
CRESTLINE SANITATION DISTRICT



WASTEWATER RATE STUDY REPORT

May 17, 2024



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



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INDEPENDENT PUBLIC FINANCE ADVISORS

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May 17, 2024

Crestline Sanitation District
24516 Lake Drive, P.O. Box 3395
Crestline, CA 92325-3395

Attention: Dawn Grantham, General Manager

Re: Wastewater Rate Study

Bartle Wells Associates is pleased to submit to Crestline Sanitation District (District) the attached Wastewater Rate Study. The study presents BWA's analysis of the operating and non-operating expenses of the District's wastewater funds and provides five-year cash flow projections and rates. The primary purpose of this study was to analyze the District's wastewater enterprise funds and make recommendations that would achieve their financial sustainability.

BWA finds that the rates and charges proposed in our report reflect the cost-of-service for each customer, follow generally accepted rate design criteria, and adhere to the substantive requirements of Proposition 218.

We have enjoyed working with the District on this rate study and appreciate the assistance of Lily and other District staff members throughout the project. Please contact us with any future questions about this study and the rate recommendations.

Sincerely,

Erik Helgeson, MBA
Principal/ Vice President

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1 EXECUTIVE SUMMARY

1.1 Introduction

The District retained Bartle Wells Associates to develop a long-term financial plan and 5-year rate recommendations for the wastewater enterprise.

The revenues from the District’s wastewater enterprises are primarily derived from charges for services. The District must establish rates and charges adequate to fund the cost of providing services, which includes costs for operations and maintenance, as well as capital improvements needed to keep the District’s utility infrastructure in a safe and reliable operating condition.

The District has provided proactive financial stewardship by raising rates to keep revenues in line with the costs of providing wastewater service. Those rate increases have enabled the District to maintain its financial health. The prior rate increases strengthened the financial condition of the wastewater enterprise. However, current rates are not adequate to fund the needed improvements.

1.2 Rate Study Objectives

Key goals and objectives of this study include developing rates that:

- Recover the costs of providing service, including operating, capital, and debt funding needs;
- Are proportionate, fair, and equitable to all customers;
- Are easy to understand and implement;
- Comply with the substantive requirements of the California Constitution, Article 13D, Section 6 (which was adopted by the voters as Proposition 218 in 1996) and the general mandate of Article 10, Section 2 that prohibits the wasteful use of water; and
- Support the long-term operational and financial stability of the District.

BWA worked closely with District staff to incorporate information and input, evaluate alternatives, and develop recommendations. This report summarizes key findings and recommendations for wastewater rates over the next five years.

1.3 Current and Proposed Wastewater Rates

The following tables show the current and proposed wastewater rates.

Table 1 – Current and Proposed Wastewater Rates

Monthly Wastewater Rates	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Fixed Charge Per EDU	\$52.82	\$55.99	\$58.79	\$61.73	\$64.82	\$68.06

2 BACKGROUND, OBJECTIVES, AND LEGAL REQUIREMENTS

Crestline Sanitation District was formed on January 16, 1947 to provide sewer services to the Lake Gregory area of the San Bernardino Mountains. One of the aims of the District was to prevent Lake Gregory from being condemned by the State Board of Health due to septic tanks seeping into the lake. The San Bernardino County Board of Supervisors governed the District until the District became governed by a Board elected by the community in 2010.

The District provides service to 4,700 connections. The District operates and maintains three treatment plants, 90 miles of collection system, a 14-mile effluent outfall line and an effluent disposal site on Las Flores Ranch in Summit Valley. The current District boundaries run east from Saw Pit Canyon to Twin Peaks and north from Rim of the World (Highway 18) to Mile high Park, approximately 23,000 acres.

The District's wastewater utilities are financially self-supporting enterprises. Revenues are derived primarily from rates. As such, the District's wastewater rates must be set at adequate levels to fund the costs of providing service and:

- Fund ongoing operating and maintenance expenses,
- Address regulatory requirements,
- Fund the capital improvement projects, related debt service and associated increased operating costs, and
- Provide funding for system maintenance and upgrades.

The prior wastewater rate increases strengthened the financial condition of the enterprise. However, current rates are not adequate to fund the needed improvements and operating costs.

2.1 Rate Study Objectives

In 2023, the District retained BWA to develop a cost-of-service based rate study. The District has historically adopted rate increases in order to keep revenues in line with the escalating costs of providing service. Key goals and objectives of this study include developing rates that:

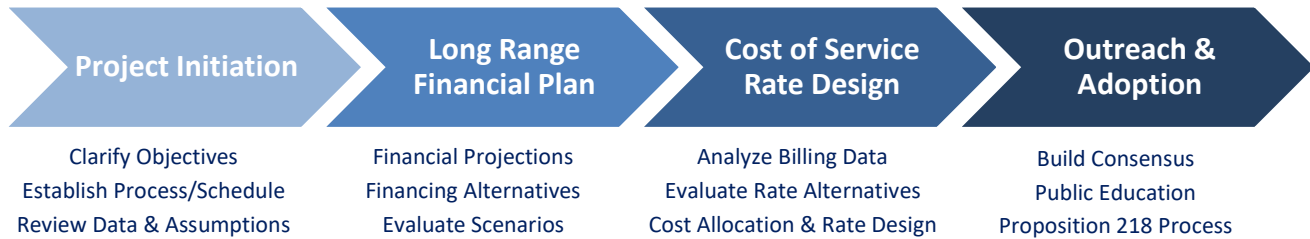
- Recover the costs of providing service, including operating, capital, and debt funding needs;
- Are proportionate, fair and equitable to all customers;
- Are easy to understand and implement;
- Comply with the substantive requirements of the California Constitution, Article 13D, Section 6 (which was adopted by the voters as Proposition 218 in 1996) and the general mandate of Article 10, Section 2 that prohibits the wasteful use of water; and
- Support the long-term operational and financial stability of the District.

2.2 Rate-Study Process

The rates developed in this report use a straightforward methodology to establish equitable charges that recover the cost of providing service. The general methodology used in this study is summarized in the following diagram:

Figure 1 – Cost-of-Service Rate Study Methodology

Cost of Service Rate-Setting Methodology



2.3 Constitutional Requirements for Rates

The wastewater rates proposed in this report are designed to comply with two key articles of the California Constitution: Article 13D and Article 10, as explained below.

2.3.1 Article 13D, Section 6

Proposition 218 was adopted by California voters in 1996 and added Articles 13C and 13D to the California Constitution. Article 13D, Section 6 governs property-related charges, which the California Supreme Court has ruled, includes rates imposed for water delivered through pipes connected to property. Article 13D, Section 6 establishes both a) procedural requirements for imposing or increasing property-related charges, and b) substantive requirements for those charges. Article 13D requires voter approval for new or increased property-related charges but exempts rates for water, wastewater, and garbage service from this voting requirement if rates are adopted by the appropriate procedure and meet the substantive requirements. This report recommends water rates designed to comply with the substantive requirements of Proposition 218.

The substantive requirements of Article 13D, section 6 requires property-related charges, such as the District’s water and wastewater rates, to meet the following conditions:

- 1) Revenues derived from the fee or charge shall not exceed the costs required to provide the property-related service.
- 2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- 3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- 4) No fee or charge may be imposed for a service unless that service is used by, or immediately available to the property in question.

- 5) No fee or charge may be imposed for general governmental services, such as police or fire services, where the service is available to the public at large in substantially the same manner as it is to property owners.

2.3.2 Article 10, Section 2

Article 10, Section 2 of the California Constitution states that:

It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.

2.4 Statute of Limitations

Pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fees. This statute of limitations applies to the water rates proposed in this rate study and is included in the Proposition 218 Notice.

3 WASTEWATER FINANCIAL PLAN

3.1 Wastewater Financial Overview

BWA conducted an independent evaluation of wastewater enterprise finances and concluded the previous rate increases have put the wastewater enterprise in a sound financial position. The District has done an excellent job of keeping rates low while having strong finances and a well-maintained system. However, due to aging infrastructure, the District will need to fund a significant number of capital projects. As such, greater rate increases are projected to be necessary to maintain the District’s financial standing.

The District relies almost solely on revenues from wastewater rates to fund the costs of providing service. As such, wastewater rates must be set at levels adequate to fund the costs of operating and maintaining the wastewater system, fund necessary capital improvements to keep the wastewater system in good operating condition.

3.2 Key Drivers of Rate Increases

The District is facing several manageable financial challenges that will drive the need for rate increases in upcoming years. Key drivers of future rate increases are summarized below.

Capital Improvement Funding Needs

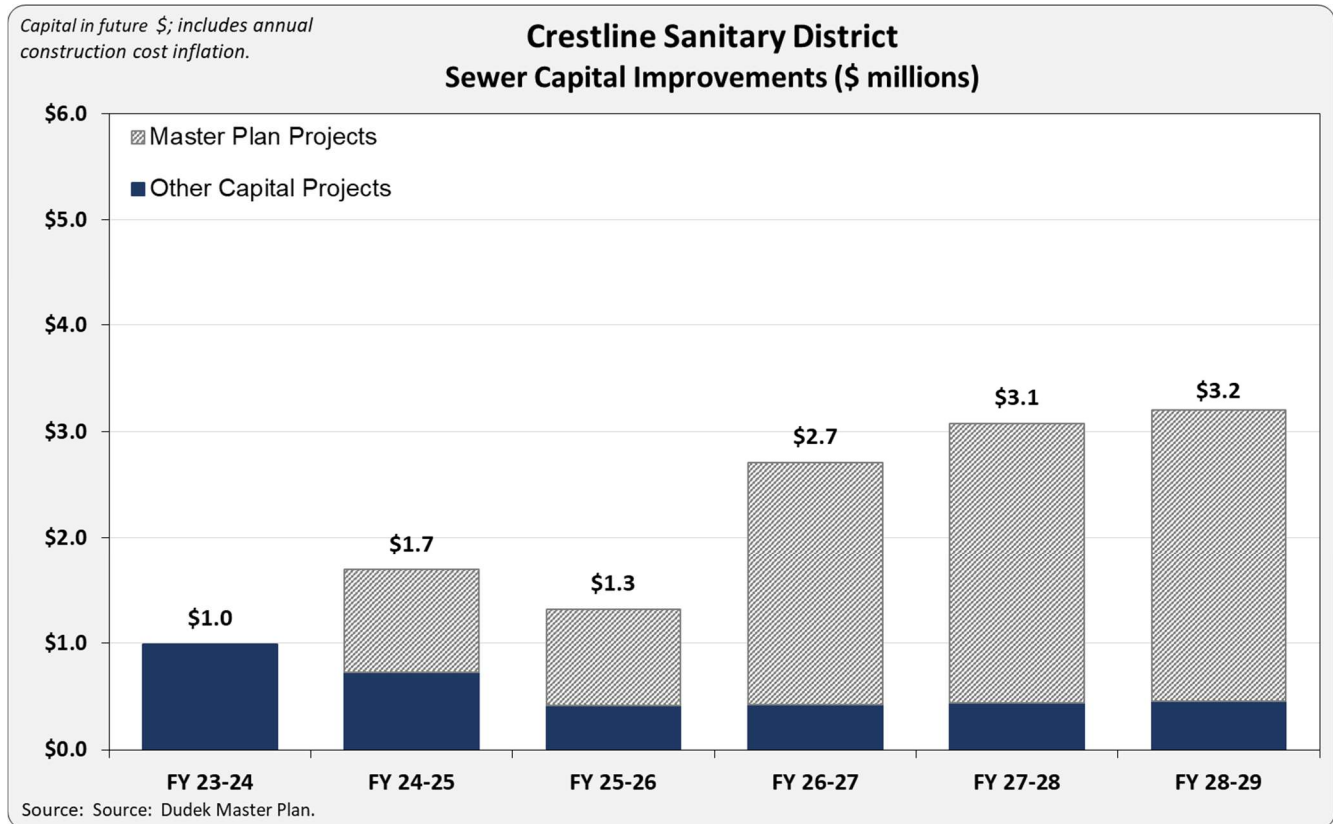
The District takes a proactive approach to maintaining its wastewater treatment plant and collection system, which requires ongoing repair and improvement projects. The District recently had a master plan created identifying capital needs. Based on recommendations from the Board, this study used a modified capital plan which spreads some projects out over a longer time period and can be funded by the rate increases recommended in this report. Accounting for construction cost inflation, the District anticipates funding approximately \$12.0 million of capital improvement projects over the next 5 years. The table below summarizes the District’s capital improvement costs over the next 5 years.

Table 2 – Capital Improvement Costs

Capital Costs	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Project Description	Budgeted	Projected	Projected	Projected	Projected	Projected
Huston Creek WWTP Retaining Wall		\$531,000				
Collection System Flow Data Analysis and Hydraulic Model Updates		\$135,000				
Seeley Creek WWTP Access Road Assessment		\$95,000				
Seeley Creek WWTP Primary Clarifier Condition Assessment		\$142,000				
Houston Creek WWTP Ongoing Facility Safety Upgrades		\$60,000	\$346,000			
Houston Creek WWTP Access Road Replacement			\$365,000	\$1,065,500	\$1,065,500	
Seeley Creek Primary Clarifier Upgrade			\$150,000	\$870,000		
Seeley Creek WWTP Primary ODS Electrical Upgrade			\$39,000	\$228,000		
Lake Gregory Wet Well Capacity Upgrade				\$118,000	\$690,000	
Seeley Creek WWTP Access Road Replacement					\$684,000	\$1,331,000
Seeley Creek WWTP Well Construction					\$89,000	\$516,000
Seeley Creek WWTP Ancillary Systems Upgrade					\$102,000	\$594,000
Nutrient Management Study						\$304,000
Huston Creek Primary Clarifiers Structural Assessment						
Huston Creek Primary Clarifier Replacement						
Other CIP	\$992,600	\$730,000	\$414,575	\$427,012	\$439,823	\$453,017
Total	\$992,600	\$1,693,000	\$1,314,575	\$2,708,512	\$3,070,323	\$3,198,017

The following figure visually depicts the capital improvement costs over the next 5 years.

Figure 2 – Sewer Capital Improvements



Ongoing Operating Cost Inflation

The District faces annual cost inflation due to annual increases in a range of expenses including sewage collection, sewage treatment, engineering, and administration, etc. On top of rate increases needed for capital improvements, annual rate increases are needed to keep revenues aligned with cost inflation and prevent rates from falling behind the cost of providing service. Wastewater cost inflation has historically been higher than the Consumer Price Index (CPI) for consumer goods and services. Historically, inflation has typically remained consistently around 3%, but recently inflation has reached forty-year highs with the CPI and ENR CCI exceeding 7% in 2022. It is not expected that inflation will remain at such high levels in the future and for the purposes of this rate study average annual inflation is projected to be between 3% and 5%; in-line with the District’s budget inflationary projections.

Wastewater Reserve Funds

Maintaining a prudent minimal level of fund reserves provides a financial cushion for dealing with unanticipated expenses, revenue shortfalls, and non-catastrophic emergency capital repairs. BWA developed a financial plan designed to maintain prudent reserve levels that are in-line with industry standards and exceed one year of operating costs. While the proposed reserve levels are far below the District’s \$14.4 million target, the recommended reserves strike a balance between the impact of rate increases and the District’s reserve levels.

Projected Debt Issuances

In order to fund projected capital needs the District is projected to need to issue \$9.5 million dollars in new debt over the next five years. The projected debt issuances and assumptions are shown in the following table.

Table 3 – Projected Debt Issuances

New Financing Assumptions	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Net Proceeds Needed				\$5,000,000		\$4,500,000
Repayment Term (yrs)				30		30
Interest Rate				4.5%		4.5%
Issuance and Underwriting Cost				\$250,000		\$250,000
Total Debt Issue Size				\$5,250,000		\$4,750,000
Prorated Debt Service Payment - Current Yr. Only				\$161,000		\$146,000
Annual Debt Service Payment (rounded)				\$322,000		\$292,000
Total Proposed Annual Water Debt Service		\$0	\$0	\$161,000	\$322,000	\$468,000

Debt Service Coverage

The outstanding wastewater debt requires that the District generate net operating revenues of 1.2 times the total annual debt service payment or greater. These debt service payments begin in FY 25-26. This is referred to as “debt service coverage”. Future debt service will likely require a debt service of 1.3 times the total annual debt service payment or greater.

3.3 Financial Plan Assumptions

The financial projections incorporate the latest information available and a number of reasonable and slightly conservative assumptions for planning purposes. Key assumptions include:

Revenue Assumptions

- Wastewater rate revenues are based on estimated revenues for the current fiscal year.
- Rates proposed will be effective on July 1, 2024, with rate adjustments planned to become effective on July 1 of each of the subsequent four years.
- To be conservative and ensure revenues will be sufficient, BWA assumed no annual growth.
- Interest earnings are projected based on the annual beginning fund balance multiplied by the projected interest rate. The interest rate projections are based on recent and anticipated interest rates.

Expense Assumptions

- Operating and maintenance costs are primarily based on the 2023/24 budget.
- Operating costs are projected to escalate between 3% and 5% per year to account for cost inflation.
- Debt service projections are based on outstanding debt schedules and projected issuances of new debt.
- Capital improvement costs are based the recent master plan and input from the District. Capital costs include a 3% annual construction cost inflation factor for the next five years.

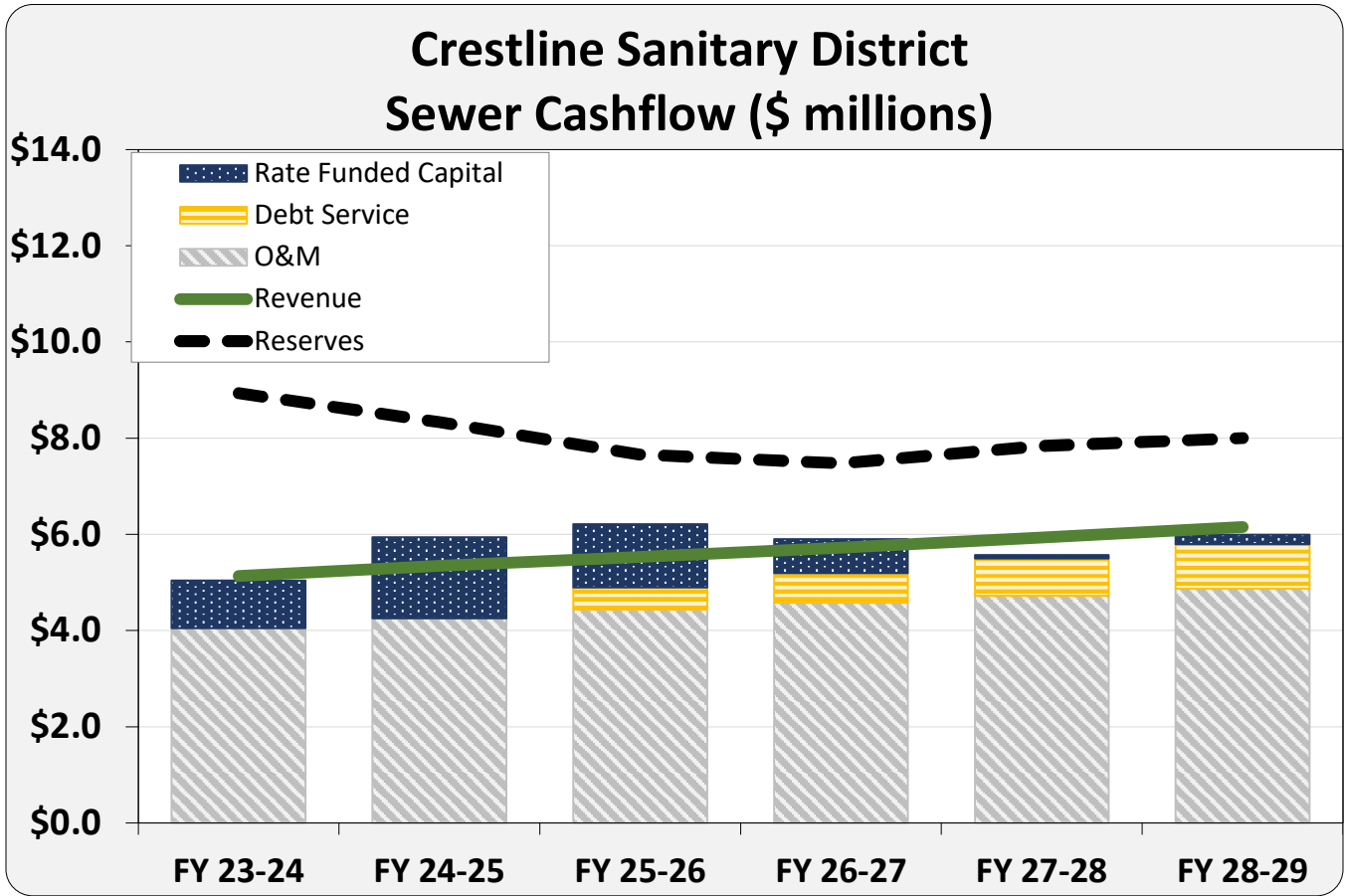
3.4 Cash Flow Projections

Long-term cash-flow projections were developed based on assumptions and key drivers of future rate increases described above. The projections were used to determine the wastewater utility's annual revenue requirements and project required wastewater rate revenue increases. The long-term cash-flow projections incorporate the latest information available from the District's budget, annual reports, capital spending projections, and metered water demand data, as well as a number of reasonable assumptions developed with input from the District. The overall rate revenue increases shown for each of the following scenarios are designed to fund the District's cost of providing service, maintain roughly balanced budgets, maintain healthy debt service coverage, and maintain prudent reserves. The projections indicate the need for increases for wastewater rate revenues for each of the next five fiscal years.

In future years, the District can re-evaluate its finances and revenue requirements and adjust rates as needed based on updated projections. However, while the District always has the flexibility to implement rate adjustments that are lower than adopted pursuant to Proposition 218, future rates cannot exceed adopted increases without going through the Proposition 218 process again. Rates adopted pursuant to Proposition 218 are essentially future rate caps.

The following figure visually depicts the cash-flow projections with the proposed rate increases for the next five years. Projected expenses are summarized into key categories. The figure also shows the projected fund reserves at the end of each fiscal year.

Figure 3 – Projected Cashflow Graph



Detailed, long-term, cash-flow projections for this scenario are shown in the following table.

Table 4 – Detailed Cash Flow Projections

Cashflow	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Beginning Reserve Balance	\$8,843,000	\$8,936,803	\$8,337,770	\$7,658,281	\$7,478,381	\$7,840,181
Revenues						
Sewer Rate Revenue						
<i>Rate Revenue Increase</i>		<i>6.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>
Current Rate Revenue	\$3,347,309	\$3,347,309	\$3,548,148	\$3,725,555	\$3,911,833	\$4,107,424
Rate Revenue from Increase		\$200,839	\$177,407	\$186,278	\$195,592	\$205,371
Other Revenue						
Sewer Penalties	\$121,000	\$121,000	\$121,000	\$121,000	\$121,000	\$121,000
Pumped Waste Permits	35,300	36,359	36,359	36,359	36,359	36,359
Permit & Inspection Fees	1,000	1,000	1,000	1,000	1,000	1,000
Cleghorn State Reimbursement	120,000	120,000	120,000	120,000	120,000	120,000
Pilot Rock Camp Fee	7,800	7,800	7,800	7,800	7,800	7,800
Other Service Fees	200	200	200	200	200	200
Property Taxes ³	1,385,900	1,399,759	1,413,757	1,427,894	1,442,173	1,456,595
Special Assessments	11,000	11,000	11,000	11,000	11,000	11,000
Delinquent Accounts Receivable ²	-16,900	-17,914	-18,810	-19,750	-20,738	-21,775
Delinquent AR Assessment ²	16,900	16,900	17,914	18,810	19,750	20,738
Grants and Aids	9,700	9,700	9,700	9,700	9,700	9,700
Interest Income	95,100	89,368	83,378	76,583	74,784	78,402
Other Incomes	\$300	\$300	\$300	\$300	\$300	\$300
Total Revenues	\$5,134,609	\$5,343,620	\$5,529,153	\$5,722,728	\$5,930,753	\$6,154,114
Expenses						
Operating Expenses	\$4,048,206	\$4,249,653	\$4,439,513	\$4,578,562	\$4,722,076	\$4,870,203
SRF Loan ¹	0	0	454,554	454,554	454,554	454,554
New Debt Service	0	0	0	161,000	322,000	468,000
Cash Funded Capital	\$992,600	\$1,693,000	\$1,314,575	\$708,512	\$70,323	\$198,017
Total Expenses	\$5,040,806	\$5,942,653	\$6,208,642	\$5,902,628	\$5,568,952	\$5,990,774
Net Revenues	\$93,803	-\$599,033	-\$679,489	-\$179,900	\$361,800	\$163,340
Ending Reserve Balance	\$8,936,803	\$8,337,770	\$7,658,281	\$7,478,381	\$7,840,181	\$8,003,521
Debt Coverage Ratio (New Debt Minimum 1.3)			2.40	1.86	1.56	1.39
¹ Debt to begin repayment in 2025 at a 0.9% interest rate for 30 years.						
² Delinquent Accounts Receivable based on prior year delinquencies.						
³ Projected property tax escalation 1% per year						
Capital Funding Assumptions						
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Capital Revenues						
Use of Debt Proceeds				\$2,000,000	\$3,000,000	\$3,000,000
Cash Funded Capital	\$992,600	\$1,693,000	\$1,314,575	\$708,512	\$70,323	\$198,017
Total Capital Revenue	\$992,600	\$1,693,000	\$1,314,575	\$2,708,512	\$3,070,323	\$3,198,017
Total Capital Expenditures	\$992,600	\$1,693,000	\$1,314,575	\$2,708,512	\$3,070,323	\$3,198,017

4 WASTEWATER COST OF SERVICE ANALYSIS AND RATE DERIVATION

BWA derived updated wastewater rates that account for the overall rate increases identified in the financial projections. The proposed rates are designed to equitably apportion and recover costs from the District’s customer base.

4.1 Equivalent Dwelling Units (EDUs)

Equivalent Dwelling Units (EDUs) reflect use relative to that of an average dwelling unit. The District describes how EDUs are calculated in Section 6.2 of its Rules and Regulations. BWA reviewed this section and finds that the EDU calculations are reasonable and in line with industry standards. The District provides service to 4,702 customers or 5,281 EDU’s.

4.2 Proposed Wastewater Rates

The following table shows a 5-year schedule of proposed wastewater rates. The recommended rate increases are projected to be effective on July 1 of the next five years beginning on July 1, 2024. The rates are designed to recover the District’s costs of providing wastewater service while achieving roughly balanced budgets in upcoming years.

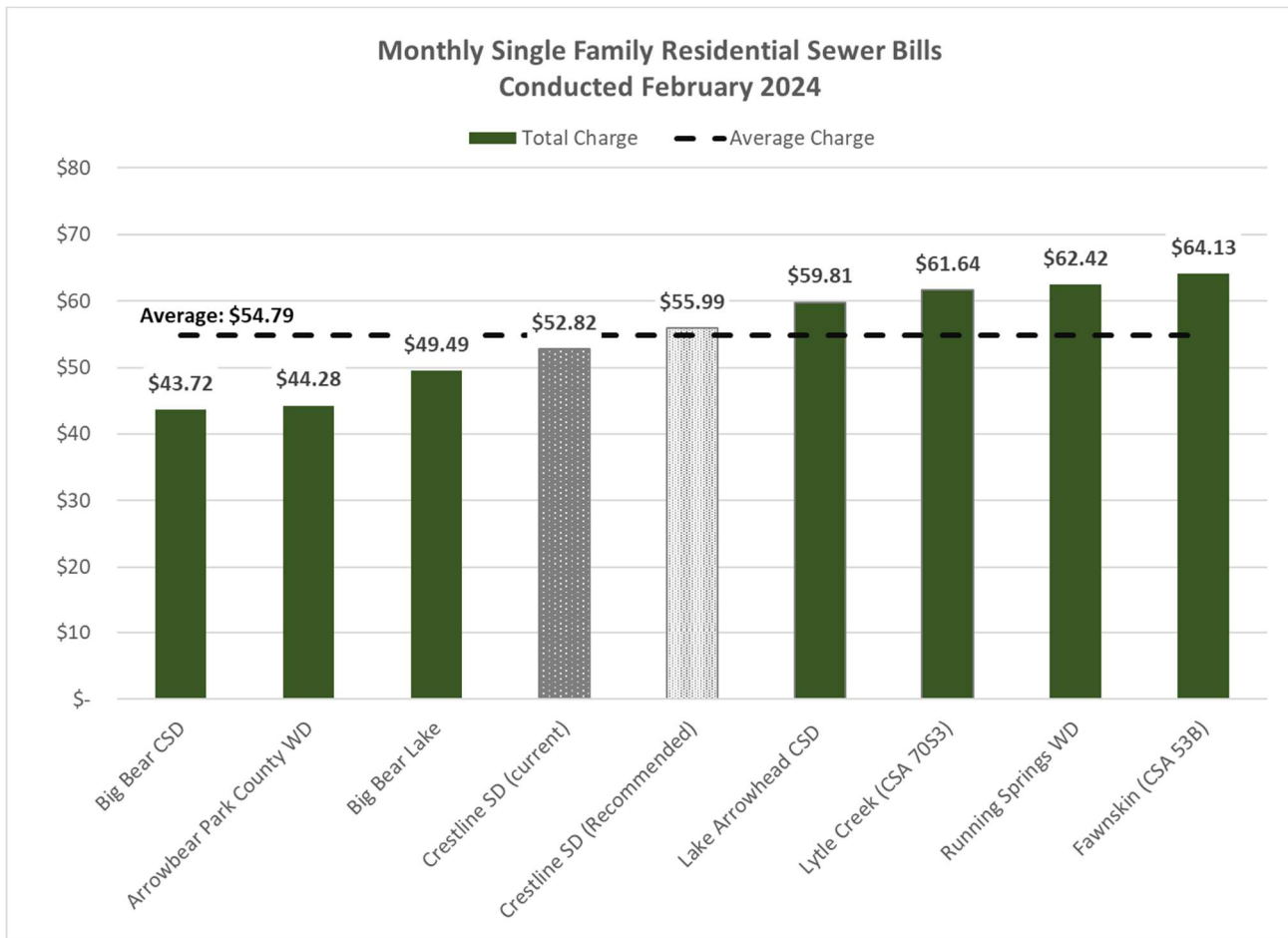
Table 5 – Proposed Wastewater Rates

Monthly Wastewater Rates	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Fixed Charge Per EDU	\$52.82	\$55.99	\$58.79	\$61.73	\$64.82	\$68.06

4.3 Regional Wastewater Rate Survey

The following charts compare the wastewater bills for a typical single-family home to those of other regional agencies.

Figure 4 – Monthly Residential Wastewater Rate Survey (4.5 CCF winter consumption)



5 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This rate study report presents a comprehensive review of the District’s sewer revenue requirements and rate structures. The District will need regular annual rate increases to keep up with cost inflation and be able to complete necessary capital projects while maintaining prudent reserves. The proposed rates are based on the cost of service and are intended to fund operating costs and build back reserves.

5.2 Recommendations

BWA recommends that the District adopt the rates shown in this report to fund its operations. At minimum, BWA recommends that the District review and update its rate study every five years and/or concurrent with Master Plan Updates. Proposition 218 allows public agencies to adopt rates over a five-year planning period. Any further rate increases must be proposed as part of a new Proposition 218 process.

APPENDIX A

Wastewater Rate Study Tables

Crestline Sanitation District

Wastewater Rate Study 2024



May 17, 2024



BARTLE WELLS ASSOCIATES
Independent Public Finance Advisors

Table 1
Crestline SD - Wastewater Rate Study
Customer Summary

Customers	Equivalent Dwelling Units (EDU)s
4,702	5,281

*Customer and EDU count as of 1/29/24.

Table 2
Crestline SD - Wastewater Rate Study
Projected Operating Expenses

Escalation Factors		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Expenses		Inflation	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
		<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Operations & Maintenance Expenses													
Salaries & Benefit - MAINT													
Salaries - REG*	Salary	\$319,210	\$356,171	\$373,979	\$385,198	\$396,754	\$408,657	\$420,917	\$433,544	\$446,551	\$459,947	\$473,745	
Salaries - OT	Salary	500	525	551	568	585	602	620	639	658	678	698	
Salaries - VAC	Salary	26,700	28,035	29,437	30,320	31,229	32,166	33,131	34,125	35,149	36,203	37,290	
Salaries - SICK	Salary	24,130	25,337	26,603	27,401	28,223	29,070	29,942	30,841	31,766	32,719	33,700	
Salaries - HOLIDAY	Salary	28,170	29,579	31,057	31,989	32,949	33,937	34,955	36,004	37,084	38,197	39,343	
Salaries - ON CALL / STANDBY	Salary	27,730	29,117	30,572	31,489	32,434	33,407	34,409	35,442	36,505	37,600	38,728	
Salaries - CALL BACK	Salary	2,000	2,100	2,205	2,271	2,339	2,409	2,482	2,556	2,633	2,712	2,793	
Payroll Tax	Salary	11,040	11,592	12,172	12,537	12,913	13,300	13,699	14,110	14,534	14,970	15,419	
Unemployment Expense	Salary	3,200	3,360	3,528	3,634	3,743	3,855	3,971	4,090	4,213	4,339	4,469	
Worker's Comp	Salary	51,260	53,823	56,514	58,210	59,956	61,755	63,607	65,515	67,481	69,505	71,590	
Employee Group Insurance	Salary	117,510	123,386	129,555	133,441	137,445	141,568	145,815	150,189	154,695	159,336	164,116	
OPEB Cost	Salary	-	-	-	-	-	-	-	-	-	-	-	
Retirement	Salary	178,170	187,079	196,432	202,325	208,395	214,647	221,086	227,719	234,551	241,587	248,835	
Pension Expense - MT	Salary	-	-	-	-	-	-	-	-	-	-	-	
Seasonal MT Workers	Salary	59,280	62,244	65,356	67,317	69,336	71,416	73,559	75,766	78,039	80,380	82,791	
Nationwide ER Match	Salary	4,300	4,515	4,741	4,883	5,029	5,180	5,336	5,496	5,661	5,831	6,005	
Subtotal		853,200	916,860	962,703	991,584	1,021,332	1,051,972	1,083,531	1,116,037	1,149,518	1,184,003	1,219,523	

Table 2
Crestline SD - Wastewater Rate Study
Projected Operating Expenses

Escalation Factors		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Expenses		Inflation	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
		<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Salaries & Benefit - OP													
Salaries - REG	Salary	633,240	664,902	698,147	719,092	740,664	762,884	785,771	809,344	833,624	858,633	884,392	
Salaries - OT	Salary	6,500	6,825	7,166	7,381	7,603	7,831	8,066	8,308	8,557	8,814	9,078	
Salaries - VAC	Salary	49,080	51,534	54,111	55,734	57,406	59,128	60,902	62,729	64,611	66,549	68,546	
Salaries - SICK	Salary	34,600	36,330	38,147	39,291	40,470	41,684	42,934	44,222	45,549	46,915	48,323	
Salaries - HOLIDAY	Salary	40,390	42,410	44,530	45,866	47,242	48,659	50,119	51,622	53,171	54,766	56,409	
Salaries - ON CALL / STANDBY	Salary	41,600	43,680	45,864	47,240	48,657	50,117	51,620	53,169	54,764	56,407	58,099	
Salaries - Call Back	Salary	2,000	2,100	2,205	2,271	2,339	2,409	2,482	2,556	2,633	2,712	2,793	
Payroll Tax	Salary	15,980	16,779	17,618	18,146	18,691	19,252	19,829	20,424	21,037	21,668	22,318	
Worker's Comp	Salary	63,830	67,022	70,373	72,484	74,658	76,898	79,205	81,581	84,029	86,549	89,146	
Employee Group Insurance	Salary	150,240	157,752	165,640	170,609	175,727	180,999	186,429	192,022	197,782	203,716	209,827	
OPEB Cost	Salary	-	-	-	-	-	-	-	-	-	-	-	
Retirement	Salary	270,650	284,183	298,392	307,343	316,564	326,061	335,842	345,918	356,295	366,984	377,994	
Pension Expense	Salary	-	-	-	-	-	-	-	-	-	-	-	
Seasonal OP Workers	Salary	24,960	26,208	27,518	28,344	29,194	30,070	30,972	31,901	32,858	33,844	34,859	
Nationwide ER Match	Salary	2,240	2,352	2,470	2,544	2,620	2,699	2,780	2,863	2,949	3,037	3,128	
<i>Subtotal</i>		<u>1,335,310</u>	<u>1,402,076</u>	<u>1,472,179</u>	<u>1,516,345</u>	<u>1,561,835</u>	<u>1,608,690</u>	<u>1,656,951</u>	<u>1,706,659</u>	<u>1,757,859</u>	<u>1,810,595</u>	<u>1,864,913</u>	
Professional Services - MAINT													
Other Professional Svc	General	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	
<i>Subtotal</i>		<u>3,600</u>	<u>3,708</u>	<u>3,819</u>	<u>3,934</u>	<u>4,052</u>	<u>4,173</u>	<u>4,299</u>	<u>4,428</u>	<u>4,560</u>	<u>4,697</u>	<u>4,838</u>	

Table 2
Crestline SD - Wastewater Rate Study
Projected Operating Expenses

Escalation Factors		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Expenses		Inflation	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
		<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Professional Services - OP													
Engineering	General	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	
Laboratory Analysis	General	58,520	60,276	62,084	63,946	65,865	67,841	69,876	71,972	74,131	76,355	78,646	
Permits & Fees	General	54,980	56,629	58,328	60,078	61,880	63,737	65,649	67,618	69,647	71,736	73,889	
Other Professional	General	1,490	1,535	1,581	1,628	1,677	1,727	1,779	1,833	1,887	1,944	2,002	
<i>Subtotal</i>		<i>129,990</i>	<i>133,890</i>	<i>137,906</i>	<i>142,044</i>	<i>146,305</i>	<i>150,694</i>	<i>155,215</i>	<i>159,871</i>	<i>164,667</i>	<i>169,607</i>	<i>174,696</i>	
Service and Supplies - MAINT													
Equipment Rental	General	850	876	902	929	957	985	1,015	1,045	1,077	1,109	1,142	
Clothing & Laundry	General	15,160	15,615	16,083	16,566	17,063	17,575	18,102	18,645	19,204	19,780	20,374	
54100MT - Misc Expense	General	-	-	-	-	-	-	-	-	-	-	-	
Auto Expense - General	General	28,190	29,036	29,907	30,804	31,728	32,680	33,660	34,670	35,710	36,782	37,885	
Maintenance of Equipment	General	13,360	13,761	14,174	14,599	15,037	15,488	15,953	16,431	16,924	17,432	17,955	
Maintenance of Structures	General	2,380	2,451	2,525	2,601	2,679	2,759	2,842	2,927	3,015	3,105	3,199	
Small Tools	General	2,050	2,112	2,175	2,240	2,307	2,377	2,448	2,521	2,597	2,675	2,755	
Supplies - Shop	General	2,490	2,565	2,642	2,721	2,803	2,887	2,973	3,062	3,154	3,249	3,346	
Supplies - Field	General	1,480	1,524	1,570	1,617	1,666	1,716	1,767	1,820	1,875	1,931	1,989	
<i>Subtotal</i>		<i>65,960</i>	<i>67,939</i>	<i>69,977</i>	<i>72,076</i>	<i>74,239</i>	<i>76,466</i>	<i>78,760</i>	<i>81,122</i>	<i>83,556</i>	<i>86,063</i>	<i>88,645</i>	

Table 2
Crestline SD - Wastewater Rate Study
Projected Operating Expenses

Escalation Factors		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Expenses		Inflation	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
		<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Service and Supplies - OP													
Auto Expense - Fuel	General	40,870	42,096	43,359	44,660	46,000	47,380	48,801	50,265	51,773	53,326	54,926	
Auto Expense - General	General	10,820	11,145	11,479	11,823	12,178	12,543	12,920	13,307	13,706	14,118	14,541	
Communication	General	4,830	4,975	5,124	5,278	5,436	5,599	5,767	5,940	6,118	6,302	6,491	
Due & Subscription	General	130	134	138	142	146	151	155	160	165	170	175	
Equipment Purchase	General	2,650	2,730	2,811	2,896	2,983	3,072	3,164	3,259	3,357	3,458	3,561	
Equipment Rental	General	7,680	7,910	8,148	8,392	8,644	8,903	9,170	9,445	9,729	10,021	10,321	
Insurance	General	155,236	159,893	164,690	169,631	174,719	179,961	185,360	190,921	196,648	202,548	208,624	
Insurance - Vehicle	General	38,370	39,521	40,707	41,928	43,186	44,481	45,816	47,190	48,606	50,064	51,566	
Clothing & Laundry	General	13,460	13,864	14,280	14,708	15,149	15,604	16,072	16,554	17,051	17,562	18,089	
Lodge & Meals	General	1,920	1,978	2,037	2,098	2,161	2,226	2,293	2,361	2,432	2,505	2,580	
Misc Expense	General	130	134	138	142	146	151	155	160	165	170	175	
Maintenance of Equipment	General	76,460	78,754	81,116	83,550	86,056	88,638	91,297	94,036	96,857	99,763	102,756	
Maintenance of Structures	General	13,890	14,307	14,736	15,178	15,633	16,102	16,585	17,083	17,595	18,123	18,667	
Memberships/Certifications	General	35,960	37,039	38,150	39,294	40,473	41,687	42,938	44,226	45,553	46,920	48,327	
Safety Equipment	General	5,410	5,572	5,739	5,912	6,089	6,272	6,460	6,654	6,853	7,059	7,271	
Small Tools	General	1,190	1,226	1,262	1,300	1,339	1,380	1,421	1,464	1,507	1,553	1,599	
Supplies	General	3,920	4,038	4,159	4,283	4,412	4,544	4,681	4,821	4,966	5,115	5,268	
Special Dept - Chlorine / Salt	Chemicals	33,800	35,490	37,265	39,128	41,084	43,138	45,295	47,560	49,938	52,435	55,057	
Special Dept - Sludge /Chemica	Chemicals	49,600	52,080	54,684	57,418	60,289	63,304	66,469	69,792	73,282	76,946	80,793	
Special Dept - Oxygen/Propane	Chemicals	6,020	6,321	6,637	6,969	7,317	7,683	8,067	8,471	8,894	9,339	9,806	
Special Dept - Emergency	General	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	
Training	General	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	
<i>Subtotal</i>		<u>547,346</u>	<u>565,555</u>	<u>584,399</u>	<u>603,903</u>	<u>624,090</u>	<u>644,987</u>	<u>666,619</u>	<u>689,014</u>	<u>712,201</u>	<u>736,209</u>	<u>761,070</u>	

Table 2
Crestline SD - Wastewater Rate Study
Projected Operating Expenses

Escalation Factors		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Expenses		Inflation	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
			<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Utilities - OP													
Telephone	General		66,850	68,856	70,921	73,049	75,240	77,497	79,822	82,217	84,684	87,224	89,841
Utilities - Electric	Utilities		144,350	151,568	159,146	167,103	175,458	184,231	193,443	203,115	213,271	223,934	235,131
Utilities - Gas	Utilities		11,810	12,401	13,021	13,672	14,355	15,073	15,827	16,618	17,449	18,321	19,237
Utilities - Water	Utilities		11,260	11,823	12,414	13,035	13,687	14,371	15,089	15,844	16,636	17,468	18,341
Utilities - Trash	Utilities		7,670	8,054	8,456	8,879	9,323	9,789	10,279	10,792	11,332	11,899	12,494
Refuse Disposal	Utilities		1,420	1,491	1,566	1,644	1,726	1,812	1,903	1,998	2,098	2,203	2,313
<i>Subtotal</i>			<u>243,360</u>	<u>254,191</u>	<u>265,523</u>	<u>277,381</u>	<u>289,789</u>	<u>302,774</u>	<u>316,363</u>	<u>330,584</u>	<u>345,469</u>	<u>361,049</u>	<u>377,357</u>
Administration Expenses													
Salaries and Benefit													
Salaries - REG ADM*	Salary		187,560	\$196,938	\$206,785	\$212,988	\$219,378	\$225,959	\$232,738	\$239,720	\$246,912	\$254,319	\$261,949
Salaries - OT ADM	Salary		2,150	2,258	2,370	2,441	2,515	2,590	2,668	2,748	2,830	2,915	3,003
Salaries - VAC ADM	Salary		44,080	46,284	48,598	50,056	51,558	53,105	54,698	56,339	58,029	59,770	61,563
Salaries - SICK ADM	Salary		10,750	11,288	11,852	12,207	12,574	12,951	13,339	13,740	14,152	14,576	15,014
Salaries - HOLIDAY ADM	Salary		20,090	21,095	22,149	22,814	23,498	24,203	24,929	25,677	26,447	27,241	28,058
Payroll Tax - ADM	Salary		11,440	12,012	12,613	12,991	13,381	13,782	14,196	14,621	15,060	15,512	15,977
Worker's Comp - ADM	Salary		3,170	3,329	3,495	3,600	3,708	3,819	3,934	4,052	4,173	4,298	4,427
Employee Group Insurance - AI	Salary		70,780	74,319	78,035	80,376	82,787	85,271	87,829	90,464	93,178	95,973	98,852
OPEB Cost	Salary		-	-	-	-	-	-	-	-	-	-	-
Retirement - ADM	Salary		142,570	149,699	157,183	161,899	166,756	171,759	176,911	182,219	187,685	193,316	199,115
Pension Expense	Salary		-	-	-	-	-	-	-	-	-	-	-
Nationwide - ER Match	Salary		2,990	3,140	3,296	3,395	3,497	3,602	3,710	3,822	3,936	4,054	4,176
<i>Subtotal</i>			<u>495,580</u>	<u>520,359</u>	<u>546,377</u>	<u>562,768</u>	<u>579,651</u>	<u>597,041</u>	<u>614,952</u>	<u>633,401</u>	<u>652,403</u>	<u>671,975</u>	<u>692,134</u>

Table 2
Crestline SD - Wastewater Rate Study
Projected Operating Expenses

Escalation Factors		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Expenses		Inflation	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
			<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Board Expenses													
Board Director's Fee	General		18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486	24,190
Board Exp - Meals & Lodging	General		800	824	849	874	900	927	955	984	1,013	1,044	1,075
Board Exp - Education & Trainir	General		200	206	212	219	225	232	239	246	253	261	269
<i>Subtotal</i>			<u>19,000</u>	<u>19,570</u>	<u>20,157</u>	<u>20,762</u>	<u>21,385</u>	<u>22,026</u>	<u>22,687</u>	<u>23,368</u>	<u>24,069</u>	<u>24,791</u>	<u>25,534</u>
Professional Services													
Accounting	General		51,890	53,447	55,050	56,702	58,403	60,155	61,959	63,818	65,733	67,705	69,736
County Services	General		400	412	424	437	450	464	478	492	507	522	538
Legal	General		50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196
Software Support - ADM	General		7,100	7,313	7,532	7,758	7,991	8,231	8,478	8,732	8,994	9,264	9,542
Other Professional - ADM	General		113,310	116,709	120,211	123,817	127,531	131,357	135,298	139,357	143,538	147,844	152,279
<i>Subtotal</i>			<u>222,700</u>	<u>229,381</u>	<u>236,262</u>	<u>243,350</u>	<u>250,651</u>	<u>258,170</u>	<u>265,915</u>	<u>273,893</u>	<u>282,110</u>	<u>290,573</u>	<u>299,290</u>

Table 2
Crestline SD - Wastewater Rate Study
Projected Operating Expenses

Escalation Factors		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Expenses		Inflation	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
		<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Services and Supplies													
Bank Charges	General	16,170	16,655	17,155	17,669	18,199	18,745	19,308	19,887	20,484	21,098	21,731	
Computer Expense	General	8,530	8,786	9,049	9,321	9,601	9,889	10,185	10,491	10,806	11,130	11,464	
Due & Subscription	General	5,090	5,243	5,400	5,562	5,729	5,901	6,078	6,260	6,448	6,641	6,841	
Janitorial Service	General	8,900	9,167	9,442	9,725	10,017	10,318	10,627	10,946	11,274	11,612	11,961	
Lease Equipment - ADM	General	3,370	3,471	3,575	3,682	3,793	3,907	4,024	4,145	4,269	4,397	4,529	
Legal Notice	General	720	742	764	787	810	835	860	886	912	939	968	
Office Expense	General	3,550	3,657	3,766	3,879	3,996	4,115	4,239	4,366	4,497	4,632	4,771	
Office Supplies	General	6,310	6,499	6,694	6,895	7,102	7,315	7,534	7,761	7,993	8,233	8,480	
Penalties	General	150	155	159	164	169	174	179	184	190	196	202	
Pest Control	General	4,980	5,129	5,283	5,442	5,605	5,773	5,946	6,125	6,309	6,498	6,693	
Postage & Delivery	General	20,170	20,775	21,398	22,040	22,702	23,383	24,084	24,807	25,551	26,317	27,107	
Printing & Publications	General	12,930	13,318	13,717	14,129	14,553	14,989	15,439	15,902	16,379	16,871	17,377	
Public Relation	General	11,940	12,298	12,667	13,047	13,439	13,842	14,257	14,685	15,125	15,579	16,046	
Maintenance of Equipment	General	2,520	2,596	2,673	2,754	2,836	2,921	3,009	3,099	3,192	3,288	3,387	
Maintenance of Structure	General	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	
Training	General	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	
Travel	General	300	309	318	328	338	348	358	369	380	391	403	
Lodge - Meals	General	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566	1,613	
Payroll Expenses	General	840	865	891	918	945	974	1,003	1,033	1,064	1,096	1,129	
<i>Subtotal</i>		<u>127,670</u>	<u>131,500</u>	<u>135,445</u>	<u>139,508</u>	<u>143,694</u>	<u>148,005</u>	<u>152,445</u>	<u>157,018</u>	<u>161,729</u>	<u>166,580</u>	<u>171,578</u>	
Bad Debts													
Bad Debt Expenses	General	4,490	4,625	4,763	4,906	5,054	5,205	5,361	5,522	5,688	5,858	6,034	
<i>Subtotal</i>		<u>4,490</u>	<u>4,625</u>	<u>4,763</u>	<u>4,906</u>	<u>5,054</u>	<u>5,205</u>	<u>5,361</u>	<u>5,522</u>	<u>5,688</u>	<u>5,858</u>	<u>6,034</u>	
Total Operating Expenses		\$4,048,206	\$4,249,653	\$4,439,513	\$4,578,562	\$4,722,076	\$4,870,203	\$5,023,097	\$5,180,917	\$5,343,828	\$5,512,001	\$5,685,612	

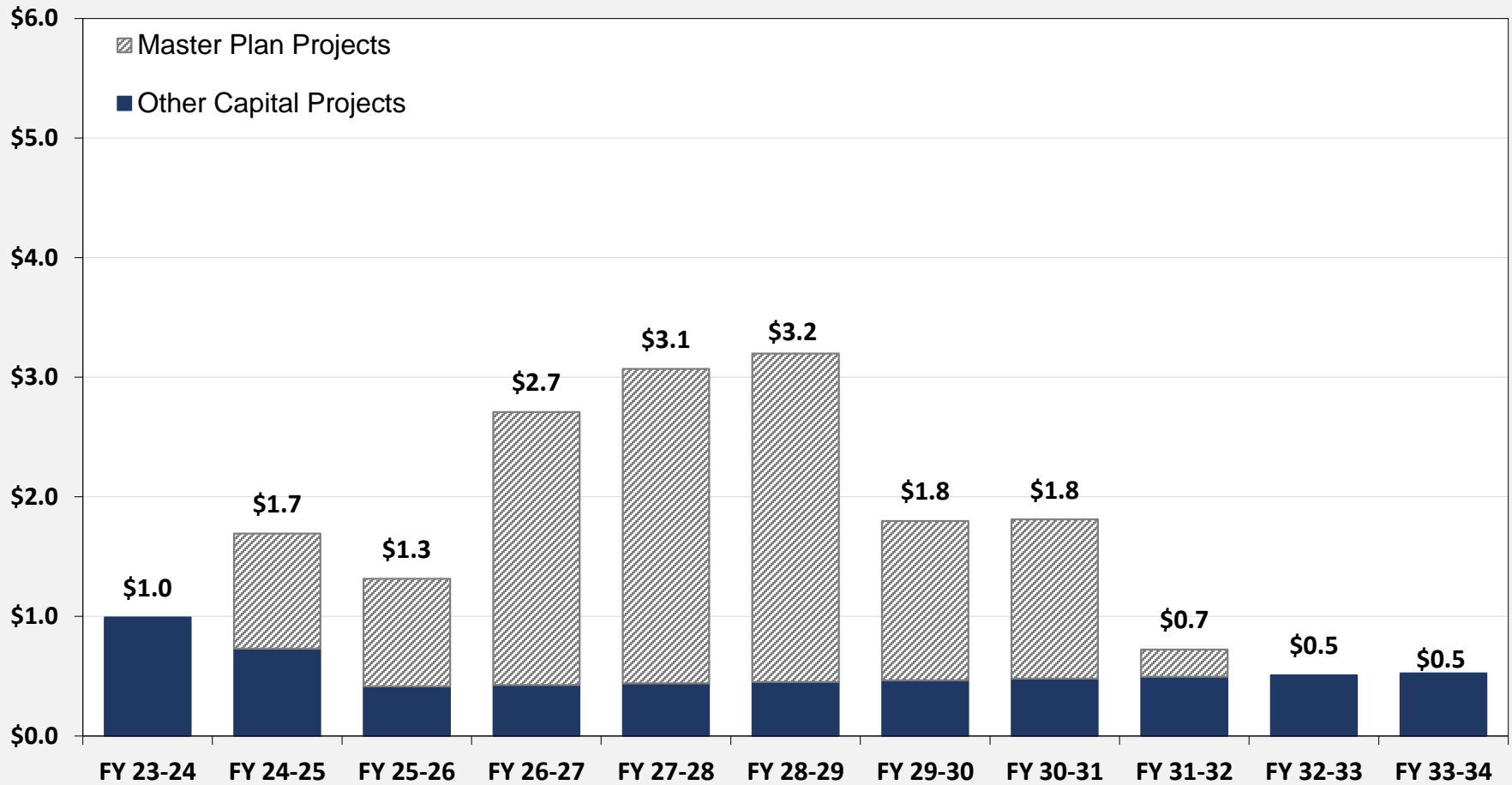
Table 3
Crestline SD - Wastewater Rate Study
Capital Improvement Costs

Capital Costs	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
Project Description	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Huston Creek WWTP Retaining Wall		\$531,000									
Collection System Flow Data Analysis and Hydraulic Model Updates		\$135,000									
Seeley Creek WWTP Access Road Assessment		\$95,000									
Seeley Creek WWTP Primary Clarifier Condition Assessment		\$142,000									
Houston Creek WWTP Ongoing Facility Safety Upgrades		\$60,000	\$346,000								
Houston Creek WWTP Access Road Replacement			\$365,000	\$1,065,500	\$1,065,500						
Seeley Creek Primary Clarifier Upgrade			\$150,000	\$870,000							
Seeley Creek WWTP Primary ODS Electrical Upgrade			\$39,000	\$228,000							
Lake Gregory Wet Well Capacity Upgrade				\$118,000	\$690,000						
Seeley Creek WWTP Access Road Replacement					\$684,000	\$1,331,000	\$1,331,000	\$1,331,000			
Seeley Creek WWTP Well Construction					\$89,000	\$516,000					
Seeley Creek WWTP Ancillary Systems Upgrade					\$102,000	\$594,000					
Nutrient Management Study						\$304,000					
Huston Creek Primary Clarifiers Structural Assessment									\$228,000		
Huston Creek Primary Clarifier Replacement										\$4,000,000	\$4,000,000
Other CIP	\$992,600	\$730,000	\$414,575	\$427,012	\$439,823	\$453,017	\$466,608	\$480,606	\$495,024	\$509,875	\$525,171
Total	\$992,600	\$1,693,000	\$1,314,575	\$2,708,512	\$3,070,323	\$3,198,017	\$1,797,608	\$1,811,606	\$723,024	\$4,509,875	\$4,525,171

*Amounts adjusted for 3% Inflation

Capital in future \$; includes annual construction cost inflation.

Crestline Sanitary District Sewer Capital Improvements (\$ millions)



Source: Source: Dudek Master Plan.

Table 4
Crestline SD - Wastewater Rate Study
Cash Flow Projection

Cashflow	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Beginning Reserve Balance	\$8,843,000	\$8,936,803	\$8,337,770	\$7,658,281	\$7,478,381	\$7,840,181
Revenues						
Sewer Rate Revenue						
Rate Revenue Increase		6.0%	5.0%	5.0%	5.0%	5.0%
Current Rate Revenue	\$3,347,309	\$3,347,309	\$3,548,148	\$3,725,555	\$3,911,833	\$4,107,424
Rate Revenue from Increase		\$200,839	\$177,407	\$186,278	\$195,592	\$205,371
Other Revenue						
Sewer Penalties	\$121,000	\$121,000	\$121,000	\$121,000	\$121,000	\$121,000
Pumped Waste Permits	35,300	36,359	36,359	36,359	36,359	36,359
Permit & Inspection Fees	1,000	1,000	1,000	1,000	1,000	1,000
Cleghorn State Reimbursement	120,000	120,000	120,000	120,000	120,000	120,000
Pilot Rock Camp Fee	7,800	7,800	7,800	7,800	7,800	7,800
Other Service Fees	200	200	200	200	200	200
Property Taxes ³	1,385,900	1,399,759	1,413,757	1,427,894	1,442,173	1,456,595
Special Assessments	11,000	11,000	11,000	11,000	11,000	11,000
Delinquent Accounts Receivable ⁴	-16,900	-17,914	-18,810	-19,750	-20,738	-21,775
Delinquent AR Assessment ⁴	16,900	16,900	17,914	18,810	19,750	20,738
Grants and Aids	9,700	9,700	9,700	9,700	9,700	9,700
Interest Income	95,100	89,368	83,378	76,583	74,784	78,402
Other Incomes	\$300	\$300	\$300	\$300	\$300	\$300
Total Revenues	\$5,134,609	\$5,343,620	\$5,529,153	\$5,722,728	\$5,930,753	\$6,154,114
Expenses						
Operating Expenses	\$4,048,206	\$4,249,653	\$4,439,513	\$4,578,562	\$4,722,076	\$4,870,203
SRF Loan ¹	0	0	454,554	454,554	454,554	454,554
New Debt Service	0	0	0	161,000	322,000	468,000
Cash Funded Capital	\$992,600	\$1,693,000	\$1,314,575	\$708,512	\$70,323	\$198,017
Total Expenses	\$5,040,806	\$5,942,653	\$6,208,642	\$5,902,628	\$5,568,952	\$5,990,774
Net Revenues	\$93,803	-\$599,033	-\$679,489	-\$179,900	\$361,800	\$163,340
Ending Reserve Balance	\$8,936,803	\$8,337,770	\$7,658,281	\$7,478,381	\$7,840,181	\$8,003,521
<i>Debt Coverage Ratio (New Debt Minimum 1.3)</i>			2.40	1.86	1.56	1.39
¹ Debt to begin repayment in 2025 at a 0.9% interest rate for 30 years. ⁴ Delinquent Accounts Receivable based on prior year delinquencies. ³ Projected property tax escalation 1% per year						
Capital Funding Assumptions						
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Capital Revenues						
Use of Debt Proceeds				\$2,000,000	\$3,000,000	\$3,000,000
Cash Funded Capital	\$992,600	\$1,693,000	\$1,314,575	\$708,512	\$70,323	\$198,017
Total Capital Revenue	\$992,600	\$1,693,000	\$1,314,575	\$2,708,512	\$3,070,323	\$3,198,017
Total Capital Expenditures	\$992,600	\$1,693,000	\$1,314,575	\$2,708,512	\$3,070,323	\$3,198,017
New Financing Assumptions						
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Net Proceeds Needed				\$5,000,000		\$4,500,000
Repayment Term (yrs)				30		30
Interest Rate				4.5%		4.5%
Issuance and Underwriting Cost				\$250,000		\$250,000
Total Debt Issue Size				\$5,250,000		\$4,750,000
Prorated Debt Service Payment - Current Yr. Only				\$161,000		\$146,000
Annual Debt Service Payment (rounded)				\$322,000		\$292,000
Total Proposed Annual Water Debt Service		\$0	\$0	\$161,000	\$322,000	\$468,000

**Table 4
Crestline SD - Wastewater Rate Study
Cash Flow Projection**

Cashflow	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
Beginning Reserve Balance	\$8,003,521	\$8,064,529	\$6,767,502	\$6,715,895	\$7,292,277
Revenues					
Sewer Rate Revenue					
<i>Rate Revenue Increase</i>	<i>6.5%</i>	<i>6.5%</i>	<i>6.5%</i>	<i>6.5%</i>	<i>6.5%</i>
Current Rate Revenue	\$4,312,796	\$4,593,127	\$4,891,681	\$5,209,640	\$5,548,266
Rate Revenue from Increase	280,332	298,553	317,959	338,627	360,637
Other Revenue					
Sewer Penalties	\$121,000	\$121,000	\$121,000	\$121,000	\$121,000
Pumped Waste Permits	36,359	36,359	36,359	36,359	36,359
Permit & Inspection Fees	1,000	1,000	1,000	1,000	1,000
Cleghorn State Reimbursement	120,000	120,000	120,000	120,000	120,000
Pilot Rock Camp Fee	7,800	7,800	7,800	7,800	7,800
Other Service Fees	200	200	200	200	200
Property Taxes ³	1,471,161	1,485,872	1,500,731	1,515,738	1,530,896
Special Assessments	11,000	11,000	11,000	11,000	11,000
Delinquent Accounts Receivable ⁴	-23,190	-24,697	-26,303	-28,012	-29,833
Delinquent AR Assessment ⁴	21,775	23,190	24,697	26,303	28,012
Grants and Aids	9,700	9,700	9,700	9,700	9,700
Interest Income	80,035	80,645	67,675	67,159	72,923
Other Incomes	\$300	\$300	\$300	\$300	\$300
Total Revenues	\$6,450,267	\$6,764,050	\$7,083,800	\$7,436,813	\$7,818,261
Expenses					
Operating Expenses	\$5,023,097	\$5,180,917	\$5,343,828	\$5,512,001	\$5,685,612
SRF Loan ¹	454,554	454,554	454,554	454,554	454,554
New Debt Service	614,000	614,000	614,000	884,000	1,154,000
Cash Funded Capital	\$297,608	\$1,811,606	\$723,024	\$9,875	\$525,171
Total Expenses	\$6,389,259	\$8,061,077	\$7,135,407	\$6,860,430	\$7,819,338
Net Revenues	\$61,008	-\$1,297,027	-\$51,607	\$576,383	-\$1,076
Ending Reserve Balance	\$8,064,529	\$6,767,502	\$6,715,895	\$7,292,277	\$7,291,201
<i>Debt Coverage Ratio (New Debt Minimum 1.3)</i>	<i>1.34</i>	<i>1.48</i>	<i>1.63</i>	<i>1.44</i>	<i>1.33</i>
¹ Debt to begin repayment in 2025 at a 0.9% i ⁴ Delinquent Accounts Receivable based on pr ³ Projected property tax escalation 1% per ye					
Capital Funding Assumptions					
	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
Capital Revenues					
Use of Debt Proceeds	\$1,500,000			\$4,500,000	\$4,000,000
Cash Funded Capital	\$297,608	\$1,811,606	\$723,024	\$9,875	\$525,171
Total Capital Revenue	\$1,797,608	\$1,811,606	\$723,024	\$4,509,875	\$4,525,171
Total Capital Expenditures	\$1,797,608	\$1,811,606	\$723,024	\$4,509,875	\$4,525,171
New Financing Assumptions					
	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34
Net Proceeds Needed				\$8,500,000	
Repayment Term (yrs)				30	
Interest Rate				4.5%	
Issuance and Underwriting Cost				\$300,000	
Total Debt Issue Size				\$8,800,000	
Prorated Debt Service Payment - Current Yr				\$270,000	
Annual Debt Service Payment (rounded)				\$540,000	
Total Proposed Annual Water Debt Service	\$614,000	\$614,000	\$614,000	\$884,000	\$1,154,000

Crestline Sanitary District Sewer Cashflow (\$ millions)

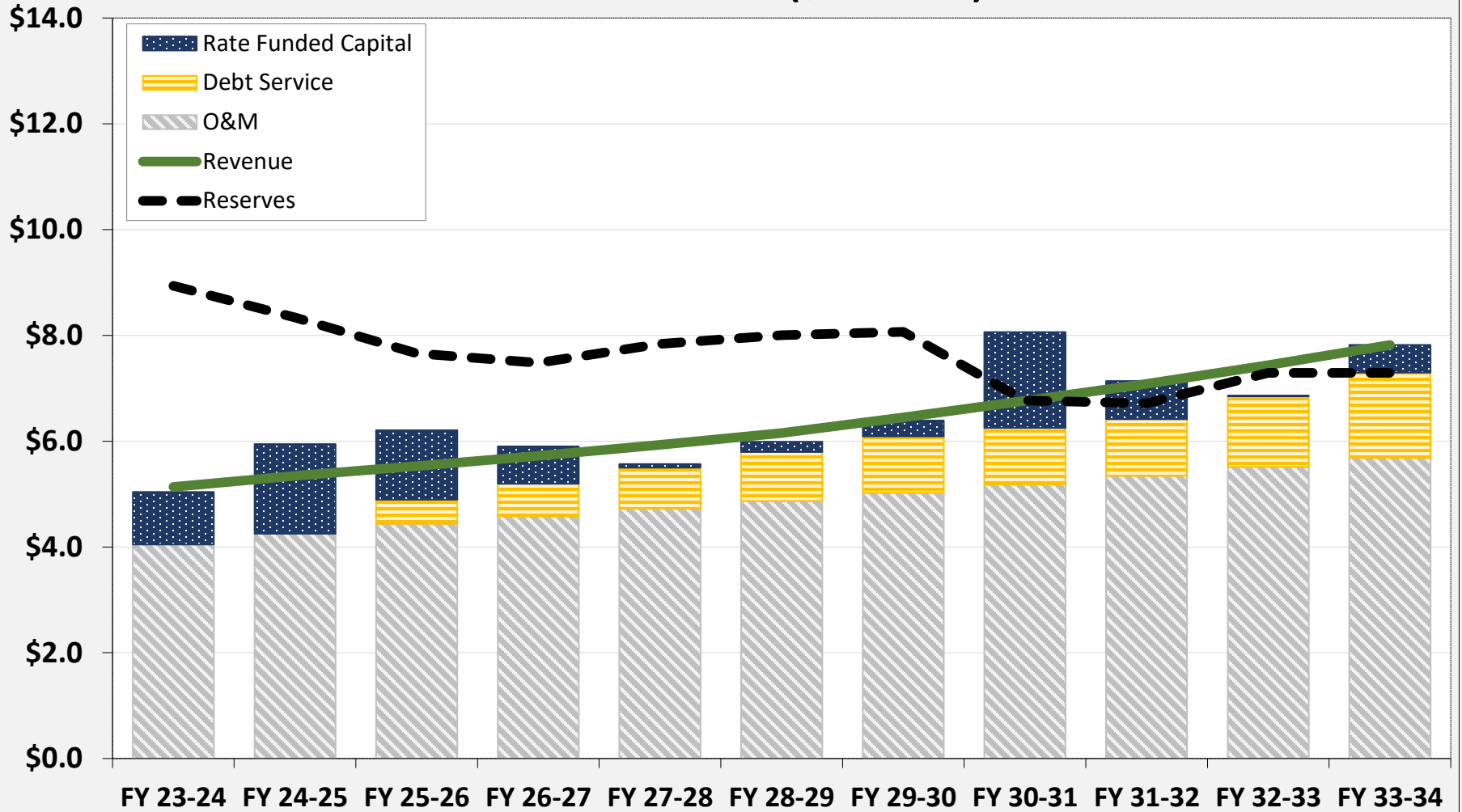


Table 5
Crestline SD - Wastewater Rate Study
Recommended Rates

Monthly Wastewater Rates	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Fixed Charge Per EDU	\$52.82	\$55.99	\$58.79	\$61.73	\$64.82	\$68.06