

2026 Budget Presentation

Presentation to the Board of Commissioners

November 20, 2025



Agenda



- 1. Operating Costs**
- 2. Capital Costs**
- 3. Cost of Service Rate Review**
- 4. 2026 Revenue Requirements**
- 5. 2026 Rates**
- 6. Long Term Rate Forecast**
- 7. 2026 Bill Samples and Comparisons**



Budget Presentation Agenda

Part 1

Operating Costs



Slide 4

Object Categories (Types of Cost) v	Functions -> Examples v	Admin - 10/11/ 14/20	Cust Service & Billing - 50/51	General O&M - 30	Source of Supply & Pumping - 37/38/41	Storage - 39	Meters & Services - 33/34	Dist System - 32/36/40	Hydrants - 35
BUSINESS ADMINISTRATION									
PLANNING AND DEVELOPMENT									
PUBLIC AND REGIONAL OUTREACH									
OFFICE AND RECORDS MANAGEMENT									
CUSTOMER SERVICE AND BILLING									
PURCHASED WATER AND POWER									
OPERATIONS AND MAINTENANCE									
TAXES AND FRANCHISE FEES									
EMPLOYEE COSTS									
CAPITAL COSTS									

The object categories or types of costs to the left are exactly what is reported in the financial statements. However, in the financial statements the employee costs are grouped with the types of costs they pertain to.

2025-2026 Projected Operating Costs



Objects (Types of Cost)

↓
v

BUSINESS ADMINISTRATION

PLANNING AND DEVELOPMENT

PUBLIC AND REGIONAL OUTREACH

OFFICE AND RECORDS MANAGEMENT

CUSTOMER SERVICE AND BILLING

PURCHASED WATER AND POWER

OPERATIONS AND MAINTENANCE

TAXES AND FRANCHISE FEES

EMPLOYEE COSTS

CAPITAL COSTS

Legal Services

Financial Services

Insurance

Elections

Miscellaneous and Other

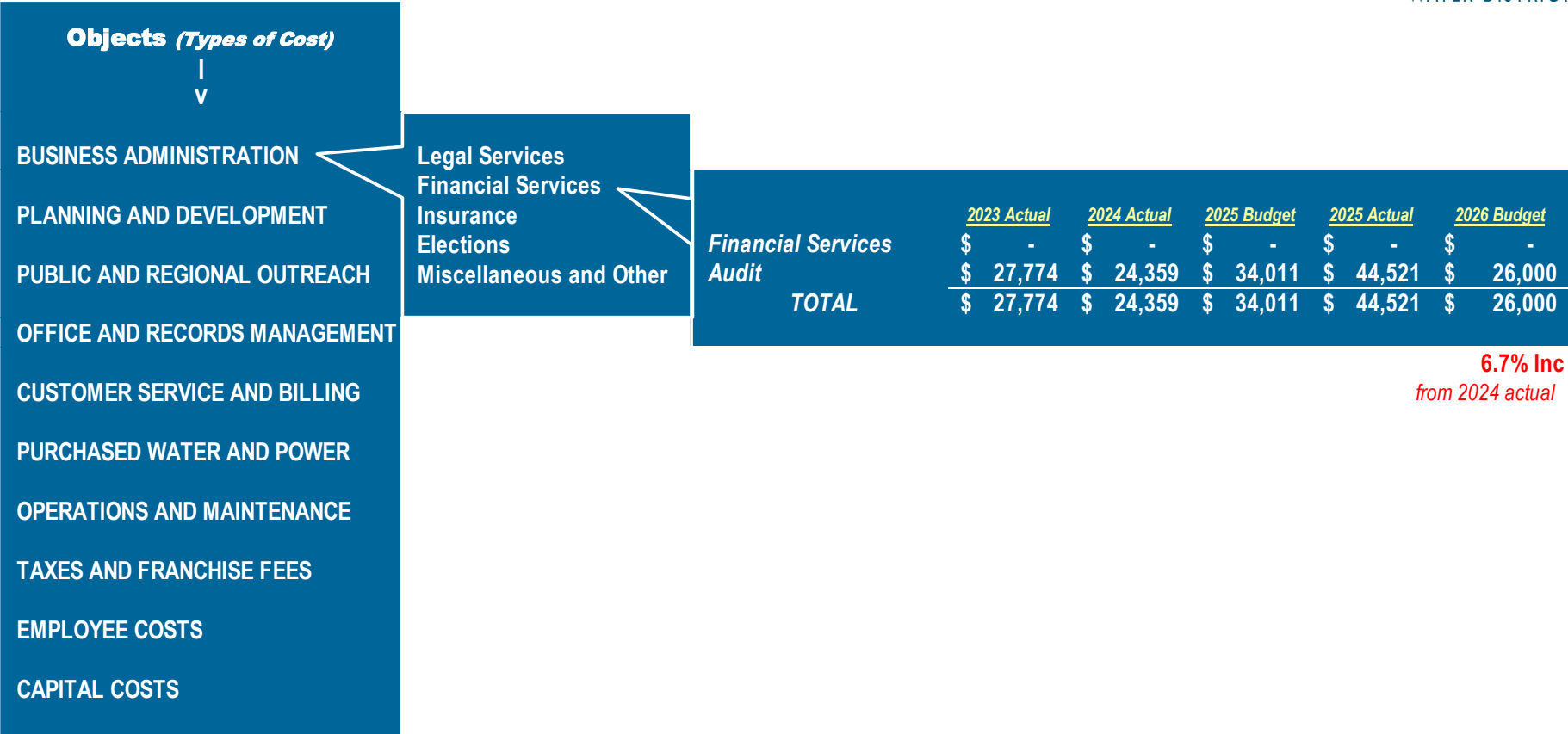
General
Meetings
Interlocal/Regional
Personnel
Other

TOTAL

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
General	\$ 13,451	\$ 23,340	\$ 23,790	\$ 18,276	\$ 18,280
Meetings	\$ 29,824	\$ 32,512	\$ 30,800	\$ 34,876	\$ 34,880
Interlocal/Regional	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel	\$ 1,856	\$ 3,136	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 45,131	\$ 58,988	\$ 54,590	\$ 53,153	\$ 53,160

0.0% Inc

2024-2025 Projected Operating Costs



2024-2025 Projected Operating Costs



Objects (Types of Cost)							
↓							
BUSINESS ADMINISTRATION PLANNING AND DEVELOPMENT PUBLIC AND REGIONAL OUTREACH OFFICE AND RECORDS MANAGEMENT CUSTOMER SERVICE AND BILLING PURCHASED WATER AND POWER OPERATIONS AND MAINTENANCE TAXES AND FRANCHISE FEES EMPLOYEE COSTS CAPITAL COSTS	Legal Services						
	Financial Services						
	Insurance						
	Elections						
	Miscellaneous & Other						
		Enduris Premiums	<u>2023 Actual</u> \$ 172,451	<u>2024 Actual</u> \$ 184,709	<u>2025 Budget</u> \$ 197,540	<u>2025 Actual</u> \$ 215,704	<u>2026 Budget</u> \$ 222,180
							3.0% Inc



2025-2026. Projected Operating Costs

Objects (Types of Cost)							
↓ v							
BUSINESS ADMINISTRATION	Legal Services Financial Services Insurance Elections Miscellaneous & Other						
PLANNING AND DEVELOPMENT							
PUBLIC AND REGIONAL OUTREACH							
OFFICE AND RECORDS MANAGEMENT							
CUSTOMER SERVICE AND BILLING		<i>Elections</i>	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
PURCHASED WATER AND POWER			\$ -	\$ 20,103	\$ 20,710	\$ 20,103	\$ 20,710
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							
		3.0% Inc Annual placeholder					

3.0% Inc
Annual placeholder

2025-2026 Projected Operating Costs



Objects (Types of Cost) ↓ v							
BUSINESS ADMINISTRATION	Legal Services Financial Services Insurance Elections Miscellaneous & Other						
PLANNING AND DEVELOPMENT							
PUBLIC AND REGIONAL OUTREACH							
OFFICE AND RECORDS MANAGEMENT							
CUSTOMER SERVICE AND BILLING							
PURCHASED WATER AND POWER							
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							
		Miscellaneous	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
		Manager's Expense	\$ 17	\$ 170	\$ 740	\$ -	\$ -
		Advertising	\$ 1,201	\$ 2,061	\$ 2,040	\$ 1,982	\$ 2,040
		Rental Property Costs	\$ 4,462	\$ 372	\$ 3,090	\$ 3,095	\$ 3,190
		TOTAL	\$ -	\$ -	\$ 2,060	\$ -	\$ -
			\$ 5,680	\$ 2,603	\$ 7,930	\$ 5,078	\$ 5,230
							3.0% Inc

3.0% Inc

2025-2026 Projected Operating Costs

Objects (Types of Cost) I V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	Special Projects Miscellaneous & Other						
PUBLIC AND REGIONAL OUTREACH							
OFFICE AND RECORDS MANAGEMENT							
CUSTOMER SERVICE AND BILLING							
PURCHASED WATER AND POWER							
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Unspecified Projects	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000
Preservation Account Al	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Move to Preservation Ac	\$ (50,000)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000



2024-2025 Projected Operating Costs

Objects (Types of Cost) I V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	Reg. Dues & Memberships Newsletter/Website/Events Other Public Outreach						
OFFICE AND RECORDS MANAGEMENT							
CUSTOMER SERVICE AND BILLING							
PURCHASED WATER AND POWER			3.0% Inc				
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							

2024-2025 Projected Operating Costs



Objects (Types of Cost) V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	Reg. Dues & Memberships Newsletter/Website/Events Other Public Outreach						
OFFICE AND RECORDS MANAGEMENT							
CUSTOMER SERVICE AND BILLING							
PURCHASED WATER AND POWER							
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Newsletter	\$ 19,749	\$ 18,905	\$ 20,300	\$ 23,088	\$ 22,280
Website	\$ 483	\$ 3,696	\$ 3,740	\$ 1,342	\$ 1,380
Events/Public Service	\$ 5,006	\$ 5,703	\$ 6,740	\$ 9,033	\$ 7,800
TOTAL	\$ 25,238	\$ 28,304	\$ 30,780	\$ 33,463	\$ 31,460

-6.0% Inc



2025-2026 Projected Operating Costs

Objects (Types of Cost) I V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	Reg. Dues & Memberships Newsletter/Website/Events Other Public Outreach						
OFFICE AND RECORDS MANAGEMENT							
CUSTOMER SERVICE AND BILLING							
PURCHASED WATER AND POWER							
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Misc Public Outreach	\$ 858	\$ 555	\$ 1,100	\$ 4,777	\$ 4,920

3% Inc

2025-2026 Projected Operating Costs



Objects (Types of Cost) V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	<div>General Office Expense</div> <div>Office Supplies & Equip</div> <div>Computer Systems</div> <div>Phones & Internet</div> <div>Building & Grounds</div> <div>Postage</div> <div>Courier Services</div> <div>Miscellaneous Office</div> <div>Payroll Services</div> <div>TOTAL</div> <div>2023 Actual</div> <div>2024 Actual</div> <div>2025 Budget</div> <div>2025 Actual</div> <div>2026 Budget</div> <div>\$ 11,482</div> <div>\$ 6,816</div> <div>\$ 5,670</div> <div>\$ 2,267</div> <div>\$ 2,340</div> <div>\$ 1,386</div> <div>\$ 1,793</div> <div>\$ 2,140</div> <div>\$ 1,429</div> <div>\$ 1,470</div> <div>\$ 2,117</div> <div>\$ 3,228</div> <div>\$ 2,380</div> <div>\$ 1,416</div> <div>\$ 1,460</div> <div>\$ 10,941</div> <div>\$ 10,650</div> <div>\$ 12,400</div> <div>\$ 12,971</div> <div>\$ 13,360</div> <div>\$ 25,926</div> <div>\$ 22,487</div> <div>\$ 22,590</div> <div>\$ 18,083</div> <div>\$ 18,630</div>						
CUSTOMER SERVICE AND BILLING							
PURCHASED WATER AND POWER							
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							

3.0% Inc



2025-2026 Projected Operating Costs

Objects (Types of Cost) I V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	General Office Expense Office Supplies & Equip Computer Systems Phones & Internet Building & Grounds						
CUSTOMER SERVICE AND BILLING							
PURCHASED WATER AND POWER							
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Office Supplies	\$ 14,121	\$ 11,623	\$ 15,500	\$ 10,667	\$ 10,990
Publications & Newspapers	\$ 1,128	\$ 342	\$ 2,080	\$ 2,947	\$ 3,040
Equip/Furniture/Tools	\$ 2,077	\$ 1,833	\$ 2,260	\$ 1,735	\$ 1,790
TOTAL	\$ 17,325	\$ 13,798	\$ 19,840	\$ 15,349	\$ 15,820

3.1% Inc

2025-2026 Projected Operating Costs

Objects (Types of Cost) V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	General Office Expense Office Supplies & Equip Computer Systems Phones & Internet Building & Grounds						
CUSTOMER SERVICE AND BILLING							
PURCHASED WATER AND POWER							
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Computer Supplies	\$ 4,041	\$ 1,240	\$ 1,920	\$ 344	\$ 350
Small Computer Equip	\$ 326	\$ 1,440	\$ 1,600	\$ (0)	\$ -
Software	\$ 9,498	\$ 7,265	\$ 7,480	\$ 9,165	\$ 9,440
Maint Agreements	\$ 79,588	\$ 63,471	\$ 88,870	\$ 115,955	\$ 119,440
Professional Services	\$ 97,914	\$ 97,447	\$ 98,670	\$ 68,261	\$ 70,300
TOTAL	\$ 191,367	\$ 170,864	\$ 198,540	\$ 193,725	\$ 199,530

3.0% Inc

2025-2026 Projected Operating Costs

Objects (Types of Cost) I V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%

OFFICE AND RECORDS MANAGEMENT	<div>General Office Expense</div> <div>Office Supplies & Equip</div> <div>Computer Systems</div> <div>Phones & Internet</div> <div>Building & Grounds</div>						
CUSTOMER SERVICE AND BILLING							
PURCHASED WATER AND POWER							
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Monthly Cell Phone Service	\$ 9,850	\$ 9,383	\$ 11,650	\$ 9,700	\$ 9,990
Alarm Monitoring	\$ 9,676	\$ 7,406	\$ 11,540	\$ 12,628	\$ 13,010
Phone System & Internet	\$ 30,064	\$ 31,557	\$ 37,010	\$ 34,342	\$ 35,370
TOTAL	\$ 49,590	\$ 48,346	\$ 60,200	\$ 56,670	\$ 58,370

3.0% Inc

2025-2026 Projected Operating Costs

Objects (Types of Cost) V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	General Office Expense Office Supplies & Equip Computer Systems Phones & Internet Building & Grounds						
CUSTOMER SERVICE AND BILLING							
PURCHASED WATER AND POWER							
OPERATIONS AND MAINTENANCE							
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
<i>Custodial Supplies</i>	\$ 7,023	\$ 5,878	\$ 7,190	\$ 4,715	\$ 4,860
<i>Custodial Services</i>	\$ 17,450	\$ 15,223	\$ 19,020	\$ 18,293	\$ 18,840
<i>Electricity</i>	\$ 45,489	\$ 48,725	\$ 49,690	\$ 54,430	\$ 56,060
<i>Garbage</i>	\$ 5,149	\$ 5,495	\$ 6,370	\$ 5,215	\$ 5,370
<i>Sewer</i>	\$ 3,643	\$ 1,944	\$ 2,260	\$ 3,170	\$ 3,270
<i>Gas</i>	\$ 5,578	\$ 4,902	\$ 5,340	\$ 5,962	\$ 6,140
<i>Building Maintenance</i>	\$ 12,255	\$ 17,391	\$ 12,220	\$ 17,018	\$ 17,530
<i>Grounds Maintenance</i>	\$ 46,472	\$ 61,847	\$ 64,140	\$ 69,018	\$ 71,080
<i>General Repairs & Maint</i>	\$ 6,906	\$ 4,862	\$ 6,540	\$ 12,565	\$ 12,940
TOTAL	\$ 149,965	\$ 166,266	\$ 172,770	\$ 190,385	\$ 196,090

3.0% Inc

2024-2025 Projected Operating Costs

Objects (Types of Cost) V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 281,627	\$ 266,880	\$ 316,240	\$ 338,558	\$ 335,621	\$ (2,938)	-0.9%
PLANNING AND DEVELOPMENT	\$ 10,000	\$ 3,167	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 40,172	\$ 41,201	\$ 51,260	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 358,982	\$ 434,173	\$ 432,770	\$ 474,213	\$ 488,440	\$ 14,227	3.0%

CUSTOMER SERVICE AND BILLING
PURCHASED WATER AND POWER
OPERATIONS AND MAINTENANCE
TAXES AND FRANCHISE FEES
EMPLOYEE COSTS
CAPITAL COSTS

Billing
Reporting

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Outside Billing Costs	\$ 50,200	\$ 50,058	\$ 51,680	\$ 53,588	\$ 55,200
E-Payment Service	\$ 96,885	\$ 117,276	\$ 117,400	\$ 116,724	\$ 120,230
Con. Confidence Report	\$ 6,167	\$ 7,811	\$ 8,050	\$ 9,546	\$ 9,830
TOTAL	\$ 153,251	\$ 175,145	\$ 177,130	\$ 179,858	\$ 185,260

3.0% Inc

2025-2026 Projected Operating Costs



Objects (Types of Cost) I V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 434,173	\$ 421,760	\$ 473,940	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 153,251	\$ 175,167	\$ 177,130	\$ 179,858	\$ 185,260	\$ 5,402	3.0%

PURCHASED WATER AND POWER
OPERATIONS AND MAINTENANCE
TAXES AND FRANCHISE FEES
EMPLOYEE COSTS
CAPITAL COSTS

Purchased Water
Purchased Power

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Seattle Public Utilities	\$1,549,322	\$1,490,923	\$ 1,514,374	\$1,490,253	\$ 1,490,253
Seattle City Light	\$ 30,264	\$ 36,159	\$ 39,180	\$ 43,386	\$ 44,690
TOTAL	\$1,579,586	\$1,527,082	\$ 1,553,554	\$1,533,639	\$ 1,534,943

WATER 0.0% Inc
POWER 3.0% Inc

2025-2026 Projected Operating Costs

Objects <i>(Types of Cost)</i> I V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff	
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%	
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%	
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%	
OFFICE AND RECORDS MANAGEMENT	\$ 434,173	\$ 421,760	\$ 473,940	\$ 474,213	\$ 488,440	\$ 14,227	3.0%	
CUSTOMER SERVICE AND BILLING	\$ 153,251	\$ 175,167	\$ 177,130	\$ 179,858	\$ 185,260	\$ 5,402	3.0%	
PURCHASED WATER AND POWER	\$1,549,322	\$ 1,490,923	\$ 1,514,374	\$1,490,253	\$1,490,253	\$ -	0.0%	
OPERATIONS AND MAINTENANCE	<div>Outside Services</div> <div>Supplies & Materials</div> <div>Equipment/Tools</div> <div>Telemetry</div> <div>Field Vehicle Expense</div> <div>Miscellaneous</div>							
TAXES AND FRANCHISE FEES								
EMPLOYEE COSTS								
CAPITAL COSTS								
			<i>Engineering Services</i>	<i>2023 Actual</i>	<i>2024 Actual</i>	<i>2025 Budget</i>	<i>2025 Actual</i>	<i>2026 Budget</i>
			<i>CWA Services</i>	\$ 37,447	\$ 49,137	\$ 46,980	\$ 63,060	\$ 46,950
			<i>Other Outside Services</i>	\$ 35,478	\$ 24,600	\$ 22,250	\$ 22,277	\$ 22,950
				\$ 200,692	\$ 50,519	\$ 157,430	\$ 140,587	\$ 144,800
			<i>TOTAL</i>	\$ 273,618	\$ 124,256	\$ 226,660	\$ 225,924	\$ 214,700

-5.0% Inc

Up in 2025 for cross connection analysis

2025-2026 Projected Operating Costs

Objects (Types of Cost) I V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 434,173	\$ 421,760	\$ 473,940	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 153,251	\$ 175,167	\$ 177,130	\$ 179,858	\$ 185,260	\$ 5,402	3.0%
PURCHASED WATER AND POWER	\$1,549,322	\$ 1,490,923	\$1,514,374	\$ 1,490,253	\$1,490,253	\$ -	0.0%

OPERATIONS AND MAINTENANCE	Outside Services Supplies & Materials Equipment/Tools Telemetry Field Vehicle Expense Miscellaneous						
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							
		<i>General O&M</i>	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
		<i>Pumping O&M</i>	\$ 22,196	\$ 36,644	\$ 22,710	\$ 23,800	\$ 24,520
		<i>Reservoir/Storage O&M</i>	\$ 15,695	\$ 19,215	\$ 8,580	\$ 27,883	\$ 18,720
		<i>Meters & Services</i>	\$ -	\$ 340	\$ 380	\$ -	\$ -
		<i>Mains O&M</i>	\$ 29,171	\$ 52,183	\$ 30,190	\$ 29,411	\$ 30,300
		<i>Valves O&M</i>	\$ 7,066	\$ 31,845	\$ 7,450	\$ 2,833	\$ 2,920
		<i>Water Quality</i>	\$ 9,472	\$ 7,450	\$ 13,280	\$ 1,896	\$ 1,950
		<i>Hydrants O&M</i>	\$ 2,793	\$ 4,817	\$ 4,590	\$ 2,328	\$ 2,400
		TOTAL	\$ 3,117	\$ 38,639	\$ 9,850	\$ 10,594	\$ 10,910
			\$ 89,509	\$ 191,133	\$ 97,030	\$ 98,744	\$ 91,720



2025-2026 Projected Operating Costs

Objects <i>(Types of Cost)</i> ↓ v	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 434,173	\$ 421,760	\$ 473,940	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 153,251	\$ 175,167	\$ 177,130	\$ 179,858	\$ 185,260	\$ 5,402	3.0%
PURCHASED WATER AND POWER	\$ 1,549,322	\$ 1,490,923	\$ 1,514,374	\$ 1,490,253	\$1,490,253	\$ -	0.0%
OPERATIONS AND MAINTENANCE	<div>Outside Services Supplies & Materials Equipment/Tools Telemetry Miscellaneous Field Vehicle Expense</div>		<div>Telemetry Locates/Inspections Annual Operating Permit Antenna Bldg Costs TOTAL</div>				
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							
			<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
			\$ 12,710	\$ 11,222	\$ 14,150	\$ 12,086	\$ 12,450
			\$ 10,813	\$ 4,599	\$ 3,300	\$ 8,290	\$ 8,540
			\$ 12,646	\$ 13,671	\$ 14,080	\$ 13,875	\$ 14,290
			\$ -	\$ -	\$ 17,510	\$ -	\$ -
			\$ 36,169	\$ 29,493	\$ 49,040	\$ 34,251	\$ 35,280

3.0% Inc



2025-2026 Projected Operating Costs

Objects (Types of Cost) V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 434,173	\$ 421,760	\$ 473,940	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 153,251	\$ 175,167	\$ 177,130	\$ 179,858	\$ 185,260	\$ 5,402	3.0%
PURCHASED WATER AND POWER	\$1,549,322	\$ 1,490,923	\$ 1,514,374	\$ 1,490,253	\$ 1,490,253	\$ -	0.0%
OPERATIONS AND MAINTENANCE	Outside Services Supplies & Materials Equipment/Tools Telemetry Miscellaneous Field Vehicle Expense						
TAXES AND FRANCHISE FEES							
EMPLOYEE COSTS							
CAPITAL COSTS							

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Fuel and Oil	\$ 28,238	\$ 23,783	\$ 27,280	\$ 21,938	\$ 22,600
Repair and Maintenance	\$ 23,396	\$ 37,398	\$ 39,310	\$ 21,041	\$ 21,670
TOTAL	\$ 51,634	\$ 61,180	\$ 66,590	\$ 42,979	\$ 44,270

2025-2026 Projected Operating Costs

Objects (Types of Cost) V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 434,173	\$ 421,760	\$ 473,940	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 153,251	\$ 175,167	\$ 177,130	\$ 179,858	\$ 185,260	\$ 5,402	3.0%
PURCHASED WATER AND POWER	\$1,549,322	\$ 1,490,923	\$ 1,514,374	\$ 1,490,253	\$ 1,490,253	\$ -	0.0%
OPERATIONS AND MAINTENANCE	\$ 450,930	\$ 406,062	\$ 439,320	\$ 401,899	\$ 385,970	\$ (15,929)	-4.0%
TAXES AND FRANCHISE FEES	Taxes Franchise Fees						
EMPLOYEE COSTS							
CAPITAL COSTS							
			Taxes	2023 Actual		2024 Actual	2025 Budget
			Franchise Fees - SHO	\$ 471,622		\$ 399,174	\$ 505,600
			Franchise Fees - LFP	\$ 343,741		\$ 263,477	\$ 339,577
				\$ 103,005		\$ 196,149	\$ 136,506
			TOTAL	\$ 918,369		\$ 858,800	\$ 981,683

2025-2026 Projected Operating Costs

Objects (Types of Cost) V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 434,173	\$ 421,760	\$ 473,940	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 153,251	\$ 175,167	\$ 177,130	\$ 179,858	\$ 185,260	\$ 5,402	3.0%
PURCHASED WATER AND POWER	\$1,549,322	\$ 1,490,923	\$1,514,374	\$ 1,490,253	\$ 1,490,253	\$ -	0.0%
OPERATIONS AND MAINTENANCE	\$ 450,930	\$ 406,062	\$ 439,320	\$ 401,899	\$ 385,970	\$ (15,929)	-4.0%
TAXES AND FRANCHISE FEES	\$ 918,369	\$ 858,800	\$ 981,683	\$ 954,543	\$ 983,180	\$ 28,637	3.0%

EMPLOYEE COSTS

CAPITAL COSTS

Travel & Training
Outsourced PR Costs
Other Employee Costs

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Travel & Training	\$ 35,266	\$ 36,730	\$ 39,440	\$ 31,271	\$ 32,210
Temp Emp / Outsourced	\$ -	\$ -	\$ -	\$ -	\$ -
Other Employee Costs	\$ 2,953	\$ 7,322	\$ 2,440	\$ 1,793	\$ 1,850
Uniforms and Other Clothing	\$ 7,601	\$ 6,377	\$ 5,590	\$ 5,183	\$ 5,340
TOTAL	\$ 45,821	\$ 50,429	\$ 47,470	\$ 38,247	\$ 39,400

3.0% Inc

2025-2026 Projected Operating Costs

Objects (Types of Cost) I V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 281,627	\$ 266,880	\$ 316,240	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 10,000	\$ 3,167	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.0%
PUBLIC AND REGIONAL OUTREACH	\$ 40,172	\$ 41,201	\$ 51,260	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 358,982	\$ 434,173	\$ 432,770	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 142,062	\$ 153,251	\$ 168,120	\$ 179,858	\$ 185,260	\$ 5,402	3.0%
PURCHASED WATER AND POWER	\$1,563,375	\$ 1,579,586	\$ 1,561,670	\$ 1,533,639	\$ 1,534,943	\$ 1,304	0.1%
OPERATIONS AND MAINTENANCE	\$ 354,850	\$ 450,930	\$ 434,084	\$ 401,899	\$ 385,970	\$ (15,929)	-4.0%
TAXES AND FRANCHISE FEES	\$ 863,431	\$ 918,369	\$ 968,076	\$ 954,543	\$ 983,180	\$ 28,637	3.0%
EMPLOYEE COSTS	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Direct Payroll Costs Employee Benefits Less Capitalized Labor </div>						
CAPITAL COSTS							

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>	
<i>Direct Payroll</i>	\$ 1,693,539	\$ 1,786,891	\$ 1,811,233	\$ 1,748,916	\$ 1,839,423	5.2%
<i>Employee Benefits</i>	\$ 626,090	\$ 632,916	\$ 673,998	\$ 623,365	\$ 676,030	8.4%
<i>Total Labor bf Capitalization</i>	\$ 2,319,629	\$ 2,419,806	\$ 2,485,231	\$ 2,372,281	\$ 2,515,453	6.0%
<i>Less Capitalized Labor</i>	\$ (191,005)	\$ (148,683)	\$ (154,248)	\$ (266,499)	\$ (274,494)	3.0%
TOTAL OPERATING LABOR	\$ 2,128,623	\$ 2,271,123	\$ 2,330,983	\$ 2,105,782	\$ 2,240,959	6.4%

2024-2025 Projected Operating Costs

Objects (Types of Cost) I V	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 281,627	\$ 266,880	\$ 316,240	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 10,000	\$ 3,167	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0%
PUBLIC AND REGIONAL OUTREACH	\$ 40,172	\$ 41,201	\$ 51,260	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 358,982	\$ 434,173	\$ 432,770	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 142,062	\$ 153,251	\$ 168,120	\$ 179,858	\$ 185,260	\$ 5,402	3.0%
PURCHASED WATER AND POWER	\$ 1,563,375	\$ 1,579,586	\$ 1,561,670	\$ 1,533,639	\$ 1,534,943	\$ 1,304	0.1%
OPERATIONS AND MAINTENANCE	\$ 354,850	\$ 450,930	\$ 434,084	\$ 401,899	\$ 385,970	\$ (15,929)	-4.0%
TAXES AND FRANCHISE FEES	\$ 863,431	\$ 918,369	\$ 968,076	\$ 954,543	\$ 983,180	\$ 28,637	3.0%
EMPLOYEE COSTS	\$ 2,012,201	\$ 2,174,444	\$ 2,391,969	\$ 2,144,029	\$ 2,280,359	\$ 136,330	6.4%
CAPITAL COSTS							

Debt Service
Capital Transfers
Vehicle Repl Funding

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2026 Budget</u>
Debt Service	\$ 1,128,363	\$ 1,083,019	\$ 1,075,767	\$ 1,075,767	\$ 1,064,420
Capital Transfers	\$ 1,000,000	\$ 1,200,000	\$ 1,200,000	\$ 1,500,000	\$ 1,500,000
Vehicle Repl Funding	\$ 85,000	\$ 88,000	\$ 96,000	\$ 96,000	\$ 99,000
TOTAL	\$ 2,213,363	\$ 2,371,019	\$ 2,371,767	\$ 2,671,767	\$ 2,663,420

2025-2026 Projected Operating Costs

Objects <i>(Types of Cost)</i>	2023	2024	2025	2025	2026	2026 -2025	2026 -2025
	Actual	Actual	Budget	Projected	Budget	Difference	Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 434,173	\$ 421,760	\$ 473,940	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 153,251	\$ 175,167	\$ 177,130	\$ 179,858	\$ 185,260	\$ 5,402	3.0%
PURCHASED WATER	\$ 1,549,322	\$ 1,490,923	\$ 1,514,374	\$ 1,490,253	\$ 1,490,253	\$ -	0.0%
PURCHASED POWER	\$ 30,264	\$ 36,159	\$ 39,180	\$ 43,386	\$ 44,690	\$ 1,304	3.0%
OPERATIONS AND MAINTENANCE	\$ 450,930	\$ 406,062	\$ 439,320	\$ 401,899	\$ 385,970	\$ (15,929)	-4.0%
TAXES AND FRANCHISE FEES	\$ 918,369	\$ 858,800	\$ 981,683	\$ 954,543	\$ 983,180	\$ 28,637	3.0%
EMPLOYEE COSTS (Net Capitalization)	\$ 2,174,444	\$ 2,321,552	\$ 2,378,453	\$ 2,144,029	\$ 2,280,359	\$ 136,330	6.4%
PASS-THRU COSTS	\$ 1,091	\$ 2,979	\$ 1,450	\$ 1,777	\$ 1,780	\$ 3	0.2%
Total Operating Costs	\$ 6,023,092	\$ 6,102,359	\$ 6,384,971	\$ 6,097,184	\$ 6,254,632	\$ 157,448	2.6%
DEBT SERVICE	\$ 1,083,019	\$ 1,076,937	\$ 1,075,767	\$ 1,075,767	\$ 1,064,420	\$ (11,347)	-1.1%
CAPITAL COSTS	\$ 1,200,000	\$ 1,400,000	\$ 1,200,000	\$ 1,500,000	\$ 1,500,000	\$ -	0.0%
TRANSFER TO PRESERVATION ACCT	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	n/a
TRANSFER TO VEHICLE REPLC ACCT	\$ 88,000	\$ 92,000	\$ 96,000	\$ 96,000	\$ 99,000	\$ 3,000	3.1%
Total Operating Costs	\$ 2,421,019	\$ 2,618,937	\$ 2,421,767	\$ 2,671,767	\$ 2,663,420	\$ (8,347)	-0.3%
Total Revenue Requirement	\$ 8,444,111	\$ 8,721,296	\$ 8,806,738	\$ 8,768,952	\$ 8,918,053	\$ 149,101	1.7%
LESS OTHER REVENUES AND RESERVES				\$ (162,550)			
Net Revenue Requirement				\$ 8,606,402			

Budget Presentation Agenda

Part 2

Vehicle Replacement Account Capital Plan



VEHICLE REPLACEMENT ACCOUNT	2024	2025	2026	2027	2028	2029	2030
BEGINNING BALANCE	\$ 590,626	\$ 463,627	\$ 321,995	\$ 193,389	\$ 110,411	\$ 26,871	\$ 76,784
<u>Sources:</u>							
Net Interest Earnings	24,132	18,943	13,156	7,902	4,511	1,098	3,137
Revenue from Sales	9,225	33,425	42,488	34,214	34,421	10,974	33,909
Transfer from Operating Revenues	92,000	96,000	99,000	103,000	107,000	111,000	115,000
Total Sources	\$ 715,983	\$ 611,995	\$ 476,639	\$ 338,505	\$ 256,343	\$ 149,942	\$ 228,830
<u>Uses:</u>							
Unit # 5 GMC 10 Yard Dump	(252,357)	-	-	-	-	-	-
Unit # 17 2007 International 5 Yard Dump	-	-	-	(159,135)	-	-	-
Unit # 18 2013 F-350 Service Body - Box Truck	-	(160,000)	-	-	-	-	-
Unit # 19 2013 F-150 P/U	-	-	-	-	-	-	(75,353)
Unit # 20 F-550 Service Van	-	-	-	-	(163,909)	-	-
Unit # 21 2015 F-150 PU	-	-	-	-	-	-	-
Unit # 22 2015 F-150 PU	-	-	-	-	-	-	-
Unit # 23 2015 Ford Explorer - (Will be replaced with a PU)	-	-	(66,950)	-	-	-	-
Unit # 24 2015 Ford Explorer	-	-	-	-	(65,564)	-	-
Unit # 27 2018 Forklift	-	-	-	-	-	-	-
Unit # 26 2020 Ford Ranger 4x4	-	-	-	(68,959)	-	-	-
Unit # 28 2021 F-150 PU	-	-	-	-	-	(73,158)	-
Unit # 30 2010 F-150 4x4	-	-	-	-	-	-	(75,353)
Unit # 31 2023 F-150 P/U	-	-	-	-	-	-	(75,353)
Unit # 32 2025 Chevy Silverado 4x4 (replaces Unit #21)	-	(65,000)	-	-	-	-	-
Unit # 33 2025 F-150 P/U (replaces Unit #22)	-	(65,000)	-	-	-	-	-
TR-1 Backhoe 1991	-	-	(216,300)	-	-	-	-
TR-2 Backhoe 2003	-	-	-	-	-	-	-
Total Uses	\$ (252,357)	\$ (290,000)	\$ (283,250)	\$ (228,094)	\$ (229,473)	\$ (73,158)	\$ (226,058)
ENDING BALANCE - VEHICLE REPLACEMENT ACCT	\$ 463,627	\$ 321,995	\$ 193,389	\$ 110,411	\$ 26,871	\$ 76,784	\$ 2,772

Capital Plan - 2026 Budget		2025	2026	2027	2028	2029	2030	2025-2030
TOTAL SOURCES		12,931,935	11,951,598	6,597,268	6,197,319	16,554,163	16,611,840	37,810,640
USES:								
35	Meter Replacement	53,230	55,238	57,323	59,486	61,732	64,063	351,072
36	AMI Meter Replacement	-	37,537	322,528	347,760	304,953	316,943	1,329,721
37	Service Replacement	82,041	85,039	88,147	91,368	94,708	98,171	539,475
38	Hydrant Replacement	38,291	39,744	41,253	42,820	44,446	46,134	252,689
39	Pressure Reducing Stations Rehab	-	-	92,226	95,844	99,604	-	287,674
40	Valve Replacement	23,754	24,705	25,693	26,721	27,789	28,901	157,563
41	Technology Additions & Replacement	23,350	112,575	19,225	8,450	16,505	23,150	203,255
42	Tools & Equipment	21,736	22,605	23,510	24,450	25,428	26,445	144,174
43	Engineering and Modeling Reports	90,069	88,811	8,227	-	23,878	16,281	227,266
1	Beach Dr NE WM Creek Crossing	1,011,322	-	-	-	-	-	1,011,322
2	114-41st St to Beach Drive	266,286	-	-	-	-	-	266,286
3	6th Ave NE & 168th St WM Repl	1,708,118	6,872	-	-	-	-	1,714,991
4	NE 155th St WM Repl/Install WM 158th St (1	88,600	3,712,131	4,071	-	-	-	3,804,801
5	6th Ave NE & NE 145th St WM Connection	33,720	209,096	-	-	-	-	242,816
6	3rd Ave NE project	15,586	324,926	1,521	-	-	-	342,034
7	115-Sound Transit NE 145th St/SR 523	22,442	1,681,573	-	-	-	-	1,704,016
8	139-Replace 6" on NE 155th St & 27th Ave	-	215,718	700,731	545,583	-	-	1,462,032
9	19th Ave NE/Ballinger Way Main Repl	120,564	-	-	-	-	-	120,564
10	GIS Project	261,760	118,457	82,667	14,860	18,654	6,959	503,358

Capital Plan - 2026 Budget		2025-2030	2031	2032	2033	2034	2035	2031-2035	2026-2035
TOTAL SOURCES		37,810,640	13,143,747	9,669,084	17,649,662	16,722,277	13,081,483	34,889,681	62,609,882
USES:									
35	Meter Replacement	351,072	66,482	68,993	71,599	74,304	77,112	358,490	709,562
36	AMI Meter Replacement	1,329,721	329,405	678,011	644,272	722,694	470,210	2,844,592	4,174,313
37	Service Replacement	539,475	101,760	105,482	109,339	113,339	117,486	547,406	1,086,881
38	Hydrant Replacement	252,689	47,887	49,706	51,595	53,556	55,592	258,337	511,026
39	Pressure Reducing Stations Rehab	287,674	-	-	-	-	-	-	287,674
40	Valve Replacement	157,563	30,057	31,259	32,510	33,810	35,162	162,798	320,361
41	Technology Additions & Replacement	203,255	19,350	23,575	10,700	12,525	18,340	84,490	287,745
42	Tools & Equipment	144,174	27,503	28,603	29,747	30,937	32,175	148,965	293,139
43	Engineering and Modeling Reports	227,266	93,777	-	-	32,461	19,336	145,575	372,841
1	Beach Dr NE WM Creek Crossing	1,011,322						-	1,011,322
2	114-41st St to Beach Drive	266,286	-	-	-	-	-	-	266,286
3	6th Ave NE & 168th St WM Repl	1,714,991	-	-	-	-	-	-	1,714,991
4	NE 155th St WM Repl/Install WM 158th St (1	3,804,801	-	-	-	-	-	-	3,804,801
5	6th Ave NE & NE 145th St WM Connection	242,816	-	-	-	-	-	-	242,816
6	3rd Ave NE project	342,034	-	-	-	-	-	-	342,034
7	115-Sound Transit NE 145th St/SR 523	1,704,016	-	-	-	-	-	-	1,704,016
8	139-Replace 6" on NE 155th St & 27th Ave	1,462,032	-	-	-	-	-	-	1,462,032
9	19th Ave NE/Ballinger Way Main Repl	120,564	-	-	-	-	-	-	120,564
10	GIS Project	503,358	7,238	7,527	11,620	7,828	4,101	38,314	541,672

Capital Plan - 2026 Budget		2025	2026	2027	2028	2029	2030	2025-2030
TOTAL SOURCES		12,931,935	11,951,598	6,597,268	6,197,319	16,554,163	16,611,840	37,810,640
14	Telemetry Upgrade/Repl	-	267,813	-	-	-	-	267,813
18	37th and 38th Ave NE Replacement	7,122	737,067	779,434	-	-	-	1,523,623
29	Admin Building - Long-Term Maint	6,680	193,283	14,983	-	-	-	214,946
30	Main Building - Long-Term Maint	-	-	-	-	36,243	-	36,243
31	North City DCPS - Long-Term Maint	-	-	26,545	-	-	-	26,545
32	3.7 MG Reservoir Improvements	-	51,614	-	-	-	-	51,614
33	2.0MG Reservoir Improvements	-	-	26,303	-	-	-	26,303
13	Shunt trip breakers for BS 1 and 2	-	123,038	-	-	-	-	123,038
11	Communications	-	-	-	-	-	-	-
12	ShakeMonitor/ShakeAlert project	-	-	-	-	-	-	-
15	Emergency Response Plan	14,886	49,748	-	-	-	72,661	137,295
16	Asset Management	-	-	157,022	158,317	89,829	-	405,168
17	Misc Main Replacement	-	-	-	-	94,467	249,891	344,358
19	Galvanized Service Line Repl	-	-	26,663	189,115	197,108	-	412,887
20	Repl 2" w/ 4" wm on 182nd 25th Ave NE	-	-	-	-	94,081	208,044	302,124
21	118-Install new suction line from Tolt	-	35,962	45,000	798,278	1,417,653	1,346,985	3,643,878
28	Vactor Truck	-	-	749,130	-	-	-	749,130
22	119a-Install new BS, piping & 119b-1.5 MG	-	-	-	-	217,626	2,908,102	3,125,728
23	Additional land	-	-	-	-	-	893,230	893,230
24	101-Install new 8" main to connect 590 Zo	-	-	-	-	-	-	-
25	102-Connect northern end of 25th Ave	-	-	-	-	-	-	-
26	103-Remove PRV-5	-	-	-	-	-	-	-
27	119c-New BS2	-	-	-	-	-	-	-
34	Alarms & Cameras at four buildings	-	-	-	-	-	-	-
44	Water System Plan	-	-	-	289,249	266,478	-	555,727
45	Additional Projects not shown above	-	-	-	-	-	215,442	215,442
	TOTAL USES	3,889,559	8,193,555	3,292,201	2,692,303	3,131,182	6,521,401	27,720,201

Capital Plan - 2026 Budget		2025-2030	2031	2032	2033	2034	2035	2031-2035	2026-2035
TOTAL SOURCES		37,810,640	13,143,747	9,669,084	17,649,662	16,722,277	13,081,483	34,889,681	62,609,882
14	Telemetry Upgrade/Repl	267,813	-	-	-	334,566	-	334,566	602,379
18	37th and 38th Ave NE Replacement	1,523,623	-	-	-	-	-	-	1,523,623
29	Admin Building - Long-Term Maint	214,946	-	22,478	-	-	-	22,478	237,424
30	Main Building - Long-Term Maint	36,243	-	-	-	43,984	-	43,984	80,227
31	North City DCPS - Long-Term Maint	26,545	-	-	-	34,753	-	34,753	61,298
32	3.7 MG Reservoir Improvements	51,614	50,033	308,442	2,107,240	246,202	-	2,711,917	2,763,532
33	2.0MG Reservoir Improvements	26,303	-	31,414	-	-	-	31,414	57,717
13	Shunt trip breakers for BS 1 and 2	123,038	-	-	-	-	-	-	123,038
11	Communications	-	-	-	-	47,319	-	47,319	47,319
12	ShakeMonitor/ShakeAlert project	-	-	-	-	-	-	-	-
15	Emergency Response Plan	137,295	-	-	-	-	95,171	95,171	232,466
16	Asset Management	405,168	-	-	-	2,421	2,436	4,857	410,025
17	Misc Main Replacement	344,358	643,201	113,023	301,208	782,201	137,960	1,977,593	2,321,950
19	Galvanized Service Line Repl	412,887	-	-	-	-	-	-	412,887
20	Repl 2" w/ 4" wm on 182nd 25th Ave NE	302,124	-	-	-	-	-	-	302,124
21	118-Install new suction line from Tolt	3,643,878	-	-	-	-	-	-	3,643,878
28	Vactor Truck	749,130	-	-	-	985,804	-	985,804	1,734,934
22	119a-Install new BS, piping & 119b-1.5 MG	3,125,728	5,207,806	2,807,438	-	-	-	8,015,244	11,140,973
23	Additional land	893,230	-	-	-	-	-	-	893,230
24	101-Install new 8" main to connect 590 Zo	-	-	-	275,954	773,408	-	1,049,362	1,049,362
25	102-Connect northern end of 25th Ave	-	-	489	40,265	77,798	-	118,551	118,551
26	103-Remove PRV-5	-	-	30,959	-	-	-	30,959	30,959
27	119c-New BS2	-	-	-	148,029	1,298,029	5,181,470	6,627,528	6,627,528
34	Alarms & Cameras at four buildings	-	-	2,443	315,570	-	-	318,013	318,013
44	Water System Plan	555,727	-	-	-	-	-	-	555,727
45	Additional Projects not shown above	215,442	-	-	-	548,199	1,105,204	1,653,404	1,868,845
	TOTAL USES	27,720,201	6,624,499	4,309,841	4,149,649	6,256,139	7,351,755	28,691,883	56,880,154

Capital Plan - 2026 Budget	2025	2026	2027	2028	2029	2030	2025-2030	2030-2035	2025-2035
SOURCES:									
Capital Account Beginning Balance	\$ 9,015,547	\$ 9,142,376	\$ 3,862,858	\$ 3,414,929	\$ 3,620,169	\$ 13,343,677	\$ 9,015,547	\$ 9,707,317	\$ 9,015,547
Transfers from the Maintenance Fund	1,500,000	1,500,000	1,700,000	2,200,000	2,100,000	2,100,000	11,100,000	10,800,000	21,900,000
Interest Earnings	434,104	440,211	185,999	164,431	174,313	642,507	2,041,566	2,301,975	4,343,540
Bond Proceeds	-	-	-	-	10,000,000	-	10,000,000	10,000,000	20,000,000
SPU Refund	1,400,000	-	-	-	-	-	1,400,000	-	1,400,000
Connection Fees	682,284	973,826	958,273	533,111	580,377	142,535	3,870,406	1,538,021	5,408,427
TOTAL SOURCES	13,031,935	12,056,413	6,707,130	6,312,471	16,474,859	16,228,718	37,427,518	34,347,313	62,067,514
TOTAL USES	3,889,559	8,193,555	3,292,201	2,692,303	3,131,182	6,521,401	27,720,201	28,691,883	56,412,084
ENDING BALANCE	9,142,376	3,862,858	3,414,929	3,620,169	13,343,677	9,707,317	9,707,317	5,655,431	5,655,431

The District expects to spend nearly \$60 million on capital between 2025 and 2035. Costs have been projected for another twenty years but this shorter period is what will be approved by the Board for the 2026 budget period. This is because the RCW stipulates that only approved capital costs for ten years as specified in a Comprehensive Plan can be included in a Connection Fee for new customers.

A rule of thumb is to project capital activity so the balance in the capital account does not fall too much below \$3-\$4 million. This guards the District against unexpected overages or emergencies.

The entire amount received from SPU will go directly to capital.

Debt issuance will be a major source of funding for capital. Currently the outstanding debt is about \$11 million, which means new debt will nearly triple the debt currently in place. Starting in 2029, debt service costs will become the major driver in rate increases and will require the District to find new funding sources such as low interest loans, conventional loans, and grants.

The second source of funding is direct transfers of cash from rate revenues. This is an amount that approximately equals depreciation expense.

Break



Budget Presentation Agenda

Part 3

Cost of Service (COS) Analysis



- **Connection Fees** – these are fees charged to new customers when they join the system, and are for the recovery of costs invested in infrastructure (plant). When the District constructs waterlines and other infrastructure they build them larger than is needed for the existing customers, knowing that growth will occur. A portion of the cost of this excess capacity is charged to new customers as a connection fee. It is entirely computed on the cost invested in capital.
- **Service Rates** — these are charges to existing customers to recover the on-going costs to operate and govern the District. Since a utility is an infrastructure driven entity, many of those costs are directly related to operating and maintaining the infrastructure, which means many of the practices used to compute the rates are similar to those for computing a connection fee. However, since many of the costs related to on-going operations have very little to do maintaining infrastructure, such as water supply and customer billing, many of the practices in setting the rates are different from those used to compute the connection fees.



Cost of Service (COS) Rate Review

Establishing rates is a blend of **Art** and **Science**

- **Science** = application of practices and procedures as established by the AWWA and augmented by industry standards.
- **Art** = choosing what practices to apply plus the assumptions and decisions made to meet the goals and objectives of the District.



The Science of a COS Review

A COS review involves the following seven steps:

1. Gather data and calculate base year revenues (*No. of customers and ERUs and usage for a typical year*) and base year costs.
2. Determine the factors (*percentages*) for the allocation of infrastructure costs and operating costs to functions of service.

Capacity (meters and services, base and peak demand)

Fire

Customers

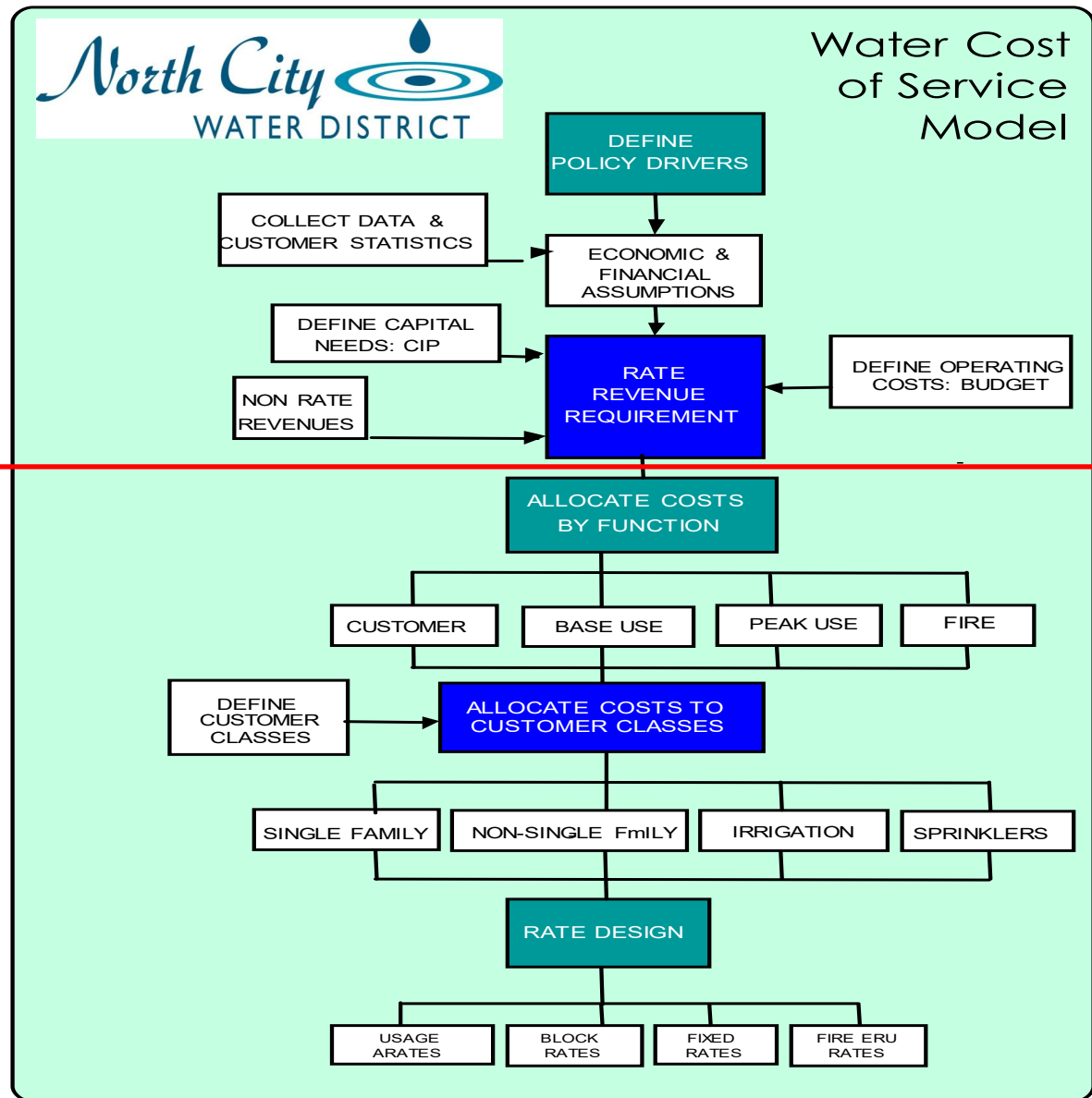
3. Allocate base year service costs to functions of service from step 2.
4. Allocate functions of service costs from step 3 to customer classes.
5. Develop unit costs from steps 1 and 4.
6. Combine unit costs into the final rates from step 5.



Graphical Illustration

Every time the District does a budget and adjusts the rates, an analysis is performed through the revenue Requirement *(to the redline)*. An across-the-board increase is applied to the current year rates if additional revenue is required.

Every 5-7 years an in-depth analysis is performed to determine if the rates are recovering costs from customers in an equitable manner. It is called a Cost of Service Study/Review. The last analysis was performed in 2020.



COS Review - Step 1

Gather data for the base year revenue calculations:

1. Evaluate customer classes

- Which customers to include in a customer class are based on unit costs to serve them. The District considers two major cost areas:

1. Fire protection
2. Peak usage patterns

New Customer Classes	Fire Protection	Peak Usage Pattern
Single Family	Lower	Higher
Non-Single Family		
Multi-Family	Higher	Flat
Municipal	Higher	Flat
Commercial	Higher	Flat
Fircrest	Higher	Flat
Irrigation	None	Very High
Fire Sprinklers	None	None

In the past, Multi-Family was treated as a separate class, but unit cost criteria show there is no need to segregate Multi-Family as a separate class for establishing rates. However, the information is still tracked for informational and management purposes.

Once the customer classes are determined, all data is grouped together under those classes going forward. There will be different rates for each class of customer. In other words – four different rates - no longer five.

COS Review - Step 1 *cont.*

Gather data for the base year revenue calculations:

1. Determine the base or representative year for revenue and costs:

1. Given the unpredictable weather due to global warming,
2. A changing growth pattern in the District,
3. An irregular maintenance program *(for example 2024 had twice the maintenance cost for meter, services and hydrants than either 2023 or 2025, making it less “normal”,*
4. The idea of an average year is no longer useful, so without better information, the most current year is likely the best prediction of the following year.

2. Determine the number of customers and ERUs by customers class

- Make adjustments as follows:

1. Remove Fire sprinkler meters and revenues completely
2. Add known large customers coming on line within a year

3. Determine the base year usage by customer class

- Make adjustments as follows:

1. Add full year estimates of usage for new large multi-family customers
2. Adjust other miscellaneous items

4. Calculate the revenues by class for the adjusted base year usage, customers and ERUs with the current year rates – 2025 (from steps 2 and 3) . **This will allow for a “revenue neutral” review of how the cost of service shifts impact rates and customers before adding an across the board rate increase for 2026.**



COS Review - Step 1 *cont.*

Gather data for the base year revenue calculations:

2. Determine the number of customers by customer class

CUSTOMER CLASSES - 2025	CUSTOMERS					
	Accounts	Change 2019-2025	MCEs	Change 2019-2025	MSEs	Change 2019-2025
Single Family	7,396	-1%	7,845	0%	7,515	-1%
Non-Single Family						
Multi Family Residential	333	10%	1,485	18%	712	25%
Commercial	201	-7%	540	-5%	297	-4%
Municipal	21	31%	199	6%	105	-10%
Fircrest	2	0%	130	0%	50	0%
Total Non-Single Family	557	4%	2,353	10%	1,165	11%
Irrigation	43	59%	142	33%	72	21%
TOTAL	7,996		10,340		8,752	

CUSTOMER CLASSES - 2019	CUSTOMERS		
	Accounts	MCEs	MSEs
Single Family	7,499	7,872	7,598
Non-Single Family			
Multi Family Residential	303	1,260	569
Commercial	216	568	310
Municipal	16	188	117
Fircrest	2	130	50
Total Non-Single Family	537	2,145	1,046
Irrigation	27	107	60
TOTAL	8,063	10,124	8,704

COS Review - Step 1 cont.

Gather data for the base year revenue calculations:

3. Determine the usage by customer class

CUSTOMER CLASSES - 2025	USAGE (ccf)					
	Total	Change 2019-2025	Summer (Jul-Oct)	Change 2019-2025	Winter (Nov-Jun)	Change 2019-2025
Single Family	485,625	-11%	212,667	-13%	272,958	-9%
Non-Single Family						
Multi Family Residential	176,794	52%	63,956	54%	112,838	51%
Commercial	39,488	-36%	15,917	-38%	23,571	-34%
Municipal	5,976	10%	1,875	-44%	4,101	42%
Fircrest	23,287	-8%	8,620	-12%	14,667	-5%
Total Non-Single Family	245,545	18%	90,368	13%	155,177	21%
Irrigation	22,630	72%	16,654	39%	5,976	400%
TOTAL	753,800		319,689		434,111	

CUSTOMER CLASSES - 2019	USAGE (ccf)		
	Total	Summer (Jul-Oct)	Winter (Nov-Jun)
Single Family	545,147	245,808	299,339
Non-Single Family			
Multi Family Residential	116,233	41,428	74,805
Commercial	61,781	25,497	35,485
Municipal	5,445	3,351	2,894
Fircrest	25,269	9,839	15,431
Total Non-Single Family	208,728	80,114	128,614
Irrigation	13,169	11,974	1,196
TOTAL	767,045	337,896	429,148

COS Review - Step 1 *cont.*

Gather data for the base year revenue calculations:

3. Determine the square footage by customer class

CUSTOMER CLASSES - 2025	SQUARE FOOTAGE	
	SQ FTs	Change 2019-2025
Single Family	17,010,800	-1%
Non-Single Family		
Multi Family Residential	3,946,540	75%
Commercial	1,188,520	-12%
Municipal	817,860	13%
Fircrest	405,920	-5%
Total Non-Single Family	6,358,840	34%
Irrigation	-	
TOTAL	23,369,640	

CUSTOMER CLASSES - 2019	SQ FOOTAGE
	SQ FTs
Single Family	17,247,315
Non-Single Family	
Multi Family Residential	2,254,060
Commercial	1,353,640
Municipal	723,260
Fircrest	425,700
Total Non-Single Family	4,756,660
Irrigation	-
TOTAL	22,003,975

COS Review - Step 2

Determine the factors (*percentages*) for the allocation of infrastructure costs and operating costs to functions of service.

Capacity (*meters and services, base and peak demand*)

Fire

Customers

This step is consistent to what is used to develop the connection fees and will be presented and reviewed at that time.

COS Review - Step 1 *cont.*

Gather data for the base year revenue calculations:

4. Calculate the revenues by class for the adjusted base year usage, customers and square footage (fire) with the current year rates – 2025.

CUSTOMER CLASSES	Revenues from Base Charges			Total Usage Charge	TOTAL b/f FF	Franchise Fees	GRAND TOTAL
	Meter Charge	Fire Charge	Total Fixed Charge				
Single Family	\$ 2,764,388	\$ 482,767	\$ 3,247,155	\$ 2,301,407	\$ 5,548,562	\$ 332,914	\$ 5,881,476
Multi Family	\$ 364,236	\$ 299,306	\$ 663,542	\$ 915,790	\$ 1,579,332	\$ 94,760	\$ 1,674,092
Commercial	\$ 142,693	\$ 90,137	\$ 232,830	\$ 204,548	\$ 437,378	\$ 26,243	\$ 463,620
Municipal	\$ 47,952	\$ 62,027	\$ 109,979	\$ 30,956	\$ 140,935	\$ 8,456	\$ 149,391
Fircrest	\$ 28,439	\$ 30,778	\$ 59,217	\$ 120,627	\$ 179,844	\$ 10,791	\$ 190,635
Irrigation	\$ 29,300		\$ 29,300	\$ 203,896	\$ 233,196	\$ 13,992	\$ 247,188
Fire Sprinkler Service	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 3,377,009	\$ 965,014	\$ 4,342,023	\$ 3,777,224	\$ 8,119,247	\$ 487,155	\$ 8,606,402

This is not the amount of revenue the District is projected to receive in 2025, it is the amount of revenue we would receive in 2026 if the customers and usage were the same as projected in 2025 for a full year. There is no projected across the board rate increase in this amount!

COS Review - Step 3

Objects (Types of Cost) I v	Functions -> Examples v	Admin - 10/20	Cust Service & Billing - 50/51	General O&M - 30	Source of Supply & Pumping - 37/38/41	Storage - 39	Meters & Services - 33/34	Dist System - 32/36/40	Hydrants - 35
BUSINESS ADMINISTRATION	1-10-500200	✓							
PLANNING AND DEVELOPMENT	1-11-520600	✓							
PUBLIC AND REGIONAL OUTREACH	1-14-523100	✓							
OFFICE AND RECORDS MANAGEMENT		✓		✓					
CUSTOMER SERVICE AND BILLING	1-51-540100	10-530100	✓	30-530100					
PURCHASED WATER AND POWER	1-41-550100				✓				
OPERATIONS AND MAINTENANCE	1-41-550100			✓	✓	✓	✓	✓	✓
TAXES AND FRANCHISE FEES	1-10-575100	✓			30-565100	41-565100	39-565100	33-565100	32-565100
EMPLOYEE COSTS		✓	✓	✓	✓	✓	✓	✓	✓
CAPITAL COSTS		10-590100	50-590100	30-590100	41-590100	39-590100	33-590100	32-590100	35-590100
	Cash transfer at year-end								

Every year the first slide of the budget presentation is this slide. It is shown as a reminder that we not only budget by objects or types of service (as shown on the left column) but we also budget by functions of service as shown across the top.

2025-2026 Projected Operating Costs

Objects <i>(Types of Cost)</i>	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 434,173	\$ 421,760	\$ 473,940	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 153,251	\$ 175,167	\$ 177,130	\$ 179,858	\$ 185,260	\$ 5,402	3.0%
PURCHASED WATER	\$ 1,549,322	\$ 1,490,923	\$ 1,514,374	\$ 1,490,253	\$ 1,490,253	\$ -	0.0%
PURCHASED POWER	\$ 30,264	\$ 36,159	\$ 39,180	\$ 43,386	\$ 44,690	\$ 1,304	3.0%
OPERATIONS AND MAINTENANCE	\$ 450,930	\$ 406,062	\$ 439,320	\$ 401,899	\$ 385,970	\$ (15,929)	-4.0%
TAXES AND FRANCHISE FEES	\$ 918,369	\$ 858,800	\$ 981,683	\$ 954,543	\$ 983,180	\$ 28,637	3.0%
EMPLOYEE COSTS (Net Capitalization)	\$ 2,174,444	\$ 2,321,552	\$ 2,378,453	\$ 2,144,029	\$ 2,280,359	\$ 136,330	6.4%
PASS-THRU COSTS	\$ 1,091	\$ 2,979	\$ 1,450	\$ 1,777	\$ 1,780	\$ 3	0.2%
Total Operating Costs	\$ 6,023,092	\$ 6,102,359	\$ 6,384,971	\$ 6,097,184	\$ 6,254,632	\$ 157,448	2.6%
DEBT SERVICE	\$ 1,083,019	\$ 1,076,937	\$ 1,075,767	\$ 1,075,767	\$ 1,064,420	\$ (11,347)	-1.1%
CAPITAL COSTS	\$ 1,200,000	\$ 1,400,000	\$ 1,200,000	\$ 1,500,000	\$ 1,500,000	\$ -	0.0%
TRANSFER TO PRESERVATION ACCT	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	n/a
TRANSFER TO VEHICLE REPLC ACCT	\$ 88,000	\$ 92,000	\$ 96,000	\$ 96,000	\$ 99,000	\$ 3,000	3.1%
Total Operating Costs	\$ 2,421,019	\$ 2,618,937	\$ 2,421,767	\$ 2,671,767	\$ 2,663,420	\$ (8,347)	-0.3%
Total Revenue Requirement	\$ 8,444,111	\$ 8,721,296	\$ 8,806,738	\$ 8,768,952	\$ 8,918,053	\$ 149,101	1.7%
LESS OTHER REVENUES AND RESERVES				\$ (162,550)			
Net Revenue Requirement				\$ 8,606,402			

COS Review - Step 3 *cont.*

Operating Costs - Projected 2025

Objects (Types of Cost) ↓ v	Function Total	Admin	Cust Service & Billing	General O&M	Source of Supply & Pumping	Storage	Meters & Services	Dist System	Hydrants
BUSINESS ADMINISTRATION	\$ 338,558	\$ 338,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PLANNING AND DEVELOPMENT	10,000	10,000	-	-	-	-	-	-	-
PUBLIC AND REGIONAL OUTREACH	58,669	58,669	-	-	-	-	-	-	-
OFFICE AND RECORDS MANAGEMENT	474,213	255,018	-	195,485	-	-	18,853	4,857	-
CUSTOMER SERVICE AND BILLING	179,858	-	179,858	-	-	-	-	-	-
PURCHASED WATER	1,490,253	-	-	-	1,490,253	-	-	-	-
PURCHASED POWER	43,386	-	-	-	43,386	-	-	-	-
OPERATIONS AND MAINTENANCE	401,899	-	-	190,070	40,406	-	68,671	90,772	11,981
TAXES AND FRANCHISE FEES	954,543	954,543	-	-	-	-	-	-	-
PASS-THRU COSTS	1,777	1,777	-	-	-	-	-	-	-
EMPLOYEE COSTS	2,144,029	765,425	294,286	843,918	32,521	7,511	81,579	100,476	18,313
Total Operating Costs	<u>\$ 6,097,184</u>	<u>\$2,383,990</u>	<u>\$474,144</u>	<u>\$1,229,473</u>	<u>\$1,606,566</u>	<u>\$ 7,511</u>	<u>\$169,103</u>	<u>\$196,104</u>	<u>\$ 30,294</u>
DEBT SERVICE	1,075,767								
CAPITAL COSTS	1,500,000								
TRANSFER TO VEHICLE REPLC ACCT	96,000								
Total Capital Costs	<u>\$ 2,671,767</u>								
LESS OTHER REVENUES AND RESERVES	(162,550)								
Total Revenue Requirement	<u><u>\$ 8,606,402</u></u>								

Note the amount of the costs are equal to the available revenues as computed earlier.



FUNCTIONS OF WATER SERVICE

Customers	Meters & Services	Base (Average) Demand	Peak (Summer) Demand	52 Fire Protection
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COS Review - Step 3 *cont.*

ALLOCATION OF COSTS TO RATE FUNCTIONS - Amounts	TOTAL COSTS	CUSTOMER	METERS & SERVICES	BASE	PEAK	FIRE - T&D	FIRE- Pumping - Storage - Hydrants	FIRE- Hydrants
Pumping and Telemetry	114,597	-	-	36,182	40,082		38,333	
Storage	7,511		-	3,002	1,996		2,512	
Meters & Services	169,103	-	169,103	-	-		-	
Distribution System	196,104	-	-	61,917	68,589	65,598		
Hydrants	30,294	-	-	-	-			30,294
Subtotal O&M Costs	517,609	-	169,103	101,101	110,667	65,598	40,846	30,294
<i>Percentage by Function for O&M</i>	<i>100%</i>	<i>0%</i>	<i>33%</i>	<i>20%</i>	<i>21%</i>	<i>13%</i>	<i>8%</i>	<i>6%</i>
General O&M	1,229,473	-	401,670	240,145	262,866	155,815	97,021	71,956
Admin by Customers (Office)	441,463	132,439	52,651	114,578	115,958	12,395	7,718	5,724
Customer Service and Billing/Meter Reading	474,144	474,144	-	-	-			
Source of Supply	1,491,969	-	-	707,842	784,127			
Subtotal O&M Costs	4,154,658	606,583	623,425	1,163,666	1,273,618	233,808	145,585	107,974
<i>Cummlative Percentage by Function</i>	<i>100%</i>	<i>15%</i>	<i>15%</i>	<i>28%</i>	<i>31%</i>	<i>6%</i>	<i>4%</i>	<i>3%</i>
General Adminstration	987,983	144,246	148,251	276,721	302,868	55,600	34,620	25,676
TOTAL OPERATING COSTS	5,142,642	750,829	771,676	1,440,387	1,576,487	289,407	180,205	133,650
TOTAL CAPITAL COSTS:								
Debt Service - Infrastructure	1,075,767	-	169,458	368,767	373,211	78,836	49,089	36,407
Debt Service For General Plant	-		-	-	-			
Transfer to Vehicle Replacement Acct	96,000	-	17,849	38,842	39,310			
Transfer to Capital Accounts	1,500,000	-	236,285	514,192	520,387	109,925	68,447	50,764
TOTAL CAPITAL COSTS	2,671,767	-	423,592	921,801	932,908	188,761	117,536	87,171
TOTAL COSTS	7,814,409	750,829	1,195,268	2,362,188	2,509,394	478,168	297,741	220,821
<i>Combined Percentage by Function</i>	<i>100%</i>	<i>10%</i>	<i>15%</i>	<i>30%</i>	<i>32%</i>	<i>6%</i>	<i>4%</i>	<i>3%</i>
OTHER REVENUES AND ADJUSTMENTS:								
Excise Taxes	467,388	44,908	71,490	141,285	150,089	28,600	17,808	13,208
Less: Other Revenues	(345,339)	(33,181)	(52,822)	(104,391)	(110,897)	(21,132)	(13,158)	(9,759)
Plus: Net Cash Flow after Rate Increase	182,790	17,563	27,959	55,255	58,698	11,185	6,965	5,165
REVENUE REQUIREMENT b/f FRANCHISE FEES	\$ 8,119,247	\$ 780,119	\$ 1,241,895	\$ 2,454,337	\$ 2,607,285	\$ 496,821	\$ 309,356	\$ 229,435
Pass-Thru Franchise Fees	487,155	46,807	74,514	147,260	156,437	29,809	18,561	13,766
REVENUE REQUIREMENT	\$ 8,606,402	\$ 826,926	\$ 1,316,408	\$ 2,601,597	\$ 2,763,722	\$ 526,631	\$ 327,917	\$ 243,201
Percentage Allocation to Functions of Service	100%	9.6%	15.3%	30.2%	32.1%	6.1%	3.8%	2.8%

Move to Next Slide for the BOTTOM LINE!

COS Review - Step 3 Cont.

ALLOCATION OF COSTS TO RATE FUNCTIONS - Amounts	TOTAL COSTS	CUSTOMER	METERS & SERVICES	BASE	PEAK	FIRE - T&D	FIRE- Pumping - Storage - Hydrants	FIRE- Hydrants
Plus: Net Cash Flow after Rate Increase	182,790	17,563	27,959	55,255	58,698	11,185	6,965	5,165
REVENUE REQUIREMENT b/f FRANCHISE FEES	\$ 8,119,247	\$ 780,119	\$ 1,241,895	\$ 2,454,337	\$ 2,607,285	\$ 496,821	\$ 309,356	\$ 229,435
Pass-Thru Franchise Fees	487,155	46,807	74,514	147,260	156,437	29,809	18,561	13,766
REVENUE REQUIREMENT	\$ 8,606,402	\$ 826,926	\$ 1,316,408	\$ 2,601,597	\$ 2,763,722	\$ 526,631	\$ 327,917	\$ 243,201
Percentage Allocation to Functions of Service	100%	9.6%	15.3%	30.2%	32.1%	6.1%	3.8%	2.8%
	2020 rates	8.2%	12.2%	35.5%	33.2%	10.8%	2025 Fire % ->	12.8%
	Shifts	1.4%	3.1%	-5.3%	-1.1%	1.9%		

The shift in meters and services is due to the major replacements of MXUs over the last few years.

Fire was separated by three elements this time, instead of one, which allows us to align the allocation completely with the connection fee allocations.

The cost of service analysis is done without considering the franchise fees as they are just added to the bills and treated like a pass-thru. The amount to watch for is \$8,119,247.

COS Review - Step 4

4. Allocate functions of service costs from step 3 to customer classes.

ALLOCATION OF COSTS TO RATE FUNCTIONS - Amounts	TOTAL COSTS	CUSTOMER	METERS & SERVICES	BASE	PEAK	FIRE - T&D	FIRE- Pumping - Storage - Hydrants	FIRE- Hydrants
Plus: Net Cash Flow after Rate Increase	182,790	17,563	27,959	55,255	58,698	11,185	6,965	5,165
REVENUE REQUIREMENT b/f FRANCHISE FEES	\$ 8,119,247	\$ 780,119	\$ 1,241,895	\$ 2,454,337	\$ 2,607,285	\$ 496,821	\$ 309,356	\$ 229,435

The circled amounts of budgeted costs by functions of service will be used going forward for the rest of the analysis.

To allocate functional costs to customer classes is straight forward – costs related to customers are allocated to classes by the number of customers, meters & service by a meter service factor called and MSE, base demand (*winter usage - annualized*) by total usage, peak demand (*summer usage increment*) by summer usage, and fire protection by square footage (ERUs). The final allocation is shown in the table below:

Allocation Factors	Customers	MSE/MCE	Total Usage	Summer Usage	SQ FTs	SQ FTs		
Customer Classes	Customer	Meters & Services	Base Demand	Peak Demand	Low Density Fire Protect	High Density Fire Protect	Total Revenue Req.	% Share
Single Family	\$ 721,581	\$1,066,399	\$ 1,581,173	\$ 1,734,447	\$ 477,735		\$ 5,581,334	69%
Non-Single Family	54,343	165,237	799,482	737,014		557,877	2,313,952	28%
Irrigation	4,195	10,259	73,682	135,825			223,961	3%
Fire Sprinkler Service	-	-	-	-			-	0%
TOTAL	\$ 780,119	\$1,241,895	\$ 2,454,337	\$ 2,607,285	\$ 477,735	\$ 557,877	\$ 8,119,247	100%

COS Review - Step 5

5. Develop unit costs:

Summary of Unit Costs by Customer Class

MONTHLY UNIT COSTS BY FUNCTIONS AND CUSTOMER CLASSES	Allocated by:	Single Family	Non-Single Family	Irrigation	Total Revenues Collected	Percent of Total
Customer Costs	<i>By Acct</i>	\$ 8.13	\$ 8.13	\$ 8.13	\$ 780,119	
Meters & Services Cost	<i>By MSE</i>	\$ 7.09	\$ 1.77	\$ 4.73	\$ 668,728	
Meters & Services Cost	<i>By MCE</i>	\$ -	\$ -	\$ -		
Peak Demand Costs	<i>By MCE</i>	\$ 14.96	\$ 14.36	\$ 11.96	\$ 1,834,102	
Total Fixed Costs		\$ 30.19	\$ 24.26	\$ 24.82	\$ 3,282,949	40%
Meters & Services Cost	<i>By Total Usage</i>	\$ 0.88	\$ 0.57	\$ 0.27	\$ 573,166	
Peak Demand Costs	<i>By Total Usage</i>	\$ 0.67	\$ 1.35	\$ 5.10	\$ 773,183	
Base Demand Costs	<i>By Total Usage</i>	\$ 3.26	\$ 3.26	\$ 3.26	\$ 2,454,337	
Total Usage Costs		\$ 4.81	\$ 5.18	\$ 8.63	\$ 3,800,686	47%
Fire Protection Costs	<i>By SQ FT</i>	\$ 0.0023	\$ 0.0073	\$ -	\$ 1,035,612	13%
Total Revenue Requirement bf FR					\$ 8,119,247	

Unit costs are primarily derived by simply dividing the amount by class by the factor used for allocation. For example, customer unit costs are developed by dividing all the customer costs by the number of customers. You would expect to see a uniform unit cost by customer class and you do. See \$8.13.

This is the step where more **ART** can be applied to achieve the results that are most appropriate to the goals and objectives of the District. For example, meters and services cost can be allocated by both meter service allocators or meter capacity allocators to shift costs between single family and non-single family as a way to “phase” rate impacts if needed (*it was not needed this time*)

Allocation of peak demand costs between meter capacity (MCE) and usage is especially significant. The unit costs for Peak Demand shows significant variation between customer classes – most notably with irrigation. More in usage gives the customer more control of their bill, more fixed gives the District more stability.

Summary of Structural Changes (Art)

Fire sprinkler cost allocations are reduced to zero - final step to phase out

Consistent with The District's policy to not charge for upsizing SF meters needed for fire sprinklers or charging connections fees for separate fire sprinkler meters, cost allocations to the fire sprinklers class is reduced by 50% as the first step to phase them out. To eliminate them all at once overburden other customers.

Allocations to O&M for infrastructure matches the connection fees

Service costs for operations and maintenance of infrastructure, plus the related debt service and capital transfers, are allocated to functions of service consistent with the connection fees. One exception is made for general plant, which is not allocated to the fire function for the rate analysis.

COS Revenue Shifts – Step 6

Customer Classes	2025 BASE YEAR REVENUE (\$) WITH CURRENT RATES					6%	GRAND TOTAL (w FF)
	Meter Charges	Fire Charges	Total Fixed Charges	Volume Charges	TOTAL SERVICE REVENUE	Franchise Fees (FF)	
Total Single Family	\$ 2,764,388	\$ 482,767	\$ 3,247,155	\$ 2,301,407	\$ 5,548,562	\$ 332,914	\$ 5,881,476
Total Non-Single Family	\$ 583,320	\$ 482,248	\$ 1,065,568	\$ 1,271,921	\$ 2,337,489	\$ 140,249	\$ 2,477,738
Total Irrigation	\$ 29,300	\$ -	\$ 29,300	\$ 203,896	\$ 233,196	\$ 13,992	\$ 247,188
Total Fire Sprinkler Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 3,377,009	\$ 965,014	\$ 4,342,023	\$ 3,777,224	\$ 8,119,247	\$ 487,155	\$ 8,606,402

The current 2025 rates would recover service costs by the customer classes as shown in the 1st table.

The new cost of service rates will recover the service costs as shown in the 2nd table.

Customer Classes	2025 BASE YEAR REVENUE (\$) WITH COS RATES					6%	GRAND TOTAL (w FF)	Change	Percent Difference	Class to Total Revenue
	Meter Charges	Fire Charges	Total Fixed Charges	Volume Charges	TOTAL SERVICE REVENUE	Franchise Fees (FF)				
Total Single Family	\$ 2,769,791	\$ 477,735	\$ 3,247,526	\$ 2,333,808	\$ 5,581,334	\$ 334,880	\$ 5,916,214	\$ 34,738	0.6%	68.7%
Total Non-Single Family	\$ 484,486	\$ 557,877	\$ 1,042,363	\$ 1,271,589	\$ 2,313,952	\$ 138,837	\$ 2,452,789	\$ (24,949)	-1.0%	28.5%
Total Irrigation	\$ 28,673	\$ -	\$ 28,673	\$ 195,289	\$ 223,961	\$ 13,438	\$ 237,399	\$ (9,789)	-4.0%	2.8%
Total Fire Sprinkler Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
TOTAL	\$ 3,282,949	\$ 1,035,612	\$ 4,318,561	\$ 3,800,686	\$ 8,119,247	\$ 487,155	\$ 8,606,402	\$ (0)	0%	100%
Change from Current Rates	\$ (94,060)	\$ 70,598	\$ (23,462)	\$ 23,462	\$ (0)	\$ (0)	\$ (0)			
Percent Change	-2.8%	7.3%	-0.5%	0.6%	0.0%	0.0%	0.0%			

Ratio of Fixed & Volume Revenue - COS

53%

47%

Ratio of Fixed & Volume Revenue - Current

53%

47%

There are three shifts in costs:

- 1) From Non-Single Family and Irrigation to Single Family primarily due to operational programs for meters and services
- 2) From meters capacity charges to fire charges
- 3) From fixed charges to volume charges

The ratio of fixed and volume revenues is the same as in 2019 at 53% fixed and 47% volume and you want fixed at 50% or above.

COS Review - Step 6

Rates are exclusive of the franchise fees, which are added at the time of billing,

Cost of Service Rates - NO Across the Board Inc

2025 Existing Rates

Bi-Monthly Rates		Single Family Residential	Non-Single Family	Irrigation	Bi-Monthly Rates		Single Family Residential	Non-Single Family	Irrigation	Fire Sprinkler Service	
BI-MON	5/8 x 3/4"	\$ 60.37	\$ 48.52	\$ 49.63	BI-MON	5/8 x 3/4"	\$ 60.22	\$ 60.22	\$ 52.16		
	1"	\$ 110.93	\$ 93.01	\$ 89.29		1"	\$ 111.55	\$ 111.55	\$ 91.41	\$ 11.59	
	Fire (Per Sq Foot)	\$ 0.00468	\$ 0.01462			Per ERU	\$ 10.87	\$ 10.87			
	Per ERU	\$ 10.77	\$ 12.57								
VOLUME CHARGES	Bi-Monthly Volume Thresholds				VOLUME CHARGES	Bi-Monthly Volume Thresholds					
	Volume Rates per ccf					Volume Rates per ccf					
	Block 1	\$ 2.98	\$ 5.18	\$ 8.63		Block 1	\$ 2.97	\$ 5.18	\$ 9.01		
	Block 2	\$ 4.83				Block 2	\$ 4.67				
	Block 3	\$ 6.43				Block 3	\$ 6.38				
	Block 4	\$ 8.03				Block 4	\$ 8.07				

The Single Family meter and volume rates increased by 0.3%.

Fire ERU charges are no longer the same. Fire allocations show that more fire costs need to be recovered by non-single family due fire flow requirements for high density customer (larger pipes and more gpi and duration of flow). SFR when down by 1% and non SFR went up by 16%

Non-Single Family meter charges went down by 19% offset by the 16% increase in fire ERU charges.

Non-Single Family usage charges were unchanged.

Irrigation fixed charges went down by 5%.

Irrigation usage charges went down by 4%

Break



Budget Presentation Agenda

Part 4

Revenues Forecast

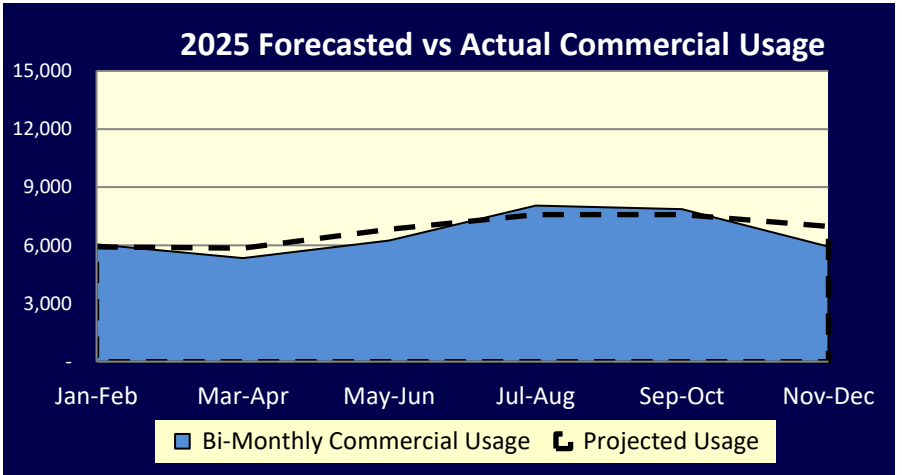
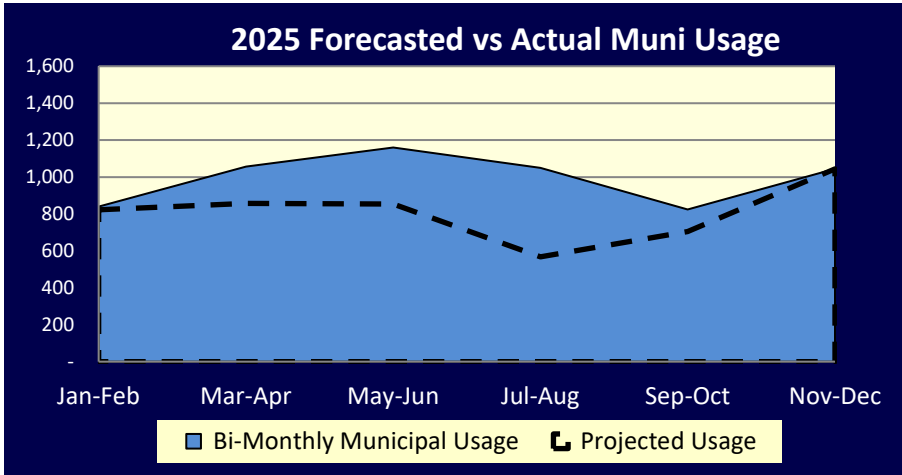
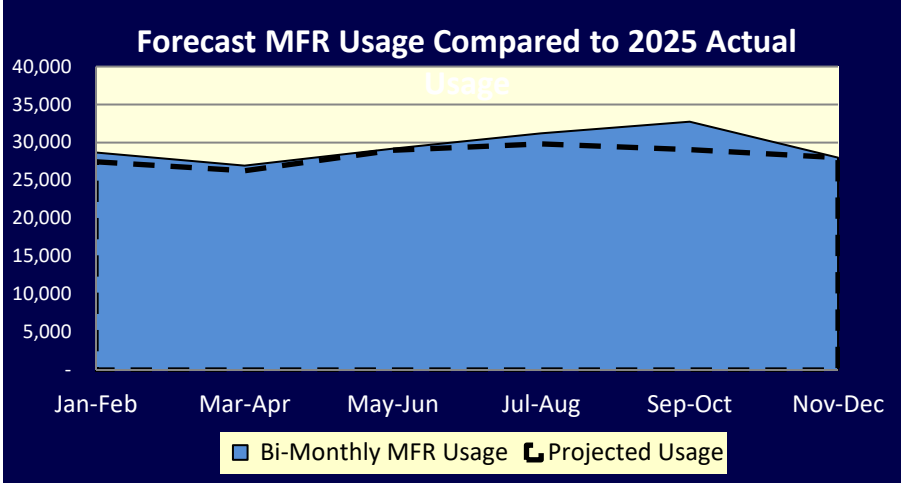
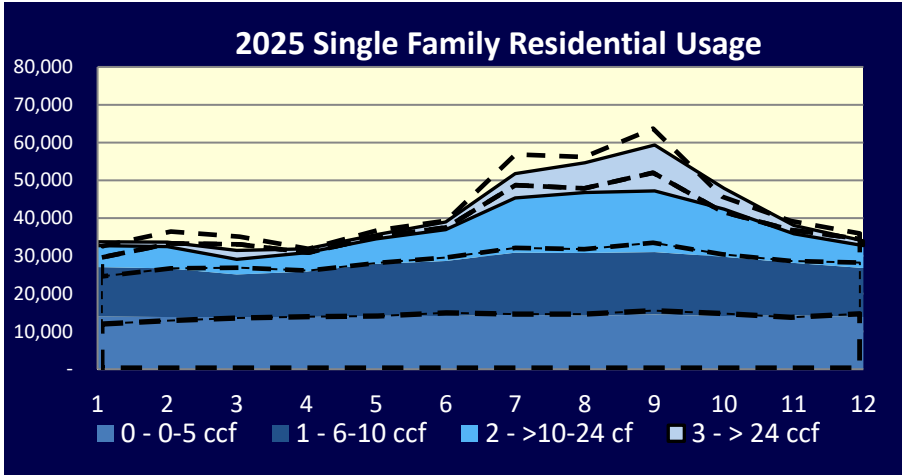
Revenue Requirements

Long-Term Forecast

Bill Samples

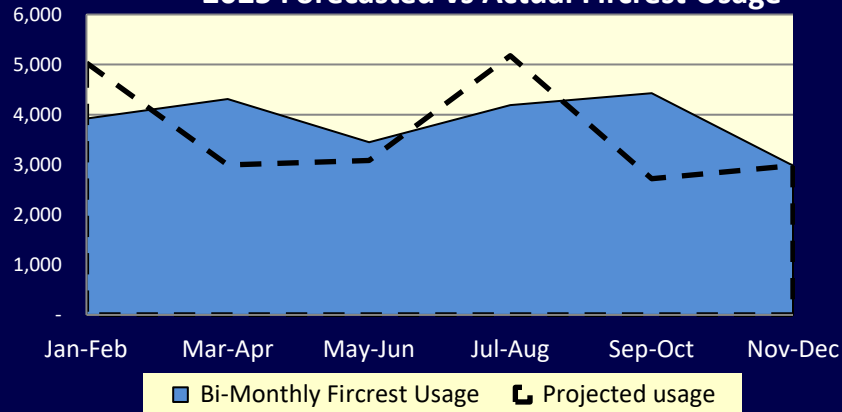


2026 Forecast Usage Compared to Actual Usage

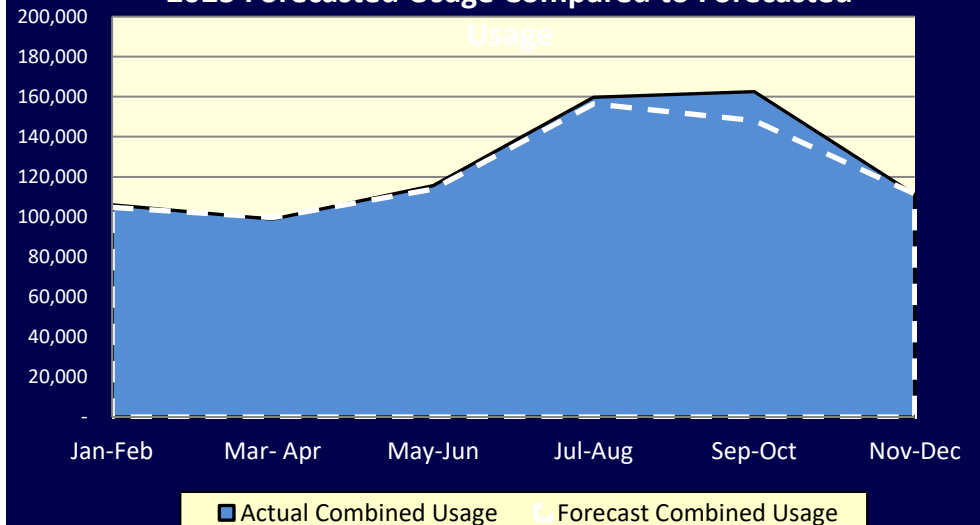


2025 and 2026 Forecast Usage Compared to Actual Usage

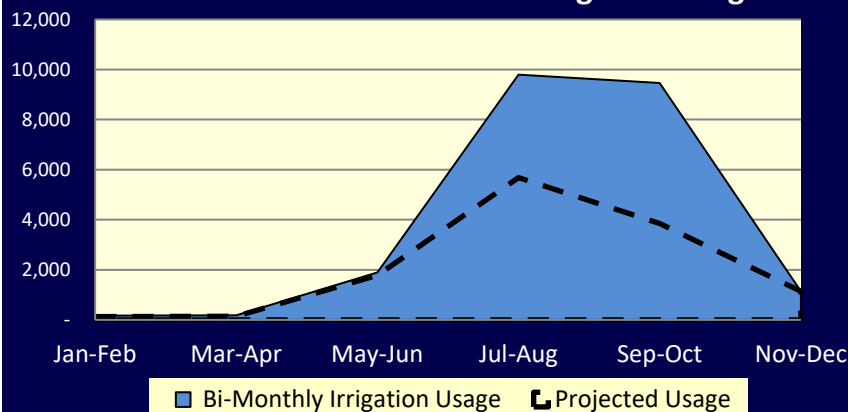
2025 Forecasted vs Actual Fircrest Usage



2025 Forecasted Usage Compared to Forecasted




2025 Forecasted vs Actual Irrigation Usage




2025 COMBINED USAGE

Month	Forecast Combined Usage	Actual Combined Usage	Difference	% Diff
Jan-Feb	104,784	106,001	1,217	1.2%
Mar- Apr	99,631	98,784	(847)	-0.9%
May-Jun	113,815	115,555	1,740	1.5%
Jul-Aug	156,440	159,734	3,294	2.1%
Sep-Oct	148,086	162,555	14,469	9.8%
Nov-Dec	111,506	111,171	(335)	-0.3%
TOTAL	734,262	753,800	19,538	2.7%

Budget at a Glance for Budget Book

	Budget at a Glance							
	2026 Budget							
	Revised 2025 Budget	2025 YE Projected	2025 Bud - 2025 Actual	COS Year before Rate Inc	2025 COS - 2025 Actual	2026 Budget	2026 Bud - COS Yr	Percent Change
Revenue								
SERVICE REVENUE:								
SINGLE FAMILY	\$ 5,996,021	\$ 5,881,476	\$ (114,545)	\$ 5,916,214	\$ 34,738	\$ 6,093,700	\$ 177,486	3.0%
NON-SINGLE FAMILY	2,282,063	2,477,738	195,675	2,452,789	(24,949)	2,526,373	73,584	3.0%
IRRIGATION	196,065	247,188	51,123	237,399	(9,789)	244,521	7,122	3.0%
Subtotal	8,474,149	8,606,402	132,253	8,606,402	(0)			
FIRELINES	83,988	84,413	425	-	(84,413)	-	-	0.0%
TOTAL SERVICE REVENUE	8,558,136	8,690,815	132,678	8,606,402	(84,413)	8,864,594	258,192	3.00%
OTHER REVENUE	476,393	675,240	198,847	345,339	(329,901)	345,339	-	0.0%
Total Revenue	9,034,530	9,366,055	331,526	8,951,741	(414,314)	9,209,933	258,192	2.9%
Net Use of Reserves	-		-					
Total Revenues	\$ 9,034,530	\$ 9,366,055	\$ 331,526	\$ 8,951,741	\$ (414,314)	\$ 9,209,933	\$ 258,192	2.9%
Costs								
Operating Costs								
BUSINESS ADMINISTRATION	314,781	338,558	23,778	338,558	-	327,280	(11,278)	-3.3%
PLANNING AND DEVELOPMENT	10,000	10,000	-	10,000	-	10,000	-	0.0%
PUBLIC AND REGIONAL OUTREACH	54,660	58,669	4,009	58,669	-	57,420	(1,249)	-2.1%
OFFICE AND RECORDS MANAGEMENT	473,940	474,213	273	474,213	-	488,440	14,227	3.0%
CUSTOMER SERVICE AND BILLING	177,130	179,858	2,728	179,858	-	185,260	5,402	3.0%
PURCHASED WATER	1,514,374	1,490,253	(24,121)	1,490,253	-	1,490,253	-	0.0%
PURCHASED POWER	39,180	43,386	4,206	43,386	-	44,690	1,304	3.0%
OPERATIONS AND MAINTENANCE	439,320	401,899	(37,421)	401,899	-	385,970	(15,929)	-4.0%
TAXES AND FRANCHISE FEES	981,683	954,543	(27,140)	954,543	-	983,180	28,637	3.0%
PASS-THRU COSTS	1,450	1,777	327	1,777	-	1,780	3	0.2%
EMPLOYEE COSTS (Net Capitalization)	2,378,453	2,144,029	(234,424)	2,144,029	-	2,280,359	136,330	6.4%
Total Operating Costs	6,384,971	6,097,184	(287,786)	6,097,184	-	6,254,632	157,448	2.6%
Capital Costs								
DEBT SERVICE (Net of capitalization)	1,075,767	1,075,767	-	1,075,767	-	1,064,420	(11,347)	
CAPITAL TRANSFERS	1,200,000	1,500,000	300,000	1,500,000	-	1,500,000	-	
VEHICLE REPLACEMENT TRANSFER	96,000	96,000	-	96,000	-	99,000	3,000	
Total Capital Costs	2,371,767	2,671,767	300,000	2,671,767	-	2,663,420	(8,347)	
Total Before Additions to Reserves	8,756,738	8,768,952	12,214	8,768,952	-	8,918,053	149,101	1.7%
Net Additions to Reserves	277,792	597,103	319,312	182,789	(414,314)	291,880	109,091	n/a
Total Costs	\$ 9,034,530	\$ 9,366,055	\$ 331,526	\$ 8,951,741	\$ (414,314)	\$ 9,209,933	\$ 258,192	2.9%

Revenue Comparisons and Shifts


	Budget at a Glance							
	2026 Budget							
	Revised 2025 Budget	2025 YE Projected	2025 Bud - 2025 Actual	COS Year before Rate Inc	2025 COS - 2025 Actual	2026 Budget	2026 Bud - COS Yr	Percent Change
Revenue								
SERVICE REVENUE:								
SINGLE FAMILY	\$ 5,996,021	\$ 5,881,476	\$ (114,545)	\$ 5,916,214	\$ 34,738	\$ 6,093,700	\$ 177,486	3.0%
NON-SINGLE FAMILY	2,282,063	2,477,738	195,675	2,452,789	(24,949)	2,526,373	73,584	3.0%
IRRIGATION	196,065	247,188	51,123	237,399	(9,789)	244,521	7,122	3.0%
Subtotal	8,474,149	8,606,402	132,253	8,606,402	(0)			
FIRELINES	83,988	84,413	425	-	(84,413)	-	-	0.0%
TOTAL SERVICE REVENUE	8,558,136	8,690,815	132,678	8,606,402	(84,413)	8,864,594	258,192	3.00%
OTHER REVENUE	476,393	675,240	198,847	345,339	(329,901)	345,339	-	0.0%
Total Revenue	9,034,530	9,366,055	331,526	8,951,741	(414,314)	9,209,933	258,192	2.9%
Net Use of Reserves	-		-					
Total Revenues	\$ 9,034,530	\$ 9,366,055	\$ 331,526	\$ 8,951,741	\$ (414,314)	\$ 9,209,933	\$ 258,192	2.9%

The revenue shifts were shown in the earlier COS slides and net to zero as intended.

The budgeted revenue is 3% higher across the board for service revenues from the COS rates. 3% is lower than the normal 4% increase but it helps smooth the COS impacts to all customers.

Other revenues are down due to higher-than-normal revenues in 2025 for hydrant meter rentals, WSEA markups for Sound Transit and more antenna rentals than budgeted. All those go away in 2026.

Cost Comparisons


	Budget at a Glance							
	2026 Budget							
	Revised 2025 Budget	2025 YE Projected	2025 Bud - 2025 Actual	COS Year before Rate Inc	2025 COS - 2025 Actual	2026 Budget	2026 Bud - COS Yr	Percent Change
Costs								
Operating Costs								
BUSINESS ADMINISTRATION	314,781	338,558	23,778	338,558	-	327,280	(11,278)	-3.3%
PLANNING AND DEVELOPMENT	10,000	10,000	-	10,000	-	10,000	-	0.0%
PUBLIC AND REGIONAL OUTREACH	54,660	58,669	4,009	58,669	-	57,420	(1,249)	-2.1%
OFFICE AND RECORDS MANAGEMENT	473,940	474,213	273	474,213	-	488,440	14,227	3.0%
CUSTOMER SERVICE AND BILLING	177,130	179,858	2,728	179,858	-	185,260	5,402	3.0%
PURCHASED WATER	1,514,374	1,490,253	(24,121)	1,490,253	-	1,490,253	-	0.0%
PURCHASED POWER	39,180	43,386	4,206	43,386	-	44,690	1,304	3.0%
OPERATIONS AND MAINTENANCE	439,320	401,899	(37,421)	401,899	-	385,970	(15,929)	-4.0%
TAXES AND FRANCHISE FEES	981,683	954,543	(27,140)	954,543	-	983,180	28,637	3.0%
PASS-THRU COSTS	1,450	1,777	327	1,777	-	1,780	3	0.2%
EMPLOYEE COSTS (Net Capitalization)	2,378,453	2,144,029	(234,424)	2,144,029	-	2,280,359	136,330	6.4%
Total Operating Costs	6,384,971	6,097,184	(287,786)	6,097,184	-	6,254,632	157,448	2.6%
Capital Costs								
DEBT SERVICE (Net of capitalization)	1,075,767	1,075,767	-	1,075,767	-	1,064,420	(11,347)	
CAPITAL TRANSFERS	1,200,000	1,500,000	300,000	1,500,000	-	1,500,000	-	
VEHICLE REPLACEMENT TRANSFER	96,000	96,000	-	96,000	-	99,000	3,000	
Total Capital Costs	2,371,767	2,671,767	300,000	2,671,767	-	2,663,420	(8,347)	
Total Before Additions to Reserves	8,756,738	8,768,952	12,214	8,768,952	-	8,918,053	149,101	1.7%
Net Additions to Reserves	277,792	597,103	319,312	182,789	(414,314)	291,880	109,091	n/a
Total Costs	\$ 9,034,530	\$ 9,366,055	\$ 331,526	\$ 8,951,741	\$ (414,314)	\$ 9,209,933	\$ 258,192	2.9%

Increases agree with the individual types of costs presented in the first section of the presentation – see next slide.

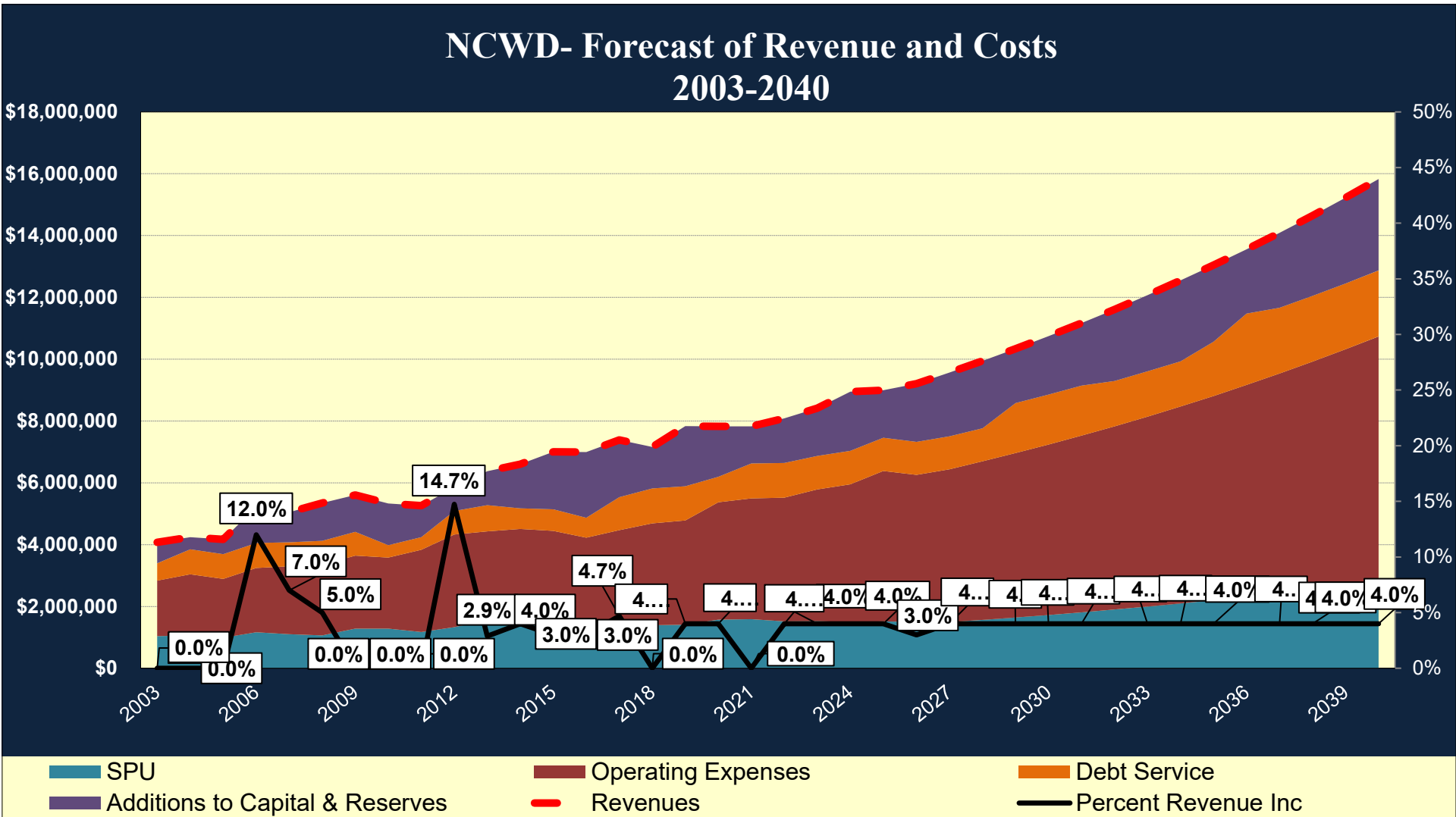
2025-2026 Projected Operating Costs

Objects <i>(Types of Cost)</i>	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	2026 -2025 Difference	2026 -2025 Percent Diff
BUSINESS ADMINISTRATION	\$ 266,880	\$ 333,562	\$ 314,781	\$ 338,558	\$ 327,280	\$ (11,278)	-3.3%
PLANNING AND DEVELOPMENT	\$ 3,167	\$ 5,814	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.0%
PUBLIC AND REGIONAL OUTREACH	\$ 41,201	\$ 49,583	\$ 54,660	\$ 58,669	\$ 57,420	\$ (1,249)	-2%
OFFICE AND RECORDS MANAGEMENT	\$ 434,173	\$ 421,760	\$ 473,940	\$ 474,213	\$ 488,440	\$ 14,227	3.0%
CUSTOMER SERVICE AND BILLING	\$ 153,251	\$ 175,167	\$ 177,130	\$ 179,858	\$ 185,260	\$ 5,402	3.0%
PURCHASED WATER	\$ 1,549,322	\$ 1,490,923	\$ 1,514,374	\$ 1,490,253	\$ 1,490,253	\$ -	0.0%
PURCHASED POWER	\$ 30,264	\$ 36,159	\$ 39,180	\$ 43,386	\$ 44,690	\$ 1,304	3.0%
OPERATIONS AND MAINTENANCE	\$ 450,930	\$ 406,062	\$ 439,320	\$ 401,899	\$ 385,970	\$ (15,929)	-4.0%
TAXES AND FRANCHISE FEES	\$ 918,369	\$ 858,800	\$ 981,683	\$ 954,543	\$ 983,180	\$ 28,637	3.0%
EMPLOYEE COSTS (Net Capitalization)	\$ 2,174,444	\$ 2,321,552	\$ 2,378,453	\$ 2,144,029	\$ 2,280,359	\$ 136,330	6.4%
PASS-THRU COSTS	\$ 1,091	\$ 2,979	\$ 1,450	\$ 1,777	\$ 1,780	\$ 3	0.2%
Total Operating Costs	\$ 6,023,092	\$ 6,102,359	\$ 6,384,971	\$ 6,097,184	\$ 6,254,632	\$ 157,448	2.6%
DEBT SERVICE	\$ 1,083,019	\$ 1,076,937	\$ 1,075,767	\$ 1,075,767	\$ 1,064,420	\$ (11,347)	-1.1%
CAPITAL COSTS	\$ 1,200,000	\$ 1,400,000	\$ 1,200,000	\$ 1,500,000	\$ 1,500,000	\$ -	0.0%
TRANSFER TO PRESERVATION ACCT	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	n/a
TRANSFER TO VEHICLE REPLC ACCT	\$ 88,000	\$ 92,000	\$ 96,000	\$ 96,000	\$ 99,000	\$ 3,000	3.1%
Total Operating Costs	\$ 2,421,019	\$ 2,618,937	\$ 2,421,767	\$ 2,671,767	\$ 2,663,420	\$ (8,347)	-0.3%
Total Revenue Requirement	\$ 8,444,111	\$ 8,721,296	\$ 8,806,738	\$ 8,768,952	\$ 8,918,053	\$ 149,101	1.7%
LESS OTHER REVENUES AND RESERVES				\$ (162,550)			
Net Revenue Requirement				\$ 8,606,402			

Revenue Requirement Increases

	Revenue Requirement Increases 2026 - Budget
Projected Costs (Needs/Uses):	
Purchased Water and Power	\$ 1,534,943
Employee Costs (net capitalization)	2,280,359
Administration and O&M	1,456,150
Taxes and Franchise Fees	983,180
Debt Service (principal and Interest)	1,064,420
Capital Transfer	1,500,000
Vehicle Replacement Contribution	99,000
Total Projected Costs (Needs/Uses)	\$ 8,918,053
Less Other Revenue (<i>Interest, Late Fees, Antenna Rents, Hookup Fees</i>)	(345,339)
Additions to (Use of) Reserves	291,880
Rate Revenues Required (Revenue Req)	\$ 8,864,594
Less Revenues at Existing Rates	(8,606,402)
Revenue Short Fall	\$ 258,192
% Rate Revenue Increase Needed	3.00%

Financial Forecast of Costs, Revenue and Rate Increases



Rate increases are forecasted to stay at slightly above inflationary levels going forward. The “wild cards” are rate increases from SPU and unplanned for costs for operations and capital.

Final 2026 Service Rates

Rates are exclusive of the franchise fees, which are added at the time of billing,

Cost of Service Rates plus an across the board Increase of: **3%** 2025 Existing Rates

Bi-Monthly Rates					Bi-Monthly Rates						
		Single Family Residential	Non-Single Family	Irrigation	Fire Sprinkler Service			Single Family Residential	Non-Single Family	Irrigation	Fire Sprinkler Service
BI-MONTHLY BASE CHARGES	5/8 x 3/4"	\$ 62.18	\$ 49.98	\$ 51.12	\$ -	BI-MONTHLY BASE CHARGES	5/8 x 3/4"	\$ 60.22	\$ 60.22	\$ 52.16	
	1"	\$ 114.26	\$ 95.80	\$ 91.96	\$ -		1"	\$ 111.55	\$ 111.55	\$ 91.41	\$ 11.59
	1 1/2"	\$ 197.16	\$ 171.19	\$ 157.44	\$ -		1 1/2"	\$ 192.52	\$ 192.52	\$ 152.24	\$ 14.89
	2"	\$ 305.70	\$ 263.93	\$ 242.05	\$ -		2"	\$ 300.36	\$ 300.36	\$ 235.89	\$ 23.99
	3"		\$ 530.12	\$ 518.01	\$ -		3"		\$ 676.84	\$ 547.92	\$ 91.02
	4"		\$ 807.24	\$ 768.91	\$ -		4"		\$ 995.20	\$ 793.77	\$ 115.85
	6"		\$ 1,572.15	\$ 1,452.87	\$ -		6"		\$ 1,856.56	\$ 1,453.69	\$ 173.77
	8"		\$ 2,488.59	\$ 2,269.73	\$ -		8"		\$ 2,883.30	\$ 2,238.70	\$ 239.97
	Fire (Per Sq Foot)	\$ 0.00482	\$ 0.01506				Per ERU	\$ 10.87	\$ 10.87		
	Per ERU	\$ 11.09	\$ 12.95								
VOLUME CHARGES	Volume Rates per ccf					VOLUME CHARGES	Volume Rates per ccf				
	Block 1	\$ 3.07	\$ 5.33	\$ 8.89			Block 1	\$ 2.97	\$ 5.18	\$ 9.01	
	Block 2	\$ 4.97					Block 2	\$ 4.67			
	Block 3	\$ 6.62					Block 3	\$ 6.38			
	Block 4	\$ 8.27					Block 4	\$ 8.07			

The Single Family meter and volume rates increased by 3.3%.

Fire ERU charges are no longer the same. Fire allocations show that more fire costs need to be recovered by non-single family due fire flow requirements for high density customer (larger pipes and more gpi and duration of flow). SFR when down by 2% and non SFR went up by 19%.

Non-Single Family usage went up by 3%.

Non-Single Family meter charges went down by 17% offset by the 19% increase in fire ERU charges.

Irrigation fixed charges went down by 2%.

Irrigation usage charges went down by 1.3%

Fire Sprinkler Rates were eliminated.

Sample Bimonthly Bills

BILL COMPARISONS BY CUSTOMER TYPE				METER Annual Chg	FIRE Annual Chg	USAGE Annual Chg	Franchise Fees	Average Bi-Month Bill	Bi-Month Change	Percent Change
Single Family Customers										
Low Usage	Bi-Monthly Usage Size Winter Summer									
	2025 Charge	5/8"	4 4	\$ 361.32	\$ 65.22	\$ 71.28	\$ 30	\$ 87.95		
	2025 COS Charge			\$ 373.10	\$ 66.53	\$ 73.66	\$ 31	\$ 90.68	\$ 2.73	3.1%
Typical Usage	Bi-Monthly Usage Size Winter Summer									
	2025 Charge	5/8"	10 16	\$ 361.32	\$ 65.22	\$ 315.96	\$ 45	\$ 131.18		
	2025 COS Charge			\$ 373.10	\$ 66.53	\$ 332.22	\$ 46	\$ 136.36	\$ 5.19	4.0%
High Summer	Bi-Monthly Usage Size Winter Summer									
	2025 Charge	5/8"	10 30	\$ 361.32	\$ 65.22	\$ 514.88	\$ 56	\$ 166.32		
	2025 COS Charge			\$ 373.10	\$ 66.53	\$ 537.43	\$ 59	\$ 172.61	\$ 6.30	3.8%

By keeping the across-the-board rate increase to 3%, the single-family customers stay with the at or below 4% increase in their bill that they normally receive.

Sample Bimonthly Bills

BILL COMPARISONS BY CUSTOMER TYPE					METER Annual Chg	FIRE Annual Chg	USAGE Annual Chg	Franchise Fees	Annual Charges	Annual Change	Average Bi-Month Bill	Bi-Month Change	Percent Change
Multi-Family Customers													
Small Meter Only	Size	ERUs	Annual Usage										
2025 Meter Chg	581	5/8"	2	16	\$ 361.32	\$ 130.44	\$ 82.88	\$ 34	\$ 609		\$ 101.52		
2025 COS Charge					\$ 299.85	\$ 155.43	\$ 85.34	\$ 32	\$ 573	\$ (36)	\$ 95.51	\$ (6.01)	-5.9%
Small Meter Only	Size	ERUs	Annual Usage										
2025 Meter Chg	101	1"	2	123	\$ 669.30	\$ 130.44	\$ 637.14	\$ 86	\$ 1,523		\$ 253.85		
2025 COS Charge					\$ 574.78	\$ 155.43	\$ 656.08	\$ 83	\$ 1,469	\$ (54)	\$ 244.91	\$ (8.94)	-3.5%
Medium Meter/Usage	Size	ERUs	Annual Usage										
2025 Meter Chg	251	1.5"	9	470	\$ 1,155.12	\$ 586.98	\$ 2,434.60	\$ 251	\$ 4,427		\$ 737.88		
2025 COS Charge					\$ 1,027.16	\$ 699.42	\$ 2,506.98	\$ 254	\$ 4,488	\$ 60	\$ 747.93	\$ 10.05	1.4%
Multiple Meter/Usage	Size	ERUs	Annual Usage										
2025 Meter Chg	221	2"	12	916	\$ 1,802.16	\$ 782.64	\$ 4,744.88	\$ 440	\$ 7,769		\$ 1,294.91		
2025 Meter Chg	221	2"	24	751	\$ 1,802.16	\$ 1,565.28	\$ 3,890.18	\$ 435	\$ 7,693		\$ 1,282.18		
2025 Meter Chg	221	2"	18	2067	\$ 1,802.16	\$ 1,173.96	\$ 10,707.06	\$ 821	\$ 14,504		\$ 2,417.36		
2025 COS Meter Chg					\$ 1,583.59	\$ 932.56	\$ 4,885.95	\$ 444	\$ 7,846	\$ 77	\$ 1,307.71	\$ 12.80	
2025 COS Meter Chg					\$ 1,583.59	\$ 1,865.12	\$ 4,005.84	\$ 447	\$ 7,902	\$ 209	\$ 1,316.97	\$ 34.79	
2025 COS Meter Chg					\$ 1,583.59	\$ 1,398.84	\$ 11,025.40	\$ 840	\$ 14,848	\$ 344	\$ 2,474.72	\$ 57.36	2.1%

Multi-Family customers with lower ERUs relative to meter size and usage will be below the across the board increase of 3%.

BILL COMPARISONS BY CUSTOMER TYPE				METER	FIRE	USAGE	Franchise	Annual	Average	BI-Month	Percent			
				Annual Chg	Annual Chg	Annual Chg	Fees	Charges	BI-Month Bill	Change	Change			
Multi-Family Customers				Slide 73	Multi-Family customers with sprinkler meters will benefit the most the smaller they are.									
Large w Sprinkler	Size	ERUs	Annual Usage											
	2025 Meter Chg	3"	85	10092	\$ 4,061.04	\$ 5,544	\$ 52,277	\$ 3,713	\$ 65,594	\$ 10,932.36				
	2025 Meter Chg	3"	80	8690	\$ 4,061.04	\$ 5,218	\$ 45,014	\$ 3,258	\$ 57,550	\$ 9,591.74				
	2025 Sprinkler Chg	4"			\$ 695.10			\$ 42	\$ 737	\$ 122.80				
	2025 Sprinkler Chg	4"			\$ 695.10			\$ 42	\$ 737	\$ 122.80				
TOTAL 2025				✓	\$ 9,512.28	\$ 10,761	\$ 97,291	✓	\$ 7,054	✓	\$ 124,618	\$ 20,769.70		
2025 COS Meter Chg					\$ 3,180.69	\$ 6,606	\$ 53,831	\$ 3,817	\$ 67,434	✓	\$ 11,239.03	\$ 307	3%	
2025 COS Meter Chg					\$ 3,180.69	\$ 6,217	\$ 46,353	\$ 3,345	\$ 59,095	✓	\$ 9,849.22	\$ 257	3%	
2025 COS Sprinkler					\$ -			\$ -	\$ -	✓	\$ -	\$ (123)	-100%	
2025 COS Sprinkler					\$ -			\$ -	\$ -	✓	\$ -	\$ (123)	-100%	
TOTAL COS 2025					\$ 6,361.39	\$ 12,823	\$ 100,183	\$ 7,162	\$ 126,530	✓	\$ 21,088.25	\$ 319	1.5%	
Large w Sprinkler	Size	ERUs	Annual Usage											
	2025 Meter Chg	4"	39	10477	\$ 5,971.20	\$ 2,544	\$ 54,271	\$ 3,767	\$ 66,553	\$ 11,092.13				
	2025 Sprinkler Chg	6"			\$ 1,042.62			\$ 63	\$ 1,105	\$ 184.20				
TOTAL 2025				✓	\$ 7,013.82	\$ 2,544	\$ 54,271	✓	\$ 3,830	✓	\$ 67,658	\$ 11,276.33		
2025 COS Meter Chg					\$ 4,843.43	\$ 3,031	\$ 55,884	\$ 3,826	\$ 67,584	\$ 11,264.03	\$ 1,031	2%		
2025 COS Sprinkler					\$ -			\$ -	\$ -	\$ -	\$ (1,105)	-100%		
TOTAL COS 2025					\$ 4,843.43	\$ 3,031	\$ 55,884	\$ 3,826	\$ 67,584	\$ 11,264.03	\$ (74)	-0.1%		
Large w Sprinkler/IRR	Size	ERUs	Annual Usage											
	2025 Meter Chg	3"	124	4933	\$ 4,061.04	\$ 8,087	\$ 25,553	\$ 2,262	\$ 39,963	\$ 6,660.56				
	2025 Sprinkler Chg	6"			\$ 1,042.62			\$ 63	\$ 1,105	\$ 184.20				
	2025 IRR Chg	1"	243		\$ 548.46		\$ 2,189	\$ 164	\$ 2,902	\$ 483.69				
	TOTAL 2025				✓	\$ 5,652.12	\$ 8,087	\$ 27,742	✓	\$ 2,489	✓	\$ 43,971	\$ 7,328.45	
2025 COS Meter Chg					\$ 3,180.69	\$ 9,636	\$ 26,313	\$ 2,348	\$ 41,478	✓	\$ 6,912.94	\$ 252	4%	
2025 COS Sprinkler					\$ -			\$ -	\$ -	✓	\$ -	\$ (184)	-100%	
2025 COS IRR Chg					\$ 551.79		\$ 2,160	\$ 163	\$ 2,874	✓	\$ 479.07	\$ (5)	-1%	
TOTAL COS 2025					\$ 3,732.48	\$ 9,636	\$ 28,473	\$ 2,510	\$ 44,352	✓	\$ 7,392.00	\$ 64	0.9%	
Large w Sprinkler/IRR	Size	ERUs	Annual Usage											
	2025 Meter Chg	4"	398	13028	\$ 5,971.20	\$ 25,958	\$ 67,485	\$ 5,965	\$ 105,379	\$ 17,563.10				
	2025 Sprinkler Chg	6"			\$ 1,042.62			\$ 63	\$ 1,105	\$ 184.20				
	2025 IRR Chg	1.5"	900		\$ 913.44		\$ 8,109	\$ 541	\$ 9,564	\$ 1,593.96				
	TOTAL 2025				✓	\$ 7,927.26	\$ 25,958	\$ 75,594	✓	\$ 6,569	✓	\$ 116,048	\$ 19,341.27	
2025 COS Meter Chg					\$ 4,843.43	\$ 30,930	\$ 69,491	\$ 6,316	\$ 111,581	✓	\$ 18,596.79	\$ 1,034	6%	
2025 COS Sprinkler					\$ -			\$ -	\$ -	✓	\$ -	\$ (184)	-100%	
2025 COS IRR Chg					\$ 944.63		\$ 8,000	\$ 537	\$ 9,481	✓	\$ 1,580.16	\$ (14)	-1%	
TOTAL COS 2025					\$ 5,788.06	\$ 30,930	\$ 77,491	\$ 6,853	\$ 121,062	✓	\$ 20,176.95	\$ 836	4.3%	

Commercial customers with sprinkler meters will benefit. For a size usage balance the increase is normal. Small customers benefited the most.

Sample Bimonthly Bills

TOTAL ANNUAL BILL COMPARISON FOR SCHOOLS	Potable Meters	Potable Usage	POTABLE TOTAL	Irrigation Meters	Irrigation Usage	IRR TOTAL	SPRINKLER TOTAL	ERU TOTAL	Franchise Fees	ANNUAL TOTAL	Annual Change	Monthky Change	Percent Change
2025 TOTAL REVENUE	\$ 35,852	\$ 17,286	\$ 53,138	\$ 10,881	\$ -	\$ 10,881	\$ 9,780	\$ 52,567	\$ 7,582	\$ 133,948			
2025 COS TOTAL REVENUE	\$ 31,168	\$ 17,126	\$ 48,294	\$ 8,794	\$ -	\$ 8,794	\$ -	\$ 62,029	\$ 7,147	\$ 126,264			
CHANGE	\$ (4,684)	\$ (159)	\$ (4,844)	\$ (2,087)	\$ -	\$ (2,087)	\$ (9,780)	\$ 9,462	\$ (435)	\$ (7,684)	\$ (7,684)	\$ (640)	-5.7%
PERCENT CHANGE	-13%	-1%	-9%	-19%		-19%	-100%	18%	-6%	-5.7%			

TOTAL ANNUAL BILL COMPARISON FOR A SINGLE LARGE- METERED ORG	Potable Meters	Potable Usage	POTABLE TOTAL	Irrigation Meters	Irrigation Usage	IRR TOTAL	SPRINKLER TOTAL	ERU TOTAL	Franchise Fees	ANNUAL TOTAL	Annual Change	BI-Month Change	Percent Change
2025 6" Meter	\$ 11,139	\$ 122,041	\$ 133,180					\$ 29,936	\$ 9,787	\$ 172,903			
2025 8" Meter	\$ 17,300	\$ -	\$ 17,300						\$ 1,038	\$ 18,338			
2025 COS 6" Meter	\$ 9,433	\$ 125,669	\$ 135,102					\$ 35,670	\$ 10,246	\$ 181,019			
2025 COS 8" Meter	\$ 14,932	\$ -	\$ 14,932						\$ 896	\$ 15,827			
2025 TOTAL REVENUE	\$ 28,439	\$ 122,041	\$ 150,480	\$ -	\$ -	\$ -	\$ -	\$ 29,936	\$ 10,825	\$ 191,241			
2025 COS TOTAL REVENUE	\$ 24,364	\$ 125,669	\$ 150,034	\$ -	\$ -	\$ -	\$ -	\$ 35,670	\$ 11,142	\$ 196,846	\$ 5,606	\$ 934	3%
CHANGE	\$ (4,075)	\$ 3,628	\$ (446)	\$ -	\$ -	\$ -	\$ -	\$ 5,734	\$ 317	\$ 5,606	3%		
PERCENT CHANGE	-14%	3%	0%					19%	3%	3%			

Sample Bimonthly Bills

BILL COMPARISONS BY CUSTOMER TYPE					Meter Annual Chg	FIRE Annual Chg	Usage Annual Chg	Franchise Fees	Total Annual Chg	Annual Change	Monthky Change	Percent Change
Religious Organizations: Meter Only												
Organization 1	Code	Size	ERUs	Usage								
2025 Charge	458S	5/8"	13	112	\$ 361	\$ 848	\$ 580	\$ 107	\$ 1,897			
2025 COS Charge					\$ 300	\$ 1,010	\$ 597	\$ 114	\$ 2,022	\$ 125	\$ 10.44	6.6%
Organization 2	Code	Size	ERUs	Usage								
2025 Charge	458S	5/8"	18	264	\$ 361	\$ 1,174	\$ 1,368	\$ 174	\$ 3,077			
2025 COS Charge					\$ 300	\$ 1,399	\$ 1,408	\$ 186	\$ 3,293	\$ 216	\$ 18.03	7.0%
Organization 3	Code	Size	ERUs	Usage								
2025 Charge	458S	5/8"	6	407	\$ 361	\$ 391	\$ 2,108	\$ 172	\$ 3,033			
2025 COS Charge					\$ 300	\$ 466	\$ 2,171	\$ 176	\$ 3,113	\$ 81	\$ 6.73	2.7%
Organization 3	Code	Size	ERUs	Usage								
2025 Charge	458S	5/8"	3	59	\$ 361	\$ 196	\$ 306	\$ 52	\$ 914			
2025 COS Charge					\$ 300	\$ 233	\$ 315	\$ 51	\$ 899	\$ (16)	\$ (1.32)	-1.7%
Organization 5	Code	Size	ERUs	Usage								
2025 Charge	458S	1"	3	18	\$ 361	\$ 196	\$ 93	\$ 39	\$ 689			
2025 COS Charge					\$ 300	\$ 233	\$ 96	\$ 38	\$ 667	\$ (22)	\$ (1.87)	-3.3%
Organization 6	Code	Size	ERUs	Usage								
2025 Charge	401S	1"	8	12	\$ 669	\$ 522	\$ 62	\$ 75	\$ 1,328			
2025 COS Charge					\$ 575	\$ 622	\$ 64	\$ 76	\$ 1,336	\$ 8	\$ 0.64	0.6%

Religious organization with large square footage relative to usage are the most impacted but absolute change are minimal.

Sample Bimonthly Bills

BILL COMPARISONS BY CUSTOMER TYPE					Meter Annual Chg	FIRE Annual Chg	Usage Annual Chg	Franchise Fees	Total Annual Chg	Annual Change	Monthky Change	Percent Change
Religious Organizations: Meter Only												
Organization 7	Code	Size	ERUs	Usage								
2025 Charge	401S	1"	20	131	\$ 669	\$ 1,304	\$ 679	\$ 159	\$ 2,811			
2025 COS Charge					\$ 575	\$ 1,554	\$ 699	\$ 170	\$ 2,997	\$ 186	\$ 15.50	6.6%
Organization 8	Code	Size	ERUs	Usage					\$ 234 250			
2025 Charge	401S	1"	5	78	\$ 669	\$ 326	\$ 404	\$ 84	\$ 1,483			
2025 COS Charge					\$ 575	\$ 389	\$ 416	\$ 83	\$ 1,462	\$ (21)	\$ (1.77)	-1.4%
Organization 9	Code	Size	ERUs	Usage								
2025 Charge	401S	1"	13	84	\$ 669	\$ 848	\$ 435	\$ 117	\$ 2,069			
2025 COS Charge					\$ 575	\$ 1,010	\$ 448	\$ 122	\$ 2,155	\$ 86	\$ 7.14	4.1%
Organization 10	Code	Size	ERUs	Usage								
2025 Charge	402S	2"	23	93	\$ 1,802	\$ 1,500	\$ 482	\$ 227	\$ 4,011			
2025 COS Charge					\$ 1,584	\$ 1,787	\$ 496	\$ 232	\$ 4,099	\$ 88	\$ 7.34	2.2%
Organization 12	Code	Size	ERUs	Usage								
2025 Charge	401S	1"	18	466	\$ 669	\$ 1,174	\$ 2,414	\$ 255	\$ 4,513			
2025 Charge	402S	2"	15	726	\$ 1,802	\$ 978	\$ 3,761	\$ 392	\$ 6,934			
2025 Charge	403S	3"	5	76	\$ 4,061	\$ 326	\$ 394	\$ 287	\$ 5,068			
2025 COS Charge					\$ 575	\$ 1,399	\$ 2,486	\$ 268	\$ 4,727	\$ 214	\$ 17.86	
2025 COS Charge					\$ 1,584	\$ 1,166	\$ 3,872	\$ 397	\$ 7,019	\$ 85	\$ 7.12	
2025 COS Charge					\$ 3,181	\$ 389	\$ 405	\$ 238	\$ 4,213	\$ (855)	\$ (71.21)	-3.4%

Religious organization with large square footage relative to usage are the most impacted but absolute change are minimal.

BILL COMPARISONS BY CUSTOMER TYPE					Meter	FIRE	Usage	Franchise	Total	Annual	Monthky	Percent
					Annual Chg	Annual Chg	Annual Chg	Fees	Annual Chg	Change	Change	Change
Religious Organizations: Slide 78												
With Sprinklers & or IRR												
Organization 13	Code	Size	ERUs	Usage								
2025 Meter Chg	401L	1"	20	120	\$ 669	\$ 1,304	\$ 622	\$ 156	\$ 2,751			
2025 Meter Chg	401L	1"	1	134	\$ 669	\$ 65	\$ 694	\$ 86	\$ 1,514			
2025 Sprinkler Chg	F40L	4"			\$ 695			\$ 42	\$ 737			
TOTAL 2025					\$ 2,034	\$ 1,370	\$ 1,316	\$ 283	\$ 5,002			
2025 COS Meter Chg					\$ 575	\$ 1,554	\$ 640	\$ 166	\$ 2,935	\$ 184	\$ 15	7%
2025 COS Meter Chg					\$ 575	\$ 78	\$ 715	\$ 82	\$ 1,449	\$ (65)	\$ (5)	-4%
2025 COS Sprinkler					\$ -			\$ -	\$ -	\$ (737)	\$ (61)	-15%
TOTAL 2025					\$ 1,150	\$ 1,632	\$ 1,355	\$ 248	\$ 4,385	\$ (618)	\$ (51)	-12%
Organization 14												
2025 Meter Chg	Code	Size	ERUs	Usage								
2025 Sprinkler Chg	458S	5/8"	3	59	\$ 361	\$ 196	\$ 306	\$ 52	\$ 914			
	F40L	4"			\$ 695			\$ 42	\$ 737			
TOTAL 2025					\$ 1,056	\$ 196	\$ 306	\$ 93	\$ 1,651			
2025 COS Meter Chg					\$ 300	\$ 233	\$ 315	\$ 51	\$ 899	\$ (16)	\$ (1)	-2%
2025 COS Sprinkler					\$ -			\$ -	\$ -	\$ (737)	\$ (61)	-100%
TOTAL 2025					\$ 300	\$ 233	\$ 315	\$ 51	\$ 899	\$ (753)	\$ (63)	-46%
Organization 15												
2025 Meter Chg	Code	Size	ERUs	Usage								
2025 Sprinkler Chg	458S	5/8"	6	43	\$ 361	\$ 391	\$ 223	\$ 59	\$ 1,034			
	F40L	4"			\$ 695			\$ 42	\$ 737			
TOTAL 2025					\$ 1,056	\$ 391	\$ 223	\$ 100	\$ 1,771			
2025 COS Meter Chg					\$ 300	\$ 466	\$ 229	\$ 60	\$ 1,055	\$ 21	\$ 2	2%
2025 COS Sprinkler					\$ -			\$ -	\$ -	\$ (737)	\$ (61)	-100%
TOTAL 2025					\$ 300	\$ 466	\$ 229	\$ 60	\$ 1,055	\$ (715)	\$ (60)	-40%
Organization 16												
2025 Meter Chg	Code	Size	ERUs	Usage								
2025 IRR Chg	402S	2"	40	626	\$ 1,802	\$ 2,609	\$ 3,243	\$ 459	\$ 8,113			
	258			52	\$ 313		\$ 469	\$ 47	\$ 828			
TOTAL 2025					\$ 2,115	\$ 2,609	\$ 3,711	\$ 506	\$ 8,941			
2025 COS Meter Chg					\$ 1,584	\$ 3,109	\$ 3,339	\$ 482	\$ 8,513	\$ 400	\$ 33	5%
2025 IRR Chg					\$ 298		\$ 449	\$ 45	\$ 791	\$ (37)	\$ (3)	-4%
TOTAL 2025					\$ 1,881	\$ 3,109	\$ 3,788	\$ 1,033	\$ 9,304	\$ 363	\$ 30	4%

Sample Bimonthly Bills

BILL COMPARISONS BY CUSTOMER TYPE					Meter Annual Chg	FIRE Annual Chg	Usage Annual Chg	Franchise Fees	Total Annual Chg	Annual Change	Monthky Change	Percent Change
Religious Organizations:												
With Sprinklers & or IRR												
Organization 17	Code	Size	ERUs	Usage								
2025 Meter Chg	401S	1"	1	69	\$ 669	\$ 65	\$ 357	\$ 66	\$ 1,157			
2025 Sprinkler Chg	F40S	4"			\$ 695			\$ 42	\$ 737			
2025 IRR Chg	258			23	\$ 313		\$ 207	\$ 31	\$ 551			
TOTAL 2025					\$ 1,677	\$ 65	\$ 565	\$ 138	\$ 2,446			
2025 COS Meter Chg					\$ 552	\$ 78	\$ 368	\$ 60	\$ 1,057	\$ (100)	\$ (8)	-8.6%
2025 COS Sprinkler					\$ -			\$ -	\$ -	\$ (737)	\$ (61)	-100%
2025 COS IRR Chg					\$ 298		\$ 198	\$ 30	\$ 526	\$ (25)	\$ (2)	-5%
TOTAL 2025					\$ 850	\$ 78	\$ 567	\$ 90	\$ 1,583	\$ (862)	\$ (72)	-35%
Organization 18	Code	Size	ERUs	Usage								
2025 Meter Chg	401S	1"	23	113	\$ 669	\$ 1,500	\$ 585	\$ 165	\$ 2,920			
2025 Meter Chg	402S	2"	23	113	\$ 1,802	\$ 1,500	\$ 585	\$ 233	\$ 4,121			
2025 Sprinkler Chg	F80S	8"			\$ 1,440			\$ 86	\$ 1,526			
2025 IRR Chg	258			515	\$ 313		\$ 4,640	\$ 297	\$ 5,250			
TOTAL 2025					\$ 4,224	\$ 3,000	\$ 5,811	\$ 782	\$ 13,817			
2025 COS Meter Chg					\$ 575	\$ 1,787	\$ 603	\$ 178	\$ 3,143	\$ 223	\$ 19	7.6%
2025 COS Meter Chg					\$ 1,584	\$ 1,787	\$ 603	\$ 238	\$ 4,212	\$ 91	\$ 8	2.2%
2025 COS Sprinkler					\$ -			\$ -	\$ -	\$ (1,526)	\$ (127)	-100%
2025 COS IRR Chg					\$ 298		\$ 4,444	\$ 285	\$ 5,027	\$ (224)	\$ (19)	-4%
TOTAL 2025					\$ 2,456	\$ 3,575	\$ 5,650	\$ 701	\$ 12,382	\$ (1,436)	\$ (127)	-10%
2025 TOTAL REVENUE					\$ 24,982	\$ 17,414	\$ 25,015	\$ 4,045	\$ 71,456			
2025 COS TOTAL REVENUE					\$ 17,658	\$ 20,749	\$ 25,377	\$ 4,333	\$ 67,611			
CHANGE					\$ (7,324)	\$ 3,336	\$ 361	\$ 288	\$ (3,845)	-5.4%		

Religious organization with large square footage relative to usage are the most impacted but absolute change are minimal.

End

