
SAN JUAN BAUTISTA



WATER RATE STUDY DRAFT REPORT

May 21, 2022



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

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BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

2625 Alcatraz Ave, #602
Berkeley, CA 94705
Tel 510 653 3399
www.bartlewells.com

May 20, 2022

311 Second Street
P.O. Box 1420
San Juan Bautista, CA 95045

Attention: Don Reynolds, City Manager

Re: Water Rate Study

Bartle Wells Associates is pleased to submit to the City of San Juan Bautista the attached Draft Water Rate Study. The study presents BWA's analysis of the operating and non-operating expenses of the City's water system and provides a five-year cash flow projection. The primary purpose of this study was to analyze the City's water enterprise and make recommendations that would achieve financial sustainability. Another important purpose of this study was to review rates to ensure that they adhere to the State's legal requirements.

BWA finds that the rates and charges proposed in our report are reflect the cost of service for each customer, follow generally accepted rate design criteria, and adhere to the substantive requirements of Proposition 218. BWA believes that the proposed rates are fair and reasonable to the City's customers.

Please contact us with any future questions about this study and the recommended water rates.

Sincerely,

Douglas Dove, PE, CIPMA
Principal/ President

Erik Helgeson, MBA
Assistant Vice President

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1 BACKGROUND & OBJECTIVES

1.1 Background & Wastewater Facility Improvements

The City of San Juan Bautista (City) is located at the northern region of San Benito County, CA, about 45 miles south of the City of San Jose. The City provides water and sewer services to over 800 customers in an area that encompasses about 0.7 square miles.

The City owns and operates a domestic water system that consists of two active groundwater wells, one storage tank with a volume of 1.25 million gallons, and more than 10 miles of distribution pipelines.

The revenues from the City's water utility are primarily derived from charges for services. The City must establish rates and charges adequate to fund the cost of providing water services, including costs for operations and capital improvements needed to keep the City's utility infrastructure in a safe and reliable operating condition.

In August 2020, the City executed the Administrative Order on Consent, agreeing to bring the wastewater treatment plant into compliance with EPA National Pollution Discharge Permit requirements. It has been estimated to have been out of compliance since at least 2007, having high content of chlorides, sodium and "total dissolved solids." On October 15, 2020, the City committed to three actions to resolve the issue: 1) send the wastewater to Hollister for treatment and decommission the current plant; 2) eliminate brine producing water softeners that add salt to the system, and 3) import drinking water and blend it with the ground water to reduce the salts from entering the system in the first place. In February 2021, a Memorandum of Understanding was executed with the San Benito County Water District (SBCWD) agreeing to provide the City with treated surface water from the West Hills Treatment Plant to blend with its ground water. The City adopted the sewer rates necessary to fund the first step in the City's plan. The proposed water rates in this study are necessary to allow the City to move forward with the rest of the compliance plan and import water from SBCWD.

The City's water utility is a financially self-supporting enterprise. Revenues are derived primarily from water service charges. As such, the City's water rates must be set at adequate levels to fund the costs of providing service and:

- Fund ongoing operating and maintenance expenses
- Address regulatory requirements
- Fund the regionalization project, related debt service and associated increased operating costs
- Provide funding for water system maintenance and upgrades

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

1.2 Goals & Objectives

In 2020, the City retained Bartle Wells Associates (BWA) via a competitive RFP process to develop a financial plan and rate study for the water enterprise. Key goals and objectives of the study include:

1. Develop a financial plan for the City’s water enterprise that:
 - a. supports the City’s water operating and capital programs
 - b. funds the water regionalization project
 - c. provides an ongoing funding stream for water system improvements
 - d. prudently uses water fund reserves to help minimize debt financing needs while maintaining an adequate level of fund reserves in future years
 - e. maintains the long-term financial sustainability of the water enterprise
2. Develop water rates that:
 - a. recover the City’s costs of providing water service
 - b. are fair and equitable to all customer classes
 - c. are easy to understand and implement
 - d. comply with the legal requirements of Proposition 218 and other California law
3. Aim for steady, gradual annual rate increases, to the extent possible, to help minimize the annual impact on customers.

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

1.3 Summary of Water Rate Recommendations

Table 1 shows a summary of proposed water rate recommendations.

Table 1 - Proposed Water Rates

Water Rates	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Volumetric Rate \$/1000 gallons	\$6.35	\$7.05	\$8.04	\$9.17	\$9.63	\$10.12
Monthly Base Rate	\$55.76	\$65.91	\$75.15	\$85.68	\$89.97	\$94.47

2 WATER FINANCIAL PLAN & RATE PROJECTIONS

2.1 Water Financial Overview

BWA conducted an independent evaluation of water enterprise finances. Key observations include:

- Previous rate increases have put the water enterprise in a sound financial position, but the City faces substantial financial challenges going forward.
- The City will need to implement significant water rate increases over the next 5 years to support funding for the regionalization project to connect to SBCWD.

2.2 Financial Challenges / Key Drivers of Rate Increases

The water enterprise is facing a number of financial challenges that will require the City to increase water rates in upcoming years. Key drivers of future rate increases are summarized as follows.

2.2.1 Connection to San Benito County Water District (SBCWD)

In order to complete the plan to comply with the Administrative Order on Consent, secure additional water supply and improve water quality, the City plans to connect its water system to SBCWD's system in a manner that allows SBCWD to sell treated water to the City. When the project is complete the City plans to purchase 65% of its annual water needs from SBCWD. SBCWD-related cost projections are based on the analysis performed by Ridgeline Municipal Strategies, as detailed in Appendix B.

Project Cost and Funding

The construction costs to connect to SBCWD are estimated to be about \$10 million. SBCWD will finance the construction costs and the City will be required to repay the amount to SBCWD over a 30 year period. In addition to construction costs the City will need to buy-in to the regional treatment plant (Hollister Urban Area Project). The buy-in amount will be about \$3 million paid over twenty years. This amount is designed to represent the City's share of the capital cost of the facilities that will be serving the City. The buy-in payment was a necessary financial obligation for obtaining water from SBCWD.

Project Impact to Annual Operating Costs

In order to purchase water from SBCWD, the City will be required to pay an annual fixed amount to cover fixed O&M costs and a reserve contribution. The City will also be required to pay a variable amount per acre foot to cover the cost of treatment and the cost of raw water and power.

2.2.2 Ongoing Operating Cost Inflation

The City faces ongoing operating cost inflation due to annual increases in a range of expenses including staffing, utilities, chemicals, insurance, supplies, etc. Water cost inflation has historically been significantly higher than the Consumer Price Index (CPI) for consumer goods and services.

2.2.3 Water Reserve Funds

Maintaining a prudent minimal level of fund reserves provides a financial cushion for dealing with unanticipated expenses, revenue shortfalls, and non-catastrophic emergency capital repairs. BWA developed a financial plan designed to maintain prudent reserve levels.

2.3 Financial Plan Assumptions

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

Revenue Assumptions

- Water rate revenues are based on estimated revenues for the current fiscal year. The City is anticipating minimal growth. To be conservative and ensure revenues will be sufficient, BWA assumed two new connections per year.

Expense Assumptions

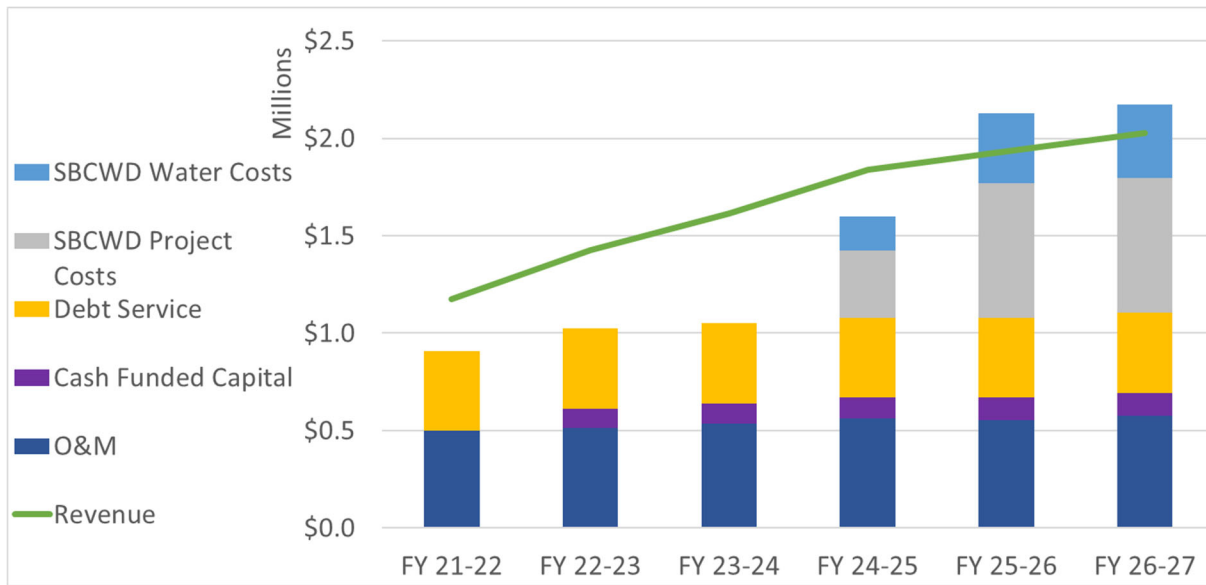
- Operating and maintenance costs are primarily based on the 2022/23 budget. Operating costs are projected to escalate at between 4% and 5% per year to account for cost inflation.
- BWA is projecting that expenses related to purchasing water from SBCWD will be over \$1 million per year. These cost projections are based on the analysis by Ridgeline Municipal Strategies included in Appendix B.
- Capital improvement costs are based on the most recent engineering cost estimates. Capital costs include a 4% annual construction cost inflation factor.

Table 2 - Water Cash Flow Projections

Operating Fund	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Beginning Reserves						
<i>Total Reserve Balance</i>	\$1,366,900	\$1,633,346	\$2,033,828	\$2,599,946	\$2,840,354	\$2,641,145
Revenue Escalation						
Rate Revenue Increase		14.0%	14.0%	14.0%	5.0%	5.0%
Revenues						
Rate Revenue	\$1,110,994	\$1,194,241	\$1,364,665	\$1,559,400	\$1,781,914	\$1,875,417
Additional Rate Revenue	0	167,194	191,053	218,316	89,096	93,771
Other Revenue	<u>\$62,399</u>	<u>\$62,804</u>	<u>\$60,004</u>	<u>\$60,004</u>	<u>\$60,004</u>	<u>\$60,004</u>
<i>Total Revenue</i>	<i>\$1,173,393</i>	<i>\$1,424,239</i>	<i>\$1,615,722</i>	<i>\$1,837,720</i>	<i>\$1,931,014</i>	<i>\$2,029,192</i>
Expenses						
Operating Expenses						
SJB Operating Expenses	\$498,000	\$512,995	\$536,245	\$560,376	\$555,489	\$577,709
SBCWD Water Purchase			\$0	\$85,668	\$178,338	\$186,065
SBCWD Fixed Charges			\$0	\$88,150	\$183,352	\$190,686
<i>Total Operating Expenses</i>	<i>\$498,000</i>	<i>\$512,995</i>	<i>\$536,245</i>	<i>\$734,194</i>	<i>\$917,179</i>	<i>\$954,460</i>
Non-Operating Expenses						
SJB Capital Improvements	\$0	\$100,000	\$104,000	\$108,160	\$112,486	\$116,986
HUAP Buy-In to SBCWD				\$114,763	\$229,525	\$229,525
Project Financing Repayment				\$230,837	\$461,673	\$461,673
Existing Debt Service	<u>\$408,947</u>	<u>\$410,762</u>	<u>\$409,360</u>	<u>\$409,360</u>	<u>\$409,360</u>	<u>\$409,360</u>
<i>Total Non-Operating Expenses</i>	<i>\$408,947</i>	<i>\$510,762</i>	<i>\$513,360</i>	<i>\$863,119</i>	<i>\$1,213,044</i>	<i>\$1,217,543</i>
<i>Total Expenses</i>	<i>\$906,947</i>	<i>\$1,023,757</i>	<i>\$1,049,605</i>	<i>\$1,597,312</i>	<i>\$2,130,223</i>	<i>\$2,172,004</i>
Net Revenues	\$266,446	\$400,482	\$566,118	\$240,408	-\$199,209	-\$142,811
Ending Unrestricted Balance	\$1,633,346	\$2,033,828	\$2,599,946	\$2,840,354	\$2,641,145	\$2,498,334
Debt Coverage (Target 1.25)	1.65	2.22	2.64	2.13	1.35	1.50

The following chart shows a 5-year breakdown of projected water enterprise expenses.

Figure 1 – Projected Water Enterprise Cashflow



2.4 Water Rate Increases

The cash flow projections indicate the need for overall water rate increases over the next five years as shown on the following table.

Table 3 – Projected Overall Water Rate Increases

	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Rate Revenue Increase	\$167,194	\$191,053	\$218,316	\$89,096	\$93,771
Debt Coverage Ratio	2.22	2.64	2.13	1.35	1.50

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

3 COST OF SERVICE RATE DERRIVATION

Article XIII D, Section 6 of the California Constitution (which was adopted by the voters in 1996 as a part of Proposition 218) requires that the City adopt only rates that meet a number of substantive requirements.

Specifically:

- (1) Revenues derived from the water rates cannot exceed the funds required to provide water service.
- (2) Revenues derived from the water rates cannot be used for any purpose other than providing water service.
- (3) The amount of the water rates imposed upon any parcel or person as an incident of property ownership cannot exceed the proportional cost of the service attributable to the parcel.
- (4) Water rates may not be imposed unless water service is actually used by, or immediately available to, the owner of the property in question.

In San Juan Batista, each water customer is charged both a monthly fixed rate and a volumetric charge based on the quantity of water delivered by the City to the customer. This reflects that (i) some system costs, such as the costs of purchasing treated water from SBCWD are based entirely on the actual quantity of water consumed, (ii) other system costs are fixed from the point of view of the City, but are a result of design decisions that were made to accommodate all users, including high-demand users, and (iii) some costs, particularly the cost of administering the water system, would be largely the same regardless of the volume of water use.

3.1 Functional Allocation and Rate Derivation

There must be a cost based nexus between the revenue requirement from the cash flow and the proposed rates. The nexus is created by allocating the expenses and offsetting non-rate revenues by function and then dividing those functional revenue requirements by the allocations units most reasonably related to each function.

The following table shows a breakdown of the water utility's expenses and offsetting revenues and how they are allocated by function. The proportional allocation is then applied to the rate revenue requirement so that the rates are proportional to the cost of service provided. To recover the allocated revenue requirements proportionally to the service provided, a unit cost must be derived. Critical to this step is using the unit which relates to the function.

The allocation amounts are based on the last year of the proposed rates, FY 26-27, because it reflects the completed regionalization project in operation. The revenue requirements leading up to that year are increasing to fund the project.

Table 4 – Functional Allocation

Functional Allocation	Amount	Fixed	Volumetric
Expenses			
General & Administrative	\$161,360	80.00%	20.00%
Utilities	\$80,998	30.00%	70.00%
Water System O&M	\$70,258	60.00%	40.00%
Chemicals and Testing	\$8,100		100.00%
Personnel	\$256,992	65.65%	34.35%
SBCWD Water Purchase	\$186,065		100.00%
SBCWD Fixed Charges	\$190,686		100.00%
Repair and Replacement	\$116,986	60.00%	40.00%
HUAP Buy-In to SBCWD	\$229,525	60.00%	40.00%
Project Financing Repayment	\$461,673	60.00%	40.00%
Existing Debt Service	\$409,360	60.00%	40.00%
Expense Allocation \$	\$2,172,003	\$1,094,790	\$1,077,214
Expense Allocation %		50.40%	49.60%
Offsetting Revenues			
Interest and Penalties	\$26,000	50.40%	49.60%
Water Meter Maint. Fees	\$16,000	60.00%	40.00%
Utility Connection Fees	\$18,004	60.00%	40.00%
Offsetting Revenue Allocation \$	\$60,004	\$33,506	\$26,498
Offsetting Revenue Allocation %		55.84%	44.16%
Total Allocation	\$2,111,999	\$1,061,283	\$1,050,716
Functional Allocation %		48.86%	51.14%
Revenue Requirement	\$1,361,435.13	\$665,197.20	\$696,237.92

Functional Allocation Categories

- **Fixed-** Fixed costs are recovered per customer. Fixed costs or costs related to system capacity were allocated to this category.
- **Volumetric-** Costs reasonably recovered volumetrically were allocated to this category. Volumetric costs are recovered per unit of volume (1,000 gallons) based on all projected demand.

Functional Allocation Line Items

All allocations were based on feedback from City staff.

Operating Expenses

- **General & Administrative-** General & Administrative Expenses, such as costs of Office Supplies, Security and Janitorial Services, were allocated 80% to fixed and 20% to volumetric because the bulk of these costs would be incurred in the same amount regardless of the

volume of water carried by the system, but some costs are a result of the designed capacity of the system. For example, a smaller system would require less staff leading to reduced office supply costs.

- **Utilities-** The Utilities (electricity and gas) expenses for the City’s water system were allocated 30% to fixed and 70% to volumetric because the bulk of these costs are related to pumping and treating groundwater, and therefore vary based on the amount of water delivered by the system, while some utility usage, such as the electricity for lighting buildings and office functions, is a fixed cost.
- **Water System O&M-** Expenses associated with the operation and maintenance of the City’s water system were, like capital costs of the system, allocated 60% to fixed and 40% to volumetric because O&M costs are largely fixed based on anticipated lifecycles of system elements, but are partially related to design decisions based on system capacity needs.
- **Chemicals and Testing-** The costs of testing and treating water in the system are entirely related to water demand and therefore were allocated 100% to volumetric.
- **Personnel-** The 1.55 full time equivalent (FTE) maintenance personnel and the .1 FTE allocated to capital projects are allocated on a 60%/40% basis to match the treatment of non-personnel costs of the same type. The .65 FTE of Administrative personnel were allocated on an 80%/20% basis as General and Administrative costs. This led to an overall allocation basis of 65.65%/34.35%.

Imported Water Purchase Expenses

- **SBCWD Water Purchase-** SBCWD wholesale charges to the City for water delivered to the City were allocated 100% to volumetric.
- **SBCWD Fixed Charges-** SBCWD charges for the operating costs of treating the purchased water is also allocated 100% to volumetric.

Capital Expenses

All capital costs are allocated 60% to fixed and 40% to volumetric because these costs are fixed, but are partially related to design decisions based on system capacity needs.

Other Revenue

- **Interest and Penalties-** Interest and penalties were allocated based on the overall allocation of expenses.
- **Capital Revenue-** Water meter fees and utility connection fees were allocated as if they were capital or O&M costs.

The following table shows the allocation units and total revenue requirement by function. The revenue requirement divided by the demand allocation units in a given category provides each category’s unit rate.

Table 5 – Rate Derivation

Unit Rate Calculation	Fixed	Volumetric
<i>Units</i>	<i>Customers</i>	<i>1,000 Gallons</i>
Monthly Units	841.00	8,227.85
Months	<u>12</u>	<u>12</u>
Annual Allocation Units	10,092.00	98,734.24
Revenue Requirement	<u>\$665,197.20</u>	<u>\$696,237.92</u>
Unit Rate	\$65.91	\$7.05

3.2 Rate Structure Recommendations

BWA reviewed the current water rate structure and recommends the City charge outside city customers the same rates charged to inside city customers.

3.3 Proposed Water Rates

The following table shows a 5-year schedule of proposed water rates.

Table 6 – Proposed Water Rates

Water Rates	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Volumetric Rate \$/1000 gallons	\$6.35	\$7.05	\$8.04	\$9.17	\$9.63	\$10.12
Monthly Base Rate	\$55.76	\$65.91	\$75.15	\$85.68	\$89.97	\$94.47

4 CONCLUSION AND RECOMMENDATIONS

This water rate study report presents a comprehensive review of the City of San Juan Bautista's water revenue requirements and rate structures. The City will need regular annual rate increases to keep up with cost inflation and be able to complete necessary capital projects while maintaining prudent reserves.

4.1 Conclusion

The City practices sound financial planning which has provided for the financial health of the water enterprise. Historically, the City has increased rate revenue to keep up with inflationary cost increases and fund system upgrades and maintenance. However, the City is facing large capital expenditures which require rates to increase greater than inflation. These recent developments have been factored into the water rate study and are reflected in the above proposed rates. Adoption of these rates reflect the City's commitment to stewarding financially sound utilities and providing reliable, high quality water service that will benefit the community many years into the future.

4.2 Recommendations

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

APPENDIX A

Water Rate Study Tables



SAN JUAN BAUTISTA
The City of History

Water Rate Study 2022 Draft

May 20, 2022



BARTLE WELLS ASSOCIATES
Independent Public Finance Advisors

Table A
City of San Juan Bautista
Draft Water Rates
Water Rate Study

Water Rates	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Volumetric Rate \$/1000 gallons	\$6.35	\$7.05	\$8.04	\$9.17	\$9.63	\$10.12
Monthly Base Rate	\$55.76	\$65.91	\$75.15	\$85.68	\$89.97	\$94.47

Table 1
City of San Juan Bautista
Water Demand and Supply Cost
Water Rate Study

Metered Water Demand		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
		<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Demand (1,000 gallons)		98,500	98,734	98,968	99,203	99,437	99,671
Demand (AF)		302	303	304	304	305	306
Customers		839	841	843	845	847	849
Projected Additional Customers		2	2	2	2	2	2
Total Customers		841	843	845	847	849	851
Consumption per Customer		117	117	117	117	117	117

Water Supply Cost	Escelation	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Volumetric Water Supply Cost							
Cost of Raw Water (\$/AF)	4.0%	\$624	\$649	\$675	\$702	\$730	\$759
Cost of Raw Water Power (\$/AF)	5.0%	<u>\$58</u>	<u>\$61</u>	<u>\$64</u>	<u>\$67</u>	<u>\$70</u>	<u>\$74</u>
Water Supply Cost (\$/AF)		\$681.75	\$709.60	\$738.59	\$768.77	\$800.19	\$832.90
Projected Water Purchase (AF)					<u>111.44</u>	<u>222.87</u>	<u>223.40</u>
Projected Total Water Supply Cost		\$0	\$0	\$0	\$85,668	\$178,338	\$186,065
Fixed Water Supply Cost							
Estimated Fixed O&M Cost	4.0%	\$113,236	\$117,766	\$122,476	\$127,375	\$132,470	\$137,769
Reserve Allocation	4.0%	<u>\$43,494</u>	<u>\$45,234</u>	<u>\$47,043</u>	<u>\$48,925</u>	<u>\$50,882</u>	<u>\$52,917</u>
Total Fixed Water Supply Cost					\$88,150	\$183,352	\$190,686
Total Water Supply Cost		\$0	\$0	\$0	\$173,818	\$361,690	\$376,751

Table 2
City of San Juan Bautista
Projected Operating Expenses
Water Rate Study

Cost Escalation		FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
General Inflation					5.0%	4.5%	4.0%	4.0%
Expenses ¹	Category	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
		<i>Actual</i>	<i>Estimated</i>	<i>Draft Budget</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
502.000 · Salaries and Wages - FT	Personnel	\$154,128	\$155,981	\$167,560	\$175,938	\$183,855	\$191,209	\$198,858
508.000 · FICA	Personnel	\$12,289	\$12,019	\$14,494	\$15,219	\$15,904	\$16,540	\$17,201
510.000 · Worker's Comp	Personnel	\$3,476	\$7,620	\$7,783	\$8,172	\$8,540	\$8,881	\$9,237
514.000 · Health Insurance	Personnel	\$18,308	\$25,779	\$24,793	\$26,033	\$27,204	\$28,292	\$29,424
518.000 · 457k Retirement Contribution	Personnel	\$931	\$1,329	\$1,915	\$2,011	\$2,101	\$2,185	\$2,273
522.000 · Uniforms & Alterations	General & Administrative	\$251	\$57	\$100	\$105	\$110	\$114	\$119
524.000 · Phys., Drug & Psych Testing	Personnel	\$15	\$0		\$0	\$0	\$0	\$0
526.000 · Education and Training	General & Administrative	\$375	\$377	\$400	\$420	\$439	\$456	\$475
550.000 · Office Supplies	General & Administrative	\$1,501	\$2,000	\$2,000	\$2,100	\$2,195	\$2,282	\$2,374
558.000 · Printing and Copies	General & Administrative	\$14	\$700	\$700	\$735	\$768	\$799	\$831
562.000 · Food and Beverages	General & Administrative	\$60	\$200	\$200	\$210	\$219	\$228	\$237
516.000 · Insurance - Liab/Bond/Auto/Pro	General & Administrative	\$22,548	\$15,000	\$15,000	\$15,750	\$16,459	\$17,117	\$17,802
544.000 · Computer Software Service	General & Administrative	\$487	\$700	\$700	\$735	\$768	\$799	\$831
545.000 · Computer Hardware Service	General & Administrative	\$286	\$100	\$100	\$105	\$110	\$114	\$119
530.000 · Dues and Subscriptions	General & Administrative	\$8,725	\$3,200	\$3,200	\$3,360	\$3,511	\$3,652	\$3,798
634.000 · Copier Services & Lease	General & Administrative	\$1,416	\$1,700	\$1,700	\$1,785	\$1,865	\$1,940	\$2,018
638.000 · Bank Charges/PR Processing	General & Administrative	\$2,750	\$4,800	\$4,800	\$5,040	\$5,267	\$5,477	\$5,697
551.000 · Postage and Freight	General & Administrative	\$3,023	\$3,600	\$3,600	\$3,780	\$3,950	\$4,108	\$4,272
600.000 · Operational Contracts	General & Administrative	\$142,132	\$78,000	\$78,000	\$81,900	\$85,586	\$89,009	\$92,569
602.000 · Legal	General & Administrative	\$7,365	\$100	\$100	\$105	\$110	\$114	\$119
604.000 · Engineering	Water System O&M	\$31,811	\$30,000	\$30,000	\$31,500	\$32,918	\$34,234	\$35,604
612.002 · Security	General & Administrative	\$898	\$800	\$800	\$840	\$878	\$913	\$949
624.000 · Janitorial	General & Administrative	\$99	\$200	\$200	\$210	\$219	\$228	\$237
643.000 · Water	Water System O&M	\$1,448	\$0	\$0	\$0	\$0	\$0	\$0
654.000 · Chemical Testing	Chemicals and Testing	\$4,225	\$8,500	\$8,500	\$8,925	\$9,327	\$3,395	\$3,531
Bad debt	General & Administrative	\$29,761	\$8,000	\$8,000	\$6,000	\$6,270	\$6,521	\$6,782
640.000 · Telecomm	General & Administrative	\$876	\$2,500	\$2,500	\$2,625	\$2,743	\$2,853	\$2,967
642.000 · Electricity	Utilities	\$51,938	\$75,000	\$75,000	\$78,750	\$82,294	\$72,748	\$75,658
656.000 · Licenses and Permits	General & Administrative	\$15,950	\$16,000	\$16,000	\$16,800	\$17,556	\$18,258	\$18,989
658.000 · Property Taxes	General & Administrative	\$88	\$150	\$150	\$158	\$165	\$171	\$178
712.000 · Materials	Water System O&M	\$97	\$0	\$0	\$0	\$0	\$0	\$0
532.01 · Equipment Rental	Water System O&M	\$424	\$0	\$0	\$0	\$0	\$0	\$0
701.000 · Small Tools	Water System O&M	\$270	\$0	\$0	\$0	\$0	\$0	\$0
554.000 · Gasoline & Diesel Fuel	Utilities	\$2,193	\$3,987	\$4,500	\$4,725	\$4,938	\$5,135	\$5,341
552.000 · Chemical and Gasses	Chemicals and Testing	\$14,307	\$10,731	\$11,000	\$11,550	\$12,070	\$4,393	\$4,569
716.000 · Parts - City Rep. Vehicles	Water System O&M	\$0	\$261	\$300	\$315	\$329	\$342	\$356
718.000 · Parts - City Rep. Equipment	Water System O&M	\$328	\$929	\$1,000	\$1,050	\$1,097	\$1,141	\$1,187
720.000 · Parts - City Rep. Water	Water System O&M	\$4,946	\$9,780	\$10,000	\$10,500	\$10,973	\$11,411	\$11,868
726.000 · Parts - City Rep. Parks	Water System O&M	\$373	\$0	\$0	\$0	\$0	\$0	\$0
751.001 · Maint. & Repair Wells	Water System O&M	\$5,964	\$15,000	\$15,000	\$15,750	\$16,459	\$17,117	\$17,802
752.000 · Vehicle Maint. - Outside	Water System O&M	\$0	\$300	\$300	\$315	\$329	\$342	\$356
754.000 · Equipment Maint. - Outside	Water System O&M	\$0	\$100	\$100	\$105	\$110	\$114	\$119
764.000 · Water Maintenance - Outside	Water System O&M	\$583	\$2,500	\$2,500	\$2,625	\$2,743	\$2,853	\$2,967
Total Operating Expenses		\$546,659	\$498,000	\$512,995	\$536,245	\$560,376	\$555,489	\$577,709
<i>% Change from Previous Year</i>			-8.9%	3.0%	4.5%	4.5%	-0.9%	4.0%

¹ Based on SJB budget

² Highlighted cells reflect cost reductions due to reduced groundwater production and treatment

Table 3
City of San Juan Bautista
Projected Operating Revenues
Water Rate Study

Cost Escalation	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Demand Growth				0.2%	0.2%	0.2%	0.2%
Revenue	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
	<i>Actual</i>	<i>Estimated</i>	<i>Draft Budget</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Rate Revenue	\$1,170,961	\$1,110,994	\$1,194,241	\$1,364,665	\$1,559,400	\$1,781,914	\$1,875,417
Additional Rate Revenue^{1,2}	\$0	\$0	\$167,194	\$191,053	\$218,316	\$89,096	\$93,771
Other Revenue							
484.000 · Interest and Penalties	\$1,386	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000
480.003 · Reimbursed City expenses	\$2,635	\$2,800	\$2,800				
493.000 · Water Meter Maint. Fees	\$15,000	\$15,595	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
483.000 · Utility Connection Fees	\$216,495	\$18,004	\$18,004	\$18,004	\$18,004	\$18,004	\$18,004
Total Other Revenue	\$235,516	\$62,399	\$62,804	\$60,004	\$60,004	\$60,004	\$60,004
Total Operating Revenue	\$1,406,477	\$1,173,393	\$1,424,239	\$1,615,722	\$1,837,720	\$1,931,014	\$2,029,192
<i>% Change from Previous Year</i>		<i>-16.6%</i>	<i>21.4%</i>	<i>13.4%</i>	<i>13.7%</i>	<i>5.1%</i>	<i>5.1%</i>

¹Additional revenue based on recommended increase

²Projected revenue based on projected customer counts and billed volumetric usage

Table 4
City of San Juan Bautista
Capital Improvement Costs
Water Rate Study

Project Description	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
CIP (Current Dollars)					
Capital Purchases/Improvements					
Pipeline Replacement	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total CIP (Current Dollars)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
CIP (Inflated Dollars)					
Total CIP (Inflated Dollars)	\$100,000	\$104,000	\$108,160	\$112,486	\$116,986
<i>Annual Inflation Rate</i>		4.0%	4.0%	4.0%	4.0%

Table 5
City of San Juan Bautista
Existing and Proposed Debt
Water Rate Study

Description	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
	<i>Actual</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Existing Debt							
2015 Enterprise Revenue Bonds	\$365,001	\$364,341	\$366,156	\$364,753	\$364,753	\$364,753	\$364,753
2016 General Fund Advance	44,606	44,606	44,606	44,606	44,606	44,606	44,606
Total Current Debt Service	\$409,607	\$408,947	\$410,762	\$409,360	\$409,360	\$409,360	\$409,360

Table 6
City of San Juan Bautista
Cash Flow Projections
Water Rate Study

Operating Fund	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Beginning Reserves						
<i>Total Reserve Balance</i>	\$1,366,900	\$1,633,346	\$2,033,828	\$2,599,946	\$2,840,354	\$2,641,145
Revenue Escalation						
Rate Revenue Increase		14.0%	14.0%	14.0%	5.0%	5.0%
Revenues						
Rate Revenue	\$1,110,994	\$1,194,241	\$1,364,665	\$1,559,400	\$1,781,914	\$1,875,417
Additional Rate Revenue	0	167,194	191,053	218,316	89,096	93,771
Other Revenue	<u>\$62,399</u>	<u>\$62,804</u>	<u>\$60,004</u>	<u>\$60,004</u>	<u>\$60,004</u>	<u>\$60,004</u>
<i>Total Revenue</i>	<i>\$1,173,393</i>	<i>\$1,424,239</i>	<i>\$1,615,722</i>	<i>\$1,837,720</i>	<i>\$1,931,014</i>	<i>\$2,029,192</i>
Expenses						
Operating Expenses						
SJB Operating Expenses	\$498,000	\$512,995	\$536,245	\$560,376	\$555,489	\$577,709
SBCWD Water Purchase			\$0	\$85,668	\$178,338	\$186,065
SBCWD Fixed Charges			\$0	\$88,150	\$183,352	\$190,686
<i>Total Operating Expenses</i>	<i>\$498,000</i>	<i>\$512,995</i>	<i>\$536,245</i>	<i>\$734,194</i>	<i>\$917,179</i>	<i>\$954,460</i>
Non-Operating Expenses						
Rate Funded Capital	\$0	\$100,000	\$104,000	\$108,160	\$112,486	\$116,986
HUAP Buy-In to SBCWD				\$114,763	\$229,525	\$229,525
Project Financing Repayment				\$230,837	\$461,673	\$461,673
Existing Debt Service	<u>\$408,947</u>	<u>\$410,762</u>	<u>\$409,360</u>	<u>\$409,360</u>	<u>\$409,360</u>	<u>\$409,360</u>
<i>Total Non-Operating Expenses</i>	<i>\$408,947</i>	<i>\$510,762</i>	<i>\$513,360</i>	<i>\$863,119</i>	<i>\$1,213,044</i>	<i>\$1,217,543</i>
<i>Total Expenses</i>	<i>\$906,947</i>	<i>\$1,023,757</i>	<i>\$1,049,605</i>	<i>\$1,597,312</i>	<i>\$2,130,223</i>	<i>\$2,172,004</i>
Net Revenues	\$266,446	\$400,482	\$566,118	\$240,408	-\$199,209	-\$142,811
Ending Unrestricted Balance	\$1,633,346	\$2,033,828	\$2,599,946	\$2,840,354	\$2,641,145	\$2,498,334
Debt Coverage (Target 1.25)	1.65	2.22	2.64	2.13	1.35	1.50

Table 7
City of San Juan Bautista
Functional Allocation
Water Rate Study

Functional Allocation	Amount	Fixed	Volumetric
Expenses			
General & Administrative	\$161,360	80.00%	20.00%
Utilities	\$80,998	30.00%	70.00%
Water System O&M	\$70,258	60.00%	40.00%
Chemicals and Testing	\$8,100		100.00%
Personnel	\$256,992	65.65%	34.35%
SBCWD Water Purchase	\$186,065		100.00%
SBCWD Fixed Charges	\$190,686		100.00%
Repair and Replacement	\$116,986	60.00%	40.00%
HUAP Buy-In to SBCWD	\$229,525	60.00%	40.00%
Project Financing Repayment	\$461,673	60.00%	40.00%
Existing Debt Service	\$409,360	60.00%	40.00%
Expense Allocation \$	\$2,172,003	\$1,094,790	\$1,077,214
Expense Allocation %		50.40%	49.60%
Offsetting Revenues			
Interest and Penalties	\$26,000	50.40%	49.60%
Water Meter Maint. Fees	\$16,000	60.00%	40.00%
Utility Connection Fees	\$18,004	60.00%	40.00%
Offsetting Revenue Allocation \$	\$60,004	\$33,506	\$26,498
Offsetting Revenue Allocation %		55.84%	44.16%
Total Allocation	\$2,111,999	\$1,061,283	\$1,050,716
Functional Allocation %		48.86%	51.14%
Revenue Requirement	#####	\$665,197.20	\$696,237.92

Table 8
City of San Juan Bautista
Rate Derrivation
Water Rate Study

Unit Rate Calculation	Fixed	Volumetric
<i>Units</i>	<i>Customers</i>	<i>1,000 Gallons</i>
Monthly Units	841.00	8,227.85
Months	<u>12</u>	<u>12</u>
Annual Allocation Units	10,092.00	98,734.24
Revenue Requirement	<u>\$665,197.20</u>	<u>\$696,237.92</u>
Unit Rate	\$65.91	\$7.05

APPENDIX B

Water Compliance Project Cost Tables

**Table 1
City of San Juan Bautista
Water Compliance Project
Annual Cost Projection**

Decription	Annual Amount	Monthly Amount	Details
On-Going Costs			
Cost of Raw Water and Power	\$130,999	\$10,917	Table B-1
Treatment Cost	\$79,636	\$6,636	Table B-2
Fixed O&M Cost	\$108,881	\$9,073	Table B-2
Capital Reserve Contribution	\$41,821	\$3,485	Table B-3
Subtotal: On-Going Costs	\$361,339	\$30,112	
Amortized Costs			
HUAP Buy-In to SBCWD	\$229,525	\$19,127	Table A-1
Project Financing Repayment	\$461,673	\$38,473	Table 4
Subtotal: Amortized Costs	\$691,198	\$57,600	
Total Costs	\$1,052,537	\$87,711	

No. of Connections	800	800	
Cost per Connection	\$1,316	\$110	

Table 2
City of San Juan Bautista
Water Compliance Project
Project Cost Summary - Construction

Item	Description	Amount	Details
1	Hollister Urban Area Project Buy-In	\$2,992,000	Table A-1
2	Construction Costs	\$7,691,000	Table A-2
3	SBCWD Non-Reimbursable Contribution	(\$869,565)	Table A-3
4	WTP Capital Reserve Contribution	\$352,246	Table A-4
5	Water Blending Equipment	\$100,000	Per HDR
6	Water Softeners Buy-Back	\$193,000	Per Stantec
7	ROW Acquisition	\$15,000	Per Stantec
8	Soft Costs	\$1,580,000	Table A-5
9	Financing Fees	\$235,000	Table 4
10	Construction Interest	\$366,267	Table 4
	TOTAL PROJECT COST	\$12,654,948	

Table 3
City of San Juan Bautista
Water Compliance Project
Capacity Allocation for Buy-In to SBCWD

Description	Max Daily Capacity	% (Rounded)
City of San Juan Bautista	500,000	8%
Sunnyslope County Water District	3,000,000	46%
City of Hollister	3,000,000	46%
Total	6,500,000	100%

Source: San Benito County Water District

Table 4
City of San Juan Bautista
Water Compliance Project
Project Financing

Description	Amount
Financed Costs	
Construction Costs	\$7,691,000
SBCWD Non-Reimbursable Contribution	(\$869,565)
WTP Capital Reserve Contribution	\$352,246
Water Blending Equipment	\$100,000
Water Softeners Buy-Back	\$193,000
ROW Acquisition	\$15,000
Soft Costs	\$1,580,000
Total Financed Costs	\$9,061,680

Construction Financing [1]	
Financial Consultant Fees	\$50,000
Legal	\$40,000
Other Fees	\$5,000
Construction Loan Amount	\$9,156,680
Interest Rate	2.00%
Interest Expense - 2 Years	\$366,267

Permanent Financing [2]	
Financial Consultant Fees	\$40,000
Legal	\$40,000
Underwriter Fees	\$35,000
Other Fees	\$25,000
Permanent Financing Amount [3]	\$9,662,948
Interest Rate [2]	2.50%
Term	30
Annual Payment	\$461,673

[1] Assumes bank financing.

[2] Assumes USDA or SRF financing.

[3] Grant funding will reduce financing amount.

**Table A-1
City of San Juan Bautista
Water Compliance Project
Hollister Urban Area Project Buy-In Cost Calculation**

Description	Amount	Cost Allocation			
		Hollister	SSCWD	SJB	Total
Cost Allocation Factor		46%	46%	8%	100%
Total Construction Cost (less grant reimbursement)	\$41,502,000 (\$4,102,000)				
Total Cost [1]	\$37,400,000	\$17,204,000	\$17,204,000	\$2,992,000	\$37,400,000
Initial Allocation of Capital Costs		\$18,700,000	\$18,700,000		\$37,400,000
Credit to Hollister and SSCWD at SJB Project Completion		(\$1,496,000)	(\$1,496,000)		(\$2,992,000)
<hr/>					
Cost Amortization Schedule					
SJB Cost Allocation	\$2,992,000				
Remaining Monthly Payments [1]	236				
Annual Interest Rate [2]	4.50%				
Interest Rate (monthly)	0.375%				
Monthly Payment [3]	\$19,127				
Annual Payment	\$229,525				

Source: San Benito County Water District

- [1] Term is estimated at 236 monthly payments if project is completed Jan 2024.
- [2] Interest rate for Tranche 1 of Hollister and SSCWD.
- [3] Project buy-in is financed by SBCWD and collected in monthly payments.

**Table A-2
City of San Juan Bautista
Water Compliance Project
Construction Cost Estimate - 30% Design**

Description	Quantity	Units	Unit Cost	Total Cost
DIVISION 1 - GENERAL REQUIREMENTS				
Mobilization/Demobilization	1	LS	3.00%	\$128,700
Bonds and Insurance	1	LS	1.50%	\$63,400
Permitting/ROW	1	LS	5.00%	\$219,000
Easement Acquisition	1	LS	\$50,000	\$50,000
Traffic Control	1	LS	\$35,000	\$35,000
General Conditions	1	LS	4.00%	\$173,400
Shop Drawings and O&M Manuals	1	LS	1.00%	\$42,100
Facilities Start-up & Testing	1	LS	1.00%	\$42,100
DIVISION SUBTOTAL				\$754,000
DIVISION 2 - SITE WORK				
Flow Meter Vault				
Excavation	37	CY	\$25	\$933
Bedding/ Backfill	5	CY	\$40	\$213
Grading for Chemical Feed	60	CY	\$30	\$1,800
Transmission Pipeline				
Excavation	27,515	CY	\$25	\$687,870
Bedding/ Backfill	26,814	CY	\$40	\$1,072,554
Unpaved Road Resurfacing	118,060	SF	\$3	\$354,180
Paving	55,440	SF	\$10	\$554,400
DIVISION SUBTOTAL				\$2,672,000
DIVISION 3 - CONCRETE				
Precast Flow Meter Valve Vault	1	EA	\$15,000	\$15,000
Slab on Grade for Chemical Storage Tank	57	CY	\$1,000	\$56,549
Miscellaneous Concrete	1	LS	\$1,500	\$1,500
DIVISION SUBTOTAL				\$73,100
DIVISION 5 - MISCELLANEOUS METALS				
Pipe Supports	1	LS	\$5,000	\$5,000
Miscellaneous metals	1	LS	\$5,000	\$5,000
DIVISION SUBTOTAL				\$10,000
DIVISION 9 - FINISHES				
Painting and Protective Coatings (Piping and Equipment)	1	LS	\$10,000	\$10,000
DIVISION SUBTOTAL				\$10,000
DIVISION 10 - SPECIALTIES				
Identification, Stenciling and Tagging System	1	LS	\$3,000	\$10,000
DIVISION SUBTOTAL				\$10,000
DIVISION 11 - EQUIPMENT				
Chemical feed pumps	1	EA	\$15,000	\$15,000
Chemical storage tank	1	EA	\$50,000	\$50,000
DIVISION SUBTOTAL				\$65,000
DIVISION 13 - SPECIAL CONSTRUCTION				
Horizontal Directional Drilling	1,000	LF	\$50	\$50,000
HDD Mobilization and Rental	1	LS	\$10,000	\$10,000
DIVISION SUBTOTAL				\$60,000
DIVISION 15 - MECHANICAL				
6" Butterfly Valve	2	EA	\$4,000	\$8,000
10" Butterfly Valve	8	EA	\$7,500	\$60,000
6" HDPE, Exposed	15	LF	\$100	\$1,500
10" HDPE, Buried	34,700	LF	\$32	\$1,110,400
6" Flow Control Valve	1	EA	\$10,000	\$10,000
Air Release Valve/Blowoff	4	EA	\$5,000	\$20,000
Magnetic Flowmeter	1	EA	\$10,000	\$10,000
Miscellaneous Joints, Couplings, and Fittings	1	LS	\$30,000	\$30,000
Connection to Existing Pipelines	1	LS	\$10,000	\$10,000
DIVISION SUBTOTAL				\$1,259,900
DIVISION 16 - ELECTRICAL				
Electrical	1	LS	\$25,000	\$25,000
DIVISION SUBTOTAL				\$25,000
SUBTOTAL (TAXABLE)				\$4,160,000
SUBTOTAL (NONTAXABLE INCLUDING DIV 1, DIV 16)				\$779,000
SALES TAX (8.75%)				\$364,000
SUBTOTAL				\$5,303,000
CONTINGENCY (20%)				\$1,061,000
MARKET UNCERTAINTY (10%)				\$531,000
ESCALATION TO MID-POINT OF CONSTRUCTION (15%)				\$796,000
TOTAL				\$7,691,000

Source: HDR and San Benito County Water District, 30% Design, 10/28/2021

- Notes:
- This cost opinion does not include any County administrative costs.
 - This cost opinion does not include costs for engineering, and/or construction management.

Table A-3
City of San Juan Bautista
Water Compliance Project
SBCWD Non-Reimbursable Contribution

Description	Amount	%
SBCWD Contribution to Initial HUA Project	\$10,000,000	92%
SJB Projected Contribution	\$869,565	8%
Total SBCWD Contribution	\$10,869,565	100%

Source: San Benito County Water District

Table A-4
City of San Juan Bautista
Water Compliance Project
WTP Capital Reserve Contribution [1]

FYE	Lessalt		West Hills		Interest on Reserve [3] [4]	Total Reserve Contributions	Capital Reserve Contribution Allocation			
	Hollister	SSCWD	Hollister	SSCWD			Hollister	SSCWD	SJB	
2014	\$79,167	\$79,167	\$0	\$0	\$0	\$158,333	46%	46%	8%	
2015	\$95,000	\$95,000	\$0	\$0	\$424	\$190,425				
2016	\$95,000	\$95,000	\$0	\$0	\$1,508	\$191,508				
2017	\$95,000	\$95,000	\$0	\$0	\$4,062	\$194,062				
2018	\$79,813	\$79,813	\$181,570	\$181,570	\$10,009	\$532,775				
2019	\$79,813	\$79,813	\$181,570	\$181,570	\$28,671	\$551,437				
2020	\$79,813	\$79,813	\$181,570	\$181,570	\$63,173	\$585,939				
2021	\$79,813	\$79,813	\$181,570	\$181,570	\$34,467	\$557,233				
2022	\$79,813	\$79,813	\$181,570	\$181,570	\$40,039	\$562,805				
2023	\$79,813	\$79,813	\$181,570	\$181,570	\$45,667	\$568,433				
6 mos. 2024	\$39,906	\$39,906	\$90,785	\$90,785	\$48,738	\$310,121				
Total	\$882,951	\$882,951	\$1,180,205	\$1,180,205	\$276,759	\$4,403,071	\$2,025,412	\$2,025,412	\$352,246	
							Already Contributed	\$2,201,535	\$2,201,535	
							Credit to Hollister and SSCWD at SJB Project Completion [2]	(\$176,123)	(\$176,123)	

Source: San Benito County Water District

Notes:

- [1] Remainder of Tranche 3 Reserve Contribution (\$800,524) is included in HUAP buy-in.
- [2] Credit will be applied to Hollister and SSCWD as principal reduction to Tranche 1.
- [3] Interest estimated at 1% per annum fro FYE 21-Dec 2023.
- [4] 2020 Interest include a PGE credit of \$16,442.

Table A-5
City of San Juan Bautista
Water Compliance Project
Soft Costs

DRAFT

Description	Amount
<i>Environmental Services</i>	
CEQA Environmental Report	\$40,000
NEPA Environmental Report	\$10,000
Environmental Mitigation Contract Services	\$10,000
<i>Engineering Services</i>	
Preliminary Engineering Report	\$112,000
Preliminary and Final Design Services	\$508,000
Bidding / Contract Award Phase Services	\$35,000
Construction and Post-Construction Phase Services	\$230,000
Resident Project Representative Services	\$495,000
Permitting	\$10,000
Regulatory Compliance Reports	\$5,000
Environmental Mitigation Services (Construction Phase)	\$10,000
Surveying Services	\$10,000
Operation and Maintenance Manuals	\$15,000
Geotechnical Services	\$20,000
Material Testing Services	\$25,000
<i>Other Costs</i>	
Peer Review of HDR Design	\$20,000
Potholing	\$10,000
New Drinking Water Permit	\$15,000
Total	\$1,580,000

Source: Stantec - Source and Potable Water Improvements PER dated 11/03/2020, SJB.

**Table B-1
City of San Juan Bautista
Water Compliance Project
Cost of Raw Water and Power**

Description	% of total	Cost per A/F	Weighted Cost
Wholesale Cost of Water		\$600	\$600
Power Charge for Lessalt (9L)	33.3%	\$93.55	\$31
Power Charge for West Hills	66.7%	\$35.75	\$24
Total Cost per A/F			\$655
Estimated Annual Volume (A/F)			200
Estimated Total Annual Cost			\$130,999

Source: San Benito County Water District

Table B-2
City of San Juan Bautista
Water Compliance Project
Operations and Maintenance Expense

Description	West Hills			Lessalt			Total		
	2020	2021	Average	2020	2021	Average	2020	2021	Average
Treatment Cost									
PAC/GAC	\$229,735	\$171,648	\$200,692	\$484,020	\$290,412	\$387,216	\$713,755	\$462,060	\$587,908
Chemicals	\$692,946	\$729,454	\$711,200	\$86,962	\$75,912	\$81,437	\$779,908	\$805,366	\$792,637
WTP Power	\$133,400	\$145,720	\$139,560	\$161,794	\$142,965	\$152,379	\$295,194	\$288,685	\$291,939
Total Treatment Cost	\$1,056,081	\$1,046,822	\$1,051,452	\$732,776	\$509,289	\$621,032	\$1,788,857	\$1,556,111	\$1,672,484
<hr style="border-top: 1px dashed black;"/>									
A/F Produced	2,650	2,750	2,700	1,796	1,204	1,500	4,447	3,954	4,200
Treatment Cost per A/F									\$398
Estimated Annual Volume (A/F)									200
Estimated Annual Treatment Cost									\$79,636
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Fixed O&M Cost									
SSCWD Labor	\$427,467	\$442,097	\$434,782	\$262,852	\$405,454	\$334,153	\$690,319	\$847,551	\$768,935
SSCWD G&A Pass Thru	\$0	\$103,864	\$103,864	\$0	\$88,828	\$88,828	\$0	\$192,692	\$192,692
SSCWD Vehicle Pass Thru	\$19,998	\$24,595	\$22,297	\$12,774	\$21,035	\$16,905	\$32,772	\$45,630	\$39,201
SSCWD Other Expenses	\$134,622	\$110,085	\$122,354	\$66,234	\$102,665	\$84,450	\$200,856	\$212,750	\$206,803
SBCWD Direct Costs	\$45,315	\$39,553	\$42,434	\$28,806	\$22,586	\$25,696	\$74,122	\$62,140	\$68,131
SBCWD Admin Fee	\$37,544	\$47,713	\$42,629	\$37,544	\$47,713	\$42,629	\$75,088	\$95,426	\$85,257
Total Fixed Costs	\$664,946	\$767,907	\$768,359	\$408,210	\$688,281	\$592,660	\$1,073,156	\$1,456,189	\$1,361,019
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SJB Cost Allocation Factor									8%
Estimated Fixes O&M Cost									\$108,881

Source: San Benito County Water District

Table B-3
City of San Juan Bautista
Water Compliance Project
On-Going Capital Replacement Reserve

DRAFT

Description	Amount
Annual Total Reserve Requirement	\$522,766
SJB Cost Allocation Factor	8%
SJB Reserve Allocation	\$41,821

Source: San Benito County Water District