development of the allocation factors, the final step in the cost of service study is to allocate the classified costs to the various customer classes of service.

4.5 Functionalization and Classification of Sewer Plant in Service

The first step of the cost of service is the functionalization and classification of sewer plant in service. In performing the functionalization of plant in service, HDR utilized the City's historical asset (accounting) records. Once the plant assets were functionalized, the analysis shifted to classification of the asset. The classification process included reviewing each group of assets and determining which cost classifiers the assets were related to. For the City's analysis the sewer utility assets were classified as: volume-related, strength-related, customer-related, revenue-related, or direct assignment. Provided below is a brief discussion of the classification process used.

The wastewater treatment plant is classified between BOD, TSS, and volume related. HDR worked with City staff to review the major infrastructure/asset records and develop the appropriate classification. Based on the review with City staff the wastewater treatment plant, in total, was classified as being 58% volume related, 21% BOD related, and 21% TSS related.

The sewer collection system is classified as being 100% related to volume. This is typical as the collection system is sized to meet customer peak flows.

General plant items (equipment, machinery, other assets except for treatment and collection) are classified as all other plant, or in other words in place to support both treatment and collection activities. Based on the classification of the treatment and collection infrastructure general plan is classified as 64% volume related, 18% BOD related, and 18% TSS related.

Table 4-1 shows a summary of the basic functionalization and classification of the major sewer plant (infrastructure) items. A more detailed exhibit of the functionalization and classification of the sewer plant investment can be found in the Technical Appendix, Exhibit 9.

Table 4–1 Summary of the Classification of Sewer Plant in Service								
Plant Description	ription Volume BOD Strength TSS Strength Custon Related Related Related Related							
Treatment Plant	58%	21%	21%	0%				
Collection System	100%	0%	0%	0%				
General Plant	64%	18%	18%	0%				

It should also be noted that each of the classification components above (volume, BOD, TSS, etc.) were further split between all customers and all customers except for the correctional facility. The reasoning for this is due to the nature of a contractual customer. The contract rate for the correctional facility does not include the collection system that benefits all other customers. This is due to the location of the correctional facility being near the sewer treatment plant. As a result, the correctional facility only receives a small proportional share of the collection system from which they benefit from.

4.6 Functionalization and Classification of Operating Expenses

Operating expenses are generally functionalized and classified in a manner similar to the corresponding plant account. For example, treatment related O&M expenses are classified in the same manner (classification percentages) as the plant account for treatment plant. This approach to classification of operating expenses was used for this analysis.

For the sewer cost of service analysis, the revenue requirement for FY 2013/14 was functionalized, classified, and allocated. As noted earlier, a cash basis revenue requirement was utilized, which was comprised of operation and maintenance expenses, debt service, and rate funded capital. A more detailed review of the classification of revenue requirement can be found in the Technical Appendix, Exhibit 10.

4.7 Major Assumptions of the Cost of Service Study

A number of key assumptions were used within the sewer cost of service analysis. Below is a brief discussion of the major assumptions used.

- The test period used for the cost of service analysis was FY 2013/14. The revenue and expense data was previously developed within the revenue requirement analysis.
- A cash basis approach was utilized which conforms to generally accepted sewer cost of service approaches and methodologies.
- The classification of plant in service was developed based on generally accepted cost allocation techniques.
- Customer sewer volumes were developed based on sewer customer water consumption data and were provided for each class of service by the City.
- Customer strength factors were based on industry standard strength levels along with available information from City documents and information from the sewer treatment plant.

4.8 Summary of the Cost of Service Results

In summary form, this cost of service analysis began by functionalizing the City's plant asset records and then the revenue requirement. The functionalized plant and expense accounts were then classified into their various cost components. The individual classification totals

were then allocated to the various customer classes of service based on the appropriate allocation factors. The allocated expenses for each customer group were then aggregated to determine each customer group's overall revenue responsibility. A summary of the detailed cost responsibility developed for each class of service is shown in Table 4-2.

Table 4-2 Summary of the FY 2013/14 Cost of Service Analysis (\$000s)								
Class of Service	Present Rate Revenues	Allocated Costs	\$ Difference	% Difference				
Residential	8,101	8,735	(\$634)	7.8%				
Commercial	1,963	1,895	\$68	-3.4%				
Schools	324	408	(84)	25.8%				
Corrections Facility	70	74	(4)	5.2%				
Total	\$10,458	\$11,112	-\$654	6.2%				

The cost of service analysis results indicate minor cost of service differences between the customer classes of service. A simple guideline in dealing with cost of service results is that a customer class is paying their fair allocation of costs if the costs of service results for that customer group are within $\pm 5\%$ of the overall adjustment. This range of values is used as the cost of service is based on one year of consumption data, expenses, and other customer characteristics.

While both the residential and corrections facility are within the reasonable range of the results, the commercial and schools are not. It appears that the current commercial rates are set slightly higher than what is reflected in the current cost of service analysis. This may be the result of the current rates, or the length of time between cost of service studies which has resulted in the commercial class results. For the schools, the driver is the assumed wastewater flow, which was difficult to determine exactly given the nature of the system. Many of the schools accounts include both indoor use and outdoor use, others are only outdoor use, while some appear to be only indoor use. Given the data concerns, the schools should be reviewed in more detail in future cost of service analyses to determine if the cost allocations remain at similar levels. If they do, rate adjustments can be implemented.

4.9 Consultant's Conclusions and Recommendations

Given the results of the cost of service analysis, it appears that some adjustments should be implemented. HDR recommends that the cost of service results be implemented over a multi-year period. This allows for a smooth transition over time and minimizes the impacts of overall revenue adjustments and cost of service impacts in any single year. Specifically, it appears that over the rate setting period commercial adjustment should be lower than the adjustment for the other classes of service. It is also recommended that the schools and correctional facility rates be adjusted by the system increase during the five year period. To meet the total sewer utility revenue target residential rates will be set to meet the overall revenue needs for each year.

4.10 Summary

This section of the report has provided an analysis of the cost of service developed for City's sewer utility. This analysis was prepared using generally accepted cost of service techniques. The next section of the report will discuss the development of the sewer rate designs for the customer classes of service.



5.1 Introduction

The final step of the sewer rate study is the design of sewer rates to collect the desired levels of revenues, based upon the results of the revenue requirement and cost of service analyses. In reviewing sewer rate designs, consideration is given to the level of the rates and the structure of the rates.

5.2 Rate Design Criteria and Considerations

Prudent rate administration dictates that several criteria must be considered when setting utility rates. Some of these rate design criteria are listed below:

- Rates which are easy to understand from the customer's perspective.
- Rates which are easy for the utility to administer.
- Consideration of the customer's ability to pay.
- Continuity, over time, of the rate making philosophy.
- Policy considerations (encourage conservation, economic development, etc.).
- Provide revenue stability from month to month and year to year.
- Promote efficient allocation of the resource.
- Equitable and non-discriminatory (cost-based).

Many contemporary rate economists and regulatory agencies feel the last consideration, costbased rates, should be of paramount importance and provide the primary guidance to utilities on rate structure and policy.

When developing the proposed rate designs, all the above listed criteria were taken into consideration. However, it should be noted that it is difficult, if not impossible, to design a rate that meets all the goals and objectives listed above.

5.3 Rate level vs. Rate Structure

The rate level refers to the amount of total revenues collected from each customer class of service, or as a total for the system. The rate structure refers to how the individual customer classes are charged or billed for their use of the system. In the City's case the rate structure for the residential customers is a flat monthly charge, and for the commercial customers it is a flat monthly charge plus a consumption charge based on water use.

While the residential class rate structure was not proposed to be changed, the rate structure for the commercial customers was reviewed and alternative rate designs were recommended for City staff and the WUAC to consider. The proposed rate structure would eliminate the various consumption charges for the commercial customers and would instead charge commercial customers a consumption charge based on strength level and winter water use. The strength level rates are intended to reflect the various customers' impacts on the sewer system. Each commercial customer was reviewed and categorized as a low strength, medium strength, or high strength customer. Each category has a different consumption charge to reflect the additional costs associated with higher strength sewer. The move to winter water

usage as a billing component for sewer eliminates the customers being charged for outdoor irrigation water that does not flow to the sewer system. In this way, customers are charged up to the winter water usage during the irrigation season.

It should be noted that in the future the City and WUAC was interested in reviewing a consumption based sewer rate for its residential customers as well. However, given the meter implementation process is not completed, it was recommended that the City wait until several years of metered water consumption data is available prior to developing a winter water rate for residential customers. Another key aspect that will need to be reviewed is the ability of the billing software to bill the residential customers in this manner as there are significantly more residential customers compared to commercial should City staff need to update winter water usage annually.

5.4 Review of the Overall Revenue Adjustments

As discussed in the revenue requirement analysis (Section 3) a revenue transition plan has been developed. Overall, for each fiscal year, a 9.0% revenue adjustment is needed. However, given the timing of the implementation the revenue adjustment plan has been phased in to meet the timing and the overall annual revenue needs. In addition, the cost of service recommendations resulted in the commercial adjustment being less than the other customer's adjustment. Provided below in Table 5-1 is a summary of the proposed revenue adjustments and timing of the adjustment for each of the customer classes of service.

		Table 5-1			
	Alternativ	e Revenue T	ransition Pla	n	
	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018
Residential	15.0%	9.0%	9.0%	9.0%	9.0%
Commercial	9.0%	7.0%	9.0%	9.0%	9.0%
Institutional	9.0%	7.0%	9.0%	9.0%	9.0%
Correctional Facility	9.0%	7.0%	9.0%	9.0%	9.0%

As shown in Table 5-1 the adjustment for the commercial customers is less than the adjustment for all other customers for the first two years of the rate setting period. This reflects the transition to the cost of service results.

5.5 Present and Proposed Sewer Rates

In developing the proposed rate designs, the City's existing rate structures were reviewed. The City provides service to residential, non-residential, schools, and the correctional facility. Previously these customer groups were used to develop the cost of service analysis. Presently the City has a fixed monthly rate for the single-family, condos, and multi-family units. Non-residential customers are charged a monthly fixed charge and a volume charge based on water consumption. The volume charge varies depending on the type of customer. The majority of customers are grouped into the "commercial" volume charge rate. Schools are charged a flat monthly rate based on average daily attendance (ADA). The City charges the correctional facility a flat monthly charge based on a contractual agreement.

As previously mentioned various alternative rate structures were reviewed and discussed with City staff and the WUAC. Ultimately, a fixed charge for residential customers was settled on and a strength based rate structure billed on winter water use was developed for the non-

residential customers. The rate structure for the schools and the correctional facility were not changed. Presented below are the present and proposed rates for the City's customers. The rates are based on the rate transition plan shown in Table 5-1.

The residential class of service included single-family, condos, apartments and mobile homes. The current rate structure is a monthly fixed charge which does not vary. As noted, the current rate structure has been maintained and the level of the rate structure adjusted based on the rate transition plan. Table 5-2 shows the present and proposed residential rates for the revenue transition period.

Pres	ent and Pro	Table 5 pposed Res		ewer Rate	S	
Customer Class	Present Rates	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1 , 2018
Single Family	\$38.30	\$44.05	\$48.00	\$52.30	\$57.00	\$62.15
Condo	\$24.99	\$28.75	\$31.35	\$34.15	\$37.20	\$40.55
Apartment/Mobile Home	\$24.99	\$28.75	\$31.35	\$34.15	\$37.20	\$40.55
4-plex or less	\$24.99	\$28.75	\$31.35	\$34.15	\$37.20	\$40.55
Residential Attached	\$31.07	\$35.70	\$38.95	\$42.45	\$46.25	\$50.40
Residential Multi-Unit	\$31.07	\$35.70	\$38.95	\$42.45	\$46.25	\$50.40

As seen in Table 5-2, the residential rate structure has not been changed during the transition period, only the level of the rates has been adjusted. As the City collects additional metered water data it can begin to analyze the impacts of transitioning to a volume based sewer rate structure.

As noted the non-residential customers are charged a monthly fixed charge and a volume charge based on water use. The rate structure also is further defined between commercial, hospital, hotel/motel, industrial, restaurant, and special rate customers each with a different volume charge. As discussed, the proposed rate structure has been revised to reflect three (3) non-residential customer groups. These are based on individual customer strength levels and the rates are set to reflect the higher cost of treatment for the higher strength customers. In addition, the rate structure will be billed on winter water use rather than all water use. This process of billing on winter water use takes the summer outdoor watering use out of the sewer billing process. Each customer will have a winter water use calculation based on the prior years winter water use. This level of use, for each individual customer, will be the "ceiling" for sewer billing. In other words, each customer will be billed the maximum of the actual use or the calculated winter water use. During the winter month period, the actual consumption will be billed. City staff and HDR reviewed the non-residential customers and placed customers in the appropriate strength class (high, medium, or low). The winter water use was then calculated for each individual customer and the amount of consumption billed for the year was used to develop the rates. The rate differential between the strength categories was based on the costs of treating higher strength wastewater. Provided in Table 5-3 is a summary of the present and proposed non-residential rates.

Table 5–3
Present and Proposed Non-Residential Sewer Rates

Customer Class	Present Rates	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018
Monthly Fixed Charge						
Non-Residential	\$24.99	\$27.25	\$29.15	\$31.75	\$34.60	\$37.70
Volume Charges						
Commercial	\$3.75	N/A	N/A	N/A	N/A	N/A
Hospital	\$4.26	N/A	N/A	N/A	N/A	N/A
Hotel/Motel	\$4.97	N/A	N/A	N/A	N/A	N/A
Industrial	\$3.75	N/A	N/A	N/A	N/A	N/A
Restaurant	\$9.41	N/A	N/A	N/A	N/A	N/A
Special Rate	\$3.75	N/A	N/A	N/A	N/A	N/A
Winter Water Average Volume Charges						
Low Strength	N/A	\$5.59	\$5.98	\$6.52	\$7.11	\$7.75
Medium Strength	N/A	\$6.46	\$6.91	\$7.53	\$8.21	\$8.95
High Strength	N/A	\$7.34	\$7.85	\$8.56	\$9.33	\$10.17

As can be seen the rate structure for the non-residential customers has been revised to include strength based volume charges based on winter water average use. The monthly fixed charge has increased each year based on the transition plan. The remaining revenue needs are collected through the volume charge. A key aspect of this rate structure is that all water use over the individual customers' winter water average is no longer billed for sewer. As a result, the amount of consumption billed is decreased and the cost per CCF has increased. This is the reason for what appears to be a large increase in the volume charge. However, the customer will no longer pay for outdoor water use in the sewer bill therefore reducing the amount of consumption charged in a given billing period. The change in the rate structure also makes it difficult to compare the impacts to customers as the current rate structure doesn't note if a customer is a low, medium, or high strength. However, for comparison purposes, the majority of the non-residential customers fall into the current volume charge of commercial and low for the proposed rates. A high strength customer example would be the industrial customers or the restaurant customers.

The institutional, or school, customers are charged a rate based on ADA. At this time there is no proposed change to the school rate structure. The school rate has been increased to reflect the non-residential revenue transition plan. Provided in Table 5-4 is a summary of the present and proposed school rate structure.

Pre	esent and Prop	Table 5 posed Inst		ewer Rate	es	
Customer Class	Present Rates	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018
Institutional/Schools	\$2.31	\$2.52	\$2.70	\$2.94	\$3.20	\$3.49

Again, the school rate structure has not changed and only the level of the rate has been adjusted based on the non-residential revenue transition plan.

The final class of service is the rate structure for the correctional facility. The rate is a contractual rate and based on prior agreements between the City and the facility. However, as part of the study HDR developed a methodology to equitably allocate the costs of providing sewer service to the correctional facility. The correctional facility is charged a monthly fixed charge. Provided below in Table 5-5 is a summary of the present and proposed correctional facility rates.

Prese	ent and Pro		le 5-5 ectional Fa	cility Sewe	r Rates	
Customer Class	Present Rates	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018
Institutional/Schools	\$5,857.69	\$6,384.88	\$6,831.82	\$7,446.68	\$8,116.88	\$8,847.40

As can be seen in Table 5-5 the rates for the correctional facility have been increased based on the non-residential revenue transition plan.

5.6 Summary of Sewer Rate Study

This section of the report has discussed the development of the sewer rate designs and completes the comprehensive sewer rate study. The results of the comprehensive rate study indicated that sewer rates are deficient for the projected time period reviewed. It is recommended that overall revenues be increased by 13% starting in January 2014. This is followed by annual increases of 9.0% each January starting in 2015 through 2018. The implementation of overall revenue adjustments, as shown in the revenue transition plan, should generate the additional revenue needed to meet the sewer utility's future operating and capital needs, along with the City's financial and rate setting policies.







Technical Appendix A – Rate Study Analysis

City of Woodland Sewer Utility Summary of Revenue Requirements Exhibit 1

	Budget				PROJE	CTED			
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Sources of Funds									
Operating Revenues	\$10,395,852	\$10,458,227	\$10,520,977	\$10,626,187	\$10,732,448	\$10,839,773	\$10,948,171	\$11.057.652	\$11,190,344
Other Revenue	134,117	134,566	136,399	135,585	141,553	148,941	179.769	197,771	227,278
Culoi Novolido									
Total Sources of Funds	\$10,529,969	\$10,592,794	\$10,657,376	\$10,761,771	\$10,874,001	\$10,988,714	\$11,127,940	\$11,255,424	\$11,417,622
Applications of Funds									
Operation & Maintenance Expense									
Accounting - Sewer	\$353,602	\$366,582	\$380,231	\$394,595	\$409,720	\$425,660	\$442,471	\$460,213	\$478,951
Sewage Collection System	2,293,001	2,327,899	2,421,625	2,520,507	2,624,905	2,735,202	2,851,815	2,975,193	3,105,821
Sewage Treatment Plant	3.490.630	3.631.219	3.778.713	3.933.515	4.096.059	4.266.803	4.446.240	4.634.896	4.833.335
Environment Operations Laboratory	520,858	541,533	563,379	586,479	610,924	636,813	664,252	693,354	724,244
Utilities Engineering	539,817	558,872	578,906	599,988	622,189	645,586	670,264	696,312	723,829
Additions	0	0	0	0	0	0	0	0	0
Total Operating & Maintenance Expense	\$7,197,908	\$7,426,105	\$7,722,853	\$8,035,084	\$8,363,797	\$8,710,064	\$9,075,041	\$9,459,968	\$9,866,179
Net Capital Funded Through Rates	400.000	400.000	650.000	900.000	1.500.000	1.750.000	2.000.000	2.250.000	2.500.000
Net Debt	,	,	,	,	, ,	,,	, ,	,,	, ,
	1,820,631	3,442,594	4,025,588	4,556,505	4,987,494	5,135,322	5,360,947	5,639,783	5,725,109
Change in Working Capital +/-	1,111,430	3,879	161,653	321,242	347,543	1,130,114	1,381,700	1,018,605	892,394
Total Revenue Requirements	\$10,529,969	\$11,272,578	\$12,560,094	\$13,812,831	\$15,198,833	\$16,725,501	\$17,817,689	\$18,368,356	\$18,983,682
Total Balance/(Deficiency) of Funds	\$0	(\$679,785)	(\$1,902,719)	(\$3,051,060)	(\$4,324,832)	(\$5,736,787)	(\$6,689,749)	(\$7,112,933)	(\$7,566,061)
Balance as a % of Rate Revenues	0.0%	6.5%	18.1%	28.7%	40.3%	52.9%	61.1%	64.3%	67.6%
Barrier I Barrier A III at a second First Half of Five									
Proposed Revenue Adjustment - First Half of FY	0.00%	6.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
·									
Proposed Revenue Adjustment - First Hair of FY Proposed Revenue Adjustment - Second Half of FY	0.00%	6.50%	9.00%	9.00%	9.00%	9.00%	2.00%	0.00% 2.00%	2.00%
·									
Proposed Revenue Adjustment - Second Half of FY	0.00%	6.50%	9.00%	9.00%	9.00%	9.00%	2.00%	2.00%	2.00%
Proposed Revenue Adjustment - Second Half of FY Additional Revenue from Adjustment	0.00%	6.50% \$679,785	9.00% \$1,902,719	9.00% \$3,051,060	9.00% \$4,324,832	9.00% \$5,736,787	2.00% \$6,689,749	2.00% \$7,112,933	2.00% \$7,566,061 \$0
Proposed Revenue Adjustment - Second Half of FY Additional Revenue from Adjustment Total Balance/(Deficiency) of Funds	0.00% \$0 \$0	6.50% \$679,785 \$0	9.00% \$1,902,719 \$0	9.00% \$3,051,060 \$0	9.00% \$4,324,832 \$0	9.00% \$5,736,787 \$0	2.00% \$6,689,749 \$0	2.00% \$7,112,933 (\$0)	2.00% \$7,566,061 \$0
Proposed Revenue Adjustment - Second Half of FY Additional Revenue from Adjustment Total Balance/(Deficiency) of Funds	0.00% \$0 \$0	6.50% \$679,785 \$0	9.00% \$1,902,719 \$0	9.00% \$3,051,060 \$0	9.00% \$4,324,832 \$0	9.00% \$5,736,787 \$0	2.00% \$6,689,749 \$0	2.00% \$7,112,933 (\$0)	2.00% \$7,566,061 \$0
Proposed Revenue Adjustment - Second Half of FY Additional Revenue from Adjustment Total Balance/(Deficiency) of Funds Additional Rate Adjustment Required Average Residential Bill Comparison	0.00% \$0 \$0 0.0%	6.50% \$679,785 \$0 0.0%	9.00% \$1,902,719 \$0 0.0%	9.00% \$3,051,060 \$0	9.00% \$4,324,832 \$0 0.0%	9.00% \$5,736,787 \$0 0.0%	2.00% \$6,689,749 \$0	2.00% \$7,112,933 (\$0)	2.00% \$7,566,061 \$0
Proposed Revenue Adjustment - Second Half of FY Additional Revenue from Adjustment Total Balance/(Deficiency) of Funds Additional Rate Adjustment Required Average Residential Bill Comparison After Proposed Rate Adjustment	0.00% \$0 \$0 0.0%	6.50% \$679,785 \$0 0.0%	9.00% \$1,902,719 \$0 0.0%	9.00% \$3,051,060 \$0 0.0%	9.00% \$4,324,832 \$0 0.0%	9.00% \$5,736,787 \$0 0.0%	2.00% \$6,689,749 \$0 0.0%	2.00% \$7,112,933 (\$0) 0.0%	2.00% \$7,566,061 \$0 0.0%
Proposed Revenue Adjustment - Second Half of FY Additional Revenue from Adjustment Total Balance/(Deficiency) of Funds Additional Rate Adjustment Required Average Residential Bill Comparison After Proposed Rate Adjustment Monthly Bill Difference	0.00% \$0 \$0 0.0% \$38.30 \$0.00	6.50% \$679,785 \$0 0.0% \$40.79 \$2.49	9.00% \$1,902,719 \$0 0.0% \$45.23 \$4.44	9.00% \$3,051,060 \$0 0.0% \$49.30 \$4.07	9.00% \$4,324,832 \$0 0.0% \$53.73 \$4.44	9.00% \$5,736,787 \$0 0.0% \$58.57 \$4.84	2.00% \$6,689,749 \$0 0.0% \$61.70 \$3.13	2.00% \$7,112,933 (\$0) 0.0% \$62.94 \$1.23	2.00% \$7,566,061 \$0 0.0% \$64.20 \$1.26
Proposed Revenue Adjustment - Second Half of FY Additional Revenue from Adjustment Total Balance/(Deficiency) of Funds Additional Rate Adjustment Required Average Residential Bill Comparison After Proposed Rate Adjustment	0.00% \$0 \$0 0.0%	6.50% \$679,785 \$0 0.0%	9.00% \$1,902,719 \$0 0.0%	9.00% \$3,051,060 \$0 0.0%	9.00% \$4,324,832 \$0 0.0%	9.00% \$5,736,787 \$0 0.0%	2.00% \$6,689,749 \$0 0.0%	2.00% \$7,112,933 (\$0) 0.0%	2.00% \$7,566,061 \$0 0.0%

	Budget				PR	OJECTED				
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Escalation Factors										
Revenues										
Rate Revenue	Budget	0.60%	0.60%	1.00%	1.00%	1.00%	1.00%	1.00%	1.20%	1.20%
Other Revenues	Budget	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Interest	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.50%	1.50%	1.75%	1.75%
Expenses										
Labor	Budget	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Profess/Contractual	Budget	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Data Processing	Budget	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%
Benefits - Medical	Budget	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Benefits - Other	Budget	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Materials & Supplies	Budget	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Equipment/Vehicles	Budget	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Education/Training	Budget	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Indirect Expense	Budget	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Miscellaneous	Budget	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Utilities	Budget	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Capital Projects	Budget	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
New Debt Service (If Necessary)										
Low Interest Loan Issue										
Term in Years	20	20	20	20	20	20	20	20	20	20
Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Revenue Bond Issue										
Term in Years	20	20	20	20	20	20	20	20	20	20
Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
State Revolving Fund										
Term in Years	20	20	20	20	20	20	20	20	20	20
Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

City of Woodland Sewer Utility Exhibit 3 Sources and Applications of Funds For Projected 2010 - 2014

	Budget					PROJECTED					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Notes
OURCES OF FUNDS											
Operating Revenues											
Sewer Fees - Rate Revenues											
Residential											
Single Family	\$5,645,726	\$5,679,601	\$5,713,678	\$5,770,815	\$5.828.523	\$5,886,809	\$5.945.677	\$6,005,133	\$6.077.195	¢6 150 121	As Rate Revenue
Condo	\$5,645,726 89,964		91,047	91,957	\$5,626,523 92,877	93,806	94,744	95,691	96,839	98,001	As Rate Revenue
Apartment/Mobile Home	2,317,022	90,504 2,330,924	2,344,910	2,368,359	2,392,042	2,415,963	2,440,123	2,464,524	2,494,098	2.524.027	As Rate Revenue
	2,317,022	2,330,924	2,344,910	2,300,339	2,392,042	2,415,963	2,440,123	2,464,524	2,494,096	2,524,027	As Rate Revenue
Non-Residential	4 400 040	4 400 700	4 000 005	4 040 004	4 005 000	4 007 000	4 040 050	4 000 450	4 077 000	4 000 000	A - D-t- D
Commercial	1,186,613	1,193,732	1,200,895	1,212,904	1,225,033	1,237,283	1,249,656	1,262,152	1,277,298	1,292,626	As Rate Revenue
Hospital	4,222	4,247	4,273	4,315	4,358	4,402	4,446	4,491	4,544	4,599	As Rate Revenue
Hotel/Motel	131,689	132,479	133,274	134,607	135,953	137,312	138,685	140,072	141,753	143,454	As Rate Revenue
Industrial	220,554	221,878	223,209	225,441	227,695	229,972	232,272	234,595	237,410	240,259	As Rate Revenue
Restaurant	351,024	353,130	355,249	358,801	362,389	366,013	369,673	373,370	377,851	382,385	As Rate Revenue
Special Rate	56,833	57,174	57,518	58,093	58,674	59,260	59,853	60,451	61,177	61,911	As Rate Revenue
Institutional	321,912	323,844	325,787	329,045	332,335	335,659	339,015	342,405	346,514	350,672	As Rate Revenue
Correctional Facility	70,292	70,714	71,138	71,850	72,568	73,294	74,027	74,767	75,664	76,572	As Rate Revenue
Total Rate Revenues	\$10,395,852	\$10,458,227	\$10,520,977	\$10,626,187	\$10,732,448	\$10,839,773	\$10,948,171	\$11,057,652	\$11,190,344	\$11,324,628	
Miscellaneous Revenues											
PCP Land Lease	\$125,000	\$125,000	\$126,250	\$126,250	\$127,513	\$127,513	\$128,788	\$128,788	\$130,076	\$130,076	As Other Revenues
Interest Income	9,117	9,566	10,149	9,335	14,040	21,429	50,981	68,984	97,202	112,284	As Interest
Total Miscellaneous Revenues	\$134,117	\$134,566	\$136,399	\$135,585	\$141,553	\$148,941	\$179,769	\$197,771	\$227,278	\$242,360	
TOTAL SOURCES OF FUNDS	\$10,529,969	\$10,592,794	\$10,657,376	\$10,761,771	\$10,874,001	\$10,988,714	\$11,127,940	\$11,255,424	\$11,417,622	\$11,566,988	
Operation & Maintenance Expense Accounting - Sewer											
Salaries - Full Time	\$112,212	\$114,456	\$116,745	\$119,080	\$121,461	\$123,891	\$126,368	\$128,896	\$131,474	\$134,103	As Labor
Hourly Wages - Temporary	3,911	3,989	4,069	4,150	4,233	4,318	4,404	4,492	4,582	4,674	As Labor
Vacation Buyout	693	728	764	803	843	885	929	975	1,024	1,075	As Benefits - Other
Admin Buyout	361	379	398	418	439	460	484	508	533	560	As Benefits - Other
Comp Time Buyout	44	46	48	51	53	56	59	62	65	68	As Benefits - Other
Overtime Perm Full Time	1,824	1,915	2,011	2,112	2,217	2,328	2,445	2,567	2,695	2,830	As Benefits - Other
Def Comp City Match	182	192	201	211	222	233	244	257	269	283	As Benefits - Other
Workers Comp/Liab Ins	2,634	2,766	2,904	3.049	3,202	3,362	3,530	3,706	3,892	4.086	As Benefits - Other
Retirement	29,601	31,081	32,636	34,267	35,981	37,780	39,669	41,652	43,735	45,921	As Benefits - Other
Health Pay-In Lieu	3,588	3,911	4.263	4,647	5,065	5,521	6.017	6,559	7,149	7.793	As Benefits - Medical
Retirement Health Svgs Plan	390	425	463	505	551	600	654	713	777	847	As Benefits - Medical
Life/Vision/Dental/Retire	20,969	22,856	24,913	27,155	29,599	32,263	35,167	38,332	41,782	45,542	As Benefits - Medical
Health/Life/Vision Insurance	18.734	20.420	22,257	24,260	26,444	28.824	31,418	34,246	37.328	40.687	As Benefits - Medical
Unemployment Insurance	353	370	389	408	428	450	472	496	521	547	As Benefits - Other
Medicare Insurance	1,612	1,757	1,915	2,087	2,275	2,480	2,703	2,947	3,212	3.501	As Benefits - Medical
Personnel Offset	1,012	0,737	1,510	2,007	2,270	2,400	2,700	2,547	0,212	0,001	As Benefits - Other
Office Supplies	291	302	315	327	340	354	368	383	398	414	As Materials & Supplies
Postage	48,223	50,152	52,158	54.244	56.414	58,670	61.017	63,458	65,996	68,636	As Materials & Supplies
Copy Machine Costs	46,223 820	853	887	922	959	998	1,038	1,079	1,122	1.167	As Materials & Supplies
Department Specific Supplies	356	371	385	401	417	433	451	469	488	507	As Materials & Supplies
	1.091	1.146	1,203	1,263	1.326	433 1,392	1.462	1,535		1.693	As Iviateriais & Supplies As Utilities
Telephone									1,612		
Contract Services	72,440	73,889	75,367	76,874	78,412	79,980	81,579	83,211	84,875	86,573	As Profess/Contractual
Credit Card Fees	17,537	18,063	18,605	19,163	19,738	20,330	20,940	21,568	22,215	22,882	As Miscellaneous
Indirect Expense	2,390	2,462	2,536	2,612	2,690	2,771	2,854	2,940	3,028	3,119	As Indirect Expense
Technology Services Chargeback	13,347	14,055	14,800	15,585	16,411	17,281	18,198	19,163	20,179	21,249	As Data Processing
Total Accounting - Sewer	\$353,602	\$366,582	\$380,231	\$394,595	\$409,720	\$425,660	\$442,471	\$460,213	\$478,951	\$498,757	

City of Woodland Sewer Utility Exhibit 3 Sources and Applications of Funds For Projected 2010 - 2014

	Budget				F	PROJECTED					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Notes
Sewage Collection System Salaries - Full Time	#0.40.0F0	\$050.005	6070 474	\$00F.000	6000.000	6740.004	6707.004	P740 400	P757 044	\$772.457	As Labor
	\$646,358	\$659,285	\$672,471	\$685,920	\$699,638	\$713,631	\$727,904	\$742,462	\$757,311		
Hourly Wages - Temporary	60,326	61,533	62,763	64,018	65,299	66,605	67,937	69,296	70,682	72,095	As Labor
Vacation Buyout	5,657	5,940	6,237	6,549	6,877	7,220	7,581	7,960	8,358	8,776	As Benefits - Other
Admin Buyout	437 399	459 419	482 439	506 461	531 485	558	585 534	615	645 589	678 618	As Benefits - Other As Benefits - Other
Comp Time Buyout						509		561			
Overtime-Permanent Full Time	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	As Labor
Def Comp City Match	254	267	280	294	309	324	340	357	375	394	As Benefits - Other
Acting Pay	1,003 10.000	1,023 10.200	1,044	1,065	1,086 10.824	1,108	1,130	1,153	1,176 11.717	1,199	As Labor As Labor
Standby Pay			10,404	10,612		11,041	11,262	11,487		11,951	
Workers Comp/Liab Ins	42,859	45,002	47,252	49,614	52,095	54,700	57,435	60,307	63,322	66,488	As Benefits - Other
Retirement	187,819	197,210	207,070	217,424	228,295	239,709	251,695	264,280	277,494	291,368	As Benefits - Other
Health Pay-In Lieu	14,797	16,128	17,580	19,162	20,887	22,766	24,815	27,049	29,483	32,137	As Benefits - Medical
Retirement Health Svgs Plan	4,416	4,813	5,247	5,719	6,234	6,795	7,406	8,073	8,799	9,591	As Benefits - Medical
Life/Vision/Dental/Retire	139,388	151,932	165,606	180,511	196,757	214,465	233,767	254,806	277,738	302,735	As Benefits - Medical
Health/Life/Vision Insurance	176,045	191,889	209,159	227,984	248,502	270,867	295,245	321,818	350,781	382,351	As Benefits - Medical
Unemployment Insurance	5,736	6,023	6,324	6,640	6,972	7,320	7,686	8,071	8,474	8,898	As Benefits - Other
Medicare Insurance	9,256	10,089	10,997	11,987	13,066	14,242	15,524	16,921	18,444	20,104	As Benefits - Medical
Personnel Offset	0	0	0	0	0	0	0	0	0	0	As Benefits - Other
Office Supplies	1,500	1,560	1,622	1,687	1,755	1,825	1,898	1,974	2,053	2,135	As Materials & Supplies
Postage	500	520	541	562	585	608	633	658	684	712	As Materials & Supplies
Publications & Periodicals	293	302	311	320	330	339	350	360	371	382	As Miscellaneous
Printing	333	343	353	364	375	386	398	410	422	435	As Miscellaneous
Copy Machine Costs	1,050	1,092	1,136	1,181	1,228	1,277	1,329	1,382	1,437	1,494	As Materials & Supplies
Department Specific Supplies	176,893	183,968	191,327	198,980	206,939	215,217	223,826	232,779	242,090	251,773	As Materials & Supplies
Personal Protective Equipment	3,000	3,120	3,245	3,375	3,510	3,650	3,796	3,948	4,106	4,270	As Materials & Supplies
Laundry	2,596	2,674	2,754	2,837	2,922	3,009	3,100	3,193	3,289	3,387	As Miscellaneous
Tools	3,000	3,120	3,245	3,375	3,510	3,650	3,796	3,948	4,106	4,270	As Equipment/Vehicles
Advertising	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	As Miscellaneous
Telephone	1,165	1,223	1,284	1,348	1,416	1,487	1,561	1,639	1,721	1,807	As Utilities
Cell Phones	3,420	3,591	3,771	3,959	4,157	4,365	4,583	4,812	5,053	5,306	As Utilities
Maintenance - Grounds	8,873	9,050	9,231	9,416	9,604	9,797	9,992	10,192	10,396	10,604	As Labor
Maintenance - Equipment	9,000	9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756	As Labor
Equipment Rental	4,250	4,420	4,597	4,781	4,972	5,171	5,378	5,593	5,816	6,049	As Equipment/Vehicles
Contract Services	221,363	225,790	230,306	234,912	239,611	244,403	249,291	254,277	259,362	264,550	As Profess/Contractual
Membership & Dues	4,047	4,168	4,293	4,422	4,555	4,692	4,832	4,977	5,127	5,280	As Miscellaneous
Mandatory Training	17,300	17,992	18,712	19,460	20,239	21,048	21,890	22,766	23,676	24,623	As Education/Training
Educative Incentive Reimbursement	625	650	676	703	731	760	791	822	855	890	As Education/Training
Machinery & Equipment - Capital Expenses	54,000	0	0	0	0	0	0	0	0	0	As One Time Expense
Vehicle Purchases	7,500	7,800	8,112	8,436	8,774	9,125	9,490	9,869	10,264	10,675	As Equipment/Vehicles
Gas & Oil	125	131	138	145	152	160	168	176	185	194	As Utilities
Indirect Expense	125,486	129,251	133,128	137,122	141,236	145,473	149,837	154,332	158,962	163,731	As Indirect Expense
Technology Services Chargeback	41,887	44,108	46,447	48,910	51,504	54,236	57,112	60,140	63,330	66,688	As Data Processing
Property Taxes	3,475	3,659	3,853	4,058	4,273	4,499	4,738	4,989	5,254	5,533	As Data Processing
Fixed Fleet Cost	32,271	33,562	34,904	36,301	37,753	39,263	40,833	42,467	44,165	45,932	As Equipment/Vehicles
Variable Fleet Cost	155,400	161,616	168,080	174,804	181,796	189,067	196,630	204,495	212,675	221,182	As Equipment/Vehicles
Lease Payment Chargeback	82,900	86,216	89,665	93,251	96,981	100,861	104,895	109,091	113,454	117,993	As Equipment/Vehicles
Total Sewage Collection System	\$2,293,001	\$2,327,899	\$2,421,625	\$2,520,507	\$2,624,905	\$2,735,202	\$2,851,815	\$2,975,193	\$3,105,821	\$3,244,221	

City of Woodland Sewer Utility Exhibit 3 Sources and Applications of Funds For Projected 2010 - 2014

	Budget	Budget PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Notes
Occurred Transferred Bland											
Sewage Treatment Plant Salaries - Full Time	\$649.629	\$662,621	\$675,874	\$689,391	\$703,179	\$717,242	\$731,587	\$746,219	\$761.143	\$776.366	As Labor
Hourly Wages - Temporary	ф649,629 41,107	41,929	42,768	43,623	44,496	45,385	46,293	47,219	48,163	49,127	As Labor
		13.589		43,623 14.982							
Vacation Buyout	12,942 3.874		14,268		15,731	16,517	17,343	18,210	19,121	20,077	As Benefits - Other
Admin Buyout		4,068	4,271	4,485	4,709	4,945	5,192	5,451	5,724	6,010 2,406	As Benefits - Other As Benefits - Other
Comp Time Buyout	1,551	1,629	1,710	1,796	1,885	1,980	2,079	2,183	2,292	,	
Overtime-Permanent Full Time	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	As Labor
Def Comp City Match	1,727	1,813	1,904	1,999	2,099	2,204	2,314	2,430	2,551	2,679	As Benefits - Other
Acting Pay	820	861	904	949	997	1,047	1,099	1,154	1,212	1,272	As Benefits - Other
Standby Pay	10,700	11,235	11,797	12,387	13,006	13,656	14,339	15,056	15,809	16,599	As Benefits - Other
Workers Comp/Liab Ins	49,127	51,584	54,163	56,871	59,715	62,700	65,835	69,127	72,584	76,213	As Benefits - Other
Retirement	184,595	193,825	203,516	213,692	224,377	235,596	247,375	259,744	272,731	286,368	As Benefits - Other
Health Pay-In Lieu	15,797	17,219	18,769	20,458	22,299	24,306	26,494	28,878	31,477	34,310	As Benefits - Medical
Retirement Health Svgs Plan	2,460	2,681	2,923	3,186	3,472	3,785	4,126	4,497	4,902	5,343	As Benefits - Medical
Life/Vision/Dental/Retire	106,169	115,724	126,139	137,491	149,866	163,354	178,055	194,080	211,548	230,587	As Benefits - Medical
Health/Life/Vision Insurance	140,497	153,142	166,925	181,948	198,323	216,172	235,628	256,834	279,950	305,145	As Benefits - Medical
Unemployment Insurance	6,575	6,903	7,249	7,611	7,992	8,391	8,811	9,251	9,714	10,199	As Benefits - Other
Medicare Insurance	9,342	10,183	11,100	12,099	13,187	14,374	15,668	17,078	18,615	20,290	As Benefits - Medical
Personnel Offset	0	0	0	0	0	0	0	0	0	0	As Benefits - Other
Office Supplies	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737	2,847	As Materials & Supplies
Postage	500	520	541	562	585	608	633	658	684	712	As Materials & Supplies
Janitorial Supplies	1,544	1,606	1,670	1,737	1,806	1,879	1,954	2,032	2,113	2,198	As Materials & Supplies
Printing	593	611	629	648	668	688	708	729	751	774	As Miscellaneous
Copy Machine Costs	1,938	2,016	2,096	2,180	2,267	2,358	2,452	2,550	2,652	2,758	As Materials & Supplies
Department Specific Supplies	640,843	666,477	693,136	720,861	749,696	779,683	810,871	843,306	877,038	912,119	As Materials & Supplies
Personal Protective Equipment	2,205	2,293	2,385	2,480	2,580	2,683	2,790	2,902	3,018	3,138	As Materials & Supplies
Laundry	2,251	2,318	2,388	2,459	2,533	2,609	2,687	2,768	2,851	2,936	As Miscellaneous
Tools	2,895	3,011	3,131	3,256	3,387	3,522	3,663	3,810	3,962	4,120	As Equipment/Vehicles
Advertising	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	As Miscellaneous
Telephone	7,680	8,064	8,467	8,891	9,335	9,802	10,292	10,806	11,347	11,914	As Utilities
Cell Phones	4,320	4,536	4,763	5,001	5,251	5,514	5,789	6,079	6,383	6,702	As Utilities
Maintenance - Grounds	31,967	32,606	33,258	33,924	34,602	35,294	36,000	36,720	37,454	38,204	As Labor
Maintenance - Equipment	1,476	1,505	1,535	1,566	1,597	1,629	1,662	1,695	1,729	1,764	As Labor
Property Lease Payments	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133	As Miscellaneous
Contract Services	305,422	311,530	317,761	324,116	330,599	337,211	343,955	350,834	357,851	365,008	As Profess/Contractual
Memberships & Dues	3,768	3,881	3,997	4,117	4,241	4,368	4,499	4,634	4,773	4,916	As Miscellaneous
"Conferences, Meetings, & Other Training"	350	361	371	382	394	406	418	430	443	457	As Miscellaneous
Mandatory Training	15,609	16,233	16,883	17,558	18,260	18,991	19,750	20,540	21,362	22,216	As Education/Training
Education Incentive Reimbursement	1,250	1,300	1,352	1,406	1,462	1,521	1,582	1,645	1,711	1,779	As Education/Training
Machinery & Equipment - Capital Expenses	56,954	59,232	61,601	64,066	66,628	69,293	72,065	74,948	77,945	81,063	As Equipment/Vehicles
Property Taxes	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	As Miscellaneous
Gas & Oil	17,000	17,850	18,743	19,680	20,664	21,697	22,782	23,921	25,117	26,373	As Utilities
Indirect Expense	275,178	283,434	291,937	300,695	309,716	319,007	328,577	338,435	348,588	359,045	As Indirect Expense
Utilities	750,000	787,500	826,875	868,219	911,630	957,211	1,005,072	1,055,325	1,108,092	1,163,496	As Utilities
Technology Services Chargeback	37,578	39,571	41,669	43,879	46,206	48,656	51,237	53,954	56,815	59,828	As Data Processing
Fixed Fleet Cost	10,757	11,187	11,635	12,100	12,584	13,088	13,611	14,156	14,722	15,311	As Equipment/Vehicles
Variable Fleet Cost	58,139	60,465	62,884	65,399	68,015	70,736	73,565	76,508	79,568	82,751	As Equipment/Vehicles
Total Sewage Treatment Plant	\$3,490,630	\$3,631,219	\$3,778,713	\$3,933,515	\$4,096,059	\$4,266,803	\$4,446,240	\$4,634,896	\$4,833,335	\$5,042,157	

City of Woodland Sewer Utility Exhibit 3 Sources and Applications of Funds For Projected 2010 - 2014

	Budget				PI	ROJECTED			<u>.</u>		
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Notes
nvironment Operations Laboratory											
Salaries - Full Time	\$176,883	\$180,421	\$184,029	\$187,710	\$191,464	\$195,293	\$199,199	\$203,183	\$207,247	\$211,392	As Labor
Hourly Wages - Temporary	18,374	18,741	19,116	19,499	19,889	20,286	20,692	21,106	21,528	21,959	As Labor
Vacation Buyout	1,761	1,849	1,942	2,039	2,141	2,248	2,360	2,478	2,602	2,732	As Benefits - Other
Admin Buyout	1,241	1,303	1,368	1,437	1,509	1,584	1,663	1,747	1,834	1,926	As Benefits - Other
Comp Time Buyout	17	18	18	19	20	21	22	24	25	26	As Benefits - Other
Overtime-Permanent Full Time	1,800	1,890	1,985	2,084	2,188	2,297	2,412	2,533	2,659	2,792	As Benefits - Other
Def Comp City Match	430	451	474	497	522	548	576	604	635	666	As Benefits - Other
Acting Pay	213	224	235	247	259	272	286	300	315	331	As Benefits - Other
Workers Comp/Liab Ins	11,798	12,388	13,007	13,657	14,340	15,057	15,810	16,600	17,430	18,302	As Benefits - Other
Retirement	47,557	49,935	52,432	55,054	57,806	60,697	63,732	66,918	70,264	73,777	As Benefits - Other
Health Pay-In Lieu	2,712	2,956	3,222	3,512	3,828	4,173	4,548	4,958	5,404	5,890	As Benefits - Medical
Retirement Health Svgs Plan	660	719	784	855	932	1,015	1,107	1,207	1,315	1,433	As Benefits - Medical
Life/Vision/Dental/Retire	33,109	36,089	39,336	42,877	46,736	50,942	55,527	60,524	65,971	71,909	As Benefits - Medical
Health/Life/Vision Insurance	52,552	57,282	62,437	68,056	74,181	80,858	88,135	96,067	104,713	114,137	As Benefits - Medical
Unemployment Insurance	1,579	1,658	1,741	1,828	1,919	2,015	2,116	2,222	2,333	2,449	As Benefits - Other
Medicare Insurance	2,548	2,777	3,027	3,299	3,596	3,920	4,273	4,657	5,076	5,533	As Benefits - Medical
Personnel Offset	0	0	0	0	0	0	0	0	0	0	As Benefits - Other
Office Supplies	800	832	865	900	936	973	1,012	1,053	1,095	1,139	As Materials & Supplies
Postage	2,100	2,184	2,271	2,362	2,457	2,555	2,657	2,763	2,874	2,989	As Materials & Supplies
Printing	0	0	0	0	0	0	0	0	0	0	As Miscellaneous
Department Specific Supplies	48,104	50,028	52,029	54,110	56,275	58,526	60,867	63,301	65,833	68,467	As Materials & Supplies
Personal Protective Equipment	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737	2,847	As Materials & Supplies
Laundry	250	258	265	273	281	290	299	307	317	326	As Miscellaneous
Advertising	0	0	0	0	0	0	0	0	0	0	As Miscellaneous
Telephone	1,747	1,834	1,926	2,023	2,124	2,230	2,341	2,458	2,581	2,710	As Utilities
Cell Phones	1,260	1,323	1,389	1,459	1,532	1,608	1,689	1,773	1,862	1,955	As Utilities
Contract Services	84,821	86,517	88,248	90,013	91,813	93,649	95,522	97,433	99,381	101,369	As Profess/Contractual
Memberships & Dues	700	728	757	787	819	852	886	921	958	996	As Materials & Supplies
Mandatory Training	1,800	1,872	1,947	2,025	2,106	2,190	2,278	2,369	2,463	2,562	As Education/Training
Education Incentive Reimbursement	625	650	676	703	731	760	791	822	855	890	As Education/Training
Technology Services Chargeback	13,158	13,856	14,591	15,365	16,180	17,038	17,941	18,893	19,894	20,949	As Data Processing
Fixed Fleet Cost	2,864	2,979	3,098	3,222	3,351	3,485	3,624	3,769	3,920	4.077	As Equipment/Vehicles
Variable Fleet Cost	7,395	7,691	7,999	8,319	8,652	8,998	9,358	9,732	10,121	10,526	As Equipment/Vehicles
Total Environment Operations Laboratory	\$520,858	\$541,533	\$563,379	\$586,479	\$610,924	\$636,813	\$664,252	\$693,354	\$724,244	\$757,056	

City of Woodland Sewer Utility Exhibit 3 Sources and Applications of Funds For Projected 2010 - 2014

Utilines Engineering		Budget				1	PROJECTED					
Salaries Full Time		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Notes
Salaries Full Time	Itilities Engineering											
Houty Wages - Temporary		\$250,669	\$255 682	\$260 796	\$266,012	\$271 332	\$276 759	\$282 294	\$287 940	\$293 698	\$299 572	As Lahor
Vacaino Buyout 5,825 6,116 6,422 6,743 7,080 7,744 7,806 8,106 8,006 9,008 As Bernells - Continue Permanent Full Trime 200 210 221 232 243 225 288 281 235 310 As Bernells - Continue Permanent Full Trime 200 1,785 1,874 1,988 2,066 2,170 2,278 2,392 2,212 2,573 As Bernells - Continue Permanent Full Trime 200 1,785 1,874 1,988 2,066 2,170 2,278 2,392 2,212 2,573 As Bernells - Continue Permanent Full Trime 200 1,785 1,874 1,988 2,066 2,170 2,778 2,392 2,212 2,573 As Bernells - Continue Permanent Full Trime 200 1,785 1,874 1,988 2,066 2,170 2,778 2,392 2,212 2,573 As Bernells - Continue Permanent Full Trime 20,303 9,788 10,257 10,770 11,308 11,873 12,467 13,000 13,745 14,423 As Bernells - Continue Permanent Full Trime 20,303 9,788 10,257 10,770 11,308 11,873 12,467 13,000 13,745 14,423 As Bernells - Continue Permanent Full Trime 20,303 9,788 10,257 10,770 11,308 11,873 12,467 13,000 13,745 14,423 As Bernells - Continue Permanent Full Trime 20,303 4,818 4,81												
Admin Byorid Chertmer-Permaner Ful Time 200 210 211 223 243 255 268 281 235 235 3377 3892 4,087 4,278 4,289 2,512 2,512 2,513 3,510 AB Emerliss - C Del Comp Chy Match 1,700 1,785 1,874 1,988 2,066 2,170 2,278 2,239 2,512 2,512 2,513 3,688 3,088 3,088 3,083 3,978 4,025 4,000 4												
Overtime-Permanent Full Time												
Del Comp City Match												
Acting Pay												
Standby Pay 0												
Worker CompUtable inc												
Retirement \$3.504 \$6.179 \$9.988 \$61.937 \$6.034 \$62.88 \$71.700 \$75.285 \$79.049 \$3.002 \$A Barnelits - C All All Transportation Pay \$2.2 \$2.3 \$2.4 \$2.5 \$2.7 \$2.8 \$2.9 \$3.1 \$3.2 \$3.4 \$A Barnelits - C All Paylin Lieu \$13.967 \$15.224 \$15.994 \$19.087 \$19.715 \$21.490 \$23.424 \$25.532 \$27.830 \$0.334 \$A Barnelits - C All Paylin Lieu \$13.967 \$15.224 \$15.994 \$19.087 \$19.715 \$21.490 \$23.424 \$25.532 \$27.830 \$0.334 \$A Barnelits - C All Paylin Lieu \$1.500		•	•	•			-		-	•	-	
ARI Transportation Pay 12 2 23 24 25 27 28 29 31 32 34 As Benefits - C Health Payn Disuy 13,967 15,224 16,994 18,087 19,715 21,490 23,424 25,532 27,830 03,034 As Benefits - C Health Payn Plant Payn Disuy Plant 138 150 164 179 195 212 231 252 275 300 As Benefits - C Health Payn Plant Payn Plant Payn Plant Payn Plant Payn Plant Plant Payn Plant Pla												
Health Pay-In Lieu 13,867 15,224 16,594 18,087 19,715 21,490 23,424 25,552 27,830 30,334 As Benefits - Netherland Number 13,3650 36,570 39,861 43,448 47,359 51,621 56,667 61,331 66,861 72,867 As Benefits - Netherland Number 13,772 18,395 20,639 22,497 24,522 26,728 29,134 31,756 34,614 34,752 3												
Retirement Health Sugs Plan 138 150 164 179 195 212 231 252 275 300 As Benefits - Multi-Vision Insurance 33,550 36,670 39,861 43,449 47,359 51,627 56,267 61,331 66,851 72,867 As Benefits - Multi-Vision Insurance 11,372 18,835 20,639 22,497 24,522 26,728 29,134 31,766 34,614 37,729 As Benefits - Multi-Vision Insurance 12,455 1,307 1,373 1,441 1,513 1,589 1,668 1,752 1,839 1,331 As Benefits - Multi-Vision Insurance 3,639 3,966 4,323 4,712 5,136 5,598 6,102 6,651 7,260 7,902 As Benefits - Multi-Vision Insurance 3,639 3,966 4,323 4,712 5,136 5,598 6,102 6,651 7,260 7,902 As Benefits - Of Office Supples 1,750 1,820 1,833 1,969 1,044 146 122 1,142 2,144 2,303 2,195 2,194 As Multi-Vision Insurance Protein Insurance 1,750 1,820 1,833 1,969 1,044 146 122 1,142 2,144 2,303 2,195 2,194 As Multi-Vision Insurance Protein Insurance 1,142 1,143 1,144 1,14												
Life/Vision/Dental/Retire 33,550 36,570 39,861 43,448 47,359 51,621 56,267 61,331 66,851 72,867 As Benefits - NethathLife/Vision Insurance 17,372 18,935 20,639 22,497 24,522 26,738 29,134 31,756 34,614 37,728 As Benefits - NethathLife/Vision Insurance 1,245 1,307 1,373 1,441 1,513 1,569 1,668 1,752 1,839 1,931 As Benefits - NethathLife/Vision Insurance 3,839 3,966 4,323 4,712 5,136 5,598 6,102 6,651 7,250 7,902 As Benefits - Personnel Offset 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Benefits - Personnel Offset 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Benefits - Personnel Offset 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Benefits - Personnel Offset 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Benefits - Personnel Offset 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0												
HealthUfe/Nision Insurance 17,372 18,935 20,839 22,497 24,522 26,728 29,134 31,756 34,614 37,729 As Benefits - Numeric Insurance 1,245 1,307 1,373 1,414 1,513 1,589 1,666 1,752 1,639 1,931 3,966 4,323 4,712 5,136 5,598 6,102 6,651 7,250 7,902 As Benefits - Numeric Insurance 1,245 1,307 1,323 1,989 2,047 2,129 2,214 2,303 2,395 2,491 As Materials & Publications & Periodicals 1,750 1,820 1,833 1,969 2,047 2,129 2,214 2,303 2,395 2,491 As Materials & Publications & Periodicals 450 444 477 492 506 522 537 553 570 587 As Materials & Publications & Periodicals 450 444 477 492 506 522 537 553 570 587 As Miscellance Copy Machine Costs 1,600 1,632 1,665 1,698 1,732 1,767 1,802 1,838 1,875 1,912 As Labor Department Specific Supplies 14,094 14,658 15,244 15,854 16,488 17,148 17,833 15,47 19,289 20,066 As Materials & Personal Protective Equipment 175 182 199 197 205 213 221 230 239 246 As Miscellance Telephone 1,149 1,206 1,267 1,330 1,397 1,466 1,540 1,617 1,698 3,222 3,383 3,555 3,211 As Labor Department Specific Supplies 2,290 2,405 2,525 2,651 2,744 2,293 3,069 3,222 3,383 3,555 3,211 As Miscellance Telephone 1,149 1,206 1,267 1,330 1,397 1,466 1,540 1,617 1,698 3,222 3,383 3,555 3,211 As Miscellance Corprises 2,240 2,405 2,525 2,651 2,744 2,293 3,069 3,222 3,383 3,555 As Miscellance Telephone 2,405 2,525 2,651 2,744 2,293 3,069 3,222 3,383 3,555 As Miscellance Telephone 2,405 2,525 2,651 2,744 2,293 3,069 3,222 3,383 3,555 As Miscellance Telephone 3,000 3,0												As Benefits - Medical
Unemployment Insurance												As Benefits - Medical
Medicare Instruance 3,839 3,966 4,223 4,712 5,136 5,598 6,102 6,651 7,250 7,902 As Benefits - Personnel Offset 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0												As Benefits - Medical
Personal Offiset												As Benefits - Other
Office Supplies											7,902	As Benefits - Medical
Postage			•		0		0		•		0	As Benefits - Other
Publications & Periodicals 450 464 477 492 506 522 537 553 570 587 As Miscellaned Copy Machine Costs 1,600 1,632 1,665 1,698 1,732 1,767 1,802 1,838 1,875 1,912 As Labor Department Specific Supplies 14,094 14,688 15,244 15,884 16,488 17,146 17,683 18,547 19,299 20,0600 As Materials & Advertising 200 206 212 219 225 232 239 246 253 261 As Miscellaned Cell Phones 2,290 2,405 2,525 2,651 2,784 2,923 3,069 3,222 3,383 3,553 As Utilities Cell Phones 2,290 2,405 2,525 2,651 2,784 2,923 3,069 3,222 3,383 3,553 As Utilities Cell Phones 4,673 4,678 4,678 4,798 4,678 4,798 4,678 4,798	Office Supplies	1,750	1,820	1,893	1,969	2,047	2,129	2,214	2,303	2,395	2,491	As Materials & Supplies
Printing 2,025 2,086 2,148 2,213 2,279 2,348 2,418 2,490 2,565 2,642 As Miscellance Copy Machine Costs 1,600 1,632 1,665 1,698 1,732 1,767 1,802 1,838 1,875 1,912 As Labor Department Specific Supplies 14,094 14,658 15,244 15,854 16,488 17,148 17,833 18,547 19,289 20,060 As Materials & Personal Protective Equipment 175 182 189 197 205 213 221 230 239 249 As Materials & Advertising 200 206 212 219 225 232 239 246 253 261 As Miscellance Telephone 11,149 1,206 1,267 1,330 1,397 1,466 1,540 1,617 1,698 1,782 As Utilities Maintenance - Equipment 300 306 312 318 325 331 338 345 351 339 As Labor Contract Services 84,573 86,264 87,990 89,750 91,545 93,375 95,243 97,148 99,091 101,1073 As Inbinerships & Duss 2,018 2,079 2,141 2,205 2,271 2,339 2,410 2,482 2,566 2,633 As Miscellance Conferences, Meetings, & Other Training 2,500 2,008 2,163 2,255 2,25	Postage	125	130	135	141	146	152	158	164	171	178	As Materials & Supplies
Copy Machine Costs	Publications & Periodicals	450	464	477	492	506	522	537	553	570	587	As Miscellaneous
Department Specific Supplies 14,094 14,658 15,244 15,854 16,488 17,148 17,833 18,547 19,289 20,060 As Materials & Advertising 200 206 212 219 225 232 239 246 253 261 As Materials & Advertising 200 206 212 219 225 232 239 246 253 261 As Materials & Advertising 200 206 212 219 225 232 239 246 253 261 As Materials & Advertising 200 206 212 219 225 232 239 246 253 261 As Materials & Advertising 200 2,405 2,525 2,651 2,784 2,923 3,069 3,222 3,383 3,553 As Utilities 2,784 2,923 3,069 3,227 3,383 3,553 As Utilities 3,785 2,784 2,923 3,069 3,227 3,383 3,553 As Utilities 3,785 3,	Printing	2,025	2,086	2,148	2,213	2,279	2,348	2,418	2,490	2,565	2,642	As Miscellaneous
Personal Protective Equipment 175 182 189 197 205 213 221 230 239 244 As Materials & Advertising 200 206 212 219 225 232 239 246 253 261 As Miscellaneo Telephone 1,149 1,206 1,267 1,330 1,397 1,466 1,540 1,617 1,698 1,782 As Miscellaneo Telephone 1,149 1,206 1,267 1,330 1,397 1,466 1,540 1,617 1,698 1,782 As Miscellaneo Telephone 2,290 2,405 2,525 2,651 2,784 2,923 3,069 3,222 3,383 3,553 As Utilities As Miscellaneo Telephone 300 306 312 318 325 331 338 345 351 359 As Labor Contract Services 84,573 86,264 87,990 89,750 91,545 93,375 95,243 97,148 99,091 101,073 As Profess/Co Telephone 2,018 2,019 2,141 2,205 2,271 2,339 2,410 2,482 2,556 2,633 As Miscellaneo Conferences, Meetings, & Other Training 2,500 2,600 2,704 2,812 2,925 3,042 3,163 3,290 3,421 3,558 As Education/T Conferences, Meetings, & Other Training 2,500 2,000 2,163 2,250 2,340 2,433 2,531 2,632 2,737 2,847 As Education/T Technology Services Chargeback 13,158 13,856 14,591 15,865 16,180 17,038 17,931 18,893 19,894 20,949 As Materials As Miscellaneo As Equipment/V Variable Fleet Cost 2,829 2,943 3,000 3,183 3,310 3,442 3,580 3,723 3,872 4,027 As Equipment/V Variable Fleet Cost 3,759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,350 As Equipment/V Variable Fleet Cost 3,759 3,909 4,065 4,228 4,397 4,573 4,576 4,946 5,144 5,350 As Equipment/V As Equipment/V Total Utilities Engineering \$539,817 \$558,872 \$578,906 \$599,988 \$622,189 \$645,586 \$670,264 \$696,312 \$723,829 \$752,920 \$	Copy Machine Costs	1,600	1,632	1,665	1,698	1,732	1,767	1,802	1,838	1,875	1,912	As Labor
Advertising 200 206 212 219 225 232 239 246 253 261 As Miscellaned Telephone 1,149 1,206 1,267 1,330 1,397 1,466 1,540 1,617 1,698 1,782 As Utilities Cell Phones 2,290 2,405 2,525 2,651 2,784 2,923 3,069 3,222 3,383 3,553 As Utilities Maintenance - Equipment 300 300 306 312 318 325 331 338 345 351 359 As Labor Contract Services 84,573 86,264 87,990 89,750 91,545 93,375 95,243 97,148 99,091 101,073 As Professor Meetings, & Other Training 2,500 2,600 2,704 2,812 2,925 3,042 3,163 3,290 3,421 3,558 As Education/T Conferences, Meetings, & Other Training 3,750 3,900 4,056 4,218 4,387 4,562 4,745 4,935 5,132 5,337 As Education/T Conferences, Meetings, & Other Training 2,200 2,000 2,080 2,163 2,250 2,340 2,433 2,551 2,632 2,737 2,847 As Education/T Conferences, Meetings, & Other Training 3,158 13,856 14,591 15,365 16,180 17,038 17,941 18,893 19,994 20,949 As Data Professor Fixed Fleet Cost 3,3759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 20,949 As Data Professor Fixed Fleet Cost 3,759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,350 As Equipment/V Conferences Meetings Regimeering \$\$539,817 \$\$558,872 \$\$578,906 \$\$99,988 \$\$622,189 \$\$645,586 \$\$670,264 \$\$696,312 \$\$723,829 \$\$752,920 \$\$765,900 \$\$160 \$\$140 \$\$	Department Specific Supplies	14,094	14,658	15,244	15,854	16,488	17,148	17,833	18,547	19,289	20,060	As Materials & Supplies
Advertising 200 206 212 219 225 232 239 246 253 261 As Miscellaned Telephone 1,149 1,206 1,267 1,330 1,397 1,466 1,540 1,617 1,698 1,782 As Utilities Cell Phones 2,290 2,405 2,525 2,651 2,784 2,923 3,069 3,222 3,383 3,553 As Utilities Maintenance - Equipment 300 306 312 318 325 331 338 345 351 359 As Labor Contract Services 8,4573 86,264 87,990 89,750 91,545 93,375 95,243 97,148 99,091 101,073 87,076ss/Co Memberships & Dues 2,018 2,079 2,141 2,205 2,271 2,339 2,410 2,482 2,556 2,633 As Miscellaned Conferences, Meetings, & Other Training 2,500 2,600 2,704 2,812 2,925 3,042 3,163 3,290 3,421 3,558 As Education/T Education Incentive Reimbursement 3,750 3,900 4,056 4,218 4,387 4,562 4,745 4,935 5,132 5,337 As Education/T Conferences, Meetings, & Other Training 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,737 2,247 As Education/T Conferences, Meetings, & Other Training 3,158 13,556 14,591 15,365 16,180 17,038 17,941 18,893 19,994 20,949 As Data Proce. Fixed Fleet Cost 2,829 2,943 3,060 3,183 3,310 3,442 3,550 3,723 3,872 4,027 As Equipment/V Variable Fleet Cost 3,3759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,350 As Equipment/V Total Utilities Engineering \$\$539,817 \$\$558,872 \$\$578,906 \$\$599,988 \$\$622,189 \$\$645,586 \$\$670,264 \$\$696,312 \$\$723,829 \$\$752,920 \$\$76tilions New Staff Carryover \$\$0 \$\$0 \$\$0 \$\$0 \$\$0 \$\$0 \$\$0 \$\$0 \$\$0 \$\$		175		189	197	205	213	221		239		As Materials & Supplies
Telephone 1,149 1,206 1,267 1,330 1,397 1,466 1,540 1,617 1,698 1,782 As Utilities Cell Phones 2,290 2,405 2,525 2,651 2,784 2,923 3,069 3,222 3,383 3,553 As Utilities Maintenance - Equipment 3,000 306 312 318 325 331 338 345 351 359 As Labor Contract Services 84,573 86,264 87,990 89,750 91,545 93,375 95,243 97,148 99,091 101,073 As Profess/Co Memberships & Dues 2,018 2,018 2,079 2,141 2,205 2,271 2,339 2,410 2,482 2,556 2,633 As Miscellaneo Conferences, Meetings, & Other Training 2,500 2,600 2,704 2,812 2,925 3,042 3,163 3,290 3,421 3,558 As Education/T Education Incentive Reimbursement 3,750 3,900 4,056 4,218 4,387 4,562 4,745 4,935 5,132 5,337 As Education/T Technology Services Chargeback 13,158 13,856 14,591 15,365 16,180 17,038 17,941 18,893 19,894 20,949 As Data Proce Fixed Fleet Cost 2,829 2,943 3,060 3,183 3,310 3,442 3,580 3,723 3,872 4,027 As Equipment/V Variable Fleet Cost 3,759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,550 As Equipment/V Variable Fleet Cost 3,759 3,901 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,550 As Equipment/V Variable Fleet Cost 3,759 3,901 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,550 As Equipment/V Ariable Fleet Cost 3,759 3,901 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,550 As Equipment/V Ariable Fleet Cost 4 5,000 5,00 5,00 5,00 5,00 5,00 5,00 5	Advertising	200	206	212	219	225	232	239	246	253	261	As Miscellaneous
Cell Phones 2,290 2,405 2,525 2,651 2,784 2,923 3,069 3,222 3,383 3,553 As Utilities Maintenance - Equipment 300 306 312 318 325 331 338 345 351 359 As Labor Contract Services 84,573 86,264 87,990 89,750 91,545 93,375 95,243 97,148 99,091 101,073 As Profess/Co Memberships & Dues 2,018 2,079 2,141 2,205 2,271 2,339 2,410 2,482 2,556 2,633 As Miscellanee Conferences, Meetings, & Other Training 2,500 2,600 2,704 2,812 2,925 3,042 3,163 3,290 3,421 3,558 As Education/T "Conferences, Meetings, & Other Training" 2,000 2,600 2,704 2,812 2,925 3,042 3,163 3,290 3,421 3,558 As Education/T "Conferences, Meetings, & Other Training" 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,737 2,847 As Education/T "Conferences, Meetings, & Other Training" 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,737 2,847 As Education/T Technology Services Chargeback 13,158 13,856 14,591 15,365 16,180 17,038 17,941 18,893 19,894 20,949 As Data Proces. Fixed Fleet Cost 2,829 2,943 3,060 3,183 3,310 3,442 3,580 3,723 3,872 4,027 As Equipment/V Variable Fleet Cost 3,3759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,350 As Equipment/V Total Utilities Engineering \$539,817 \$558,872 \$578,906 \$599,988 \$622,189 \$645,586 \$670,264 \$696,312 \$723,829 \$752,920 *** **New Staff Carryover \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0		1.149	1.206	1.267	1.330	1.397	1,466	1,540	1.617	1.698	1.782	As Utilities
Maintenance - Equipment 300 306 312 318 325 331 338 345 351 359 As Labor Contract Services Contract Services 84,573 86,264 87,990 89,750 91,545 93,375 95,243 97,148 99,091 110,073 As Profess/Co Memberships & Dues 2,018 2,079 2,141 2,205 2,271 2,339 2,410 2,482 2,556 2,633 As Miscellaned Conferences, Meetings, & Other Training 2,500 2,600 2,704 2,812 2,925 3,042 3,163 3,290 3,421 3,558 As Education/T Conferences, Meetings, & Other Training 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,847 As Education/T Conferences, Meetings, & Other Training* 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,847 As Education/T Conferences, Meetings, & Other Training* 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,947 As Education		2 290				2 784	2 923	3.069	3 222	3 383	3.553	As Litilities
Contract Services 84,573 86,264 87,990 89,750 91,545 93,375 95,243 97,148 99,091 101,073 As Profess/Co Memberships & Dues 2,018 2,079 2,141 2,205 2,271 2,339 2,410 2,482 2,556 2,633 As Miscellanee Conferences, Meetings, & Other Training 2,500 2,600 2,704 2,812 2,925 3,042 3,163 3,290 3,421 3,558 As Education/T Education Incentive Reimbursement 3,750 3,900 4,056 4,218 4,387 4,562 4,745 4,935 5,132 5,337 As Education/T "Conferences, Meetings, & Other Training" 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,737 2,847 As Education/T "Conferences, Meetings, & Other Training" 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,737 2,847 As Education/T "Conferences, Meetings, & Other Training" 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,737 2,847 As Education/T "Education Incentive Series Chargeback 13,158 13,856 14,591 15,365 16,180 17,038 17,941 18,893 19,894 20,949 As Data Proces Fixed Fleet Cost 2,829 2,943 3,060 3,183 3,310 3,442 3,580 3,723 3,872 4,027 As Equipment/V Variable Fleet Cost 3,759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,350 As Equipment/V Total Utilities Engineering \$\$539,817 \$\$558,872 \$\$78,906 \$\$99,988 \$\$622,189 \$\$645,586 \$\$670,264 \$\$696,312 \$\$723,829 \$\$752,920 \$\$dditions New Staff Carryover \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0												
Memberships & Dues 2,018 2,079 2,141 2,205 2,271 2,339 2,410 2,482 2,556 2,633 As Miscellaneo Conferences, Meetings, & Other Training 2,500 2,600 2,704 2,812 2,925 3,042 3,163 3,290 3,421 3,558 As Education/T 2,001 2,001 2,000												As Profess/Contractual
Conferences, Meetings, & Other Training 2,500 2,600 2,704 2,812 2,925 3,042 3,163 3,290 3,421 3,558 As Education/T Education Incentive Reimbursement 3,760 3,900 4,066 4,218 4,387 4,562 4,745 4,935 5,132 5,337 As Education/T Education Incentive Reimbursement 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,737 2,847 As Education/T Technology Services Chargeback 13,158 13,856 14,591 15,365 16,180 17,038 17,941 18,893 19,894 20,949 As Data Proces, Fixed Fleet Cost 2,829 2,943 3,060 3,183 3,310 3,442 3,580 3,723 3,872 4,027 As Equipment/V Variable Fleet Cost 3,759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,350 As Equipment/V Total Utilities Engineering \$539,817 \$558,872 \$578,906 \$599,988 \$622,189 \$645,586 \$670,264 \$696,312 \$723,829 \$752,920 \ \text{additions} \text{New Staff Req} 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Labor Staff Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0												
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"Conferences, Meeetings, & Other Training" 2,000 2,080 2,163 2,250 2,340 2,433 2,531 2,632 2,737 2,847 As Education/T Technology Services Chargeback 13,158 13,856 14,591 15,365 16,180 17,038 17,941 18,893 19,894 20,949 As Data Procese Fixed Fleet Cost 2,829 2,943 3,060 3,183 3,310 3,442 3,580 3,723 3,872 4,027 As Equipment/V Variable Fleet Cost 3,759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,350 As Equipment/V Total Utilities Engineering \$539,817 \$558,872 \$578,906 \$599,988 \$622,189 \$645,586 \$670,264 \$696,312 \$723,829 \$752,920 Additions New Staff Carryover \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 As Labor New Staff Req 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Labor Staff Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Equipment/P Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Equipment/P Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Equipment/P Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0												As Education/Training
Technology Services Chargeback Technology Services Chargeback Technology Services Chargeback Tixed Fleet Cost Total Utilities Engineering Tota												
Fixed Fleet Cost 2,829 2,943 3,060 3,183 3,310 3,442 3,580 3,723 3,872 4,027 As Equipment/Variable Fleet Cost 3,759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,350 As Equipment/Variable Fleet Cost 3,759 3,909 \$558,872 \$578,906 \$599,988 \$622,189 \$645,586 \$670,264 \$696,312 \$723,829 \$752,920 Additions New Staff Carryover \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 As Labor New Staff Req 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Labor Staff Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Equipment/Variable Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 As Equipment/Variable Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		****	,	,	,	,	,	,	,			
Variable Fleet Cost 3,759 3,909 4,065 4,228 4,397 4,573 4,756 4,946 5,144 5,350 As Equipment/ Total Utilities Engineering \$539,817 \$558,872 \$578,906 \$599,988 \$622,189 \$645,586 \$670,264 \$696,312 \$723,829 \$752,920 Idditions New Staff Carryover \$0 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>												
Total Utilities Engineering \$539,817 \$558,872 \$578,906 \$599,988 \$622,189 \$645,586 \$670,264 \$696,312 \$723,829 \$752,920 delitions New Staff Carryover \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0												As Equipment/Vehicles
New Staff Carryover \$0	variable Fleet Cost	3,759	3,909	4,065	4,228	4,397	4,573	4,756	4,946	5,144	5,350	As Equipment/Vehicles
New Staff Carryover \$0 <td>Total Utilities Engineering</td> <td>\$539,817</td> <td>\$558,872</td> <td>\$578,906</td> <td>\$599,988</td> <td>\$622,189</td> <td>\$645,586</td> <td>\$670,264</td> <td>\$696,312</td> <td>\$723,829</td> <td>\$752,920</td> <td></td>	Total Utilities Engineering	\$539,817	\$558,872	\$578,906	\$599,988	\$622,189	\$645,586	\$670,264	\$696,312	\$723,829	\$752,920	
New Staff Carryover \$0 <td>dditions</td> <td></td>	dditions											
New Staff Req 0 <		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Lahor
Staff Equipment 0												
Equipment 0 As Miscellaneo			•	•			•		•		-	As Equipment/Vehicles
Other 0 0 0 0 0 0 0 0 0 0 0 As Miscellaneo			•		•		•		•	-		
			•		•		•	-	•	•		
Total Additions \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	Ottlet											As iviiscellaneous
	Total Additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
otal Operating & Maintenance Expense \$7,197,908 \$7,426,105 \$7,722,853 \$8,035,084 \$8,363,797 \$8,710,064 \$9,075,041 \$9,459,968 \$9,866,179 \$10,295,111	otal Operating & Maintenance Expense	\$7.197.908	\$7 426 105	\$7.722.853	\$8 035 084	\$8 363 797	\$8 710 064	\$9.075.041	\$9 459 968	\$9.866.179	\$10 295 111	

City of Woodland Sewer Utility Exhibit 3 Sources and Applications of Funds For Projected 2010 - 2014

	Budget					PROJECTED					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Notes
Net Capital Funded Through Rates	\$400,000	\$400,000	\$650,000	\$900,000	\$1,500,000	\$1,750,000	\$2,000,000	\$2,250,000	\$2,500,000	\$2,750,000	FY 2013 Approx. Depr. \$2.047 M
Debt Service											
2002 LRB (Funded by 220)	\$406,560	\$405,160	\$408,313	\$405,788	\$407,868	\$409,318	\$405,118	\$405,483	\$405,163	\$409,250	Debt Schedule
2002 LRB (Funded by 585)	0	1,206,435	1,205,892	1,208,747	1,204,987	1,204,787	1,202,877	1,204,207	1,208,487	1,205,750	Debt Schedule
2005 WW (Funded by 220)	672,081	670,629	668,812	669,384	669,613	669,281	674,092	672,462	670,218	667,473	Debt Schedule
2005 WW (Funded by 585)	0	501,799	500,440	500,868	501,039	500,791	504,391	503,171	501,492	499,437	Debt Schedule
2009 WW	928,375	931,075	933,325	930,125	929,875	931,075	926,475	926,275	930,275	933,275	Debt Schedule
New Low Interest Loan	0	0	0	0	0	0	0	0	0	0	Calculated - 20 year, 2.5%
New Revenue Bond	\$0	\$0	\$497,434	\$1,032,107	\$1,466,531	\$1,614,414	\$1,844,282	\$2,126,436	\$2,210,103	\$2,214,965	Calculated - 20 year, 5.0%
Total Debt Service	\$2,007,016	\$3,715,098	\$4,214,217	\$4,747,019	\$5,179,914	\$5,329,666	\$5,557,235	\$5,838,034	\$5,925,738	\$5,930,150	
Less: Development Fees	\$186,385	\$187,503	\$188,628	\$190,515	\$192,420	\$194,344	\$196,287	\$198,250	\$200,629	\$203,037	As Rate Revenue
Less: Reserve Funding	0	85,000	0	0	0	0	0	0	0	0	
Net Debt	\$1,820,631	\$3,442,594	\$4,025,588	\$4,556,505	\$4,987,494	\$5,135,322	\$5,360,947	\$5,639,783	\$5,725,109	\$5,727,113	
Change in Working Capital +/-	\$1,111,430	\$3,879	\$161,653	\$321,242	\$347,543	\$1,130,114	\$1,381,700	\$1,018,605	\$892,394	\$831,247	Transfer to Enterprise Fund
TOTAL REVENUE REQUIREMENT	\$10,529,969	\$11,272,578	\$12,560,094	\$13,812,831	\$15,198,833	\$16,725,501	\$17,817,689	\$18,368,356	\$18,983,682	\$19,603,471	
Total Balance/(Deficiency) of Funds	\$0	(\$679,785)	(\$1,902,719)	(\$3,051,060)	(\$4,324,832)	(\$5,736,787)	(\$6,689,749)	(\$7,112,933)	(\$7,566,061)	(\$8,036,483)	
Total Incr. as a % of Current Rates	0.0%	6.5%	18.1%	28.7%	40.3%	52.9%	61.1%	64.3%	67.6%	71.0%	
Proposed Revenue Adjustment - First Half of FY	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Months Rate Adjustment Applied		6	6	6	6	6	6	6	6	6	
Proposed Revenue Adjustment - Second Half of FY	0.00%	13.00%	9.00%	9.00%	9.00%	9.00%	2.00%	2.00%	2.00%	2.00%	
Months Rate Adjustment Applied		6	6	6	6	6	6	6	6	6	
Cumulative Annualized Rate Adjustment	0.0%	6.5%	18.1%	28.7%	40.3%	52.9%	61.1%	64.3%	67.6%	71.0%	
Additional Revenue from Rate Increase	\$0	\$679,785	\$1,902,719	\$3,051,060	\$4,324,832	\$5,736,787	\$6,689,749	\$7,112,933	\$7,566,061	\$8,036,483	
Balance/Deficiency of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	
Deficiency as a % of Retail Rate Revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Average Residential Bill Comparison	\$38.30	\$11,138,012	\$12,423,695	\$13,677,246	\$15,057,280	\$16,576,560	\$17,637,920	\$18,170,585	\$18,756,405	\$19,361,111	
After Needed Rate Adjustment	\$38.30	\$40.79	\$45.23	\$49.30	\$53.73	\$58.57	\$61.70	\$62.94	\$64.20	\$65.48	
Monthly Bill Difference	\$0.00	\$2.49	\$4.44	\$4.07	\$4.43	\$4.84	\$3.13	\$1.24	\$1.26	\$1.28	
Cumulative Bill Difference	\$0.00	\$2.49	\$6.93	\$11.00	\$15.43	\$20.27	\$23.40	\$24.64	\$25.90	\$27.18	
After Proposed Rate Adjustment	\$38.30	\$40.79	\$45.23	\$49.30	\$53.73	\$58.57	\$61.70	\$62.94	\$64.20	\$65.48	
Monthly Bill Difference	\$0.00	\$2.49	\$4.44	\$4.07	\$4.44	\$4.84	\$3.13	\$1.23	\$1.26	\$1.28	
Cumulative Bill Difference	\$0.00	\$2.49	\$6.93	\$11.00	\$15.43	\$20.27	\$23.40	\$24.64	\$25.90	\$27.18	

City of Woodland Sewer Utility Exhibit 3 Sources and Applications of Funds For Projected 2010 - 2014

	Budget PROJECTED										
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	
Reserve Balances as of June 30, 2010											
Committed Operating Reserve											
Beginning Reserve Balance	\$975,144	\$2.086.574	\$1,154,815	\$966,468	\$937,710	\$1,285,253	\$2,415,367	\$3,797,068	\$4.815.672	\$5,704,610	
Plus: To Reserves	1,111,430	3,879	161,653	321,242	347,543	1,130,114	1,381,700	1,018,605	892,394	831,247	
Less: Uses of Funds	0	935,638	350,000	350,000	0	0	0	0	3,457	13,000	
Balance/Deficiency of Funds	0	0	. 0	. 0	0	0	0	(0)	0	0	
Ending Reserve Balance	\$2,086,574	\$1,154,815	\$966,468	\$937,710	\$1,285,253	\$2,415,367	\$3,797,068	\$4,815,672	\$5,704,610	\$6,522,857	
Target Minimum = 10%	\$720,000	\$743,000	\$772,000	\$804,000	\$836,000	\$871,000	\$908,000	\$946,000	\$987,000	\$1,030,000	
ssigned Operating Reserve											
Beginning Reserve Balance	\$292,543	\$292,543	\$292,543	\$292,543	\$292,543	\$292,543	\$292,543	\$292,543	\$292,543	\$296,000	
Plus: To Loan Fund	0	0	0	0	0	0	0	0	3,457	13,000	
Less: Uses of Funds	0	0	0	0	0	0	0	0	0	0	
Ending Reserve Balance	\$292,543	\$292,543	\$292,543	\$292,543	\$292,543	\$292,543	\$292,543	\$292,543	\$296,000	\$309,000	
Target Minimum = 3%	\$216,000	\$223,000	\$232,000	\$241,000	\$251,000	\$261,000	\$272,000	\$284,000	\$296,000	\$309,000	
n-Assigned Operating Reserve											
Beginning Reserve Balance	\$1,432,312	\$195,136	(\$0)	(\$0)	(\$1)	(\$0)	(\$0)	\$0	(\$0)	(\$0)	
WWTP Development Impact Fees	0	0	0	0	0	0	0	0	0	0	Flat
Plus: Capital Funding	0	0	0	0	0	0	0	0	0	0	
Plus: Transfer from Committed Operating Reserve	0	850.638	350.000	350.000	0	0	0	0	0	0	
Plus: Interest Income	13,823	0	0	0	0	Ö	0	0	0	0	
Less: Storm Funding	1,151,000	0	0	0	0	0	0	0	0	0	
Less: Uses of Funds	100,000	1,045,774	350,000	350,000	(0)	(0)	0	0	0	0	
Ending Reserve Balance	\$195,136	(\$0)	(\$1)	(\$0)	(\$0)	\$0	(\$0)	(\$0)	(\$1)	(\$0)	
Target Minimum = 0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
ond Reserve											
Beginning Reserve Balance	\$6,000,000	\$4,337,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Plus: To Loan Fund	0	0	0	0	0	0	0	0	0	0	
Less: Uses of Funds	1,662,667	4,337,333	0	0	0	0	0	0	0	0	
Ending Reserve Balance	\$4,337,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Fund Balances	\$2,574,253	\$1,447,358	\$1,259,011	\$1,230,254	\$1,577,796	\$2.707.911	\$4.089.610	\$5.108.216	\$6.000.610	\$6.831.856	
Target Minimum = 10%	(\$720,000)	(\$743,000)	(\$772,000)	(\$804,000)	(\$836,000)	(\$871,000)	(\$908,000)	(\$946,000)	(\$987,000)	(\$1,030,000)	
Target Minimum = 3%	(\$216,000)	(\$223,000)	(\$232,000)	(\$241,000)	(\$251,000)	(\$261,000)	(\$272,000)	(\$284,000)	(\$296,000)	(\$309,000)	
· ·											
Available Balance	\$1,638,253	\$481,358	\$255,011	\$185,254	\$490,796	\$1,575,911	\$2,909,610	\$3,878,216	\$4,717,610	\$5,492,856	
Bond Coverage Requirements (180 days O&M)	\$3,549,653	\$3,662,189	\$3,808,530	\$3,962,507	\$4,124,612	\$4,295,374	\$4,475,363	\$4,665,190	\$4,865,513	\$5,077,041	
Remaining Available Balance After Debt Require.	(\$975,400)	(\$2,214,830)	(\$2,549,520)	(\$2,732,254)	(\$2,546,816)	(\$1,587,464)	(\$385,752)	\$443,026	\$1,135,097	\$1,754,815	
Normalising Available Dalatice After Debt Nequire.	(437.5,400)	(\$\pi_{\pi} \sigma_{\pi} \sigma	(42,040,020)	(ΨΖ,1 ΟΖ,ΖΟ4)	(ψ2,040,010)	(ψ1,007,404)	(\$303,732)	ψ 	ψ1,133,037	ψ1,754,015	

Capital Improvement Projects [1]	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total	Notes
Flood Safe Yolo	\$1,151,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
NPDES Permint Requirements												
Pond BPTC Report Permit Renewal (ROWD Application)	0	0 103,000	31,827 53,045	0	0	0	0 119,405	0 61,494	0	0	31,827 336,944	
Planned Growth	_		33,043					01,494	0			
Master Plan Update Next scheduled in 2018 Aeration Retrofit of Oxidation Ditch	0	0	0	0	0	102,016	0	0	0	0	102,016	
Predesign	0	0	0	0	0	0	0	0	0	0	0	
Design and Admin	196,000	0	0	0	0	0	0	0	0	0	196,000	
Construction Management Blower Building 3 blowers @ \$500k each # 4 (2025+), #5 (2035	50,000 0	321,875 683,120	331,531 1,111,315	341,477 546,364	351,722 0	0	171,944 0	177,102 0	0	0	1,745,650 2,340,798	
Alkalinity Feed System (Surface Water Cost)	ő	0	0	0	Ö	ő	ő	0	ő	ő	0	
Oxidation Ditch #1 Out to 2025	0	0	0	0	0	0	0	0	0	0	0	
Oxidation Ditch #2 Oxidation Ditch #3	0	0	0 1,694,654	872,747 0	898,929 0	0	0	0	0	0	1,771,676 1,694,654	
Oxidation Ditch #4	Ō	0	338,931	1,396,395	0	0	Ō	Ö	Ō	Ō	1,735,326	
Splitter Box A & B Modifications Effluent Diversion from Filter Pums to Erskine & South Ponds	0	16,132 561,552	0	0	0	0	0	0	0	0	16,132 561,552	
Filter Bachwash Piping	0	44,533	0	0	0	0	0	0	0	0	44,533	
Alum Piping to effluent Pump Inlet	0	27,754	0	0	0	0	0	0	0	0	27,754	
Yard Piping 20% to Ditch #1 Electrical	0	716,278 0	442,660 529,929	0 1,637,479	0	0	0	0	0	0	1,158,938 2,167,408	
Reconstruct RAS return for Flow pacing (Conctruction)	ő	ő	0	0	Ö	0	1,432,863	1,475,849	ő	ő	2,908,711	
WPCFMajor Equipment Replacement Project List	0	050 440	•	0		0		•	0	0	050 440	
Replace Bar Screen #1 6years out @ 20 years Coat Carbon Steel portions of all Clarifiers in 5yr @ 10	0	656,110 357,664	0	0	0	0	0	0	0	0	656,110 357,664	
Replace Reclaim Water Pump in 8 years @ 10 yr	0	0	0	0	171,301	0	Ō	0	Ō	0	171,301	
Replace Filter Pump Station Pumps in 8 years @ 10 Replace Cloth Discs in Filters 2x in ten years 2.5 years first time	0	0	0	0	463,956 0	0	0	0	0 255,306	0	463,956 475,535	
Replace Couth Discs in Filters 2x in ten years 2.5 years first time Replace South Pond Screw Pumps in 2 yr @ 20 years	0	0	0	220,229 0	0	510,345	0	0	255,306	0	510.345	
Replace West Levee Pump Station Pumps in 8 years @ 10 years	0	0	0	0	715,689	0	0	0	0	0	715,689	
Replace Permanent Stand-by Generator in 8 years @ 15 year Raise levees for flood protection (check after new hydrology)	0	0	0	0	1,443,289	0	0	0 889.717	0	0	1,443,289 889,717	
Aeration annual cost replacement of diffusers and blowers	ő	ő	ő	109,273	112,551	115,927	119,405	122,987	157,079	161,792	899,015	
Replacement of Asset Fund at design life	140,000	140,672	144,892	193,285	430,397	468,826	482,891	497,378	512,299	527,668	3,538,309	
Collection System Repair and Replacement Project Planning Replace Orangeberg Sewer Laterals 15 yr program	306,667	315,867	325,343	335,103	345,156	355,511	366,176	377,161	388,476	400,130	3,515,590	
Sewer Line Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	
Annual Sewer Repair and Replacement Preliminary Odor Abaitment	200,000 30,000	772,500 10,300	795,675 10,609	819,545 10,927	844,132 11,255	869,456 11,593	895,539 11,941	922,405 12,299	950,078 12,668	978,580 13,048	8,047,909 134,639	
Main Street Slipline (2015)	30,000	0	0	0	11,255	0	0	614,937	633,385	13,046	1,248,322	
New Calibrated Sewer Model (\$40,820 Fund 220) (\$163,280 fund 585)	40,000	0	0	0	0	0	0	0	0	0	40,000	
Beamer Trunk Repair (2013) Trunkline Phase 2 Repairs (500K in 11/12 & 12/13) zip	0	0 515,000	530,450	546,364 0	562,754 0	0	0	0	0	0	1,109,118 1,045,450	
Trunkline Phase 3 Repairs (\$1M 14/15) zip	ő	0	0	ő	ő	579,637	597,026	ő	ő	ő	1,176,663	
Biosolids Existing Users	300,000	0	240.070	207.040	0	0	0	0	0	0	0.40,000	
Dredge/ Remove Material in Pond #9, #8, #7 Soil Cement treatment for Ponds #11, #10, #9	600,000	309,000	318,270 0	327,818 0	0	0	0	0	0	0	946,088 909,000	
Create VacCon Sewage Contaminated soil Drying bed	0	231,750	Ō	Ō	Ō	Ō	Ō	Ō	Ō	Ō	231,750	
North Ponds Solids move to pond 9 Move Accumulated 30years of solids off site (~200,000 tons)	300,000	0	530,450	0 546,364	0 562,754	0 579,637	0 298,513	0 614,937	0 633,385	0 326,193	300,000 4,092,233	
Tri-Annual Solids Removal/ Dispsoal from Ponds #11, #10, #9	0	Ö	0	0	0	0	358,216	014,937	0	391,432	749,648	
Sludge testing/assessment for land app	0	0	9,548	9,835	0	0	10,746	0	0	11,743	41,872	
Total Potential Capital Projects	\$3,313,667	\$5,783,107	\$7,199,128	\$7,913,204	\$6,913,886	\$3,592,948	\$4,864,665	\$5,766,265	\$3,542,676	\$2,810,586	\$50,549,132	
Transfer to Un-Assigned Op Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Transfer to Capital Reserve
Total Capital Improvement Projects	\$3,313,667	\$5,783,107	\$7,199,128	\$7,913,204	\$6,913,886	\$3,592,948	\$4,864,665	\$5,766,265	\$3,542,676	\$2,810,586	\$51,700,132	
Less: Outside Funding Sources												
Grants	100.000	1.045.774	\$0 350,000	\$0 350,000	\$0	\$0 (0)	\$0 0	\$0	\$0	\$0	\$0	Input Coloulated
Un-Assigned Operating Reserves Development Fee Funded	100,000	1,045,774 0	350,000	350,000 0	(0) 0	(0) 0	0	0	0	0	1,845,774 0	Calculated Input
Bond Reserve	1,662,667	4,337,333	Ö	Ō	Ō	Ō	Ö	Ō	Ō	Ö	6,000,000	Input
Storm Funding New Loans	1,151,000	0	0	0	0	0	0	0	0	0	1,151,000	Input Input
New Loans New Revenue Bonds	0	0	6,199,128	6,663,204	5,413,886	1,842,948	2,864,665	3,516,265	1,042,676	60,586	27,603,358	Input Calculated
Total Less Funding Sources	\$2,913,667	\$5,383,107	\$6,549,128	\$7,013,204	\$5,413,886	\$1,842,948	\$2,864,665	\$3,516,265	\$1,042,676		\$36,600,132	
Capital Improvement Funded Through Rates	\$400,000	\$400,000	\$650,000	\$900,000	\$1,500,000	\$1,750,000	\$2,000,000	\$2,250,000	\$2,500,000	\$2,750,000	\$15,100,000	FY 2013 Approx. Depr. \$2.047 M
												The state of the s

Notes:
[1] Capital improvement projects are inflated at 3.0% per year.

City of Woodland Sewer Utility Exhibit 5 Development of the Volume Allocation Factor

-	FY 2011		Flat Rate		11.25%	Total Annual	Avg. Daily	WITH	WITHOUT
	Annual Water	Winter Water	Customer	Annual Sewer	Inflow and	Flow at Plant	Flow At	Correct. Fac.	Correct. Fac.
	Flow (CCF)	Factor [1]	Consumption	Flow	Infiltration [2]	(CCF)	Plant (MGD)	% of Total	% of Total
Residential									
Single Family	2,247,853	54.4%	0	1,222,375	137,517	1,359,893	2.8	56.5%	57.0%
Condo	2,966	83.5%	18,792	21,267	2,393	23,660	0.0	1.0%	1.0%
Apartment/Mobile Home	607,066	83.5%	0	506,702	57,004	563,706	1.2	23.4%	23.6%
Non-Residential									
Commercial	266,930	75.2%	0	200,605	22,568	223,173	0.5	9.3%	9.4%
Hospital	921	98.1%	0	903	102	1,004	0.0	0.0%	0.0%
Hotel/Motel	25,471	82.3%	0	20,965	2,359	23,323	0.0	1.0%	1.0%
Industrial	56,975	84.0%	0	47,873	5,386	53,258	0.1	2.2%	2.2%
Restaurant	35,487	86.5%	0	30,698	3,454	34,152	0.1	1.4%	1.4%
Special Rate	14,836	58.7%	0	8,711	980	9,691	0.0	0.4%	0.4%
Institutional	183,975	46.1%	0	84,857	9,546	94,404	0.2	3.9%	4.0%
Correctional Facility [4]	0	0.0%	17,567	17,567	1,976	19,543	0.0	0.8%	0.0%
Total Consumption	3,442,480			2,162,522	243,284	2,405,806	4.9	100.0%	100.0%
				FY 20	011 Plant Flow [3]	2,403,824	4.9		
Allocation Factor								(W - VOL)	(WO - VOL)

NOTES:

^[1] Winter water factor calculated by taking the total winter water use (November-April) and dividing the sum by the number of months included, in this case it is six months.

^[2] The inflow & infiltration is determined by adjusting the percentage to tie to the total flow to the treatment plant.

^[3] Total flow to the plant was provided by the City in email sent August 31, 2012.

^[4] The prison uses well water, therefore wastewater flow to the treatment plant was estimated. Based on EPA average of 80 gallons per year per inmate.

City of Woodland Sewer Utility Exhibit 6 Development of the Customer Allocation Factor

	Ac	ctual Customer			Customer Ser	vice & Accou	nting	
		WITH	WITHOUT				WITH	WITHOUT
	Number of	Correct. Fac.	Correct. Fac.	Number of	Weighting	Weighted	Correct. Fac.	Correct. Fac.
	Living Units [1]	% of Total	% of Total	Bills	Factor	Customer	% of Total	% of Total
Residential								
Single Family	12,284	59.3%	59.3%	12,284	1.0	12,284	84.6%	84.7%
Condo	300	1.4%	1.4%	300	1.0	300	2.1%	2.1%
Apartment/Mobile Home	7,373	35.6%	35.6%	1,168	1.0	1,168	8.0%	8.0%
Non-Residential								
Commercial	619	3.0%	3.0%	619	1.0	619	4.3%	4.3%
Hospital	1	0.0%	0.0%	1	1.0	1	0.0%	0.0%
Hotel/Motel	17	0.1%	0.1%	17	1.0	17	0.1%	0.1%
Industrial	23	0.1%	0.1%	23	1.0	23	0.2%	0.2%
Restaurant	57	0.3%	0.3%	57	1.0	57	0.4%	0.4%
Special Rate	4	0.0%	0.0%	4	1.0	4	0.0%	0.0%
Institutional	38	0.2%	0.2%	38	1.0	38	0.3%	0.3%
Correctional Facility	1	0.0%	0.0%	1	1.0	1	0.0%	0.0%
Total Customers	20,717	100.0%	100.0%	14,512		14,512	100.0%	100.0%
Allocation Factor		(W - AC)	(WO - AC)				(W - WCA)	(W - WCA)

NOTES:

^[1] Based on historical billing records provided by the City.

City of Woodland Sewer Utility Exhibit 7 Development of the Strength Allocation Factor

			BOI)			SS		
_				WITH	WITHOUT			WITH	WITHOUT
	Annual Flow	Avg. Factor	Calculated	Correct. Fac.	Correct. Fac.	Avg. Factor	Calculated	Correct. Fac.	Correct. Fac.
	(MGD)	(mg/l) [1]	Pounds	% of Total	% of Total	(mg/l) [1]	Pounds	% of Total	% of Total
Residential									
Single Family	2.79	175	4,070	49.2%	49.7%	175	4,070	49.1%	49.7%
Condo	0.05	175	71	0.9%	0.9%	175	71	0.9%	0.9%
Apartment/Mobile Home	1.16	175	1,687	20.4%	20.6%	175	1,687	20.4%	20.6%
Non-Residential									
Commercial	0.46	300	1,145	13.8%	14.0%	300	1,145	13.8%	14.0%
Hospital	0.00	200	3	0.0%	0.0%	250	4	0.1%	0.1%
Hotel/Motel	0.05	350	140	1.7%	1.7%	350	140	1.7%	1.7%
Industrial	0.11	500	455	5.5%	5.6%	500	455	5.5%	5.6%
Restaurant	0.07	500	292	3.5%	3.6%	500	292	3.5%	3.6%
Special Rate	0.02	250	41	0.5%	0.5%	250	41	0.5%	0.5%
Institutional	0.19	175	283	3.4%	3.5%	175	283	3.4%	3.5%
Correctional Facility	0.04	250	84	1.0%	0.0%	300	100	1.2%	0.0%
Total Strength	4.93		8,271	100.0%	100.0%		8,288	100.0%	100.0%
Allocation Factor		Total Plant Pounds	7,355	(W - BOD)	(WO - BOD)	Total Plant Pounds	7,108	(W - SS)	(WO - SS)

NOTES:

^[1] Average strength factors provided by the City in excel file from email sent August 31, 2012.

City of Woodland Sewer Utility Exhibit 8 Development of the Revenue Related Allocation Factor

•		WITH	WITHOUT
	Projected Year	Correct. Fac.	Correct. Fac.
	FY 2014	% of Total	% of Total
Residential			
Single Family	\$5,679,601	54.3%	54.7%
Condo	90,504	0.9%	0.9%
Apartment/Mobile Home	2,330,924	22.3%	22.4%
Non-Residential			
Commercial	\$1,193,732	11.4%	11.5%
Hospital	4,247	0.0%	0.0%
Hotel/Motel	132,479	1.3%	1.3%
Industrial	221,878	2.1%	2.1%
Restaurant	353,130	3.4%	3.4%
Special Rate	57,174	0.5%	0.6%
Institutional	323,844	3.1%	3.1%
Correctional Facility	70,714	0.7%	0.0%
Total Rate Revenues	\$10,458,227	100.0%	100.0%
Allocation Factor		(W - RR)	(WO - RR)

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		ii							_	Weighte					
	Total			Bio-oxygen	Bio-oxygen	Suspended	Suspended	Actual		Customer		Revenue	Revenue		
	Plant FY 2011	Volume (W - VOL)	Volume (WO - VOL)	Demand (W - BOD)	Demand (WO - BOD)	Solids (W - SS)	Solids (WO - SS)	Customer (W - AC)	Customer	Acct/Svcs (W - WCA)		Related (W - RR)	Related (WO - RR)	Direct (DA)	Basis of Classification
	112011	(W-VOL)	(WO - VOL)	(** - 606)	(**0 - 606)	(** - 33)	(₩0-33)	(W - AC)	(WO-AC)	(W-WCA)	(W-WCA)	(** - KK)	(****)	(DA)	Dasis of Classification
Land	\$2,957,761	\$1,457,728	\$437,341	\$531,189	\$0	\$531,503	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment & Collection
Treatment Plant															
Ponds	\$1,148,056	\$1,148,056	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100.0% VOL
Teritary	16,180,821	16,180,821	0	0	0	0	0	0	0	0	0	0	0	0	100.0% VOL
Clarifier	11,824	5,912	0	0	0	5,912	0	0	0	0	0	0	0	0	50.0% VOL 50.0% SS
Treatment Plant	29,964,783	9,988,261	0	9,988,261	0	9,988,261	0	0	0	0	0	0	0	0	33.3% VOL 33.3% BOD 33.3% SS
Total Treatment Plant	\$47,305,483	\$27,323,049	\$0	\$9,988,261	\$0	\$9,994,173	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
		57.8%	0.0%	21.1%	0.0%	21.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Collection System															
Pump to Waste	\$4,396	\$4,396	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100.0% VOL
Pumping	884,445	8,844	875,600	0	0	0	0	0	0	0	0	0	0	0	100.0% VOL
Mains	7,422,198	74,222	7,347,976	0	0	0	0	0	0	0	0	0	0	0	100.0% VOL
Total Collection System	\$8,311,038	\$87,462	\$8,223,576	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Plant Before General Plant	\$58,574,283	\$28,868,240	\$8,660,917	\$10,519,450	\$0	\$10,525,676	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Percent Plant Before General Plant	100.00%	49.28%	14.79%	17.96%	0.00%	17.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Factor PBG
General Plant															
Buildings	\$165,692	\$81.661	\$24,500	\$29.757	\$0	\$29,775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Factor PBG
Machinery & Equipment	2,253,577	1,110,672	333,219	404,724	0	404,963	0	0	0	0	0	0	0	0	Factor PBG
Infrastructure	57,229,510	28,205,471	8,462,076	10,277,940	0	10,284,024	0	0	0	0	0	0	0	0	Factor PBG
Total General Plant	\$59,648,780	\$29,397,804	\$8,819,794	\$10,712,421	\$0	\$10,718,761	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL PLANT IN SERVICE	\$118.223.063	\$58,266,043	\$17.480.711	\$21,231,871	\$0	\$21.244.438	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL I LART IN OLIVIOL	\$110,220,000	ψ30,200,043	\$17, 400,711	Ψ21,201,071	40	Ψ£1,£44,400	Ψ0	40	Ψ0		Ψ0	Ψ0		Ψ0	
Less: Accumulated Depreciation															
Treatment Plant	\$11,612,475	\$6,707,219	\$0	\$2,451,902	\$0	\$2,453,354	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment Plant
Collection System	5,849,834	61,562	5,788,272	0	0	0	0	0	0	0	0	0	0	0	As Collection System
General Plant	23,052,171	11,361,225	3,408,542	4,139,977	0	4,142,427	0	0	0	0	0	0	0	0	As General Plant
Total Accumulated Depreciation	\$40,514,479	\$18,130,005	\$9,196,815	\$6,591,879	\$0	\$6,595,781	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Plant in Service	\$77 708 583	\$40.136.038	\$8.283.896	\$14.639.992	\$0	\$14.648.657	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
THE T TAIL III OCT TIOE	ψ11,100,303	ψ+0,130,030	ψ0,200,000	Ψ17,000,002	40	ψ17,070,037	4 0	Ψ	ΨU	ΨU	4 0	ΨU	ΨU	ΨU	

			_		Strength I				Weighte							
		0	0	Bio-oxygen	Bio-oxygen	Suspended	Suspended	Actual	Actual	Customer	Customer	Revenue	Revenue			
	Total	Volume	Volume	Demand	Demand	Solids	Solids	Customer	Customer	Acct/Svcs	Acct/Svcs	Related	Related	Direct		
	FY 2014	(W - VOL)	(WO - VOL)	(W - BOD)	(WO - BOD)	(W - SS)	(WO - SS)	(W - AC)	(WO - AC)	(W - WCA)	(W - WCA)	(W - RR)	(WO - RR)	(DA)		Basis of Classificatio
CATIONS OF FUNDS																
peration & Maintenance Expense																
ccounting - Sewer																
Salaries - Full Time	\$114,456	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$114,456	\$0	\$0	\$0	\$0	100%	WCA
Hourly Wages - Temporary	3,989	0	0	ő	0	0	0	0	0	3,989	0	0	0	0	100%	
Vacation Buyout	728	0	o o	ō	0	ō	o o	ō	ō	728	n n	ō	0	ō	100%	
Admin Buyout	379	0	0	o o	0	Ô	o o	ň	0	379	n n	0	0	0	100%	
Comp Time Buyout	46	Ö	ő	ő	Ö	Ö	ő	ő	Ö	46	ő	ő	ő	ő	100%	
Overtime Perm Full Time	1,915	0	ō	ō	0	ō	Ō	ō	ō	1.915	ō	ō	0	ō	100%	
Def Comp City Match	192	ō	o o	ō	0	0	o o	ō	ō	192	n n	ō	ō	ō	100%	
Workers Comp/Liab Ins	2,766	ō	ō	ō	ō	ō	Ō	ō	ō	2.766	ō	ō	ō	ō	100%	
Retirement	31,081	0	ō	ō	0	0	Ō	ō	ō	31.081	ō	ō	0	ō	100%	
Health Pay-In Lieu	3,911	0	ō	ō	0	0	Ō	ō	ō	3,911	ō	ō	0	ō	100%	
Retirement Health Svgs Plan	425	0	ō	ō	0	0	Ō	ō	ō	425	ō	ō	0	ō	100%	
Life/Vision/Dental/Retire	22,856	ō	ō	ō	ō	ō	Ö	ō	ō	22.856	ō	ō	Ö	ō	100%	
Health/Life/Vision Insurance	20,420	0	0	0	0	0	0	0	0	20,420	0	0	0	0	100%	WCA
Unemployment Insurance	370	0	ō	ō	0	0	ō	ō	ō	370	ō	0	0	ō	100%	
Medicare Insurance	1.757	ō	ō	ō	ō	ō	ō	ō	ō	1.757	ō	ō	Ö	ō		WCA
Personnel Offset	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100%	WCA
Office Supplies	302	0	0	0	0	0	0	0	0	302	0	0	0	0	100%	WCA
Postage	50,152	0	0	0	0	0	0	50,152	0	0	0	0	Ō	0	100%	AC
Copy Machine Costs	853	0	0	0	0	0	0	0	0	853	0	0	0	0	100%	WCA
Department Specific Supplies	371	0	0	0	0	0	0	0	0	371	0	0	0	0	100%	WCA
Telephone	1,146	0	0	0	0	0	0	0	0	1,146	0	0	0	0	100%	WCA
Contract Services	73,889	0	0	0	0	0	0	0	0	73,889	0	0	0	0	100%	WCA
Credit Card Fees	18,063	0	0	0	0	0	0	0	0	18,063	0	0	0	0	100%	
Indirect Expense	2,462	Ö	0	Ō	0	Ö	0	Ō	0	2,462	0	0	0	0	100%	WCA
Technology Services Chargeback	14,055	0	0	0	0	0	0	0	0	14,055	0	0	0	0	100%	WCA
Total Accounting - Sewer	\$366,582	\$0	\$0	\$0	\$0	\$0	\$0	\$50,152	\$0	\$316,431	\$0	\$0	\$0	\$0		

To FY 20	14 (W - VOL) 5 \$6,938	0 Volume (WO - VOL)	Bio-oxygen Demand (W - BOD)	Bio-oxygen Demand (WO - BOD)	Suspended Solids	Suspended Solids	Actual Customer	Actual Customer	Customer Acct/Svcs	Customer Acct/Svcs	Revenue Related	Revenue Related	Direct	
Sewage Collection System \$659,21 Salaries - Full Time \$659,21 Hourly Wages - Temporary 61,55 Vacation Buyout 5,9 Admin Buyout 44 Corp Time Buyout 4 Overtime-Permanent Full Time 20,44	14 (W - VOL) 5 \$6,938	(WO - VOL)				Solids	Customer	Customer	Acct/Svcs	Acct/Svcs	Related	Related	Direct	
Sewage Collection System \$659,2t Salaries - Full Time \$659,2t Hourly Wages - Temporary 61,50 Vacation Buyout 5,9 Admin Buyout 4t Comp Time Buyout Interpretable Overtime-Permanent Full Time 20,4t	\$6,938	, , , , ,	(W - BOD)											
Salaries - Full Time \$659.2t Hourly Wages - Temporary 61.5t Vacation Buyout 5.9e Admin Buyout 4t Comp Time Buyout 4 Overtime-Permanent Full Time 20.4t				(WO - BOD)	(W - SS)	(WO - SS)	(W - AC)	(WO - AC)	(W - WCA)	(W - WCA)	(W - RR)	(WO - RR)	(DA)	Basis of Classification
Hourly Wages - Temporary 61,50														
Vacation Buyout 5,94 Admin Buyout 4t Comp Time Buyout 4* Overtime-Permanent Full Time 20,4t	3 648	\$652,347	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		As Collection System
Admin Buyout 45 Comp Time Buyout 45 Overtime-Permanent Full Time 20,40		60,885	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Comp Time Buyout 4: Overtime-Permanent Full Time 20,40		5,878	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Overtime-Permanent Full Time 20,40		454	0	0	0	0	0	0	0	0	0	0	0	As Collection System
		414	0	0	0	0	0	0	0	0	0	0	0	As Collection System
	0 215	20,185	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Def Comp City Match 26	3	264	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Acting Pay 1,02	11	1,013	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Standby Pay 10,20	0 107	10,093	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Workers Comp/Liab Ins 45,00	2 474	44,528	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Retirement 197.21	0 2.075	195,134	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Health Pay-In Lieu 16,12	170	15,959	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Retirement Health Svgs Plan 4,8	3 51	4.763	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Life/Vision/Dental/Retire 151,93		150,334	0	Ď.	0	Ď.	Ö	Ö	ō	0	0	0	ō	As Collection System
Health/Life/Vision Insurance 191,88		189,870	0	ñ	0	ň	ő	Ö	0	0	ő	Ö	ő	As Collection System
Unemployment Insurance 6,02		5,959	ő	ñ	0	ñ	ñ	0	ő	0	Ö	0	Ö	As Collection System
Medicare Insurance 10.08		9,983	0	0	0	0	0	0	0	0	0	0	0	As Collection System
	0 0	9,503	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Office Supplies 1,56		1.544	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Postage 1,50		1,544	0	0	0	0	520	0	0	0	0	0	0	100% AC
Publications & Periodicals 30		298	0	0	0	U	520	0	0	0	0	0	0	As Collection System
			-	0	0	U	0	0	-	0	0	-	0	
Printing 34		340	0	•	0	0	0	Ü	0	•	•	0	0	As Collection System
Copy Machine Costs 1,09		1,081	•	0	0	0	0	0	0	0	0	•	0	As Collection System
Department Specific Supplies 183,96		0	0	0	0	0	0	0	0	0	0	0	0	100% VOL
Personal Protective Equipment 3,12		3,087	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Laundry 2,67		2,646	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Tools 3,12		3,087	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Advertising 6,18		6,115	0	0	0	0	0	0	0	0	0	0		As Collection System
Telephone 1,22		1,210	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Cell Phones 3,59		3,553	0	0	0	0	0	0	0	0	0	0		As Collection System
Maintenance - Grounds 9,05	0 95	8,955	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Maintenance - Equipment 9,18		9,083	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Equipment Rental 4,42	0 47	4,373	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Contract Services 225,79	0 2,376	223,414	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Membership & Dues 4,16	8 44	4,125	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Mandatory Training 17,99	2 189	17,803	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Educative Incentive Reimbursement 65	0 7	643	0	0	0	0	0	0	0	0	0	0	0	As Collection System
	0 0	0	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Vehicle Purchases 7.80	0 82	7.718	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Gas & Oil		130	ō	ō	ō	ō	ō	ō	ō	ō	ō	ō	ō	As Collection System
Indirect Expense 129.25		127.890	0	ō	0	Ō	ō	ō	0	Ď.	0	0	ō	As Collection System
Technology Services Chargeback 44,10		43.644	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Property Taxes 3,65		3,621	0	0	0	0	0	0	0	0	0	0		As Collection System
Fixed Fleet Cost 33.56		33.209	0	0	0	0	0	0	0	0	0	0	0	As Collection System
Variable Fleet Cost 161,61		159,915	0	0	0	0	0	0	0	0	0	0		As Collection System
Lease Payment Chargeback 86,21		85,309	0	0	0	0	0	0	0	0	0	0	0	As Collection System As Collection System
Lease Fayment Chargeback 86,2	907	85,309	-	0	0	0	0	0	0	U	0	0	U	As Collection System
Total Sewage Collection System \$2,327,88		\$2,120,854	\$0	\$0	\$0	\$0	\$520	\$0	\$0	\$0	\$0	\$0	\$0	

City of Woodland Sewer Utility Exhibit 10 Functionalization and Classification of Revenue Requirements

					Strength	Related			Weighte	ed for:					
		0	0	Bio-oxygen	Bio-oxygen	Suspended	Suspended	Actual	Actual	Customer	Customer	Revenue	Revenue		
	Total	Volume	Volume	Demand	Demand	Solids	Solids	Customer	Customer	Acct/Svcs	Acct/Svcs	Related	Related	Direct	
	FY 2014	(W - VOL)	(WO - VOL)	(W - BOD)	(WO - BOD)	(W - SS)	(WO - SS)	(W - AC)	(WO - AC)	(W - WCA)	(W - WCA)	(W - RR)	(WO - RR)	(DA)	Basis of Classifica
ewage Treatment Plant															
Salaries - Full Time	\$662,621	\$382,722	\$0	\$139.908	\$0	\$139,991	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment Plant
Hourly Wages - Temporary	41,929	24,218	0	8,853	0	8,858	0	ō	Ö	0	Ö	Ō	0	ō	As Treatment Plant
Vacation Buyout	13,589	7,849	ō	2,869	0	2,871	0	ō	0	0	0	ō	0	ō	As Treatment Plant
Admin Buyout	4.068	2,350	ō	859	0	859	0	ō	0	0	0	ō	0	0	As Treatment Plant
Comp Time Buyout	1,629	941	ō	344	0	344	o o	ō	ō	ō	ō	ō	ō	ō	As Treatment Plant
Overtime-Permanent Full Time	12,240	7,070	ō	2,584	0	2,586	0	ō	0	0	0	ō	0	ō	As Treatment Plant
Def Comp City Match	1.813	1.047	0	383	0	383	0	Ö	0	0	0	ō	0	0	As Treatment Plant
Acting Pay	861	497	ő	182	0	182	0	Ö	0	0	0	Ö	0	0	As Treatment Plant
Standby Pay	11,235	6,489	ō	2.372	0	2.374	0	Ö	0	0	0	ō	0	0	As Treatment Plant
Workers Comp/Liab Ins	51.584	29.794	0	10.892	Ö	10.898	0	ů.	0	0	0	0	0	0	As Treatment Plant
Retirement	193,825	111,951	0	40,925	Ö	40,949	0	0	0	0	0	0	0	0	As Treatment Plant
Health Pay-In Lieu	17,219	9.946	0	3,636	0	3,638	0	0	0	0	0	0	0	0	As Treatment Plant
Retirement Health Sygs Plan	2.681	1,549	0	566	0	566	0	0	0	0	0	0	0	0	As Treatment Plant
Life/Vision/Dental/Retire	115,724	66,841	0	24,434	0	24,449	0	0	0	0	0	0	0	0	As Treatment Plant
Health/Life/Vision Insurance	153,142	88,453	0	32.335	0	32,354	0	0	0	0	0	0	0	0	As Treatment Plant
Unemployment Insurance	6,903	3.987	0	1.458	0	1.458	0	0	0	0	0	0	0	0	As Treatment Plant
Medicare Insurance	10,183	5,882	0	2,150	0	2,151	0	0	0	0	0	0	0	0	As Treatment Plant
	10,163		0		0	2,151	0	0	0	0	0	0	0		
Personnel Offset		0	U	0			-	U		-	0			0	As Treatment Plant
Office Supplies	2,080	1,201	0	439	0	439	0	0	0	0	0	0	0	0	As Treatment Plant
Postage	520	0	0	0	0	0	•	520	0	0	0	0	0	0	100% AC
Janitorial Supplies	1,606	928	0	339	0	339	0	0	0	0	0	0	0	0	As Treatment Plant
Printing	611	353	0	129	0	129	0	0	0	0	0	0	0	0	As Treatment Plant
Copy Machine Costs	2,016	1,164	0	426	0	426	0	0	0	0	0	0	0	0	As Treatment Plant
Department Specific Supplies	666,477	666,477	0	0	0	0	0	0	0	0	0	0	0	0	100% VOL
Personal Protective Equipment	2,293	1,325	0	484	0	484	0	0	0	0	0	0	0	0	As Treatment Plant
Laundry	2,318	1,339	0	489	0	490	0	0	0	0	0	0	0	0	As Treatment Plant
Tools	3,011	1,739	0	636	0	636	0	0	0	0	0	0	0	0	As Treatment Plant
Advertising	1,545	892	0	326	0	326	0	0	0	0	0	0	0	0	As Treatment Plant
Telephone	8,064	4,658	0	1,703	0	1,704	0	0	0	0	0	0	0	0	As Treatment Plant
Cell Phones	4,536	2,620	0	958	0	958	0	0	0	0	0	0	0	0	As Treatment Plant
Maintenance - Grounds	32,606	18,833	0	6,885	0	6,889	0	0	0	0	0	0	0	0	As Treatment Plant
Maintenance - Equipment	1,505	869	0	318	0	318	0	0	0	0	0	0	0	0	As Treatment Plant
Property Lease Payments	7,210	4,164	0	1,522	0	1,523	0	0	0	0	0	0	0	0	As Treatment Plant
Contract Services	311,530	179,936	Ō	65,778	0	65,817	0	0	0	0	0	Ō	0	0	As Treatment Plant
Memberships & Dues	3,881	2,242	0	819	0	820	0	0	0	0	0	0	0	0	As Treatment Plant
"Conferences, Meetings, & Other Training"	361	208	ō	76	Ö	76	Ō	ō	ō	ō	Ö	ō	ō	ō	As Treatment Plant
Mandatory Training	16,233	9,376	ō	3,428	ō	3.430	ō	ō	ō	ō	ó	ō	ō	ō	As Treatment Plant
Education Incentive Reimbursement	1,300	751	0	274	0	275	0	0	0	0	0	0	0	0	As Treatment Plant
Machinery & Equipment - Capital Expenses	59,232	34.212	ō	12.507	ō	12.514	ō	ō	ō	ō	0	ō	ō	ō	As Treatment Plant
Property Taxes	1.030	595	0	217	0	218	0	n	0	0	Õ	Ö	0	Ö	As Treatment Plant
Gas & Oil	17,850	10,310	0	3,769	0	3,771	0	0	0	0	0	0	0	ņ	As Treatment Plant
Indirect Expense	283.434	163.708	0	59.845	0	59.881	0	0	0	0	0	0	0	0	As Treatment Plant
Utilities	787.500	454,850	0	166,276	0	166.374	0	0	0	0	0	0	0	0	As Treatment Plant
	39,571	22,856	0	8,355	0	8,360	0	0	0	0	0	0	0	0	As Treatment Plant
Technology Services Chargeback Fixed Fleet Cost	11.187	6,462	0	2,362	0	2,364	0	0	0	0	0	0	0	0	As Treatment Plant
Variable Fleet Cost	60,465	34,924	0	12,767	0	2,364 12,774	0	0	0	0	0	0	0	0	As Treatment Plant
Total Sewage Treatment Plant	\$3,631,219	\$2,378,574	\$0	\$625,877	\$0	\$626,248	\$0	\$520	\$0	\$0	\$0	\$0	\$0	\$0	

					Strength	Related			Weighte	ed for:					
		0	0	Bio-oxygen	Bio-oxygen	Suspended	Suspended	Actual	Actual	Customer	Customer	Revenue	Revenue		
	Total	Volume	Volume	Demand	Demand	Solids	Solids	Customer	Customer	Acct/Svcs	Acct/Svcs	Related	Related	Direct	
	FY 2014	(W - VOL)	(WO - VOL)	(W - BOD)	(WO - BOD)	(W - SS)	(WO - SS)	(W - AC)	(WO - AC)	(W - WCA)	(W - WCA)	(W - RR)	(WO - RR)	(DA)	Basis of Classificati
invironment Operations Laboratory															
Salaries - Full Time	\$180,421	\$60,140	\$0	\$60,140	\$0	\$60,140	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Treatment Plant
Hourly Wages - Temporary	18,741	6,247	0	6,247	0	6,247	0	0	0	0	0	0	0	0	As Treatment Plant
Vacation Buyout	1,849	616	0	616	0	616	0	0	0	0	0	0	0	0	As Treatment Plant
Admin Buyout	1,303	434	0	434	0	434	0	0	0	0	0	0	0	0	As Treatment Plant
Comp Time Buyout	18	6	Ö	6	0	6	0	0	0	0	0	Ó	Ö	0	As Treatment Plant
Overtime-Permanent Full Time	1,890	630	0	630	0	630	0	0	0	0	0	0	0	0	As Treatment Plant
Def Comp City Match	451	150	0	150	0	150	0	0	0	0	0	0	0	0	As Treatment Plant
Acting Pay	224	75	Ö	75	0	75	0	0	0	0	0	Ó	Ó	0	As Treatment Plant
Workers Comp/Liab Ins	12,388	4,129	0	4,129	0	4.129	0	0	0	0	0	0	0	0	As Treatment Plant
Retirement	49,935	16.645	0	16,645	0	16,645	0	0	0	0	0	0	0	0	As Treatment Plant
Health Pay-In Lieu	2,956	985	0	985	0	985	0	0	0	0	0	0	0	0	As Treatment Plant
Retirement Health Svgs Plan	719	240	0	240	0	240	0	0	0	0	0	0	0	0	As Treatment Plant
Life/Vision/Dental/Retire	36.089	12.030	0	12.030	0	12.030	0	0	0	0	0	0	0	0	As Treatment Plant
Health/Life/Vision Insurance	57.282	19.094	0	19.094	0	19.094	0	0	0	0	0	0	0	0	As Treatment Plant
Unemployment Insurance	1,658	553	0	553	0	553	0	0	0	0	0	0	0	0	As Treatment Plant
Medicare Insurance	2,777	926	0	926	0	926	0	0	0	0	0	0	0	0	As Treatment Plant
Personnel Offset	0	0	ō	0	ō	0	ō	ō	ō	ō	ō	ō	ō	ō	As Treatment Plant
Office Supplies	832	277	0	277	0	277	0	0	0	0	0	0	0	0	As Treatment Plant
Postage	2,184	0	0	0	0	0	0	2,184	0	0	0	0	0	0	100% AC
Printing	0	Ō	Ō	Ō	0	Ō	Ō	0	Ō	0	Ō	Ō	Ō	0	As Treatment Plant
Department Specific Supplies	50,028	50,028	0	0	0	0	0	0	0	0	0	0	0	0	100% VOL
Personal Protective Equipment	2,080	693	0	693	0	693	0	0	0	0	0	0	0	0	As Treatment Plant
Laundry	258	86	ō	86	ō	86	ō	ō	ō	ō	ō	ō	ō	ō	As Treatment Plant
Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0	0	As Treatment Plant
Telephone	1,834	611	0	611	0	611	ō	ō	0	0	0	ō	Ō	0	As Treatment Plant
Cell Phones	1,323	441	0	441	0	441	ō	ō	ō	ō	0	ō	ō	ō	As Treatment Plant
Contract Services	86,517	28,839	ō	28.839	ō	28.839	Ô	ñ	0	ō	0	ō	ō		As Treatment Plant
Memberships & Dues	728	243	0	243	0	243	Ö	0	0	0	ő	ő	Ö		As Treatment Plant
Mandatory Training	1.872	624	Ö	624	0	624	Ö	Ő	0	0	0	0	Ö	ő	As Treatment Plant
Education Incentive Reimbursement	650	217	0	217	0	217	Ö	0	0	0	Ö	0	Ö	0	As Treatment Plant
Technology Services Chargeback	13.856	4.619	0	4.619	0	4.619	ñ	n	n	0	Ö	0	Ö		As Treatment Plant
Fixed Fleet Cost	2,979	993	0	993	0	993	0	0	0	0	0	0	0		As Treatment Plant
Variable Fleet Cost	7,691	2,564	Ö	2,564	0	2,564	Ö	0	0	ő	0	0	0		As Treatment Plant
Total Environment Operations Laboratory	\$541,533	\$213,135	\$0	\$163,107	\$0	\$163,107	\$0	\$2,184	\$0	\$0	\$0	\$0	\$0	\$0	

			_		Strength				Weight	ed for:					
		0	0	Bio-oxygen	Bio-oxygen	Suspended	Suspended	Actual	Actual	Customer	Customer	Revenue	Revenue		
	Total	Volume	Volume	Demand	Demand	Solids	Solids	Customer	Customer	Acct/Svcs	Acct/Svcs	Related	Related	Direct	
-	FY 2014	(W - VOL)	(WO - VOL)	(W - BOD)	(WO - BOD)	(W - SS)	(WO - SS)	(W - AC)	(WO - AC)	(W - WCA)	(W - WCA)	(W - RR)	(WO - RR)	(DA)	Basis of Classification
Utilities Engineering															
Salaries - Full Time	\$255,682	\$126,013	\$37,806	\$45,918	\$0	\$45.946	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Total Plant in Service
Hourly Wages - Temporary	6,977	3,439	1,032	1,253	0	1,254	φυ 0	20			φυ 0		φ0 0	φυ 0	As Total Plant in Service
Vacation Buyout	6,116	3,014	904	1,098	0	1,099	0	0	0	0	0	0	0	0	As Total Plant in Service
Admin Buyout	3,202	1,578	473	575	0	575	0	0	0	0	0	0	0	0	As Total Plant in Service
Overtime-Permanent Full Time	210	103	31	38	0	38	0	0	0	0	0	0	0	0	As Total Plant in Service
Def Comp City Match	1,785	880	264	321	0	321	0	0	0	0	0	0	0	0	As Total Plant in Service
Acting Pay	53	26	8	9	0	9	0	0	0	0	0	0	0	0	As Total Plant in Service
Standby Pay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	As Total Plant in Service
Workers Comp/Liab Ins	9.768	4.814	1,444	1.754	0	1.755	0	0	0	0	0	0	0	0	As Total Plant in Service
Retirement	56,179	27,688	8,307	10,089	0	10,095	0	0	0	0	0	0	0	0	As Total Plant in Service
Alt Transportation Pay	23	27,000	3	10,069	0	10,095	0	0	0	0	0	0	0	0	As Total Plant in Service
Health Pay-In Lieu	15,224	7,503	2,251	2,734	0	2,736	0	0	0	0	0	0	0	0	As Total Plant in Service
Retirement Health Svgs Plan	150	7,303	2,231	2,734	0	2,730	0	0	0	0	0	0	0	0	As Total Plant in Service
Life/Vision/Dental/Retire	36,570	18,023	5,407	6,568	0	6,571	0	0	0	0	0	0	0	0	As Total Plant in Service
Health/Life/Vision Insurance	18,935	9,332	2,800	3,401	0	3,403	0	0	0	0	0	0	0	0	As Total Plant in Service
Unemployment Insurance	1,307	9,332 644	193	235	0	235	0	0	0	0	0	0	0	0	As Total Plant in Service
Medicare Insurance	3,966	1,955	586	712	0	713	0	0	0	0	0	0	0	0	As Total Plant in Service
Personnel Offset	3,900	1,955	0	712	0	713	0	0	0	0	0	0	0	0	As Total Plant in Service
	1,820	897	269	327	0	327	0	0	0	0	0	0	0	0	As Total Plant in Service As Total Plant in Service
Office Supplies	1,820	897	269	327 0	0	327	0	130	0	0	0	0	0	0	100% AC
Postage		228	69	83	0	83	0	130	0	0	0	0	0	0	As Total Plant in Service
Publications & Periodicals	464 2,086	1,028	308	83 375	0	83 375	0	0	0	0	0	0	0	0	As Total Plant in Service
Printing Copy Machine Costs	1,632	1,028	308 241	293	0	375 293	0	0	0	0	0	0	0	0	As Total Plant in Service As Total Plant in Service
Department Specific Supplies	14,658	7,224	2,167	2,632	0	2,634	0	0	0	0	0	0	0	0	As Total Plant in Service
		7,224	2,167		0	2,634	0	0	0	0	0	0	0	•	As Total Plant in Service As Total Plant in Service
Personal Protective Equipment Advertising	182 206	102	30	33 37	0	33 37	0	0	0	0	0	0	0	0	As Total Plant in Service
	1,206	595	178	217	0	217	0	0	0	0	0	0	0	0	As Total Plant in Service
Telephone Cell Phones			356	432	0	432	0	0	0	0	0	0	0	0	As Total Plant in Service As Total Plant in Service
Maintenance - Equipment	2,405 306	1,185 151	356 45	432 55	0	432 55	0	0	0	0	0	0	0	0	As Total Plant in Service
		42,515	45 12,755	15,492	0	15,502	0	0	0	0	0	0	0	0	As Total Plant in Service As Total Plant in Service
Contract Services	86,264				0		0	0	0	0	0	0	0	0	
Memberships & Dues	2,079	1,024	307 384	373	0	374	0	0	0	0	0	0	0		As Total Plant in Service
Conferences, Meetings, & Other Training	2,600	1,281 1,922	384 577	467 700	0	467 701	•	0	0	0	0	0	0	0	As Total Plant in Service As Total Plant in Service
Education Incentive Reimbursement	3,900				-		0	0	-	0	0	0	-	0	
"Conferences, Meeetings, & Other Training"	2,080	1,025	308	374	0	374	0	0	0	0	0	0	0	0	As Total Plant in Service
Technology Services Chargeback	13,856	6,829	2,049	2,488	0	2,490	0	0	0	U	0	0	0	0	As Total Plant in Service
Fixed Fleet Cost	2,943	1,450	435	528	0	529	0	•	0	0	0	0	0	0	As Total Plant in Service
Variable Fleet Cost	3,909	1,926	578	702	0	702	0	0	0	0	0	0	0	0	As Total Plant in Service
Total Utilities Engineering	\$558,872	\$275,375	\$82,617	\$100,345	\$0	\$100,405	\$0	\$130	\$0	\$0	\$0	\$0	\$0	\$0	
Additions															
New Staff Carryover	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As O&M Above
New Staff Req	0	φ0 0		φ0 0	90	φU	\$U	20	20	φ0 0		20	0		As O&M Above
Staff Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	As O&M Above
Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	As O&M Above
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	As O&M Above
Outel															AS OXIVI ADOVE
Total Additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Operating & Maintenance Expense	\$7,426,105	\$3,073,609	\$2,203,471	\$889,330	\$0	\$889,759	\$0	\$53,506	\$0	\$316,431	\$0	\$0	\$0	\$0	

		Strength Related					Weighted for:								
		0	0	Bio-oxygen	Bio-oxygen	Suspended	Suspended	Actual	Actual	Customer	Customer	Revenue	Revenue		
	Total	Volume	Volume	Demand	Demand	Solids	Solids	Customer	Customer	Acct/Svcs	Acct/Svcs	Related	Related	Direct	
	FY 2014	(W - VOL)	(WO - VOL)	(W - BOD)	(WO - BOD)	(W - SS)	(WO - SS)	(W - AC)	(WO - AC)	(W - WCA)	(W - WCA)	(W - RR)	(WO - RR)	(DA)	Basis of Classification
Net Capital Funded Through Rates	\$400,000	\$197,139	\$59,145	\$71,837	\$0	\$71,879	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Plant Before General
Debt Service															
2002 LRB (Funded by 220)	\$405,160	\$199,682	\$59,908	\$72,763	\$0	\$72,806	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Plant Before General
2002 LRB (Funded by 585)	1,206,435	594,590	178,386	216,666	0	216,794	0	0	0	0	0	0	0	0	As Plant Before General
2005 WW (Funded by 220)	670,629	330,518	99,161	120,439	0	120,511	0	0	0	0	0	0	0	0	As Plant Before General
2005 WW (Funded by 585)	501,799	247,311	74,197	90,119	0	90,172	0	0	0	0	0	0	0	0	As Plant Before General
2009 WW	931,075	458,879	137,671	167,213	0	167,312	0	0	0	0	0	0	0	0	As Plant Before General
New Low Interest Loan	0	0	0	0	0	Ō	0	0	0	0	0	0	0	0	As Plant Before General
New Revenue Bond	0	0	0	0	0	0	0	0	0	0	0	0	0	0	As Plant Before General
Total Debt Service	\$3,715,098	\$1,830,980	\$549,322	\$667,200	\$0	\$667,595	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Less: Development Fees	\$187.503	\$92,410,70	\$27.724.63	\$33.674.02	\$0	\$33.693.95	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Debt Service
Less: Reserve Funding	\$85,000	41,892	12,568	15,265	0	15,274	0	0	0	0	0	0	0	0	As Debt Service
Net Debt	\$3,442,594	\$1,696,677	\$509,029	\$618,261	\$0	\$618,627	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Change in Working Capital +/-	\$3,879	\$1,912	\$574	\$697	\$0	\$697	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Plant Before Beneral
OTAL REVENUE REQUIREMENTS	\$11,272,578	\$4,969,337	\$2,772,219	\$1,580,124	\$0	\$1,580,963	\$0	\$53,506	\$0	\$316,431	\$0	\$0	\$0	\$0	
Less: Miscellaneous Revenue PCP Land Lease	\$125,000	\$55,104	\$30,741	\$17,522	\$0	\$17,531	\$0	\$593	\$0	\$3,509	\$0	\$0	\$0	\$0	As Total Rev. Reg.
					\$U 0				20		20	0 20	\$U 0		
Interest Income	9,566	4,217	2,353	1,341		1,342	0	45	0	269	0	0	0	0	As Total Rev.Req.
Total Miscellaneous Revenues	\$134,566	\$59,321	\$33,093	\$18,863	\$0	\$18,873	\$0	\$639	\$0	\$3,777	\$0	\$0	\$0	\$0	
IET REVENUE REQUIREMENTS FROM RATES	\$11,138,012	\$4.910.015	\$2,739,126	\$1.561.261	\$0	\$1,562,090	\$0	\$52.867	\$0	\$312.653	\$0	\$0	\$0	\$0	

City of Woodland Sewer Utility Exhibit 11 Allocation of Revenue Requirements

	Net Revenue				Correctional	
Classification Components	Requirement	Residential	Commercial	Institutional	Facility	Allocation Factor
Volume Related						
Volume Related - With Corr. Facility	\$4,910,015	\$3,974,165	\$703,297	\$192,669	\$39,886	(W - VOL)
Volume Related - Without Corr. Facility	2,739,126	2,235,204	395,558	108,363	0	(WO - VOL)
Total Volume Related	\$7,649,141	\$6,209,369	\$1,098,855	\$301,032	\$39,886	_ (
Strength Related						
Bio-oxygen Demand - With Corr. Facility	\$1,561,261	\$1,100,102	\$392,054	\$53,333	\$15,773	(W - BOD)
Bio-oxygen Demand - Without Corr. Facility	0	0	0	0	0	(WO - BOD)
Suspended Solids - With Corr. Facility	1,562,090	1,098,352	391,592	53,248	18,897	(W - SS)
Suspended Solids - Without Corr. Facility	0	0	0	0	0	(WO - SS)
Total Strength Related	\$3,123,351	\$2,198,454	\$783,646	\$106,582	\$34,670	_
Customer Related						
Actual Customer - With Corr. Facility	\$52,867	\$50,927	\$1,840	\$97	\$3	(W - AC)
Actual Customer - Without Corr. Facility	0	0	0	0	0	(WO - AC)
Weighted Customer - With Corr. Facility	312,653	296,279	15,534	819	22	(W - WCA)
Weighted Customer - Without Corr. Facility	0	0	0	0	0	(W - WCA)
Total Customer Related	\$365,520	\$347,207	\$17,373	\$916	\$24	
Revenue Related						
Revenue Related - With Corr. Facility	\$0	\$0	\$0	\$0	\$0	(W - RR)
Revenue Related - Without Corr. Facility	0	0	0	0	0	(WO - RR)
Total Revenue Related	\$0	\$0	\$0	\$0	\$0	
Direct Assignment	\$0	\$0	\$0	\$0	\$0	(DA)
NET REVENUE REQUIREMENT	\$11,138,012	\$8,755,030	\$1,899,874	\$408,529	\$74,579	_

City of Woodland Sewer Utility Exhibit 12 Summary of the Cost of Service Analysis

	FY 2014				
	Expenses	Residential	Commercial	Institutional	Correctional Facility
Revenues at Present Rates	\$10,458,227	\$8,101,029	\$1,962,641	\$323,844	\$70,714
Allocated Revenue Requirement	\$11,138,012	\$8,755,030	\$1,899,874	\$408,529	\$74,579
Balance/(Deficiency) of Funds	(\$679,785)	(\$654,001)	\$62,767	(\$84,685)	(\$3,865)
Required % Change in Rates	6.5%	8.1%	-3.2%	26.2%	5.5%
		1.6%	-9.7%	19.7%	-1.0%

City of Woodland Sewer Utility Exhibit 13 Average Unit Cost

	Total	Residential	Commercial	Institutional	Correctional Facility
Volume \$/CCF [1]	\$3.54	\$3.55	\$3.55	\$3.55	\$2.27
Strength \$/CCF	\$1.44	\$1.26	\$2.53	\$1.26	\$1.97
Revenue/Direct \$/CCF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total \$/CCF	\$4.98	\$4.80	\$6.08	\$4.80	\$4.24
Customer Costs - \$/account/month	\$2.10	\$2.10	\$2.01	\$2.01	\$2.01
Average Total Cost \$/CCF	\$5.15	\$5.00	\$6.13	\$4.81	\$4.25
Average Current Revenue \$/CCF	\$4.84	\$4.63	\$6.34	\$3.82	\$4.03
Basic Data: Annual Sewer Flow (in CCF) Number of Accounts	2,162,522 14,512	1,750,345 13,752	309,754 721	84,857 38	17,567 1

Notes: [1] Volume per CCF is based on water usage values.

City of Woodland Sewer Utility Exhibit 14 Projected Revenue At Present Rates

												Aug-12	Total
\$ / month													
	12.247	6.719	12.245	12,261	12.272	12.261	12.273	12.273	12.310	12.323	12.338	12.359	11,823
24.79	300	300	300	300	300	300	300	300	300	300	300	300	300
\$/unit/month													
\$24.79	5,838	5,839	5,840	5,841	5,842	5,843	5,844	5,845	5,846	5,847	5,848	5,849	5,844
24.79	74	74	74	74	74	74	74	74	74	74	74	74	74
24.79	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424
30.82	31	31	31	31	31	31	31	31	31	31	31	31	31
													40.400
		14,387	19,914	19,931	19,943	19,933	19,946	19,947	19,985	19,999	20,015	20,037	19,496
\$ / CCF	10												
	236.787	141.803	121.149	91,269	101.178	86.010	94.269	117.313	249.869	331.828	332,636	343.743	2,247,853
0.00	239	223	241	282	291	250	231	248	253	243	226		2,966
0.00	51,107	41,369	52,534	40,267	41,621	39,020	36,955	42,954	54,175	66,729	67,789	72,547	607,066
	288,133	183,395	173,923	131,818	143,090	125,280	131,455	160,515	304,296	398,800	400,651	416,528	2,857,885
TE REVENUE	\$643,391	\$438,880	\$643,366	\$643,983	\$644,415	\$644,033	\$644,502	\$644,526	\$645,920	\$646,426	\$647,006	\$647,808	\$7,534,255
	\$/unit/month \$24.79 24.79 24.79 30.82 \$ / CCF \$0.00 0.00	\$37.00 12,247 24.79 300 \$/unit/month	\$37.00	\$37.00 12,247 6,719 12,245 24.79 300 300 300 300 \$300 \$300 \$300 \$300 \$3	\$37.00	\$37.00	\$37.00	\$37.00	\$37.00	\$37.00	\$37.00	\$37.00	\$37.00

City of Woodland Sewer Utility Exhibit 14 Projected Revenue At Present Rates

	_	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Total
NON-RESIDENTIAL												-		
Monthly Fixed Charge	\$ / month													
Flat Rate Customers														
Commercial - Flat Rate	\$24.79	41	40	38	38	39	39	39	38	38	36	36	32	38
Other Commercial - Flat Rate	33.26	5	5	5	5	5	5	5	5	5	5	5	5	5
Metered Customers													_	
Commercial	\$24.79	614	613	613	615	616	617	618	619	619	622	625	628	618
Hospital	24.79	1	1	1	1	1	1	1	1	1	1	1	1	1
Hotel/Motel	24.79	17	17	17	17	17	17	17	17	17	17	17	17	17
Industrial	24.79	24	24	24	24	24	24	24	24	24	24	24	24	24
Restaurant	24.79	64	62	63	62	61	61	61	60	62	62	61	63	62
Special Rate	24.79	4	4	4	4	4	4	4	4	4	4	4	4	4
Schools - ADA (38 accounts)	2.29	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613
Correctional Facility	5,857.69	1	1	1	1	1	1	1	1	1	1	1	1	1
		12,384	12,380	12,379	12,380	12,381	12,382	12,383	12,382	12,384	12,385	12,387	12,388	12,383
Consumption Charge	\$ / CCF													
Flat Rate Customers	*****													
Commercial - Flat Rate	\$0.00	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Commercial - Flat Rate	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0
Metered Customers													_	
Commercial	\$3.72	26.845	28.293	26.004	23,497	20,736	21,204	20,410	19,851	20,811	24,602	28,658	28,181	289,092
Hospital	4.23	71	73	76	76	76	77	82	87	88	72	75	70	920
Hotel/Motel	4.93	2.485	2.570	2,455	2.272	1.796	1.783	1.787	1.737	1,936	1,980	2,186	2,488	25,475
Industrial	3.72	22,875	16,394	15,565	19,854	19,148	17,815	17,891	18,976	10,011	20,045	20,997	21,539	221,110
Restaurant	9.34	3,952	3,765	3,235	3,116	2,782	2,844	3,066	2,731	3,634	3,570	3,432	3,334	39,460
Special Rate	2.88	1,716	1,720	1,464	1,450	1,177	537	476	617	1,557	1,777	1,722	1,599	15,812
Institutional	0.00	23,498	14,684	10,452	7,212	7,940	6,724	8,318	6,961	16,535	26,567	28,251	26,834	183,975
Correctional Facility	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0
		81,442	67,500	59,251	57,476	53,655	50,983	52,028	50,960	54,571	78,614	85,321	84,043	775,844
TOTAL NON-RESIDE	ENTIAL RATE REVENUE	\$290,944	\$270,820	\$252,952	\$257,542	\$238,426	\$233,906	\$233,194	\$232,185	\$214,576	\$266,227	\$284,477	\$284,941	\$3,060,190

City of Woodland Sewer Utility Exhibit 14 Projected Revenue At Present Rates

	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Total
Summary of Revenues at Present Rates													
Total number of Customers													
Residential													
Single Family	12,547	7,019	12,545	12,561	12,572	12,561	12,573	12,573	12,610	12,623	12,638	12,659	12,123
Condo	300	300	300	300	300	300	300	300	300	300	300	300	300
Apartment/Mobile Home	7,367	7,368	7,369	7,370	7,371	7,372	7,373	7,374	7,375	7,376	7,377	7,378	7,373
Non-Residential													
Commercial	660	658	656	658	660	661	662	662	662	663	666	665	661
Hospital	1	1	1	1	1	1	1	1	1	1	1	1	1
Hotel/Motel	17	17	17	17	17	17	17	17	17	17	17	17	17
Industrial	24	24	24	24	24	24	24	24	24	24	24	24	24
Restaurant	64	62	63	62	61	61	61	60	62	62	61	63	62
Special Rate	4	4	4	4	4	4	4	4	4	4	4	4	4
Institutional	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613	11,613
Correctional Facility	1	1	1	1	1	1	1	1	1	1	1	1	1
·													
	32,598	27,067	32,593	32,611	32,624	32,615	32,629	32,629	32,669	32,684	32,702	32,725	32,179
Total Consumption													
Residential													
Single Family	236,787	141,803	121,149	91,269	101,178	86,010	94,269	117,313	249,869	331,828	332,636	343,743	2,247,853
Condo	239	223	241	282	291	250	231	248	253	243	226	238	2,966
Apartment/Mobile Home	51,107	41,369	52,534	40,267	41,621	39,020	36,955	42,954	54,175	66,729	67,789	72,547	607,066
Non-Residential													
Commercial	26,845	28,293	26,004	23,497	20,736	21,204	20,410	19,851	20,811	24,602	28,658	28,181	289,092
Hospital	71	73	76	76	76	77	82	87	88	72	75	70	920
Hotel/Motel	2,485	2,570	2,455	2,272	1,796	1,783	1,787	1,737	1,936	1,980	2,186	2,488	25,475
Industrial	22,875	16,394	15,565	19,854	19,148	17,815	17,891	18,976	10,011	20,045	20,997	21,539	221,110
Restaurant	3,952	3,765	3,235	3,116	2,782	2,844	3,066	2,731	3,634	3,570	3,432	3,334	39,460
Special Rate	1,716	1,720	1,464	1,450	1,177	537	476	617	1,557	1,777	1,722	1,599	15,812
Institutional	23,498	14,684	10,452	7,212	7,940	6,724	8,318	6,961	16,535	26,567	28,251	26,834	183,975
Correctional Facility	0	0	0	0	0	0	0	0	0	0	0	0	0
	369,575	250,895	233.174	189,294	196,744	176,263	183,484	211,475	358,867	477,415	485,971	500.571	3,633,729
Tatal Barrers				,	,.	,	,	,	,	,	120,011	222,211	2,222,122
Total Revenue													
Residential	¢450,400	£0.40, C00	£452.005	£450.057	£454.004	¢450.057	£454.404	£454.404	¢455 470	¢455.054	£450 500	£457.000	©E 040 E07
Single Family	\$453,139	\$248,603	\$453,065	\$453,657	\$454,064	\$453,657	\$454,101	\$454,101	\$455,470	\$455,951	\$456,506	\$457,283	\$5,249,597
Condo	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	7,437	89,244
Apartment/Mobile Home	182,815	182,840	182,864	182,889	182,914	182,939	182,964	182,988	183,013	183,038	183,063	183,088	2,195,414
Non-Residential													
Commercial	116,268	121,604	113,039	103,762	93,542	95,309	92,378	90,300	93,869	107,997	123,160	121,361	1,272,589
Hospital	324	335	346	346	346	349	370	391	396	329	340	319	4,191
Hotel/Motel	12,674	13,094	12,523	11,621	9,274	9,214	9,229	8,987	9,964	10,184	11,199	12,686	130,648
Industrial	85,690	61,580	58,497	74,451	71,827	66,867	67,149	71,185	37,836	75,163	78,705	80,718	829,669
Restaurant	38,494	36,703	31,779	30,636	27,497	28,071	30,146	26,996	35,477	34,884	33,563	32,701	386,948
Special Rate	5,042	5,053	4,316	4,274	3,488	1,645	1,469	1,875	4,584	5,218	5,059	4,704	46,728
Institutional	26,594	26,594	26,594	26,594	26,594	26,594	26,594	26,594	26,594	26,594	26,594	26,594	319,125
Correctional Facility	5,858	5,858	5,858	5,858	5,858	5,858	5,858	5,858	5,858	5,858	5,858	5,858	70,292
	\$934,334	\$709,700	\$896,318	\$901,525	\$882,841	\$877,939	\$877,696	\$876,711	\$860,497	\$912,653	\$931,483	\$932,749	\$10,594,446

FY 2013 Budget Target Difference Percentage Off Target -0.1%







Technical Appendix B – Bill Comparisons

City of Woodland Sewer Utility Residential Customer Rates

FY 2014 Rate Schedule - Option 1 - Status Quo

			Propose	d Rates		
	Consumption	Present	Aug-13	Jan-14	Differ	ence
Customer	per CCF	Rates	Adjustment	Adjustment	Amount	Percent
Residential						
Single Family	N/A	\$38.30	\$38.30	\$44.05	\$5.75	15.01%
Condo	N/A	\$24.99	\$25.00	\$28.75	\$3.76	15.05%
Multi-Family (per unit)						
Apartment/Mobile Home	N/A	\$24.99	\$25.00	\$28.75	\$3.76	15.05%
4-plex or less	N/A	\$24.99	\$25.00	\$28.75	\$3.76	15.05%
Residential Attached	N/A	\$31.07	\$31.05	\$35.70	\$4.63	14.90%
Residential Multi-Unit	N/A	\$31.07	\$31.05	\$35.70	\$4.63	14.90%
PRESENT I	RATES		PR	OPOSED RATE	ES FY 2014	
					Aug-13	Jan-1
Meter Charges Residential	(per month)		Meter Charges Residential		(per month)	(per month
Single Family	\$38.30		Single Family	1	\$38.30	\$44.05
Condo	\$24.99		Condo		\$25.00	\$28.75
Multi-Family (per unit)			Multi-Family (pe	r unit)		
Apartment/Mobile Home	\$24.99		Apartment/Me	obile Home	\$25.00	\$28.75
4-plex or less	\$24.99		4-plex or less	;	\$25.00	\$28.75
Residential Attached	\$31.07		Residential A	ttached	\$31.05	\$35.70
Residential Multi-Unit	\$31.07		Residential M	lulti-Unit	\$31.05	\$35.70

City of Woodland Sewer Utility Residential Customer Rates FY 2015 Rate Schedule - Option 1 - Status Quo

	Consumption	Present	Proposed	Differ	ence	
Customer	per CCF	Rates	Rates	Amount	Percent	
Residential						
Single Family	N/A	\$44.05	\$48.00	\$3.95	8.97%	
Condo	N/A	\$28.75	\$31.35	\$2.60	9.04%	
Multi-Family (per unit)						
Apartment/Mobile Home	N/A	\$28.75	\$31.35	\$2.60	9.04%	
4-plex or less	N/A	\$28.75	\$31.35	\$2.60	9.04%	
Residential Attached	N/A	\$35.70	\$38.90	\$3.20	8.96%	
Residential Multi-Unit	N/A	\$35.70	\$38.90	\$3.20	8.96%	
PROPOSED JANUA	RY 2014 RATES		PROPOSED J	IANUARY 201	5 RATES	
Meter Charges	(per month)		Meter Charges		(per month	
Residential			Residential			
Single Family	\$44.05		Single Family		\$48.00	
Condo	\$28.75		Condo		\$31.35	
Multi-Family (per unit)			Multi-Family (per ι	ınit)		
Apartment/Mobile Home	\$28.75		Apartment/Mob	ile Home	\$31.35	
4-plex or less	\$28.75		4-plex or less		\$31.35	
Residential Attached	\$35.70		Residential Atta	ached	\$38.90	
Residential Multi-Unit	\$35.70		Residential Mu	lti-Unit	\$38.90	

City of Woodland Sewer Utility Residential Customer Rates FY 2016 Rate Schedule - Option 1 - Status Quo

	Consumption	Present	Proposed	Differ	ence
Customer	per CCF	Rates	Rates	Amount	Percent
Residential					
Single Family	N/A	\$48.00	\$52.30	\$4.30	8.969
Condo	N/A	\$31.35	\$34.15	\$2.80	8.939
Multi-Family (per unit)					
Apartment/Mobile Home	N/A	\$31.35	\$34.15	\$2.80	8.939
4-plex or less	N/A	\$31.35	\$34.15	\$2.80	8.939
Residential Attached	N/A	\$38.90	\$42.40	\$3.50	9.009
Residential Multi-Unit	N/A	\$38.90	\$42.40	\$3.50	9.009
PROPOSED JANUA	ARY 2015 RATES	<u>-</u>	PROPOSED J	ANUARY 201	6 RATES
<u>Meter Charges</u>	(per month)	<u>!</u>	Meter Charges		(per month
Residential			Residential		
Single Family	\$48.00		Single Family		\$52.30
Condo	\$31.35		Condo		\$34.15
Multi-Family (per unit)		1	Multi-Family (per ι	ınit)	
Apartment/Mobile Home	\$31.35		Apartment/Mob	ile Home	\$34.15
4-plex or less	\$31.35		4-plex or less		\$34.15
Residential Attached	\$38.90		Residential Atta		\$42.40
Residential Multi-Unit	\$38.90		Residential Mu	lti-Unit	\$42.40

City of Woodland Sewer Utility Residential Customer Rates

FY 2017 Rate Schedule - Option 1 - Status Quo

	Consumption	Present	Proposed	Differ	ence
Customer	per CCF	Rates	Rates	Amount	Percent
Residential					
Single Family	N/A	\$52.30	\$57.00	\$4.70	8.999
Condo	N/A	\$34.15	\$37.20	\$3.05	8.939
Multi-Family (per unit)					
Apartment/Mobile Home	N/A	\$34.15	\$37.20	\$3.05	8.939
4-plex or less	N/A	\$34.15	\$37.20	\$3.05	8.939
Residential Attached	N/A	\$42.40	\$46.20	\$3.80	8.96°
Residential Multi-Unit	N/A	\$42.40	\$46.20	\$3.80	8.969
PROPOSED JANUA	ARY 2016 RATES	- -	PROPOSED J	ANUARY 201	7 RATES
Meter Charges	(per month)	<u>!</u>	Meter Charges		(per month
Residential			Residential		
Single Family	\$52.30		Single Family		\$57.00
Condo	\$34.15		Condo		\$37.20
			Multi-Family (per ເ	ınit)	
Multi-Family (per unit)				,	
Multi-Family (per unit) Apartment/Mobile Home	\$34.15	•	Apartment/Mob	,	\$37.20
Apartment/Mobile Home 4-plex or less	\$34.15	,	Apartment/Mob 4-plex or less	ile Home	\$37.20 \$37.20
Apartment/Mobile Home	·	,	Apartment/Mob	ile Home	-

City of Woodland Sewer Utility Residential Customer Rates FY 2018 Rate Schedule - Option 1 - Status Quo

	Consumption	Present	Proposed	Differ	ence
Customer	per CCF	Rates	Rates	Amount	Percent
Residential					
Single Family	N/A	\$57.00	\$62.15	\$5.15	9.04%
Condo	N/A	\$37.20	\$40.55	\$3.35	9.01%
Multi-Family (per unit)					
Apartment/Mobile Home	N/A	\$37.20	\$40.55	\$3.35	9.01%
4-plex or less	N/A	\$37.20	\$40.55	\$3.35	9.01%
Residential Attached	N/A	\$46.20	\$50.35	\$4.15	8.98%
Residential Multi-Unit	N/A	\$46.20	\$50.35	\$4.15	8.98%
PROPOSED JANUA	RY 2017 RATES	-	PROPOSED J	ANUARY 201	8 RATES
Meter Charges	(per month)	<u>!</u>	Meter Charges		(per month
Residential		ı	Residential		
Single Family	\$57.00		Single Family		\$62.15
Condo	\$37.20		Condo		\$40.55
Multi-Family (per unit)		I	Multi-Family (per u	ınit)	
Apartment/Mobile Home	\$37.20		Apartment/Mob	ile Home	\$40.55
4-plex or less	\$37.20		4-plex or less		\$40.55

\$46.20

\$46.20

Residential Attached

Residential Multi-Unit

\$50.35

\$50.35

Residential Attached

Residential Multi-Unit

City of Woodland Sewer Utility Non-Residential Customer Rates FY 2014 Rate Schedule - Option 2 - AWWU

			Propose	ed Rates		
	Consumption	Present	Aug-13	Jan-14	Differe	ence
Customer	per CCF	Rates	Adjustment	Adjustment	Amount	Percent
Metered Customers						
Low	0	\$24.99	\$24.99	\$27.25	\$2.26	9.04%
2011	15	81.24	24.99	111.10	29.86	36.76%
	25	118.74	24.99	167.00	48.26	40.64%
	35	156.24	24.99	167.00	10.76	6.89%
	45	193.74	24.99	167.00	(26.74)	-13.80%
	55	231.24	24.99	167.00	(64.24)	-27.78%
	55	231.24	24.99	107.00	(04.24)	-21.10/0
Medium	0	\$24.99	\$24.99	\$27.25	\$2.26	9.04%
	30	174.09	24.99	221.05	46.96	26.97%
	60	323.19	24.99	414.85	91.66	28.36%
	90	472.29	24.99	608.65	136.36	28.87%
	108	561.75	24.99	724.93	163.18	29.05%
	135	695.94	24.99	724.93	28.99	4.17%
High	0	\$24.99	\$24.99	\$27.25	\$2.26	9.04%
	25	260.24	24.99	210.75	(49.49)	-19.02%
	50	495.49	24.99	394.25	(101.24)	-20.43%
	76	740.15	24.99	585.09	(155.06)	-20.95%
	100	965.99	24.99	585.09	(380.90)	-39.43%
	125	1,201.24	24.99	585.09	(616.15)	-51.29%
		-,			(5.5)	
Schools - (38 accounts)	Any	\$11,612.37	\$11,612.37	\$12,668.04	\$1,055.67	9.09%
Correctional Facility	Any	\$5,857.69	\$5,857.69	\$6,384.88	\$527.19	9.00%
PRESEN	IT RATES			PROPOSED RATE	S FY 2014	
					Aug-13	Jan-14
Meter Charges			Meter Charges			
Metered Customers	(per month)		Metered Customers		(per month)	
Commercial	\$24.99		Low		\$24.99	\$27.2
Hospital	24.99		Medium		24.99	27.2
Hotel/Motel	24.99		High		24.99	27.2
Industrial	24.99		Schools - ADA (3	8 accounts)	2.31	2.5
Restaurant	24.99		Correctional Facil	ity	5,857.69	6,384.8
Special Rate	24.99					
Schools - (38 accounts)	2.31					

Consumption (ccf)

Institutional

Low Consumption

High Consumption

Correctional Facility

Medium Consumption

\$0.00

0.00

0.00

0.00

0.00

\$5.59

6.46

7.34

0.00

0.00

5,857.69

\$3.75

4.26

4.97

3.75

9.41

3.75

Correctional Facility

Consumption (ccf)

Commercial Hospital Hotel/Motel

Industrial

Restaurant

Special Rate

City of Woodland Sewer Utility Non-Residential Customer Rates FY 2015 Rate Schedule - Option 2 - AWWU

	Consumption	Present	Proposed	Diffe	ence
Customer	per CCF	Rates	Rates	Amount	Percent
letered Customers					
Low	0	\$27.25	\$29.15	\$1.90	6.97%
	15	111.10	118.85	7.75	6.98%
	25	167.00	178.65	11.65	6.98%
	35	167.00	178.65	11.65	6.98%
	45	167.00	178.65	11.65	6.98%
	55	167.00	178.65	11.65	6.98%
Medium	0	\$27.25	\$29.15	\$1.90	6.97%
	30	221.05	236.45	15.40	6.97%
	60	414.85	443.75	28.90	6.97%
	90	608.65	651.05	42.40	6.97%
	108	724.93	775.43	50.50	6.97%
	135	724.93	775.43	50.50	6.97%
High	0	\$27.25	\$29.15	\$1.90	6.97%
	25	210.75	225.40	14.65	6.95%
	50	394.25	421.65	27.40	6.95%
	76	585.09	625.75	40.66	6.95%
	100	585.09	625.75	40.66	6.95%
	125	585.09	625.75	40.66	6.95%
Schools - (38 accounts)	Any	\$12,668.04	\$13,572.90	\$904.86	7.14%
Correctional Facility	Any	\$6,384.88	\$6,831.82	\$446.94	7.00%

PROPOSED JANUARY 2014 RATES		PROPOSED JANUARY 2015 RATES		
Meter Charges	(per month)	Meter Charges	(per month)	
Metered Customers		Metered Customers		
Low	\$27.25	Low	\$29.15	
Medium	27.25	Medium	29.15	
High	27.25	High	29.15	
Schools - ADA (38 accounts)	2.52	Schools - ADA (38 accounts)	2.70	
Correctional Facility	6,384.88	Correctional Facility	6,831.82	
Consumption (ccf)		Consumption (ccf)		
Low Consumption	\$5.59	Low Consumption	\$5.98	
Medium Consumption	6.46	Medium Consumption	6.91	
High Consumption	7.34	High Consumption	7.85	
Institutional	0.00	Institutional	0.00	
Correctional Facility	0.00	Correctional Facility	0.00	

City of Woodland Sewer Utility Non-Residential Customer Rates FY 2016 Rate Schedule - Option 2 - AWWU

	Consumption	Present	Proposed	Differ	ence
Customer	per CCF	Rates	Rates	Amount	Percent
Metered Customers					
Low	0	\$29.15	\$31.75	\$2.60	8.92%
	15	118.85	129.55	10.70	9.00%
	25	178.65	194.75	16.10	9.01%
	35	178.65	194.75	16.10	9.01%
	45	178.65	194.75	16.10	9.01%
	55	178.65	194.75	16.10	9.01%
Medium	0	\$29.15	\$31.75	\$2.60	8.92%
	30	236.45	257.65	21.20	8.97%
	60	443.75	483.55	39.80	8.97%
	90	651.05	709.45	58.40	8.97%
	108	775.43	844.99	69.56	8.97%
	135	775.43	844.99	69.56	8.97%
High	0	\$29.15	\$31.75	\$2.60	8.92%
	25	225.40	245.75	20.35	9.03%
	50	421.65	459.75	38.10	9.04%
	76	625.75	682.31	56.56	9.04%
	100	625.75	682.31	56.56	9.04%
	125	625.75	682.31	56.56	9.04%
Schools - (38 accounts)	Any	\$13,572.90	\$14,779.38	\$1,206.48	8.89%
Correctional Facility	Any	\$6,831.82	\$7,446.68	\$614.86	9.00%

PROPOSED JANUARY 2015 RATES		PROPOSED JANUARY 2016 RATES		
Meter Charges	(per month)	Meter Charges	(per month)	
Metered Customers		Metered Customers		
Low	\$29.15	Low	\$31.75	
Medium	29.15	Medium	31.75	
High	29.15	High	31.75	
Schools - ADA (38 accounts)	2.70	Schools - ADA (38 accounts)	2.94	
Correctional Facility	6,831.82	Correctional Facility	7,446.68	
Consumption (ccf)		Consumption (ccf)		
Low Consumption	\$5.98	Low Consumption	\$6.52	
Medium Consumption	6.91	Medium Consumption	7.53	
High Consumption	7.85	High Consumption	8.56	
Institutional	0.00	Institutional	0.00	
Correctional Facility	0.00	Correctional Facility	0.00	

City of Woodland Sewer Utility Non-Residential Customer Rates FY 2017 Rate Schedule - Option 2 - AWWU

	Consumption	Present	Proposed	Difference	
Customer	per CCF	Rates	Rates	Amount	Percent
Metered Customers					
Low	0	\$31.75	\$34.60	\$2.85	8.98%
	15	129.55	141.25	11.70	9.03%
	25	194.75	212.35	17.60	9.04%
	35	194.75	212.35	17.60	9.04%
	45	194.75	212.35	17.60	9.04%
	55	194.75	212.35	17.60	9.04%
Medium	0	\$31.75	\$34.60	\$2.85	8.98%
	30	257.65	280.90	23.25	9.02%
	60	483.55	527.20	43.65	9.03%
	90	709.45	773.50	64.05	9.03%
	108	844.99	921.28	76.29	9.03%
	135	844.99	921.28	76.29	9.03%
High	0	\$31.75	\$34.60	\$2.85	8.98%
	25	245.75	267.85	22.10	8.99%
	50	459.75	501.10	41.35	8.99%
	76	682.31	743.68	61.37	8.99%
	100	682.31	743.68	61.37	8.99%
	125	682.31	743.68	61.37	8.99%
Schools - (38 accounts)	Any	\$14,779.38	\$16,086.40	\$1,307.02	8.84%
Correctional Facility	Any	\$7,446.68	\$8,116.88	\$670.20	9.00%

PROPOSED JANUARY 2016 RATES		PROPOSED JANUARY 2017 RATES		
Meter Charges	(per month)	Meter Charges	(per month)	
Metered Customers		Metered Customers		
Low	\$31.75	Low	\$34.60	
Medium	31.75	Medium	34.60	
High	31.75	High	34.60	
Schools - ADA (38 accounts)	2.94	Schools - ADA (38 accounts)	3.20	
Correctional Facility	7,446.68	Correctional Facility	8,116.88	
Consumption (ccf)		Consumption (ccf)		
Low Consumption	\$6.52	Low Consumption	\$7.11	
Medium Consumption	7.53	Medium Consumption	8.21	
High Consumption	8.56	High Consumption	9.33	
Institutional	0.00	Institutional	0.00	
Correctional Facility	0.00	Correctional Facility	0.00	

City of Woodland Sewer Utility Non-Residential Customer Rates FY 2018 Rate Schedule - Option 2 - AWWU

	Consumption	Present	Proposed	Difference	
Customer	per CCF	Rates	Rates	Amount	Percent
Metered Customers					
Low	0	\$34.60	\$37.70	\$3.10	8.96%
	15	141.25	153.95	12.70	8.99%
	25	212.35	231.45	19.10	8.99%
	35	212.35	231.45	19.10	8.99%
	45	212.35	231.45	19.10	8.99%
	55	212.35	231.45	19.10	8.99%
Medium	0	\$34.60	\$37.70	\$3.10	8.96%
	30	280.90	306.20	25.30	9.01%
	60	527.20	574.70	47.50	9.01%
	90	773.50	843.20	69.70	9.01%
	108	921.28	1,004.30	83.02	9.01%
	135	921.28	1,004.30	83.02	9.01%
High	0	\$34.60	\$37.70	\$3.10	8.96%
	25	267.85	291.95	24.10	9.00%
	50	501.10	546.20	45.10	9.00%
	76	743.68	810.62	66.94	9.00%
	100	743.68	810.62	66.94	9.00%
	125	743.68	810.62	66.94	9.00%
Schools - (38 accounts)	Any	\$16,086.40	\$17,544.23	\$1,457.83	9.06%
Correctional Facility	Any	\$8,116.88	\$8,847.40	\$730.52	9.00%

PROPOSED JANUARY 2017	7 RATES	PROPOSED JANUARY 2018 RATES		
Meter Charges	(per month)	Meter Charges	(per month)	
Metered Customers		Metered Customers		
Low	\$34.60	Low	\$37.70	
Medium	34.60	Medium	37.70	
High	34.60	High	37.70	
Schools - ADA (38 accounts)	3.20	Schools - ADA (38 accounts)	3.49	
Correctional Facility	8,116.88	Correctional Facility	8,847.40	
Consumption (ccf)		Consumption (ccf)		
Low Consumption	\$7.11	Low Consumption	\$7.75	
Medium Consumption	8.21	Medium Consumption	8.95	
High Consumption	9.33	High Consumption	10.17	
Institutional	0.00	Institutional	0.00	
Correctional Facility	0.00	Correctional Facility	0.00	





Technical Memorandum

To: Mark Severeid and Lynn Johnson,	: Mark Severeid and Lynn Johnson, City of Woodland			
From: Shawn Koorn , HDR	Project: Pretreatment Fee Analysis			
CC:				
Date: August 23, 2013				

RE: TM – Pretreatment Fee Analysis

HDR Engineering, Inc. (HDR) is currently assisting the City of Woodland (City) in the development of sewer rates for the next five years. As part of the sewer utility, but separate from the sewer utility operations and HDR rate study, the City operates a pre-treatment program. This program is in place to work with customers, both residential and commercial, to minimize the impacts of higher strength waste sent to the wastewater treatment plant.

The City currently has a separate fee structure in place to recover the expenditures associated with this program. Recently the City requested that HDR assist the City in the review and update of the pre-treatment fees. The approach to the review will be similar to that of the sewer rate study as the costs associated with the program will need to be distributed between the various customers served reflecting the benefits received from the program.

OBJECTIVE

This technical memorandum covers the review of the current pretreatment fees rate structure and development of an update to these fees based on generally accepted cost of service methodologies.

Specific topics covered in this technical memorandum are as follows:

- · The review of existing pretreatment fees.
- The development of an update to the fees based on the FY 2013 budget which will be an
 equitable cost recovery rate for the City's current pretreatment program.
- The development of a 10-year financial plan to determine the revenues necessary to properly operate the pre-treatment program.
- The equitable distribution of costs to operate the pretreatment program.
- Development of proposed pretreatment fees for the next five years.

OVERVIEW

This Technical Memorandum will discuss the review of the existing pretreatment fees and provided an update to these fees for implementation based on cost of service methodologies. The City should continue to update these fees at a minimum of every three to five years. If large changes occur in either operational costs or regulatory requirements, then the pretreatment fees should also be updated at that time.

It is important to collect revenue from customers who benefit directly from specific services rather than charging the broader customer base, who may not receive a direct or indirect benefit for such services. Establishment of pretreatment fees provides a total cost recovery of the City's operations where the service or benefits occur.

EXISTING PRETREATMENT FEES

The current Pretreatment Program was established in 1985 as a result of the U.S. Environmental Agency requiring municipalities that operate wastewater treatment plants with capacity greater than 5 million gallon per day and which receive industrial wastewater to develop and implement a Pretreatment Program.

Woodland's Pretreatment Program consists of a Wastewater Industrial Pretreatment Program (WIPP) and a Pollution Prevention Program (PPP).

The Wastewater Industrial Pretreatment Program regulates Significant Industrial Users (SIUs) which discharge at least 25,000 gallons of wastewater per day. These users have potential to interfere with treatment plant operations and to cause pass-through and sludge contamination. The City operates a state-certified environmental testing laboratory which supports the pretreatment program by testing for process control and regulatory compliance.

The Pollution Prevention Program targets commercial and industrial discharges not regulated under the WIPP review. Pollution prevention includes both education and enforcement to prevent sewer overflows.

The City's current WIPP fee schedule is a monthly fee based on user group. The user groups are Residential, Non-PPP Commercial, PPP Commercial, and Significant Industrial Users (SIUs). The fee for residential and non-PPP commercial is based on number of units. The fees are listed below in Table 1.

Table 1 Summary of the Present WIPP Fees			
User Group	Monthly Fee		
Residential Non-PPP Commercial PPP Commercial SIUs	\$1.57 \$1.57 \$8.57 \$185.12		

The Residential and Non-PPP Commercial are based on number of units. The PPP Commercial and SIUs are based on number of customers.

DEVELOPMENT OF THE FINANCIAL PLAN

To determine the rate to be charged for pretreatment a revenue requirement analysis, or financial plan, is developed. A revenue requirement, or financial plan, was developed for the pretreatment program for a 10-year period. The starting point of the analysis was the adopted 2013 budget. Expenses were escalated using the same escalation (inflation) factors as used in the sewer rate study for the 10-year period. No additional or extraordinary expenses were included in the analysis. Revenues were calculated based on the number of billed customers from the most recent 12-month period and the current rates as shown in Table 1. No capital improvements are funded through the pretreatment fund. Based on the projection of revenues and expenses a summary of the financial plan was developed. Provided in Table 2 is a summary of the 10-year financial plan.

Table 2 Summary of the 10-Year Financial Plan (\$000's) FY 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 **Sources of Funds** \$422 **Operating Revenues** \$413 \$415 \$418 \$426 \$430 \$435 \$439 \$444 \$450 Other Revenue 15 5 6 8 \$427 \$419 \$423 \$426 \$431 \$435 \$441 \$446 \$452 \$458 **Total Sources of Funds Applications of Funds Operation & Maintenance Expense** Bill & Collect - Wastewater \$71 \$74 \$78 \$81 \$85 \$89 \$93 \$98 \$103 \$108 425 **Wastewater Pretreatment** 409 442 460 479 499 520 543 567 592 \$480 \$519 \$564 **Total Operating & Maintenance Expense** \$499 \$541 \$588 \$614 \$641 \$670 \$700 **Net Capital Funded Through Rates** \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 **Transfer To Reserves** \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$499 \$670 \$700 **Total Revenue Requirements** \$480 \$519 \$541 \$564 \$588 \$614 \$641 (\$115)(\$153)Total Balance/(Deficiency) of Funds (\$52)(\$80)(\$97)(\$133)(\$173)(\$195)(\$217)(\$242)Proposed Adjustment - July of FY 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% **Proposed Adjustment - January of FY** 0.0% 7.5% 3.0% 2.5% 2.5% 2.5% 7.5% 7.5% 7.5% 7.5% **Ending Reserve Fund Levels** \$409 \$345 \$266 \$269 \$297 \$256 \$295 \$318 \$338 \$353

As shown in Table 2, current pretreatment revenues are not recovering the expenses of the program. Based on the analysis, proposed revenue adjustments of 7.5% per year have been developed. This will allow a transition to cost-based levels over the 5-year period. However, during the initial years of the analysis, revenues will not be sufficient to adequately fund operating expenses. In those years where revenues are not sufficient to fund annual operating expenses available reserves are used to transition to cost-based revenue levels. During the time period reviewed the fund maintains adequate reserve fund levels.

ANALYSIS OF PRETREATMENT FEES FOR 2013

To determine the equity of the current pretreatment fees a "cost of service" analysis is typically utilized. A cost of service equitably functionalizes and classifies a utility's operating expenses between the various aspects of providing service. These aspects are generally related to how the expenses occur. For the pretreatment program they are monitoring related pretreatment and pollution, actual customer, revenue, and direct assignment. The results of the cost of service analysis provide the cost basis for establishing the unit cost (rate) per customer.

A cost of service analysis is a two step process, which includes the functionalization and classification of costs. The first analytical step in the cost of service is called functionalization. Functionalization is the arrangement of expenses by major operating functions within the utility. Within this study, the functionalization of the cost data was largely accomplished through the City's system of accounts. The second analytical task performed is the classification of the functionalized expenses to cost components. This task reviews each cost and attempts to determine why the cost was incurred and what type of need was being met (e.g. pretreatment, pollution, etc.). The step of classifying the costs segregates the costs between pretreatment-related, pollution-related components and customer related.

Pretreatment-related costs are those that are incurred to reduce the amount of pollutants, elimination of pollutants, or the alteration of the nature of the pollutant properties in wastewater to be less harmful prior to or in lieu of discharging into the POTW (publicly owned treatment works). A majority of the costs are included in this component.

Pollution-related costs are those costs associated with regulating, monitoring and enforcing the restriction of discharge that is prohibited for program customers. The City currently has 2 permitted SIUs and 7 other permitted IUs. SIUs are tested more frequently than other commercial customers.

A cost may also be a function of both of these classification categories such as the education to prevent conditions that lead to sanitary sewer overflows. In other words the City may incur a cost as a function of the pretreatment program and the pollution program.

Once the costs have been functionalized and classified the costs can be placed in a per unit measurement. The total costs, by component, are dived by the number of units.

The City's pretreatment budgeted 2013 operating expenses were used in the cost of service analysis. Table 3 provides a summary of the classification of operating expenses. A more detailed review of the classification of expenses can be found in the attached Technical Appendices.

Table 3 Summary of the Classification of Expenses					
Category	Pretreatment Related	Pollution Related	Customer Related		
Billing & Collection	0%	0%	100%		
Pretreatment	100%	0%	0%		
Printing, Dept Specific Supplies, Advertising [1]	42%	58%	0%		
Labs	42%	58%	0%		

^[1] Education related items within Pretreatment are printing, dept specific supplies, and advertising.

The summary of the functionalized and classified costs detail the costs by cost component. A summary of the cost of service analysis by cost component is shown below in Table 4.

Table 4 Summary of Allocated Costs				
Classification Component Allocated Costs				
Pretreatment	\$369,800			
Pollution	26,334			
Customer	<u>68,884</u>			
Total Costs	\$465,018			

Pretreatment costs benefit all customers and were allocated to each customer based on the number of billing units. SIUs were given a higher weighting factor to reflect the significant usage (i.e. flows) and level of staff effort when working with the SIUs which are not evident if only billing units are used.

Pollution costs is based on monitoring and prevention of program customers and allocated to program costs based on number of program customers which are PPP Commercial and SIUs. SIU customers are tested more frequently and a significant level of staff time is related to assisting SIU customers. Therefore, SIUs were given a greater weighting factor to reflect the additional staff time.

Customer costs include billing and collecting. These costs were allocated to each customer based on the number of actual customers.

A number of key assumptions were used within the City's cost of service study. Below is a brief discussion of the major assumptions used.

- The overall methodology used within this study is consistent with general cost of service methodologies
- The test period used for the cost of service analysis was 2013.
- The classification of expenses was developed based upon generally accepted cost allocation techniques. Furthermore, the analyses were developed using the City specific data.
- Customer data figures used within this study were provided for each class of service from historical information provided by the City.

In summary form, this cost of service analysis began by functionalizing the City's operating expenses. The functionalized expense accounts were then classified into their various cost components. The individual classification totals were then allocated to the various customer groups based upon the appropriate allocation factors. The allocated expenses for each customer group were then aggregated to determine each customer group's overall revenue responsibility. A summary of the detailed cost responsibility developed for each class of service for 2013 is shown in Table 5.

Table 5 Summary of the Pretreatment 2013 Cost of Service Analysis					
Class of Service	Present Rate	Allocated	\$	%	
	Revenues	Costs	Difference	Difference	
Residential	\$252,866	\$281,935	\$(29,069)	11.5%	
Non-PPP Commercial	132,492	153,009	(20,517)	15.5%	
PPP Commercial	16,172	17,944	(1,772)	11.0%	
SIUs	<u>11,107</u>	12,130	(1,023)	<u>9.2%</u>	
Total	\$412 ,637	\$465,018	\$(52,381)	12.7%	

The allocation of costs attempted to align the facilities and costs allocated to each customer class with their respective benefit from services. Given the range of assumptions that may be used in a cost of service analysis, a general "guideline" that may be considered when viewing a cost of service analysis is if a class is within +/- 5% of the overall required adjustment the class, than it may be considered as being within a "reasonable range" of paying its "fair share". The results show that, in general, the customer classes are paying their equitable share of costs.

PROPOSED PRETREATMENT FEES

The final step of the rate study process is the design of rates to collect the desired levels of revenues, based on the results of the analysis. As indicated in the financial analyses, an annual adjustment of 7.5% is needed to meet expenses over the next 5-year period. A summary of the proposed rates for the next five year period is provided in Table 6. No change in rate structure, or adjustments between customers are recommended at this time.

Table 6 Summary of the Pretreatment 2013 Unit Costs						
Class of Service	Present	Proposed	Proposed	Proposed	Proposed	Proposed
	Rates	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Residential	\$1.57	\$1.69	\$1.82	\$1.96	\$2.11	\$2.27
Non-PPP Commercial	\$1.57	\$1.69	\$1.82	\$1.96	\$2.11	\$2.27
PPP Commercial	\$8.57	\$9.21	\$9.90	\$10.64	\$11.44	\$12.30
SIUs	\$185.12	\$199.00	\$213.93	\$229.97	\$247.22	\$265.76

These pretreatment rates were developed using "generally accepted" rate making methods and principles. The proposed adjustments in 2014 through 2018 are necessary to fund the operating expenses of the fund. Adoption of the proposed pretreatment rates will provide adequate funding for the fund through 2018.