



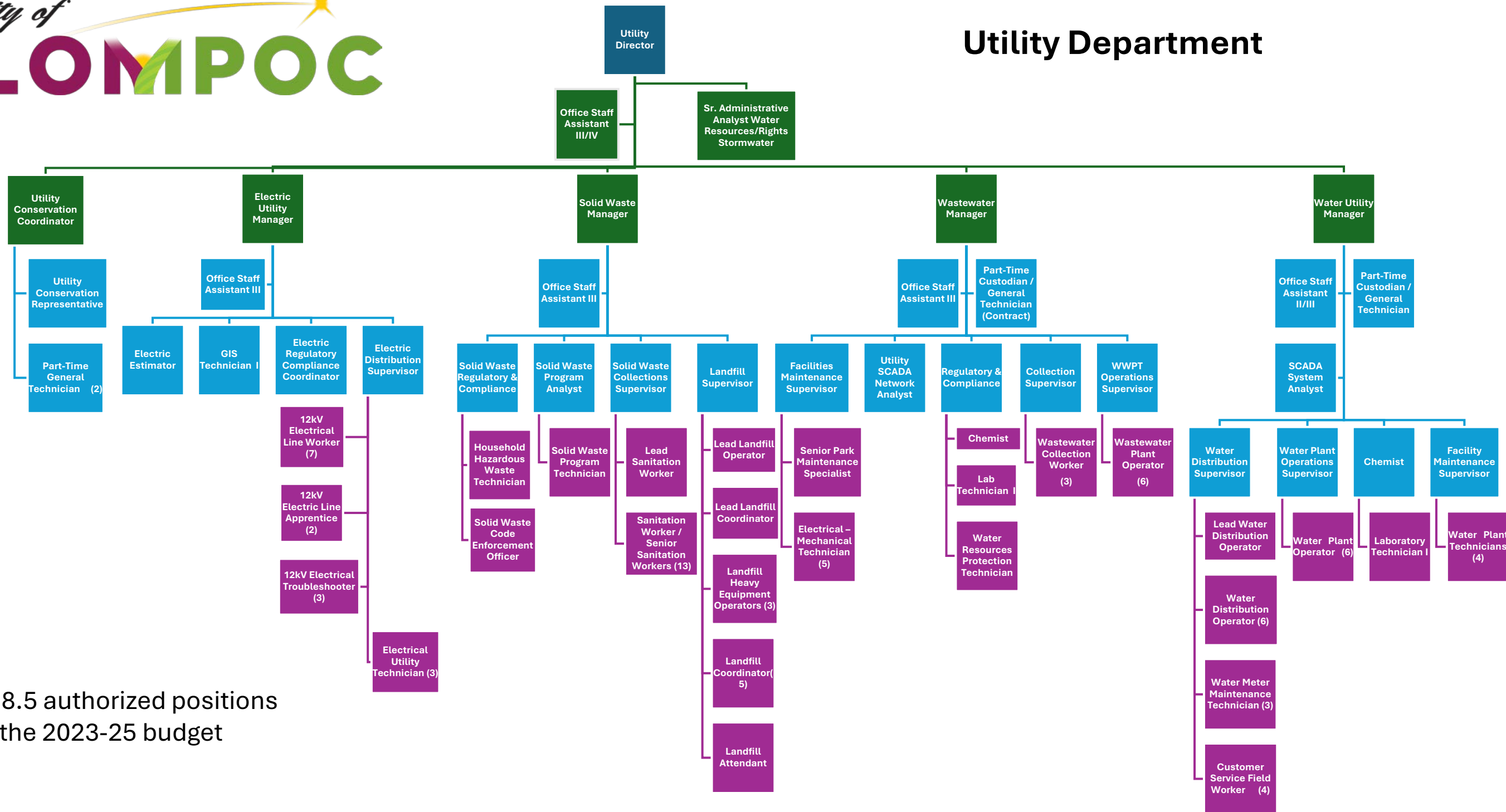
Review and Analysis

Utility Commission

Special Meeting of May 5, 2025



Utility Department



118.5 authorized positions
in the 2023-25 budget



Water Utility

- History
 - Most Recent Rate Study approved in 2013.
 - Meter rates for a 5/8” meter (a common size) increased to \$23.71 per month beginning 9-5-2013 and increased to \$36.06 per month effective 7-1-2016.
 - Residential consumption charges increased to \$3.49 per HCF (for the first 10 HCF) beginning 9-5-2013 and increased to \$4.33 per HCF effective 7-1-2016.
 - The Rate Study recommended increases for these by 7-1-2017 to be \$41.47 and \$6.13 per HCF respectively.



Water Utility

- Financial results – most recent 10 years – 7-1-2014 to 6-30-2024

Per audited financial statements

- Average annual revenue growth: 1.32%
- Annual operating expense growth (w/o depreciation): 6.65%
- Annual operating expense growth (w/o depr, w/ debt service): 4.83%
- Debt service ratios
 - reportable debt – 3.37 at 6-30-2015; 1.25 at 6-30-2025*
 - All debt – 2.56 at 6-30-2015; 0.45 at 6-30-2025*
- Cash on hand – total, recommended reserves, rate stabilization*, net cash

• 6-30-2015	\$3,256,650;	\$2,282,637;	\$0	\$974,013
• 6-30-2025	\$1,510,784;	\$3,335,955;	\$75,000	\$(1,900,171)

* Rate Stabilization Reserve established in 2018 with the refunding of 1992, 1998, 2004, 2007 Water Bonds



Electric Utility

- History

- Most Recent Rate Study approved 11-1-2024. Emergency adjustment was put in place in May 2023. Previous rates had been unchanged since 2012.
- No meter or fixed charges for residential customers before 11-1-2024.
- Residential consumption charges increased from \$0.14532 per kWh to \$0.18892 per kWh on 5-1-23 then to \$0.18856 per kWh on 11-1-24 for the first 325 kWh of monthly usage.
- Residential services previously had a \$5.01 minimum charge and effective 11-1-24, that has been replaced by a \$5.00 monthly charge.



Electric Utility

- Financial results – most recent 9-10 years – 7-1-2014 to 6-30-2023/24

Per audited financial statements

- Average revenue growth: 4.43% (including 23-24); 1.37% to 6-30-2023
- Annual operating expense growth (w/o depreciation): 6.03%
- Annual rate of return contribution growth: 2.18%
- Communications Debt Receivable
 - \$1,518,611 repaid to 6-30-24; approximately 1/3 of the total due; returning \$166,500 annually to the Electric Utility
 - Debt reduced from \$4,940,854 at 6-30-2015 to \$3,422,243 at 6-30-2025
- Cash on hand – total, required reserves, net cash

• 6-30-2015	\$13,744,690;	\$10,231,016;	\$3,513,374
• 6-30-2024	\$16,137,865;	\$13,693,319;	\$2,444,546
• 6-30-2025	\$19,451,272;	\$15,455,860;	\$3,995,412



Wastewater Utility

- History

- Most Recent Rate Study approved in 2013.
- Monthly minimum (based on 5 HCF units) increased to \$31.10 per month beginning 9-5-2013 and increased to \$46.40 per month effective 7-1-2017.
- Residential service charges increased to \$6.22 per HCF beginning 9-5-2013 and increased to \$9.28 per HCF effective 7-1-2017.
- The California Water Resources Control Board mandated the City conduct a Rate Study as part of the approval of the most recent NPDES permit issued February 17, 2022, to be completed by November 1, 2023.
- The draft study was provided to the CWRCB by the deadline and was presented to the City Council on March 4, 2025.



Wastewater Utility

- Financial results – most recent 10 years – 7-1-2014 to 6-30-2024

Per audited financial statements

- Average annual revenue growth: 1.91%
- Annual operating expense growth (w/o depreciation): 6.06%
- Annual operating expense growth (w/o depr, w/ debt service): 2.34%
- Debt service ratios
 - reportable debt – 4.76 at 6-30-2015; 5.40 at 6-30-2025*
 - All debt including State SRF – 1.18 at 6-30-2015; 1.15 at 6-30-2025*
- Cash on hand – total, recommended reserves, rate stabilization*, net cash
 - 6-30-2015 \$6,033,524; \$2,747,158; \$1,900,000 \$1,386,366
 - 6-30-2025 \$13,624,714; \$3,639,434; \$1,400,000 \$8,585,280

* Rate Stabilization Reserve was in existence as least in 2006 at \$1,900,000 with the funding of the 2006 Wastewater Bonds



Solid Waste Utility

- History

- Most Recent Rate Studies approved in 6-2014 and 6-2023.
- Residential 65 Gallon Container service increased to \$27.78 per month beginning 7-2014 and increased to \$36.97 per month effective 7-1-2023.
 - Additional annual adjustments occurred from 7-2015 to 7-2018.
 - Additional annual adjustments are anticipated from 7-2025 to 7-2027.
- Residential 95 Gallon Container service increased to \$35.97 per month beginning 7-2014 and increased to \$46.96 per month effective 7-1-2023.
 - Additional annual adjustments occurred from 7-2015 to 7-2018.
 - Additional annual adjustments are anticipated from 7-2025 to 7-2027.



Solid Waste Utility

- Financial results – most recent 9-10 years – 7-1-2014 to 6-30-2023/24

Per audited financial statements

- Average annual revenue growth: 4.70% (including 23-24); 2.74% to 6-30-2023
- Annual operating expense growth (w/o depreciation): 9.71%
- Annual operating expense growth (w/o depr, w/ debt service): 11.07%
- Debt service ratios
 - reportable debt – none* - will be issuing \$7,100,000 of debt in 2025-26
 - All debt – 18.46 at 6-30-2015; (0.94) at 6-30-2025*
- Cash on hand – total, recomm reserves, financing, closure, net cash

• 6-30-2015	\$5,441,559;	\$1,653,803;	\$0	\$2,288,764	\$1,498,992
• 6-30-2025	\$13,183,993;	\$3,290,089;	\$8,103,032	\$5,576,241	\$(3,785,369)