

# **Crestline Sanitation District**

## **Draft Wastewater Rate Study 2024**

### **Scenario 1 (Partial Master Plan Funding):**

**Rate revenue increases of 5% in 23/24 and then 3% annually**



**March 13, 2024**



**BARTLE WELLS ASSOCIATES**  
Independent Public Finance Advisors

**Table 2**  
**Crestline SD - Draft Wastewater Rate Study**  
**Projected Operating Expenses**

<b>Escelation Factors</b>		<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%

<b>Expenses</b>	<b>Inflation</b>	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
		<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>Operations &amp; Maintenance Expenses</b>							
<b>Salaries &amp; Benefit - MAINT</b>							
Salaries - REG*	Salary	\$319,210	\$356,171	\$373,979	\$385,198	\$396,754	\$408,657
Salaries - OT	Salary	500	525	551	568	585	602
Salaries - VAC	Salary	26,700	28,035	29,437	30,320	31,229	32,166
Salaries - SICK	Salary	24,130	25,337	26,603	27,401	28,223	29,070
Salaries - HOLIDAY	Salary	28,170	29,579	31,057	31,989	32,949	33,937
Salaries - ON CALL / STANDBY	Salary	27,730	29,117	30,572	31,489	32,434	33,407
Salaries - CALL BACK	Salary	2,000	2,100	2,205	2,271	2,339	2,409
Payroll Tax	Salary	11,040	11,592	12,172	12,537	12,913	13,300
Unemployment Expense	Salary	3,200	3,360	3,528	3,634	3,743	3,855
Worker's Comp	Salary	51,260	53,823	56,514	58,210	59,956	61,755
Employee Group Insurance	Salary	117,510	123,386	129,555	133,441	137,445	141,568
OPEB Cost	Salary	-	-	-	-	-	-
Retirement	Salary	178,170	187,079	196,432	202,325	208,395	214,647
Pension Expense - MT	Salary	-	-	-	-	-	-
Seasonal MT Workers	Salary	59,280	62,244	65,356	67,317	69,336	71,416
Nationwide ER Match	Salary	4,300	4,515	4,741	4,883	5,029	5,180
<b>Subtotal</b>		<b>853,200</b>	<b>916,860</b>	<b>962,703</b>	<b>991,584</b>	<b>1,021,332</b>	<b>1,051,972</b>
<b>Salaries &amp; Benefit - OP</b>							
Salaries - REG	Salary	633,240	664,902	698,147	719,092	740,664	762,884
Salaries - OT	Salary	6,500	6,825	7,166	7,381	7,603	7,831
Salaries - VAC	Salary	49,080	51,534	54,111	55,734	57,406	59,128
Salaries - SICK	Salary	34,600	36,330	38,147	39,291	40,470	41,684
Salaries - HOLIDAY	Salary	40,390	42,410	44,530	45,866	47,242	48,659
Salaries - ON CALL / STANDBY	Salary	41,600	43,680	45,864	47,240	48,657	50,117
Salaries - Call Back	Salary	2,000	2,100	2,205	2,271	2,339	2,409
Payroll Tax	Salary	15,980	16,779	17,618	18,146	18,691	19,252
Worker's Comp	Salary	63,830	67,022	70,373	72,484	74,658	76,898
Employee Group Insurance	Salary	150,240	157,752	165,640	170,609	175,727	180,999
OPEB Cost	Salary	-	-	-	-	-	-
Retirement	Salary	270,650	284,183	298,392	307,343	316,564	326,061
Pension Expense	Salary	-	-	-	-	-	-
Seasonal OP Workers	Salary	24,960	26,208	27,518	28,344	29,194	30,070
Nationwide ER Match	Salary	2,240	2,352	2,470	2,544	2,620	2,699
<b>Subtotal</b>		<b>1,335,310</b>	<b>1,402,076</b>	<b>1,472,179</b>	<b>1,516,345</b>	<b>1,561,835</b>	<b>1,608,690</b>
<b>Professional Services - MAINT</b>							
Other Professional Svc	General	3,600	3,708	3,819	3,934	4,052	4,173
<b>Subtotal</b>		<b>3,600</b>	<b>3,708</b>	<b>3,819</b>	<b>3,934</b>	<b>4,052</b>	<b>4,173</b>



**Table 2**  
**Crestline SD - Draft Wastewater Rate Study**  
**Projected Operating Expenses**

Escelation Factors		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	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
		<i>Budgeted</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
Utilities - Electric	Utilities	144,350	151,568	159,146	167,103	175,458	184,231
Utilities - Gas	Utilities	11,810	12,401	13,021	13,672	14,355	15,073
Utilities - Water	Utilities	11,260	11,823	12,414	13,035	13,687	14,371
Utilities - Trash	Utilities	7,670	8,054	8,456	8,879	9,323	9,789
Refuse Disposal	Utilities	1,420	1,491	1,566	1,644	1,726	1,812
<i>Subtotal</i>		<i>243,360</i>	<i>254,191</i>	<i>265,523</i>	<i>277,381</i>	<i>289,789</i>	<i>302,774</i>
<b>Administration Expenses</b>							
Salaries and Benefit							
Salaries - REG ADM*	Salary	187,560	\$196,938	\$206,785	\$212,988	\$219,378	\$225,959
Salaries - OT ADM	Salary	2,150	2,258	2,370	2,441	2,515	2,590
Salaries - VAC ADM	Salary	44,080	46,284	48,598	50,056	51,558	53,105
Salaries - SICK ADM	Salary	10,750	11,288	11,852	12,207	12,574	12,951
Salaries - HOLIDAY ADM	Salary	20,090	21,095	22,149	22,814	23,498	24,203
Payroll Tax - ADM	Salary	11,440	12,012	12,613	12,991	13,381	13,782
Worker's Comp - ADM	Salary	3,170	3,329	3,495	3,600	3,708	3,819
Employee Group Insurance - ADM	Salary	70,780	74,319	78,035	80,376	82,787	85,271
OPEB Cost	Salary	-	-	-	-	-	-
Retirement - ADM	Salary	142,570	149,699	157,183	161,899	166,756	171,759
Pension Expense	Salary	-	-	-	-	-	-
Nationwide - ER Match	Salary	2,990	3,140	3,296	3,395	3,497	3,602
<i>Subtotal</i>		<i>495,580</i>	<i>520,359</i>	<i>546,377</i>	<i>562,768</i>	<i>579,651</i>	<i>597,041</i>
Board Expenses							
Board Director's Fee	General	18,000	18,540	19,096	19,669	20,259	20,867
Board Exp - Meals & Lodging	General	800	824	849	874	900	927
Board Exp - Education & Training	General	200	206	212	219	225	232
<i>Subtotal</i>		<i>19,000</i>	<i>19,570</i>	<i>20,157</i>	<i>20,762</i>	<i>21,385</i>	<i>22,026</i>
Professional Services							
Accounting	General	51,890	53,447	55,050	56,702	58,403	60,155
County Services	General	400	412	424	437	450	464
Legal	General	50,000	51,500	53,045	54,636	56,275	57,964
Software Support - ADM	General	7,100	7,313	7,532	7,758	7,991	8,231
Other Professional - ADM	General	113,310	116,709	120,211	123,817	127,531	131,357
<i>Subtotal</i>		<i>222,700</i>	<i>229,381</i>	<i>236,262</i>	<i>243,350</i>	<i>250,651</i>	<i>258,170</i>

**Table 3**  
**Crestline SD - Draft Wastewater Rate Study**  
**Capital Improvement Costs**

Project Description	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Budgeted	Projected	Projected	Projected	Projected	Projected
<i>Capital Costs (Adjusted for Inflation*)</i>						
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	\$2,131,000			
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						
Seeley Creek WWTP Access Road Replacement						
Seeley Creek WWTP Well Construction						
Seeley Creek WWTP Ancillary Systems Upgrade						
Nutrient Management Study						
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
<b>Total</b>	<b>\$992,600</b>	<b>\$2,058,000</b>	<b>\$3,080,575</b>	<b>\$1,525,012</b>	<b>\$439,823</b>	<b>\$453,017</b>



**Table 4**  
**Crestline SD - Draft Wastewater Rate Study**  
**Cash Flow Projection**  
**Scenario 1: Rate revenue increases of 5% in 23/24 and then 3% annually**

Cashflow	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
<b>Beginning Reserve Balance</b>	<b>\$8,843,000</b>	<b>\$8,936,803</b>	<b>\$7,939,466</b>	<b>\$5,384,917</b>	<b>\$4,344,061</b>	<b>\$4,360,596</b>
<b>Revenues</b>						
<b>Sewer Rate Revenue</b>						
<i>Rate Revenue Increase</i>		5.0%	3.0%	3.0%	3.0%	3.0%
Current Rate Revenue	\$3,347,309	\$3,347,309	\$3,514,674	\$3,620,115	\$3,728,718	\$3,840,580
Rate Revenue from Increase		\$167,365	\$105,440	\$108,603	\$111,862	\$115,217
<b>Other Revenue</b>						
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 <sup>3</sup>	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 <sup>2</sup>	-16,900	-17,745	-18,277	-18,826	-19,390	-19,972
Delinquent AR Assessment <sup>2</sup>	16,900	16,900	17,745	18,277	18,826	19,390
Grants and Aids	9,700	9,700	9,700	9,700	9,700	9,700
Interest Income	95,100	89,368	79,395	53,849	43,441	43,606
Other Incomes	\$300	\$300	\$300	\$300	\$300	\$300
<b>Total Revenues</b>	<b>\$5,134,609</b>	<b>\$5,310,316</b>	<b>\$5,420,093</b>	<b>\$5,517,272</b>	<b>\$5,632,988</b>	<b>\$5,762,775</b>
<b>Expenses</b>						
Operating Expenses	\$4,048,206	\$4,249,653	\$4,439,513	\$4,578,562	\$4,722,076	\$4,870,203
SRF Loan <sup>1</sup>	0	0	454,554	454,554	454,554	550,000
New Debt Service	0	0	0	0	0	0
Cash Funded Capital	\$992,600	\$2,058,000	\$3,080,575	\$1,525,012	\$439,823	\$453,017
<b>Total Expenses</b>	<b>\$5,040,806</b>	<b>\$6,307,653</b>	<b>\$7,974,642</b>	<b>\$6,558,128</b>	<b>\$5,616,452</b>	<b>\$5,873,220</b>
<b>Net Revenues</b>	<b>\$93,803</b>	<b>-\$997,337</b>	<b>-\$2,554,549</b>	<b>-\$1,040,856</b>	<b>\$16,535</b>	<b>-\$110,445</b>
<b>Ending Reserve Balance</b>	<b>\$8,936,803</b>	<b>\$7,939,466</b>	<b>\$5,384,917</b>	<b>\$4,344,061</b>	<b>\$4,360,596</b>	<b>\$4,250,151</b>
<i>Debt Coverage Ratio (New Debt Minimum 1.3, SRF Minimum 1.2)</i>			2.16	2.07	2.00	1.62
<sup>1</sup> Debt to begin repayment in 2025 at a 0.9% interest rate for 30 years.						
<sup>2</sup> Delinquent Accounts Receivable based on prior year delinquencies.						
<sup>3</sup> Projected property tax escalation 1% per year						
<b>Capital Funding Assumptions</b>						
<b>Capital Revenues</b>						
Use of Debt Proceeds						
Cash Funded Capital	\$992,600	\$2,058,000	\$3,080,575	\$1,525,012	\$439,823	\$453,017
<b>Total Capital Revenue</b>	<b>\$992,600</b>	<b>\$2,058,000</b>	<b>\$3,080,575</b>	<b>\$1,525,012</b>	<b>\$439,823</b>	<b>\$453,017</b>
<b>Total Capital Expenditures</b>	<b>\$992,600</b>	<b>\$2,058,000</b>	<b>\$3,080,575</b>	<b>\$1,525,012</b>	<b>\$439,823</b>	<b>\$453,017</b>
<b>New Financing Assumptions</b>						
Net Proceeds Needed						
Repayment Term (yrs)						
Interest Rate						
Issuance and Underwriting Cost						
Total Debt Issue Size						
Prorated Debt Service Payment - Current Yr. Only						
Annual Debt Service Payment (rounded)						
<b>Total Proposed Annual Water Debt Service</b>		\$0		\$0	\$0	\$0

**Table 5**  
**Crestline SD - Draft Wastewater Rate Study**  
**Recommended Rates**

**Scenario 1: Rate revenue increases of 5% in 23/24 and then 3% annually**

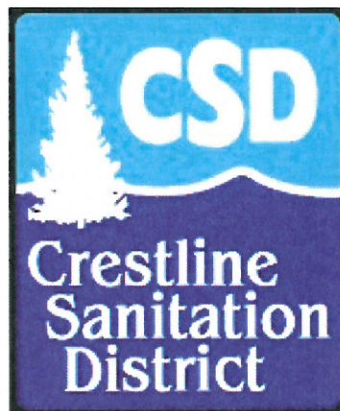
<b>Monthly Wastewater Rates</b>	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<b>Fixed Charge Per EDU</b>	<b>\$52.82</b>	<b>\$55.46</b>	<b>\$57.12</b>	<b>\$58.83</b>	<b>\$60.59</b>	<b>\$62.41</b>

# **Crestline Sanitation District**

## **Draft Wastewater Rate Study 2024**

### **Scenario 2 (Partial Master Plan Funding):**

**Annual rate revenue increases of 4%**



**March 13, 2024**



**BARTLE WELLS ASSOCIATES**  
Independent Public Finance Advisors

**Table 1**  
**Crestline SD - Draft 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 - Draft 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
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	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
			<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>Operations &amp; Maintenance Expenses</b>								
<b>Salaries &amp; Benefit - MAINT</b>								
Salaries - REG*	Salary		\$319,210	\$356,171	\$373,979	\$385,198	\$396,754	\$408,657
Salaries - OT	Salary		500	525	551	568	585	602
Salaries - VAC	Salary		26,700	28,035	29,437	30,320	31,229	32,166
Salaries - SICK	Salary		24,130	25,337	26,603	27,401	28,223	29,070
Salaries - HOLIDAY	Salary		28,170	29,579	31,057	31,989	32,949	33,937
Salaries - ON CALL / STANDBY	Salary		27,730	29,117	30,572	31,489	32,434	33,407
Salaries - CALL BACK	Salary		2,000	2,100	2,205	2,271	2,339	2,409
Payroll Tax	Salary		11,040	11,592	12,172	12,537	12,913	13,300
Unemployment Expense	Salary		3,200	3,360	3,528	3,634	3,743	3,855
Worker's Comp	Salary		51,260	53,823	56,514	58,210	59,956	61,755
Employee Group Insurance	Salary		117,510	123,386	129,555	133,441	137,445	141,568
OPEB Cost	Salary		-	-	-	-	-	-
Retirement	Salary		178,170	187,079	196,432	202,325	208,395	214,647
Pension Expense - MT	Salary		-	-	-	-	-	-
Seasonal MT Workers	Salary		59,280	62,244	65,356	67,317	69,336	71,416
Nationwide ER Match	Salary		4,300	4,515	4,741	4,883	5,029	5,180
<b>Subtotal</b>			<b>853,200</b>	<b>916,860</b>	<b>962,703</b>	<b>991,584</b>	<b>1,021,332</b>	<b>1,051,972</b>
<b>Salaries &amp; Benefit - OP</b>								
Salaries - REG	Salary		633,240	664,902	698,147	719,092	740,664	762,884
Salaries - OT	Salary		6,500	6,825	7,166	7,381	7,603	7,831
Salaries - VAC	Salary		49,080	51,534	54,111	55,734	57,406	59,128
Salaries - SICK	Salary		34,600	36,330	38,147	39,291	40,470	41,684
Salaries - HOLIDAY	Salary		40,390	42,410	44,530	45,866	47,242	48,659
Salaries - ON CALL / STANDBY	Salary		41,600	43,680	45,864	47,240	48,657	50,117
Salaries - Call Back	Salary		2,000	2,100	2,205	2,271	2,339	2,409
Payroll Tax	Salary		15,980	16,779	17,618	18,146	18,691	19,252
Worker's Comp	Salary		63,830	67,022	70,373	72,484	74,658	76,898
Employee Group Insurance	Salary		150,240	157,752	165,640	170,609	175,727	180,999
OPEB Cost	Salary		-	-	-	-	-	-
Retirement	Salary		270,650	284,183	298,392	307,343	316,564	326,061
Pension Expense	Salary		-	-	-	-	-	-
Seasonal OP Workers	Salary		24,960	26,208	27,518	28,344	29,194	30,070
Nationwide ER Match	Salary		2,240	2,352	2,470	2,544	2,620	2,699
<b>Subtotal</b>			<b>1,335,310</b>	<b>1,402,076</b>	<b>1,472,179</b>	<b>1,516,345</b>	<b>1,561,835</b>	<b>1,608,690</b>
<b>Professional Services - MAINT</b>								
Other Professional Svc	General		3,600	3,708	3,819	3,934	4,052	4,173
<b>Subtotal</b>			<b>3,600</b>	<b>3,708</b>	<b>3,819</b>	<b>3,934</b>	<b>4,052</b>	<b>4,173</b>

**Table 2**  
**Crestline SD - Draft 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
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	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
			<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>Professional Services - OP</b>								
Engineering	General		15,000	15,450	15,914	16,391	16,883	17,389
Laboratory Analysis	General		58,520	60,276	62,084	63,946	65,865	67,841
Permits & Fees	General		54,980	56,629	58,328	60,078	61,880	63,737
Other Professional	General		1,490	1,535	1,581	1,628	1,677	1,727
<b>Subtotal</b>			<b>129,990</b>	<b>133,890</b>	<b>137,906</b>	<b>142,044</b>	<b>146,305</b>	<b>150,694</b>
<b>Service and Supplies - MAINT</b>								
Equipment Rental	General		850	876	902	929	957	985
Clothing & Laundry	General		15,160	15,615	16,083	16,566	17,063	17,575
54100MT - Misc Expense	General		-	-	-	-	-	-
Auto Expense - General	General		28,190	29,036	29,907	30,804	31,728	32,680
Maintenance of Equipment	General		13,360	13,761	14,174	14,599	15,037	15,488
Maintenance of Structures	General		2,380	2,451	2,525	2,601	2,679	2,759
Small Tools	General		2,050	2,112	2,175	2,240	2,307	2,377
Supplies - Shop	General		2,490	2,565	2,642	2,721	2,803	2,887
Supplies - Field	General		1,480	1,524	1,570	1,617	1,666	1,716
<b>Subtotal</b>			<b>65,960</b>	<b>67,939</b>	<b>69,977</b>	<b>72,076</b>	<b>74,239</b>	<b>76,466</b>
<b>Service and Supplies - OP</b>								
Auto Expense - Fuel	General		40,870	42,096	43,359	44,660	46,000	47,380
Auto Expense - General	General		10,820	11,145	11,479	11,823	12,178	12,543
Communication	General		4,830	4,975	5,124	5,278	5,436	5,599
Due & Subscription	General		130	134	138	142	146	151
Equipment Purchase	General		2,650	2,730	2,811	2,896	2,983	3,072
Equipment Rental	General		7,680	7,910	8,148	8,392	8,644	8,903
Insurance	General		155,236	159,893	164,690	169,631	174,719	179,961
Insurance - Vehicle	General		38,370	39,521	40,707	41,928	43,186	44,481
Clothing & Laundry	General		13,460	13,864	14,280	14,708	15,149	15,604
Lodge & Meals	General		1,920	1,978	2,037	2,098	2,161	2,226
Misc Expense	General		130	134	138	142	146	151
Maintenance of Equipment	General		76,460	78,754	81,116	83,550	86,056	88,638
Maintenance of Structures	General		13,890	14,307	14,736	15,178	15,633	16,102
Memberships/Certifications	General		35,960	37,039	38,150	39,294	40,473	41,687
Safety Equipment	General		5,410	5,572	5,739	5,912	6,089	6,272
Small Tools	General		1,190	1,226	1,262	1,300	1,339	1,380
Supplies	General		3,920	4,038	4,159	4,283	4,412	4,544
Special Dept - Chlorine / Salt	Chemicals		33,800	35,490	37,265	39,128	41,084	43,138
Special Dept - Sludge /Chemical	Chemicals		49,600	52,080	54,684	57,418	60,289	63,304
Special Dept - Oxygen/Propane	Chemicals		6,020	6,321	6,637	6,969	7,317	7,683
Special Dept - Emergency	General		25,000	25,750	26,523	27,318	28,138	28,982
Training	General		20,000	20,600	21,218	21,855	22,510	23,185
<b>Subtotal</b>			<b>547,346</b>	<b>565,555</b>	<b>584,399</b>	<b>603,903</b>	<b>624,090</b>	<b>644,987</b>



**Table 2**  
**Crestline SD - Draft Wastewater Rate Study**  
**Projected Operating Expenses**

Escelation Factors		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	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
		<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>Utilities - OP</b>							
Telephone	General	66,850	68,856	70,921	73,049	75,240	77,497
Utilities - Electric	Utilities	144,350	151,568	159,146	167,103	175,458	184,231
Utilities - Gas	Utilities	11,810	12,401	13,021	13,672	14,355	15,073
Utilities - Water	Utilities	11,260	11,823	12,414	13,035	13,687	14,371
Utilities - Trash	Utilities	7,670	8,054	8,456	8,879	9,323	9,789
Refuse Disposal	Utilities	1,420	1,491	1,566	1,644	1,726	1,812
<b>Subtotal</b>		<b>243,360</b>	<b>254,191</b>	<b>265,523</b>	<b>277,381</b>	<b>289,789</b>	<b>302,774</b>
<b>Administration Expenses</b>							
<b>Salaries and Benefit</b>							
Salaries - REG ADM*	Salary	187,560	\$196,938	\$206,785	\$212,988	\$219,378	\$225,959
Salaries - OT ADM	Salary	2,150	2,258	2,370	2,441	2,515	2,590
Salaries - VAC ADM	Salary	44,080	46,284	48,598	50,056	51,558	53,105
Salaries - SICK ADM	Salary	10,750	11,288	11,852	12,207	12,574	12,951
Salaries - HOLIDAY ADM	Salary	20,090	21,095	22,149	22,814	23,498	24,203
Payroll Tax - ADM	Salary	11,440	12,012	12,613	12,991	13,381	13,782
Worker's Comp - ADM	Salary	3,170	3,329	3,495	3,600	3,708	3,819
Employee Group Insurance - ADM	Salary	70,780	74,319	78,035	80,376	82,787	85,271
OPEB Cost	Salary	-	-	-	-	-	-
Retirement - ADM	Salary	142,570	149,699	157,183	161,899	166,756	171,759
Pension Expense	Salary	-	-	-	-	-	-
Nationwide - ER Match	Salary	2,990	3,140	3,296	3,395	3,497	3,602
<b>Subtotal</b>		<b>495,580</b>	<b>520,359</b>	<b>546,377</b>	<b>562,768</b>	<b>579,651</b>	<b>597,041</b>
<b>Board Expenses</b>							
Board Director's Fee	General	18,000	18,540	19,096	19,669	20,259	20,867
Board Exp - Meals & Lodging	General	800	824	849	874	900	927
Board Exp - Education & Training	General	200	206	212	219	225	232
<b>Subtotal</b>		<b>19,000</b>	<b>19,570</b>	<b>20,157</b>	<b>20,762</b>	<b>21,385</b>	<b>22,026</b>
<b>Professional Services</b>							
Accounting	General	51,890	53,447	55,050	56,702	58,403	60,155
County Services	General	400	412	424	437	450	464
Legal	General	50,000	51,500	53,045	54,636	56,275	57,964
Software Support - ADM	General	7,100	7,313	7,532	7,758	7,991	8,231
Other Professional - ADM	General	113,310	116,709	120,211	123,817	127,531	131,357
<b>Subtotal</b>		<b>222,700</b>	<b>229,381</b>	<b>236,262</b>	<b>243,350</b>	<b>250,651</b>	<b>258,170</b>



**Table 2**  
**Crestline SD - Draft Wastewater Rate Study**  
**Projected Operating Expenses**

<b>Escalation Factors</b>		<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%

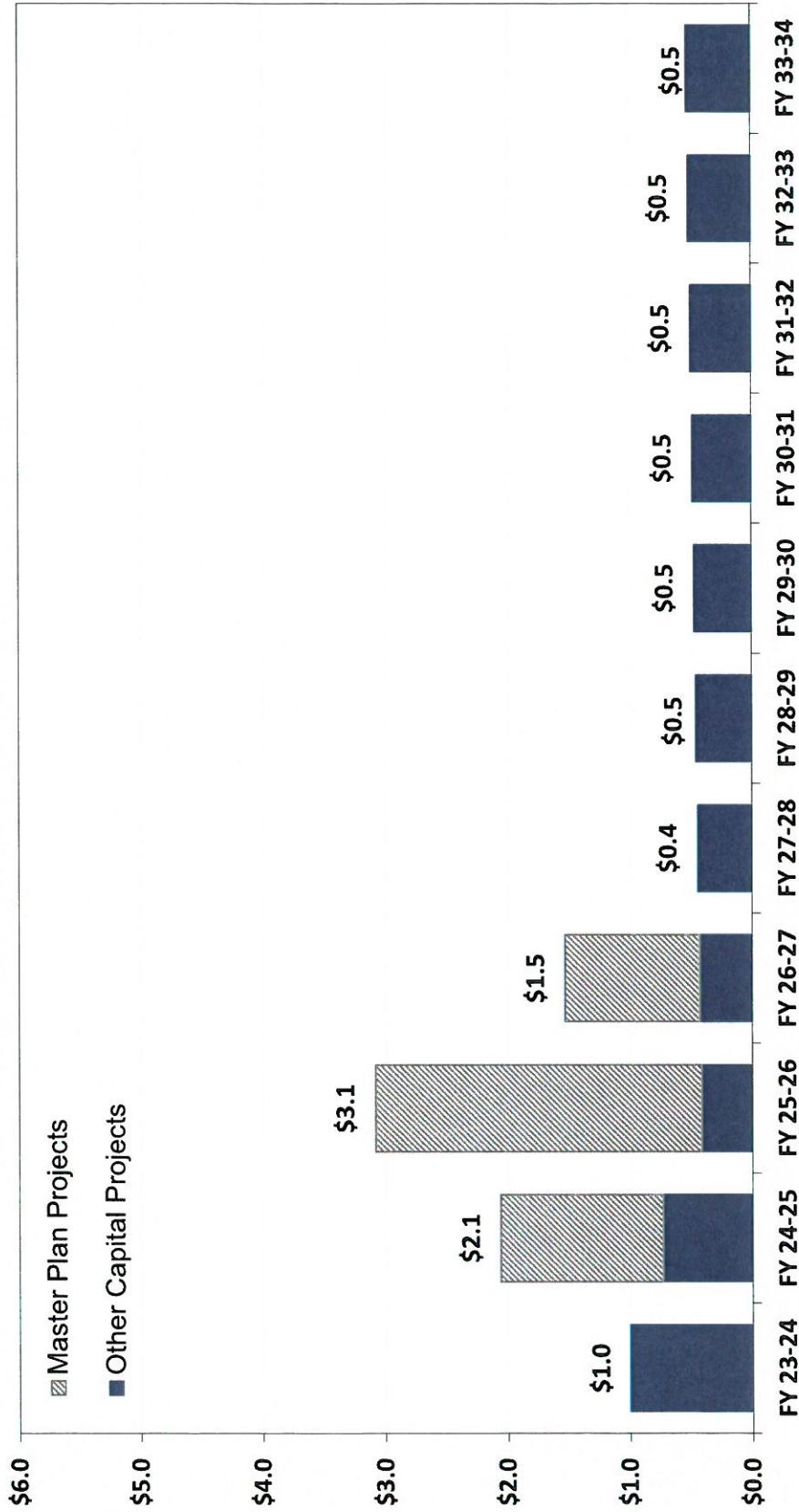
<b>Expenses</b>	<b>Inflation</b>	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
		<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>Services and Supplies</b>							
Bank Charges	General	16,170	16,655	17,155	17,669	18,199	18,745
Computer Expense	General	8,530	8,786	9,049	9,321	9,601	9,889
Due & Subscription	General	5,090	5,243	5,400	5,562	5,729	5,901
Janitorial Service	General	8,900	9,167	9,442	9,725	10,017	10,318
Lease Equipment - ADM	General	3,370	3,471	3,575	3,682	3,793	3,907
Legal Notice	General	720	742	764	787	810	835
Office Expense	General	3,550	3,657	3,766	3,879	3,996	4,115
Office Supplies	General	6,310	6,499	6,694	6,895	7,102	7,315
Penalties	General	150	155	159	164	169	174
Pest Control	General	4,980	5,129	5,283	5,442	5,605	5,773
Postage & Delivery	General	20,170	20,775	21,398	22,040	22,702	23,383
Printing & Publications	General	12,930	13,318	13,717	14,129	14,553	14,989
Public Relation	General	11,940	12,298	12,667	13,047	13,439	13,842
Maintenance of Equipment	General	2,520	2,596	2,673	2,754	2,836	2,921
Maintenance of Structure	General	15,000	15,450	15,914	16,391	16,883	17,389
Training	General	5,000	5,150	5,305	5,464	5,628	5,796
Travel	General	300	309	318	328	338	348
Lodge - Meals	General	1,200	1,236	1,273	1,311	1,351	1,391
Payroll Expenses	General	840	865	891	918	945	974
<b>Subtotal</b>		<b>127,670</b>	<b>131,500</b>	<b>135,445</b>	<b>139,508</b>	<b>143,694</b>	<b>148,005</b>
<b>Bad Debts</b>							
Bad Debt Expenses	General	4,490	4,625	4,763	4,906	5,054	5,205
<b>Subtotal</b>		<b>4,490</b>	<b>4,625</b>	<b>4,763</b>	<b>4,906</b>	<b>5,054</b>	<b>5,205</b>
<b>Total Operating Expenses</b>		<b>\$4,048,206</b>	<b>\$4,249,653</b>	<b>\$4,439,513</b>	<b>\$4,578,562</b>	<b>\$4,722,076</b>	<b>\$4,870,203</b>

**Table 3**  
**Crestline SD - Draft Wastewater Rate Study**  
**Capital Improvement Costs**

Project Description	FY 23-24 <i>Budgeted</i>	FY 24-25 <i>Projected</i>	FY 25-26 <i>Projected</i>	FY 26-27 <i>Projected</i>	FY 27-28 <i>Projected</i>	FY 28-29 <i>Projected</i>
<b>Capital Costs (Adjusted for Inflation*)</b>						
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	\$2,131,000			
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						
Seeley Creek WWTP Access Road Replacement						
Seeley Creek WWTP Well Construction						
Seeley Creek WWTP Ancillary Systems Upgrade						
Nutrient Management Study						
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
<b>Total</b>	<b>\$992,600</b>	<b>\$2,058,000</b>	<b>\$3,080,575</b>	<b>\$1,525,012</b>	<b>\$439,823</b>	<b>\$453,017</b>

## Crestline Sanitary District Sewer Capital Improvements (\$ millions)

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



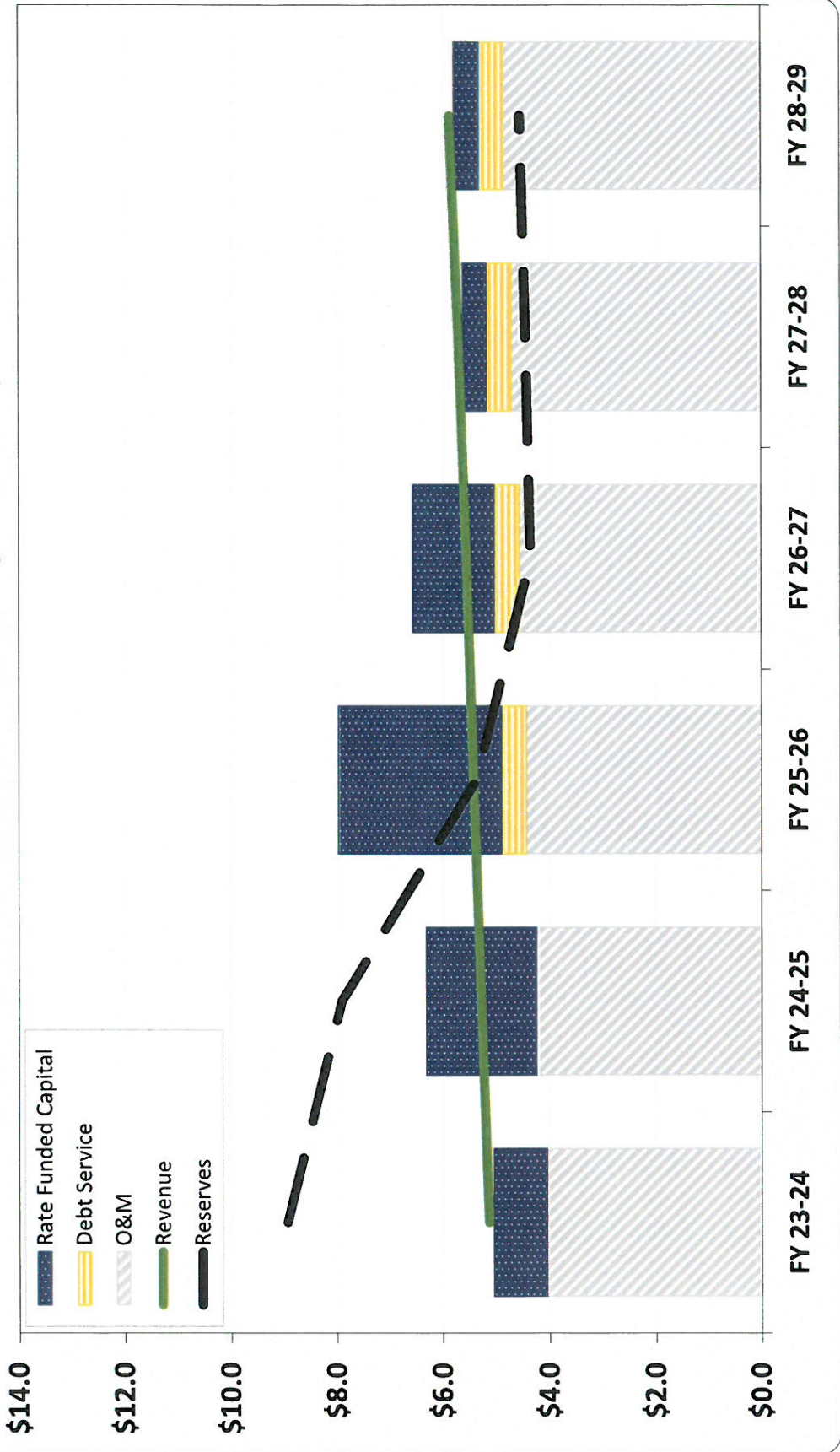
Source: Dudek Master Plan.



**Table 4**  
**Crestline SD - Draft Wastewater Rate Study**  
**Cash Flow Projection**  
**Scenario 2: Annual rate revenue increases of 4%**

Cashflow	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
<b>Beginning Reserve Balance</b>	<b>\$8,843,000</b>	<b>\$8,936,803</b>	<b>\$7,906,162</b>	<b>\$5,351,444</b>	<b>\$4,346,619</b>	<b>\$4,438,283</b>
<b>Revenues</b>						
<b>Sewer Rate Revenue</b>						
<i>Rate Revenue Increase</i>		4.0%	4.0%	4.0%	4.0%	4.0%
Current Rate Revenue	\$3,347,309	\$3,347,309	\$3,481,201	\$3,620,449	\$3,765,267	\$3,915,878
Rate Revenue from Increase		\$133,892	\$139,248	\$144,818	\$150,611	\$156,635
<b>Other Revenue</b>						
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 <sup>3</sup>	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 <sup>2</sup>	-16,900	-17,576	-18,279	-19,010	-19,771	-20,561
Delinquent AR Assessment <sup>2</sup>	16,900	16,900	17,576	18,279	19,010	19,771
Grants and Aids	9,700	9,700	9,700	9,700	9,700	9,700
Interest Income	95,100	89,368	79,062	53,514	43,466	44,383
Other Incomes	\$300	\$300	\$300	\$300	\$300	\$300
<b>Total Revenues</b>	<b>\$5,134,609</b>	<b>\$5,277,011</b>	<b>\$5,419,924</b>	<b>\$5,553,304</b>	<b>\$5,708,116</b>	<b>\$5,880,059</b>
<b>Expenses</b>						
Operating Expenses	\$4,048,206	\$4,249,653	\$4,439,513	\$4,578,562	\$4,722,076	\$4,870,203
SRF Loan <sup>1</sup>	0	0	454,554	454,554	454,554	454,554
New Debt Service	0	0	0	0	0	0
Cash Funded Capital	\$992,600	\$2,058,000	\$3,080,575	\$1,525,012	\$439,823	\$453,017
<b>Total Expenses</b>	<b>\$5,040,806</b>	<b>\$6,307,653</b>	<b>\$7,974,642</b>	<b>\$6,558,128</b>	<b>\$5,616,452</b>	<b>\$5,777,774</b>
<b>Net Revenues</b>	<b>\$93,803</b>	<b>-\$1,030,641</b>	<b>-\$2,554,718</b>	<b>-\$1,004,824</b>	<b>\$91,664</b>	<b>\$102,285</b>
<b>Ending Reserve Balance</b>	<b>\$8,936,803</b>	<b>\$7,906,162</b>	<b>\$5,351,444</b>	<b>\$4,346,619</b>	<b>\$4,438,283</b>	<b>\$4,540,568</b>
<i>Debt Coverage Ratio (New Debt Minimum 1.3)</i>			2.16	2.14	2.17	2.22
<sup>1</sup> Debt to begin repayment in 2025 at a 0.9% interest rate for 30 years.						
<sup>2</sup> Delinquent Accounts Receivable based on prior year delinquencies.						
<sup>3</sup> Projected property tax escalation 1% per year						
<b>Capital Funding Assumptions</b>						
<b>Capital Revenues</b>						
Use of Debt Proceeds						
Cash Funded Capital	\$992,600	\$2,058,000	\$3,080,575	\$1,525,012	\$439,823	\$453,017
<b>Total Capital Revenue</b>	<b>\$992,600</b>	<b>\$2,058,000</b>	<b>\$3,080,575</b>	<b>\$1,525,012</b>	<b>\$439,823</b>	<b>\$453,017</b>
<b>Total Capital Expenditures</b>	<b>\$992,600</b>	<b>\$2,058,000</b>	<b>\$3,080,575</b>	<b>\$1,525,012</b>	<b>\$439,823</b>	<b>\$453,017</b>
<b>New Financing Assumptions</b>						
Net Proceeds Needed						
Repayment Term (yrs)						
Interest Rate						
Issuance and Underwriting Cost						
Total Debt Issue Size						
Prorated Debt Service Payment - Current Yr. Only						
Annual Debt Service Payment (rounded)						
<b>Total Proposed Annual Water Debt Service</b>		\$0	\$0	\$0	\$0	\$0

# Crestline Sanitary District Scenario 2 Sewer Cashflow (\$ millions)



**Table 5**  
**Crestline SD - Draft Wastewater Rate Study**  
**Recommended Rates**  
**Scenario 2: Annual rate revenue increases of 4%**

<b>Monthly Wastewater Rates</b>	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<b>Fixed Charge Per EDU</b>	<b>\$52.82</b>	<b>\$54.93</b>	<b>\$57.13</b>	<b>\$59.42</b>	<b>\$61.80</b>	<b>\$64.27</b>

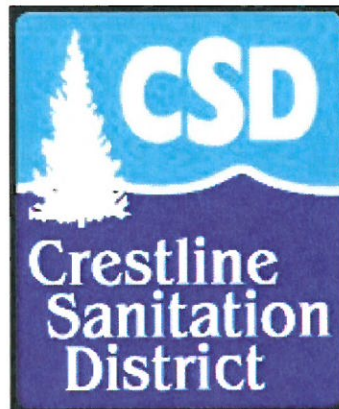


# **Crestline Sanitation District**

## **Draft Wastewater Rate Study 2024**

### **Scenario 3 (Full Master Plan Funding):**

**Annual rate revenue increases of 6%**



**March 13, 2024**



**BARTLE WELLS ASSOCIATES**  
Independent Public Finance Advisors

**Table 1**  
**Crestline SD - Draft Wastewater Rate Study**  
**Customer Summary**

<b>Customers</b>	<b>Equivalent Dwelling Units (EDU)s</b>
4,702	5,281

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

**Table 2**  
**Crestline SD - Draft 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
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	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
			<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>Operations &amp; Maintenance Expenses</b>								
<b>Salaries &amp; Benefit - MAINT</b>								
Salaries - REG*	Salary		\$319,210	\$356,171	\$373,979	\$385,198	\$396,754	\$408,657
Salaries - OT	Salary		500	525	551	568	585	602
Salaries - VAC	Salary		26,700	28,035	29,437	30,320	31,229	32,166
Salaries - SICK	Salary		24,130	25,337	26,603	27,401	28,223	29,070
Salaries - HOLIDAY	Salary		28,170	29,579	31,057	31,989	32,949	33,937
Salaries - ON CALL / STANDBY	Salary		27,730	29,117	30,572	31,489	32,434	33,407
Salaries - CALL BACK	Salary		2,000	2,100	2,205	2,271	2,339	2,409
Payroll Tax	Salary		11,040	11,592	12,172	12,537	12,913	13,300
Unemployment Expense	Salary		3,200	3,360	3,528	3,634	3,743	3,855
Worker's Comp	Salary		51,260	53,823	56,514	58,210	59,956	61,755
Employee Group Insurance	Salary		117,510	123,386	129,555	133,441	137,445	141,568
OPEB Cost	Salary		-	-	-	-	-	-
Retirement	Salary		178,170	187,079	196,432	202,325	208,395	214,647
Pension Expense - MT	Salary		-	-	-	-	-	-
Seasonal MT Workers	Salary		59,280	62,244	65,356	67,317	69,336	71,416
Nationwide ER Match	Salary		4,300	4,515	4,741	4,883	5,029	5,180
<b>Subtotal</b>			<b>853,200</b>	<b>916,860</b>	<b>962,703</b>	<b>991,584</b>	<b>1,021,332</b>	<b>1,051,972</b>
<b>Salaries &amp; Benefit - OP</b>								
Salaries - REG	Salary		633,240	664,902	698,147	719,092	740,664	762,884
Salaries - OT	Salary		6,500	6,825	7,166	7,381	7,603	7,831
Salaries - VAC	Salary		49,080	51,534	54,111	55,734	57,406	59,128
Salaries - SICK	Salary		34,600	36,330	38,147	39,291	40,470	41,684
Salaries - HOLIDAY	Salary		40,390	42,410	44,530	45,866	47,242	48,659
Salaries - ON CALL / STANDBY	Salary		41,600	43,680	45,864	47,240	48,657	50,117
Salaries - Call Back	Salary		2,000	2,100	2,205	2,271	2,339	2,409
Payroll Tax	Salary		15,980	16,779	17,618	18,146	18,691	19,252
Worker's Comp	Salary		63,830	67,022	70,373	72,484	74,658	76,898
Employee Group Insurance	Salary		150,240	157,752	165,640	170,609	175,727	180,999
OPEB Cost	Salary		-	-	-	-	-	-
Retirement	Salary		270,650	284,183	298,392	307,343	316,564	326,061
Pension Expense	Salary		-	-	-	-	-	-
Seasonal OP Workers	Salary		24,960	26,208	27,518	28,344	29,194	30,070
Nationwide ER Match	Salary		2,240	2,352	2,470	2,544	2,620	2,699
<b>Subtotal</b>			<b>1,335,310</b>	<b>1,402,076</b>	<b>1,472,179</b>	<b>1,516,345</b>	<b>1,561,835</b>	<b>1,608,690</b>
<b>Professional Services - MAINT</b>								
Other Professional Svc	General		3,600	3,708	3,819	3,934	4,052	4,173
<b>Subtotal</b>			<b>3,600</b>	<b>3,708</b>	<b>3,819</b>	<b>3,934</b>	<b>4,052</b>	<b>4,173</b>



**Table 2**  
**Crestline SD - Draft Wastewater Rate Study**  
**Projected Operating Expenses**

<b>Escalation Factors</b>		<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%

<b>Expenses</b>		<b>Inflation</b>	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
			<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>Professional Services - OP</b>								
Engineering	General		15,000	15,450	15,914	16,391	16,883	17,389
Laboratory Analysis	General		58,520	60,276	62,084	63,946	65,865	67,841
Permits & Fees	General		54,980	56,629	58,328	60,078	61,880	63,737
Other Professional	General		1,490	1,535	1,581	1,628	1,677	1,727
<b>Subtotal</b>			<b>129,990</b>	<b>133,890</b>	<b>137,906</b>	<b>142,044</b>	<b>146,305</b>	<b>150,694</b>
<b>Service and Supplies - MAINT</b>								
Equipment Rental	General		850	876	902	929	957	985
Clothing & Laundry	General		15,160	15,615	16,083	16,566	17,063	17,575
54100MT - Misc Expense	General		-	-	-	-	-	-
Auto Expense - General	General		28,190	29,036	29,907	30,804	31,728	32,680
Maintenance of Equipment	General		13,360	13,761	14,174	14,599	15,037	15,488
Maintenance of Structures	General		2,380	2,451	2,525	2,601	2,679	2,759
Small Tools	General		2,050	2,112	2,175	2,240	2,307	2,377
Supplies - Shop	General		2,490	2,565	2,642	2,721	2,803	2,887
Supplies - Field	General		1,480	1,524	1,570	1,617	1,666	1,716
<b>Subtotal</b>			<b>65,960</b>	<b>67,939</b>	<b>69,977</b>	<b>72,076</b>	<b>74,239</b>	<b>76,466</b>
<b>Service and Supplies - OP</b>								
Auto Expense - Fuel	General		40,870	42,096	43,359	44,660	46,000	47,380
Auto Expense - General	General		10,820	11,145	11,479	11,823	12,178	12,543
Communication	General		4,830	4,975	5,124	5,278	5,436	5,599
Due & Subscription	General		130	134	138	142	146	151
Equipment Purchase	General		2,650	2,730	2,811	2,896	2,983	3,072
Equipment Rental	General		7,680	7,910	8,148	8,392	8,644	8,903
Insurance	General		155,236	159,893	164,690	169,631	174,719	179,961
Insurance - Vehicle	General		38,370	39,521	40,707	41,928	43,186	44,481
Clothing & Laundry	General		13,460	13,864	14,280	14,708	15,149	15,604
Lodge & Meals	General		1,920	1,978	2,037	2,098	2,161	2,226
Misc Expense	General		130	134	138	142	146	151
Maintenance of Equipment	General		76,460	78,754	81,116	83,550	86,056	88,638
Maintenance of Structures	General		13,890	14,307	14,736	15,178	15,633	16,102
Memberships/Certifications	General		35,960	37,039	38,150	39,294	40,473	41,687
Safety Equipment	General		5,410	5,572	5,739	5,912	6,089	6,272
Small Tools	General		1,190	1,226	1,262	1,300	1,339	1,380
Supplies	General		3,920	4,038	4,159	4,283	4,412	4,544
Special Dept - Chlorine / Salt	Chemicals		33,800	35,490	37,265	39,128	41,084	43,138
Special Dept - Sludge /Chemical	Chemicals		49,600	52,080	54,684	57,418	60,289	63,304
Special Dept - Oxygen/Propane	Chemicals		6,020	6,321	6,637	6,969	7,317	7,683
Special Dept - Emergency	General		25,000	25,750	26,523	27,318	28,138	28,982
Training	General		20,000	20,600	21,218	21,855	22,510	23,185
<b>Subtotal</b>			<b>547,346</b>	<b>565,555</b>	<b>584,399</b>	<b>603,903</b>	<b>624,090</b>	<b>644,987</b>

**Table 2**  
**Crestline SD - Draft Wastewater Rate Study**  
**Projected Operating Expenses**

<b>Escalation Factors</b>		<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	3.0%	3.0%	3.0%

<b>Expenses</b>		<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
	<b>Inflation</b>	<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>Utilities - OP</b>							
Telephone	General	66,850	68,856	70,921	73,049	75,240	77,497
Utilities - Electric	Utilities	144,350	151,568	159,146	167,103	175,458	184,231
Utilities - Gas	Utilities	11,810	12,401	13,021	13,672	14,355	15,073
Utilities - Water	Utilities	11,260	11,823	12,414	13,035	13,687	14,371
Utilities - Trash	Utilities	7,670	8,054	8,456	8,879	9,323	9,789
Refuse Disposal	Utilities	1,420	1,491	1,566	1,644	1,726	1,812
<b>Subtotal</b>		<b>243,360</b>	<b>254,191</b>	<b>265,523</b>	<b>277,381</b>	<b>289,789</b>	<b>302,774</b>
<b>Administration Expenses</b>							
<b>Salaries and Benefit</b>							
Salaries - REG ADM*	Salary	187,560	\$196,938	\$206,785	\$212,988	\$219,378	\$225,959
Salaries - OT ADM	Salary	2,150	2,258	2,370	2,441	2,515	2,590
Salaries - VAC ADM	Salary	44,080	46,284	48,598	50,056	51,558	53,105
Salaries - SICK ADM	Salary	10,750	11,288	11,852	12,207	12,574	12,951
Salaries - HOLIDAY ADM	Salary	20,090	21,095	22,149	22,814	23,498	24,203
Payroll Tax - ADM	Salary	11,440	12,012	12,613	12,991	13,381	13,782
Worker's Comp - ADM	Salary	3,170	3,329	3,495	3,600	3,708	3,819
Employee Group Insurance - ADM	Salary	70,780	74,319	78,035	80,376	82,787	85,271
OPEB Cost	Salary	-	-	-	-	-	-
Retirement - ADM	Salary	142,570	149,699	157,183	161,899	166,756	171,759
Pension Expense	Salary	-	-	-	-	-	-
Nationwide - ER Match	Salary	2,990	3,140	3,296	3,395	3,497	3,602
<b>Subtotal</b>		<b>495,580</b>	<b>520,359</b>	<b>546,377</b>	<b>562,768</b>	<b>579,651</b>	<b>597,041</b>
<b>Board Expenses</b>							
Board Director's Fee	General	18,000	18,540	19,096	19,669	20,259	20,867
Board Exp - Meals & Lodging	General	800	824	849	874	900	927
Board Exp - Education & Training	General	200	206	212	219	225	232
<b>Subtotal</b>		<b>19,000</b>	<b>19,570</b>	<b>20,157</b>	<b>20,762</b>	<b>21,385</b>	<b>22,026</b>
<b>Professional Services</b>							
Accounting	General	51,890	53,447	55,050	56,702	58,403	60,155
County Services	General	400	412	424	437	450	464
Legal	General	50,000	51,500	53,045	54,636	56,275	57,964
Software Support - ADM	General	7,100	7,313	7,532	7,758	7,991	8,231
Other Professional - ADM	General	113,310	116,709	120,211	123,817	127,531	131,357
<b>Subtotal</b>		<b>222,700</b>	<b>229,381</b>	<b>236,262</b>	<b>243,350</b>	<b>250,651</b>	<b>258,170</b>



**Table 2**  
**Crestline SD - Draft 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
General Inflation Factor			3.0%	3.0%	3.0%	3.0%	3.0%
No Escalation			0.0%	0.0%	0.0%	0.0%	0.0%
Utilities			5.0%	5.0%	5.0%	5.0%	5.0%
Chemicals			5.0%	5.0%	5.0%	5.0%	5.0%
Benefits			3.0%	3.0%	3.0%	3.0%	3.0%
Salary			5.0%	5.0%	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
		<i>Budgeted</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
Computer Expense	General	8,530	8,786	9,049	9,321	9,601	9,889
Due & Subscription	General	5,090	5,243	5,400	5,562	5,729	5,901
Janitorial Service	General	8,900	9,167	9,442	9,725	10,017	10,318
Lease Equipment - ADM	General	3,370	3,471	3,575	3,682	3,793	3,907
Legal Notice	General	720	742	764	787	810	835
Office Expense	General	3,550	3,657	3,766	3,879	3,996	4,115
Office Supplies	General	6,310	6,499	6,694	6,895	7,102	7,315
Penalties	General	150	155	159	164	169	174
Pest Control	General	4,980	5,129	5,283	5,442	5,605	5,773
Postage & Delivery	General	20,170	20,775	21,398	22,040	22,702	23,383
Printing & Publications	General	12,930	13,318	13,717	14,129	14,553	14,989
Public Relation	General	11,940	12,298	12,667	13,047	13,439	13,842
Maintenance of Equipment	General	2,520	2,596	2,673	2,754	2,836	2,921
Maintenance of Structure	General	15,000	15,450	15,914	16,391	16,883	17,389
Training	General	5,000	5,150	5,305	5,464	5,628	5,796
Travel	General	300	309	318	328	338	348
Lodge - Meals	General	1,200	1,236	1,273	1,311	1,351	1,391
Payroll Expenses	General	840	865	891	918	945	974
<i>Subtotal</i>		<i>127,670</i>	<i>131,500</i>	<i>135,445</i>	<i>139,508</i>	<i>143,694</i>	<i>148,005</i>
Bad Debts							
Bad Debt Expenses	General	4,490	4,625	4,763	4,906	5,054	5,205
<i>Subtotal</i>		<i>4,490</i>	<i>4,625</i>	<i>4,763</i>	<i>4,906</i>	<i>5,054</i>	<i>5,205</i>
<b>Total Operating Expenses</b>		<b>\$4,048,206</b>	<b>\$4,249,653</b>	<b>\$4,439,513</b>	<b>\$4,578,562</b>	<b>\$4,722,076</b>	<b>\$4,870,203</b>

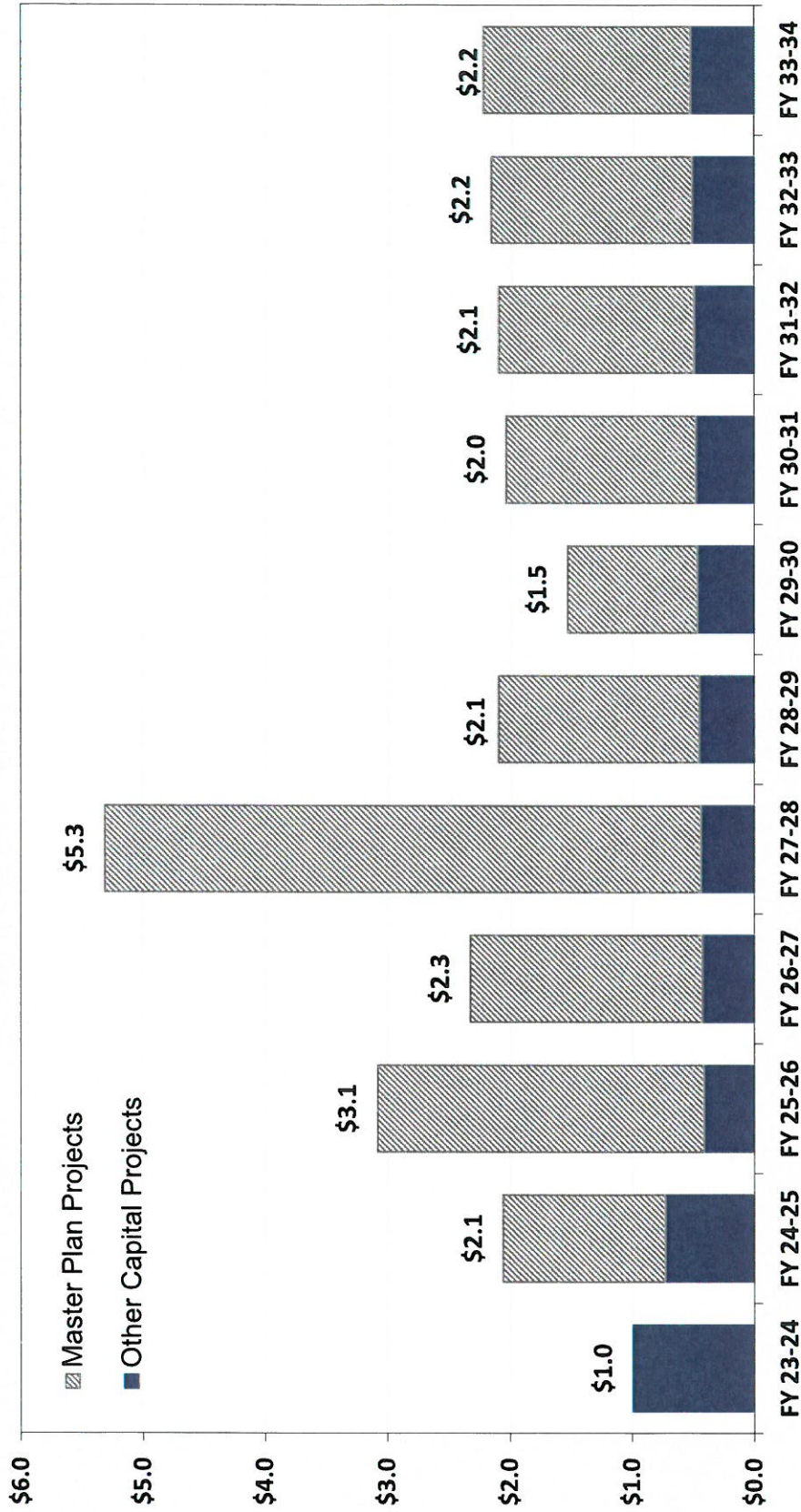


**Table 3**  
**Crestline SD - Draft Wastewater Rate Study**  
**Capital Improvement Costs**

Project Description	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Budgeted	Projected	Projected	Projected	Projected	Projected
<b>Capital Costs (Adjusted for Inflation*)</b>						
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	\$2,131,000			
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	\$3,993,000	
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						
Other CIP	\$992,600	\$730,000	\$414,575	\$427,012	\$439,823	\$453,017
<b>Total</b>	<b>\$992,600</b>	<b>\$2,058,000</b>	<b>\$3,080,575</b>	<b>\$2,327,012</b>	<b>\$5,313,823</b>	<b>\$2,095,017</b>

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

### Crestline Sanitary District Sewer Capital Improvements (\$ millions)



Source: Dudek Master Plan.



**Table 4**  
**Crestline SD - Draft Wastewater Rate Study**  
**Cash Flow Projection**  
**Scenario 3: Fund Adopted Master Plan and Maintain Reserves**

Cashflow	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
<b>Beginning Reserve Balance</b>	<b>\$8,843,000</b>	<b>\$8,936,803</b>	<b>\$7,972,770</b>	<b>\$5,558,933</b>	<b>\$5,975,207</b>	<b>\$5,981,731</b>
<b>Revenues</b>						
<b>Sewer Rate Revenue</b>						
<i>Rate Revenue Increase</i>		6.0%	6.0%	6.0%	6.0%	6.0%
Current Rate Revenue	\$3,347,309	\$3,347,309	\$3,548,148	\$3,761,036	\$3,986,699	\$4,225,901
Rate Revenue from Increase		\$200,839	\$212,889	\$225,662	\$239,202	\$253,554
<b>Other Revenue</b>						
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 <sup>3</sup>	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 <sup>2</sup>	-16,900	-17,914	-18,989	-20,128	-21,336	-22,616
Delinquent AR Assessment <sup>2</sup>	16,900	16,900	17,914	18,989	20,128	21,336
Grants and Aids	9,700	9,700	9,700	9,700	9,700	9,700
Interest Income	95,100	89,368	79,728	55,589	59,752	59,817
Other Incomes	\$300	\$300	\$300	\$300	\$300	\$300
<b>Total Revenues</b>	<b>\$5,134,609</b>	<b>\$5,343,620</b>	<b>\$5,560,805</b>	<b>\$5,776,402</b>	<b>\$6,033,977</b>	<b>\$6,301,946</b>
<b>Expenses</b>						
Operating Expenses	\$4,048,206	\$4,249,653	\$4,439,513	\$4,578,562	\$4,722,076	\$4,870,203
SRF Loan <sup>1</sup>	0	0	454,554	454,554	454,554	454,554
New Debt Service	0	0	0	0	537,000	537,000
Cash Funded Capital	\$992,600	\$2,058,000	\$3,080,575	\$327,012	\$313,823	\$595,017
<b>Total Expenses</b>	<b>\$5,040,806</b>	<b>\$6,307,653</b>	<b>\$7,974,642</b>	<b>\$5,360,128</b>	<b>\$6,027,452</b>	<b>\$6,456,774</b>
<b>Net Revenues</b>	<b>\$93,803</b>	<b>-\$964,033</b>	<b>-\$2,413,837</b>	<b>\$416,274</b>	<b>\$6,525</b>	<b>-\$154,829</b>
<b>Ending Reserve Balance</b>	<b>\$8,936,803</b>	<b>\$7,972,770</b>	<b>\$5,558,933</b>	<b>\$5,975,207</b>	<b>\$5,981,731</b>	<b>\$5,826,903</b>
<i>Debt Coverage Ratio (New Debt Minimum 1.3)</i>			2.47	2.64	1.32	1.44

<sup>1</sup> Debt to begin repayment in 2025 at a 0.9% interest rate for 30 years.

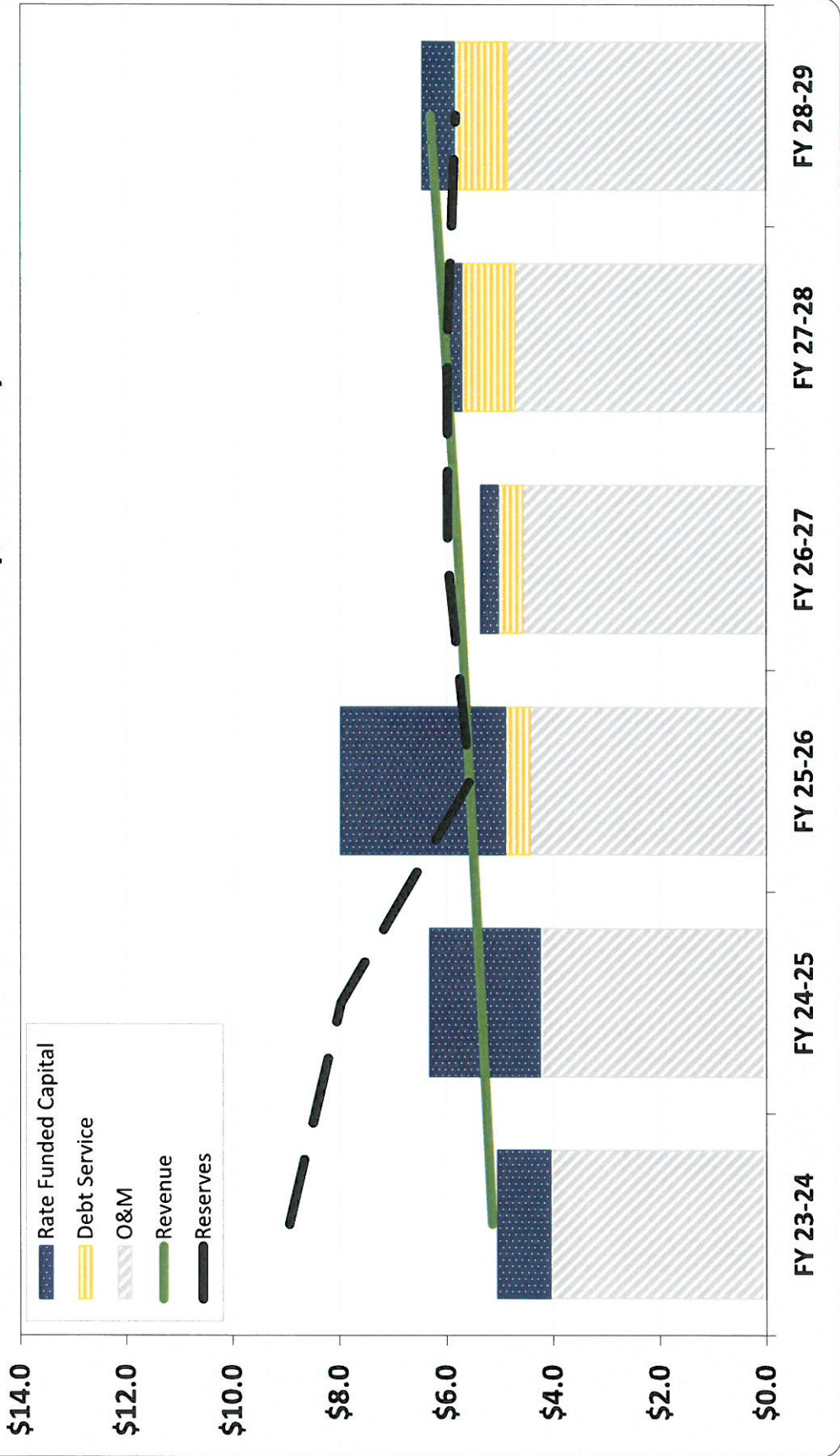
<sup>2</sup> Delinquent Accounts Receivable based on prior year delinquencies.

<sup>3</sup> 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
<b>Capital Revenues</b>						
Use of Debt Proceeds				\$2,000,000	\$5,000,000	\$1,500,000
Cash Funded Capital	\$992,600	\$2,058,000	\$3,080,575	\$327,012	\$313,823	\$595,017
<b>Total Capital Revenue</b>	<b>\$992,600</b>	<b>\$2,058,000</b>	<b>\$3,080,575</b>	<b>\$2,327,012</b>	<b>\$5,313,823</b>	<b>\$2,095,017</b>
<b>Total Capital Expenditures</b>	<b>\$992,600</b>	<b>\$2,058,000</b>	<b>\$3,080,575</b>	<b>\$2,327,012</b>	<b>\$5,313,823</b>	<b>\$2,095,017</b>
<b>New Financing Assumptions</b>						
Net Proceeds Needed					\$8,500,000	
Repayment Term (yrs)					30	
Interest Rate					4.5%	
Issuance and Underwriting Cost					\$250,000	
Total Debt Issue Size					\$8,750,000	
Prorated Debt Service Payment - Current Yr. Only					\$537,000	
Annual Debt Service Payment (rounded)					\$537,000	
<b>Total Proposed Annual Water Debt Service</b>		\$0	\$0	\$0	\$537,000	\$537,000



# Crestline Sanitary District Scenario 3 Sewer Cashflow (\$ millions)



**Table 5**  
**Crestline SD - Draft Wastewater Rate Study**  
**Recommended Rates**

**Scenario 3: Fund Adopted Master Plan and Maintain Reserves**

<b>Monthly Wastewater Rates</b>	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<b>Fixed Charge Per EDU</b>	<b>\$52.82</b>	<b>\$55.99</b>	<b>\$59.35</b>	<b>\$62.91</b>	<b>\$66.68</b>	<b>\$70.68</b>