



**NORTH TAHOE PUBLIC UTILITY DISTRICT
Board of Directors Special Meeting Agenda
North Tahoe Event Center
8318 North Lake Boulevard, Kings Beach, CA**

**Webinar available via teleconference (Zoom):
Webinar Link: <https://us02web.zoom.us/j/86369159883>
Webinar ID: 863 6915 9883
(888) 475-4499 (Toll Free)**

Thursday, March 7, 2024 at 5:00 P.M.

Welcome to a meeting of the North Tahoe Public Utility District Board of Directors

A special meeting of the North Tahoe Public Utility District will be held on Thursday, March 7, 2024, 5:00 p.m. at the North Tahoe Event Center. Public comment may be provided in person at this location. In addition, the District is allowing optional remote attendance by members of the public. Remote access to the meeting and public comment is available by calling: (888) 475-4499 (Toll Free), (Meeting ID: 863 6915 9883). Please note that remote viewing and comment will be provided, subject to availability. In the event of technical disruptions, it may not be available.

The District welcomes you to its meetings. Your opinions and suggestions are encouraged. With a few exceptions, all meetings are recorded and available online after the meeting has concluded. The meeting is accessible to people with disabilities. In compliance with Section 202 of the Americans with Disabilities Act of 1990 and in compliance with the Ralph M. Brown Act, anyone requiring reasonable accommodation to participate in the meeting should contact the North Tahoe Public Utility District office at (530) 546-4212, at least two days prior to the meeting.

In addition, all written public comments received by 4:00 p.m. on March 7, 2024 will be distributed to the District Board Members for their consideration and all written comments will be included in the minutes. Pictures, graphics, or other non-written comments may be included in the minutes at the discretion of the Board of Directors. Written comments may be emailed to mmoga@ntpud.org, mailed or dropped-off at NTPUD's Administrative Offices located at 875 National Ave., Tahoe Vista, CA. 96148.

The Board of Directors may take action upon any item listed on the agenda at any time during the meeting. Scheduled items will be heard at or after the time noted, but the Directors may interrupt or defer discussion in order to deal with other matters. No action will be taken at the meeting on any business not appearing on the posted agenda

TIMED ITEMS ON THIS AGENDA

5:00 P.M. Public Comment and Questions

5:00 P.M. Public Hearing

- A. CALL TO ORDER/PLEDGE OF ALLEGIANCE**
- B. REVIEW AGENDA -** *Agenda Items may be taken off the agenda or taken out of order.*
- C. PUBLIC COMMENT AND QUESTIONS (5:00 P.M.):** *Any person wishing to address the Board of Directors on Items of interest to the District not listed elsewhere on the agenda may do so at this time. Please limit comments and questions to three (3) minutes since no action can be taken on items presented under Public Comment.*
- D. CONSENT CALENDAR:** *Consent Calendar items are routine items which are approved without discussion or comment. If an item requires discussion, it may be removed from the Consent Calendar prior to action.*
 - 1. Approve Minutes of the February 13, 2024 Regular Board Meeting (Pages 3-6)**

- E. **PUBLIC HEARING** (*Timed item 5:00 p.m.*) – Conduct Proposition 218 Majority Protest Public Hearing for Increases and Adjustments to Rates for Water and Wastewater Service Charges (*Pages 7-55*)
 - a. For more information regarding the proposed rate increases and adjustments please see ntpud.org/rates.
- F. **GENERAL BUSINESS**
 - 1. Review, Discuss, and Consider Adoption of Resolution 2024-07 – Adopting Increases and Adjustments to Rates for Water and Wastewater Service Charges (*Pages 7-55*)
- G. **BOARD COMMENTS**
- H. **PUBLIC COMMENT AND QUESTIONS:** *See protocol established under Agenda Item C, Public Comment and Questions.*
- I. **ADJOURNMENT**



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: March 7, 2024

ITEM: D-1

FROM: Office of the General Manager

SUBJECT: Approve Minutes of February 13, 2024 Regular Board Meeting

RECOMMENDATION:

Approve the Regular Meeting Minutes of February 13, 2024

DISCUSSION:

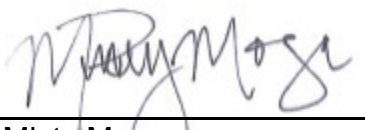
At the regular Board meeting and any special Board meetings, draft minutes from meeting(s) held during the previous month are presented to the Board of Directors for review and approval. Meeting minutes represent the official record of the District's actions. Minutes are considered to be a vital and historical record of the District.


FISCAL ANALYSIS: No Fiscal Impact

ATTACHMENTS: Draft Minutes from February 13, 2024

MOTION: Approve Staff Recommendation

REVIEW TRACKING:

Submitted By: 
Misty Moga
Administrative Liaison

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO



DRAFT MINUTES

NORTH TAHOE PUBLIC UTILITY DISTRICT
Regular Meetings are held at the North Tahoe Event Center

Tuesday, February 13, 2024, at 2:00 p.m.

CALL TO ORDER/ESTABLISH QUORUM

The regular meeting of the North Tahoe Public Utility District Board of Directors was held on Tuesday, February 13, 2024, at 2:00 p.m. at the North Tahoe Event Center. The Directors in attendance were Thompson, Hughes, Mourelatos, Daniels, and President Coolidge. District Staff in attendance included General Manager Johnson, Chief Financial Officer Van Cleave, Engineering and Operations Manager Pomroy, Public Information Officer Broglio, Utility Operations Manager Fischer, Human Resources Manager Harris, Recreation, Parks, and Facilities Manager Oberacker, and Administrative Liaison/Board Secretary Moga. District Legal Counsel Nelson was also present. The Pledge of Allegiance was recited. President Coolidge announced there were no changes to the agenda.

PUBLIC COMMENT AND QUESTIONS (2:00 p.m.): There were no requests for public comment.

REPORTS TO THE BOARD OF DIRECTORS: *Reports are informational only, and no action will be taken.*

Tahoe-Truckee Sanitation Agency (T-TSA) Report – TTSA Representative Scott Wilson provided highlights from his report.

Board meeting reports – Director Thompson reported that the Development & Planning Committee recommended consent items E.3. & E.4. Director Hughes reported that the Rec Committee recommended items E.6, E.7, and E.8. Director Mourelatos reported that the Finance Committee items E.5, E.9, and E.10. In response to Director Daniels, CFO Van Cleave briefly summarized Item E.9 – MUNN's Annual Pension Audit. Director Mourelatos recused himself from E.7 and E.8 due to real property interests.

CONSENT CALENDAR: *Consent Calendar items are routine items which are approved without discussion or comment. If an item requires discussion, it may be removed from the Consent Calendar prior to action.*

- Approve Accounts Paid and Payable for the period from January 9, 2024 – February 12, 2024
- Approve the Regular Meeting Minutes of January 9, 2024 and the Special Joint Meeting of January 31, 2024
- Authorize the General Manager to Execute Purchase Orders with Western Nevada Supply and Badger Meter for Water System Materials and Supplies
- Authorize the General Manager to File a Notice of Completion for the Carnelian Bay & Kings Beach (Golden-Rainbow-Secline) Watermains Project Approve Multi-year Agreements with Microsoft Corporation and CentralSquare Solutions and Authorize Staff to Retroactively Execute the Agreements

- Authorize the General Manager to Execute a North Tahoe Community Alliance North Lake Tahoe Tourism & Business Improvement District (TBID) Funds Grant Agreement for the Secline Beach Enhancement – Planning and Design Project
- Authorize the General Manager to Execute a Placer County Transient Occupancy Tax (TOT) Funds Grant Agreement for the Pam Emmerich Memorial Pinedrop Trail Extension – Planning and Design Project
- Authorize the General Manager to Execute a Professional Services Agreement with Lumos and Associates for the North Tahoe Regional Park Multi-Purpose Trail Connection Project
- Accept the Annual Independent Audit Report of the Money Purchase Pension Plan for Calendar Year 2022 Conducted by MUN CPAs
- Adopt Resolution 2024-05 of the Board of Directors of the North Tahoe Public Utility District Designating the General Manager as the Authorized Agent to Engage with the Federal Emergency Management Agency (FEMA) and the California Governor's Office of Emergency Services (Cal OES)

MOTION: Director Hughes moved to approve the Consent Calendar. Director Daniels seconded the motion. Director Mourelatos recused himself from items E.7 and E.8 due to real property interest. The motion carried unanimously in favor.

GENERAL BUSINESS

Fiscal Year 2023/24 Budget Parameters Mid-Year Review Discussion – GM Johnson introduced the item and provided a PowerPoint presentation. The Board held a discussion regarding future fleet electrification and charging stations. In response to Director Mourelatos, EOM Pomroy spoke about current and proposed water regulations impacting consumption and reporting. In response to Director Hughes' inquiry, GM Johnson spoke about the changeable sign board for the NTEC. In response to Director Hughes, GM Johnson noted we continue to participate in and monitor the Climate Transformation Alliance of Truckee-Tahoe.

Review, Discuss, and Consider Adoption of Resolution 2024-06 – Setting Various Rental Rates for Field and Facility Use at the North Tahoe Regional Park and Tahoe Vista Recreation Area – RPF Oberacker introduced the item. RPF Manager Oberacker addressed questions about managing park reservations and posting reservation signage. First-come, first-serve courts are available for tennis and pickleball. Director Hughes noted she would like a field house with solar power on Field #4 to be researched further.

MOTION: Director Thompson moved to Adopt Resolution 2024-06 – Setting Various Rental Rates for Field and Facility Use at the North Tahoe Regional Park and Tahoe Vista Recreation Area. Director Daniels seconded the motion. In response to President Coolidge's inquiry, RFP Oberacker provided clarification regarding the special event parking and 'adverse effect' language in the resolution. The motion carried unanimously in favor.

Review, Discuss, and Possibly Nominate Any Special District Representative (Directors) to Serve as a Regular Voting Member and an Alternate Voting Member for Local Agency Formation Commissioner (LAFCO) and Authorize the Board President to Complete the Nomination Form – GM Johnson introduced the item.

MOTION: Director Hughes nominated Josh Alpine to Serve as a Regular Voting Member and Judy Friedman to serve as an Alternate Voting Member for Local Agency Formation Commissioner (LAFCO) and Authorized the Board President to Complete the Nomination Form. Director Daniels seconded the motion. The motion was called and carried unanimously in favor.

MANAGEMENT TEAM INFORMATIONAL UPDATES: *Reports are informational only, and no action was taken.*

General Manager/CEO Report – GM Johnson provided highlights from his report, including an upcoming trip to DC with neighboring districts to support Lake Tahoe priorities such as the Lake Tahoe Restoration Act and water infrastructure for fire suppression efforts. Additionally, GM Johnson provided a brief summary of the first quarter customer service survey results.

Public Information Officer Report – PIO Broglio provided highlights from his report. Director Mourelatos complimented the NTEC wedding brochure. Director Daniels complimented PIO Broglio's efforts on the Prop 218 Notice and outreach.

Accounting Department Report for the month ending December 31, 2023 – CFO Van Cleave provided highlights from her report. Director Thompson complimented the Finance Committee memo. The Board discussed including the memo in future board packets.

Recreation, Park, and Facilities Department Report – RPF Oberacker provided highlights from her report. Director Mourelatos requested a copy of the NTEC Manager job description and spoke about the skill set as it's an important position. Director Hughes requested RPF Manager Oberacker share the peak parking data during the next Sustainable Recreation partnership meeting.

Planning and Engineering Department Report – EOM Pomroy provided highlights from his report. He added the next watermain project is currently out to bid.

Utility Operations Department Report – UOM Fischer highlighted items in his report, including a typo on the water production chart; it should be 22 million for the Dollar intertie.

Legal Report – Legal Counsel Nelson highlighted the legislation that took effect on January 1. He added that the next legislative cycle is ramping up, and bills are being introduced.

BOARD COMMENTS – Director Daniels complimented the Utility Rate Open House setup.

LONG RANGE CALENDAR – GM Johnson highlighted upcoming events and meetings.

PUBLIC COMMENTS AND QUESTIONS – There were no requests for public comment.

ADJOURNMENT – With no further business to come before the Board, the meeting was adjourned at 4:57 p.m.



NORTH TAHOE PUBLIC UTILITY DISTRICT

DATE: March 7, 2024

ITEM: E/F-1

FROM: Office of the General Manager

SUBJECT: Conduct Proposition 218 Majority Protest Public Hearing and Review, Discuss, and Consider Adoption of Resolution 2024-07 to Adopt Increases and Adjustments to Rates for Water and Wastewater Service Charges

RECOMMENDATION:

1. Conduct Proposition 218 Majority Protest Public Hearing for increases and adjustments to rates for water and wastewater service charges.
2. Review, discuss, and consider the adoption of Resolution 2024-07 – adopting increases and adjustments to rates for water and wastewater service charges.

DISCUSSION:

These related items are the culmination of a year-long process to evaluate the current water and wastewater rates of the North Tahoe Public Utility District. This evaluation process has determined that rate adjustments are required to reflect significant cost increases since the last rate study was conducted in 2018.

In 2022, the District retained HDR Engineering, an independent rate consultant, and began a comprehensive cost of service study to determine whether existing rates and property tax revenues were sufficient to meet the system rehabilitation and replacement needs, as well as the District's operational costs for the water and wastewater systems. The District's rate structure was also assessed for compliance with industry best practices and California state law. California Proposition 218 (Cal. Const. Article XIIIID, sec. 6) requires each customer class to be charged only what is required to cover their respective proportional cost of service. Importantly, water rates can only be used to fund water system costs, and wastewater rates can only be used to fund the wastewater system costs.

With the study now complete, the District has determined annual rate increases are necessary over the next five years in order to continue providing reliable and sustainable water and wastewater services into the future. Existing rates and property tax revenues are not sufficient to fund necessary investments in our infrastructure and meet operational costs.

The proposed increases to monthly water and wastewater rates are triggered by many factors, including:

- Infrastructure improvements, identified in the District's five-year Capital Improvement Plan, necessary to address end of service life system rehabilitation and replacement before failure;
- Water system improvements to provide fire suppression;
- Significant escalation of the cost of construction;
- Inflationary increases in supply, material, labor, and utility costs.

Additionally, the District has identified necessary rate restructuring to ensure continued compliance with Proposition 218. As a result of this rate restructuring, the bill impact of the proposed rate increases will not be the same across all customer classes, and some water customer classes will see a decrease in their current water bill.

The District conducted significant outreach to inform customers of these proposed changes. In addition to the legally required Proposition 218 notices, the District conducted numerous public Board workshops and strategy sessions, as well as a utility rate open house on February 13, 2024.

Under Proposition 218, the District is required to conduct a majority protest hearing prior to increasing service rates. Under these procedures, any record owner or tenant may submit a written protest and/or come to the hearing and provide oral testimony on the proposed rates. If a majority of the record owners or tenants directly liable for the payment of the charges submit written protests against the proposed adjustments, then the rate adjustments may not be adopted. As of February 29, 2024, Staff has received 20 potential protests. Item E provides for the majority protest hearing.

Assuming there is no majority protest, the Board of Directors can adopt the proposed maximum monthly rates for water and wastewater service charges for Fiscal Years (FY) 2024/2025, 2025/2026, 2026/2027, 2027/2028, and 2028/2029. This is accomplished through the adoption of Resolution 2024-07.

It is important to note that the proposed rates include a rate adjustment annually over the five-year period. This will permit maximum proposed increases through FY 2028/2029. Beginning in 2025 and continuing through this time period, the Board will assess the District's operating and capital budgets as well as the scheduled utility rates annually. The Board will be able to evaluate and set the water and wastewater rates, up to the adopted maximum, annually during this period without conducting a majority protest proceeding.

FISCAL ANALYSIS:

The proposed rate adjustments are the result of the comprehensive cost of service study completed by HDR Engineering. Without the proposed rate increases, both the Water and Wastewater Fund will not generate sufficient revenues to fund identified and projected operating and capital expenditures over the five-year period of the study (FY 2024/2025 – FY 2028/2029).

Over the five-year period, the proposed adjustments generate revenue sufficient to achieve the targeted approximately \$4-million annual capital expenditure by FY 2028/2029 in the Water Fund (up from \$1.6-million in generated rate revenues in FY

2023/2024) and approximately \$2-million in the Wastewater Fund (up from \$800,000). Additionally, over the five-year period, support of indirect General & Administrative expenses attributable to the Water and Wastewater Funds transitions from property tax revenue funded to partial Water and Wastewater Fund rate revenue funding. This initiative, cumulatively over the five-year period, frees up approximately \$2.3-million of property tax to support capital expenditures across all of the District's Funds.

The fiscal impacts of the proposed rate adjustments are discussed in greater detail in the Water and Wastewater Utility Rate Study Summary Presentation.

STRATEGIC PLAN ALIGNMENT:


Goal 3: Enhance District governance and partnerships – Objective B: Ensure financial sustainability of the District – Tactic 2: Complete and implement new Five-year Rate Structure – Activity a: Engage a consultant to conduct a cost-of-service study; and – Activity b: Assemble internal support team with an identified sponsor; and – Activity c: Staff recommendation presented to Board for consideration and adoption in compliance with California Proposition 218 requirements.

ATTACHMENTS:

- Water and Wastewater Utility Rate Study Summary Presentation
- Resolution 2024-07 – Adopting Increases and Adjustments to Rates for Water and Wastewater Service Charges
- Resolution 2024-07 – Exhibit 1: Schedule of Water Rates
- Resolution 2024-07 – Exhibit 2: Schedule of Wastewater Rates

MOTION: Approve Staff Recommendation.

REVIEW TRACKING:

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO



North Tahoe Public Utility District Water and Wastewater Rate Study Summary

March 7, 2024



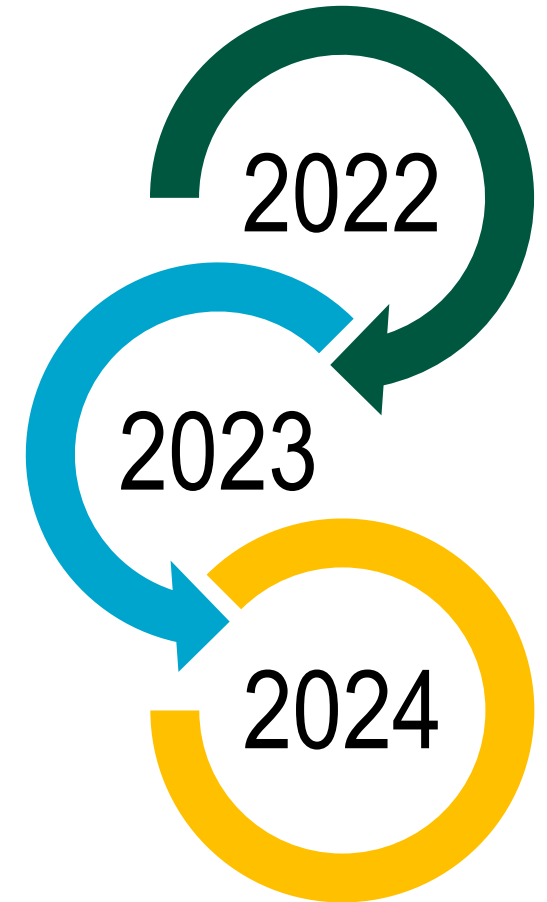
Overview of the Presentation

- Rate Study Timeline
- Purpose of the Study
- Overview of Setting Cost Based Rates
- Review Rate Study Results
- Review Proposed Water and Wastewater Rates
- Rate Study Summary
- Next Steps



Rate Study Timeline

- September 2022 – Cost of Service Study initiated with HDR Engineering, Inc.
- March 2023 – Cost of Service Overview
- June 2023 – Preliminary Study Results
- July 2023 – Review of Key Wastewater Rate Assumptions
 - Capital Funding Analysis
 - Integration of G&A Costs
- August 2023 – Review of Key Water Rate Assumptions
 - Capital Funding Analysis
 - Integration of G&A Costs
- September 2023 – Summary of Key Assumptions
 - Overview of Property Tax Revenue Projections and other Enterprise Fund analysis
 - Summary of the Water and Wastewater Rate Scenarios
- November 2023 – Rate Study Summary
- December 2023 – Proposed Rate Adjustment Discussion and Set Public Hearing Date
- January 2024 – Review Proposed Rate Adjustment Customer Notification and Outreach
- February 2024 – Public Open House
- March 2024 – Public Hearing



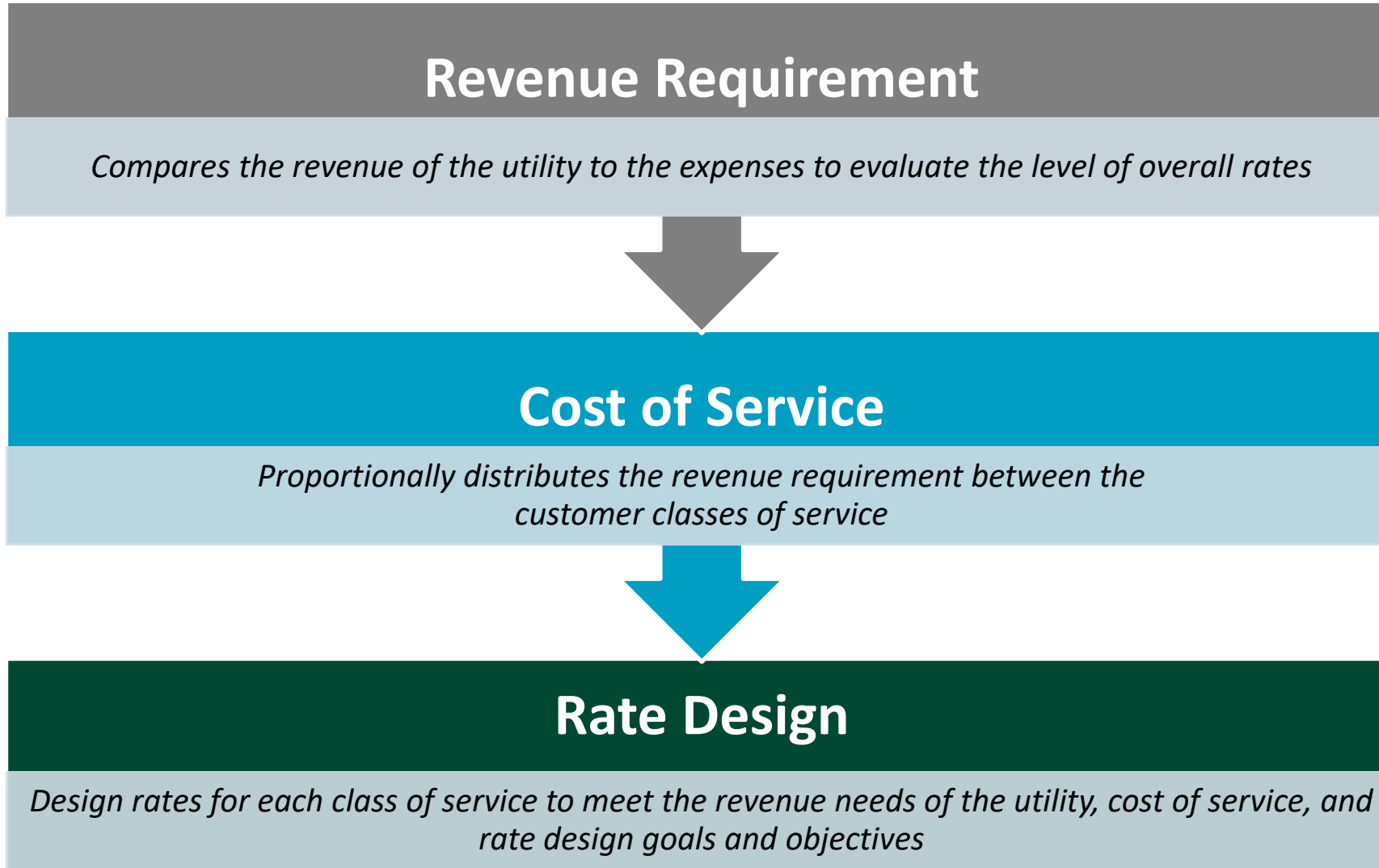
Purpose of the Study

- Develop an analysis to financially sustain the District's water and wastewater infrastructure
 - Proposed rates for the next five-year rate setting period
- Reflect prudent financial planning criteria
 - Maintain target debt service coverage (DSC) ratio
 - Adequate rate funding of capital infrastructure
 - Meet target reserve balances
- Develop the analyses using generally accepted methodologies and the District's system and customer characteristics
- Meet the intent of the requirements laid of Proposition 218
 - Develop proportional and cost-based rates
 - Provide administrative record

Proposition 218 – Setting Cost-Based Rates

- Proposition 218 is a California constitutional amendment designed to protect taxpayers by limiting the methods by which local governments can create or increase taxes, fees and charges without taxpayer consent
- Proposition 218 is not prescriptive in defining a “cost-based” rate
- In part, Proposition 218 requires
 - Fees shall not exceed the **reasonable cost** of providing the service
 - Fees shall not exceed the **proportional cost** of providing the service
- Cost of service analysis results (unit costs) are the foundation of the proposed rates
 - Nexus between cost to provide service (expenses) and rates (fixed and variable) charged to customers (revenues)

Developing Cost-Based Rates



Wastewater System Overview

- Provides service to over 5,500 customers
- Over 73 miles of collection pipelines and 7.5 miles of force main pipelines
- 4 primary and 16 secondary pump stations
- Collect and convey nearly 1 million gallons per day of wastewater to the Tahoe-Truckee Sanitation Agency



Water System Overview

- Provides service to over 3,800 customers
- Over 53 miles of water distribution pipelines, five pump stations, eight water storage reservoirs, the National Avenue Water Treatment Plant, and two groundwater wells
- Produce nearly 1 million gallons per day of potable water



Study Goals and Objectives

Review and update Capital Funding Analysis



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graph TD; A[Review and update Capital Funding Analysis] --> B[Review general and administrative expense allocation]; B --> C[Review fixed/variable revenue through rates]; C --> D[Update the NTPUD Wastewater and Water rates]; D --> E[Review other opportunities identified and evaluated during the rate study process];
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Review general and administrative expense allocation

Review fixed/variable revenue through rates

Update the NTPUD Wastewater and Water rates

Review other opportunities identified and evaluated during the rate study process

Utility Infrastructure Needs

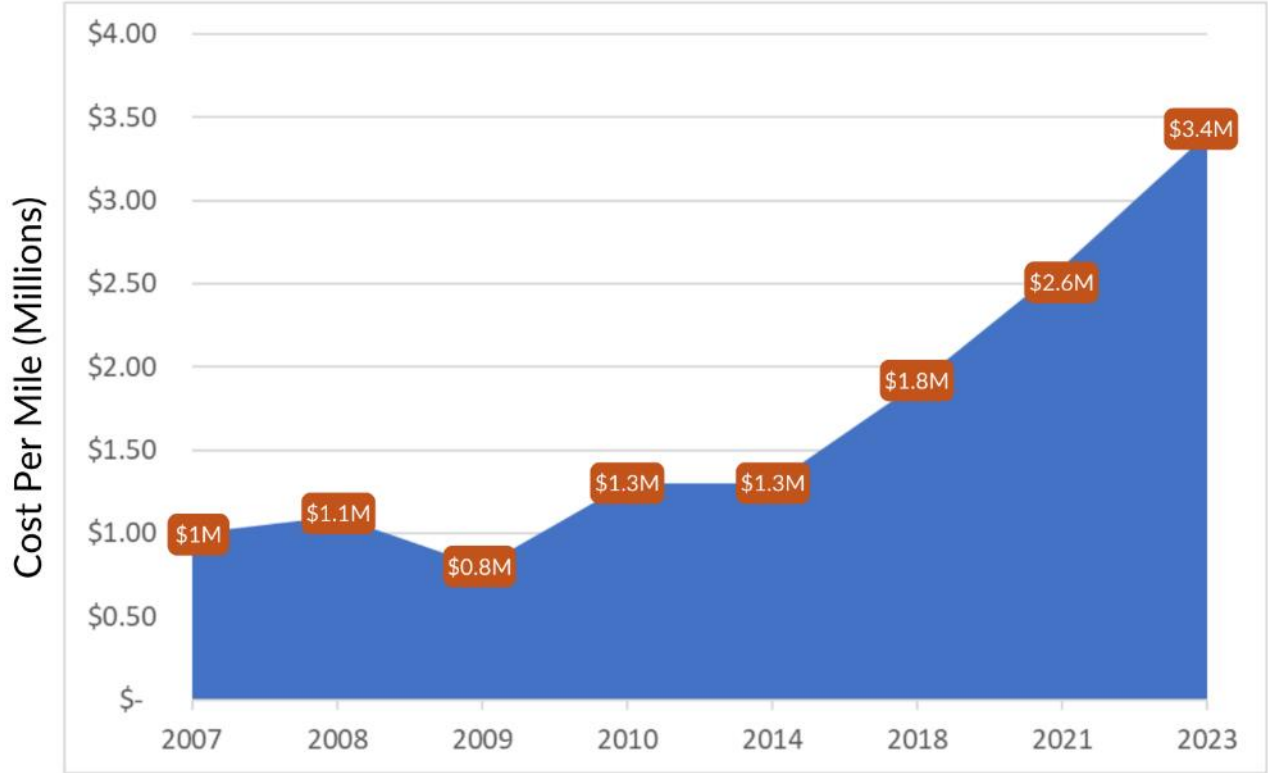
- District has completed a comprehensive review to identify infrastructure needs
 - Resulted in capital plans for the water and wastewater utility
- Investments in aging infrastructure and equipment are necessary to maintain service levels
- Cost of replacement has increased significantly over the past several years due to inflationary impacts
- Improving water infrastructure for fire suppression is a top priority
- Key improvements:
 - Distribution and collection pipeline rehabilitation and replacements
 - Water and wastewater pump station improvements
 - Water treatment plant upgrades
 - District fleet, electrification, and corporation yard improvements

Watermain Replacement Cost

Competitively Bid - Contracted Cost
to Install One Mile of Water Pipeline

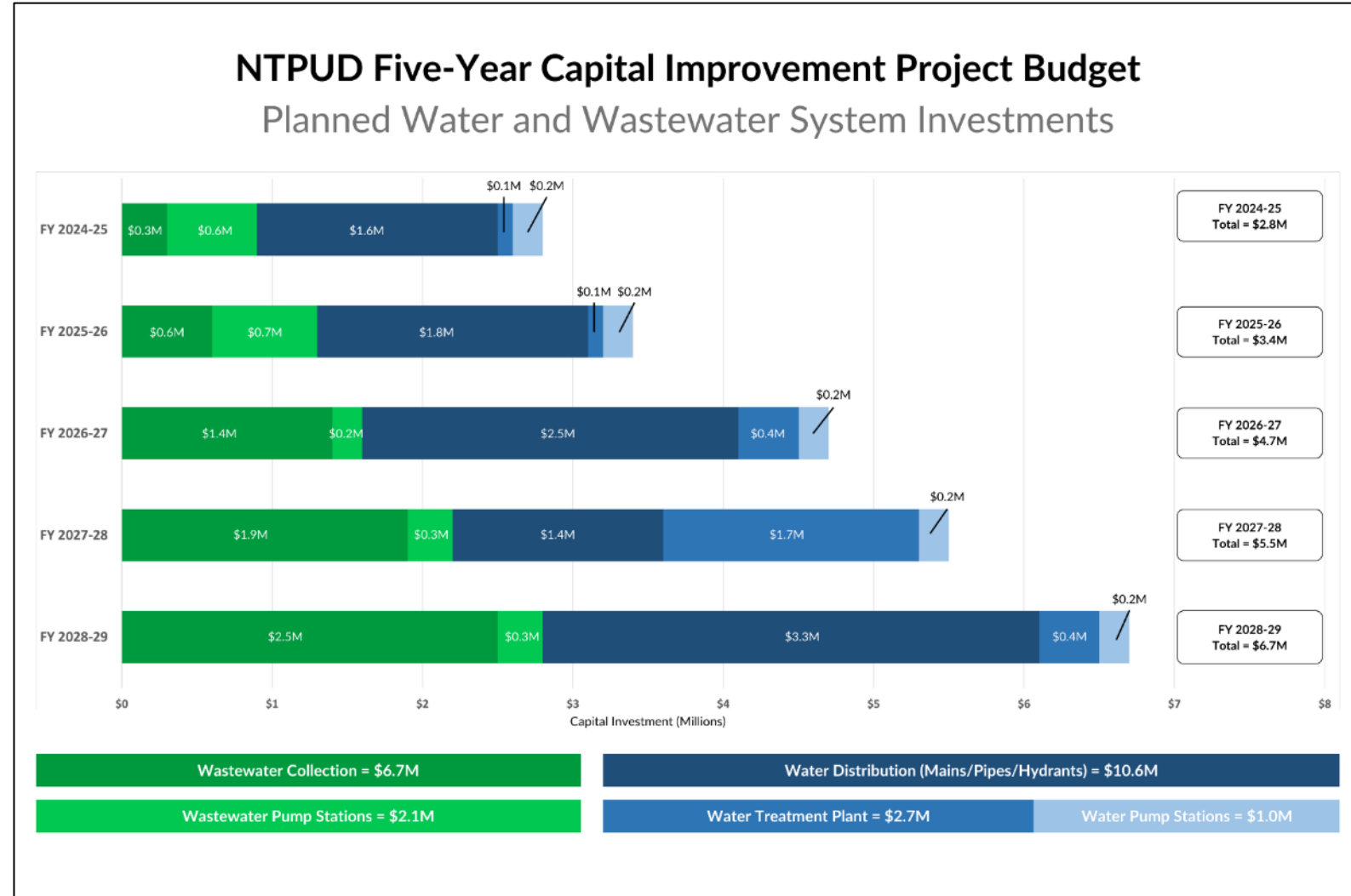


In 2018, the District's competitively bid contracted cost to install one mile of water pipeline was approximately \$1.9M and by 2023, that cost from external contractors had risen to \$3.4M - an increase of 14% per year.



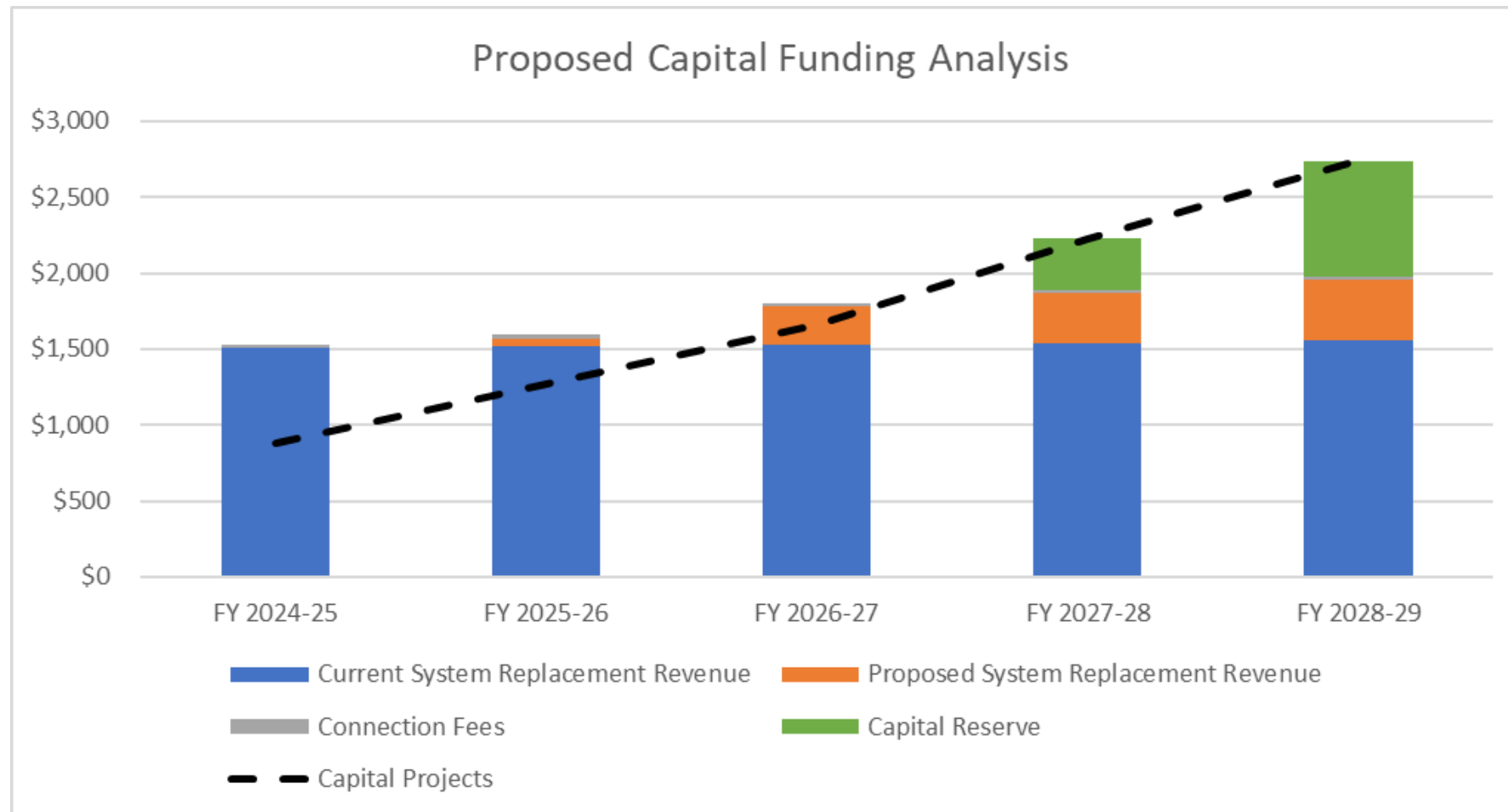
Infrastructure Funding

- Infrastructure is primarily funded through system replacement rates each fiscal year (July – June)
 - Additional funding from reserves, grants, or property tax revenues when available
- Original CIP and funding approach was evaluated and reviewed with Board (August and September)



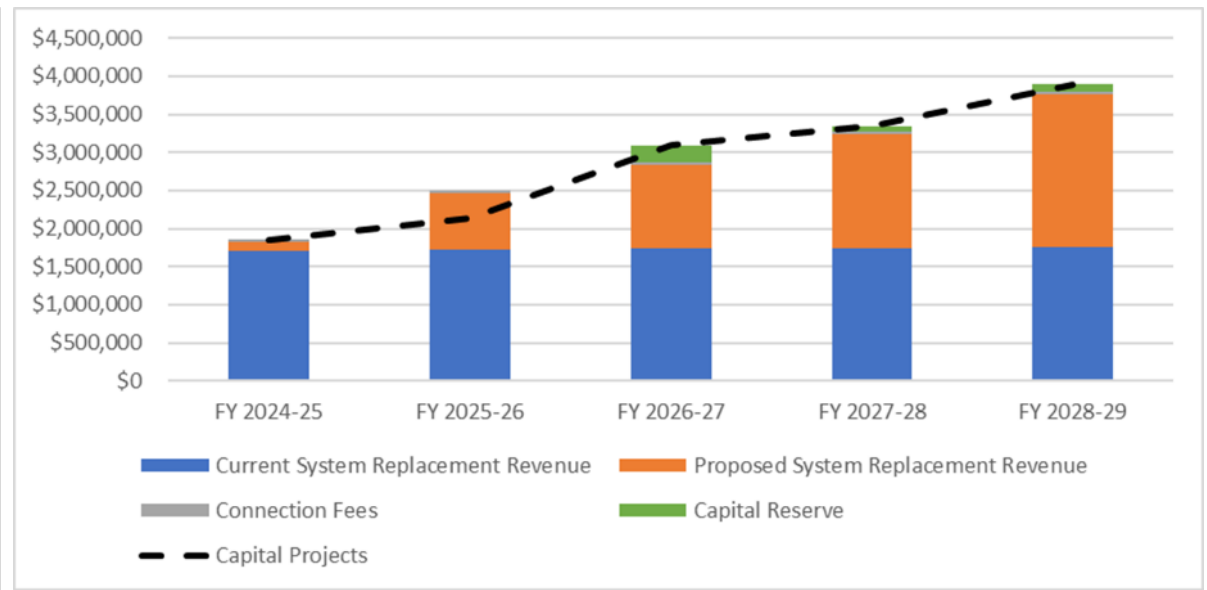
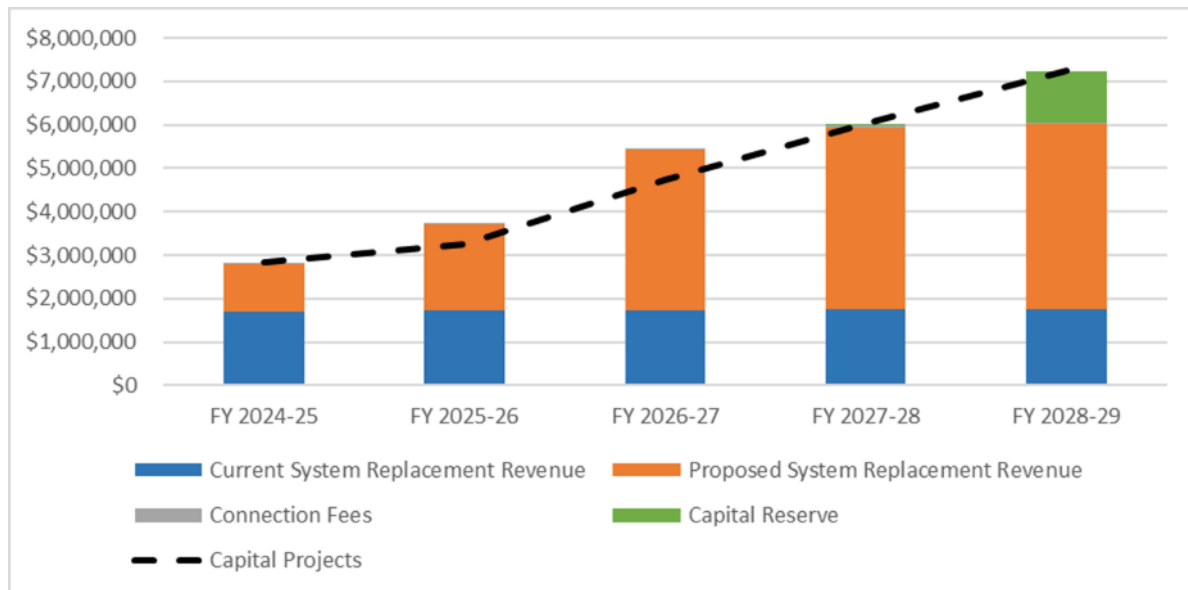
Wastewater Infrastructure Funding

- Annual capital averages \$1.6 million per year (first 5-years)
 - Reflects priority projects and timing
 - Projects have been moved within 5-year rate setting period to minimize rate impacts



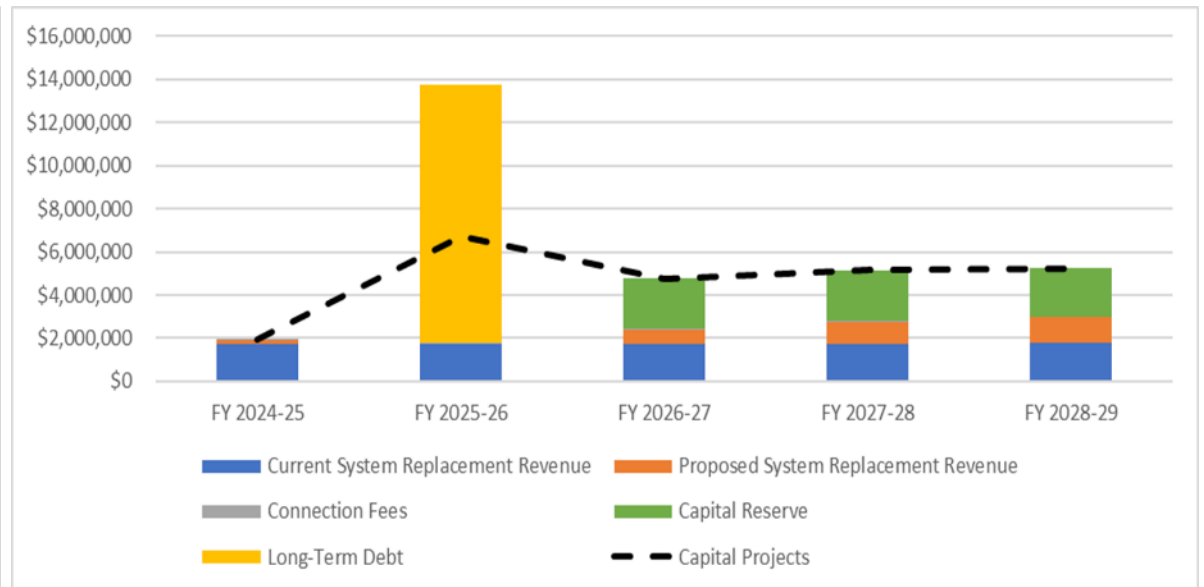
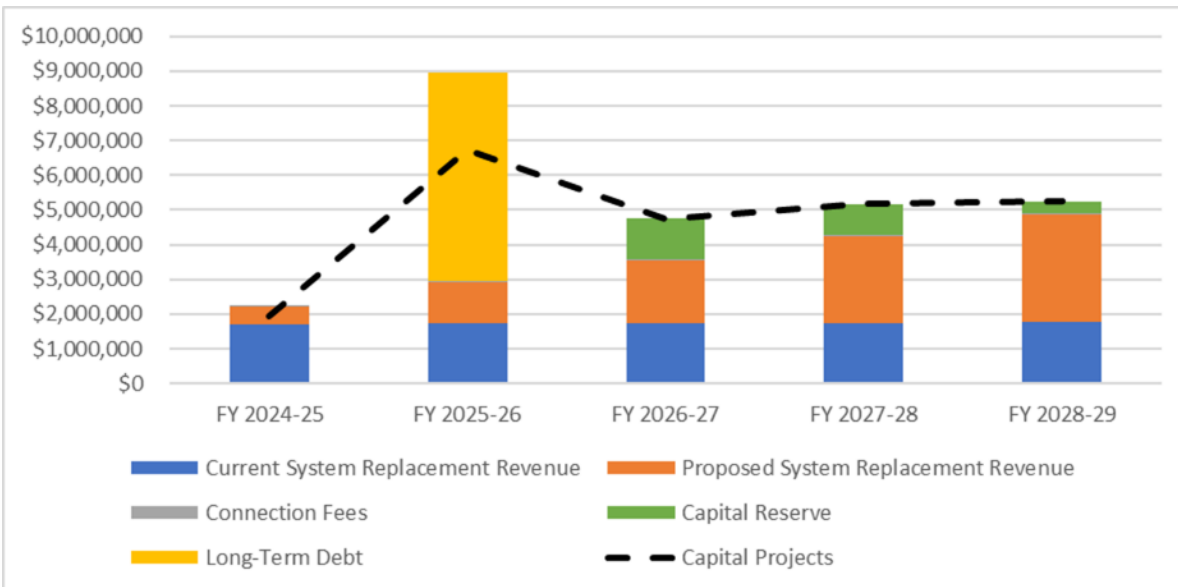
Water Infrastructure Funding

- Original five-year CIP averaged \$4.8 million per year (FY 24/25-FY 28/29), reduces in following years
 - Reflects priority projects and timing
- Developed alternatives for Board consideration (deferring capital, debt financing)
 - Deferred capital funding analysis moved ~\$7M of capital outside of five-year rate period



Water Debt Financing Discussion

- Reviewed and evaluated impact of debt financing water capital needs at the August 8, 2023 Board meeting
 - Evaluated \$6 or \$12 Million in borrowing on initial CIP
 - Debt funded rate impacts were not less than deferred capital funding analysis



- **Staff recommendation, and Board direction, was to move forward with deferred capital plan as debt financing was not beneficial to rate impacts**

Debt Service Policy Approach

- Use of long-term borrowing is a funding source available to utilities
 - Results in annual debt service payments (principle and interest)
 - Funds need to be spent in short-term period (e.g., 3 years)
- **Generally used for large, one-time projects (once in a generation) or regulatory driven improvements (e.g., treatment plant)**
 - Renewal and replacement projects should be rate funded (e.g., pay as you go)
- Long-term debt has advantages and disadvantages
 - Can promote intergenerational equity
 - Can adversely affect rate levels (higher in the long-term)
- **Need to issue debt at a level that it cost effective**
 - Can have significant upfront costs
- **Proposed wastewater and water capital plans have limited projects that meet the typical long-term debt funding criteria**

Overview of G&A Costs

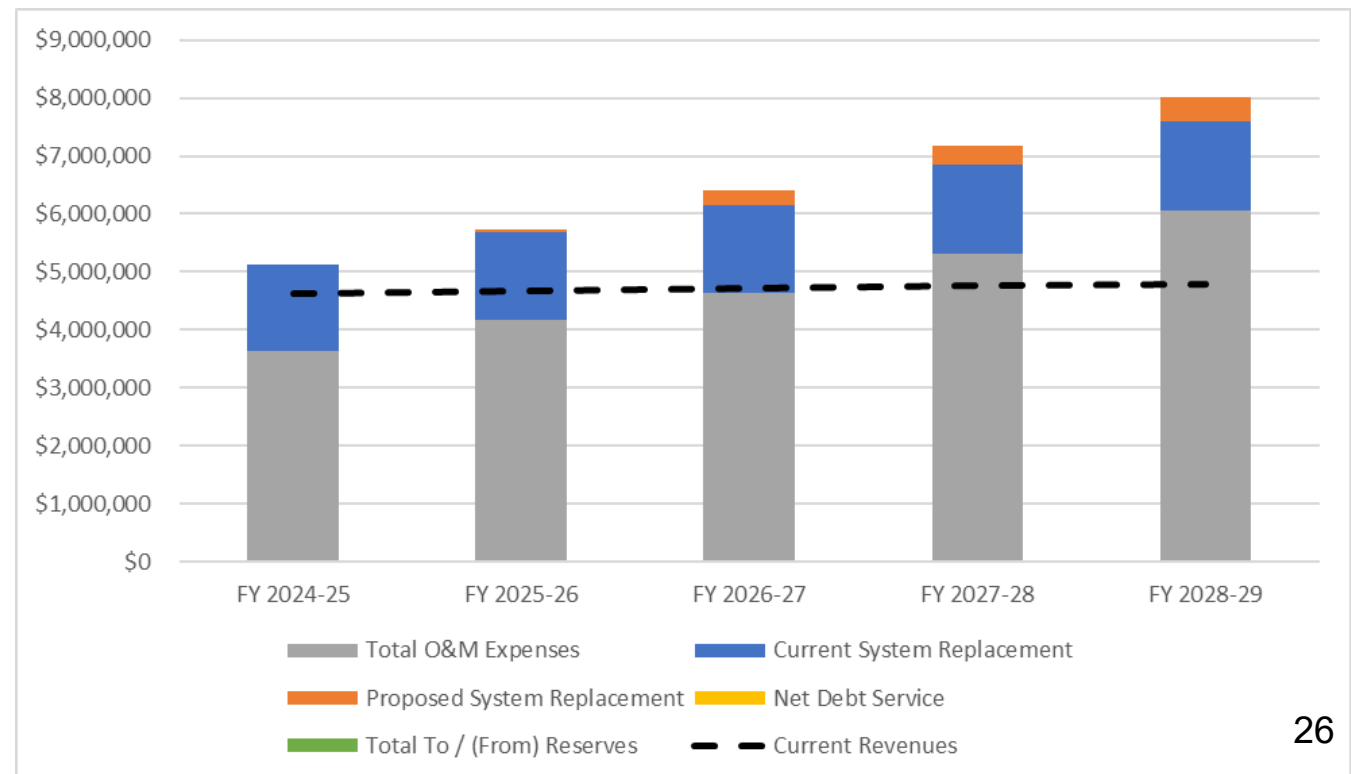
- G&A costs are essential to providing services in all of the District’s operations
- Currently the District uses Property Tax to pay for these indirect costs
- Industry standard approach is to recognize indirect costs and allocate them to the appropriate enterprise fund through an indirect cost allocation process
- To represent the full costs of each enterprise fund, the enterprise’s share of G&A costs should be included in the development of the proposed rate
- An analysis of the G&A costs was conducted in the development of the proposed rates to meet Proposition 218 requirements

Total	Water	Wastewater	Recreation
100.0%	37%	36%	27%

- The proposed rates result in a \$2.3 Million reduction in use of Property Tax to subsidize the allocated indirect water and wastewater costs over the five-year rate setting period

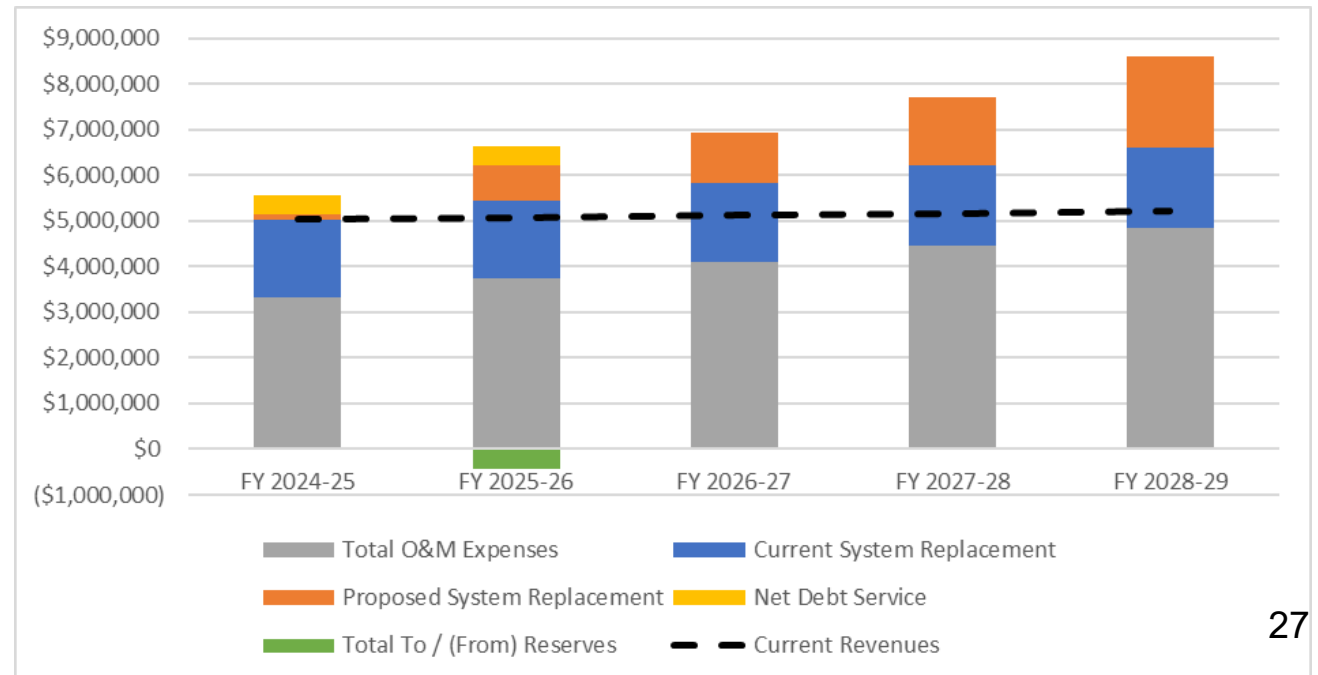
Summary of the Wastewater Revenue Requirement

- Based on current rate revenues and customer characteristics
- Reflects increased funding for infrastructure replacement of ~\$2.0 Mil in FY 28-29
- Results show the need to increase overall revenues for the utilities
 - Funding aging infrastructure improvements and replacements
 - Funding of annual operations and maintenance expenses
 - Transition portion of indirect G&A costs attributable to Wastewater from property tax to rates
 - Maintain prudent financial criteria



Summary of the Water Revenue Requirement

- Based on current rate revenues and customer characteristics
- Reflects increased funding for infrastructure replacement targeted at ~\$4.0 Mil in FY 28-29
- Results show the need to increase overall revenues for the utilities
 - Funding aging infrastructure improvements and replacements
 - Funding of annual operations and maintenance expenses
 - Transition portion of indirect G&A costs attributable to Water from property tax to rates
 - Maintain prudent financial criteria



Summary of the Wastewater Cost of Service

- Wastewater cost of service is based on industry standard approaches (i.e., WEF MOP #27)
- Cost of service allocates and distributes cost on a per EDU basis
- Approach simplifies the Cost of Service analysis
 - Total wastewater costs divided by total number of billable EDUs
- Cost per EDU is basis for proposed rates
- EDU is applied to different customer types based on industry standard metrics
 - Single family customer = 1 EDU
 - Non-residential based on:
 - Number of fixture units
 - Number of seats
 - etc.

Summary of the Water Cost of Service

- Water cost of service is based on industry standard approaches (i.e., AWWA M1 Manual)
- Reflects each customer class's proportional share of costs
- Customer characteristics and District costs have changed since the last study
 - Demands are based on recent customer and system data
 - District costs change over time
- Results in changes in the relationship (cost of service) between customer classes
 - Addressed in year 1 of the rate adjustments
- These changes are expected even when completing studies routinely

Summary of the Cost of Service Results

Minor cost differences exist for the water system

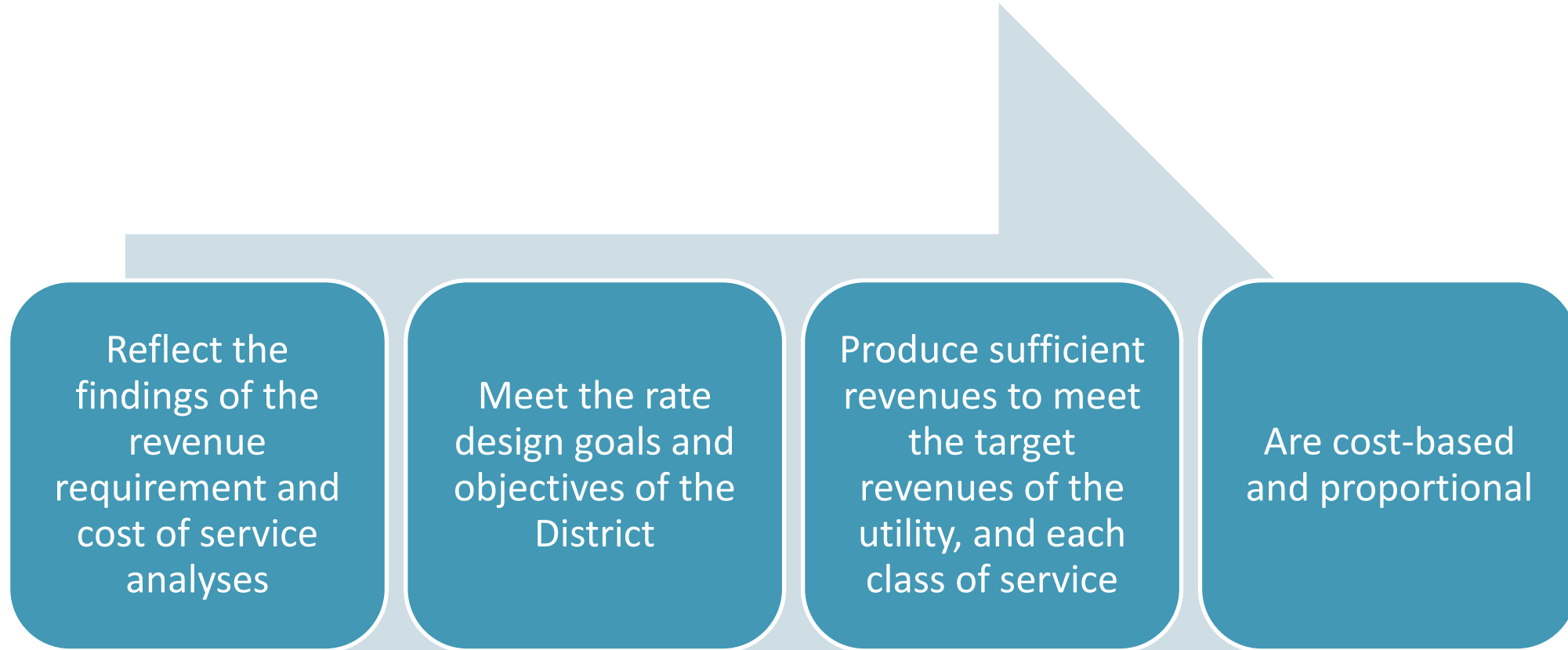
Both analyses reflect customer usage and facility requirements

Cost of service analysis results in unit cost which are the basis for the proposed rates

Year 1 water rate adjustment includes system revenue adjustments and rebalancing the proportionality between customer classes

Years 2 - 5 reflect annual overall system revenue adjustments

Proposed Water and Wastewater Rates



Present and Proposed Wastewater Rates

	Present Rates	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	
Residential							
Base Rate	\$34.67	\$40.37	\$46.14	\$50.92	\$57.91	\$65.77	<i>Per EDU</i>
System Replacement Rate	\$15.81	\$17.18	\$17.75	\$19.99	\$20.80	\$21.60	<i>Per EDU</i>
State/Federal Mandate Fee	\$1.37	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	<i>Per EDU</i>
Total Residential	\$51.85	\$57.55	\$63.89	\$70.91	\$78.71	\$87.37	
Non-Residential							
Base Rate			See Non-Residential Table				<i>Per EDU</i>
System Replacement Rate			See Non-Residential Table				<i>Per EDU</i>
State/Federal Mandate Fee	1.37	0.00	0.00	0.00	0.00	0.00	<i>Per EDU</i>
Total Non-Residential	\$1.37	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

Present and Proposed Non-Residential Wastewater Rates (Cont'd)

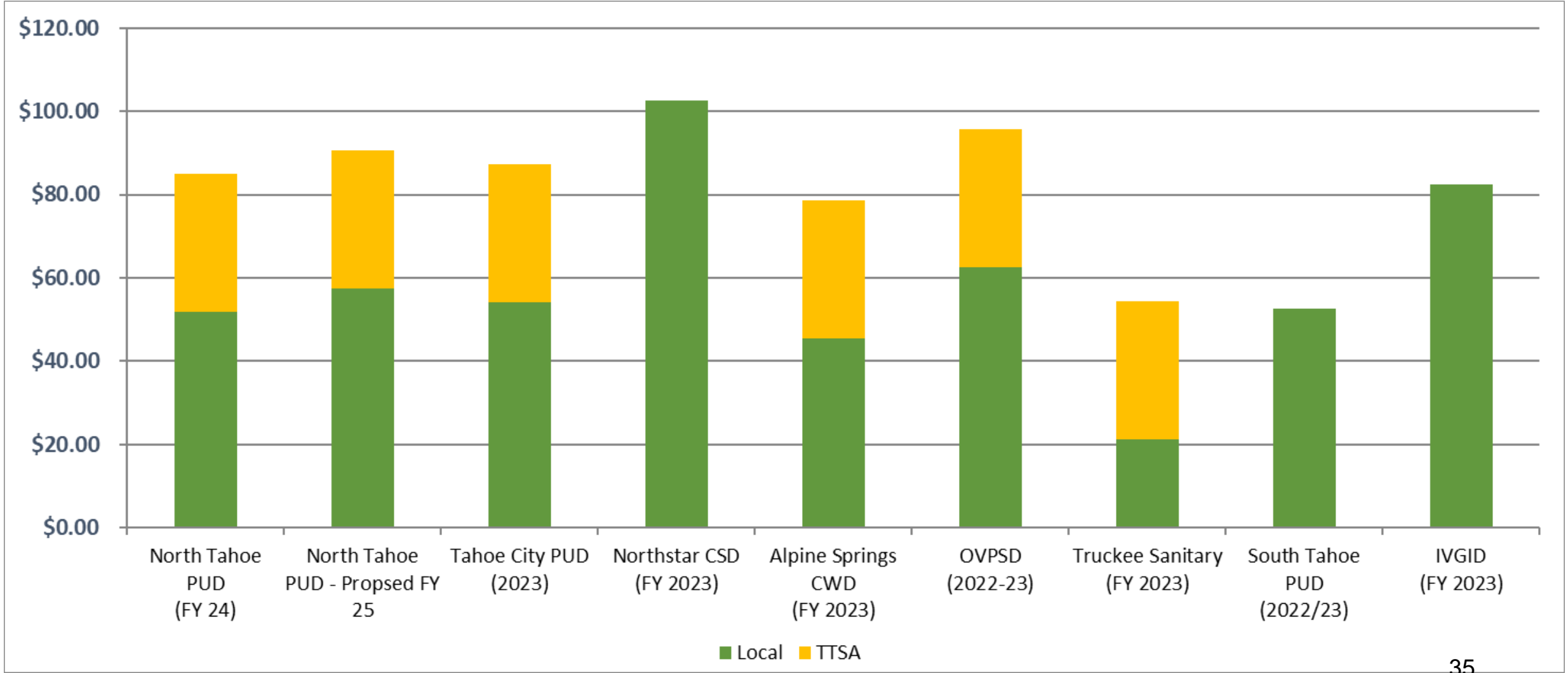
		Base					
	Unit	Present Rates	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Motel unit with kitchen	Per Living Unit/month	\$14.60	\$17.00	\$19.42	\$21.44	\$24.38	\$27.69
Motel unit w/o kitchen	Per Living Unit/month	11.20	13.04	14.90	16.45	18.71	21.24
Campsite with sewer connection	# of Sites/month	22.37	26.04	29.76	32.85	37.35	42.42
Campsite without sewer connection	# of Sites/month	19.56	22.77	26.02	28.72	32.66	37.09
Other Business	# of Fixture Units/month	4.45	5.17	5.91	6.52	7.41	8.42
Grocery/Market	# of Fixture Units/month	7.85	9.12	10.43	11.51	13.09	14.86
Laundries	# of 10 lb Machines/month	18.32	21.32	24.36	26.89	30.58	34.73
Restaurants & Bars							
Inside Seating	# of Seats/month	3.43	4.00	4.57	5.04	5.73	6.51
Outside Seating	# of Seats/month	1.13	1.33	1.52	1.68	1.91	2.17
Theatres	# of Seats/month	0.44	0.52	0.60	0.66	0.75	0.85
Churches	# of Seats/month	0.44	0.52	0.60	0.66	0.75	0.85
Barber Shops	# of Service Chairs/month	11.79	13.73	15.69	17.31	19.69	22.36
Beauty Shops	# of Service Chairs/month	19.56	22.77	26.02	28.72	32.66	37.09
Schools	# of seats/month	0.07	0.08	0.09	0.10	0.12	0.13
Marina Boat Pumping Facility	Per	38.76	45.14	51.58	56.93	64.74	73.53
Swimming Pool	Per Pool/month	8.91	10.38	11.86	13.09	14.88	16.90
Snack Bar	# of fixture units/month	3.43	4.00	4.57	5.04	5.73	6.51
Studio Living Unit	Living Units/month	29.64	34.52	39.45	43.54	49.51	56.23
Animal Shelter	Per Account/month	122.66	142.84	163.24	180.17	204.89	232.68
Service Station	# of service bays/month	59.85	69.68	79.64	87.90	99.95	113.51

Present and Proposed Non-Residential Wastewater Rates (Cont'd)

		System Replacement					
	Unit	Present Rates	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Motel unit with kitchen	Per Living Unit/month	\$6.66	\$7.23	\$7.47	\$8.41	\$8.76	\$9.09
Motel unit w/o kitchen	Per Living Unit/month	5.11	5.55	5.73	6.46	6.72	6.98
Campsite with sewer connection	# of Sites/month	10.20	11.08	11.45	12.89	13.42	13.93
Campsite without sewer connection	# of Sites/month	8.92	9.69	10.01	11.27	11.73	12.18
Other Business	# of Fixture Units/month	2.02	2.20	2.27	2.56	2.66	2.77
Grocery/Market	# of Fixture Units/month	3.57	3.88	4.01	4.52	4.70	4.88
Laundries	# of 10 lb Machines/month	8.35	9.07	9.37	10.55	10.98	11.41
Restaurants & Bars							
Inside Seating	# of Seats/month	1.57	1.70	1.76	1.98	2.06	2.14
Outside Seating	# of Seats/month	0.52	0.57	0.59	0.66	0.69	0.71
Theatres	# of Seats/month	0.21	0.22	0.23	0.26	0.27	0.28
Churches	# of Seats/month	0.21	0.22	0.23	0.26	0.27	0.28
Barber Shops	# of Service Chairs/month	5.38	5.84	6.03	6.80	7.07	7.34
Beauty Shops	# of Service Chairs/month	8.92	9.69	10.01	11.27	11.73	12.18
Schools	# of seats/month	0.03	0.03	0.04	0.04	0.04	0.04
Marina Boat Pumping Facility	Per	17.68	19.21	19.84	22.35	23.26	24.15
Swimming Pool	Per Pool/month	4.06	4.42	4.56	5.14	5.35	5.55
Snack Bar	# of fixture units/month	1.57	1.70	1.76	1.98	2.06	2.14
Studio Living Unit	Living Units/month	13.52	14.69	15.17	17.09	17.78	18.47
Animal Shelter	Per Account/month	55.94	60.78	62.78	70.71	73.59	76.43
Service Station	# of service bays/month	27.29	29.65	30.63	34.50	35.90	37.29

Wastewater Utility – Year 1 (FY 2025)

Local Residential Bill Comparison

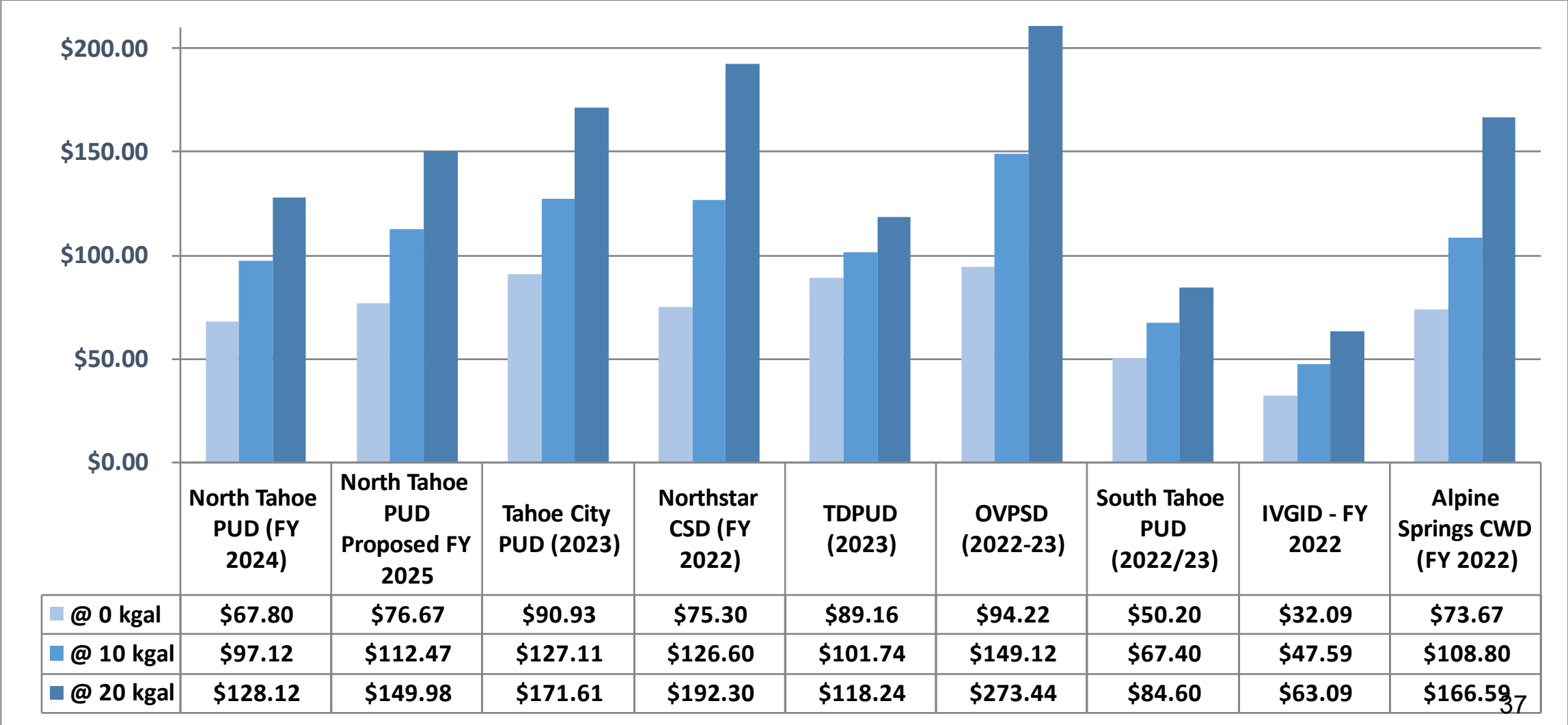


Present and Proposed Single Family Water Rates

		Current Rates	Proposed Rates				
			FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Fixed (\$/month)							
Base	\$35.55	\$44.25	\$49.12	\$54.52	\$60.52	\$67.17	
System Replacement	30.58	32.42	35.99	39.95	44.34	49.22	
State/Federal Mandate	1.67	0.00	0.00	0.00	0.00	0.00	
Variable (\$/1,000 gallons)							
0 -8,000	\$2.89	\$3.54	\$3.93	\$4.36	\$4.84	\$5.37	
> 8,000 - 20,000	3.10	3.75	4.16	4.62	5.13	5.69	
> 20,000	3.39	3.99	4.43	4.92	5.46	6.06	

Water Utility

Local Residential Bill Comparison



Present and Proposed Multi-Family and Commercial Water Rates

Tiers For Multi-Residential and Commercial Classes			
Meter Size	Tier 1	Tier 2	Tier 3
3/4"	0 - 6,000 Gal	6,000 - 41,000 Gal	41,000 Gal & Greater
1"	0 - 11,000 Gal	11,000 - 46,000 Gal	46,000 Gal & Greater
1 1/2"	0 - 27,000 Gal	27,000 - 116,000 Gal	116,000 Gal & Greater
2"	0 - 41,000 Gal	41,000 - 134,000 Gal	134,000 Gal & Greater
3"	0 - 72,000 Gal	72,000 - 161,000 Gal	161,000 Gal & Greater
4"	0 - 112,000 Gal	112,000 - 261,000 Gal	261,000 Gal & Greater
6"	0 - 200,000 Gal	200,000 - 460,000 Gal	460,000 Gal & Greater
8"	0 - 560,000 Gal	560,000 - 1,288,000 Gal	1,288,000 Gal & Greater

Present and Proposed Multi-Family Water Rates

Current		Proposed Rates				
Rates		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Fixed (\$/month)						
Base						
3/4"	\$69.06	\$62.15	\$68.99	\$76.57	\$85.00	\$94.35
1"	120.90	113.94	126.47	140.39	155.83	172.97
1 1/2"	310.92	279.67	310.44	344.58	382.49	424.56
2"	469.79	424.69	471.40	523.26	580.81	644.70
3"	826.08	745.79	827.83	918.89	1,019.97	1,132.16
4"	1,292.04	1,160.12	1,287.73	1,429.38	1,586.61	1,761.14
6"	2,302.14	2,071.64	2,299.52	2,552.47	2,833.24	3,144.89
8"	N/A	5,800.59	6,438.65	7,146.90	7,933.06	8,805.70
System Replacement						
3/4"	\$30.58	\$32.42	\$35.99	\$39.95	\$44.34	\$49.22
1"	48.05	59.44	65.98	73.23	81.29	90.23
1 1/2"	123.57	145.90	161.94	179.76	199.53	221.48
2"	186.71	221.55	245.92	272.97	302.99	336.32
3"	329.49	389.06	431.85	479.36	532.09	590.61
4"	513.49	605.20	671.77	745.67	827.69	918.73
6"	1,019.36	1,080.71	1,199.59	1,331.54	1,478.01	1,640.60
8"	N/A	3,025.99	3,358.85	3,728.33	4,138.44	4,593.67
State/Federal Mandate	\$1.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Variable (\$/1,000 gallons)						
Tier 1	\$2.84	\$3.54	\$3.93	\$4.36	\$4.84	\$5.37
Tier 2	2.96	3.75	4.16	4.62	5.13	5.69
Tier 3	3.23	3.99	4.43	4.92	5.46	6.06

Present and Proposed Commercial Water Rates

		Current	Proposed Rates				
		Rates	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Fixed (\$/month)							
Base							
3/4"	\$52.45	\$41.64	\$46.21	\$51.30	\$56.94	\$63.20	
1"	91.82	76.33	84.73	94.05	104.39	115.88	
1 1/2"	236.12	187.36	207.97	230.84	256.24	284.42	
2"	356.78	284.51	315.80	350.54	389.10	431.90	
3"	629.64	499.62	554.58	615.58	683.30	758.46	
4"	981.22	777.19	862.68	957.57	1,062.91	1,179.83	
6"	1,748.34	1,387.84	1,540.50	1,709.95	1,898.05	2,106.83	
8"	N/A	3,885.94	4,313.39	4,787.87	5,314.53	5,899.13	
System Replacement							
3/4"	\$30.58	\$32.42	\$35.99	\$39.95	\$44.34	\$49.22	
1"	48.05	59.44	65.98	73.23	81.29	90.23	
1 1/2"	123.57	145.90	161.94	179.76	199.53	221.48	
2"	186.71	221.55	245.92	272.97	302.99	336.32	
3"	329.49	389.06	431.85	479.36	532.09	590.61	
4"	513.49	605.20	671.77	745.67	827.69	918.73	
6"	1,019.36	1,080.71	1,199.59	1,331.54	1,478.01	1,640.60	
8"	N/A	3,025.99	3,358.85	3,728.33	4,138.44	4,593.67	
State/Federal Mandate	\$1.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Variable (\$/1,000 gallons)							
Tier 1	\$2.85	\$3.54	\$3.93	\$4.36	\$4.84	\$5.37	
Tier 2	3.05	3.75	4.16	4.62	5.13	5.69	
Tier 3	3.19	3.99	4.43	4.92	5.46	6.06	

Present and Proposed Irrigation Rates

		Current	Proposed Rates				
		Rates	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Fixed (\$/month)							
Base							
3/4"	\$18.91	\$30.71	\$34.09	\$37.84	\$42.00	\$46.62	
1"	33.11	56.31	62.50	69.37	77.01	85.48	
1 1/2"	85.15	138.21	153.41	170.28	189.02	209.81	
2"	128.66	209.87	232.95	258.58	287.02	318.60	
3"	227.05	368.55	409.09	454.09	504.04	559.48	
4"	353.84	573.30	636.36	706.36	784.06	870.31	
6"	630.47	1,023.75	1,136.36	1,261.36	1,400.11	1,554.12	
8"	N/A	2,866.50	3,181.81	3,531.81	3,920.31	4,351.55	
System Replacement							
3/4"	\$31.22	\$32.42	\$35.99	\$39.95	\$44.34	\$49.22	
1"	54.65	59.44	65.98	73.23	81.29	90.23	
1 1/2"	140.54	145.90	161.94	179.76	199.53	221.48	
2"	212.35	221.55	245.92	272.97	302.99	336.32	
3"	374.76	389.06	431.85	479.36	532.09	590.61	
4"	584.02	605.20	671.77	745.67	827.69	918.73	
6"	1,040.60	1,080.71	1,199.59	1,331.54	1,478.01	1,640.60	
8"	N/A	3,025.99	3,358.85	3,728.33	4,138.44	4,593.67	
State/Federal Mandate		\$1.67	\$0.00	\$0.00	\$0.00	\$0.00	
Variable (\$/1,000 gallons)							
0 -41,000 gallons	\$3.32	4.00	\$4.44	\$4.93	\$5.47	\$6.07	
> 41,000 gallons	3.69	4.49	4.99	5.54	6.15	6.83	

Present and Proposed Fire Line Rates

	Current Rates	Proposed Rates				
		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Fixed (\$/Month)						
Base						
3/4"	\$2.95	\$3.27	\$3.63	\$4.03	\$4.48	\$4.97
1"	3.92	4.35	4.83	5.36	5.95	6.61
1 1/2"	5.87	6.52	7.23	8.03	8.91	9.89
2"	7.83	8.69	9.65	10.71	11.89	13.19
3"	11.75	13.04	14.48	16.07	17.84	19.80
4"	15.66	17.38	19.29	21.42	23.77	26.39
6"	23.50	26.09	28.95	32.14	35.67	39.60
8"	31.33	34.78	38.60	42.85	47.56	52.79

Flat Unmetered Water Rate

- Develop flat, unmetered, water rate for future potential use
- Based on proposed water rate structure
- Assumes monthly annual average consumption of 8,000 gallons

	Current Rates	Proposed Rates				
		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Flat Un-Metered Rate	N/A	\$104.97	\$116.54	\$129.34	\$143.57	\$159.35

Rate Assistance Program

- Rate Assistance Program criteria:
 - Sustainable & quantifiable
 - Consistent with local practices
 - Ease of application process
 - Minimal administrative burden
- Staff has met with multiple local agencies gathering best practice, policy, and administration information
- Current status with Finance Committee:
 - Outreach to potential partners
 - Policy development
 - Process development
 - Budgetary impact
- Board review and consideration targeted for May 2024

Summary of the Water and Wastewater Rate Study

- Developed proposed water and wastewater rates for implementation
 - Revenue requirement – establishes revenues to prudently fund infrastructure needs and operating expenses of each utility
 - Reflects use of property tax revenues for parks and recreation
 - Deferred capital plan for the water utility
 - » Additional outside funding (i.e., grants) can expedite capital deferred to outer years
 - Cost of service – unit costs result in proposed rates in year one (FY 24/25)
 - Reflects requirements of Proposition 218
 - Results are incorporated into the proposed rates
 - Rate design – developed proposed rates for a five-year period
 - July 1, 2024 implementation and July 1st of each subsequent year
 - Customer (Rate) assistance program is being developed by staff and Finance Committee
 - Funded through annual property tax revenues

Rate Study Next Steps and Board Discussion



- If no majority protest and approved by the Board:
 - Rates are effective July 1, 2024
 - Future rates, pending annual Board review, effective July 1, 2025, 2026, 2027, and 2028.



RESOLUTION 2024-07
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH TAHOE PUBLIC UTILITY DISTRICT ADOPTING INCREASES AND ADJUSTMENTS TO RATES FOR WATER AND WASTEWATER SERVICE CHARGES

WHEREAS, the North Tahoe Public Utility District (“NTPUD”) is a public utility district organized and operating pursuant to the Public Utility District Act, commencing with section 15501 of the California Public Utilities Code; and

WHEREAS, NTPUD is authorized to fix and collect charges for the provision of services and facilities, including water and wastewater services; and

WHEREAS, NTPUD has determined that the rates for NTPUD’s water and wastewater service charges (the “Charges”) must be increased to pay for infrastructure improvements necessary to address end of service life system rehabilitation and replacement before failure; water improvements to provide fire suppression; and, escalation of the cost of construction, supplies, materials, labor, and utilities; and

WHEREAS, NTPUD has identified necessary rate restructuring to ensure continued compliance with article XIII D, section 6 of the California Constitution (“Article XIII D”)

WHEREAS, the water and wastewater rate structure is designed to proportionately allocate the cost of service to each parcel, will generate sufficient revenue to provide water and wastewater service, and such revenues will be used only for providing water and wastewater service to parcels within NTPUD; and

WHEREAS, on March 7, 2024, NTPUD held a public hearing and protest proceeding in accordance with Article XIII D, to consider the adoption of maximum monthly rates for the Charges for Fiscal Years 2024/2025, 2025/2026, 2026/2027, 2027/2028, and 2028/2029; and

WHEREAS, the Board of Directors heard all oral testimony and considered all written materials and written protests concerning the adoption and imposition of maximum monthly water and wastewater rates for said Charges; and

WHEREAS, notice of such public hearing was provided to all property owners and customers of record as required by Article XIII D, and such notice described the reasons for the increased rates, the basis upon which they are calculated, the maximum monthly rates for the Charges for Fiscal Years 2024/2025, 2025/2026, 2026/2027, 2027/2028, and 2028/2029, information on the public hearing, notice of the 120 day statute of limitations for challenging the rates, and additional information as required by law and/or for the benefit of ratepayers; and

WHEREAS, customers served by two private water companies, Agate Bay Water Company and Fulton Water Company, that operate within NTPUD’s boundaries, will only be impacted by wastewater rate adjustments; and

WHEREAS, at the public hearing, NTPUD did not receive written protests from a majority

of the record owners of the parcels upon which the Charges are proposed for imposition or tenants directly liable for the payment of the Charges; and

WHEREAS, the Board of Directors is authorized and determined to approve the proposed water and wastewater rates for the Charges.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TAHOE PUBLIC UTILITY DISTRICT:

1. Incorporation of Recitals:

The Recitals set forth above are made findings of this Board of Directors and are incorporated herein and made an operative part of this Resolution.

2. Inconsistency with other Fees:

To the extent any Charges established by this Resolution are inconsistent with any other fee or charge previously adopted by the Board of Directors; it is the explicit intention of the Board of Directors that the Charges adjusted pursuant to this Resolution shall prevail. The purpose of this Resolution is to set the maximum rates for the Charges for Fiscal Years 2024/2025, 2025/2026, 2026/2027, 2027/2028, and 2028/2029.

3. Charges:

The Board of Directors hereby sets the rates for the Charges in the amounts and on the dates set forth in Exhibits “1” and “2” attached hereto and incorporated herein by this reference. The Board of Directors finds that the Charges, as adjusted and set pursuant to this Resolution, do not exceed the proportional cost of providing the property-related service for which they are imposed, and otherwise meet the requirements set forth in Article XIII D.

4. Authorization:

The General Manager is hereby authorized and directed to take all actions necessary to implement and collect the Charges, and to revise Attachment A-1 to the Water Ordinance to substantially conform to Exhibit “1” and revise Attachment A-1 to the Sewer Ordinance to substantially conform to Exhibit “2” attached hereto, to reflect the new or increased rates for the Charges.

5. CEQA Compliance:

The Board of Directors finds that the administration, operation, maintenance, and improvements of NTPUD’s water and wastewater systems, which are to be funded by the Charges, are necessary to maintain service within NTPUD’s existing water and wastewater service areas as described herein. The Board of Directors further finds that the administration, operation, maintenance and improvements of NTPUD’s water and wastewater systems, to be funded by the Charges, will not expand NTPUD’s water and wastewater systems. The Board of Directors further finds that adjustments to the rates

for the Charges are necessary and reasonable to fund the administration, operation, maintenance and improvements of NTPUD's water and wastewater systems. Based on these findings, the Board determines that the adjustments to the Charges by this Resolution are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resources Code and section 15273(a) of the State CEQA Guidelines. The documents and materials that constitute the record of proceedings on which these findings have been based are located at NTPUD, 875 National Ave, Tahoe Vista, CA 96148. The custodian for these records is the Clerk of the Board of Directors of NTPUD.

6. Severability:

If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

7. Effective Date of Resolution:

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE NORTH TAHOE PUBLIC UTILITY DISTRICT THIS 7th DAY OF MARCH, 2024, BY THE FOLLOWING ROLL CALL VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

**Sarah Coolidge, President
Board of Directors**

ATTEST:

**Bradley Johnson, P.E.
General Manager/CEO/Ex Officio Clerk of the Board**

EXHIBIT 1 **SCHEDULE OF WATER RATES**

		Water Rates				
		FY	FY	FY	FY	FY
		2024-25	2025-26	2026-27	2027-28	2028-29
Current Rates						
Single Family						
Fixed (\$/month)						
Base	\$35.55	\$44.25	\$49.12	\$54.52	\$60.52	\$67.17
System Replacement	30.58	32.42	35.99	39.95	44.34	49.22
State/Federal Mandate	1.67	0.00	0.00	0.00	0.00	0.00
Variable (\$/1,000 gallons)						
0 -8,000 gallons	\$2.89	\$3.54	\$3.93	\$4.36	\$4.84	\$5.37
> 8,000 - 20,000 gallons	3.10	3.75	4.16	4.62	5.13	5.69
> 20,000 gallons	3.39	3.99	4.43	4.92	5.46	6.06
Flat						
Un-Metered Rate	N/A	\$104.97	\$116.54	\$129.34	\$143.57	\$159.35
* Rate adjustments to be effective July 1 of each year						

EXHIBIT 1
SCHEDULE OF WATER RATES – CONTINUED

		Water Rates				
		FY	FY	FY	FY	FY
Current Rates		2024-25	2025-26	2026-27	2027-28	2028-29
Multi-Residential						
Fixed (\$/month)						
Base						
3/4"	\$69.06	\$62.15	\$68.99	\$76.57	\$85.00	\$94.35
1"	120.90	113.94	126.47	140.39	155.83	172.97
1 1/2"	310.92	279.67	310.44	344.58	382.49	424.56
2"	469.79	424.69	471.40	523.26	580.81	644.70
3"	826.08	745.79	827.83	918.89	1,019.97	1,132.16
4"	1,292.04	1,160.12	1,287.73	1,429.38	1,586.61	1,761.14
6"	2,302.14	2,071.64	2,299.52	2,552.47	2,833.24	3,144.89
8"	N/A	5,800.59	6,438.65	7,146.90	7,933.06	8,805.70
System Replacement						
3/4"	\$30.58	\$32.42	\$35.99	\$39.95	\$44.34	\$49.22
1"	48.05	59.44	65.98	73.23	81.29	90.23
1 1/2"	123.57	145.90	161.94	179.76	199.53	221.48
2"	186.71	221.55	245.92	272.97	302.99	336.32
3"	329.49	389.06	431.85	479.36	532.09	590.61
4"	513.49	605.20	671.77	745.67	827.69	918.73
6"	1,019.36	1,080.71	1,199.59	1,331.54	1,478.01	1,640.60
8"	N/A	3,025.99	3,358.85	3,728.33	4,138.44	4,593.67
State/Federal Mandate	\$1.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Variable (\$/1,000 gallons)						
Tier 1	\$2.84	\$3.54	\$3.93	\$4.36	\$4.84	\$5.37
Tier 2	2.96	3.75	4.16	4.62	5.13	5.69
Tier 3	3.23	3.99	4.43	4.92	5.46	6.06
* Tiers vary by meter size						
* Rate adjustments to be effective July 1 of each year						

EXHIBIT 1

SCHEDULE OF WATER RATES – CONTINUED

		Water Rates				
		FY	FY	FY	FY	FY
Current Rates		2024-25	2025-26	2026-27	2027-28	2028-29
Commercial/Industrial						
Fixed (\$/month)						
Base						
3/4"	\$52.45	\$41.64	\$46.21	\$51.30	\$56.94	\$63.20
1"	91.82	76.33	84.73	94.05	104.39	115.88
1 1/2"	236.12	187.36	207.97	230.84	256.24	284.42
2"	356.78	284.51	315.80	350.54	389.10	431.90
3"	629.64	499.62	554.58	615.58	683.30	758.46
4"	981.22	777.19	862.68	957.57	1,062.91	1,179.83
6"	1,748.34	1,387.84	1,540.50	1,709.95	1,898.05	2,106.83
8"	N/A	3,885.94	4,313.39	4,787.87	5,314.53	5,899.13
System Replacement						
3/4"	\$30.58	\$32.42	\$35.99	\$39.95	\$44.34	\$49.22
1"	48.05	59.44	65.98	73.23	81.29	90.23
1 1/2"	123.57	145.90	161.94	179.76	199.53	221.48
2"	186.71	221.55	245.92	272.97	302.99	336.32
3"	329.49	389.06	431.85	479.36	532.09	590.61
4"	513.49	605.20	671.77	745.67	827.69	918.73
6"	1,019.36	1,080.71	1,199.59	1,331.54	1,478.01	1,640.60
8"	N/A	3,025.99	3,358.85	3,728.33	4,138.44	4,593.67
State/Federal Mandate	\$1.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Variable (\$/1,000 gallons)						
Tier 1	\$2.85	\$3.54	\$3.93	\$4.36	\$4.84	\$5.37
Tier 2	3.05	3.75	4.16	4.62	5.13	5.69
Tier 3	3.19	3.99	4.43	4.92	5.46	6.06

* Tiers vary by meter size

* Rate adjustments to be effective July 1 of each year

Tiers For Multi-Residential and Commercial/Industrial Classes			
Meter Size	Tier 1	Tier 2	Tier 3
3/4"	0 - 6,000 Gal	6,001 - 41,000 Gal	41,001 Gal & Greater
1"	0 - 11,000 Gal	11,001 - 46,000 Gal	46,001 Gal & Greater
1 1/2"	0 - 27,000 Gal	27,001 - 116,000 Gal	116,001 Gal & Greater
2"	0 - 41,000 Gal	41,001 - 134,000 Gal	134,001 Gal & Greater
3"	0 - 72,000 Gal	72,001 - 161,000 Gal	161,001 Gal & Greater
4"	0 - 112,000 Gal	112,001 - 261,000 Gal	261,001 Gal & Greater
6"	0 - 200,000 Gal	200,001 - 460,000 Gal	460,001 Gal & Greater
8"	0 - 560,000 Gal	560,001 - 1,288,000 Gal	1,288,001 Gal & Greater

EXHIBIT 1

SCHEDULE OF WATER RATES – CONTINUED

		Water Rates				
		FY	FY	FY	FY	FY
	Current Rates	2024-25	2025-26	2026-27	2027-28	2028-29
Irrigation						
Fixed (\$/month)						
Base						
3/4"	\$18.91	\$30.71	\$34.09	\$37.84	\$42.00	\$46.62
1"	33.11	56.31	62.50	69.37	77.01	85.48
1 1/2"	85.15	138.21	153.41	170.28	189.02	209.81
2"	128.66	209.87	232.95	258.58	287.02	318.60
3"	227.05	368.55	409.09	454.09	504.04	559.48
4"	353.84	573.30	636.36	706.36	784.06	870.31
6"	630.47	1,023.75	1,136.36	1,261.36	1,400.11	1,554.12
8"	N/A	2,866.50	3,181.81	3,531.81	3,920.31	4,351.55
System Replacement						
3/4"	\$31.22	\$32.42	\$35.99	\$39.95	\$44.34	\$49.22
1"	54.65	59.44	65.98	73.23	81.29	90.23
1 1/2"	140.54	145.90	161.94	179.76	199.53	221.48
2"	212.35	221.55	245.92	272.97	302.99	336.32
3"	374.76	389.06	431.85	479.36	532.09	590.61
4"	584.02	605.20	671.77	745.67	827.69	918.73
6"	1,040.60	1,080.71	1,199.59	1,331.54	1,478.01	1,640.60
8"	N/A	3,025.99	3,358.85	3,728.33	4,138.44	4,593.67
State/Federal Mandate	\$1.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Variable (\$/1,000 gallons)						
0 -41,000 gallons	\$3.32	4.00	\$4.44	\$4.93	\$5.47	\$6.07
> 41,000 gallons	3.69	4.49	4.99	5.54	6.15	6.83

* Tiers vary by meter size

* Rate adjustments to be effective July 1 of each year

		Water Rates				
		FY	FY	FY	FY	FY
	Current Rates	2024-25	2025-26	2026-27	2027-28	2028-29
Fire Line Charges						
Fixed (\$/month)						
Base						
3/4"	\$2.95	\$3.27	\$3.63	\$4.03	\$4.48	\$4.97
1"	3.92	4.35	4.83	5.36	5.95	6.61
1 1/2"	5.87	6.52	7.23	8.03	8.91	9.89
2"	7.83	8.69	9.65	10.71	11.89	13.19
3"	11.75	13.04	14.48	16.07	17.84	19.80
4"	15.66	17.38	19.29	21.42	23.77	26.39
6"	23.50	26.09	28.95	32.14	35.67	39.60
8"	31.33	34.78	38.60	42.85	47.56	52.79

* Rate adjustments to be effective July 1 of each year

EXHIBIT 2

SCHEDULE OF WASTEWATER RATES

Monthly Wastewater Rates						
	Present Rates	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Residential						
Base Rate	\$34.67	\$40.37	\$46.14	\$50.92	\$57.91	\$65.77
System Replacement Rate	\$15.81	\$17.18	\$17.75	\$19.99	\$20.80	\$21.60
State/Federal Mandate Fee	\$1.37	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Residential	\$51.85	\$57.55	\$63.89	\$70.91	\$78.71	\$87.37
Non-Residential						
Base Rate		See Non-Residential Table				
System Replacement Rate		See Non-Residential Table				
State/Federal Mandate Fee	1.37	0.00	0.00	0.00	0.00	0.00
Total Non-Residential	\$1.37	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

* All rates per Equivalent Dwelling Unit (EDU)

* Rate adjustments to be effective July 1 of each year

Non-Residential Base Charge by Customer Class							
Unit		Present Rates	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Motel unit with kitchen	<i>Per Living Unit/month</i>	\$14.60	\$17.00	\$19.42	\$21.44	\$24.38	\$27.69
Motel unit w/o kitchen	<i>Per Living Unit/month</i>	11.20	13.04	14.90	16.45	18.71	21.24
Campsite with sewer connection	<i># of Sites/month</i>	22.37	26.04	29.76	32.85	37.35	42.42
Campsite without sewer connection	<i># of Sites/month</i>	19.56	22.77	26.02	28.72	32.66	37.09
Other Business	<i># of Fixture Units/month</i>	4.45	5.17	5.91	6.52	7.41	8.42
Grocery/Market	<i># of Fixture Units/month</i>	7.85	9.12	10.43	11.51	13.09	14.86
Laundries	<i># of 10 lb Machines/month</i>	18.32	21.32	24.36	26.89	30.58	34.73
Restaurants & Bars							
Inside Seating	<i># of Seats/month</i>	3.43	4.00	4.57	5.04	5.73	6.51
Outside Seating	<i># of Seats/month</i>	1.13	1.33	1.52	1.68	1.91	2.17
Theatres	<i># of Seats/month</i>	0.44	0.52	0.60	0.66	0.75	0.85
Churches	<i># of Seats/month</i>	0.44	0.52	0.60	0.66	0.75	0.85
Barber Shops	<i># of Service Chairs/month</i>	11.79	13.73	15.69	17.31	19.69	22.36
Beauty Shops	<i># of Service Chairs/month</i>	19.56	22.77	26.02	28.72	32.66	37.09
Schools	<i># of seats/month</i>	0.07	0.08	0.09	0.10	0.12	0.13
Marina Boat Pumping Facility	<i>Per</i>	38.76	45.14	51.58	56.93	64.74	73.53
Swimming Pool	<i>Per Pool/month</i>	8.91	10.38	11.86	13.09	14.88	16.90
Snack Bar	<i># of fixture units/month</i>	3.43	4.00	4.57	5.04	5.73	6.51
Studio Living Unit	<i>Living Units/month</i>	29.64	34.52	39.45	43.54	49.51	56.23
Animal Shelter	<i>Per Account/month</i>	122.66	142.84	163.24	180.17	204.89	232.68
Service Station	<i># of service bays/month</i>	59.85	69.68	79.64	87.90	99.95	113.51

* Rate adjustments to be effective July 1 of each year

EXHIBIT 2

SCHEDULE OF WASTEWATER RATES – CONTINUED

		Non-Residential System Replacement Fee by Customer Class					
Unit		Present Rates	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Motel unit with kitchen	Per Living Unit/month	\$6.66	\$7.23	\$7.47	\$8.41	\$8.76	\$9.09
Motel unit w/o kitchen	Per Living Unit/month	5.11	5.55	5.73	6.46	6.72	6.98
Campsite with sewer connection	# of Sites/month	10.20	11.08	11.45	12.89	13.42	13.93
Campsite without sewer connection	# of Sites/month	8.92	9.69	10.01	11.27	11.73	12.18
Other Business	# of Fixture Units/month	2.02	2.20	2.27	2.56	2.66	2.77
Grocery/Market	# of Fixture Units/month	3.57	3.88	4.01	4.52	4.70	4.88
Laundries	# of 10 lb Machines/month	8.35	9.07	9.37	10.55	10.98	11.41
Restaurants & Bars							
Inside Seating	# of Seats/month	1.57	1.70	1.76	1.98	2.06	2.14
Outside Seating	# of Seats/month	0.52	0.57	0.59	0.66	0.69	0.71
Theatres	# of Seats/month	0.21	0.22	0.23	0.26	0.27	0.28
Churches	# of Seats/month	0.21	0.22	0.23	0.26	0.27	0.28
Barber Shops	# of Service Chairs/month	5.38	5.84	6.03	6.80	7.07	7.34
Beauty Shops	# of Service Chairs/month	8.92	9.69	10.01	11.27	11.73	12.18
Schools	# of seats/month	0.03	0.03	0.04	0.04	0.04	0.04
Marina Boat Pumping Facility	Per	17.68	19.21	19.84	22.35	23.26	24.15
Swimming Pool	Per Pool/month	4.06	4.42	4.56	5.14	5.35	5.55
Snack Bar	# of fixture units/month	1.57	1.70	1.76	1.98	2.06	2.14
Studio Living Unit	Living Units/month	13.52	14.69	15.17	17.09	17.78	18.47
Animal Shelter	Per Account/month	55.94	60.78	62.78	70.71	73.59	76.43
Service Station	# of service bays/month	27.29	29.65	30.63	34.50	35.90	37.29

* Rate adjustments to be effective July 1 of each year