

CITY OF SAUSALITO FY 2024-25 SEWER RATE STUDY







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April 25, 2024

Kevin McGowan
Public Works Director/City Engineer
City of Sausalito
420 Litho Street
Sausalito, CA 94965

Subject: Sewer Rate Study – Final Report

Dear Kevin McGowan:

HF&H is pleased to submit this cost-of-service report to the City of Sausalito. The report summarizes the projected revenue requirements over the next five fiscal years, updates the cost-of-service allocation among customer classes, and provides a detailed schedule of the recommended sewer service charges for collection services for the next five years.

We greatly appreciate your assistance in developing the cost-of-service analysis.

Sincerely,

HF&H CONSULTANTS, LLC

Rick Simonson, Senior Vice President Gabe Sasser, Project Manager

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GLOSSARY

CCF – Hundred cubic feet (see HCF below).

CIP - Capital Improvement Program.

Commercial/Industrial – Refers to commercial and municipal accounts served by the City.

DU – Dwelling Unit, in reference to the number of physical residences served by a residential meter.

Duplex – Refers to all non-single-family residential customers where two dwelling units are served by one water meter.

EDU – Equivalent Dwelling Unit, in reference to the adjusted number of dwelling units, which calculates EDUs based on the ratio of volume of wastewater relative to the annual volume of wastewater of the average Single-Family customer.

Floating Home – City customers living on the San Francisco Bay.

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Flow Factor - The ratio of a customer class's annual wastewater volume relative to the Single-Family customer class. This factor is used to proportionately allocate fixed costs to each customer class.

FY - Fiscal Year.

GPD - Gallons Per Day.

HCF - Hundred cubic feet of metered water; 748 gallons; a cube of water with sides of 4.6 feet.

MGD - Million Gallons per Day

MMWD – Marin Municipal Water District

Multi-Family – Refers to all non-Single-Family residential customers where more than two dwelling units are served by one water meter.

O&M - Operating and Maintenance, in reference to the costs of running facilities.

PAYGo - Pay-As-You-Go, in reference to funding capital improvements from cash rather than from borrowed sources such as bonds or loans.

Residential - Customer class comprised of Single-Family, Single-Family Attached, Duplexes, and Multi-Family homes.

Single-Family – Refers to customers living in single-family detached homes.

Single-Family Attached - Refers to customers living in single-family homes with shared walls, such as a townhome.

SMCSD - Sausalito-Marin City Sanitary District

SWRCB - State Water Resources Control Board

ACKNOWLEDGEMENTS

City Council

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City of Sausalito Sewer Rate Study
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LIMITATIONS

This document was prepared solely for the City of Sausalito in accordance with the contract between the City and HF&H and is not intended for use by any other party for any other purpose.

In preparing this study, we relied on information from the City, which we consider accurate and reliable. Our analysis is based on the best available information at the time of the study.

Rounding differences caused by stored values in electronic models may exist.

This document represents our understanding of relevant laws, regulations, and court decisions but should not be relied upon as legal advice. Questions concerning the interpretation of legal authorities referenced in this document should be referred to a qualified attorney.



SEWER RATE STUDY

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Final Report

I. Executive Summary

I. EXECUTIVE SUMMARY

BACKGROUND

Residents within the City of Sausalito receive sewer service from two entities. The City provides wastewater collection service and the Sausalito-Marin City Sanitary District (SMCSD) provides wastewater conveyance and treatment service. The City owns and maintains a sewer collection system, spanning 20 miles, that collects wastewater from approximately 3,040 parcels and conveys the effluent to the SMCSD treatment plant for eventual discharge to the San Francisco Bay.

This study documents the process by which the City's sewer collection charges and rates were analyzed to ensure that the charges and rates continue to meet the cost of service. This report describes how the revenue requirement (expenses) is apportioned between customer classes receiving sewer services from the City, the appropriate changes in the respective classes' rates to cover their costs, and the proposed sewer rate designs that are appropriate to ensure that customers continue paying their proportionate share.

The Executive Summary presents the findings and recommendations in this report.

FINDINGS AND RECOMMENDATIONS

The following discussion summarizes HF&H's findings and recommendations.

1. **Sewer rate revenue increases are recommended.** Over the next five fiscal years (FYs), FY 2024-25 - FY 2028-29, the City's revenue requirement is primarily driven by increases to capital improvement expenditures. The City's capital improvement plans include an average annual expense of \$786,578 over the five-year projection period, demonstrating the City's priority to continue to invest in its sewer collection system. The project expenditures are directed toward collection pipe replacements and spot repairs. The revenue requirement projections needed to support the City's operation and capital improvement programs for providing collection services are shown in **Figure I-1**. As shown in **Figure I-1**, revenues at current rates are insufficient to cover projected costs. Increases in current rates are warranted.

Final Report I. Executive Summary

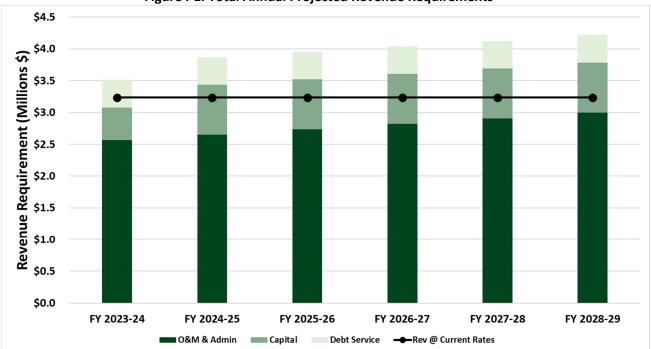


Figure I-1. Total Annual Projected Revenue Requirements

2. To minimize rate impacts to customers, the City will balance using reserves with increasing sewer rates. With 5% annual increases to the collection rate revenues, the overall level of reserves will continue to stay above the City's recommended minimum balance, meeting its nine-month operating expenses target. Under this plan of proposed increases, the City will be drawing on their reserves to cover capital projects and to reduce rate increases over the planning period. Refer to Figure I-2 for the fund balance projection with the recommended revenue increases. The fund balance projection draws down from its current position at the end of FY 2022-23 through the five-year planning period, as indicated by the solid green line in the graph below.

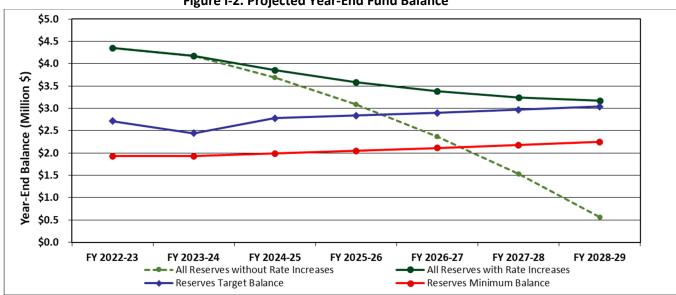


Figure I-2. Projected Year-End Fund Balance

Note: City's Reserve Target is a proposed policy, recommended by HF&H which includes nine months of O&M expenses and one-year of average annual capital expenditures funded on a cash basis.

I. Executive Summary

3. Cost-of-Service Analysis of Fixed Service Rates and Volumetric Rates. The current fixed service rates and volumetric rates reflect differences in wastewater flow by customer class at the time the last rate study was conducted in 2019. This cost-of-service analysis, of the FY 2024-25 revenue requirement, indicates adjustments are required to realign sewer collection rates to reflect the proportional benefits each customer class receives based on current wastewater flows. The revised rates reflect the current differences in wastewater flow by customer class, based on updated winter water use employed for setting charges on the FY 2023-24 tax roll. The changes in rates reflect the increase in sewer flows for Single-Family Attached, Duplexes, and Commercial/Industrial customers relative to Single-Family sewer flows. Multi-Family customer sewer flow volumes remain relatively unchanged.

Current rates are structured to recover 88% of the overall revenue through fixed service rates and 12% of the overall revenue through volumetric rates, based on the 2019 study. The cost of service analysis determined the rate structure should be adjusted to recover 79% of revenues through fixed service rates and 21% of revenues through volumetric rates. This adjustment increased the uniform volumetric rate assessed to all customers. In turn, the reduced proportion of revenues received from fixed service rates had mixed impacts to the various customer classes as the fixed service rates were adjusted per equivalent dwelling unit to reflect differences in wastewater flow per customer class.

Refer to **Figure I-3** and **Figure I-4**. The dwelling units (DUs) used to calculate the fixed service rate are multiplied by a volume factor to generate the rate per equivalent dwelling unit (EDU). All customers are charged the same rate for flow as the chemical composition of the wastewater of one customer class compared to another does not affect collection system variable costs. Therefore, a uniform volumetric rate is appropriate.

Figure I-3. Cost of Service Fixed Service Rates by Customer Class

Customer		Volume			Fixed Cost	
Net Rev Req: \$2,682,020 Class	DUs	Factor	EDUs	% of EDUs	Allocation	\$/EDU
a	b	С	d=b*a	е	f=e*a	g=f/b
Single-Family	1,222	100%	1,222	29%	\$779,113	\$637.57
Single-Family Attached	905	65%	593	14%	\$377,878	\$417.54
Duplexe	s 1,045	59%	620	15%	\$395,349	\$378.32
Multi-Family	/ 1,022	49%	499	12%	\$317,920	\$311.08
Commercial/Industria	1,273	100%	1,273	30%	\$811,759	\$637.57
	5,467		4,207	100%	\$2,682,020	

Note: Rounding differences caused by stored values in electronic models may exist.

Final Report I. Executive Summary

Figure I-4. Cost-of-Service Volumetric Rates by Customer Class

	Customer	Volumetric Cost				
Net Rev Req: \$712,970	Class	% of Flow	Allocation	Flow	\$/HCF	
a		b	c=b*a	d	e=c/d	
	Single-Family	29%	\$207,114	74,652	\$2.77	
Single-Family Attached		14%	\$100,453	36,207	\$2.77	
Duplexes		15%	\$105,097	37,881	\$2.77	
Multi-Family		12%	\$84,514	30,462	\$2.77	
Commercial/Industrial		30%	\$215,792	77,780	\$2.77	
		100%	\$712,970	256,982		

Note: Rounding differences caused by stored values in electronic models may exist.

4. Sewer rate adjustments reflect the cost of service and proposed revenue increases. To cover the increase to the City's revenue requirements (seen in Figure I-1), the summary of proposed rates is shown in Figure I-5. The rates are grouped by fixed and variable rates, and customer class.

Figure I-5. Annual Proposed Sewer Collection Rates

		Current Rates		Proposed (City Fixed Se	rvice Rates	
Customer Class		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Single-Family	Annual Charge	\$730.27	\$637.57	\$669.45	\$702.92	\$738.07	\$774.97
	Annual \$ Change		(\$92.70)	\$31.88	\$33.47	\$35.15	\$36.90
	Monthly \$ Change		(\$7.72)	\$2.66	\$2.79	\$2.93	\$3.08
Single-Family Attached	Annual Charge	\$396.84	\$417.54	\$438.42	\$460.34	\$483.36	\$507.53
	Annual \$ Change		\$20.70	\$20.88	\$21.92	\$23.02	\$24.17
	Monthly \$ Change		\$1.73	\$1.74	\$1.83	\$1.92	\$2.01
Duplexes	Annual Charge	\$396.89	\$378.32	\$397.24	\$417.10	\$437.96	\$459.86
	Annual \$ Change		(\$18.57)	\$18.92	\$19.86	\$20.86	\$21.90
	Monthly \$ Change		(\$1.55)	\$1.58	\$1.66	\$1.74	\$1.83
Multi-Family	Annual Charge	\$351.44	\$311.08	\$326.63	\$342.96	\$360.11	\$378.12
	Annual \$ Change		(\$40.36)	\$15.55	\$16.33	\$17.15	\$18.01
	Monthly \$ Change		(\$3.36)	\$1.30	\$1.36	\$1.43	\$1.50
Commercial/Industrial	Annual Charge	\$657.08	\$637.57	\$669.45	\$702.92	\$738.07	\$774.97
	Annual \$ Change		(\$19.51)	\$31.88	\$33.47	\$35.15	\$36.90
	Monthly \$ Change		(\$1.63)	\$2.66	\$2.79	\$2.93	\$3.08
		Current Rates			City Volume		
Customer Class		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Single-Family	Annual Charge	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37
	% Increase		118%	5%	5%	5%	5%
Single-Family Attached	Annual Charge	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37
	% Increase		118%	5%	5%	5%	5%
Duplexes	Annual Charge	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37
	% Increase		118%	5%	5%	5%	5%
Multi-Family	Annual Charge	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37
	% Increase		118%	5%	5%	5%	5%
Commercial/Industrial	Annual Charge	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37
	% Increase		118%	5%	5%	5%	5%

Note: For Single-Family, Single-Family Attached, Duplexes, and Multifamily accounts, one dwelling unit is equal to one EDU. For Commercial/Industrial, one EDU = 61 HCF (hundred cubic feet) per year or 125 gallons per day. Nonresidential fixed service charges are the ratio of annualized water use divided by 61 HCF and charges can exceed one EDU.

Final Report I. Executive Summary

IMPLEMENTATION

This report presents the rates proposed for adoption by the City, as shown in **Figure I-6.** The proposed rate plan should maintain adequate reserves for cash flow, capital spending, and emergency purposes. Actual revenue and expenses may differ from the projections included in the five-year financial model. Annually, during the budgeting process, the City should confirm the need for the next incremental rate adjustment. Following the Proposition 218 rate setting process, the City would have the option to implement a lower rate increase in subsequent years if financial conditions warrant doing so. The summary for the final rates can be seen in **Figure I-6**.

Figure I-6. Proposed Rates

	Current Rates	'	Propose	d City Collect	ion Rates	
Customer Class	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Fixed Rates (\$/Year)						
Single-Family (per DU)	\$730.27	\$637.57	\$669.45	\$702.92	\$738.07	\$774.97
Single-Family Attached (per DU)	\$396.84	\$417.54	\$438.42	\$460.34	\$483.36	\$507.53
Duplexes (per DU)	\$396.89	\$378.32	\$397.24	\$417.10	\$437.96	\$459.86
Multi-Family (per DU)	\$351.44	\$311.08	\$326.63	\$342.96	\$360.11	\$378.12
Commercial/Industrial (per EDU)	\$657.08	\$637.57	\$669.45	\$702.92	\$738.07	\$774.97
Volumetric Rates (\$/HCF)	1					
Single-Family	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37
Single-Family Attached	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37
Duplexes	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37
Multi-Family	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37
Commercial/Industrial	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37

Note: For Single-Family, a dwelling unit is equal to one EDU. For Single-Family Attached, Duplexes, and Multi-Family, a dwelling unit is adjusted based on their respective flow compared to Single Family. For Commercial/Industrial, one EDU = 61 HCF (hundred cubic feet) per year or 125 gallons per day. Commercial/Industrial fixed service charges are the ratio of annualized water use divided by the average flow of a Single-Family parcel and charges can exceed one EDU. For Single-Family Attached, Duplexes, and Multi-Family, a dwelling unit is adjusted based on their respective flow compared to Single-Family. This ratio was approximately 58 HCF in FY 2023-24 and has been adjusted to 61 HCF, as discussed in Section IV of the report. Rounding differences caused by stored values in electronic models may exist.

Final Report II. Introduction

II. INTRODUCTION

STUDY PURPOSE

The purpose of this study is to conduct a cost-of-service analysis that will determine rates that generate sufficient revenue to recover the cost of providing the City's sewer collection service. Toward that end, the cost-of-service analysis determines how much revenue should be generated by each component of the rate structure so that rate payers within each customer class are charged for their proportionate share of the cost of providing service on a parcel basis. The cost-of-service analysis is tailored specifically to the City's customer classes and the rate structures that are appropriate for each class.

RATE-MAKING OBJECTIVES

The City's current rate-making objectives include the following:

- Support revenue sufficiency and financial stability to fund the projected capital and O&M costs
 of the City.
- Reflect the proportional impact to the cost of service.
- Meet the City's operations and capital funds reserve targets.
- Reflect equity of costs in proportion to the level of service in the calculation of rates.
- Provide for efficient administration and execution of utility billing.
- Minimize "rate shock" overall and to any specific customer class.
- Provide clear understandable rates to the customers.
- Ensure rates comply with Proposition 218 and applicable State codes.

STUDY PROCESS

In 2023, the City requested HF&H Consultants (HF&H) to perform a cost-of-service study to set sewer collection rates for FY 2024-25 through FY 2028-29.

The primary goal of this study is to ensure that rates continue to reflect the current cost of providing sewer service. A comprehensive rate study comprises three steps: 1) revenue requirement projections; 2) cost-of-service analysis; and 3) rate design. Revenue requirement projections identify how much revenue is needed from rates. The cost-of-service analysis determines how much of the revenue should be paid by each customer class. The final step, rate design, establishes the structure of the rates for each customer class.

The cost-of-service analysis was conducted following industry practices promulgated by the Water Environment Federation Manual of Practice No. 27, Financing and Charges for Wastewater Systems, 2004. At the outset of the analysis, the types of customer classes were reviewed, as were the types of rate structures that are appropriate to the City's customer class.

REPORT ORGANIZATION

The report is divided into the following sections Revenue Requirements, Cost-of-Service Analysis, Rate Design, and Customer Bill Impacts. A Glossary of technical terms and acronyms is provided following the Table of Contents.

III. Revenue Requirements

III. REVENUE REQUIREMENTS

The revenue requirements analysis starts by determining the FY 2024-25 revenue requirements based on the budgeted O&M and capital expenditures for FY 2023-24. Revenue requirements for each fiscal year are then projected over the study period. Revenue increases needed to cover the projected revenue requirements are then determined.

REVENUE REQUIREMENT ASSUMPTIONS AND PROJECTIONS

Expense projections combined with contributions to reserves become the revenue requirements. The City's operating and capital budgets were relied on for FY 2024-25 expenses in the first-year revenue requirement. The assumptions shown in **Figure III-1** were used to project revenue requirements through FY 2028-29.

Figure III-1. Projection Assumptions

Inflation Assumptions	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Interest on Reserve Balances	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
General Inflation	Budget	3.00%	3.00%	3.00%	3.00%	3.00%
OPEB reserve transfer	Budget	4.12%	4.12%	4.12%	4.12%	4.12%
Construction Cost Inflation	Budget	3.91%	3.91%	3.91%	3.91%	3.91%
Single Family Growth (EDUs)	0	0	0	0	0	0
Fuel & Utilities	Budget	4.80%	4.80%	4.50%	4.25%	4.00%
Salaries & Benefits	Budget	5.00%	5.00%	5.00%	5.00%	5.00%
Composite O&M	Budget	3.18%	3.18%	3.15%	3.13%	3.10%

The application of these projections to O&M and capital expenses are summarized graphically in **Figure III-2** and are described below in more detail.

Final Report III. Revenue Requirements

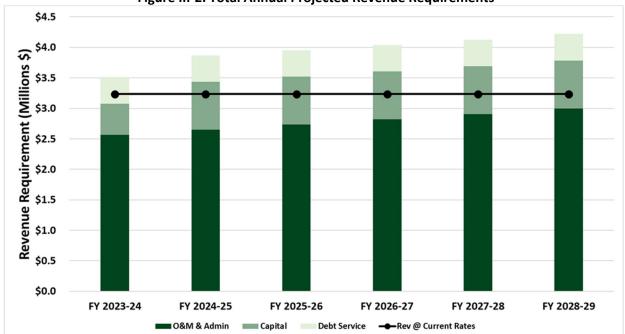


Figure III-2. Total Annual Projected Revenue Requirements

Operations, Maintenance, and Administrative Expenses

This expense category covers salaries, benefits, and other operational and maintenance (O&M) costs unrelated to personnel, such as electricity, fuel, and non-capital materials and equipment. The FY 2023-24 City budget served as the basis for the analysis. For the projection period, inflationary percentages, shown in **Figure III-1**, were applied to the budgeted values for calculating projections for FY 2024-25 through FY 2028-29. The cost trend is driven primarily by cost of living adjustments set in labor agreements and the overall inflationary environment.

Capital

To assess the health of its collection system, the City completed a Closed Circuit Television (CCTV) survey of all sewer mains in 2019. This process allowed the City to produce a prioritized list of repairs and replacements to address the pipelines based on the severity of deficiencies. Through this continued program, the City seeks to reduce the risk of pipeline failure, to reduce inflow and infiltration caused by water seeping into cracked pipelines, and to extend the service life of its system.

For the rate study, the City identified \$5 million in necessary repairs over a five-year period. The repairs and replacements identified would address risks of pipe visibility in the soil, hinge fractures, and inflow and infiltration. Further, anticipated pipe repairs have been prioritized by defect severity and grouped spatially to reduce risk while remaining cost effective.

The estimated annual costs of the capital improvement projects from FY 2024-25 to FY 2028-29 are between \$727,000 and \$848,000. However, rates are not set to match these annual variations, as doing so would result in rate volatility, with rates rising faster in one year compared to another. Instead, rates are based on multi-year averages. As a result, the City plans to spend an average of \$786,578 per year on collection system capital projects over the five-year period.

III. Revenue Requirements

The City maintains a capital improvement program for replacement and rehabilitation of its system, which is funded through rates on a pay-as-you go (PAYGo) basis. The costs summarized in **Figure III-3** include a 3.91% annual inflation factor, based on the historical annual growth rate in the construction cost index published by Engineering News Record.

Figure III-3. Projected Capital Improvement Program

	Projected					
Cash-funded (PAYGo) Projects	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	
City Budgeted Capital Improvements	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	
Accumulated Construction Cost Index	3.91%	7.98%	12.20%	16.59%	21.15%	
Inflation Adjusted Subtotal	\$727,388	\$755,848	\$785,421	\$816,151	\$848,083	

Debt Service

The City has an outstanding sewer revenue bond with annual debt service of approximately \$360,000 and a State Water Resources Control Board (SWRCB) loan with an annual debt service of \$73,128. Both bonds have been identified in **Figure III-4.** The sewer revenue bond proceeds were used to finance the acquisition and construction of sewer improvements and facilities. The SWRCB loan was directed at funding the Spinnaker/Humboldt Street Sewer and Anchor Pump Station Rehabilitation Projects. Over the next five years, the City debt service level will remain relatively constant at approximately \$433,000 per year. No new debt issuances are anticipated over the next five years. The obligations for the SWRCB loan and the sewer bonds are scheduled to mature in 2032 and 2044, respectively.

Figure III-4. Current Annual Debt Service

		<u>Projected</u>				
Current Debt	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
2011 SWRCB Loan (matures 2032)	<u>_</u>					
Principle	\$56,573	\$58,044	\$59,553	\$61,101	\$62,690	\$64,320
Interest	\$16,555	\$15,084	\$13,575	\$12,026	\$10,438	\$8,808
Total Payment	\$73,128	\$73,128	\$73,128	\$73,128	\$73,128	\$73,128
2015 Sewer Bonds (matures 2044	· <u>)</u>					
Principle	\$180,000	\$185,000	\$190,000	\$195,000	\$200,000	\$210,000
Interest	\$180,331	\$174,931	\$169,381	\$163,681	\$157,831	\$151,831
Total Payment	\$360,331	\$359,931	\$359,381	\$358,681	\$357,831	\$361,831
Total Debt & Loan Repayment	\$433,459	\$433,059	\$432,509	\$431,809	\$430,959	\$434,959

The major expenses described above that comprise the revenue requirements are shown in **Figure III-5**. O&M and administration expenses is the largest individual cost among the cost categories. Current rate revenues of \$3.2 million are insufficient to meet projected expenses. The City faces a growing deficit over the five-year period if revenues remain at current levels and capital improvement projects are completed as proposed.

III. Revenue Requirements

Figure III-5. Total Revenue Requirement Projections

Total Sewer System Expenses	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
O&M & Admin	\$2,567,309	\$2,648,828	\$2,733,009	\$2,819,118	\$2,907,278	\$2,997,488
Capital	\$510,000	\$786,578	\$786,578	\$786,578	\$786,578	\$786,578
Debt Service	\$433,459	\$433,059	\$432,509	\$431,809	\$430,959	\$434,959
Total Revenue Requirement	\$3,510,768	\$3,868,465	\$3,952,096	\$4,037,505	\$4,124,815	\$4,219,025
		10.2%	2.2%	2.2%	2.2%	2.3%

Source: Data from City's FY 2023-24 Budget.

RESERVES

Rates need to generate enough revenue to cover unfunded annual operating and capital expenses. However, rates are not set to exactly match cash expenditures because the timing of cash expenditures can fluctuate. If rates were set to exactly match expenditures, rates would also fluctuate. To avoid increasing and decreasing rates from year to year, reserves are used to cover the difference so that rate increases are smooth and gradual.

Reserves are required to stabilize rates and to provide for contingencies. Reserves can be drawn on in years when the City experiences above average costs and augmented during years when costs are below average. The City has separate reserves, allowing it to set separate target balances for each purpose. The following provides a description of the separate reserve funds and the recommended target balances.

Operating

It is recommended that the City maintain a minimum nine months of operating and maintenance expenses. This level of reserves addresses the lag between collection and transfer of sewer service charge payments received from the County tax assessor to the City, which occurs twice per year. In addition, these reserves address the bond covenant reserve, which requires \$362,250 for the payment of debt service associated with the 2015 sewer revenue bond. Based on these criteria, the target reserve amount grows from \$1.93 million to \$2.25 million during the five-year period.

Capital

The Capital reserve provides liquidity to fund construction for major capital projects in the City's capital program. The Capital reserve minimum depends on the current capital program from the City, it is currently set to cover the average annual capital expense over the term of their capital improvement schedule. It is recommended that the City maintain a target reserve equal to the average, annual cashfunded, capital project expenditures over the five-year planning period. The current sewer collection capital improvement projects average \$786,578 per year.

REVENUE INCREASES

Rates are set to generate sufficient revenue to cover annual expenses. In addition, rates are set to maintain adequate reserves. **Figure III-6** summarizes the projected revenue from current rates, annual revenue requirements, annual variances, and the rate increases necessary to cover the City's costs.

III. Revenue Requirements

Figure III-6. Rate Increase Calculations

	1184114 111 411 1	tate mercase t						
	Projected							
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29			
Revenue from Current Rates	\$3,233,323	\$3,233,323	\$3,233,323	\$3,233,323	\$3,233,323			
Revenue Requirement	(\$3,868,465)	(\$3,952,096)	(\$4,037,505)	(\$4,124,815)	(\$4,219,025)			
Non-Operating Revenue	\$15,149	\$15,149	\$15,149	\$15,149	\$15,149			
Transfer from/(to) Reserves	\$458,327	\$0	\$0	\$0	\$0			
Net Revenue Requirement	(\$3,394,990)	(\$3,936,947)	(\$4,022,356)	(\$4,109,666)	(\$4,203,876)			
Revenue Surplus/(Shortfall)	(\$161,666)	(\$703,624)	(\$789,033)	(\$876,343)	(\$970,552)			
Proposed Revenue Increase	5.0%	5.0%	5.0%	5.0%	5.0%			
Revenue at Proposed Rates	\$3,394,990	\$3,564,739	\$3,742,976	\$3,930,125	\$4,126,631			
Revenue Surplus/(Shortfall)	\$0	(\$372,208)	(\$279,380)	(\$179,541)	(\$77,245)			

Rate increases account for rate revenue and future revenue requirements. As shown in **Figure III-6**, the City's reserves have been used to keep the revenue increases low (i.e., there are projected revenue shortfalls in FY 2025-26 through FY 2028-29 after accounting for the revenue increases, which will be covered by reserves). The revenue requirement (shown in greater detail in **Figure III-5**) increases in general inflation and capital expenditures. The proposed revenue increases serve to decrease the projected shortfalls facing the City.

The rates are derived in **Section V**. With these rate increases, the City balance the use of reserves while increasing revenue to pay for its annual O&M and capital expenses, as further discussed below.

DEBT SERVICE COVERAGE

Figure III-7 shows the debt service coverage provided by the revenue increases in **Figure III-6.** The City is required to maintain a minimum coverage ratio of 1.10. A higher ratio provides a greater margin of safety to bondholders and enhances the credit rating on bonds. Moreover, a higher credit rating benefits ratepayers by reducing the cost of future borrowing, if needed.

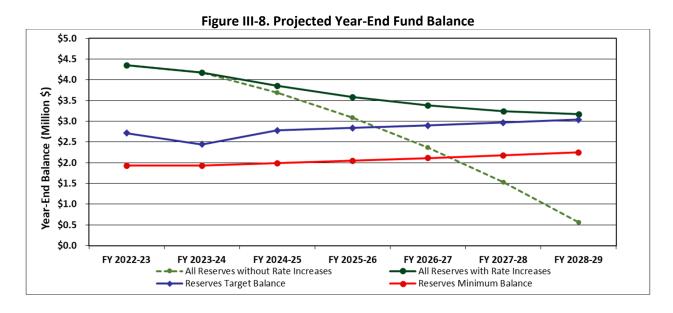
Figure III-7. City Debt Coverage Ratio Calculations (with rate adjustments)

				Projected		
Debt Service Coverage	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Revenue Sources						
Sewer Service Charges	\$3,233,323	\$3,394,990	\$3,564,739	\$3,742,976	\$3,930,125	\$4,126,631
Sewer Lateral Inspect/Certif	\$15,149	\$15,149	\$15,149	\$15,149	\$15,149	\$15,149
	\$3,248,472	\$3,410,139	\$3,579,888	\$3,758,125	\$3,945,274	\$4,141,780
Operating Expenses	(\$2,567,309)	(\$2,648,828)	(\$2,733,009)	(\$2,819,118)	(\$2,907,278)	(\$2,997,488)
Net Revenue	\$681,163	\$761,310	\$846,879	\$939,007	\$1,037,996	\$1,144,292
Debt Service	\$433,459	\$433,059	\$432,509	\$431,809	\$430,959	\$434,959
Debt Coverage Ratio	1.57	1.76	1.96	2.17	2.41	2.63

III. Revenue Requirements

RESERVE FUND BALANCE

Figure III-8 shows the annual fluctuations (solid green line) in the combined reserve fund balance that are caused by the differences between the revenue requirement and revenue from rates with the rate increases; the dashed green line is the projected, combined reserve fund balance without rate increases. The revenue increases in **Figure III-6** were derived to balance increasing rates while maintaining a level of reserves that continues to stay above the combined balance of the City's minimum approved amount for each reserve. Under this plan, the City will draw down their reserves to cover capital projects and to reduce rate increases. Conversely, without revenue increases, the FY 2022-23 year-end fund balance of \$4.35 million is projected to drop to less than \$600,000 by end of FY 2028-29 (see dashed green line in **Figure III-8**). The recommended rate increases are balanced with the use of reserves. Reserves help offset the increased costs projected, reducing the potential for larger increases to be borne by ratepayers.



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IV. Cost-of-Service Analysis

IV. COST-OF-SERVICE ANALYSIS

GENERAL APPROACH

The revenue requirement analysis establishes how much revenue is required from rates. The next step in the analysis is determining the cost of service. Cost-of-service analysis is used to derive rates that proportionally allocate the cost of service. This is achieved by allocating the revenue requirements to the components of the rate structure.

A cost-of-service analysis determines how much each customer and customer class should pay based on its respective share of service-related expenses and flow. The volume of wastewater discharged influences the design of the collection system. The cost-of-service analysis allocates expenses to cost components on the basis of operating considerations or design capacity. Therefore, a larger proportion of expenses associated with wastewater flow on the sewer system are allocated to customers who place a greater burden on the system.

CUSTOMER CLASSES

The cost-of-service analysis distributes the revenue requirements among customer classes in proportion to their service requirements. There is no industry standard that specifies which customer classes should be used. The law allows utilities to exercise discretion in determining the appropriate customer classes provided the rates yield charges that are proportional to the cost of providing service for each category. As a result, the allocation of costs needs to be tailored to the customer classes.

The City currently has multiple customer classes: Single-Family, Single-Family Attached, Duplexes, Multi-Family, and Commercial/Industrial. Note, while the City has residents who live in floating homes on the water, these customers sewer collection and sewer treatment services are provided exclusively by SMCSD.

These classes were last reviewed as part of the previous cost-of-service study in 2019. No revisions to the existing number and delineation of customer classes are recommended as part of this study.

COST OF SERVICE ANALYSIS

Cost-of-Service Allocations

A cost-of-service analysis is a process of determining how much services cost. To provide sewer service, infrastructure must be constructed, operated, and maintained, which must be paid for from cash or debt. The type and size of infrastructure depends on how much service customers require. Sewer systems are designed to provide sufficient capacity to meet customer demands for service wherever, whenever, and for as long as demanded.

The FY 2024-25 revenue requirement for collection system costs was summarized by function for cost recovery.

Analytical Procedure

The cost-of-service analysis needs to determine the portion of costs that will be allocated to customers in proportion to flow and use of the system. Not all costs are proportionate to flow; in fact, the majority of costs are independent of flow. Certain operating costs, such as personnel costs, would be incurred

Final Report

IV. Cost-of-Service Analysis

regardless of how much flow was produced by customers. There are also debt service payments for two forms of issuance to finance capital projects. These annual payments do not fluctuate based on a customer's use of the system and must be paid until each loan reaches full maturity. The combination of these fixed operating and debt service costs are referred to as the "fixed cost component."

Other costs fluctuate based on variations in flow among customer classes. Such variable operating costs include electricity, oil, and gasoline for the pumping plants. Water and sewer costs incurred by the sewer enterprise also vary based on the proportion of variable and fixed revenue to be recovered through each respective rate structure imposed by the utility. All capital costs provide funding for pipe replacement and spot repairs of existing collection lines. As such, these capital costs are dependent on flow. Additional peak capacity must be provided for customers that discharge more and for overall peak wet weather capacity that is associated with the capacity that is provided for customer flows. The combination of these flow-related operating and capital costs is referred to as the "volumetric cost component."

The cost-of-service analysis employed in this report for purposes of calculating rates separates the revenue requirements into the fixed and volumetric cost components. The fixed cost component represents the common costs for collection of wastewater. These costs are independent of wastewater flow. The volumetric cost component apportions the flow-driven costs among the customer classes in proportion to their respective flows. The sum of the fixed and volumetric cost components determines each customer class's proportionate share of the cost of service.

Cost Allocation Factors

Separate cost allocation factors were developed to allocate operating and capital costs to the fixed and volumetric cost components. The cost allocation factors were derived as shown in **Figures IV-1** and **Figure IV-2**. For purposes of deriving the cost allocation factors, the FY 2024-25 projections were used, which are representative of future years. In total, 79% of the City's cost of providing service is fixed; in other words, the City would incur all these costs regardless of the amount of wastewater flow.

IV. Cost-of-Service Analysis

Figure IV-1. Cost Allocation

Revenue Requirement Allocation Factors	FY 2024-25		Fixed	Vo	lumetric
		%	\$	%	\$
O&M and Admin Expenses					
Salaries & Benefits	\$1,060,452	100%	\$1,060,452	0%	\$0
Insurance, Admin, Prof. Services	\$929,085	100%	\$929,085	0%	\$0
Vehicles & Supplies	\$128,712	100%	\$128,712	0%	\$0
Professionaland Technical Services	\$499,550	100%	\$499,550	0%	\$0
Oil and Gasoline	\$13,161	0%	\$0	100%	\$13,161
Utilities - Sewer	\$7,210	88%	\$6,345	12%	\$865
Utilities - Water	\$5,459	37%	\$2,042	63%	\$3,417
Utilities - Electricity	\$5,199	0%	\$0	100%	\$5,199
Debt Service					
2011 SWRCB Loan	\$73,128	100%	\$73,128	0%	\$0
2015 Sewer Bond	\$359,931	100%	\$359,931	0%	\$0
Non-Operating & Other Revenue					
Sewer Lateral Inspect/Certif	(\$15,149)	100%	(\$15,149)	0%	\$0
Transfers					
Capital Projects	\$786,578	0%	\$0	100%	\$786,578
Operating Reserve Transfers	(\$458,327)	79%	(\$362,075)	21%	(\$96,252)
Total Net Revenue Requirement	\$3,394,990		\$2,682,020		\$712,970
			79%		21%

For purposes of deriving the capital cost allocation factors, the five-year capital improvement plan was used (FY 2024-25 through FY 2028-29). In this case, the capital improvement plan reflects the average cost over the five-year period, which is more representative than using the just one year's projected capital expenditures.

The revenue increase of 5% proposed in Section III, along with the completion of the capital improvement projects identified, would yield a difference between gross revenues and gross expenses of \$458,327 in FY 2024-25. This difference would require the use of the City's existing reserves. The use of existing operating reserves was apportioned among the fixed and volumetric cost components using a composite allocation. The allocation accounts for the use of reserves reducing both the fixed and variable rates customers would be required to pay under the proposed rate structure.

Figure IV-2 summarizes the cost allocation, indicating that 79% of the revenue requirement is the fixed component and 21% is the volumetric component. These percentages are applied to the FY 2024-25 net revenue requirement to determine the respective fixed and volumetric cost components of the City's sewer collection rates.

IV. Cost-of-Service Analysis

Figure IV-2. Fixed and Volumetric Allocation Summary

Revenue Requirement	Fixed	Volumetric	Total
FY 2024-25 O&M and Admin Expenses	\$2,626,185	\$22,643	\$2,648,828
Debt Service	\$433,059	\$0	\$433,059
Non-Operating & Other Revenue	(\$15,149)	\$0	(\$15,149)
Capital Projects	\$0	\$786,578	\$786,578
Transfers	(\$362,075)	(\$96,252)	(\$458,327)
	\$2,682,020	\$712,970	\$3,394,990
Cost Allocation Factors	79%	21%	100%

Units of Service

The functionalized costs in **Figure IV-2** are divided by the units of service to determine the unit costs. The units of service are EDUs and volumetric wastewater flow for recovery of the fixed and volumetric costs, respectively.

The fixed service rate is determined by dividing the fixed cost component by the total EDUs for all customers. For Single-Family, Single-Family Attached, Duplexes, & Multi-Family (Residential) customers, one EDU is the flow per DU compared to the flow per Single-Family DU. For Commercial/Industrial customers, the number of EDUs is the annual flow divided by the Single-Family standard flow rate. This residential annual flow rate is determined in **Figure IV-3**.

Using FY 2022-23 water use data provided by Marin Municipal Water District (MMWD), the annual sewer flows were calculated for each residential customer class. The annual flows represent the annualized winter water use recorded for these four Residential customer classes. In this figure, the Single-Family volume per dwelling unit, 61.09 hundred cubic feet (CCF), is derived. The flow factors calculate the ratio of the average flow per dwelling unit relative to the average flow per dwelling unit of a Single-Family parcel. This means that Single-Family Attached average flow is 65% of Single-Family equivalent, Duplexes' average flow is 59% of Single-Family equivalent, and Multi-Family average flow is 49% of Single-Family equivalent. The Single-Family customer class is assigned a flow factor of 1.0, or 100%.

Figure IV-3. Residential Flows

Residential	Annual	Annual Dwelling		Flow
Customer Class	Flow (CCF)	Units (DUs)	(CCF per DU)	Factor
Single-Family	74,652	1,222	61.09	100%
Single-Family Attached	36,207	905	40.01	65%
Duplexes	37,881	1,045	36.25	59%
Multi-Family	30,462	1,022	29.81	49%

Using the flow factors based on the wastewater flow, **Figure IV-4** shows how the residential DUs were adjusted to EDUs for the purpose of developing the fixed service rates, which aligns with the City's current rate structure. The EDUs calculated per parcel correlate directly with the flow factors determined. Therefore, Single-Family Attached parcels are assessed 0.65 EDU, Duplex parcels are assessed 0.59 EDU per dwelling unit served by the parcel, and Multi-Family parcels are assessed 0.49 EDU per dwelling unit served by the parcel.

IV. Cost-of-Service Analysis

Figure IV-4. Residential EDUs

Residential	Dwelling	Flow	
Customer Class	Units (DUs)	Factor	EDUs
Single-Family	1,222	100%	1,222
Single-Family Attached	905	65%	593
Duplexes	1,045	59%	620
Multi-Family	1,022	49%	499

For Commercial/Industrial customers, the annual flow was divided by the flow per EDU, or the flow per Single-Family dwelling unit, to find the resulting Commercial/Industrial EDUs.

Figure IV-5. Commercial/Industrial EDUs

Non-Residential	Annual	Flow per	
Customer Class	Flow (CCF)	EDU	EDUs
Commercial/Industrial	77,780	61.09	1,273

A summary of DUs, EDUs, and flow is shown in **Figure IV-6**. Including all customer classes, the City serves 4,207 EDUs with an annual wastewater flow of 256,982 CCF.

Figure IV-6. Total EDUs and Flow

Customer	Dwelling	Flow		Annual		
Classes	Units (DUs)	Factor	EDUs	Flow (CCF)		
Single-Family	1,222	100%	1,222	74,652		
Single-Family Attached	905	65%	593	36,207		
Duplexes	1,045	59%	620	37,881		
Multi-Family	1,022	49%	499	30,462		
Commercial/Industrial	1,273	100%	1,273	77,780		
Total	5,467		4,207	256,982		

Note: Commercial/Industrial DUs have been set equal to Commercial/Industrial EDUs to reflect a 100% flow factor assumed, to align with Singel-Family parcels.

Unit Costs of Service

Figure IV-7 summarizes the derivation of the unit costs associated with the Fixed Service Rates and the Volumetric Rates. These unit costs are the costs of providing the units of service to all customer classes without exception, thereby ensuring that all customers pay their share in proportion to their respective units of service. The cost of service has been calculated using the net revenue requirement for FY 2024-25.

Figure IV-7. Cost of Service – Unit Costs

	Fixed	Volumetric
Allocated Functional Costs	\$2,682,020	\$712,970
Units of Service	4,207 EDUs	256,982 CCF
Unit Costs	\$637.57	\$2.77
	per EDU	per CCF

Note: Rounding differences caused by stored values in electronic models may exist.

IV. Cost-of-Service Analysis

The City's net revenue requirement of \$3,394,990 (FY 2024-25) is used to allocate fixed and volumetric costs. The fixed share of costs, \$2,682,020, divided by 4,207 EDUs yields a fixed component of \$637.57 per EDU. The fixed component will adjust with the flow factor for each respective customer class and will yield each customer class's annual share of fixed cost component. The remaining volumetric share of costs, \$712,970, divided by the annual wastewater flow of 256,982 CCF, results in a volumetric rate of \$2.77 per CCF for all customer classes.

Figure IV-8 demonstrates the movement of the overall revenue from the fixed service rates revenue to the volumetric rates revenue to align with the cost of service. The exercise performed indicates the proportion of fixed service rates revenue will decrease from 90% to 79% of total rate revenues, while volumetric rates revenue will increase from 10% to 21% of total rate revenues.

Rates need to be designed to generate each class's share of the revenue requirement. The next section provides the recommended modifications to the Fixed Service Rates and Volumetric Rates needed to meet the cost of service.

Figure IV-8. Cost of Service Revenue Summary

	Revenues	at	Cost of Sen	vice	Difference	
Components of Rate Strucutre	Current Rates F	Y 2023-24	Proposed Rates F	Y 2024-25	COS Minus Current	
Single-Family						
Fixed Rates Revenue	\$892,390	90%	\$779,113	79%	(\$113,276)	-12.7%
Volumetric Rates Revenue	\$94,808	10%	\$207,114	21%	\$112,306	118.5%
Subtotal	\$987,198	100%	\$986,228	100%	(\$970)	-0.1%
Single-Family Attached						
Fixed Rates Revenue	\$359,140	89%	\$377,878	79%	\$18,738	5.2%
Volumetric Rates Revenue	\$45,983	11%	\$100,453	21%	\$54,470	118.5%
Subtotal	\$405,123	100%	\$478,331	100%	\$73,208	18.1%
Duplexes						
Fixed Rates Revenue	\$414,750	90%	\$395,349	79%	(\$19,401)	-4.7%
Volumetric Rates Revenue	\$48,109	10%	\$105,097	21%	\$56,988	118.5%
Subtotal	\$462,859	100%	\$500,446	100%	\$37,587	8.1%
Multi-Family						
Fixed Rates Revenue	\$359,172	90%	\$317,920	79%	(\$41,252)	-11.5%
Volumetric Rates Revenue	\$38,687	10%	\$84,514	21%	\$45,827	118.5%
Subtotal	\$397,858	100%	\$402,434	100%	\$4,575	1.1%
Commercial/Industrial						
Fixed Rates Revenue	\$881,504	90%	\$811,759	79%	(\$69,745)	-7.9%
Volumetric Rates Revenue	\$98,781	10%	\$215,792	21%	\$117,012	118.5%
Subtotal	\$980,285	100%	\$1,027,552	100%	\$47,267	4.8%
Total Fixed Rates Revenue	\$2,906,956	90%	\$2,682,020	79%	(\$224,936)	-8%
Total Volumetric Charge Revenue	\$326,367	10%	\$712,970	21%	\$386,603	118.5%
Total Revenue	\$3,233,323	100%	\$3,394,990	100%	\$161,666	5%

Final Report V. Rate Design

V. RATE DESIGN

The City has historically charged customers the combination of a fixed component and a variable volumetric component based on the product of calculated sewer flow. As previously discussed, this is a common practice that is prevalent throughout the wastewater industry. This chapter explains the derivation of the Fixed Service Rates and Volumetric Rates that reflect the projected cost of service.

CURRENT RATES

The City's current wastewater rate structure is composed of two components: Fixed Service Rates and Volumetric Rates.

Current Fixed Service Rates

The City provides collection services to five customer classes: Single-Family, Single-Family Attached, Duplexes, Multifamily, and Commercial/Industrial. All customers pay the sum of a fixed component and a volumetric component. The fixed component is different for all four residential customer classes. The Fixed Service Rates assessed to Single-Family and Commercial/Industrial customers is the same. However, Commercial/Industrial customers may be charged more than one EDU depending on the recorded water flow relative to the Single-Family average annual flow. The difference in rates reflects the different flow factors and differences in average wastewater contribution by customer class. **Figure V-1** shows the current Fixed Service Rates for all customer classes.

Figure V-1. Current Fixed Service Rates

	Current Rates
Customer Class	FY 2023-24
Fixed Rates (\$/Year/EDU)	
Single-Family	\$730.27
Single-Family Attached	\$396.84
Duplexes	\$396.89
Multi-Family	\$351.44
Commercial/Industrial	\$657.08

The current rates are recommended for adjustment to align with the cost of service to account for revised patterns of wastewater discharge among the customer classes.

Current Volumetric Rates

Residential customers are billed based on annualized, bi-monthly winter water use multiplied by the volumetric rate. For Commercial/Industrial customers, total annual water use is used multiplied by the volumetric rate. Water is measured in "units" of CCF of metered water use, whereby one unit or CCF equals 748 gallons. Volumetric Rates are charged to all customer classes. **Figure V-2** below illustrates the current volumetric rate.

The current rates are recommended for adjustment to align with the cost of service, which identified more volume-based costs. However, recommended rates are proposed to maintain the uniform volumetric rate between customer classes.

Final Report V. Rate Design

Figure V-2. Current Volumetric Rates

	Current Rates
Customer Class	FY 2023-24
Volumetric Rates (\$/HCF)	
Single-Family	\$1.27
Single-Family Attached	\$1.27
Duplexes	\$1.27
Multi-Family	\$1.27
Commercial/Industrial	\$1.27

SERVICE CHARGE DESIGN

The annual Fixed Service Rates for City customers, in **Figure V-3** below, are calculated using the unit cost determined in **Figure IV-7**. The rate is adjusted in proportion to the flow factor for each respective customer class. These flow factors were determined in **Figure IV-6** to reflect current patterns of wastewater discharge.

Figure V-3. Proposed City Customers Annual Fixed Service Rates – FY 2024-25

Customer		Flow	cos
Class	\$/EDU	Factor	\$/EDU
	a	b	c=a*b
Single-Family	\$637.57	100%	\$637.57
Single-Family Attached	\$637.57	65%	\$417.54
Duplexes	\$637.57	59%	\$378.32
Multi-Family	\$637.57	49%	\$311.08
Commercial/Industrial	\$637.57	100%	\$637.57

With the proposed rates, all Fixed Service Rates billed to City customers would see a decrease, except Single-Family Attached which will experience an increase. The decrease in rates reflects the decreased proportion of rate revenues to be recovered through the Fixed Service Rates, as determined by the cost-of-service analysis, and as was calculated in **Figure IV-2**. **Figure V-4** shows the proposed five-year schedule of Fixed Service Rates. Under the proposed rates, Single-Family customers would be assessed \$637.57 per dwelling unit in FY 2024-25. Meanwhile, Single-Family attached, Duplexes, and Multi-Family customers would be assessed \$417.54, \$378.32, and \$311.08 per dwelling unit served by the parcel, respectively. Commercial/Industrial customers would be assessed \$637.57 per EDU, or per 61 CCF of meter water use. Therefore, Commercial/Industrial customers could be charged more than one EDU. Proposed Fixed Service Rates would be increased uniformly by 5% each fiscal year beginning FY 2025-26.

Final Report V. Rate Design

Figure V-4. Current and Proposed Fixed Service Rates

	Current Rates	Proposed City Collection Rates				
Customer Class	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Fixed Rates (\$/Year)						
Single-Family (per DU)	\$730.27	\$637.57	\$669.45	\$702.92	\$738.07	\$774.97
Single-Family Attached (per DU)	\$396.84	\$417.54	\$438.42	\$460.34	\$483.36	\$507.53
Duplexes (per DU)	\$396.89	\$378.32	\$397.24	\$417.10	\$437.96	\$459.86
Multi-Family (per DU)	\$351.44	\$311.08	\$326.63	\$342.96	\$360.11	\$378.12
Commercial/Industrial (per EDU)	\$657.08	\$637.57	\$669.45	\$702.92	\$738.07	\$774.97

VOLUMETRIC RATES DESIGN

The Volumetric Rates were determined via the unit cost exercise in **Figure IV-7**. The unit cost of service does not vary by customer class. Therefore, the unit cost determined in the previous section is the proposed FY 2024-25 Volumetric Rates to be assessed to all customers, as shown in **Figure V-5**. The proposed rates for FY 2025-26 through FY 2028-29 reflect 5.0% annual increases. Volumetric Rates are increasing to align with the cost of service, which identified a greater proportionate share of volumetric costs in comparison to the City's current rates.

Figure V-5. Current and Proposed Volumetric Rates

Proposed City Collection Rates			
2027-28	FY 2028-29		
\$3.21	\$3.37		
\$3.21	\$3.37		
\$3.21	\$3.37		
\$3.21	\$3.37		
\$3.21	\$3.37		
	\$3.21		

Customer bills are subject to the customer class assigned for recovery of the fixed service rate, the number of EDUs associated with a parcel, and the total billed wastewater volume. Therefore, bills vary among customers within a customer class and individual bills by parcel fluctuate annually according to the previous year's water use. Section VI provides additional context of how customers overall bills could change under the proposed rates.

Final Report VI. Customer Impacts

VI. CUSTOMER IMPACTS

The residents of Sausalito receive two sewer bills, one from the City and one from SMCSD. These charges cover two entirely different services. The City is responsible for properly collecting and containing wastewater within the City of Sausalito limits. Sausalito residents pay a collection charge to the City for this service. SMCSD is responsible for the large pumps, pipelines, and controls that convey wastewater to the treatment plant, safely treat and disinfect it, and discharge it to the Bay through an outfall.

Figure VI-1 through **Figure VI-3** provide a range of possible sewer collection charges per dwelling unit per customer class. The ranges reflect how billed wastewater volumes influence sewer collection bills at the proposed rates. **Figure VI-1** shows the summary of the City's collection charge based on half the average annual wastewater volume per dwelling unit. At this level of water use, the charge for Single-Family and Multi-Family dwelling units would decrease from the collection bill at current rates. In contrast, Single-Family Attached, Duplexes, and Commercial/Industrial customer bills would increase. A Single-Family customer can expect to pay \$722.18 in the first year in collection charges and \$877.91 in FY 2028-29, given 31 CCF of billed wastewater volumes per year.

Figure VI-1. Comparison of Annual Collection Charge (1/2 Average Wastewater Volume)

rigure vi 1: co	e vi-1. Companson of Annual Conection Charge (1/2 Average wastewater volume)							
		Current Rates	Charges with Proposed City Collection Rates					
Customer Class	Rate Scenario	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	
Single-Family	Annual Charge	\$769.06	\$722.18	\$758.34	\$796.39	\$836.12	\$877.91	
31 CCF / DU	Annual \$ Change		(\$46.88)	\$36.16	\$38.05	\$39.73	\$41.79	
	Monthly \$ Change		(\$3.91)	\$3.01	\$3.17	\$3.31	\$3.48	
Single-Family Attached	Annual Charge	\$422.24	\$472.95	\$496.63	\$521.55	\$547.57	\$574.94	
20 CCF / DU	Annual \$ Change		\$50.71	\$23.68	\$24.92	\$26.02	\$27.37	
	Monthly \$ Change		\$4.23	\$1.97	\$2.08	\$2.17	\$2.28	
Duplexes	Annual Charge	\$419.91	\$428.53	\$449.98	\$472.56	\$496.14	\$520.94	
18 CCF / DU	Annual \$ Change		\$8.62	\$21.46	\$22.58	\$23.58	\$24.80	
	Monthly \$ Change		\$0.72	\$1.79	\$1.88	\$1.96	\$2.07	
Multi-Family	Annual Charge	\$370.37	\$352.36	\$370.00	\$388.56	\$407.95	\$428.34	
15 CCF / DU	Annual \$ Change		(\$18.01)	\$17.64	\$18.57	\$19.39	\$20.39	
	Monthly \$ Change		(\$1.50)	\$1.47	\$1.55	\$1.62	\$1.70	
Commercial/Industrial	Annual Charge	\$832.84	\$1,020.92	\$1,072.18	\$1,126.41	\$1,182.32	\$1,241.36	
138 CCF / DU	Annual \$ Change		\$188.08	\$51.26	\$54.23	\$55.91	\$59.04	
	Monthly \$ Change		\$15.67	\$4.27	\$4.52	\$4.66	\$4.92	

Assuming average billed wastewater volumes per dwelling unit in each customer class, **Figure VI-2** shows that Single-Family will see a marginal reduction in their bill while Duplexes and Multi-Family collection bills will see a slight increase. Single-Family Attached and Commercial/Industrial customers will see the largest increases. A Single-Family customer with average water use will pay \$806.79 the first year of increases and \$980.84 in FY 2028-29.

Final Report VI. Customer Impacts

Figure VI-2. Comparison of Annual Collection Charge (Average Wastewater Volume)

				<u> </u>			
		Current Rates	Charges with Proposed City Collection Rates				ates
Customer Class		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Single-Family	Annual Charge	\$807.85	\$806.79	\$847.22	\$889.86	\$934.17	\$980.84
61 CCF / DU	Annual \$ Change		(\$1.06)	\$40.43	\$42.63	\$44.31	\$46.67
	Monthly \$ Change		(\$0.09)	\$3.37	\$3.55	\$3.69	\$3.89
Single-Family Attached	Annual Charge	\$447.65	\$528.36	\$554.84	\$582.76	\$611.78	\$642.36
40 CCF / DU	Annual \$ Change		\$80.71	\$26.48	\$27.92	\$29.02	\$30.57
	Monthly \$ Change		\$6.73	\$2.21	\$2.33	\$2.42	\$2.55
Duplexes	Annual Charge	\$442.93	\$478.73	\$502.73	\$528.02	\$554.32	\$582.02
36 CCF / DU	Annual \$ Change		\$35.80	\$23.99	\$25.30	\$26.30	\$27.70
	Monthly \$ Change		\$2.98	\$2.00	\$2.11	\$2.19	\$2.31
Multi-Family	Annual Charge	\$389.29	\$393.64	\$413.37	\$434.17	\$455.79	\$478.57
30 CCF / DU	Annual \$ Change		\$4.35	\$19.72	\$20.80	\$21.62	\$22.78
	Monthly \$ Change		\$0.36	\$1.64	\$1.73	\$1.80	\$1.90
Commercial/Industrial	Annual Charge	\$1,008.60	\$1,404.28	\$1,474.91	\$1,549.90	\$1,626.57	\$1,707.75
277 CCF / DU	Annual \$ Change		\$395.68	\$70.63	\$74.99	\$76.67	\$81.19
	Monthly \$ Change		\$32.97	\$5.89	\$6.25	\$6.39	\$6.77

Assuming high wastewater volumes per dwelling unit per customer class, **Figure VI-3** demonstrates an increase to all customer classes. A Single-Family customer with high wastewater volumes (double the average volume) will pay \$976.01 the first year of increases and \$1,186.72 in FY 2028-29.

Figure VI-3. Comparison of Annual Collection Charge (2x Average Wastewater Volume)

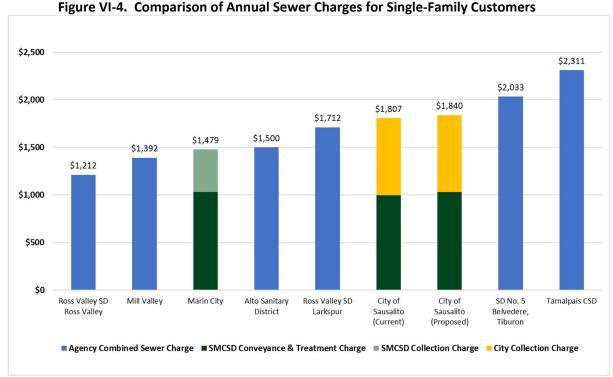
		Current Rates	Charges with Proposed City Collection Rates				
Customer Class	Rate Scenario	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Single-Family	Annual Charge	\$885.44	\$976.01	\$1,024.99	\$1,076.79	\$1,130.27	\$1,186.72
122 CCF / DU	Annual \$ Change		\$90.57	\$48.99	\$51.80	\$53.48	\$56.45
	Monthly \$ Change		\$7.55	\$4.08	\$4.32	\$4.46	\$4.70
Single-Family Attached	Annual Charge	\$498.46	\$639.18	\$671.27	\$705.19	\$740.21	\$777.18
80 CCF / DU	Annual \$ Change		\$140.72	\$32.08	\$33.92	\$35.02	\$36.97
	Monthly \$ Change		\$11.73	\$2.67	\$2.83	\$2.92	\$3.08
Duplexes	Annual Charge	\$488.96	\$579.14	\$608.21	\$638.95	\$670.68	\$704.18
73 CCF / DU	Annual \$ Change		\$90.18	\$29.07	\$30.73	\$31.73	\$33.50
	Monthly \$ Change		\$7.51	\$2.42	\$2.56	\$2.64	\$2.79
Multi-Family	Annual Charge	\$427.15	\$476.21	\$500.10	\$525.37	\$551.47	\$579.01
60 CCF / DU	Annual \$ Change		\$49.06	\$23.90	\$25.27	\$26.09	\$27.55
	Monthly \$ Change		\$4.09	\$1.99	\$2.11	\$2.17	\$2.30
Commercial/Industrial	Annual Charge	\$1,360.13	\$2,170.99	\$2,280.37	\$2,396.87	\$2,515.06	\$2,640.53
554 CCF / DU	Annual \$ Change		\$810.86	\$109.38	\$116.51	\$118.19	\$125.47
	Monthly \$ Change		\$67.57	\$9.12	\$9.71	\$9.85	\$10.46

NEIGHBORING AGENCY COMPARISON

Figure VI-4 illustrates the overall sewer charges Sausalito customers would pay compared to neighboring agencies. The comparison accounts for both the proposed collection rates assessed by Sausalito, as well as the conveyance and treatment rate assessed by SMCSD. In FY 2024-25, the overall sewer bill for Single-Family accounts in Sausalito is shown as the City's collection charge (\$806.79) plus the proposed conveyance & treatment charge to be assessed by SMCSD (\$1,033.00). SMCSD is currently conducting a rate study and has issued a Proposition 218 notice to inform ratepayers of SMCSD's intent to increase

Final Report VI. Customer Impacts

rates. For this comparison, all flow-based charges assume annual usage of 61 CCF. This assumption is based on average annualized winter water use for Single-Family customers in Sausalito. At the assumed level of winter water use, Sausalito residents would see a 1.8% increase in the combined sewer charges paid to the City and SMCSD. Further, increases to the charges assessed would not change the position of Sausalito residents relative to other Single-Family customers in nearby agencies.



Note: All rates shown reflect approved or proposed FY 2024-25 rates, except for Ross Valley Sanitary District (SD).

APPENDIX A. SEWER RATES MODEL



		Α	В	С	D	E	F	G	Н
	of Sausalito					•			
	er Rate Study			Avg Annual CIP	\$ 700,000 p	oresent value			
	Summary								
1						Proposed			1
5			Budgeted FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	
	ual Revenue Inc	rreases	F1 2023-24	F1 2024-25	F1 2025-20	F1 2020-27	F1 2027-20	F1 2020-25	1
	enue Increase (5.0%	5.0%	5.0%	5.0%	5.0%	To Table 3A
	nulative Revenu			5.0%	10.3%	15.8%	21.6%	27.6%	1
0									
	ot Coverage Rati		1.57	1.76	1.96	2.17	2.41	2.63	From Table 6
	nual PAYGo Capi	tal Spending	\$510,000	\$786,578	\$786,578	\$786,578	\$786,578	\$786,578	From Table 5
3	\$5.0				<u> </u>				
4									
5 6	\$4.5								
7	\$4.0								
8									
9	5 \$3.5				-				
0	₩ \$3.0			-					
1	2 1	—				•			
2	ဥ \$2.5								
2 3 4	<u>e</u> \$2.0				-				
4	B		•						
5 6	Xear-End Balance (Million \$3.5 \$3.0 \$3.0 \$2.5 \$2.0 \$1.5 \$1.0						<u> </u>		
7	ត្ត \$1.0	1					***		
8									
8 9 0	\$0.5						-		
0	\$0.0		1	Г	T	Т	1		
1		FY 2022-23	FY 2023-24 FY 2024-					9	
2 3 2			→ → → All Reserves without Rate	ncreases		Reserves with Rate In			
3			Reserves Target Balance		Res	serves Minimum Balar	nce		

	Α	В	С	D	Е	F	G	Н	l
1	City of Sa	usalito							
2	Sewer Rat	te Study							
3	1B. Assum	nptions							
4									
5]	Inflation Assumptions	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
6		a. Interest on Reserve Balances	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	City estimate
7		b. General Inflation	Budget	3.00%	3.00%	3.00%	3.00%	3.00%	City estimate
8		c. OPEB reserve transfer	Budget	4.12%	4.12%	4.12%	4.12%	4.12%	City estimate
9		d. Construction Cost Inflation	Budget	3.91%	3.91%	3.91%	3.91%	3.91%	ENR SF CCI - 10-year CAGR as of June 2023
10		e. Incorporated Single Family Growth (EDUs)	0	0	0	0	0	0	No growth anticipated
11		f. Fuel & Utilities	-	4.80%	4.80%	4.50%	4.25%	4.00%	BLS CPI-Fuel Index
12		g. Salaries & Benefits		5.00%	5.00%	5.00%	5.00%	5.00%	City estimate
13		h. Composite O&M	Budget	3.18%	3.18%	3.15%	3.13%	3.10%	annual change in City's O&M expenses

	Α	В	С	D	Е	F	G	Н	
1	City of Sausalito	_	-	_	_	·	-		
	Sewer Rate Study								
3	2. Revenue Requirements								
4									
5		Escalation							
6		Factor	Budgeted			Projected			1
7		Table 1b	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
8	Fund Expenditures								Fund 110 is Sewer Fund
9	P · · · ·								
10	Salaries & Wages	b	\$670,090	\$690,193	\$710,898	\$732,225	\$754,192	\$776,818	
11	Professional Services	b	\$450,000	\$463,500	\$477,405	\$491,727	\$506,479	\$521,673	
12	Insurance - Liability	b	\$275,000	\$283,250	\$291,748	\$300,500	\$309,515	\$318,800	
13	Repair of Sewer Infrastructure	f	\$250,000	\$262,000	\$274,576	\$286,932	\$299,127	\$311,092	
14	Admin Charge - General Fund	b	\$225,000	\$231,750	\$238,703	\$245,864	\$253,239	\$260,837	
15	Cafeteria Plan	b	\$120,648	\$124,267	\$127,995	\$131,835	\$135,790	\$139,864	
16	PERS ER UAAL Miscellaneous	b	\$117,226	\$120,743	\$124,365	\$128,096	\$131,939	\$135,897	
17	Repair & Maint Vehicles	b	\$76,000	\$78,280	\$80,628	\$83,047	\$85,539	\$88,105	
18	PERS Employer Contrib	b	\$70,411	\$72,523	\$74,699	\$76,940	\$79,248	\$81,626	
19	Urgent Repairs	b	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	
20	Technical Services	b	\$35,000	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	
21	Workers' Compensation	b	\$20,150	\$20,755	\$21,377	\$22,018	\$22,679	\$23,359	
22	Riverwatch Settlement Insp.	b	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	
23	Machinery & Equipment	b	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	
24	Dues & Subscription	b	\$17,000	\$17,510	\$18,035	\$18,576	\$19,134	\$19,708	
25	Overtime	b	\$16,533	\$17,029	\$17,540	\$18,066	\$18,608	\$19,166	
26	Supplies - General	b	\$16,000	\$16,480	\$16,974	\$17,484	\$18,008	\$18,548	
27	Sewer Management Prog.	b	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	
28	Oil and Gasoline	b	\$12,778	\$13,161	\$13,556	\$13,963	\$14,382	\$14,813	
29	Permits	b	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	
30	Medicare	b	\$9,956	\$10,255	\$10,562	\$10,879	\$11,206	\$11,542	
31	Auto Allowance	b	\$7,200	\$7,416	\$7,638	\$7,868	\$8,104	\$8,347	
32	Utilities - Sewer	b	\$7,000	\$7,210	\$7,426	\$7,649	\$7,879	\$8,115	
33	City Paid Def Comp.	b	\$6,815	\$7,019	\$7,230	\$7,447	\$7,670	\$7,900	
34	Utilities - Water	b	\$5,300	\$5,459	\$5,623	\$5,791	\$5,965	\$6,144	
35	Cleaning Services	b	\$5,272	\$5,430	\$5,593	\$5,761	\$5,934	\$6,112	
36	Utilities - Electricity	b	\$5,048	\$5,199	\$5,355	\$5,516	\$5,682	\$5,852	
37	Repair Machinery & Equip	b	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	
38	Retiree Health	b	\$4,551	\$4,688	\$4,828	\$4,973	\$5,122	\$5,276	
39	Uniforms	b	\$4,213	\$4,339	\$4,470	\$4,604	\$4,742	\$4,884	
40	Training and Workshops	b	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	
41	MERA Operating Costs	b	\$3,801	\$3,915	\$4,032	\$4,153	\$4,278	\$4,406	
42	Computer Equipment	b	\$3,500	\$3,605	\$3,713	\$3,825	\$3,939	\$4,057	
43	Utilities - Telephone	b	\$3,267	\$3,365	\$3,466	\$3,570	\$3,677	\$3,787	
44	Rental Mach and Equip	b	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	
45	Riverwatch Settlement Repairs	b	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	
46	Safety Supplies	b	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	
47	Utilities - Solid Waste	b	\$800	\$824	\$849	\$874	\$900	\$927	
48	Office Supplies	b	\$750	\$773	\$796	\$820	\$844	\$869	_
49	Subtotal		\$2,567,309	\$2,648,828	\$2,733,009	\$2,819,118	\$2,907,278	\$2,997,488	
50	Annual increase			3.2%	3.2%	3.2%	3.1%	3.1%	
51									
52	Debt Service								

	A	В	С	D	Е	F	G	Н	1
1	City of Sausalito	ь	C	D	С	Г	G	П	ı
2	Sewer Rate Study								
3	2. Revenue Requirements								
4	2. Revenue Requirements								
5		Escalation							
6	1	Factor	Budgeted			Projected			1
7	1	Table 1b	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
	2011 SWRCB Loan		\$69,000	\$73,128	\$73,128	\$73,128	\$73,128	\$73,128	
54	2015 Sewer Bond		\$365,763	\$359,931	\$359,381	\$358,681	\$357,831	\$361,831	
55 56	Subtotal	•	\$434,763	\$433,059	\$432,509	\$431,809	\$430,959	\$434,959	-
56									
57	Non-Operating & Other Revenue								
58	Sewer Lateral Inspect/Certif		(\$15,149)	(\$15,149)	(\$15,149)	(\$15,149)	(\$15,149)	(\$15,149)	_
59			(\$15,149)	(\$15,149)	(\$15,149)	(\$15,149)	(\$15,149)	(\$15,149)	
60	needs update								
	Transfers								
62	,, , ,		\$510,000	\$786 <i>,</i> 578	\$786,578	\$786,578	\$786,578	\$786,578	From Table 4
63			\$0	(\$458,327)	\$0	\$0	\$0		From Table 4
64	To/(From) OPEB		\$0	\$0	\$0	\$0	\$0	•	From Table 4
64 65 66	Subtotal		\$510,000	\$328,251	\$786,578	\$786,578	\$786,578	\$786,578	
66	4								
67	Net Revenue Requirement	:	\$3,496,923	\$3,394,990	\$3,936,947	\$4,022,356	\$4,109,666	\$4,203,876	=
60	Annual increase			-2.9%	16.0%	2.2%	2.2%	2.3%	
68 69 70	Cumulative increase			-2.9%	12.6%	15.0%	17.5%	20.2%	
71		22/24							
		023/24							
72 73 74	-								
7/	1								
,+									

		_		1			
A	В	С	D	E	F	G	Н
1 City of Sausalito							
2 Sewer Rate Study							
3 3A. Revenue Increases							
4				Dunington d			
5	Budget			Projected			
5 6 7	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
8 Sewer Charges	da aaa aaa	da aaa aaa	42 222 222	ć2 222 222	ća 222 222	42 222 222	5 TH 30 1 H 6' 10' 10' 1
9 Prop Tax Bill - Sewer Charge	\$3,233,323	\$3,233,323	\$3,233,323	\$3,233,323	\$3,233,323	. , , ,	From Table 3B; includes City and Direct Bill customers
10 Revenue at Current Rates	\$3,233,323	\$3,233,323	\$3,233,323	\$3,233,323	\$3,233,323	\$3,233,323	5 711 2 7 2 1
11 Net Revenue Requirement	\$3,496,923	\$3,394,990	\$3,936,947	\$4,022,356	\$4,109,666		From Table 2; To Below
12 Surplus/(Deficit) <u>before</u> Rate Increase	(\$263,600)	(\$161,666)	(\$703,624)	(\$789,033)	(\$876,343)	(\$970,552)	
13 14							
15 Rate Revenue Analysis		E 00/					
16 Annual Increase in Rate 17	-	5.0%	5.0%	5.0%	5.0%	5.0%	From Summary & Assumptions
	ຕ່າ ກາກ ກາກ	ຕາ ກາກ ກາກ	ຕາ ກາກ ກາກ	ຕາ ກາກ ກາກ	ຕຳ ກາກ ກາກ	\$3,233,323	Fram About
18 Revenue at Current Rates (incl. growth) 19 Revenue From Rate Increases Effective:	\$3,233,323	\$3,233,323	\$3,233,323	\$3,233,323	\$3,233,323	\$3,233,323	From Above
20 Revenue From Rate increases Effective:		¢1.C1.CCC	¢161 666	¢1.C1.CCC	¢1.C1.CCC	¢1.C1.CCC	
20 July 1, 2024 21 July 1, 2025		\$161,666	\$161,666 \$169,749	\$161,666 \$169,749	\$161,666 \$169,749	\$161,666 \$169,749	
21 July 1, 2025			\$109,749			\$109,749	
22 July 1, 2026 23 July 1, 2027				\$178,237	\$178,237		
24 July 1, 2027					\$187,149	\$187,149 \$196,506	
25 Subtotal, Transport and Treatment Revenue Increase	\$0	\$161,666	\$331,416	\$509,653	\$696,801	\$196,506	
23 Subtotal, Transport and Treatment Revenue increase	30	\$101,000	γ331,410	\$509,655	2030,001	5093,308	
26	7-						
77 Total Rate Revenue (after rate adic)	·	\$3 394 990	\$3 564 739	\$3 742 976	\$3 930 125	\$4 126 631	Existing + Increase
Revenue at Current Rates (incl. growth) Revenue From Rate Increases Effective: July 1, 2024 July 1, 2025 July 1, 2025 July 1, 2027 July 1, 2027 Subtotal, Transport and Treatment Revenue Increase Total Rate Revenue (after rate adjs)	\$3,233,323	\$3,394,990	\$3,564,739	\$3,742,976	\$3,930,125	\$4,126,631	Existing + Increase
28	\$3,233,323						Existing + Increase
70 Total Rate Revenue (after rate adjs) 28 29 Total Revenue at Proposed Rates 30 Net Revenue Requirement	·	\$3,394,990 \$3,394,990 \$3,394,990	\$3,564,739 \$3,564,739 \$3,936,947	\$3,742,976 \$3,742,976 \$4,022,356	\$3,930,125 \$3,930,125 \$4,109,666	\$4,126,631 \$4,126,631 \$4,203,876	

	Α	В	С	D	Е	F	G	Н
1	City of	Sausalito	<u> </u>					
2	Sewer	Rate Study						
3	3B. Re	venue at Current Rates						
4								
5								
6			Sewer Charg					
7	_		Source		Notes			
8	4		Property Tax	\$3,082,135				
9	4		Direct Bill	\$28,950				
10	-		City Owned	\$122,239	T- T-61- 24			
11	-		Total	\$3,233,323	TO Table 3A			
12 13	-							
14	1							
15	1	Sewer Charge						
16	1	Property Tax, Direct Bill, and City Ow	vned Direct Bill Custon	ners (AII)				
17			Count	Fixed Total	Vol Total	Total Charges	Total HCF	Total Dwelling Units
18		Single-Family	1236	\$892,390	\$94,808	\$987,198	74,652	1,222
19		Single-Family Attached	906	\$359,140	\$45,983	\$405,123	36,207	905
20		Duplexes	690	\$414,750	\$48,109	\$462,859	37,881	1,045
21		Multi-Family Residential	340	\$359,172	\$38,687	\$397,858	30,462	1,022
22		Subtotal, Residenti	ial		_	\$2,253,038	179,202	4,194
23								
24		Commercial/Industrial	281	\$881,504	\$98,781	\$980,285		1,342
25		Subtotal, Non-Resident	ial _			\$980,285	77,780	1,342
26	_			\$2,906,956	\$326,367			
27	1				Total	\$3,233,323	256,982	5,536
28				89.91%	10.09%			

	А	В	С	D	E	F	G	Н	
1	City of Sausalito		•	•	•		•		
2	Sewer Rate Study								
3	4. Reserves								
4									
5		Actual	Budgeted			Projected			
6		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
7	Operating Reserves with increase								
8	Sewer Rate		\$1,280,000	\$1,039,364	\$597,242	\$233,256	\$965,748	\$1,813,726	
9	Operating Surplus/(Deficit)		(\$263,600)	\$0	(\$372,208)	(\$279,380)	(\$179,541)	(\$77,245)	From Table 3
10	, , , ,								
11	Transfers:								
12	(To)/From Revenue Requirements			(\$458,327)					
13	(To)/From Capital Reserve		\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$500,000	
14	Subtotal	•	\$1,016,400	\$581,038	\$225,034	\$953,876	\$1,786,206	\$2,236,481	•
15	Estimated Interest Income		\$22,964	\$16,204	\$8,223	\$11,871	\$27,520		Assumption a.
16	Year-End Balance	\$1,280,000	\$1,039,364	\$597,242	\$233,256	\$965,748	\$1,813,726	\$2,276,983	•
17	Target Balance	\$1,930,000	\$1,930,000	\$1,990,000	\$2,050,000	\$2,110,000	\$2,180,000	\$2,250,000	Target
18	% of target			30%	11%	46%	83%		9 mos. Of O&M Expenses
19	Capital Reserve								•
20	Beginning Balance		\$3,074,870	\$3,136,367	\$3,258,877	\$3,355,092	\$2,413,363	\$1,421,762	
21	Transfers:								
22	(To)/From Revenue Requirements		\$510,000	\$786,578	\$786,578	\$786,578	\$786,578	\$786,578	To Table 2
23	(To)/From Operating Reserve			\$0	\$0	(\$1,000,000)	(\$1,000,000)	(\$500,000)	From Above
	Capital Expenditures		(\$510,000)	(\$727,388)	(\$755,848)	(\$785,421)	(\$816,151)	(\$848,083)	From Above
25	Capital outlay		\$0	\$0	\$0	\$0	\$0	\$0	
26	Subtotal		\$3,074,870	\$3,195,557	\$3,289,607	\$2,356,249	\$1,383,790	\$860,256	
27	Estimated Interest Income		\$61,497	\$63,319	\$65,485	\$57,113	\$37,972	\$22,820	Assumption a.
28	Year-End Balance	\$3,074,870	\$3,136,367	\$3,258,877	\$3,355,092	\$2,413,363	\$1,421,762	\$883,077	
29 30	Target Balance	<i>\$786,578</i>	\$510,000	<i>\$786,578</i>	\$786,578	\$786,578	\$786,578	<i>\$786,578</i>	1.0x CIP
30									
31									
32									
33									
34	Operating Reserves without increase								
35	Beginning Balance		\$1,280,000	\$1,039,364	\$433,959	(\$268,022)	(\$57,055)		From Below
36	Operating Surplus/(Deficit)		(\$263,600)	(\$161,666)	(\$703,624)	(\$789,033)	(\$876,343)	(\$970,552)	From Table 3A
	Transfers:								
38	(To)/From Revenue Requirements		\$0	(\$458,327)	\$0	\$0	. \$0	\$0	
39	(To)/From Capital Reserve		\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$500,000	
40	Subtotal		\$1,016,400	\$419,371	(\$269,665)	(\$57,055)	\$66,603	(\$403,854)	
	Estimated Interest Income		\$22,964	\$14,587	\$1,643	\$0	\$95	\$0	•
42 50	Year-End Balance	\$1,280,000	\$1,039,364	\$433,959	(\$268,022)	(\$57,055)	\$66,698	(\$403,854)	
	411.0	44.254.252	64.47F	da coa ass	62.007.675	42.256.222	\$4.400 :::	4470 000	
	All Reserves without Rate Increases All Reserves with Rate Increases	\$4,354,870	\$4,175,732	\$3,692,836	\$3,087,070	\$2,356,308	\$1,488,460	\$479,222	
		\$4,354,870	\$4,175,732	\$3,856,118	\$3,588,348	\$3,379,110	\$3,235,487	\$3,160,060	
	Reserves Target Balance	\$2,716,578	\$2,440,000	\$2,776,578	\$2,836,578	\$2,896,578	\$2,966,578	\$3,036,578	
54	Reserves Minimum Balance	\$1,930,000	\$1,930,000	\$1,990,000	\$2,050,000	\$2,110,000	\$2,180,000	\$2,250,000	

	A	В	С	D	Е	F	G	Н
1	City of Sausalito							
2	Sewer Rate Study							
3	5A. CIP							
4								
5								
6		Budgeted			Projected			
7	Cash-funded (PAYGo) Projects	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	
12	City budgeted capital improvements		\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	From Tab 1A; per Ctiy direction
13	Accumulated Construction Cost Index		3.91%	7.98%	12.20%	16.59%	21.15%	
14	Inflation Adjusted Subtotal		\$727,388	\$755,848	\$785,421	\$816,151	\$848,083	To Tab 4

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1	City of Sausalito	ь	C	, b		- '	G	- ''	'	,	K	L .	IVI	IN	U	r	ď
	Sewer Rate Study																
	5B. CIP Project List			Source: V.\	N. Housen	& Associates											
4																	
5	SEWERS	ICOMKEY	LS_TYPE	Diameter	LENGTH	CLEANTYPE	AREA	US	DS	Recommendation	# of SR	CIP Cost	Running Total	Year	NASSCO	Inspection	Notes
6	100504-100103	100504-100103A	GRAVITY	4	350	HYD/MRD	1	100504	100103	Replace	2	\$115,500.00	\$115,500.00	1	5225	Coastline Water Resources IC COS 2015	West Street
7	310050-310000	310050-310000	GRAVITY	8	130	HYD/MRD	7	310050	310000	Replace	1	\$42,900.00	\$158,400.00	1	5100	Veolia COS 2010	Libertyship
8	120106-120105 210737-210734	120106-120105 210736-210734	GRAVITY GRAVITY	6 10	59 585	HRD HYD/MRD	2	120106 210737	120105 210734	Replacement		\$19,470.00 \$193,050.00	\$177,870.00	1	5244 4131	Reinspection 08.19.2020 Veolia COS 2010/Replace per PG	Josephine
10	210/3/-210/34	210/36-210/34	GRAVITY	10	585	HYD/WKD	4	210/3/	210/34	Replace per PG		\$193,050.00	\$370,920.00	1	4131	Veolia COS 2010/Replace per PG	Cloudview
11	210608-210606	210608-210606	GRAVITY	6	135	HYD/MRD	3	210608	210606	Spot Repair	1	\$8,500.00	\$8,500.00	2	5124	Murgreen COS 2016	Bridgeway near San Carlos
12	210606-210605	210606-210605	GRAVITY	6	205	HYD/MRD	3	210606	210605	Replacement		\$67,650.00	\$76,150.00	2	5B41	Murgreen COS 2016	Bridgeway near San Carlos
13	210605-210604	210605-210604	GRAVITY	6	180	HYD/MRD	3	210605	210604	Replacement		\$59,400.00	\$135,550.00	2	5644	Murgreen COS 2016	Bridgeway near San Carlos
14	210604-210602	210604-210602	GRAVITY	6	179	HYD/MRD	3	210604	210602	Replacement		\$59,070.00	\$194,620.00	2	5442	Murgreen COS 2016	Bridgeway near San Carlos
15	210602-210600	210602-210600	GRAVITY	6	176	HYD/MRD	3	210602	210600	Replacement		\$58,080.00	\$252,700.00	2	5342	Murgreen COS 2016	Bridgeway near San Carlos
16	210610-210608 220105-220102	210610-210608 220105-220102	GRAVITY GRAVITY	6	81 380	HYD/MRD HYD/MRD	3	210610 220105	210608 220102	Replacement Replacement		\$26,730.00 \$125,400.00	\$279,430.00 \$404,830.00	2	5341 5741	Murgreen COS 2016 Murgreen COS 2016	Bridgeway near San Carlos Girard Ave.
18	100105-100104	100105-100104	GRAVITY	6	311	MRD	1	100105	100104	Spot Repair	1	\$8,500.00	\$413,330.00	2	5133	Coastline Water Resources IC COS 2015	North @ Central Avenue
19	100202-100102	100202-100102	GRAVITY	6	350	HYD/MRD	1	100202	100104	Replacement	_	\$115,500.00	\$528,830.00	2	5349	Coastline Water Resources IC COS 2015	4th south of Main
20	100102-100101	100102-100101	GRAVITY	6	258	HYD/MRD	1	100102	100101	Spot Repair	1	\$8,500.00	\$537,330.00	2	5132	Coastline Water Resources IC COS 2015	Main east of 4th Street
21	100123-100122	100123-100122	GRAVITY	6	246	HYD/MRD	1	100123	100122	Replacement		\$81,180.00	\$618,510.00	2	5244	Veolia COS 2010	Sausalito Blvd near Cable Roadway
22	100145-100144	100145-100144	GRAVITY	6	121	MRD	1	100145	100144	Replacement	<u> </u>	\$39,930.00	\$658,440.00	2	5244	Veolia COS 2010	Easement Prospect to Sausalito Blvd.
23	120110-170850	120110-170850	GRAVITY	6	553	HYD/MRD	3	120110	170850	Spot Repair	7	\$59,500.00	\$717,940.00	2	5245	Veolia COS 2010	Bulkley Ave north of Atwood
24	120108-120107 121502-121501	120108-120107 121502-121501	GRAVITY GRAVITY	6	52 113	HYD MRD	2	120108 121502	120107 121501	Replacement Replacement		\$17,160.00 \$37,290.00	\$735,100.00 \$772,390.00	2	5142 5142	Veolia COS 2010 Veolia COS 2010	North Street @ Josephine Street Easement Spencer Ct. and Sausalito Blvd
26	121302-121501	121302-121501	GRAVIIY	ь	113	IVIKU		121502	121501	neplacement	 	\$57,290.00	\$172,390.00		3142	veona CO2 2010	Lasement spencer ct. and sausanto Bivo
27	210304-210303	210304-210303	GRAVITY	6	248	HYD/MRD	4	210304	210303	Replacement		\$81,840.00	\$81,840.00	3	514A	Murgreen COS 2016	Girard Ave
28	210303-210302	210303-210302	GRAVITY	6	274	HYD/MRD	4	210303	210302	Replacement		\$90,420.00	\$172,260.00	3	5145	Murgreen COS 2016	Pine Street
29	210302-210301	210302-210301	GRAVITY	6	460	HYD/MRD	4	210302	210301	Replacement		\$151,800.00	\$324,060.00	3	5345	Murgreen COS 2016	Pine Street
30	210306-210301	210306-210301	GRAVITY	6	300	HYD/MRD	5	210306	210301	Spot Repair	3	\$25,500.00	\$349,560.00	3	5241	Murgreen COS 2016	Caledonia @ Pine Street
31	210301-210800	210301-210800	GRAVITY	6	301	HYD/MRD	4	210301	210800	Spot Repair	2	\$17,000.00	\$366,560.00	3	5231	Murgreen COS 2016	Caledonia @ Pine Street
32	210310-210309 210309-210308	210310-210309 210309-210308	GRAVITY GRAVITY	6	442 277	HYD/MRD HYD/MRD	5	210310 210309	210309 210308	Replacement Replacement		\$145,860.00 \$91,410.00	\$512,420.00 \$603,830.00	3	5147 4536	Murgreen COS 2016 Murgreen COS 2016	Cazneau Ave
3/1	210309-210306	210309-210308	GRAVIIT	0	2//	HTD/IVIKD	3	210309	210306	керіасетіені		\$91,410.00	\$605,650.00	3	4550	Mulgreen CO3 2016	Turney Street
35	210308-210307	210308-210307	GRAVITY	6	298	HYD/MRD	5	210308	210307	Replacement		\$98,340.00	\$98,340.00	4	5342	Murgreen COS 2016	Turney Street
36	210307-210306	210307-210306	GRAVITY	6	456	HYD/MRD	5	210307	210306	Replacement		\$150,480.00	\$248,820.00	4	4734	Murgreen COS 2016	Turney Street
37	220116-220113	220116-220113	GRAVITY	6	93	HYD/MRD	5	220116	220113	Spot Repair	1	\$8,500.00	\$257,320.00	4	4122	Murgreen COS 2016	Girard Ave @ top of Napa Street
38	220113-220112	220113-220112	GRAVITY	6	339	HYD/MRD	5	220113	220112	Spot Repair	4	\$34,000.00	\$291,320.00	4	5341	Murgreen COS 2016	Napa Street
39	220112-220107	220112-220107	GRAVITY	8	232	HYD/MRD	5	220112	220107	Replacement		\$102,080.00	\$393,400.00	4	5343 5243	Murgreen COS 2016 Veolia COS 2010	Napa Street
40	220107-220106 220111-220110	220107-220106 220111-220110	GRAVITY GRAVITY	6	269 24	HYD/MRD HYD/MRD	5	220107 220111	220106 220110	Replacement Replacement		\$88,770.00 \$7,920.00	\$482,170.00 \$490,090.00	4	4100	Veolia COS 2010 Veolia COS 2010	Caledonia @ Napa Street Bridgeway north of Napa Street
42	220111-220110	220111-220110	GRAVITY	6	277	HYD/MRD	5	220111	220110	Replacement	1	\$91,410.00	\$581,500.00	4	5242	Veolia COS 2010 Veolia COS 2010	Bridgeway north of Napa Street
43	220109-220108	220109-220108	GRAVITY	6	270	HYD/MRD	5	220109	220108	Spot Repair	2	\$17,000.00	\$598,500.00	4	5141	Veolia COS 2010	Bridgeway north of Napa Street
44	220108-220107	220108-220107	GRAVITY	6	251	HYD/MRD	5	220108	220107	Spot Repair	2	\$17,000.00	\$615,500.00	4	5141	Veolia COS 2010	Bridgeway north of Napa Street
45																	
46	220210-220200	220210-220200	GRAVITY	6	131	HYD/MRD	5	220210	220200	Replacement		\$43,230.00	\$43,230.00	5	5241	Murgreen COS 2016	Locust Street
47	210306-220100 220250-220230		GRAVITY GRAVITY	6	300 82	HYD/MRD HYD/MRD	5	210306 220250	220100 220230	Replacement		\$99,000.00 \$36,080.00	\$142,230.00 \$178,310.00	5	5541 4221	Murgreen COS 2016 Veolia COS 2010	Clan Drive @ Cornegy Ave
48	220302-220300	220250-220230 220302-220300	GRAVITY	8	121	HYD/MRD HYD/MRD	5	220250	220230	Replacement Replacement	<u> </u>	\$36,080.00	\$178,310.00	5	5241	Veolia COS 2010 Veolia COS 2010	Glen Drive @ Cazneau Ave Monte Mar Drive @ Vista Clara Road
50	310102-310101	310102-310101	GRAVITY	6	208	HYD/MRD	6	310102	310101	Replacement		\$68,640.00	\$286,880.00	5	5348	Veolia COS 2010 Veolia COS 2010	Filbert Ave
51	310173-310172	310173-310172	GRAVITY	6	134	HYD/MRD	7	310173	310172	Replacement		\$44,220.00	\$331,100.00	5	5343	Veolia COS 2010	Rodeo Ave near Woodward Ave
52	310169-310168	310169-310168	GRAVITY	6	117	HYD/MRD	7	310169	310168	Replacement		\$38,610.00	\$369,710.00	5	4331	Veolia COS 2010	Woodward Ave
53	310170-310169	310170-310169	GRAVITY	6	130	HYD/MRD	7	310170	310169	Replacement		\$42,900.00	\$412,610.00	5	4321	Veolia COS 2010	Woodward Ave
54	310112-310111	310112-310111	GRAVITY	6	120	HYD/MRD	6	310112	310111	Replacement	-	\$39,600.00	\$452,210.00	5	5141	Murgreen COS 2016	Cazneau Ave
55	310114-310113 480006-480005	310114-310113 480006-480005	GRAVITY GRAVITY	8	174 60	HYD/MRD HYD/MRD	5 8	310114 480006	310113 480005	Replacement Replacement	 	\$76,560.00 \$19,800.00	\$528,770.00 \$548,570.00	5	5241 4121	Murgreen COS 2016 Veolia COS 2010	Cazneau Ave
57	480006-480003	480004-480003	GRAVITY	6	54	HYD/MRD	8	480004	480003	Replacement		\$19,800.00	\$566,390.00	5	4500	Veolia COS 2010 Veolia COS 2010	
58	441100-441000	441100-441000	GRAVITY	8	121	HYD/MRD	8	441100	441000	Replacement		\$53,240.00	\$619,630.00	5	4231	Veolia COS 2010	
59	440802-440801	440802-440801	GRAVITY	6	223	HYD/MRD	8	440802	440801	Replacement		\$73,590.00	\$693,220.00	5	5144	Veolia COS 2010	
60	440800-440808	440800-440808	GRAVITY	6	72	HYD/MRD	8	440800	440808	Replacement		\$23,760.00	\$716,980.00	5	5131	Murgreen COS 2016	
61	440423A-440422	440423A-440422	GRAVITY	6	41	HYD/MRD	8	440423A	440422	Replacement	<u> </u>	\$13,530.00	\$730,510.00	5	4434	Veolia COS 2010	
62	440414-440413 440401-440400	440414-440413 440401-440400	GRAVITY	6	118	HYD/MRD	8	440414	440413	Replacement	 	\$38,940.00	\$769,450.00	5	5141	Veolia COS 2010	
63	440401-440400 440200-440200A		GRAVITY GRAVITY	6 8	70 40	HYD/MRD HYD	8	440401 440200	440400 440200A	Replacement Replacement	-	\$23,100.00 \$17,600.00	\$792,550.00 \$810.150.00	5	5100 5121	Murgreen COS 2016 Murgreen COS 2016	+
65	220118-220117		GRAVITY	6	88	HYD/MRD	5	220118	220117	Spot Repair	1	\$8,500.00	\$810,150.00	5	5121	Murgreen COS 2016 Murgreen COS 2016	Filbert Ave
66	220200-220100		GRAVITY	6	460	HYD/MRD	5	220200	220100	Spot Repair	3	\$25,500.00	\$34,000.00	5	5241	Murgreen COS 2016	Locust Street
67	220234-220230	220234-220230	GRAVITY	8	266	HYD/MRD	5	220234	220230	Spot Repair	3	\$25,500.00	\$59,500.00	5	5241	Veolia COS 2010	Cazneau Ave
68	220234-310115	220234-310115	GRAVITY	6	257	HYD/MRD	5	220234	310115	Spot Repair	1	\$8,500.00	\$68,000.00	5	4131	Murgreen COS 2016	Cazneau Ave
69	220276-220272		GRAVITY	6	423	HRD	5	220276	220272	Spot Repair	2	\$17,000.00	\$85,000.00	5	4221	Veolia COS 2010	Easement south of Monte Mar Drive
70	220278-220276	220278-220276	GRAVITY	6	241	HRD	5	220278	220276	Spot Repair	2	\$17,000.00	\$102,000.00	5	5141	Veolia COS 2010	Easement south of Monte Mar Drive
72	310171-310168 310115-310114	310171-310168 310115-310114	GRAVITY GRAVITY	6 8	122 175	HYD/MRD HYD/MRD	7 5	310171 310115	310168 310114	Spot Repair Spot Repair	2	\$8,500.00 \$17,000.00	\$110,500.00 \$127,500.00	5 5	5100 5141	Veolia COS 2010 Murgreen COS 2016	Woodward Ave Cazneau Ave
73	480002-480000	480002-480000	GRAVITY	6	396	HYD/MRD	8	480002	480000	Spot Repair Spot Repair	4	\$17,000.00	\$127,500.00	5	5141	Veolia COS 2010	Cazircad AVC
, ,	.00002 700000		CONTILL		. 550	IVIII.D		100002	.00000	, Spot Nepali		, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Ç101,000.00		5175	100.00 000 2010	

	Α	В	С	D	E	F	G	Н	I	j	K	L	М	N	0	Р	Q
1	City of Sausalito																
2	Sewer Rate Study 5B. CIP Project List			Course V/ V	A/ Housen	& Associates											
4	SB. CIP Project List			Source: v.v	w. Housen	& Associates											
5	SEWERS	ICOMKEY	LS TYPE	Diameter	LENGTH	CLEANTYPE	AREA	US	DS	Recommendation	# of SR	CIP Cost	Running Total	Year	NASSCO	Inspection	Notes
74	480005-480004	480005-480004	GRAVITY	6	283	HYD/MRD	8	480005	480004	Spot Repair	2	\$17,000.00	\$178,500.00	5	4223	Veolia COS 2010	
75	470300-470200	470300-470200	GRAVITY	6	322	HYD/MRD	8	470300	470200	Spot Repair	2	\$17,000.00	\$195,500.00	5	4225	Veolia COS 2010	
76	470200-470100	470200-470100	GRAVITY GRAVITY	6	309	MRD	8	470200	470100 441000	Spot Repair	1	\$8,500.00 \$8,500.00	\$204,000.00	5	4121 4121	Veolia COS 2010	
78	441001-441000 441000-440900	441001-441000 441000-440900	GRAVITY	6	204 157	HYD/MRD HYD/MRD	8	441001 441000	441000	Spot Repair Spot Repair	1	\$8,500.00	\$212,500.00 \$221,000.00	5	4121	Veolia COS 2010 Veolia COS 2010	
79	440808-440807	440808-440807	GRAVITY	6	98	HYD/MRD	8	440808	440807	Spot Repair	1	\$8,500.00	\$229,500.00	5	4131	Murgreen COS 2016	
80	440703-440701A	440703-440701A	GRAVITY	6	178	HYD/MRD	8		440701A	Spot Repair	1	\$8,500.00	\$238,000.00	5	5100	Murgreen COS 2016	
81	440702-440700	440702-440700	GRAVITY	6	150	HYD/MRD	8	440702	440700	Spot Repair	2	\$17,000.00	\$255,000.00	5	5141	Murgreen COS 2016	
82	440701A-440701	440703-440701	GRAVITY	6	191	HYD/MRD		440701A	440701	Spot Repair	2	\$17,000.00	\$272,000.00	5	4200	Murgreen COS 2016	
83	440600-440500 440503-440502	440600-440500 440503-440502	GRAVITY GRAVITY	8	274 194	HYD/MRD HYD/MRD	8	440600 440503	440500 440502	Spot Repair Spot Repair	2	\$25,500.00 \$17,000.00	\$297,500.00 \$314,500.00	5 5	4300 4231	Veolia COS 2010 Veolia COS 2010	
85	440418-440405	440418-440405	GRAVITY	6	143	HYD/MRD	8	440418	440405	Spot Repair	1	\$8,500.00	\$323,000.00	5	5111	Veolia COS 2010 Veolia COS 2010	
86	440408-440407	440408-440407	GRAVITY	6	293	HYD/MRD	8	440408	440407	Spot Repair	1	\$8,500.00	\$331,500.00	5	4131	Veolia COS 2010	
87	440407-440406	440407-440406	GRAVITY	6	312	HYD/MRD	8	440407	440406	Spot Repair	3	\$25,500.00	\$357,000.00	5	4332	Veolia COS 2010	
88	440404-440403	440404-440403	GRAVITY	6	291	HYD/MRD	8	440404	440403	Spot Repair	2	\$17,000.00	\$374,000.00	5	4234	Veolia COS 2010	
90	440300-440200	440300-440200	GRAVITY	8	105	HYD	8	440300	440200	Spot Repair	1	\$8,500.00	\$382,500.00	5	5131	Murgreen COS 2016	
91	430102-430104	430102-430104	GRAVITY	6	391	HYD/MRD	8	430102	430104	Spot Repair	1	\$8,500.00	\$8,500.00	6	5100	Coastline Water Resources IC COS 2015	
92	430112-430104	430112-430104	GRAVITY	6	260	HYD/MRD	8	430112	430104	Spot Repair	1	\$8,500.00	\$17,000.00	6	4131	Coastline Water Resources IC COS 2015	
93	430107-430106	430107-430106	GRAVITY	6	379	HYD/MRD	8	430107	430106	Spot Repair	1	\$8,500.00	\$25,500.00	6	4125	Coastline Water Resources IC COS 2015	
94	430105-430104 370700-370600	430105-430104 370700-370600	GRAVITY GRAVITY	6 8	103 263	HYD/MRD HYD/MRD	8	430105 370700	430104 370600	Replacement Spot Repair	3	\$33,990.00 \$25,500.00	\$59,490.00 \$84,990.00	6	4200 5142	Coastline Water Resources IC COS 2015 Veolia COS 2010	
96	371400-371300	371400-371300	GRAVITY	6	263	HYD/MRD	7	370700	371300	Spot Repair	1	\$8,500.00	\$93,490.00	6	4132	Veolia COS 2010 Veolia COS 2010	
97	371300-371200	371300-371200	GRAVITY	6	288	HYD/MRD	7	371300	371200	Spot Repair	2	\$17,000.00	\$110,490.00	6	4226	Veolia COS 2010	
98	371200-371100	371200-371100	GRAVITY	6	155	HYD/MRD	7	371200	371100	Spot Repair	1	\$8,500.00	\$118,990.00	6	4132	Veolia COS 2010	
99	371100-371000	371100-371000	GRAVITY	6	235	HYD/MRD	7	371100	371000	Spot Repair	1	\$8,500.00	\$127,490.00	6	4131	Veolia COS 2010	
100	371000-370900 370600-370400	371000-370900 370600-370400	GRAVITY GRAVITY	6	234 162	HYD/MRD HYD/MRD	7	371000 370600	370900 370400	Spot Repair Replacement	1	\$8,500.00 \$53,460.00	\$135,990.00 \$189.450.00	6	4131 4332	Veolia COS 2010 Veolia COS 2010	
101	100101-100100	100101-100100	GRAVITY	6	260	HYD/MRD HYD/MRD	1	100101	100100	Spot Repair	3	\$53,460.00	\$189,450.00	6	4332	Coastline Water Resources IC COS 2015	
103	100101-100100 100103A-100103	100101-100100 100103A-100103	GRAVITY	6	8	HYD/MRD	1	100101 100103A	100103	Replacement	3	\$2,640.00	\$217,590.00	6	4100	Coastline Water Resources IC COS 2015	
104	100122-100117	100122-100117	GRAVITY	6	310	HYD/MRD	1	100122	100117	Spot Repair	2	\$17,000.00	\$234,590.00	6	4233	Veolia COS 2010	
105	100133-100103	100133-100103	GRAVITY	6	171	HYD/MRD	1	100133	100103	Spot Repair	1	\$8,500.00	\$243,090.00	6	4131	Coastline Water Resources IC COS 2015	
106	100201-100200	100201-100200	GRAVITY	6	259	HYD/MRD	1	100201	100200	Spot Repair	1	\$8,500.00	\$251,590.00	6	4125	Coastline Water Resources IC COS 2015	
107	100205-100101 100405-100404	100205-100101 100405-100404	GRAVITY GRAVITY	6	236 101	HYD/MRD MRD	1	100205 100405	100101 100404	Replacement Replacement		\$77,880.00 \$33,330.00	\$329,470.00 \$362,800.00	6	4511 4231	Coastline Water Resources IC COS 2015 Veolia COS 2010	
109	100403 100404	100421-100102	GRAVITY	6	324	HYD/MRD	1	100403	100102	Spot Repair	1	\$8,500.00	\$371,300.00	6	4131	Coastline Water Resources IC COS 2015	4th north of Main
110	120106-120105	120106-120105	GRAVITY	10	59	HRD	2	120106	120105	Replacement		\$32,450.00	\$403,750.00	6	5244	Reinspection 08.19.2020	
111	120114A-120111	120114A-120114	GRAVITY	6	326	HYD/MRD	3	120114A	120111	Spot Repair	2	\$17,000.00	\$420,750.00	6	4232	Veolia COS 2010	
112	120200-100100 120635-120610	120200-100100 120635-120612	GRAVITY GRAVITY	10 6	351 259	HYD/MRD HYD/MRD	2	120200 120635	100100 120610	Spot Repair Spot Repair	1	\$8,500.00 \$8,500.00	\$429,250.00 \$437,750.00	6	4132 4100	Veolia COS 2010 Veolia COS 2010	
114	170402-170401	170402-170401	GRAVITY	6	106	HYD/MRD	3	170402	170401	Replacement		\$8,500.00	\$437,730.00	6	5241	Murgreen COS 2016	
115	170402A-170402	170402A-170402	GRAVITY	6	61	HYD/MRD	3	170402A	170402	Replacement		\$20,130.00	\$492,860.00	6	4223	Murgreen COS 2016	
116	170403-170402A	170403-170402	GRAVITY	6	274	HYD/MRD	3	170403	170402A	Spot Repair	2	\$17,000.00	\$509,860.00	6	5131	Veolia COS 2010	
117	170404-170407	170404-170407	GRAVITY	6	47	HYD/MRD	3	170404	170407	Replacement		\$15,510.00	\$525,370.00	6	4132	Murgreen COS 2016	
118	170407-170403 170408-170404	170407-170403 170408-170404	GRAVITY GRAVITY	6	69 27	HYD/MRD HYD/MRD	3	170407 170408	170403 170404	Replacement Replacement		\$22,770.00 \$8,910.00	\$548,140.00 \$557,050.00	6	4423 4122	Murgreen COS 2016 Veolia COS 2010	
120	170408-170404	170409-170404	GRAVITY	10	135	HYD	3	170408	170404	Replacement		\$74,250.00	\$631,300.00	6	4200	Veolia COS 2010 Veolia COS 2010	
121	210400-210300	210400-210300	GRAVITY	6	297	HYD/MRD	9	210400	210300	Spot Repair	1	\$8,500.00	\$639,800.00	6	4122	Veolia COS 2010	
122	210711-210710	210711-210710	GRAVITY	10	204	HYD/MRD	4	210711	210710	Spot Repair	2	\$17,000.00	\$656,800.00	6	4232	Veolia COS 2010	
123	210715-210714	210715-210714	GRAVITY	6	257	HYD/MRD	4	210715	210714	Spot Repair	1	\$8,500.00	\$665,300.00	6	5133	Coastline Water Resources IC COS 2015	
124	210730-210714	210730-210730A	GRAVITY	10	427	MRD	4	210730	210714	Spot Repair	1	\$8,500.00	\$673,800.00	ь	4134	Veolia COS 2010	
126	210742-210715	210742-210715	GRAVITY	6	130	HYD/MRD	4	210742	210715	Replacement		\$42,900.00	\$42,900.00	7	5213	Coastline Water Resources IC COS 2015	
127	210743-210742	210743-210742	GRAVITY	6	185	MRD	4	210743	210742	Replacement		\$61,050.00	\$103,950.00	7	5143	Coastline Water Resources IC COS 2015	
128	210910-210707	210910-210707	GRAVITY	8	120	HYD/MRD	3		210707	Replacement		\$52,800.00	\$156,750.00	7	4534	Veolia COS 2010	
129	220100-220101 220101-220000	220100-220101 220101-220000	GRAVITY GRAVITY	8	300 205	HYD/MRD HYD/MRD	5	220100 220101	220101 220000	Spot Repair Spot Repair	1	\$8,500.00 \$8,500.00	\$165,250.00 \$173,750.00	7	4125 4131	Veolia COS 2010 Veolia COS 2010	
131	220101-220000	220101-220000	GRAVITY	6	300	HYD/MRD	5	220101	220101	Spot Repair	1	\$8,500.00	\$173,750.00	7	4131	Veolia COS 2010 Veolia COS 2010	
132	310104-310102	310104-310102	GRAVITY	8	229	HYD/MRD	6		310102	Spot Repair	2	\$17,000.00	\$199,250.00	7	4222	Veolia COS 2010	Filbert Ave
133	310135-310101	310135-310101	GRAVITY	6	460	HYD/MRD	6	310135	310101	Spot Repair	1	\$8,500.00	\$207,750.00	7	4131	Veolia COS 2010	Easterby Street
134	310167-310166	310167-310166	GRAVITY	6	301	HYD/MRD	7		310166	Spot Repair	1	\$8,500.00	\$216,250.00	7	4134	Veolia COS 2010	
135	310172-310165 310175-310174	310172-310165 310175-310174	GRAVITY GRAVITY	6	399 134	MRD HYD/MRD	7	310172 310175	310165 310174	Spot Repair Spot Repair	1	\$8,500.00 \$8,500.00	\$224,750.00 \$233,250.00	7	4100 4100	Veolia COS 2010 Veolia COS 2010	
137	310175-310174	310175-310174	GRAVITY	8	81	HYD/MRD	6		310174	Spot Repair	1	\$8,500.00	\$233,250.00	7	4100	Veolia COS 2010 Veolia COS 2010	
138	310200-310100	310200-310100	GRAVITY	8	461	HYD/MRD	6		310100	Spot Repair	1	\$8,500.00	\$250,250.00	7	4134	Veolia COS 2010	
139	120105-120104		GRAVITY	6	55	HRD	2			Replacement		\$18,150.00	\$268,400.00	7	4231	Inspection 08.19.2020	Josephine
140	120104-120103	l	GRAVITY	6	63	HRD	2			Replacement		\$20,790.00	\$289,190.00	7	4100	Inspection 08.19.2020	Josephine

	А	В	С	D	E	F	G	Н
1	City of Sausalito							•
2	Sewer Rate Study							
3	6. Debt Service							
4								
5								
6		Budgeted			Projected			
7		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	
8	Sewer Collection Rate							
9								
	2011 SWRCB Loan (matures 2032)							_
	Principle	\$56,573	\$58,044	\$59,553	\$61,101	\$62,690	\$64,320	
	Interest	\$16,555	\$15,084	\$13,575	\$12,026	\$10,438	\$8,808	_
13	Total Payment	\$73,128	\$73,128	\$73,128	\$73,128	\$73,128	\$73,128	per debt serv
14								
15	2015 Sewer Bonds (matures 2044)							
	Principle	\$180,000	\$185,000	\$190,000	\$195,000	\$200,000	\$210,000	
17	Interest	\$180,331	\$174,931	\$169,381	\$163,681	\$157,831	\$151,831	
18	Total Payment	\$360,331	\$359,931	\$359,381	\$358,681	\$357,831	\$361,831	per debt serv
19								_
20	Total debt and loan repayment	\$433,459	\$433,059	\$432,509	\$431,809	\$430,959	\$434,959	
21								

	Α	В	С	D	E	F	G	Н	I
1	City of Sausa	alito							
2	Sewer Rate	Study							

3 7. Units of Service

	No. of	Billed Flow	% of Billed	FY 24/25	Fixed Revenue	Fixed Charge	% of SFR
Customer Classes	EDUs	CCF	Consumption	Rev Req	Requirement	per EDU	Fixed Charge
	Net Rev Req 24/25:	\$3,394,990					
Single-Family	1,222	74,652	29%	\$986,228	\$779,120	\$637.58	1009
Single-Family Attached	905	36,207	14%	\$478,331	\$377,881	\$417.55	659
Duplexes	1,045	37,881	15%	\$500,446	\$395,352	\$378.33	59%
Multi-Family Residential	1,022	30,462	12%	\$402,434	\$317,922	\$311.08	499
Subtotal, Residential	4,194	179,202	70%	\$2,367,438	\$1,870,276		
Commercial/Industrial	1,273	77,780	30%	\$1,027,552	\$811,766	\$637.58 _	100%
Subtotal, Commercial	1,273	77,780	30%	1,027,552	811,766		
Total	5,467	256,982	100%	\$3,394,990	\$2,682,042		
	Billed Flow	% of Billed	FY 24/25	Variable Revenue	Variable Charge	1	
Customer Classes	CCF	Consumption	Rev Req	Requirement	per CCF		
	Net Rev Req 24/25:	\$3,394,990					
Residential	179,202	70%	\$2,367,438	\$497,162	\$2.77		
Commercial/Industrial	77,780	30%	\$1,027,552	\$215,786	\$2.77		
			\$3,394,990	\$712,948	-		

Customer Classes	Billed Flow CCF	% of Billed Consumption	FY 24/25 Rev Req	Variable Revenue Requirement	Variable Charge per CCF
	Net Rev Req 24/25:	\$3,394,990			
Residential	179,202	70%	\$2,367,438	\$497,162	\$2.77
Commercial/Industrial	77,780	30%	\$1,027,552	\$215,786	\$2.77
Total	256,982	\$3,394,991	\$3,394,990	\$712,948	

	Α	В	С	D	F	F	G	H I J
1	City of Sau			3	- 1		ū	
2	Sewer Rat	e Study						
3	1	Service Analysis						
4		•						
5								
6		Operating and Administrative Expense	es	FIXE)	VOLUI	/IETRIC	NOTES
7			From Table 2	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	
8		Salaries & Wages	\$690,193	100%	\$690,193	0%	\$0	
9		Professional Services	\$463,500	100%	\$463,500	0%	\$0	
10		Insurance - Liability	\$283,250	100%	\$283,250	0%	\$0	
11		Repair of Sewer Infrastructure	\$262,000	100%	\$262,000	0%	\$0	
12		Admin Charge - General Fund	\$231,750	100%	\$231,750	0%	\$0	
13		Cafeteria Plan	\$124,267	100%	\$124,267	0%	\$0	
14		PERS ER UAAL Miscellaneous	\$120,743	100%	\$120,743	0%	\$0	
15		Repair & Maint Vehicles	\$78,280	100%	\$78,280	0%	\$0	
16 17		PERS Employer Contrib	\$72,523	100%	\$72,523	0%	\$0	
18		Urgent Repairs	\$51,500	100%	\$51,500	0%	\$0 \$0	
19	ł	Technical Services Workers' Compensation	\$36,050 \$20,755	100% 100%	\$36,050 \$20,755	0% 0%	\$0 \$0	
20	1	Riverwatch Settlement Insp.	\$20,755	100%	\$20,755	0%	\$0 \$0	
21	1	Machinery & Equipment	\$20,600	100%	\$20,600	0%	\$0	
22		Dues & Subscription	\$17,510	100%	\$17,510	0%	\$0	
23		Overtime	\$17,029	100%	\$17,029	0%	\$0	
24		Supplies - General	\$16,480	100%	\$16,480	0%	\$0	
25		Sewer Management Prog.	\$15,450	100%	\$15,450	0%	\$0	
26		Oil and Gasoline	\$13,161	0%	\$0	100%	\$13,161	
27		Permits	\$10,300	100%	\$10,300	0%	\$0	
28		Medicare	\$10,255	100%	\$10,255	0%	\$0	
29		Auto Allowance	\$7,416	100%	\$7,416	0%	\$0	
30		Utilities - Sewer	\$7,210	88%	\$6,345	12%	\$865	Revenue split based on 2019 COS study
31		City Paid Def Comp.	\$7,019	100%	\$7,019	0%	\$0	
32		Utilities - Water	\$5,459	37%	\$2,042	63%	\$3,417	Based on 2023 BWA MMWD Rate Study
33		Cleaning Services	\$5,430	100%	\$5,430	0%	\$0	
34		Utilities - Electricity	\$5,199	0%	\$0	100% 0%	\$5,199 \$0	
35 36		Repair Machinery & Equip Retiree Health	\$5,150 \$4,688	100% 100%	\$5,150 \$4,688	0%	\$0 \$0	
37		Uniforms	\$4,339	100%	\$4,339	0%	\$0	
38		Training and Workshops	\$4,120	100%	\$4,120	0%	\$0	
39		MERA Operating Costs	\$3,915	100%	\$3,915	0%	\$0	
40		Computer Equipment	\$3,605	100%	\$3,605	0%	\$0	
41		Utilities - Telephone	\$3,365	100%	\$3,365	0%	\$0	
42		Rental Mach and Equip	\$2,060	100%	\$2,060	0%	\$0	
43		Riverwatch Settlement Repairs	\$1,030	100%	\$1,030	0%	\$0	
44		Safety Supplies	\$1,030	100%	\$1,030	0%	\$0	
45		Utilities - Solid Waste	\$824	100%	\$824	0%	\$0	
46		Office Supplies	\$773	100%	\$773	0%	\$0	
47		Dalet Carrier						
48 49	1	Debt Service 2011 SWRCB Loan	\$73,128	100%	\$73,128	0%	ćo	Spinnaker/Humboldt St Sewer and Anchor Pump Station Rehab Project
50		2011 SWRCB LOGII 2015 Sewer Bond	\$359,931	100%	\$359,931	0%	\$0	
51	1	2015 Sewer Boriu	233,331	100%	1000,001	070	3 0	27 r spenne reprocement projects
52	1	Non-Operating & Other Revenue						
53		Sewer Lateral Inspect/Certif	(\$15,149)	100%	(\$15,149)	0%	\$0	
54	1		(,,==,= .5)		,	2,0	70	
55	1	Transfers						
56		Capital Projects	\$786,578	0%	\$0	100%	\$786,578	All pipe replacement or spot repair projects
57		Operating Reserve Transfers	(\$458,327)	79%	(\$362,075)	21%	(\$96,252)	Ratio of all other fixed and variable costs from above line items
58				_		_		
59		Total Net Revenue Requirement	\$3,394,990		\$2,682,020		\$712,970	
60					79%		21%	
61								

		1 .	. 1			- 1		- 11		т .
1	A E	(D	E	F	G	Н		J
2	Sewer Rate Study									
3	8. Cost of Service Analysis									
62	8. Cost of Service Analysis									
63		Flow	DU	ls.	Flow/DU	Flow Factor				
64	Single-Family	FIUW	74,652	1,222			Flow for Posidont	ial is annualized Feb. water use		
65	Single-Family Atta	shad	36,207	905				nd is annual water use		
	Single-Family Atta Duplexes	ined	37,881	1,045		59%		iu is annual water use		
66 67	Multi-Family		30,462	1,045		49%				
68	Commercial/Indu	trial	77,780	1,022		100%				
69	Commercial/Indus	triai	//,/80	1,2/3	61.09	100%				
70	Mothod 1 Coment	Rate Setting Approach - bas	nd on cost s	location of 70	00/ fived 210/ ··	alumatria				
70 71	ivietnod 1 - Current Fixed Charges	Rate Setting Approach - bas				% of EDUs	\$2,682,020	EDUc	\$/EDU	
72	Fixed Charges Single-Family	DUS	1,222	100%		% of EDUS 29%		1,222		
73	Single-Family Single-Family Atta	chad	905	65%		14%		905		
74	Single-Family Atta Duplexes	ineu	1,045	59%		15%		1,045		
75	Multi-Family		1,045	49%		12%		1,045		
75 76 77	Commercial/Indu	trial	1,022	100%		30%	\$811,759	1,022		
77	Commercial/muus	uidi	5,467	100%	4,207	100%	\$2,682,020	5,467		
78			3,407		\$637.57		\$2,082,020	3,407		
79					\$037.37	per LDO				
80	Volumetric Charges	% of Flow		\$712,970	Elow	\$/HCF				
81	Single-Family	70 OI 110W	29%	\$207,114	74,652	\$2.77				
82	Single-Family Atta	hed	14%	\$100,453	36,207	\$2.77				
83	Duplexes	cu	15%	\$100,433	37,881	\$2.77				
84	Multi-Family		12%	\$84,514	30,462	\$2.77				
	Commercial/Indu	trial	30%	\$215,792	77,780	\$2.77				
85 86	commercial/mad.		100%	\$712,970	256,982	Ψ 2.77				
87			10070	J/12,5/0	230,302					
88										
89	Fixed Charges	DUs	FD	U Factor	EDUs		\$2,682,020	DII	\$/DU	
90	Single-Family	503	1,222	100%		29%		1,222		
91	Single-Family Atta	hed	905	65%	,	14%		905		
92	Duplexes	cu	1,045	59%		15%		1,045		
93	Multi-Family		1,022	49%		12%	,	1,022		
94	Commercial/Indu	trial	1,273	100%		30%		1,273		
95	Commercial/muu		5,467	100%	4,207	30%	Ç311,733	1,273	Ç037.37	
ر			3,407		4,207					