



JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, NOVEMBER 15, 2017 6:30 PM
61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252

AGENDA

1. **CALL TO ORDER**
 2. **PLEDGE OF ALLEGIANCE**
 3. **DETERMINATION OF A QUORUM**
 4. **APPROVAL OF AGENDA**
 5. **PUBLIC COMMENT**
This is the time set aside for public comment on any District-related matter not appearing on the agenda. Government Code prohibits the Board from taking action on these items, but they may be referred for future consideration. Please state your name and limit your comments to 3 minutes.
 6. **CONSENT CALENDAR**
Matters on the Consent Calendar are considered routine in nature and will be enacted in a single motion without discussion. Any Board member or member of the public may request that an item be removed from the Consent Calendar and acted on separately.
 - A. Approve Draft Minutes of the November 1, 2017 Special Meeting of the Board of Directors.
- Pages 3-6
7. **RATE STUDY** –Recommend that the Board receive for information and provide direction for ongoing rate study.
 8. **DISTRICT GENERAL COUNSEL REPORT –**
 9. **GENERAL MANAGER REPORT -**
 10. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS –**
 - Mojave Water Agency Board of Directors Meeting – November 2, 2017 – President Luckman
 - Public Outreach Consultant – Kathleen Radnich
- Pages 7- 20

11. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES**

- Mojave Water Agency Board of Directors Meeting – November 16, 2017 at 3:30 p.m.- Director Unger (Please note meeting date and time change). Beginning January 11, 2018 Board Meetings will begin at 9:30 a.m.
- Finance Committee Meeting – November 20, 2017 at 9:00 a.m.- Vice President Johnson and Director Floen (Please note meeting date change due to Thanksgiving holiday)
- Water Resources and Operations Committee Meeting – November 20, 2017 at 10:00 a.m. President Luckman and Vice President Johnson (Please note meeting date change due to Thanksgiving holiday)
- ACWA Conference- Anaheim, CA – November 27th –December 1st , 2017

12. **ADJOURNMENT**

INFORMATION

The public is invited to comment on any item on the agenda during discussion of that item. Any person with a disability who requires accommodation in order to participate in this meeting should telephone Joshua Basin Water District at (760) 366-8438, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the District's office located at 61750 Chollita Road, Joshua Tree, California 92252 during normal business hours.

JOSHUA BASIN WATER DISTRICT
Minutes of the November 1, 2017
SPECIAL MEETING OF THE BOARD OF DIRECTORS

1. CALL TO ORDER: 6:30 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM: Mickey Luckman Present
Bob Johnson Present
Geary Hund Present
Rebecca Unger Present
Tom Floen Present

STAFF PRESENT: Curt Sauer, General Manager
Susan Greer, Assistant General Manager
Randy Mayes, Interim Director of Water Resources & Ops.
Keith Faul, GIS Coordinator
Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT: Alex Handlers, Bartles Wells Associates
Gil Granito, Redwine & Sherrill
Kathleen Radnich, Public Outreach

GUESTS 3

4. APPROVAL OF AGENDA –

MSC/Johnson/Hund 5/0 to approve the Agenda of the Special Meeting of the Board of Directors of November 1, 2017.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

5. PUBLIC COMMENT

Al Marquez, Joshua Tree stated that he was surprised not to see the Agenda posted 72 hours in advance but noticed it had been posted 24 hours in advance.

President Luckman responded that the President of the Board can call a Special meeting with 24 hours advance notice.

PUBLIC COMMENT CLOSED

6. CONSENT CALENDAR

- A. Approve Draft Minutes of the October 18, 2017, Regular Meeting of the Board of Directors.
- B. Approve September 2017 Check Register (reviewed by Finance Committee on 10/30/2017 and referred to the full Board for approval)

MSC/Johnson/Hund 5/0 to approved the Consent Calendar with a change to the adjournment time of 9:15 pm. for the regular meeting of the Board of Directors meeting on October 18, 2017.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

7. DRAFT AGREEMENT WITH MWA FOR WATER SUPPLY CONNECTION AND TRANSFER FACILITIES AT RECHARGE TURN OUT – GM Sauer stated that when the Recharge Pipeline was constructed in the 1990’s, Mojave Water Agency (MWA) built and owned all facilities from the Turn-Out located on Linda Lee in Yucca Valley to the first pressure reduction station on Yucca Mesa Road.

This has left a 2,000 square foot section of recharge pipeline that is currently owned by the MWA. MWA has requested that we take ownership of that pipeline that is currently owned by the MWA. According to MWA, this is an oversight of past management activities, as they intended to have JBWD take ownership of all facilities downstream of the Master meter, located in the Turn Out vault. MWA has requested we take ownership and there are no costs associated with taking ownership.

After a brief discussion, the Board advised the GM to proceed with the Water Supply Connection.

8. DISCUSSION ON DRAFT WATER STORAGE AGREEMENT WITH MOJAVE WATER AGENCY – At the direction of the Board, the General Manager has been negotiating a Water Storage Agreement with Mojave Water Agency (MWA). The draft presented tonight represents several iterations and is close to being finished so that both the JBWD Board and the MWA Board can consider and approve a final agreement. A brief discussion with the Board followed.

PUBLIC COMMENT

Al Marquez, Joshua Tree stated that the ratepayers are concerned about water quality and that the GM discussed the water is rising too fast, and then there would be a water quality problem. He hopes the Board will take into consideration about storing too much water for Mojave Water Agency.

PUBLIC COMMENT CLOSED

9. RATE STUDY – Alex Handlers, Bartle Wells Associates, gave an updated Rate Study presentation to the Board with Q&A periods throughout. After a discussion with the Board, they asked Mr. Handlers to look at Scenario 3 with a lower amount to borrow which would mean less interest in the upcoming years and less of a rate increase to the ratepayers.

President Luckman asked the President of the Citizens Advisory Committee (CAC), Karen Tracy, if they were agreeable to going into debt.

Karen Tracy agreed that the CAC was amenable to going into debt in order to make a difference in the District, i.e., replacing meters and pipes, etc.

The Board continued with a discussion on tier rates and how to structure the tiers better for low unit users vs. high unit users. The presentation is attached to the minutes at the District office and also can be viewed on the JBWD website.

PUBLIC COMMENT – None

10. **SOLAR ENERGY PRESENTATION AND GRANT APPLICATION** – Director Hund gave a presentation consisting of the following benefits of Renewable Energy:
- Rate stabilization and substantial savings to the District over time
 - Reduction in greenhouse gasses contributing to climate change
 - All of the District’s energy needs could be met in a relatively small solar facility footprint
 - Planning and construction is supported by the California Energy Commission

PUBLIC COMMENT

Al Marquez, Joshua Tree asked Director Hund how many kilowatts it takes to run a 500/600 horsepower motor.

Director Hund clarified that the solar panels would create electricity, which would then be returned into SCE’s grid and then we would take electrons back out. We wouldn’t directly run our equipment with the solar facility.

PUBLIC COMMENT CLOSED

MSC/Unger/Luckman 5/0 to direct staff to apply for a Scope and Feasibility Grant and form an Ad Hoc Committee to work on this project specifically. Director Hund and Director Unger volunteered to be on the Ad Hoc Committee.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

11. **DISTRICT GENERAL COUNSEL REPORT** - Mr. Granito had no report but did mention that the State Water Board’s Emergency Conservation Regulations that are currently in effect will expire on November 25, 2017. The State Water Board had started the process for adopting Conservation Regulations, on a permanent basis, that will contain the prohibition of wasteful water practices similar to that currently in effect and beyond those, yet to be determined. The State Water Board is scheduled to hold public workshops as it moves forward with the rulemaking process.
12. **GENERAL MANAGER REPORT** - GM Sauer updated the Board on the following projects:
- Air conditioning project is almost completed with the attic insulation remaining.
 - A local contractor has been approved for the remodel, however, he will not be able to start until February.
 - Updated the Board on Well 14.
13. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS**
- Mojave Water Agency Board of Directors Meeting – October 26, 2017-Director Hund gave a brief summary of the MWA Board meeting.
 - Finance Committee – October 30, 2017-Vice President Johnson gave a brief summary.
 - Water Resources and Operations Committee – October 30, 2017, Director Floen gave a brief summary.
 - Public Outreach Consultant – Kathleen Radnich reported on winterizing and that the District will be closed November 10, 2017, in observance of Veteran’s Day and November 23-24, 2017 for the Thanksgiving holiday.

Director Unger commented that JBWD received a letter from the State Water and Resources Control Board stating that JBWD did not have to have a Chromium 6 Compliance Plan. She thanked GM Sauer, IDWRO Mayes, and the rest of the staff for their proactive approach.

GM Sauer recognized AGM Greer for her work on the Rate Study and the upcoming audit in December. He also reminded the Board, CAC members, and anyone else that would like to attend, about the Reserve Funding class from 1-4 p.m. on November 14, 2017.

Director Johnson thanked the first responders and the men and women in uniform for all of their hard work.

14. FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES

- Mojave Water Agency Board of Directors Meeting – November 2, 2017, at 3:30 p.m.- President Luckman (Please note meeting date and time change)
- ASBCSD - Wood Grill Buffet, 14135 Main Street, Hesperia, CA 92345– November 13, 2017
- Finance Committee Meeting – November 20, 2017, at 9:00 a.m.- Vice President Johnson and Director Floen (Please note meeting date change due to Thanksgiving holiday)
- Water Resources and Operations Committee Meeting – November 20, 2017 at 10:00 a.m. President Luckman and Vice President Johnson (Please note meeting date change due to Thanksgiving holiday)
- ACWA Conference- Anaheim, CA – November 27th –December 1st, 2017

15. ADJOURNMENT –

MSC Unger/Johnson 5/0 to adjourn the November 1, 2017, Special Meeting of the Board of Directors at 8:05 p.m.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

Joshua Basin Water District



Water Rate Study

Revised Rate Scenarios



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



Presentation Overview



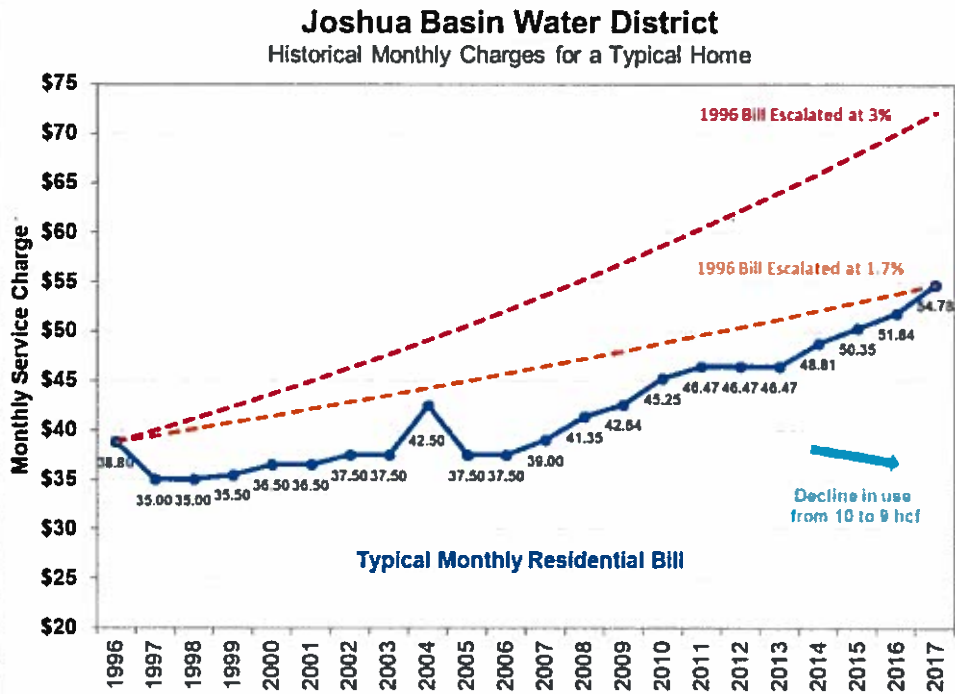
- **Brief Recap**
- **Revised Scenarios & Rate Increases**
- **Water Rate Structure Modifications**
- **Next Steps**



Brief Recap



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Financial Challenges

- **Aging Infrastructure & Capital Improvement Needs**
 - Dudek developed a 30-year Capital Improvement Program (CIP) that identifies \$2.5 million in annual funding needs for rehabilitation & replacement of aging infrastructure (boosters, wells, tanks, pipelines)
- **Long-Term Water Supply**
 - Additional funding needed to increase imported water to mitigate groundwater overdraft; goal of 1,000 Acre-Feet per year
- **Chromium 6 Treatment Requirements**
 - Likely will be needed to meet stricter state regulatory requirements
 - Cost est: \$2M planning, \$14M construction, \$632K annual O&M (current \$)
 - Projected compliance date deferred to January 1, 2023 (roughly 6 years)
- **Ongoing Cost Inflation**
 - Rate increases are needed to keep revenues in line with cost inflation and escalating costs of providing service

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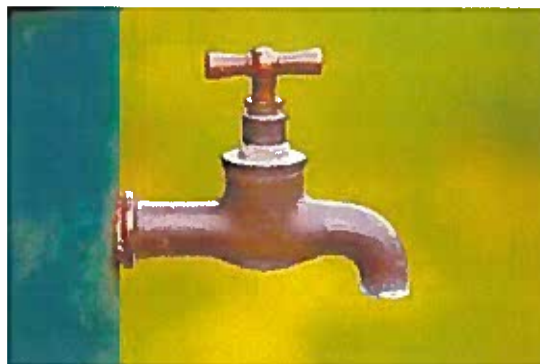
Questions Discussion & Input



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Revised Scenarios



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Financial Scenarios

- **Financial & rate projections developed for various scenarios**
 - Scenario 1 – Best Management Practice with Deferred Chromium 6
 - Scenario 2 – Phased Approach with Deferred Chromium 6
 - Scenario 3 – \$5 Million of Debt Service to fund CIP & meter replacements
- **5-year rate scenarios exclude financial impacts of**
 - Chromium 6 treatment operations (potentially starts January 2023)
 - Organizational Assessment
 - 2019 Union Negotiations
- **Lower rate increases in near term results in higher rate increases in longer term and vice versa**
- **Rates will ultimately reflect a balance of competing objectives**

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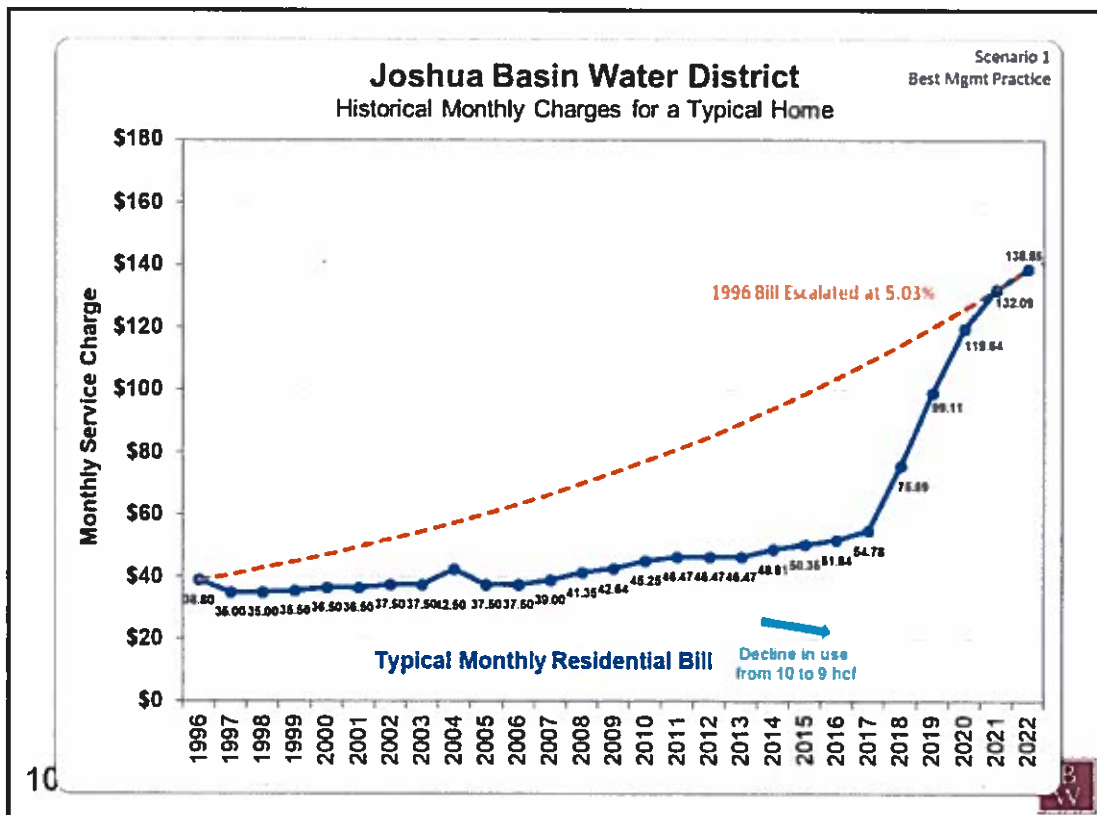




Scenario 1

Scenario 1: Best Management Practice, Deferred Cr-6						
	2017/18	2018/19	2019/20	2020/21	2021/22	
Key Assumptions						
Capital Improvement Projects	\$700,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000	
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000	
Recharge Water Purchases	\$287,000	\$597,000	\$627,000	\$658,000	\$691,000	
Recharge (Acre-Feet)	500	1,000	1,000	1,000	1,000	
Rate Increases						
Effective Date of Rate Increase	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	
Rate Revenue Increase %	40%	30%	20%	10%	5%	
Cumulative Increase %		82%	118%	140%	152%	
Bill Impacts						
Low Use (3 hcf)	\$34.78	\$44.69	\$57.39	\$68.38	\$74.97	\$78.53
Median Use (6 hcf)	44.28	59.19	76.91	92.37	101.70	106.75
Typical Residential Bill (9 hcf)	54.78	75.69	99.11	119.64	132.09	138.85
Higher Use (20 hcf)	98.28	146.19	194.01	236.23	262.02	276.05

Note: Bill Impacts reflect rate structure modifications



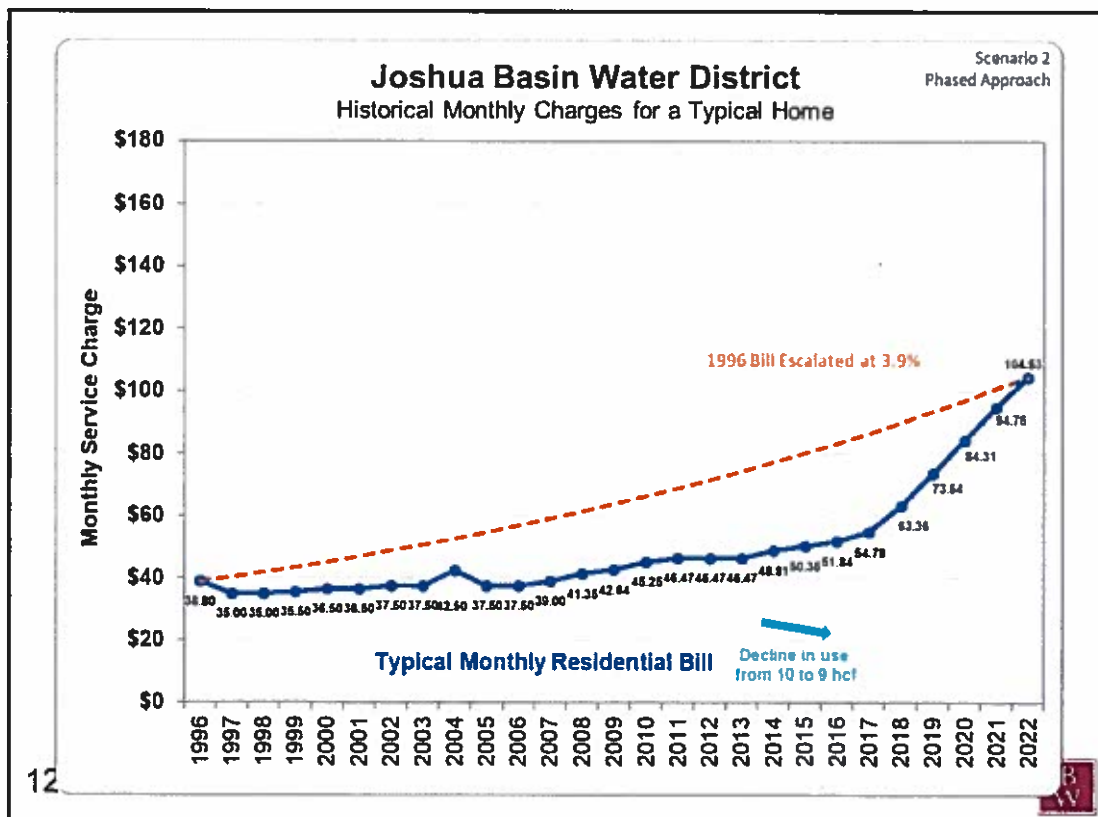


Scenario 2

Scenario 2: Phased Approach, Deferred Cr-6						
	2017/18	2018/19	2019/20	2020/21	2021/22	
Key Assumptions						
Capital Improvement Projects	\$700,000	\$1,000,000	\$1,000,000	\$1,250,000	\$1,250,000	
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000	
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000	
Recharge Water Purchases	\$287,000	\$358,000	\$408,000	\$461,000	\$518,000	
Recharge (Acre-Feet)	500	600	650	700	750	
Rate Increases						
Effective Date of Rate Increase	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	
Rate Revenue Increase %	18%	16%	14%	12%	10%	
Cumulative Increase %		37%	56%	75%	92%	
Bill Impacts						
Low Use (3 hcf)	\$34.78	\$38.00	\$43.72	\$49.55	\$55.22	\$60.49
Median Use (6 hcf)	44.28	49.86	57.71	65.80	73.70	81.07
Typical Residential Bill (9 hcf)	54.78	63.36	73.64	84.31	94.76	104.53
Higher Use (20 hcf)	98.28	121.06	141.75	163.48	184.78	204.85

Note: Bill Impacts reflect rate structure modifications

11



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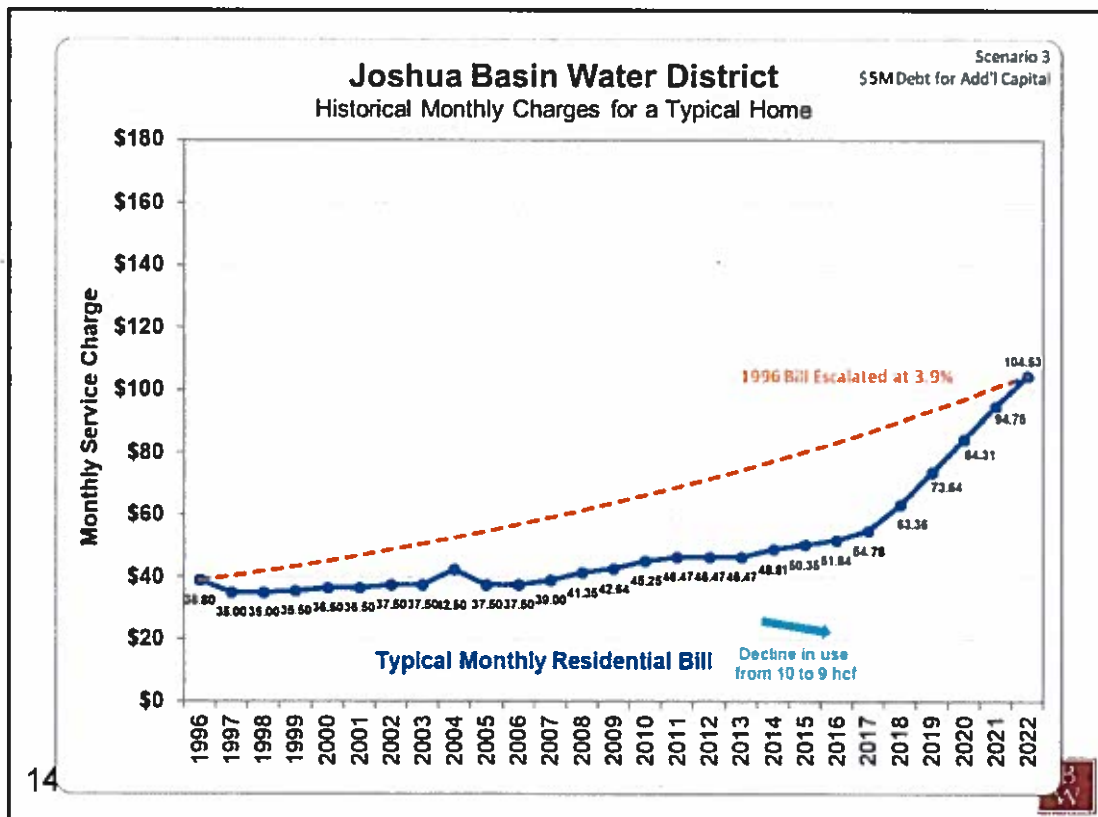


Scenario 3

Scenario 3: \$5.0 Million Debt for High-Priority Capital Improvements						
	2017/18	2018/19	2019/20	2020/21	2021/22	
Key Assumptions						
2018 Debt Funding for Capital Projects	\$700,000	\$5,000,000	\$0	\$1,000,000	\$1,000,000	
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000	
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000	
Recharge Water Purchases	\$287,000	\$358,000	\$439,000	\$526,000	\$622,000	
Recharge (Acre-Feet)	500	600	700	800	900	
New Debt Service	\$0	\$325,000	\$325,000	\$325,000	\$325,000	
Rate Increases						
Effective Date of Rate Increase	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	
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Higher Use (20 hcf)	98.28	121.06	141.75	163.48	184.78	204.85

Note: Bill Impacts reflect rate structure modifications

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Debt Financing

- **Same rate increases required for Scenarios 2 (phased) and 3 (\$5M debt)**
 - With Scenario 3, JBWD has option to issue debt to help fund more capital projects over the next 5 years, if needed (no decision needs to be made at this time)
- **Debt issues and assumptions**
 - In general, debt can be issued for up to 3 years of anticipated expenditures
 - Potential savings of doing highest-priority projects over next 2-3 years due to economies of scale & construction cost inflation
 - Projections assume annual debt of \$65,000 per each million of project funding based on 30-year repayment term, 4.5% avg interest rate
 - Additional rate increases might be needed prior to obtaining financing for Chromium 6 project
 - Debt spreads costs of near-term projects over longer term, resulting in lower rate increases over next 5 years...but need for additional increases in future years
- **Potential for low-rate SRF financing if debt financing is desired**

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Questions Discussion & Input



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WATER RATE STRUCTURE



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Current Water Rates 2017

BASIC MONTHLY FEE (FIXED CHARGE)

<u>Meter Size</u>	<u>Capacity (gpm)</u>	<u>Monthly Rate</u>	<u>Per Day</u>
3/4" & 1"	30	\$25.78	\$0.85
1-1/2"	100	85.93	2.83
2"	160	137.49	4.52
3"	300	257.79	8.48

Fixed charges generate 46% of rate revenues (target was 40%)

MONTHLY WATER USAGE CHARGES (PER HCF)

For 3/4" & 1" Meters

<u>Consumption</u>	<u>Rate per hcf</u>	<u>Per 100 gallons</u>
0 - 5 units	\$3.00	\$0.40
5.01 - 10 units	3.50	0.47
10.01 - 20 units	4.00	0.53
20.01 + units	4.50	0.60

For 1-1/2", 2" and 3" Meters

<u>Unit rate per all water use</u>	<u>Rate per hcf</u>	<u>Per 100 gallons</u>
	\$3.79	0.51



Average Rate = about 1/2 cent per gallon

1 unit = 1 hcf = one hundred cubic feet = 748 gallons

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Rate Structure Modifications

- **Fixed charges set to recover 40% of rate revenues**
 - In line with prior rate study target
 - Results in a little less increase to fixed charges & more to usage charges

- **Increase in Tiered Rate Steepness (for 3/4" & 1" meters)**
 - Less increases to lowest tiers, larger increases to higher tiers
 - Less impact to low water users, more to high water users (minimal impact to average-use bill)
 - All tiered customers benefit from lowest tier rates first
 - No impact on customers with 2" are larger meters, who pay the same weighted average rate for all use

- **Rate structure needs to comply with substantive requirements of Proposition 218**



Projected Rates with Scenarios 2 or 3

Effective			Current	Mar-1 2018	Jan-1 2019	Jan-1 2020	Jan-1 2021	Jan-1 2022
BASIC MONTHLY FEE								
Meter Size	Accounts	Capacity	Fixed Monthly Charge					
3/4" & 1"	4,503	30 gpm	\$25.78	\$26.96	\$30.70	\$34.43	\$38.03	\$41.35
1-1/2"	28	100 gpm	85.93	89.87	102.33	114.77	126.77	137.83
2"	18	160 gpm	137.49	143.79	163.73	183.63	202.83	220.53
3"	7	300 gpm	257.79	269.60	307.00	344.30	380.30	413.50
MONTHLY WATER FLOW CHARGES								
For 3/4" and 1" Meters			Rate Per Unit (\$/hcf)					
Tier 1	0 - 5 units		\$3.00	\$3.68	\$4.34	\$5.04	\$5.73	\$6.38
Tier 2	5.01 - 10 units		3.50	4.50	5.31	6.17	7.02	7.82
Tier 3	10.01 - 20 units		4.00	5.32	6.28	7.30	8.30	9.25
Tier 4	20.01 + units		4.50	6.13	7.23	8.40	9.55	10.64
For 1-1/2", 2" and 3" Meters			Rate Per Unit (\$/hcf)					
Rate for all water use			\$3.79	\$4.58	\$5.38	\$6.22	\$7.04	\$7.82

Note: 1 unit = one hundred cubic feet (hcf) = 748 gallons

Average water flow rate per unit increases from about ½ cent to 1 cent per gallon



Questions Discussion & Input



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Draft Schedule

- **Oct-18** **Presented preliminary findings and draft scenarios to CAC & Board**
- **Nov-1** **Present revised findings to CAC & Board for input**
- **Nov-14/15** **Present draft recommendations to CAC & Board for input**
- **Nov/Dec** **Finalize rate recommendations & draft report**
- **Dec** **Draft and mail Prop 218 notices**
- **Jan/Feb** **Hold a public hearing on the proposed rates at least 45 days after mailing the Prop 218 notices**
- **Mar-1** **Goal: New rates effective starting March 1, 2018**

JBWD can always implement rates that are lower than adopted, but cannot exceed rates adopted without going through the Prop 218 process again

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Questions & Discussion



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Scenario 1: Best Management Practice, Deferred Cr-6

	2017/18	2018/19	2019/20	2020/21	2021/22	
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Scenario 2: Phased Approach, Deferred Cr-6

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Scenario 3: \$5.0 Million Debt for High-Priority Capital Improvements

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Summary of Preliminary Draft Financial Scenarios

2017/18 2018/19 2019/20 2020/21 2021/22 2022/23 2023/24 2024/25 2025/26 2026/27

Scenario 1: Best Management Practice, Deferred Cr-6

Key Assumptions	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Capital Improvement Projects	\$700,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,600,000	\$2,700,000	\$2,800,000	\$2,900,000
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$0	\$0	\$0
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$258,000	\$266,000	\$274,000	\$282,000
Recharge Water Purchases	\$287,000	\$597,000	\$627,000	\$658,000	\$691,000	\$726,000	\$762,000	\$800,000	\$840,000	\$882,000
Recharge (Acre-Feet)	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Chrome 6 Operating Costs	\$0	\$0	\$0	\$0	\$0	\$500,000	\$800,000	\$832,000	\$865,000	\$900,000
Chrome 6 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000	\$275,000	\$275,000
Rate Increases & Bill Impacts										
Effective Date of Rate Increase	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1
Rate Revenue Increase %	40%	30%	20%	10%	5%	8%	8%	4%	4%	4%
Cumulative Increase %		82%	118%	140%	152%	172%	194%	206%	218%	231%

Scenario 2: Phased Approach, Deferred Cr-6

Key Assumptions	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Capital Improvement Projects	\$700,000	\$1,000,000	\$1,000,000	\$1,250,000	\$1,250,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$2,800,000
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$0	\$0	\$0
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$258,000	\$266,000	\$274,000	\$282,000
Recharge Water Purchases	\$287,000	\$358,000	\$408,000	\$461,000	\$518,000	\$581,000	\$686,000	\$800,000	\$840,000	\$882,000
Recharge (Acre-Feet)	500	600	650	700	750	800	900	1,000	1,000	1,000
Chrome 6 Operating Costs	\$0	\$0	\$0	\$0	\$0	\$400,000	\$800,000	\$832,000	\$865,000	\$900,000
Chrome 6 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000	\$275,000	\$275,000
Rate Increases & Bill Impacts										
Effective Date of Rate Increase	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1
Rate Revenue Increase %	18%	16%	14%	12%	10%	16%	14%	12%	6%	6%
Cumulative Increase %		37%	56%	75%	92%	123%	154%	185%	202%	220%

Scenario 3: \$5.0 Million Debt for High-Priority Capital Improvements

Key Assumptions	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Capital Improvement Projects	\$700,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$1,000,000	\$1,200,000	\$1,800,000	\$2,250,000	\$2,500,000
Meter Replacement Program	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$0	\$0	\$0
Annual Project Funding	\$237,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$258,000	\$266,000	\$274,000	\$282,000
Recharge Water Purchases	\$287,000	\$439,000	\$499,000	\$526,000	\$622,000	\$726,000	\$762,000	\$800,000	\$840,000	\$882,000
Recharge (Acre-Feet)	500	600	700	800	900	1,000	1,000	1,000	1,000	1,000
Chrome 6 Operating Costs	\$0	\$0	\$0	\$0	\$0	\$500,000	\$800,000	\$832,000	\$865,000	\$900,000
Chrome 6 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000	\$275,000	\$275,000
New Debt Service	\$0	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000
Rate Increases & Bill Impacts										
Effective Date of Rate Increase	Mar-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1	Jan-1
Rate Revenue Increase %	18%	16%	14%	12%	10%	16%	14%	12%	6%	6%
Cumulative Increase %		37%	56%	75%	92%	123%	154%	185%	202%	220%