2027 Water Rate Setting

Rate Setting

Cannot Exceed Noticed Rates

Arbitrary Lowering To Reduce Impact on Customers

Changes Made in Year One Impact Future Rates

Consistent with Resolution

Rate Adopting Resolution Guard Rails

- Board to set the actual rate increase annually
  - August 6, 2026
- Hold two Public Workshops
  - July 22, 2026 - Completed
  - July 28, 2026 (Evening In Auburn)

Rate Adopting Resolution Guard Rails

- Consider rate decreases separately for irrigation and treated water customers
  - No project savings attributed to only one customer type is being used to offset rates.
- Consider Extraordinary Revenue to Decrease Rates if Possible
  - Strategy Used for 2027
- Consider rolling the five-year unspent fund balance for the purpose of lowering rates
  - Strategy Used for 2027

Rate Adopting Resolution Guard Rails

- Discuss the Cost-Benefit of Capital Projects
  - To be Done During Annual Budgeting and is Project-Specific
- Aggressively Look for External Revenue Sources
  - Tentatively Secured $5 M DOE Grant for Scotts Flat
  - Grant Consultant on Board
  - Internal Grant Update Meetings

Rate Adopting Resolution Guard Rails

- Do Not Spend Unspent Capital Funds on Unnecessary CIP
  - To be Done During Annual Budgeting and is Project-Specific
- Explore the Development of Ag Water Efficiency Grant Program
  - Effort Initiated

2027 Proposed Rates

- Increase Rates for 2027
  - Utilize Excess Revenue
  - Utilize Excess Fund Balance
- Recommend a 9% Increase For Year 1 (2027)
  - Treated water holds new allocation between fixed and volumetric
  - Raw water is a flat 9% increase

9% Recommendation

- Will need $8,640,055 to offset over the five-year rate term
- Will Backfill With Unspent Hydro and Water Funds
  - Due to money saved
  - Increased Hydro Revenue
- Modified Fund Balances Due to 2025 Audit Completion

Funding Requirements to Buy Down Cost of Service Study to 9% in 2027 & 12.5% Thereafter

	2027	2028	2029	2030	2031	Total
Total Lost Revenue	$1,277,966	$1,463,820	$1,680,808	$1,957,465	$2,259,995	$8,640,055

Fund		Beginning Fund Balance	Projected Ending Fund Balance	Change	11/12/2025 Original Adopted Budget Ending Bal	Change
10	Water Fund	34,016,176	24,249,852	-29%	23,802,103.80	447,748
12	Capacity Fees Fund	9,560,537	10,340,457	8%	9,757,221.00	583,236
15	Water Capital Improvement Fund	24,071,882	24,038,917	0%	22,000,000.00	2,038,917
21	Cement Hill Assessment District Fund	(145,758)	(230,378)	-58%	4,022.07	(234,400)
22	Rodeo Flat Assessment District Fund	113,781	117,066	3%	113,911.95	3,154
30	Recreation Fund	295,796	295,796	0%	269,161.60	26,635
35	Recreation Capital Improvement Fund	382,303	382,303	0%	403,582.86	(21,280)
50	Hydroelectric Fund	39,005,660	35,795,948	-8%	30,103,926.71	5,692,021
55	Hydroelectric Capital Fund	55,922,289	55,279,919	-1%	50,000,000.00	5,279,919
70	Internal Services Fund	714,309	154,007	-78%	-	154,007
85	Pension Trust Fund	4,422,329	6,414,329	45%	5,968,944.92	445,384
TOTAL		168,359,304	156,838,215	-7%		

Funding Proposal

Funding Strategy for 9% Reduced Rates for 2027

	2027	2028	2029	2030	2031	Total
Annual Delta In Rate Revenue	$1,277,966	$1,463,820	$1,680,808	$1,957,465	$2,259,995	$8,640,055
Transfer From Fund 50*	$1,277,966	$1,463,820	$1,680,808	$1,957,465	$2,259,995	$8,640,055
Transfer from Fund 55*	$0	$0	$0	$0	$0	$0

*Transfers to Be Made On Annual Basis

Treated Water Rates

Treated Water Rates	2026 Existing	2027 Reallocated	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031 Projected
Inside District Monthly Fixed Service Charges ($ per Service per Month)							
5/8"	$29.33	$29.06	$31.68	$35.64	$40.10	$45.11	$50.75
3/4"	44.00	43.60	47.52	53.46	60.14	67.66	76.12
1"	73.34	72.66	79.20	89.10	100.24	112.77	126.87
1.5"	146.67	145.32	158.40	178.20	200.48	225.54	253.73
2"	234.68	232.51	253.44	285.12	320.76	360.86	405.97
3"	469.35	465.03	506.88	570.24	641.52	721.71	811.92
4"	733.36	726.61	792.00	891.00	1,002.38	1,127.68	1,268.64
6"	1,466.72	1,453.21	1,584.00	1,782.00	2,004.75	2,255.34	2,537.26
8"	2,346.75	2,325.14	2,534.40	2,851.20	3,207.60	3,608.55	4,059.62
Additional Monthly Regulatory Fee ($ per Service per Month)							
All Treated Customers	1.90	0.00	0.00	0.00	0.00	0.00	0.00
Inside District Volumetric Rates ($ per HCF)							
Tier 1 (0-5 HCF)	2.42	2.85	3.11	3.50	3.94	4.43	4.98
Tier 2 (>5 HCF)	3.13	2.85	3.11	3.50	3.94	4.43	4.98

Raw Water Rates

Raw Water Rates	2026 *Existing*	2027 *Projected*	2028 *Projected*	2029 *Projected*	2030 *Projected*	2031 *Projected*
Fixed Service Charges ($ per Customer per Season)						
In-District						
Summer	$570.99	$622.38	$700.18	$787.70	$886.16	$996.93
Winter	$713.73	$777.97	$875.21	$984.61	$1,107.69	$1,246.15
Annual	$1,284.72	$1,400.34	$1,575.39	$1,772.31	$1,993.85	$2,243.08
Volumetric Rates ($ per Miners Inch)						
In-District						
Summer	$336.48	$366.76	$412.61	$464.18	$522.21	$587.48
Winter	$420.61	$458.46	$515.77	$580.24	$652.78	$734.37
Annual	$757.09	$825.23	$928.38	$1,044.43	$1,174.98	$1,321.86

Questions/Input