

Frazier Park Public Utility District Rate Study

Purpose and Objective

This is a rate study for the Frazier Park Public Utility District (FPPUD). The objective of this process is to ensure that FPPUD has the ability to obtain sufficient funds to operate, maintain and manage its water distribution system on a continuing basis, in full compliance with federal, state and local requirements. A rate study identifies the total annual revenue required by a utility to conduct its normal day-to-day operations, along with anticipating and planning for future operating and capital needs.

Implementing the recommendations of this rate study will enable FPPUD to meet ongoing recurring expenses for the next five years. This study is part of an ongoing process of assessing long-term needs and determining priorities, current and future resources, and considering additional funding opportunities to address capital improvements.

Water System

Frazier Park Public Utility District was established in 1939, to serve Frazier Park, a rural community located in the mountains of the National Forrest in unincorporated Kern County. Frazier Park has a population of 3,121 as of the 2020 census. Census income data from 2020 shows a Median Household Income of \$42,273.

The district provides water to the Kern County Fire Department and to the residences and businesses of Frazier Park through 1,332 metered connections. Water supplied comes from two wells that pump from the local aquifer.

FPPUD is engaging in a potential plan to consolidate Lake of the Woods Mutual Water Company in the future as part of a plan to deliver safe, clean water to the region. While details and timelines are being worked out during the Planning and subsequent phases of this project. It is crucial that any long-term operational plan maintains flexibility to make effective, efficient decisions, as well as maximize opportunities in the future to pursue assistance for select situations. By doing this, FPPUD will be in strong a position to meet future needs of current and prospective customers.

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Frazier Park Public Utility District Rate Study Continued

Production and Consumption

FPPUD gets its water supply from two wells; Well #5 and Well #6. In addition, there are plans to drill a Well #8 and a Well #9 pending funding. Well #4 is on standby, and Monte Vista well is inactive. Despite the potential of supply issues that could arise from the failure of Well #5, slated to be replaced by Well #8, two nearby springs are not being considered as a source at this time due to health and consistent production issues. Between April 2024 and March 2025, 16,673,900 cubic feet of water were pumped, while approximately 9,513,468 cubic feet were sold.

Based on sales data, 42% of water was sold between the months of October and March. The lower percentage of water pumped during months where the weather could be cooler is typical for water systems in the San Joaquin region. Furthermore, the 2-month period of May 2024 – June 2024, 18.5% of annual usage occurred. Despite the increased use between spring and summer months, FPPUD finances remain generally stable even with revenue decreases in fall and winter. Although there is no indication on excessive hardship financially during warmer months related to delivering water, there is indication of some hardship put on the water supply during warmer months. The implementation of Well #8 will serve to stabilize this issue.

Current Rates

In 2022, FPPUD implemented the existing rate structure based on a rate study adopted by the District. Although the current rate structure has generated the anticipated income, expenses have increased at a faster rate than expected due to inflation. FPPUD does not have sufficient reserves to address capital improvement needs over the next three to five years.

The current rates are as follows:

Meter Size	Current Monthly Base Charge	Current Usage Rate (per CF)
¾"	\$72.74	\$.0236
1"	\$121.67	
1 ½"	\$242.01	
2"	\$387.48	
4"	\$1,203.44	
6"	\$2,422.74	

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Frazier Park Public Utility District Rate Study, Continued

Revenue and Expenses

A rate study was conducted in 2022 with the intention of establishing rates through 2025. Expenses were projected to increase 3% annually. However between 2021 and 2022, operating expenses increased 5.2%. Between 2022 and 2023, operating expenses increased 34.5%. Between FY 2022-23 and FY 2023-24, operating expenses decreased 18.2%. Increases have been due to employee costs, including wages; along with repair and maintenance costs. In FY-2024-25, total ordinary revenue was \$1,569,586.15, while total ordinary expenses was 1,172,969.73, with a net ordinary increase of \$396,616.42. Due to prospective capital improvement purchases that are necessary over the next five years, expenses are anticipated to continue increasing over the next five years. In addition, a clarification regarding the USDA required replacement fund resulted in \$750,000 being moved to an account restricted for capital improvements related to USDA loans. It is essential that FPPUD replenish these funds to ensure capital needs can be addressed as needed in the next five years. Currently there is \$86,378.83 in the operating revenue account. This account varies and is periodically not enough to cover one month of expenses without drawing from other accounts. Although every effort will be made to pursue grant funding whenever possible, there are prospective urgent needs to be funded.

Reserve and Loan Funding

FPPUD currently has a reserve and loan funding system that is distinct from its operating fund. The following are different funds that FPPUD has available outside of day-to-day operations:

- 1) Pre USDA General Fund – Savings account that reflects the amount of funds on hand before USDA loans were taken out. This source is used as a last resort, and does not have an established source of replenishment. These funds cannot be subject to USDA collection. **Balance – \$128,733.72**
 - 2) USDA Reserve Account for Loans 1 and 2 – Mandated reserves for USDA loans to be used as collateral until loans are paid. These funds are inaccessible for general use. **Balance – \$158,911.73**
 - 3) USDA Replacement Fund – Mandated reserve account per the USDA bond to replace capital paid for by USDA loans. These funds are inaccessible for general use. **Balance – \$989,133.37**
 - 4) Capital Improvement Reserve Account – Reserve account for capital improvement on non-USDA capital. **Balance – \$258,581.43**
 - 5) Capital Improvement SLA Account - This account is used for non USDA capital expenses categorized as short lived assets, defined as assets that must be replaced every 10 to 15 years. **Balance – \$244,517.92**
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Frazier Park Public Utility District Rate Study, Continued

Reserve and Loan Funding cont'd

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- 6) Distribution System Emergency Reserve Account – Used for repairs needed to maintain immediate service. This account is funded through FPPUD's share of property taxes, Stand-By Fees, 7-year Abandonment Reconnection Fees, New Connection Fees, and backflow testing/repairs. **Balance – \$230,671.90**
 - 7) USDA Payment Fund – Funds are set up for debit by USDA to make loan payments . Inaccessible for any use. **Balance – \$39,058.26**

A total of \$733,771.25 is currently available for use at the FPPUD Board's discretion in the event of an emergency. This equates to 46% of ordinary income received in FY 2024-25. Depleting reserves for uses other than what they are designed for could compromise efficiency and effectiveness of operations long-term, and some reserves are fully restricted. Having a reliable reserve creates confidence with funding agencies, as well as the public, that FPPUD can address issues related to delivering safe and affordable water.

Rate Study Process

The rate study process entailed the following steps:

- 1) Gather financial and usage information
- 2) Based on financial and population trends, project future usage and revenue needs for the system
- 3) Calculate base and usage rates that are equitable to all customers, based on potential usage, for the purpose of budget balancing projections over the designated term.

Assumptions

The following assumptions were made in projections:

- 1) New rate structure will take effect July 1, 2026 and remain in place through FY 2031.
- 2) There will be annual inflation increases of 3.0% of base and usage rates effective each July of 2027, 2028, 2029, and 2030.
- 3) Historically, FPPUD has averaged 1300 active connections, which is the total number of connections considered for base revenue. FPPUD is encouraged to track and report the number of active connections annually for this rate study period.
- 4) No appreciable change in overall water usage and percent usage per meter class.
- 5) Currently, the District has put into place a structure for mandatory conservation.

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Frazier Park Public Utility District Rate Study, Continued

Base and Usage Rates

Revenue from rates is composed of the following:

- Base Rate – A monthly charge based on meter size that all customers need to pay, regardless of actual water use. Ideally, the total base rate revenue should cover fixed costs that remain the same regardless of water usage. Fixed costs may cover 100 percent of some expenses in a system’s budget, but only a portion of other types of expenses. The base rate also needs to cover any contribution to reserve funds. Conversely, if there is outside revenue, it should be applied to the expenses associated with the base rate.
- Usage Rate – This rate is charged based on designated units of water used. The total usage rate revenue should at least cover expenses that vary by water usage, and are more directly related to how much water is pumped, treated, stored and distributed. Most costs for electricity, chemicals and repairs can be classified as variable expenses because they are directly related to the amount of water customers use. Aligning usage rates with variable expenses protects the operating budget from decreased usage. Although there are circumstances where usage rates can differ by meter size, there must be evidence that it costs more per unit to deliver water to different sizes of meters. Since there is no evidence that it costs more to deliver water to different meters, usage rates should be uniform for all classifications.

It is recommended that fixed costs be aligned with fixed expenses for FY 2026-27. It is further recommended that variable costs increase to account for projected capital needs within the next five years. All expenses, including salaries and benefits, underwent a review by the FPPUD Board, before establishment of new rates.

Reserves

Currently, FPPUD is implementing a structure to help cover the most urgent replacement demands. It is anticipated that FPPUD will pursue funding opportunities to address needs whenever possible. FPPUD has chosen to set aside funds as follows:

- \$200,000 to allow for replacements for vehicles, computers, trash pumps, booster pumps, and valves.
- \$621,423.78 for capital improvements that must happen within the next five years in order for FPPUD to operate in an effective, efficient manner, and/or deliver safe, clean water.

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Frazier Park Public Utility District Rate Study, Continued

Rate Structure Proposal

To account for expenses that have increased faster than anticipated, along with restoring reserves that have decreased over the past two years, it is recommended that FPPUD reset its fixed rates to cover all fixed expenses and a small contribution to reserves. It is further recommended that usage rates increase to \$3.20 per 100-cubit feet to account for variable costs and increased needs for reserves. This structure will enable FPPUD to have additional cash to help with upcoming capital improvement projects that will not be covered or fully covered through grant sources. Having increased reserves is a sign of financial stability that is considered when applying for grant funding. Healthy reserves demonstrate the ability to sustain the overall system, which is crucial when applying for project funding.

It is recommended to structure rates in the following manner:

- Ensure base rate covers all fixed operating expenses.
- Structure base rates based on number of active customers per meter classification and maximum flow capacity of each meter.
- Account for remainder of revenue needed through other sources, and usage rate charges.

Using the above criteria, the following rate structure is recommended as of July 1, 2026

Meter Size	Proposed Monthly Base Charge	Proposed Usage Rate (per CF)
¾"	\$80.56	\$.032
1"	\$134.26	
1 ½"	\$268.53	
2"	\$429.65	
4"	\$1,342.68	
6"	\$2,685.31	

A household using 600 cubic feet of water a month will see their bill increase from \$86.90 to \$99.76, an increase of \$12.84.

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Frazier Park Public Utility District Rate Study, Continued

Proposition 218 Process

California approved Proposition 218 in 1996 requiring agencies to adopt property fees and charges in accordance with a defined public process found in article XIII D or by associated court decision. Water and wastewater rates are user fees under the definition and must meet the following requirements:

- Revenues derived from the fee or charge must not exceed the funds required to provide the property-related service.
- Revenue from the fee or charge must not be used for any purpose other than that for which the fee or charge is imposed.
- No fee or charge may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners.
- The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel.
- The fee or charge may not be imposed for service, unless the service is actually used by, or immediately available to, the owner of the property in question.

Written notice should be given to both the record owners and customers within the area subject to the fee or charge. The notice shall include the following:

- The amount of the fee or charge to be imposed upon each parcel.
- The basis upon which the amount of the proposed fee or charge is to be imposed on each parcel. An explanation of the costs which the proposed fee will cover and how the costs are allocated among property owners.
- Date, time and location of a public hearing on the rate adjustment. The public hearing must occur 45 or more days after the mailing of the notice.

California's Proposition 218 provides that an owner of record of a parcel or parcels subject to the proposed rate increases, may submit a protest against any or all of the proposed rate increases by filing a written protest with the District at or before the time the public hearing has concluded. Only one protest per parcel is counted. If written protests are filed by a majority of the affected parcels, the proposed rate increases will not be imposed.

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Next Steps

Approval of these recommendations will help to ensure safe, clean water for the community. The following are next steps:

- Board approves of this study and calls for a Proposition 218 majority protest hearing.
 - Distribute Proposition 218 Notice to property owners.
 - Hold Public Hearing at least 45 days after notice is distributed
 - Board makes decision on recommendations
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Attachments

The following are attached:

- Projected revenue, usage, rates, and expenses covered by this study from July 1, 2026 – June 30, 2031
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FPPUD Projections through June 30, 2031

Revenue					
0.75-inch	26-27	27-28	28-29	29-30	30-31
Base Rate	\$ 80.56	\$ 82.98	\$ 85.47	\$ 88.03	\$ 90.67
Periods	12	12	12	12	12
Customers	1258	1258	1258	1258	1258
Base Total	\$ 1,216,137.08	\$ 1,252,621.19	\$ 1,290,199.83	\$ 1,328,905.82	\$ 1,368,773.00
Projected Base Usage	9513448	9513448	9513448	9513448	9513448
Classification %	79.19%	79.19%	79.19%	79.19%	79.19%
Total Usage Units	7533529.067	7533529.067	7533529.067	7533529.067	7533529.067
Unit Rate	\$ 0.0320	\$ 0.0330	\$ 0.0339	\$ 0.0350	\$ 0.0360
Unit Total	\$ 241,072.93	\$ 248,305.12	\$ 255,754.27	\$ 263,426.90	\$ 271,329.71
Tier Total	\$ 1,457,210.01	\$ 1,500,926.31	\$ 1,545,954.10	\$ 1,592,332.72	\$ 1,640,102.71
% Usage	79%	79%	79%	79%	79%
% Revenue	89%	89%	89%	89%	89%
1-inch	26-27	27-28	28-29	29-30	30-31
Base Rate	\$ 134.26	\$ 138.29	\$ 142.44	\$ 146.71	\$ 151.11
Periods	12	12	12	12	12
Customers	30	30	30	30	30
Base Total	\$ 48,334.94	\$ 49,784.99	\$ 51,278.53	\$ 52,816.89	\$ 54,401.40
Projected Base Usage	9513448	9513448	9513448	9513448	9513448
Classification %	1.86%	1.86%	1.86%	1.86%	1.86%
Usage Units	176512.8569	176512.8569	176512.8569	176512.8569	176512.8569
Unit Rate	\$ 0.0320	\$ 0.0330	\$ 0.0339	\$ 0.0350	\$ 0.0360
Unit Total	\$ 5,648.41	\$ 5,817.86	\$ 5,992.40	\$ 6,172.17	\$ 6,357.34
Tier Total	\$ 53,983.35	\$ 55,602.85	\$ 57,270.93	\$ 58,989.06	\$ 60,758.73
% Usage	2%	2%	2%	2%	2%
% Revenue	3%	3%	3%	3%	3%
1.5-inch	26-27	27-28	28-29	29-30	30-31
Base Rate	\$ 268.53	\$ 276.58	\$ 284.88	\$ 293.43	\$ 302.23
Periods	12	12	12	12	12
Customers	1	1	1	1	1
Base Total	\$ 3,222.33	\$ 3,319.00	\$ 3,418.57	\$ 3,521.13	\$ 3,626.76
Projected Base Usage	9513448	9513448	9513448	9513448	9513448
Classification %	0.21%	0.21%	0.21%	0.21%	0.21%
Usage Units	19832.90527	19832.90527	19832.90527	19832.90527	19832.90527
Unit Rate	\$ 0.0320	\$ 0.0330	\$ 0.0339	\$ 0.0350	\$ 0.0360
Unit Total	\$ 634.65	\$ 653.69	\$ 673.30	\$ 693.50	\$ 714.31
Tier Total	\$ 3,856.98	\$ 3,972.69	\$ 4,091.87	\$ 4,214.63	\$ 4,341.07
% Usage	0%	0%	0%	0%	0%
% Revenue	0%	0%	0%	0%	0%
2-inch	26-27	27-28	28-29	29-30	30-31
Base Rate	\$ 429.65	\$ 442.54	\$ 455.81	\$ 469.49	\$ 483.57
Periods	12	12	12	12	12
Customers	11	11	11	11	11
Base Total	\$ 56,713.52	\$ 58,414.92	\$ 60,167.37	\$ 61,972.39	\$ 63,831.56
Projected Base Usage	9513448	9513448	9513448	9513448	9513448
Classification %	18.75%	18.75%	18.75%	18.75%	18.75%
Usage Units	1783573.171	1783573.171	1783573.171	1783573.171	1783573.171
Unit Rate	\$ 0.0320	\$ 0.0330	\$ 0.0339	\$ 0.0350	\$ 0.0360
Unit Total	\$ 57,074.34	\$ 58,786.57	\$ 60,550.17	\$ 62,366.67	\$ 64,237.67
Tier Total	\$ 113,787.86	\$ 117,201.50	\$ 120,717.54	\$ 124,339.07	\$ 128,069.24
% Usage	19%	19%	19%	19%	19%
% Revenue	7%	7%	7%	7%	7%
4-inch	26-27	27-28	28-29	29-30	30-31
Base Rate	\$ 1,342.68	\$ 1,382.96	\$ 1,424.45	\$ 1,467.18	\$ 1,467.18
Periods	12	12	12	12	12
Customers	0	0	0	0	0
Base Total	\$ -	\$ -	\$ -	\$ -	\$ -

FPPUD Projections through June 30, 2031

Projected Base Usage	0	0	0	0	0
Classification %	0.00%	0.00%	0.00%	0.00%	0.00%
Usage Units	0	0	0	0	0
Unit Rate	\$ 0.0320	\$ 0.0330	\$ 0.0339	\$ 0.0350	\$ 0.0360
Unit Total	\$ -	\$ -	\$ -	\$ -	\$ -
Tier Total	\$ -	\$ -	\$ -	\$ -	\$ -
% Usage	0%	0%	0%	0%	0%
% Revenue	0%	0%	0%	0%	0%
6-inch	26-27	27-28	28-29	29-30	30-31
Base Rate	\$ 2,685.31	\$ 2,765.87	\$ 2,848.85	\$ 2,934.31	\$ 2,934.31
Periods	12	12	12	12	12
Customers	0	0	0	0	0
Base Total	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Base Usage	0	0	0	0	0
Classification %	0.00%	0.00%	0.00%	0.00%	0.00%
Usage Units	0	0	0	0	0
Unit Rate	\$ 0.0320	\$ 0.0330	\$ 0.0339	\$ 0.0350	\$ 0.0360
Unit Total	\$ -	\$ -	\$ -	\$ -	\$ -
Tier Total	\$ -	\$ -	\$ -	\$ -	\$ -
% Usage	0%	0%	0%	0%	0%
% Revenue	0%	0%	0%	0%	0%
Other Revenue	26-27	27-28	28-29	29-30	30-31
Late Fees	\$ 29,600.00	\$ 29,600.00	\$ 29,600.00	\$ 29,600.00	\$ 29,600.00
Re-Connect Fees	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Credit Card Fees	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00
Administrative Fees	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00
Returned Check Fees	\$ 226.00	\$ 226.00	\$ 226.00	\$ 226.00	\$ 226.00
Kern County	\$ 83,500.00	\$ 83,500.00	\$ 83,500.00	\$ 83,500.00	\$ 83,500.00
Credit Card Cash Back	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Interest Reserve Funds	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Lease/Rental Income	\$ 26,600.00	\$ 26,600.00	\$ 26,600.00	\$ 26,600.00	\$ 26,600.00
Other Revenue Total	\$ 178,426.00	\$ 178,426.00	\$ 178,426.00	\$ 178,426.00	\$ 178,426.00
Grand Total	\$ 1,807,264.20	\$ 1,856,129.35	\$ 1,906,460.45	\$ 1,958,301.48	\$ 2,011,697.75
Operating Expenses	26-27	27-28	28-29	29-30	30-31
Fixed					
Advertising	\$ 1,133.00	\$ 1,166.99	\$ 1,202.00	\$ 1,238.06	\$ 1,238.06
Bank Fees	\$ 772.50	\$ 795.68	\$ 819.55	\$ 844.13	\$ 844.13
Computer	\$ 15,347.00	\$ 15,807.41	\$ 16,281.63	\$ 16,770.08	\$ 16,770.08
Director's Fees	\$ 17,510.00	\$ 18,035.30	\$ 18,576.36	\$ 19,133.65	\$ 19,133.65
Distribution System	\$ 68,804.00	\$ 70,868.12	\$ 72,994.16	\$ 75,183.99	\$ 75,183.99
Dues	\$ 20,600.00	\$ 21,218.00	\$ 21,854.54	\$ 22,510.18	\$ 22,510.18
Election Fees	\$ 2,060.00	\$ 2,121.80	\$ 2,185.45	\$ 2,251.02	\$ 2,251.02
Education	\$ 2,575.00	\$ 2,652.25	\$ 2,731.82	\$ 2,813.77	\$ 2,813.77
Environmental Fees	\$ 334.75	\$ 344.79	\$ 355.14	\$ 365.79	\$ 365.79
Equipment Rental	\$ 3,090.00	\$ 3,182.70	\$ 3,278.18	\$ 3,376.53	\$ 3,376.53
Field Support	\$ 1,648.00	\$ 1,697.44	\$ 1,748.36	\$ 1,800.81	\$ 1,800.81
Fuel	\$ 17,613.00	\$ 18,141.39	\$ 18,685.63	\$ 19,246.20	\$ 19,246.20
Insurance	\$ 59,740.00	\$ 61,532.20	\$ 63,378.17	\$ 65,279.51	\$ 65,279.51
Licenses, Fees, and Permits	\$ 12,360.00	\$ 12,730.80	\$ 13,112.72	\$ 13,506.11	\$ 13,506.11
Maintenance and Repairs	\$ 29,870.00	\$ 30,766.10	\$ 31,689.08	\$ 32,639.76	\$ 32,639.76
Meetings	\$ 927.00	\$ 954.81	\$ 983.45	\$ 1,012.96	\$ 1,012.96
Merchant Credit Card Fees	\$ 2,472.00	\$ 2,546.16	\$ 2,622.54	\$ 2,701.22	\$ 2,701.22
Prop 218	\$ 4,120.00	\$ 4,243.60	\$ 4,370.91	\$ 4,502.04	\$ 4,502.04
Property Taxes	\$ 103.00	\$ 106.09	\$ 109.27	\$ 112.55	\$ 112.55
Office Expenses	\$ 12,360.00	\$ 12,730.80	\$ 13,112.72	\$ 13,506.11	\$ 13,506.11
Office Supplies	\$ 7,210.00	\$ 7,426.30	\$ 7,649.09	\$ 7,878.56	\$ 7,878.56
Mailing	\$ 20,600.00	\$ 21,218.00	\$ 21,854.54	\$ 22,510.18	\$ 22,510.18
Printing	\$ 5,150.00	\$ 5,304.50	\$ 5,463.64	\$ 5,627.54	\$ 5,627.54

FPPUD Projections through June 30, 2031

Professional Services	\$ 85,490.00	\$ 88,054.70	\$ 90,696.34	\$ 93,417.23	\$ 93,417.23
Publications	\$ 128.75	\$ 132.61	\$ 136.59	\$ 140.69	\$ 140.69
Safety	\$ 2,575.00	\$ 2,652.25	\$ 2,731.82	\$ 2,813.77	\$ 2,813.77
Security	\$ 1,236.00	\$ 1,273.08	\$ 1,311.27	\$ 1,350.61	\$ 1,350.61
Staff Appreciation	\$ 721.00	\$ 742.63	\$ 764.91	\$ 787.86	\$ 787.86
Telephone	\$ 11,742.00	\$ 12,094.26	\$ 12,457.09	\$ 12,830.80	\$ 12,830.80
Testing/Lab Fees	\$ 10,300.00	\$ 10,609.00	\$ 10,927.27	\$ 11,255.09	\$ 11,255.09
Travel	\$ 6,283.00	\$ 6,471.49	\$ 6,665.63	\$ 6,865.60	\$ 6,865.60
Uniforms	\$ 4,120.00	\$ 4,243.60	\$ 4,370.91	\$ 4,502.04	\$ 4,502.04
Utilities	\$ 22,701.20	\$ 23,382.24	\$ 24,083.70	\$ 24,806.21	\$ 24,806.21
Payroll/Fees/Benefits	\$ 702,738.10	\$ 723,820.24	\$ 745,534.85	\$ 767,900.90	\$ 767,900.90
Total Fixed	\$ 1,154,434.30	\$ 1,189,067.33	\$ 1,224,739.35	\$ 1,261,481.53	\$ 1,261,481.53

Variable	26-27	27-28	28-29	29-30	30-31
Distribution System Maintenance	\$ 103,206.00	\$ 106,302.18	\$ 109,491.25	\$ 112,775.98	\$ 112,775.98
Fuel	\$ 927.00	\$ 954.81	\$ 983.45	\$ 1,012.96	\$ 1,012.96
Merchant Credit Card Fees	\$ 22,248.00	\$ 22,915.44	\$ 23,602.90	\$ 24,310.99	\$ 24,310.99
Utilities	\$ 90,804.80	\$ 93,528.94	\$ 96,334.81	\$ 99,224.86	\$ 99,224.86
Total Variable	\$ 217,185.80	\$ 223,701.37	\$ 230,412.42	\$ 237,324.79	\$ 237,324.79

Total Operating Expenses	\$ 1,371,620.10	\$ 1,412,768.70	\$ 1,455,151.76	\$ 1,498,806.32	\$ 1,498,806.32
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Debt/Reserves	26-27	27-28	28-29	29-30	30-31
Debt Interest	\$ 80,499.38	\$ 80,499.38	\$ 77,830.01	\$ 75,489.83	\$ 75,489.83
Debt Service	\$ 74,000.00	\$ 74,000.00	\$ 74,000.00	\$ 74,000.00	\$ 74,000.00
Debt Reserves	\$ 96,095.00	\$ 96,095.00	\$ 96,095.00	\$ 96,095.00	\$ 96,095.00
Emergency Reserves	\$ 8,100.00	\$ 8,100.00	\$ 8,100.00	\$ 8,100.00	\$ 8,100.00
Operating Reserves	\$ 38,678.10	\$ 38,678.10	\$ 39,838.44	\$ 41,033.59	\$ 42,264.60
SLA Reserves	\$ 65,000.00	\$ 65,000.00	\$ 40,000.00	\$ 30,000.00	\$ -
CIP Reserves	\$ 73,000.00	\$ 80,600.00	\$ 115,100.00	\$ 134,500.00	\$ 218,223.78
Total	\$ 435,372.48	\$ 442,972.48	\$ 450,963.45	\$ 459,218.42	\$ 514,173.21

\$ 200,000.00
\$ 621,423.78

Surplus/(Loss)	\$ 271.63	\$ 388.17	\$ 345.23	\$ 276.75	\$ (1,281.78)
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\$ (0.00)

Fixed \$	\$ 1,324,407.87	\$ 1,364,140.10	\$ 1,405,064.30	\$ 1,447,216.23	\$ 1,490,632.72
Fixed %	81%	81%	81%	81%	81%
Variable \$	\$ 304,430.34	\$ 313,563.25	\$ 322,970.14	\$ 332,659.25	\$ 342,639.03
Variable %	19%	19%	19%	19%	19%

Monthly Rate 4% MHI	\$ 111.13	\$ 111.13	\$ 111.13	\$ 111.13	\$ 111.13
State Average	\$ 77.00	\$ 78.54	\$ 80.11	\$ 81.71	\$ 81.71
State Average 150%	\$ 115.50	\$ 117.81	\$ 120.17	\$ 122.57	\$ 122.57
State Average 200%	\$ 154.00	\$ 157.08	\$ 160.22	\$ 163.43	\$ 163.43
Average Projected 0.75 Rate	\$ 99.76	\$ 102.75	\$ 105.84	\$ 109.01	\$ 112.28