

Agenda Item 8A



STAFF REPORT

TO: Board of Directors

PREPARED BY: Steven Palmer, PE, CSDM, General Manager *SP*

SUBJECT: Draft Water and Wastewater Utility Rate Study

RECOMMENDATION

Receive presentation on draft water and wastewater rate study from Hansford Economic Consulting (HEC) and provide input on methodology and schedule.

BACKGROUND

Donner Summit Public Utility District (DSPUD) water and wastewater rates, excluding the Big Bend system, were last adopted in 2021. The last rate increase from the adopted rate schedules went into effect on July 1, 2025.

In April 2025, the Board approved a professional services agreement with HEC to provide a new water and wastewater utility rate study. HEC's scope is separated into the following tasks:

- Task 1: Data Gathering and Project Management
- Task 2: Determine Revenue Requirement
- Task 3: Cost of Service and Rate Design
- Task 4: Present to District Board and Community Meeting
- Task 5: Meet Proposition 218 Requirements

HEC and the General Manager are currently working on Task 4. Catherine Hansford will present an overview of the rate calculations and highlight important points for Board consideration and input.

DISCUSSION AND ANALYSIS

HEC's presentation is included as Attachment 1. The information presented is draft and will be modified based on input received from the Board.

The presentation provides:

1. Details of the components of the revenue requirements:
 - Operations and maintenance
 - Capital improvements
 - System rehabilitation
 - Debt service
 - Reserve contributions
2. Projected annual cost increases
3. Analysis of potential debt service
4. Proposed rate structure
5. Assumptions in the model

6. Historical and projected cash balances
7. Possible rates
8. Schedule for adoption

Specific items for Board consideration include:

1. Appropriateness of capital improvement plan (Attachment 2)
2. Annual contributions to system rehabilitation (eg. asset depreciation)
3. Annual contributions to operating reserves
4. Schedule for adoption

After receiving input and direction from the Board, HEC and the General Manager will revise the rate study and bring an updated rate study to the January Board meeting for a second review. A public workshop could be held in February and/or March 2026, with the intent of sending out the legally required Proposition Notices no later than March 5, 2026.

FISCAL IMPACT

The Fiscal Year 2025/2026 Operating Budget includes funding for this study, and a budget amendment is not required.

CEQA ASSESSMENT

This action is not a CEQA project.

ATTACHMENTS

1. Presentation
2. Detailed Tables (including Capital improvement plan)

Attachment 1

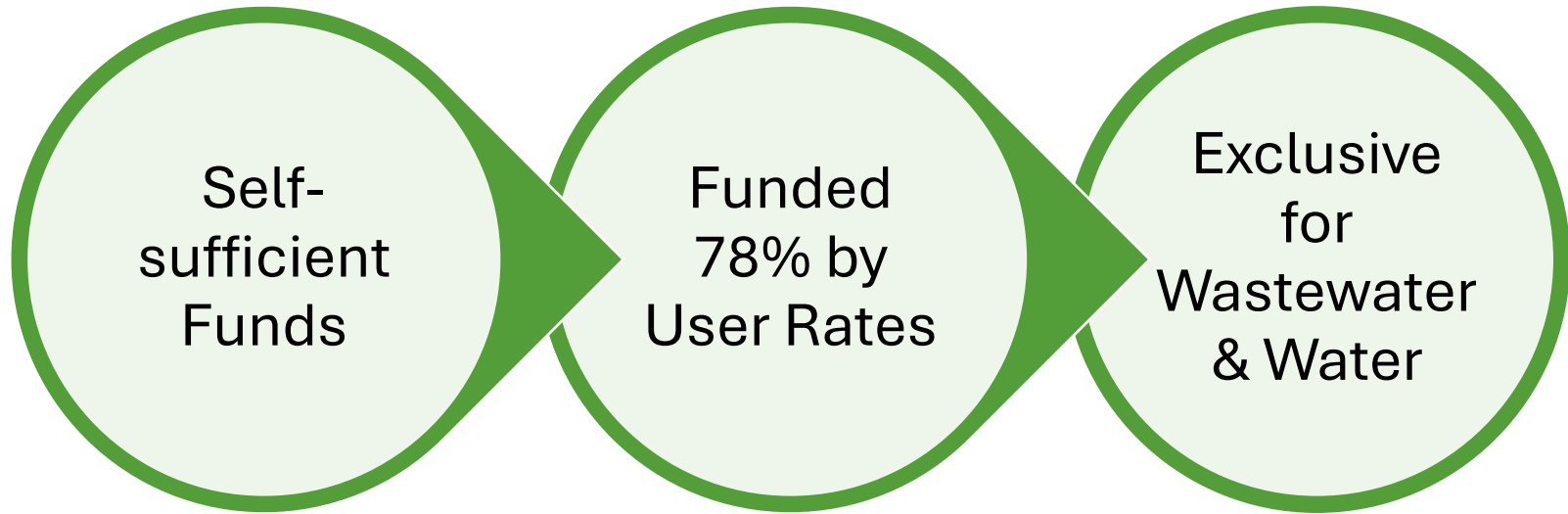
Rate Study

All figures are DRAFT

DONNER SUMMIT PUD

Board Meeting
December 16, 2025

District runs 'Business-Type Activities'



- Last rate increase July 2025
- Needs to keep up with inflationary costs and facilities upkeep

Revenue Requirement



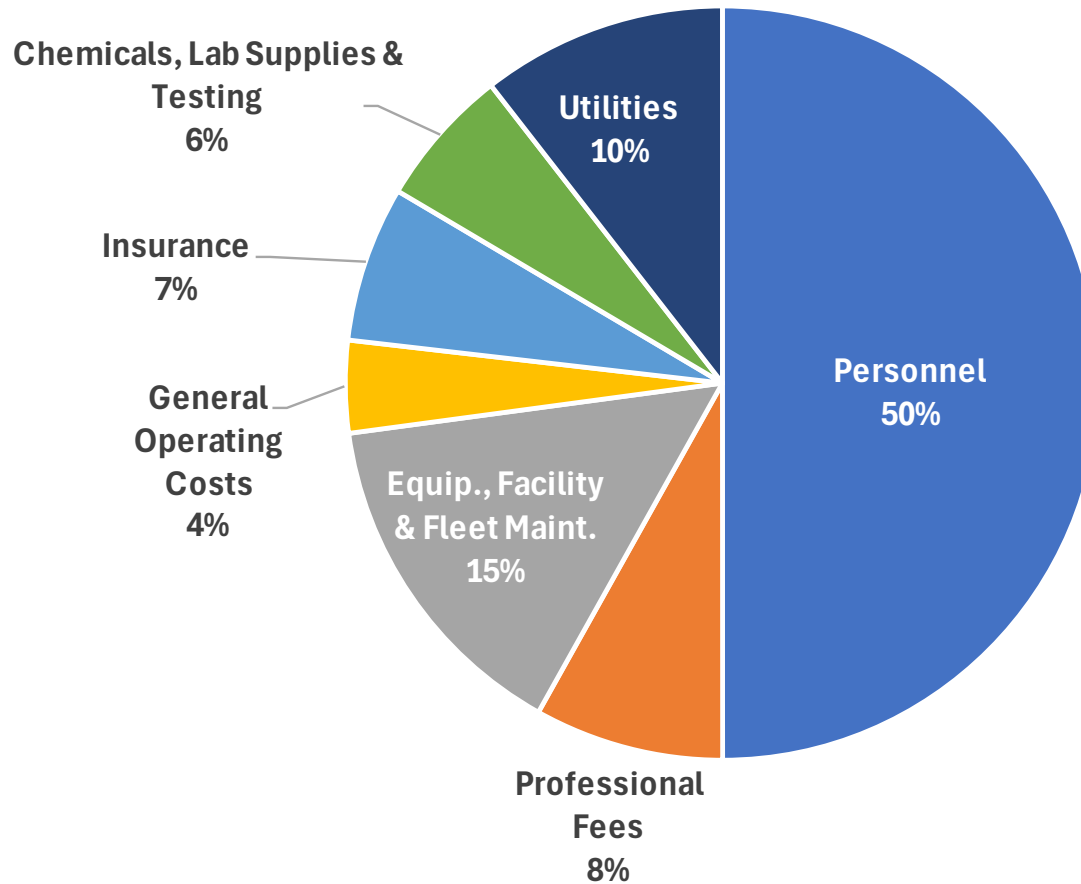
Determine funding needed to meet financial needs

- Operations & Maintenance
- Capital Improvements
- System Rehabilitation
- Debt Service
- Prudent Reserves

Operations & Capital Costs

- Operating costs paid for with rates, reimbursement from Sierra Lakes County Water District, special taxes, recycled water sales, investment income, and miscellaneous other
- Capital costs paid for with rates, property taxes, connection fees, investment income, and loans/grants
 - Rates and property taxes pay for rehabilitation or replacement of assets providing capacity to service existing customers
 - Connection fees pay for increased capacity in rehabilitated assets and new assets to service new customers

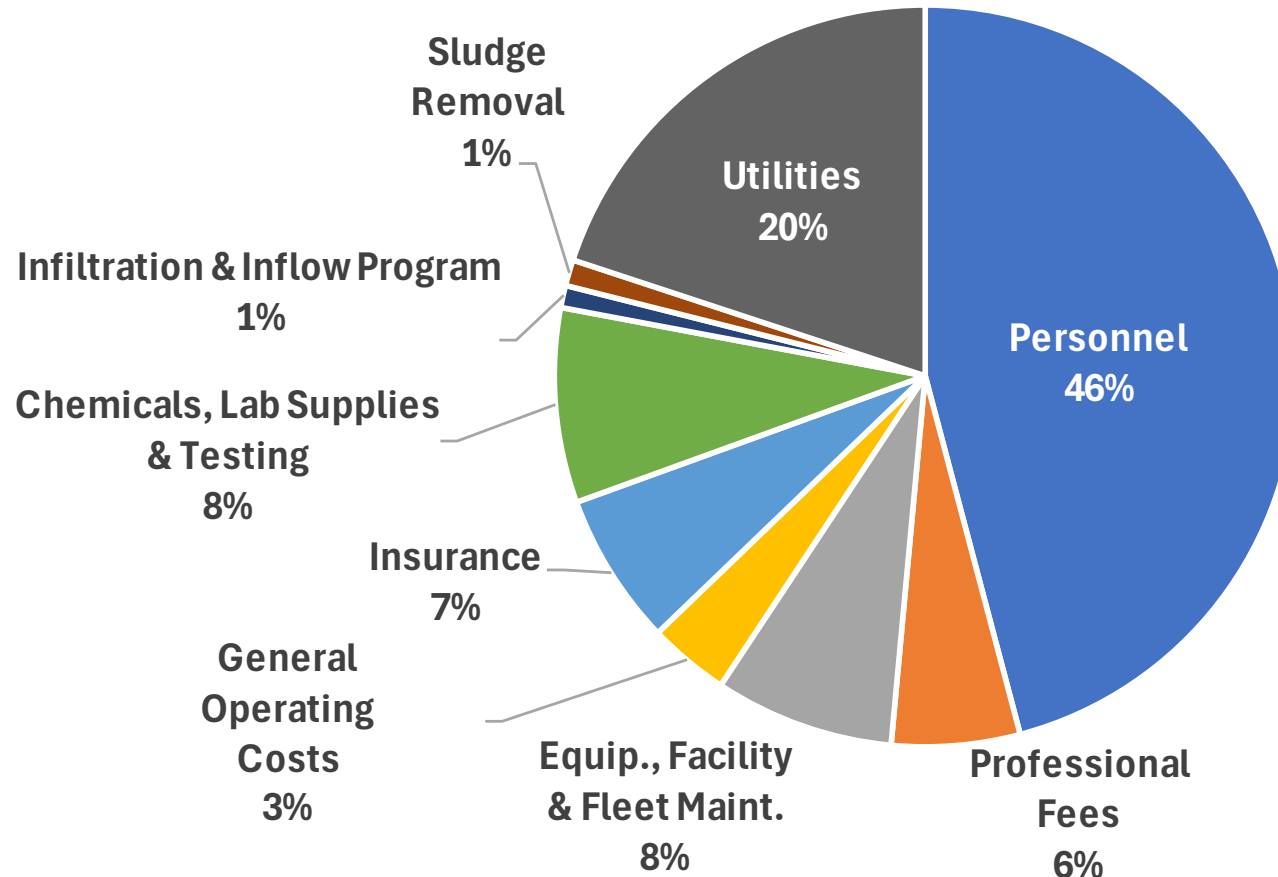
Water Fund Operating Expenses



Water Fund has a negative cash balance

Source: Fiscal year 21-25 (last 5 years) data

Wastewater Fund Operating Expenses



Source: Fiscal year 21-25 (last 5 years) data

Projected Costs

1. Operating Costs increase 3.5% to 4.0% each year
 2. Fund System Rehabilitation
 - ❖ 100% of depreciation for Water
 - ❖ 50% of depreciation for Wastewater
 3. Current Debt Service
-
4. Increase Water fund cash
 5. Capital Facilities/Improvements
 - ❖ New Debt Service for both Water and Wastewater (?)

Water Operations Rev. Requirement

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Item	Annual Increase	Baseline Budget	Fiscal Year Ending				
			2027	2028	2029	2030	2031
Operating Expenses			<i>All figures rounded to nearest \$10</i>				
Personnel	3.5%	\$277,220	\$286,920	\$296,960	\$307,350	\$318,110	\$329,240
Professional Fees	3.5%	\$64,980	\$67,250	\$69,600	\$72,040	\$74,560	\$77,170
Equip., Facility & Fleet Maint. [1]	3.0%	\$74,050	\$76,270	\$78,560	\$80,920	\$83,350	\$85,850
General Operating Costs [2]	2.5%	\$59,470	\$60,960	\$62,480	\$64,040	\$65,640	\$67,280
Insurance	5.0%	\$53,650	\$56,330	\$59,150	\$62,110	\$65,220	\$68,480
Chemicals, Lab Supplies & Testing	5.0%	\$23,440	\$24,610	\$25,840	\$27,130	\$28,490	\$29,910
Utilities	4.0%	\$60,480	\$62,900	\$65,420	\$68,040	\$70,760	\$73,590
Total Operating Expenses	a	\$613,290	\$635,240	\$658,010	\$681,630	\$706,130	\$731,520
Debt Service							
SWRCB Loan - Water Treatment Plant		\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188
PG & E Loan #1		\$964	\$964	\$964	\$964	\$0	\$0
New Debt Service for CIP							
Subtotal Debt Service	b	\$19,160	\$19,160	\$19,160	\$19,160	\$18,190	\$18,190
System Rehabilitation	c	\$0	\$133,150	\$133,150	\$133,150	\$133,150	\$133,150
Adjustment for Cash Flow or Loan Coverage							
Non-Operating Credits							
Admin. Revenues	constant	\$5,050	\$5,050	\$5,050	\$5,050	\$5,050	\$5,050
Total Non-operating Credits	d	\$5,050	\$5,050	\$5,050	\$5,050	\$5,050	\$5,050
Revenue Requirement	e = a+b+c-d	\$627,400	\$782,500	\$805,270	\$828,890	\$852,420	\$877,810

[1] Incl. op. supplies & small equip. costs for all equip., vehicles, and facilities.

[2] Incl. dues & subscriptions, fees & permits, training, travel & education, and office supplies.

Wastewater Operations Rev. Requirement

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Item	Annual Increase	Baseline Budget	Fiscal Year Ending				
			2027	2028	2029	2030	2031
Operating Expenses			<i>All figures rounded to nearest \$10</i>				
Personnel	3.5%	\$1,302,370	\$1,347,950	\$1,395,130	\$1,443,960	\$1,494,500	\$1,546,810
Professional Fees	3.5%	\$124,290	\$128,640	\$133,140	\$137,800	\$142,620	\$147,610
Equip., Facility & Fleet Maint. [1]	3.0%	\$179,250	\$184,630	\$190,170	\$195,880	\$201,760	\$207,810
General Operating Costs [2]	2.5%	\$99,230	\$101,710	\$104,250	\$106,860	\$109,530	\$112,270
Insurance	5.0%	\$211,050	\$221,600	\$232,680	\$244,310	\$256,530	\$269,360
Chemicals, Lab Supplies & Testing	5.0%	\$284,100	\$298,310	\$313,230	\$328,890	\$345,330	\$362,600
Infiltration & Inflow Program	3.5%	\$33,100	\$34,260	\$35,460	\$36,700	\$37,980	\$39,310
Sludge Removal	3.5%	\$34,730	\$35,950	\$37,210	\$38,510	\$39,860	\$41,260
Utilities	4.0%	\$443,860	\$461,610	\$480,070	\$499,270	\$519,240	\$540,010
Total Operating Expenses	a	\$2,711,980	\$2,814,660	\$2,921,340	\$3,032,180	\$3,147,350	\$3,267,040
Debt Service							
PG & E Loan #1		\$7,400	\$7,400	\$7,400	\$7,400	\$0	\$0
PG & E Loan #2		\$732	\$732	\$732	\$732	\$732	\$0
SWRCB Loan		\$719,191	\$719,191	\$719,191	\$719,191	\$719,191	\$719,191
New Debt Service for CIP					\$0	\$0	\$0
Subtotal Debt Service	b	\$727,320	\$727,320	\$727,320	\$727,320	\$719,920	\$719,190
System Rehabilitation	c	\$0	\$375,100	\$375,100	\$375,100	\$375,100	\$375,100
Adjustment for Cash Flow or Loan Coverage		\$0	\$0	\$0	\$0	\$0	\$0
Non-Operating Credits							
Recycled Water Sales [3]	constant	\$109,600	\$80,000	\$20,000	\$20,000	\$20,000	\$20,000
SLCWD Reimbursement [4]	estimate	\$488,480	\$506,970	\$526,190	\$546,150	\$566,900	\$588,460
Admin. Revenues	constant	\$23,580	\$23,580	\$23,580	\$23,580	\$23,580	\$23,580
Total Non-operating Credits	d	\$621,660	\$610,550	\$569,770	\$589,730	\$610,480	\$632,040
Revenue Requirement	e = a+b+c-d	\$2,817,640	\$3,306,530	\$3,453,990	\$3,544,870	\$3,631,890	\$3,729,290
Rev. Requirement All Customers	f = e-b	\$2,098,450	\$2,587,340	\$2,734,800	\$2,825,680	\$2,912,700	\$3,010,100

[1] Includes operating supplies and small equipment costs for all equipment, vehicles, and facilities.

[2] Includes dues and subscriptions, fees and permits, training, travel & education, office supplies, and land lease.

[3] Reduced after FY26 with conclusion of the CalTrans I-80 reconstruction project.

[4] Sierra Lakes CWD annual payment as % of operating expenses in 2026 budget -

Total Estimated Facilities Costs Next Ten Years

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Capital Facilities Estimated Costs Inflated \$'s -- WATER

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Project Type	Estimated Cost	
	Next 5 Yrs	Yrs 6 - 9
Supply	\$216,000	\$205,000
Storage	\$1,065,000	\$759,000
Distribution	\$570,000	\$2,269,000
Office Building	\$351,000	\$0
Total 5-Year Investment	\$2,202,000	\$3,233,000

Capital Facilities Estimated Costs Inflated \$'s -- WASTEWATER

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Project Type	Estimated Cost	
	Next 5 Yrs	Yrs 6 - 9
Collection System	\$2,532,000	\$2,280,000
Treatment Plant	\$2,379,000	\$0
Office Building	\$351,000	\$0
Total 5-Year Investment	\$5,262,000	\$2,280,000

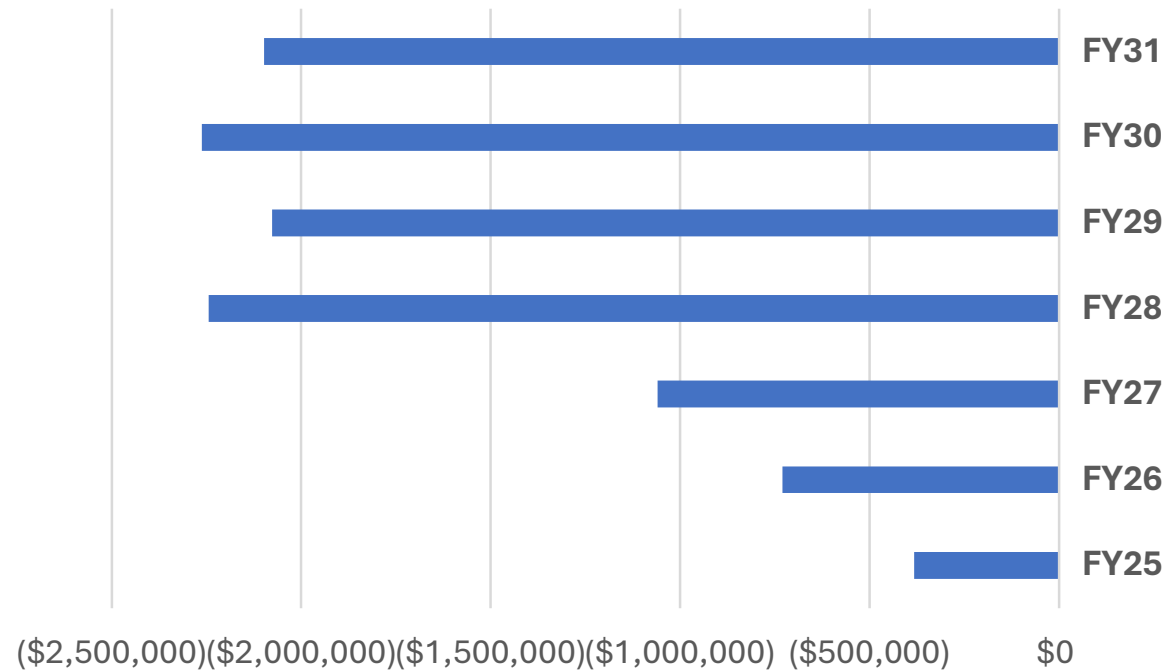
Other Model Assumptions

- Two connections to the water and sewer systems each year
 - For sewer, assume these lots have future EDUs already (no connection fee revenue)
- All property tax revenue put into the water fund (currently it is split between water and wastewater) as it is a discretionary revenue source, and the water fund has a negative balance

Water Fund Cash Balance if try to fund Capital Projects with Cash

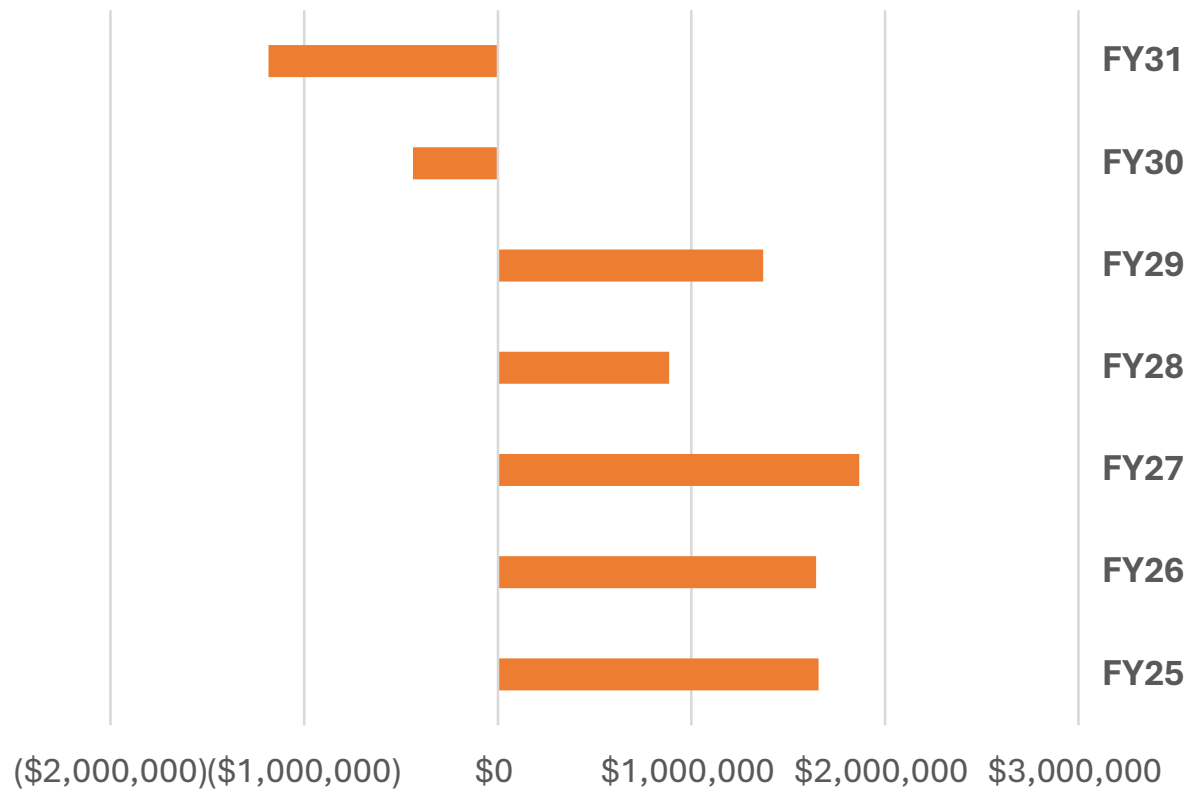
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- Balance remains negative
- Need to increase cash to positive balance to be able to sell bonds
- Achieve by interfund loan, allocating all property tax to water, and increasing rates immediately



Wastewater Fund Cash Balance if try to fund Capital Projects with Cash **DRAFT**

- Negative balance by FY30 - Need to increase cash by using debt financing.



Potential Debt Service

- Pursue low-cost loan; State and Federal sources potential but slow
- Rate study assumes a bond sale (or two) with CSDA

		Water	Wastewater
Bond Proceeds		\$1,703,000	\$3,764,000
Bond Sizing			
Capitalized Interest	6 months	\$40,400	\$89,400
Issuance Costs	4.0%	\$68,120	\$150,560
Underwriter's Discount	1.0%	\$17,030	\$37,640
Bond Reserve Fund	1 year debt service	\$156,010	\$344,800
Estimated Bond Size		\$1,984,560	\$4,386,400
Bond Size Adjusted for Rounding	1.166 bond load	\$1,986,000	\$4,389,000
Estimated Annual Debt Service		\$156,010	\$344,800
Total Payments		\$3,120,200	\$6,896,000
Principal Repayment		\$1,986,000	\$4,389,000
Estimated Financing Charges		\$1,134,200	\$2,507,000
Assumptions:			
Interest	4.75%		
Years	20		

Debt Restrictions and Reserve Policies

Debt

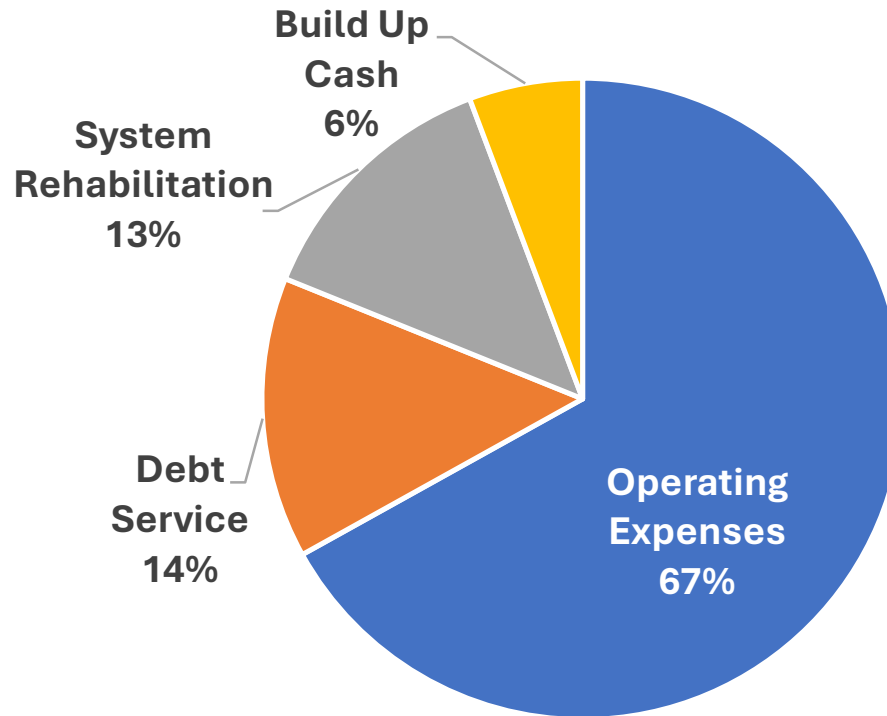
- Restricted cash reserves will equal SRF and USDA requirements (about \$745,000)
- Each year, net operating income will exceed debt service by at least 1.10, or 1.25 if issuing bonds

Reserve Policies

- General operating cash reserves shall be at least 4 months (25%) of operating expenses
- Capital cash reserves target is 50% of the CIP projected costs over the next 5 years

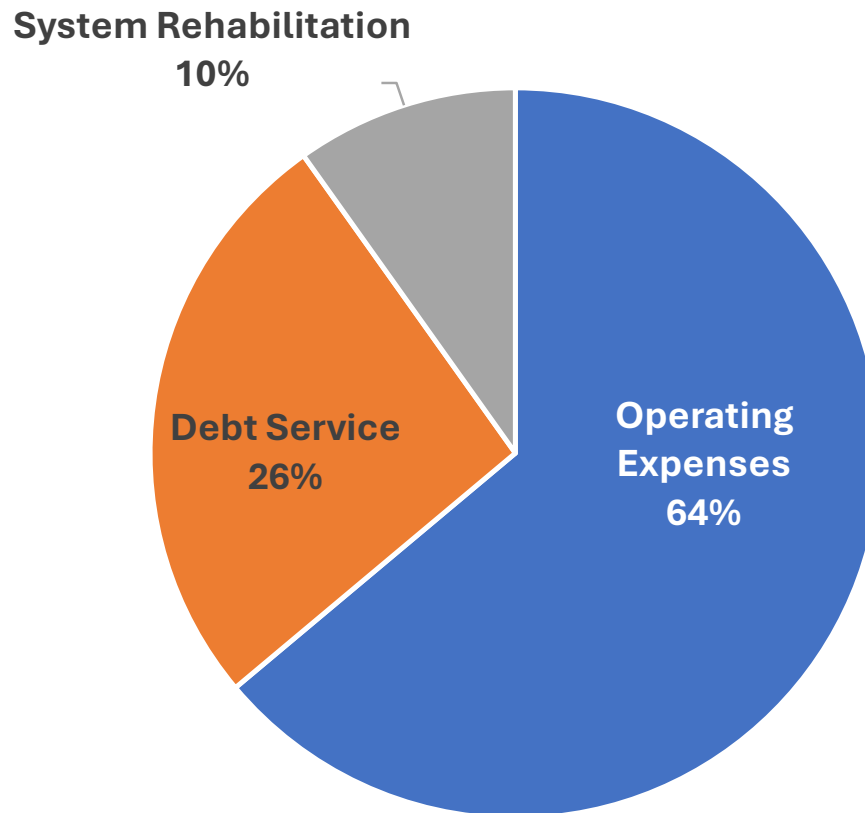
Costs Supported by Rates Next 5 Years - WATER

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Costs Supported by Rates Next 5 Years - WASTEWATER

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Rate Structure

Wastewater

- No changes proposed. Continue to pay by EDU.

Water

- Larger sized meters should be paying more per industry standards
- Reflects sizing of system facilities to meet demand from a larger meter

Meter Safe Operating Capacities and Meter Ratios

Water Meter Size	Meters by Size	Safe GPM	Ratio to 3/4"	Fiscal Year Ending					
				2026	2027	2028	2029	2030	2031
				Meter Equivalents					
3/4"	305	30	1.00	305	307	309	311	313	315
1"	84	50	1.67	140	140	140	140	140	140
1.5"	7	100	3.33	23	23	23	23	23	23
2"	15	160	5.33	80	80	80	80	80	80
3"	2	350	11.67	23	23	23	23	23	23
4"	0	600	20.00	0	0	0	0	0	0
6"	1	1,350	45.00	45	45	45	45	45	45
8"	0	1,600	53.33	0	0	0	0	0	0
Total	414			617	619	621	623	625	627

Source: AWWA M1 Manual safe operating capacity for C701-12 turbine Clas I meters and C702-10 compound Class II meters.

Calculated Water Rates

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Meter Size	Calculated WATER Rates Next Five Years					
	Current	7/1/2026	7/1/2027	7/1/2028	7/1/2029	7/1/2030
	Monthly Fee					
3/4"	\$117.65	\$126.01	\$136.22	\$137.61	\$138.98	\$140.58
1"	\$217.66	\$210.02	\$227.03	\$229.35	\$231.63	\$234.31
1.5"	\$294.12	\$420.05	\$454.06	\$458.69	\$463.25	\$468.61
2"	\$470.60	\$672.07	\$726.49	\$733.91	\$741.21	\$749.78
3"	\$764.72	\$1,470.16	\$1,589.21	\$1,605.42	\$1,621.39	\$1,640.15
4"	\$2,058.90	\$2,520.27	\$2,724.35	\$2,752.15	\$2,779.52	\$2,811.69
6"	\$3,082.45	\$5,670.61	\$6,129.80	\$6,192.33	\$6,253.93	\$6,326.29
8"	\$4,117.78	\$6,720.72	\$7,264.94	\$7,339.06	\$7,412.06	\$7,497.83
Overage & Temporary	per thousand gallons					
	\$11.765	\$12.601	\$13.622	\$13.761	\$13.898	\$14.058

Calculated Wastewater Rates

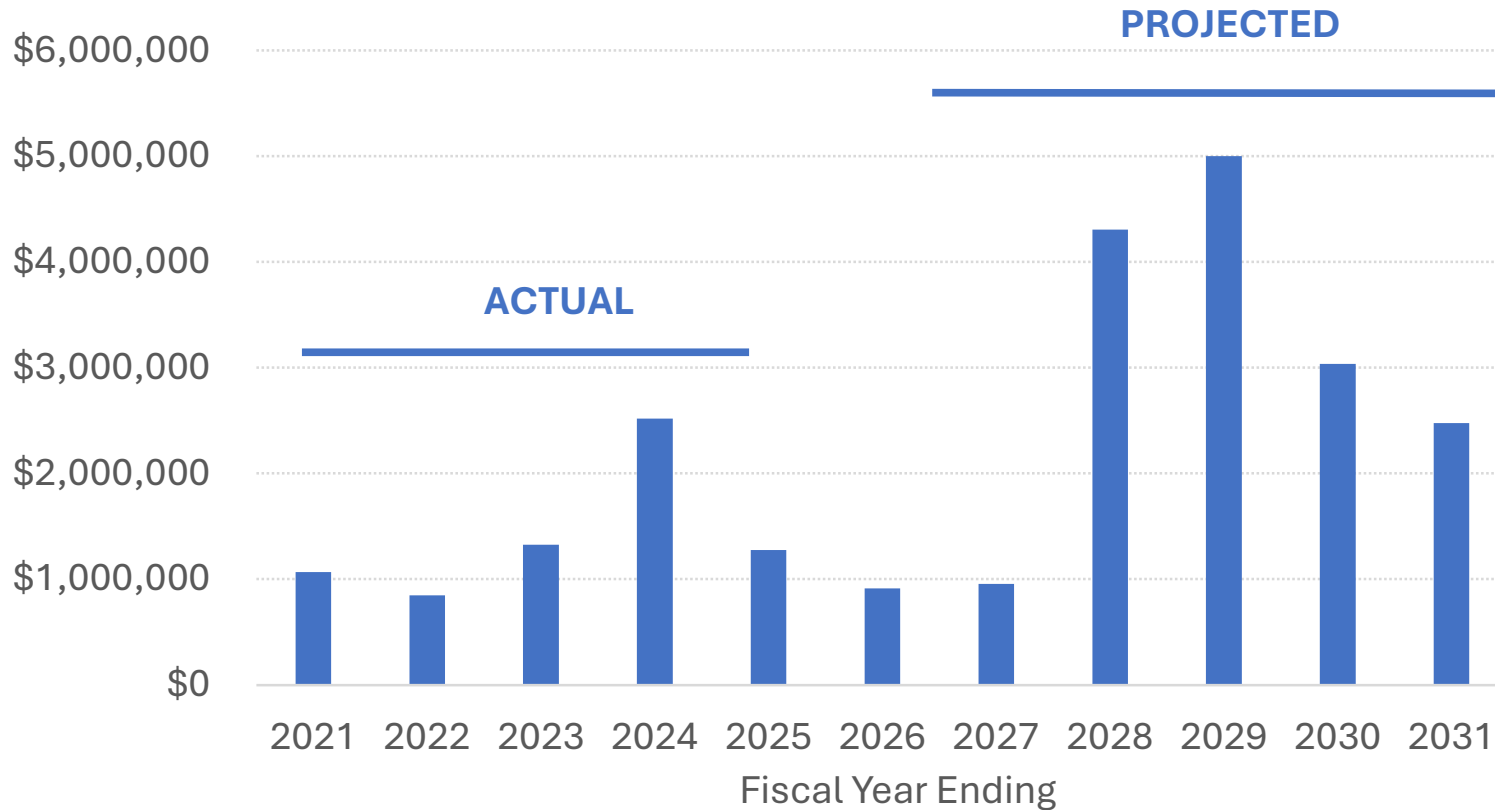
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Rates by Customer	Current	Calculated WASTEWATER Rates Next 5 Years				
		7/1/2026	7/1/2027	7/1/2028	7/1/2029	7/1/2030
Existing Customers		Monthly Fee per EDU				
Inside CFD No. 1	\$190.75	\$224.80	\$265.29	\$272.54	\$279.46	\$287.22
Outside CFD No. 1	\$240.16	\$274.22	\$314.70	\$321.96	\$328.88	\$336.64
CalTrans	\$178.22	\$214.12	\$254.61	\$261.86	\$268.79	\$276.55
Future Customers						
Inside CFD No. 1	\$101.64	\$117.74	\$137.98	\$141.61	\$145.07	\$148.95
Outside CFD No. 1	\$151.05	\$167.16	\$187.40	\$191.03	\$194.49	\$198.37
		Special Taxes per EDU				
Inside CFD No. 1 - All EDUs	\$49.42	\$49.42	\$49.42	\$49.42	\$49.42	\$49.42

Historical & Projected Cash Balances

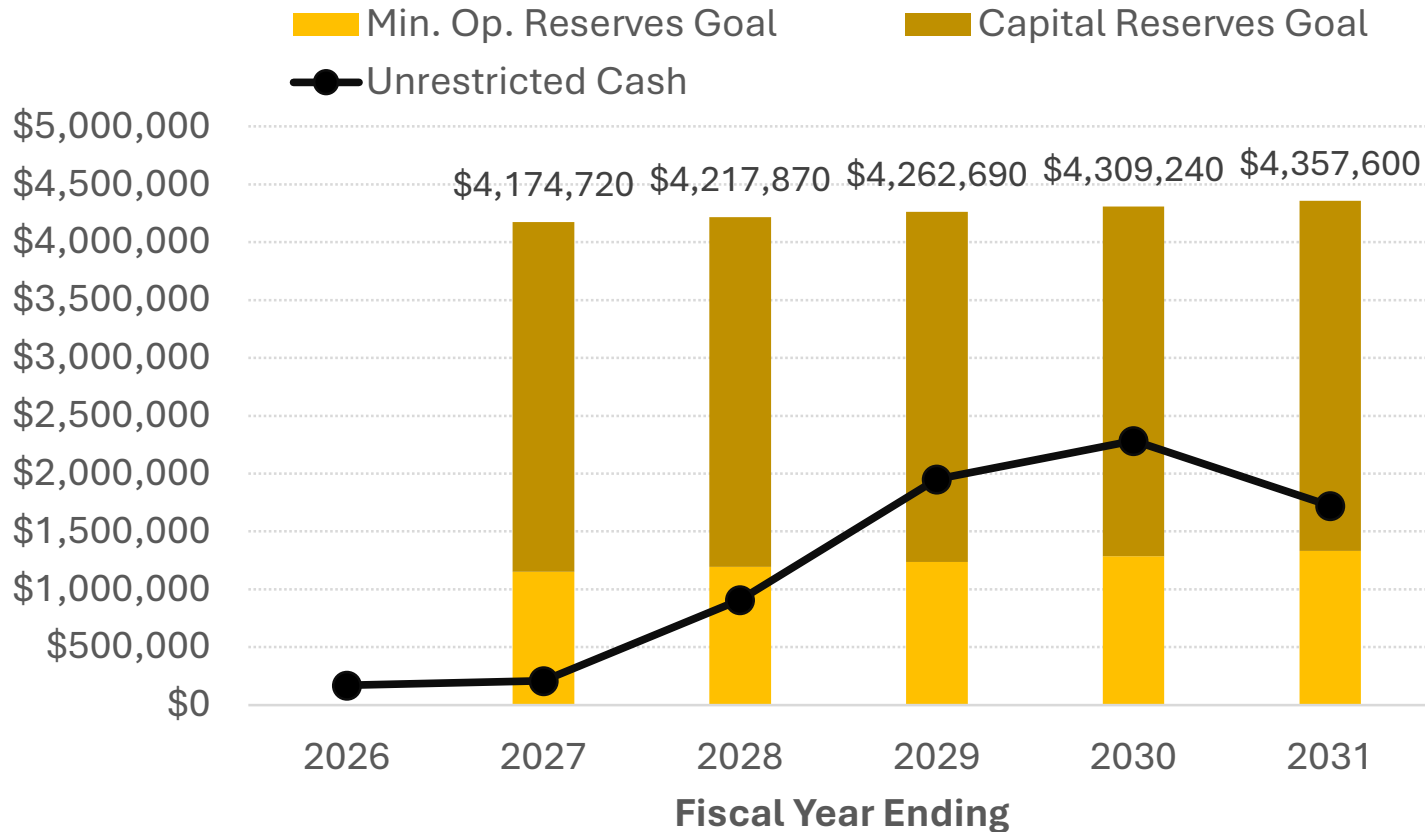
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- Bond proceeds increase total cash balance 2028-2029



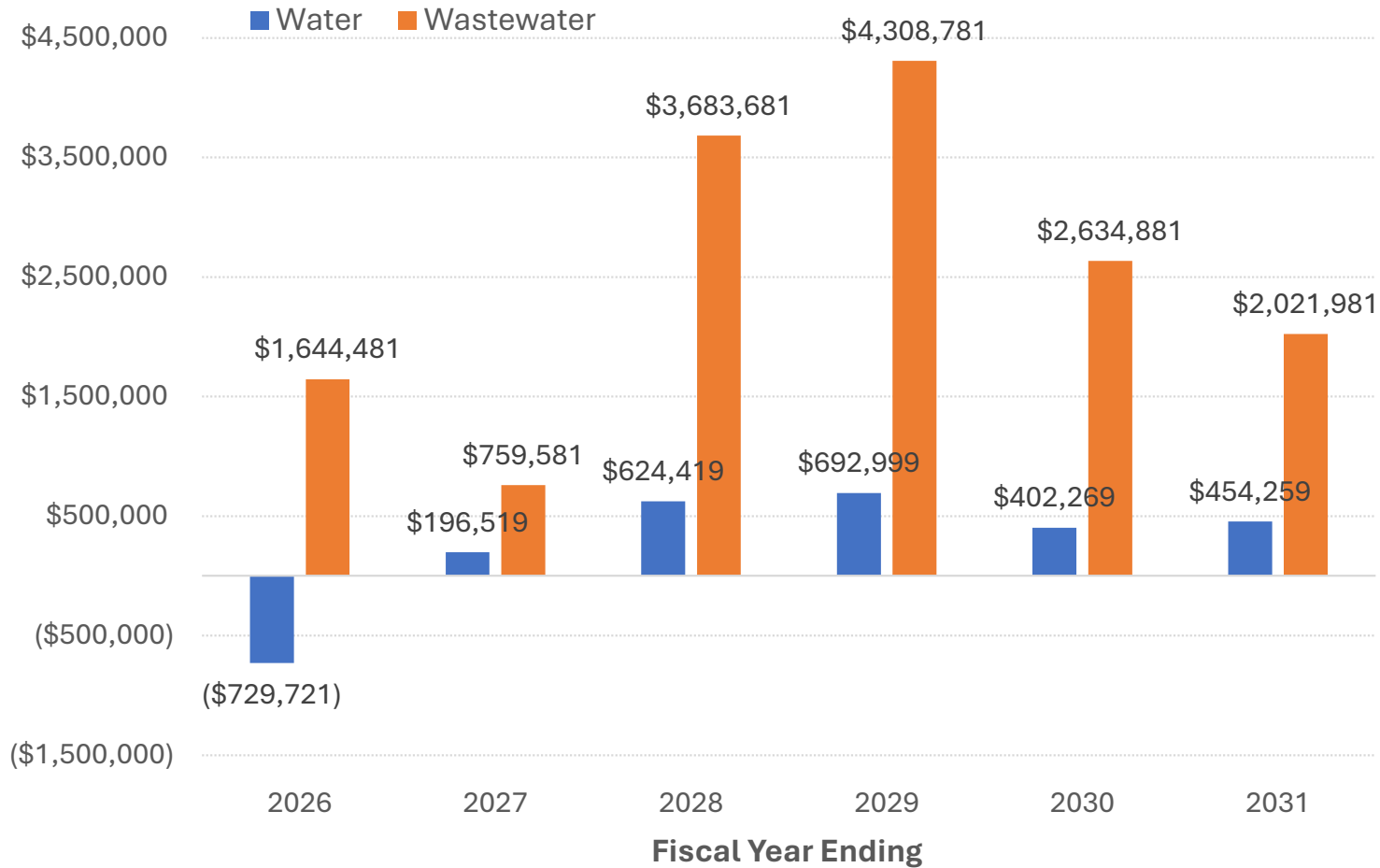
District Cash and Reserves Goals

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Projected Cash Balances

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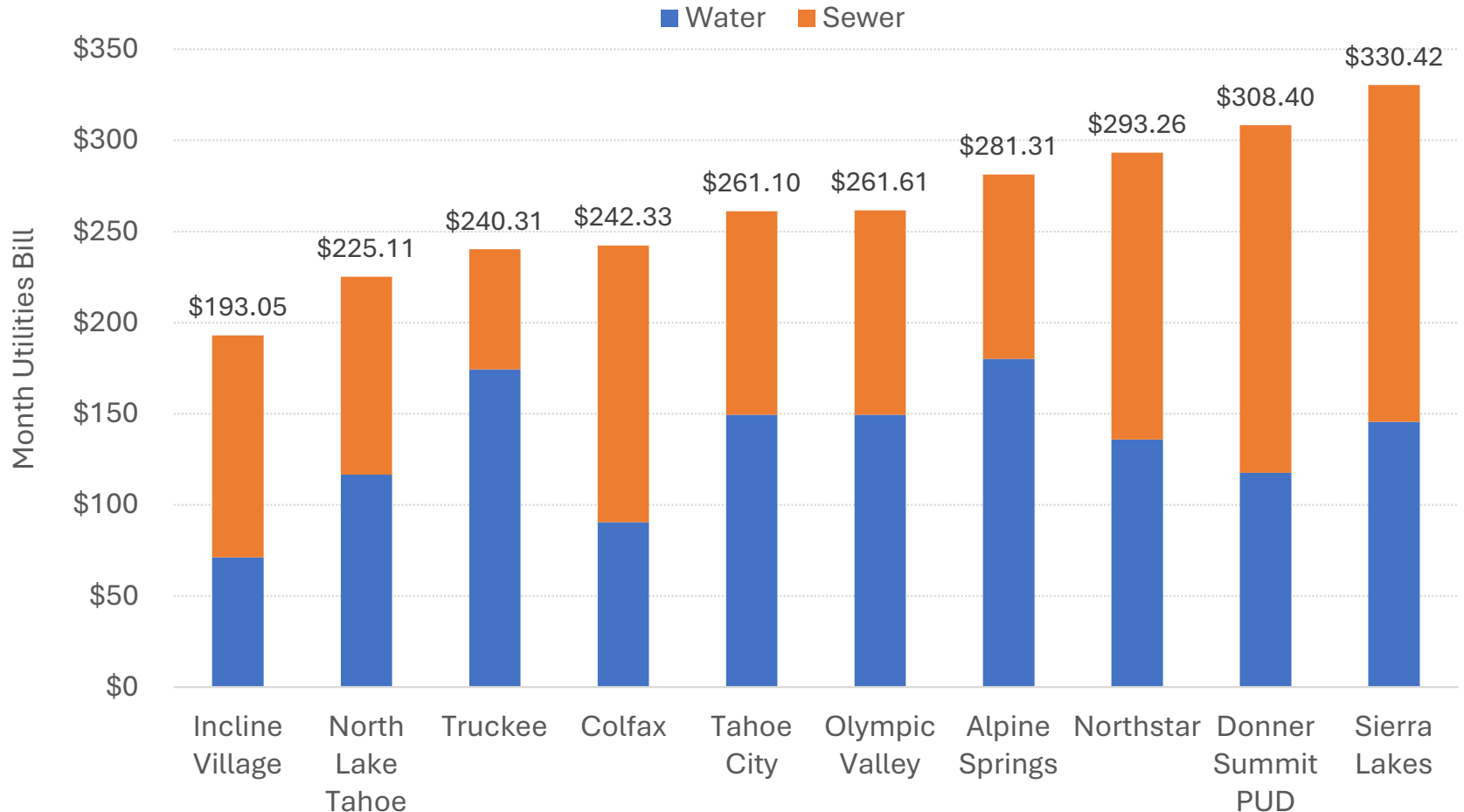
Bill Impact: Home



Note: Total bill impact includes DSPUD's special tax.

Comparison Regional Utility Bills

DSPUD special tax is excluded because special taxes & assessments are excluded from comparison communities.



Items for Consideration

- Move all property tax revenue to the Water Fund
- Interfund Loan (from wastewater to water) to enable Tank 2 exterior recoating in FY27 and provide positive cash in the Water Fund to enable borrowing
- Reduce system rehabilitation collection for wastewater to reduce the rate increase - but would erode reserves for capital
- Pursue lower-cost financing (State, USDA) to allow the Board to adopt lower rates than maximum rates calculated in subsequent years

Schedule

- Workshop ideas / dates?

<i>Prepare Postcard: Rate Study/Workshop Date</i>	1/20/2026
Findings to Board & Workshop Direction	1/20/2026
<i>Finalize Content/Mail Postcards</i>	1/22/2026
Draft Report	2/3/2026
<i>Workshop</i>	Feb 10/11/12
Report Review & Board Approval to Proceed with 218 Notice	2/17/2026
<i>Content, Design & Final Approval to Distribute Notice</i>	2/27/2026
Last Day to Mail Prop 218 Notices	3/5/2026
<i>Workshop</i>	Mar 16/17
Final Draft Report	3/31/2026
<i>Potential Newspaper Notice (not required per Prop 218)</i>	week of April 13
Public Hearing	4/21/2026
New Rates Effective	7/1/2026

Attachment 2

DSPUD 2026 Utility Rates Study
 Summary of CIP in Inflated Dollars

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Improvements	Next 5 Years	Years 6 to 10
Water		
Water Supply		
Water Plant Upgrades to Decrease Backwashing (Pre-Treatment)	\$216,000	\$0
Lake Angela Dam Tendon Tensioning	\$0	\$205,000
Clearwell Coating	\$0	\$0
Subtotal Water Supply	\$216,000	\$205,000
Water Storage		
Reservoir 2 Exterior Coating	\$416,000	\$0
Reservoir 1 Coating	\$649,000	\$0
Sugar Bowl Reservoir Rehabilitation	\$0	\$759,000
Subtotal Water Storage	\$1,065,000	\$759,000
Water Distribution		
Boreal Pump Station Generator	\$83,000	\$0
Boreal Pump Station Rehabilitation	\$487,000	\$0
Automated Meter Replacement	\$0	\$1,000,000
SLCWD Intertie	\$0	\$1,269,000
Subtotal Water Distribution	\$570,000	\$2,269,000
Office Building Remodel (eg. ADA)	\$351,000	\$0
Total Water CIP	\$2,202,000	\$3,233,000
Wastewater		
Collection System		
Upgrade Lift Station 2 to Increase Capacity	\$2,339,000	\$0
Sewer Manhole Sealing	\$193,000	\$0
Rehabilitate Lift Station 7	\$0	\$526,000
Upgrade Lift Stations 1, 2, 8 to replace pumps & provide backup generators	\$0	\$0
Upgrade LS2 and Remove LS3 and LS4	\$0	\$1,754,000
Decommission Lift Station 2, Install Force Main,		
Upgrade Lift Station 8	\$0	\$0
Subtotal Collection System	\$2,532,000	\$2,280,000
Treatment Plant		
Recycled Water Equipment Upgrades- Filing station with pump	\$156,000	\$0
Pavement Rehabilitation at Wastewater Plant	\$104,000	\$0
Membrane Replacement	\$94,000	\$0
Reactor 1 Coating	\$270,000	\$0
Wastewater Sludge Press	\$1,755,000	\$0
Subtotal Treatment Plant	\$2,379,000	\$0
Office Building Remodel	\$351,000	\$0
Total Wastewater CIP	\$5,262,000	\$2,280,000
TOTAL CIP	\$7,464,000	\$5,513,000

Source: DSPUD December 2025.

cip sum

DSPUD 2026 Utility Rates Study
 CIP for the Wastewater System

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Wastewater Improvements	Fiscal Year Ending					Fiscal Year Ending				
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Collection System	2025 \$					2025 \$				
Upgrade Lift Station 2 to Increase Capacity					\$1,017,500					
Sewer Manhole Sealing				\$165,000						
Rehabilitate Lift Station 7							\$400,000			
Upgrade Lift Stations 1, 2, 8 to replace pumps & provide backup generators		\$450,000								
Upgrade LS2 and Remove LS3 and LS4									\$1,232,000	
Decommission Lift Station 2, Install Force Main, Upgrade Lift Station 8										
Treatment Plant										
Recycled Water Equipment Upgrades- Filing station with pump	\$150,000									
Pavement Rehabilitation at Wastewater Plant	\$100,000									
Membrane Replacement		\$87,000								
Reactor 1 Coating		\$250,000								
Wastewater Sludge Press				\$1,500,000						
Office Building Remodel					\$300,000					
Total Wastewater CIP	\$250,000	\$787,000	\$0	\$1,965,000	\$1,017,500	\$0	\$400,000	\$0	\$1,232,000	\$0

Collection System	Inflated \$ 4% per year					Inflated \$ 4% per year				
	Upgrade Lift Station 2 to Increase Capacity	\$0	\$1,101,000	\$0	\$0	\$1,238,000	\$0	\$0	\$0	\$0
Sewer Manhole Sealing	\$0	\$0	\$0	\$193,000	\$0	\$0	\$0	\$0	\$0	\$0
Rehabilitate Lift Station 7	\$0	\$0	\$0	\$0	\$0	\$0	\$526,000	\$0	\$0	\$0
Upgrade Lift Stations 1, 2, 8 to replace pumps & provide backup generators	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Upgrade LS2 and Remove LS3 and LS4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,754,000	\$0
Decommission Lift Station 2, Install Force Main, Upgrade Lift Station 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Collection System										
Treatment Plant										
Recycled Water Equipment Upgrades- Filing station with pump	\$156,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pavement Rehabilitation at Wastewater Plant	\$104,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Membrane Replacement	\$0	\$94,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reactor 1 Coating	\$0	\$270,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater Sludge Press	\$0	\$0	\$0	\$1,755,000	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Treatment Plant										
Office Building Remodel	\$0	\$0	\$0	\$351,000	\$0	\$0	\$0	\$0	\$0	\$0
Total Wastewater CIP	\$260,000	\$1,465,000	\$0	\$2,299,000	\$1,238,000	\$0	\$526,000	\$0	\$1,754,000	\$0

Source: DSPUD December 2025.

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DSPUD 2026 Utility Rates Study
 CIP for the Water System

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Water Improvements	Fiscal Year Ending					Fiscal Year Ending				
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Water Supply	2025 \$					2025 \$				
Water Plant Upgrades to Decrease Backwashing (Pre-Treatment)		\$200,000								
Lake Angela Dam Tendon Tensioning								\$150,000		
Clearwell Coating										
Water Storage										
Reservoir 2 Exterior Coating	\$400,000									
Reservoir 1 Coating		\$600,000								
Sugar Bowl Reservoir Rehabilitation						\$600,000				
Water Distribution										
Boreal Pump Station Generator	\$80,000									
Boreal Pump Station Rehabilitation		\$450,000								
Automated Meter Replacement							\$760,000			
SLCWD Intertie										\$857,545
Office Building Remodel (eg. ADA)				\$300,000						
Total Water CIP	\$480,000	\$1,250,000	\$0	\$300,000	\$0	\$600,000	\$760,000	\$150,000	\$0	\$857,545
	Inflated					Inflated				
	4% per year					4% per year				
Water Supply										
Water Plant Upgrades to Decrease Backwashing (Pre-Treatment)	\$0	\$216,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lake Angela Dam Tendon Tensioning	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$205,000	\$0	\$0
Clearwell Coating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Water Supply										
Water Storage										
Reservoir 2 Exterior Coating	\$416,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reservoir 1 Coating	\$0	\$649,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sugar Bowl Reservoir Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$759,000	\$0	\$0	\$0	\$0
Subtotal Water Storage										
Water Distribution										
Boreal Pump Station Generator	\$83,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Boreal Pump Station Rehabilitation	\$0	\$487,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Automated Meter Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$0	\$0
SLCWD Intertie	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,269,000
Subtotal Water Distribution										
Office Building Remodel (eg. ADA)	\$0	\$0	\$0	\$351,000	\$0	\$0	\$0	\$0	\$0	\$0
Total Water CIP	\$499,000	\$1,352,000	\$0	\$351,000	\$0	\$759,000	\$1,000,000	\$205,000	\$0	\$1,269,000

Source: DSPUD December 2025.

w cip

DSPUD 2026 Utility Rates Study
Projected Cash Flow for Water

Includes 2 connections / year

includes Big Bend

DRAFT

Revenues and Expenses	Budget 2026	Fiscal Year Ending				
		2027	2028	2029	2030	2031
Revenues						
		<i>All figures rounded to nearest \$10</i>				
Main System Rates	\$743,280	\$932,500	\$1,011,280	\$1,024,900	\$1,038,430	\$1,053,820
Big Bend Service Fees	\$52,320	\$52,320	\$52,320	\$52,320	\$52,320	\$52,320
Admin. Revenues	\$5,050	\$5,050	\$5,050	\$5,050	\$5,050	\$5,050
Total Revenues	\$800,650	\$989,870	\$1,068,650	\$1,082,270	\$1,095,800	\$1,111,190
Operating Expenses						
Main System	\$719,090	\$635,240	\$658,010	\$681,630	\$706,130	\$731,520
Big Bend	included	\$53,850	\$55,780	\$57,780	\$59,860	\$62,010
Net Revenue before Debt Service	\$81,560	\$300,780	\$354,860	\$342,860	\$329,810	\$317,660
Debt Service						
Main System	\$19,160	\$19,160	\$175,170	\$175,170	\$174,200	\$174,200
Big Bend	\$21,967	\$21,967	\$21,967	\$21,967	\$21,967	\$21,967
Total Debt Service	\$41,130	\$41,130	\$197,140	\$197,140	\$196,170	\$196,170
Debt Service Coverage [1]	1.98	7.31	1.80	1.74	1.68	1.62
Net Income	\$62,400	\$281,620	\$179,690	\$167,690	\$155,610	\$143,460
Beginning Cash Balance						
	(\$381,741)	(\$729,721)	\$196,519	\$624,419	\$692,999	\$402,269
Net Income						
	\$62,400	\$281,620	\$179,690	\$167,690	\$155,610	\$143,460
Connection Fees						
	\$0	\$0	\$0	\$0	\$0	\$0
Bond / Loan Proceeds						
			\$1,703,000	\$0	\$0	\$0
Grant						
	\$42,000					
Loan from WW Fund						
		\$1,000,000				
Repay Loan to WW Fund						
			(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)
Property Tax						
	\$30,820	\$143,620	\$147,210	\$150,890	\$154,660	\$158,530
Capital Improvement Projects						
	(\$483,200)	(\$499,000)	(\$1,352,000)	\$0	(\$351,000)	\$0
Ending Cash Balance	(\$729,721)	\$196,519	\$624,419	\$692,999	\$402,269	\$454,259
Restricted Currently						
	\$25,600	\$27,600	\$29,600	\$31,600	\$33,600	\$35,600
Restricted New Bond Proceeds						
			\$351,000	\$0	\$0	\$0
Unrestricted Balance	(\$755,321)	\$168,919	\$243,819	\$661,399	\$368,669	\$418,659

Source: DSPUD financials and HEC 2026 rate study.

w flow

[1] Debt service coverage ratio must be at least 1.10 per the SWRCB Drinking Water SRF agreement.

DSPUD 2026 Utility Rates Study
 Projected Cash Flow for Wastewater

Includes 2 connections / year

DRAFT

Revenues and Expenses	Budget	Fiscal Year Ending				
	2026	2027	2028	2029	2030	2031
Revenues	<i>All figures rounded to nearest \$10</i>					
Rates from All Customers	\$2,071,400	\$2,587,340	\$3,079,600	\$3,170,480	\$3,257,500	\$3,354,900
Rates for Debt Service	\$445,460	\$418,160	\$418,160	\$418,160	\$418,160	\$418,160
Special Tax Revenues	\$290,590	\$301,030	\$301,030	\$301,030	\$301,030	\$301,030
Recycled Water Sales	\$109,600	\$80,000	\$20,000	\$20,000	\$20,000	\$20,000
SLCWD Reimbursement	\$493,310	\$506,970	\$526,190	\$546,150	\$566,900	\$588,460
Admin. Revenues	\$23,580	\$23,580	\$23,580	\$23,580	\$23,580	\$23,580
Total Revenues	\$3,433,940	\$3,917,080	\$4,368,560	\$4,479,400	\$4,587,170	\$4,706,130
Operating Expenses	\$2,698,250	\$2,814,660	\$2,921,340	\$3,032,180	\$3,147,350	\$3,267,040
Net Revenue before Debt Service	\$735,690	\$1,102,420	\$1,447,220	\$1,447,220	\$1,439,820	\$1,439,090
Debt Service	\$727,320	\$727,320	\$1,072,120	\$1,072,120	\$1,064,720	\$1,063,990
Debt Service Coverage [1]	1.01	1.52	1.35	1.35	1.35	1.35
Net Income	\$8,370	\$375,100	\$375,100	\$375,100	\$375,100	\$375,100
Beginning Balance	\$1,656,111	\$1,644,481	\$759,581	\$3,683,681	\$4,308,781	\$2,634,881
Net Income	\$8,370	\$375,100	\$375,100	\$375,100	\$375,100	\$375,100
Connection Fees	\$0	\$0	\$0	\$0	\$0	\$0
Loan to Water Fund		(\$1,000,000)	\$0	\$0	\$0	\$0
Repaid Loan from Water Fund		\$0	\$250,000	\$250,000	\$250,000	\$250,000
Property Tax	\$109,300	\$0	\$0	\$0	\$0	\$0
Bond / Loan Proceeds			\$3,764,000			
Capital Improvement Projects	(\$129,300)	(\$260,000)	(\$1,465,000)	\$0	(\$2,299,000)	(\$1,238,000)
Ending Balance	\$1,644,481	\$759,581	\$3,683,681	\$4,308,781	\$2,634,881	\$2,021,981
Restricted Currently	\$719,190	\$719,190	\$719,190	\$719,190	\$719,190	\$719,190
Restricted New Bond Proceeds			\$2,299,000	\$2,299,000	\$0	\$0
Unrestricted Balance	\$925,291	\$40,391	\$665,491	\$1,290,591	\$1,915,691	\$1,302,791

Source: DSPUD financials and HEC 2026 rate study.

ww flow

[1] Debt service coverage ratio must be at least 1.10 per the SWRCB Clean Water SRF agreement.

DSPUD 2026 Utility Rates Study
 Estimated District Cash Balances

Includes 2 connections / year

DRAFT

Item	Budget	Fiscal Year Ending				
	2026	2027	2028	2029	2030	2031
<i>All figures rounded to nearest \$10</i>						
Beginning Cash Balance	\$1,274,370	\$914,760	\$956,100	\$4,308,100	\$5,001,780	\$3,037,150
Water Change	(\$347,980)	\$926,240	\$427,900	\$68,580	(\$290,730)	\$51,990
Wastewater Change	(\$11,630)	(\$884,900)	\$2,924,100	\$625,100	(\$1,673,900)	(\$612,900)
Ending Cash Balance	\$914,760	\$956,100	\$4,308,100	\$5,001,780	\$3,037,150	\$2,476,240
Restricted	\$744,790	\$746,790	\$748,790	\$750,790	\$752,790	\$754,790
Water Proceeds - Restricted		\$0	\$351,000	\$0	\$0	\$0
WW Proceeds - Restricted		\$0	\$2,299,000	\$2,299,000	\$0	\$0
Unrestricted	\$169,970	\$209,310	\$909,310	\$1,951,990	\$2,284,360	\$1,721,450
Designated Unrestricted						
Operations		\$209,310	\$909,310	\$1,237,940	\$1,284,490	\$1,332,850
Capital		\$0	\$0	\$714,050	\$999,870	\$388,600
Reserves Goal						
Four Months Operating Expenses		\$1,149,970	\$1,193,120	\$1,237,940	\$1,284,490	\$1,332,850
50% of Capital Needs next 5 Years		\$3,024,750	\$3,024,750	\$3,024,750	\$3,024,750	\$3,024,750
Minimum Goal Reserves [1]		\$4,174,720	\$4,217,870	\$4,262,690	\$4,309,240	\$4,357,600

Source: DSPUD and HEC 2026 rate study.

tot flow

[1] Unrestricted cash in the water and wastewater utilities combined.