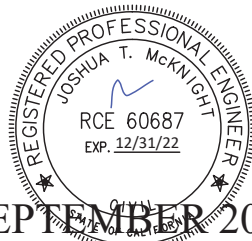




TRINITY VALLEY CONSULTING ENGINEERS, INC
Engineering - Surveying - Land Planning - Construction Management

**WATER RATE STUDY
FOR THE
WILLOW CREEK COMMUNITY SERVICES DISTRICT**

**CLIENT:
WILLOW CREEK COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
POST OFFICE BOX 8
WILLOW CREEK, CA 95573**



SEPTEMBER 2022

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Project #209.24

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**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT**

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**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

1. Executive Summary

The Willow Creek Community Services District (WCCSD) has implemented a Rate Study to determine the rate adjustments necessary to cover the increase in present and future costs for operation of the water system. The primary objective of the Rate Study is to evaluate the water systems projected revenue using the current rate schedule, comparing with projected expenses, and determining if rates will need to be adjusted to accommodate anticipated costs.

The development of water rates as quoted from the M1 manual “Water Rates”, published by the American Water Works Association, involves the following procedures:

1. Determination of the total annual revenue requirements for the period for which the rates are to be effective.
2. Allocation of the total annual revenue requirements to the basic functional cost components.
3. Distribution of the component costs to the various customer classes in accordance with their requirements for service.
4. Design of water rates that will recover from each class of customer, within practical limits. The cost to serve that class of customer.

The current rate structure consists of base charges for the various meter sizes, uniform consumption charges, and fixed rates for multi-use facilities. The base rate is based on a maximum usage of 5,610 gallons for 5/8” meter, with additional charges for consumption. A survey of other water utilities showed that the community of Willow Creek charges the same or less than other comparable communities. Operating costs were found to not be excessive, and no significant areas were found to reduce costs.

It is the WCCSD’s priority to provide customers with the highest quality water service at the lowest possible price. With the increased operation costs, and loan repayment, the WCCSD will need to offset the operating costs with the current revenue. As revenue is generally stable, and no significant increases in water sales are anticipated in the near future, the water rates must be increased to compensate for the anticipated budget shortfall. With the proposed rate adjustment, the WCCSD will be in a better position to cover the increasing costs of doing business and to continue to provide quality water service and maintenance to the system to the customers’ satisfaction.

The proposed rate increase would consist of increasing the rates by 6% for the first year, and 3% per year for the next four years. This increase will serve to cover operating expenses, fund other repairs that are needed, and create reserve funds for future emergency needs and to fund future projects.

Upon review, the WCCSD should enact the proper resolutions to provide the following:

1. Update water rate schedule
2. Solicit biannual quotes for insurance
3. Update policies for delinquent or non-use accounts.
4. Planned updates to the distribution system

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

With these changes it is anticipated that the WCCSD will be able to pay for all of the anticipated operating costs, fund projects that are identified within the next five years, and maintain reserve funds should additional monies be needed in the future.

2. Scope of Work

Trinity Valley Consulting Engineers, Inc (TVCE) was hired by the WCCSD to perform a Water Rate Study with recommendations on whether or not adjustments to the current rate schedule for water service within the district are adequate.

Revenue and expenses data were reviewed and evaluated under a cash basis approach, which is typically used for publicly owned utilities, to assist in the development of this rate study. This method does not account for depreciation, which would show a significant increase in expenditures. Annual revenue requirements consist of operations and maintenance expenses and capital expenditures. Capital expenditures include debt services and current revenue funded. Data utilized in developing the revenue requirements were obtained from the WCCSD's financial statements, budgets, and other information provided by the WCCSD.

A comparison of other similar sized water facilities in the surrounding area was taken to assist in this rate study to see if the current or future water rates are reasonable.

3. System Description

3.1 District Description

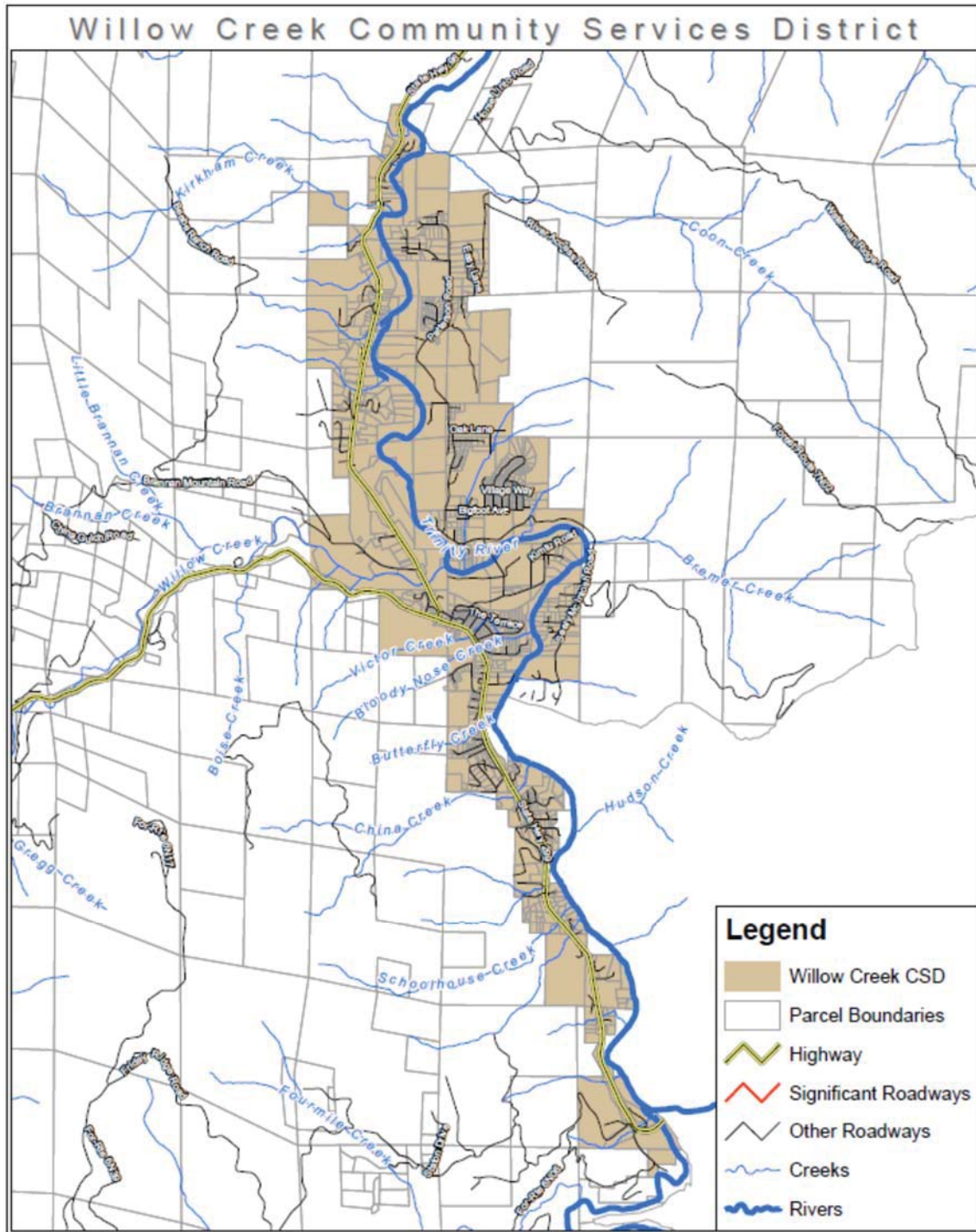
The WCCSD was first incorporated in 1964, combining several small private water systems in Willow Creek, with the goal of providing reliable water to the Willow Creek Community. The district borders the Trinity River from the South Fork of the Trinity River northerly to Knights Campground, a distance of approximately eight miles. (Chart 3.1a)

The Districts source of drinking water comes from Willow Creek, a tributary of the Trinity River, located in the unincorporated community of Willow Creek, in Humboldt County, approximately 50 miles northeast of the city of Eureka, at the junction of Highway 299 and Highway 96. (Chart 3.1 b)

Population recorded in the 2020 census in the Willow Creek area was 1,513 with the average household size of 2.52, and a total number of housing units of 1,013. The population is generally composed of year-round and seasonal residents. The population decreases in the winter season by approximately one-third. The year-round residents are composed primarily of retirees, government workers, and businesspersons, with a small percentage that commute to work in the Eureka-Arcata area.

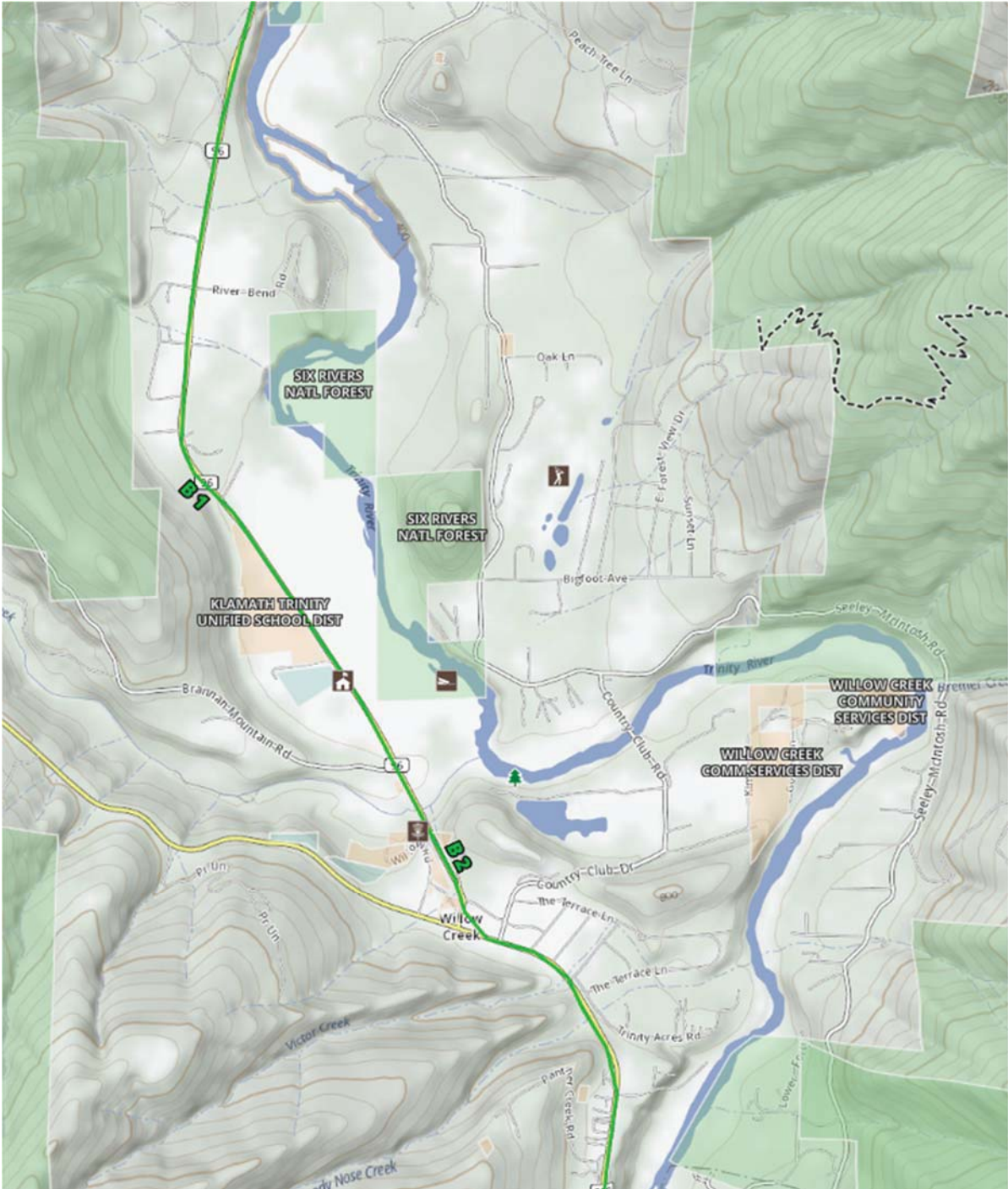
**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

**Chart 3.1a
District Boundaries**



**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

**Chart 3.1b
District Boundaries**



**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

3.2 System Description

The District's public water system is 50+ years old; a water filtration plant was installed in 2007. The system employs three methods of raw water intake to draw water from Willow Creek and supply it to the water plant. The water plant is a pressure media filtration plant that includes three filter media vessels. The raw water is injected with chlorine and polymer prior to entering the plant. Treated water from the filter vessels is then fed into a manifold from which the treated water is released into the distribution system. The distribution system consists of approximately 958-service connection, 24 miles of main-line piping, 84 fire hydrants, 14 wharf hydrants, and 90 backflow prevention devices. There are eight storage tank locations within the district: 1) Willow Towers tank includes one 400,000 gallon steel tank and one 250,000 gallon steel tank; 2) Panther Storage Tank has (2) 10,000 gallon tanks; 3) Hodgson Storage Tank holds 110,000 gallons of water; 4) Bigfoot Storage Tank is a 150,000 gallon steel tank; 5) Bussell Storage Tank holds 150,000 gallons of water; 6) the Peach Tree site has two 1,000 gallon pressure tanks on site; 7) the Bradburn site, also is using two 1,000 gallon pressure tanks for storage; and 8) the Gypo Hill Pump Station.

The Willow Creek Community Services District's water system produces a high-quality drinking water, which meets and exceeds all state and federal requirements.

3.3 Water Usage

The District uses 250,000,000 to 270,000,000 gallons annually, with a peak demand of 1,800 pgm. The daily average water production of 720,000/gpd serves domestic water to 958 service connections with approximately 1800 users. The majority of water connection is residential; however, there are large agricultural users such as Sun Valley Bulb Farm, Vinatura Vineyard, Emerald Family Farms, Neukom Family Farm, Flying Blue Dog Nursery, and the SumGold Flats. There are also several trailer parks and multi-unit apartment type users. Chart 3.3 shows the number and classification of the different accounts.

3.4 Growth Projections

The former billing system used is based on the quantity of water used, and does not differentiate between types of use. This will be useful in analyzing growth trends; however, the total number of water accounts is anticipated to relatively remain stable due to the fact that there is minimal room for growth within the Willow Creek community due to the lack of available land.

As this study covers a five-year period, it is anticipated that the growth rate would be at 1% per year for this time, which corresponds to growth trends that the district has experienced over the last five years.

We recently switched billing software in January of 2021. After a few years, this will help analyze trends in water usage.

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

**Chart 3.3 WILLOW CREEK COMMUNITY SERVICES DISTRICT
Customer Base Count
As of March, 2020**

Rate Code	Line Size	Customer Count	Min Charge		Extension
1	5/8"	791	36.30		28713.30
2	Fire Systems	7	0.00		0.00
3	1"	25	60.60		1515.00
4	1 1/2"	3	88.45		265.35
5	2"	10	132.80		1328.00
7	2 Unit Min	21	72.60		1524.60
8	No Charge on Min	1	0.00		0.00
9	Knights Park	1	72.50		72.50
10	3 Unit Min	4	108.90		435.60
11	4 Unit Min	1	145.20		145.20
12	1" + 1	1	96.90		96.90
13	Bigfoot Mobile Home	1	617.10		617.10
14	Gambl Hill (1")	1	351.00		351.00
15	Rite Spot	1	471.90		471.90
16	Non-Fee Usage	15	0.00		0.00
17	Collection	3	0.00		0.00
18	Fair Oaks Mobile (1")	1	96.90		96.90
19	3/4"	47	41.00		1927.00
21	6 Unit Min	4	217.80		871.20
23	5 Unit Min	1	181.50		181.50
24	5/8" Flat Rate	2	36.30		72.60
25	Sun	1	158.50		158.50
28	Locked Ag	5	0.00		0.00
29	Place Holder	9	0.00		0.00
	Hydrant Use	2	0.00		0.00
Total Customer Count:		958			
Total Minimum Month Intake					38844.15

#16 Non-Fee Usage meters that are used by WCCSD

#23 3" meter, this is a flat fee charged to Sun Valley Farm

#24 5/8" Flat Rate us applied to Bigfoot Books, WCCSD's rental property

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

4. Expenses

The revenue and expense requirements of most publicly owned utilities are based on the cash or budget requirements of the system. The cash basis is an appropriate approach to use in defining the revenue and expense requirements of WCCSD's water system since the system had debt and expenses whose retirement must be provided for on an annual basis.

4.1 Current Expenses

A review of previous years expenses submitted by the District was evaluated for the past 5 years. The District's fiscal year begins July 1 and ends July 30. Expenses are broken down into six categories, as described below, and expense figures are shown in Chart 4.1.

Administration is the largest expense with an annual expenditure of around \$450,000.00. Included in this figure are all employee payroll, worker's compensation insurance, employee benefits, PERS contributions, taxes and health insurance.

System Maintenance includes all expenses involved in keeping the system maintained. This includes all maintenance of the water system, supplies to the system, and water treatment lab fees and licenses.

Utilities - Purchased Power is the cost to run the new filtration plant, and water pumps at the various water towers. This power is purchased from Pacific Gas and Electric.

Insurance Expense includes liability, vehicle, and public official liability insurance coverage.

Other expenses include all operating expenses not included in the above categories. Operating Expense refers to all expenses associated with the operation of the water district; this includes utilities, operating supplies, office and equipment maintenance, vehicles, director fees, travel and training fees, and audit service fees.

Debts consists of a SRF Loan that started in 2008 for the construction of the new water treatment plant. Loan payments are \$23,544 per year, and will end in 2028. The Davis/Grunsky debt service is not included in this chart because it is paid with tax funds that are credited into a restricted account for the sole purpose of this specific loan repayments.

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

**Chart 4.1
Willow Creek Community Services District
Five Year Review of Past Expenses**

4.2 Expense Growth

Summary of Expenses – Past Five Years

Expenses	% Increase	2021	2020	2019	2018	2017
Administration	4.96	\$469,325.92	\$444,290.56	\$419,007.23	\$524,655.06	\$447,157.18
System Maintenance	205.79	\$49,234.83	\$40,725.62	\$45,143.30	\$31,261.78	\$16,100.98
Utilities	25.53	\$124,855.05	\$106,070.85	\$108,512.64	\$105,956.08	\$99,464.63
Insurance	-29.01	\$33,884.10	\$28,560.78	\$32,549.50	\$21,573.73	\$47,731.23
Other	6.57	\$56,062.13	\$101,999.53	\$80,988.33	\$72,877.59	\$52,607.97
Debt Repayment	0.00	\$23,544.00	\$23,544.00	\$23,544.00	\$23,544.00	\$23,544.00
Total Expenses	10.21	\$758,927.03	\$747,211.34	\$711,764.00	\$781,886.24	\$688,622.99

An increase in expenses is a trend for all municipal utilities due to increases in energy costs, construction materials, replacement parts, insurance, health care, wages, fuel, inflation and other factors. Expenses also increase with increased usage as additional chemicals and operations and maintenance is required. Finally, expenses for water systems tend to increase with age as additional maintenance is required and water pumping is less efficient due to older pumps and aging water distribution lines.

Current projected cost increases are as follows:

Increase in Operational Costs: Current trends show a sharp increase in all areas of operational costs, most particularly costs for labor, materials, fuel, and energy. Increases in these costs will result in increased overall cost in system operation.

Repairs and Maintenance: As the system gets older, frequency of repairs and amount of maintenance needed will increase. While some components of the system have been replaced, other portions, like the distribution system, will result in increasing costs over time.

Increased Usage – Downtown District: Currently the WCCSD is contracting to install a central sewer system for the downtown district. This will likely result in an increase in commercial growth, and increase in use for the existing connections in this area.

Increased Usage – Residential: Due to a shortage of housing the demand for residential property continues to increase. The current trend is better utilize the existing properties by adding secondary dwelling units. This would result in an increased demand to the existing meter.

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

4.3 Expense Projections

Projected future expenses were developed for the WCCSD based on analysis of past trends of cost increases and other anticipated costs. For the projected cost, the debt repayment of \$23,544.00 was added to the base costs, and then a 2.04% per annum increase was added to account for increased operational costs. Projected costs are as shown on the chart below:

	2022	2023	2024	2025	2026
Projected Expenses	\$774,409.14	\$790,207.09	\$806,307.31	\$822,776.39	\$839,561.03

4.4 Future Projects

The projects listed below are proposed to be completed within the next 5 years, with the project being funded by revenue collected from water sales.

1. New digital controls at all other tanks that will link into the Filtration Plant’s computer system. Plans are to purchase one set of controls for each tank over the next five years. Estimated cost is \$2,000 for each tank.
2. Repair of the two tanks at Willow Towers. Both tanks will need an exterior coat of paint. The older tank will require extra sandblasting of the inside as well as a new coat of epoxy. Estimated costs are \$50,000-\$70,000 for repairs.
3. New pump and motor at Bigfoot Pumphouse to create redundancy with 2 pumps given supply chain issues, approximately \$15,000.00.

Ten to Fifteen Year Proposed Future Planning:

Funding for a 500,000-gallon storage tank for Highway 96 on Brannon Mtn., and possibly another tank near Wooden Ranch on Highway 299.

Replacement of aging distribution system to reduce water loss by leaking pipes.

5. Revenue

5.1 Current Revenue

The WCCSD receives 96 percent of its income from water sales from metered and unmetered water service. Income from the rental of the WCCSD meeting room is less than one percent of total amount received within a year, and interest income received during the year is less than one percent. These incomes are minimal and cannot be relied upon to cover water system expenses, thus they are not included in the Previous Years Revenue Summary, Chart 5.1.

Water meters are read and billed once a month with the average billing for residential users being \$36.30, during the winter months, and \$40.85, during the summer months. The minimal amount to

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

be received monthly is \$28,863.00. There are currently 958 billed connections within the Willow Creek Community Services District. The majority, 791 connections, are on a 5/8” meter, most being single family residences. During a peak summer month of July the district produced 40.2 million gallons, with a corresponding low of 10.4 million gallons in December. Higher water usage is between the months of June and September.

Unbilled water usage is attributed to those properties owned by the Willow Creek Community Services District, such as Veteran’s Park, Creek Side Park, China-Flat Museum, Camp Kimtu, Water Filtration Plant and the WCCSD office.

Monies collected to connect to the District’s system is anywhere from \$3,500 to \$56,000, depending on the size of the meter, including all installation fees, cost of parts, equipment rental, permits and labor. All monies collected for new system installation are allocated to the system expansion fund account. This account is a restricted account only to be used for system expansions.

Accounts that are disconnected because of nonpayment of funds are charged a \$50.00 service fee to reconnect. The average number of reconnect fees collected is about five accounts a month, bringing in an additional \$120.00 a month. There currently is no system set up to collect outstanding funds.

Recoverable property taxes are estimated to be around \$85,000.00; this amount is split between the recreational department and the water department. The WCCSD Board of Directors have pledged \$40,000.00 to the water department budget for annual audit and liability insurance. This income is not reliable, as the state can decide to allocate the monies differently in the following year. As such, these funds are not accounted for in the budgeting analysis.

Monies gained from property taxes are paid to the district and held in a restricted fund for repayment of the Davis/Grunsky debt service, which was acquired at the time of startup.

**Chart 5.1
Previous Years Revenue Summary**

Revenue - Past 5 Years

	% Increase	2021	2020	2019	2018	2017
Revenue - Water Sales	8.26	\$738,839.49	\$683,701.79	\$675,690.40	\$705,243.52	\$682,442.96

5.2 Future Revenue

It is not anticipated that Future Income will increase substantially within the next 5 years, as growth within the area is limited. As described in Section 3.4, the projected water use is not anticipated to increase by more than 2% per year for the next five years.

The projected revenue from the sale of water is charted (Chart 5.2) using the current phased increase plan that was implemented beginning July 2022 and annual increases of 1.6% per year.

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

**Chart 5.2
Projected Revenue**

The following chart is a projection of revenue over the next five years based on the current rate schedule.

Projected Revenue -
Next 5 Years

	% Increase	2022	2023	2024	2025	2026
Revenue	1.65 per year	\$ 751,030.34	\$ 763,422.34	\$ 776,018.81	\$ 788,823.12	\$ 801,838.70

6. Water Rate Schedule

6.1 Current Rate Schedule

The current water rates are derived from the last rate study conducted, which incrementally increased the rates from 2008 to 2013. No rate increases have been implemented since 2013. (see Chart 6.1). This is part of an annual increase that will be based on this report to address the debt repayments, and to create an operating reserve.

Chart 6.1

**WILLOW CREEK COMMUNITY SERVICE DISTRICT
WATER RATES
Effective February 1, 2013**

Base Rate			Consumption Change				
			Range				
Line Size	Minimum Monthly Charge	Maximum Monthly Charge	CF		Gallons	Per 100 cf <750 cf	
			0	750	0	5,610	
5/8"	36.30		751	1,124	5,617	8,407	1.65
3/4"	41.00		1,125	2,000	8,415	14,960	1.65
1"	60.60		2,849	5,473	21,310	40,938	
1 1/2"	88.45		5,474	9,824	40,945	73,483	
2"	132.80		9,825	11,999	73,491	89,752	
3"	181.50		>12,000		>89,760		

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

6.2 Other Water Rate Schedules

Various neighboring community water systems were solicited for information to assist in a comparison; however, the comparison cannot be used to directly influence WCCSD rates because of system and financial differences. However, we are able to see from Chart 6.2, Comparison of Water Rates, that WCCSD is currently in line with the neighboring water districts within our area.

Orleans Community Services District

Orleans, California is located in Humboldt County approximately 80 miles north east of Eureka on Highway 96, ten miles south of the Humboldt/Siskiyou County line.

The water district services a customer base of 168 customers utilizing 150 meters (some meters have two residences on one meter, and are charged per residence). The average daily water production rate is 60,000 gallons per day, distributed into the average meter being ¾” meter. The system consists of a 100,000-gallon tank which draws water from Perch Creek, north of Orleans. Customers are charged monthly a flat rate of \$35.00 per resident for the first 10,000 gallons of water. Additional water usage is charged per every 1,000 gallons, see chart below.

**ORLEANS COMMUNITY SERVICES DISTRICT
WATER RATES
As of September, 2005**

			Consumption Change		
			Range		Per Addl 1000 Gallon
Line Size	Base Rate		Gallons		
	Minimum Monthly Charge	Maximum Monthly Charge			
All Sizes	46.35		0	7,000	
			7,001	8,000	0.56
			8,001	10,000	0.84
			10,001	15,000	1.13
			15,001	23,000	3.38
				<23,000	5.63

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

Weaverville Community Services District

Weaverville Community Services District has a customer base of 1,634 from a population of 3800. Average daily consumption is 632,000 gallons of water from 50 miles of pipe line and seven holding tanks. Water is taken from East Weaver Creek, West Weaver Creek, and the Trinity River. The average usage per customer is 166 gallons per day with an average bill of \$31.90.

**WEAVERVILLE COMMUNITY SERVICES DISTRICT
WATER RATES**

Base Rate			Consumption Change				
			Range				
Line Size	Minimum Monthly Charge	Maximum Monthly CF	CF	Gallons	Per Addl 1000 Gallon		
5/8"	28.00	500.00	0	500	748	3,740	1.645
3/4" Fire	28.00	500.00					
3/4"	39.00	900.00					
1"	61.50	1,700.00					
1 1/2"	83.75	2,500.00					
2"	111.50	3,500.00					
3"	139.50	4,500.00					

All customers pay same rate of 1.65 per 100cuft. Unit rate is 748 gallons.

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
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Trinity Village Water Company

Trinity Village Water Company is a private water system encompassing 200 lots located approximately 11 miles southeast of Willow Creek in Trinity County. Currently there are only 175 metered lots billed on a bimonthly basis, paying an average bill of \$105.00 bimonthly. Customers are billed a ready-to-serve fee of \$34.60 per month, and an additional consumption fee per 1,000 gallons used (see chart below). The District produces a daily average of 20,000 gallons of water from the Hawkins Bar Creek, which is chlorinated and then placed into a 120,000 holding tank.

**TRINITY VILLAGE WATER COMPANY
WATER RATES
As of June 6, 2007**

Line Size	Base Rate		Consumption Change				
			Range				
			CF		Gallons		Per Addl 1000 Gallon
Minimum Bi-Monthly Charge	Maximum Bi-Monthly Charge						
5/8"	77.22		0	1100	0	8,228	0.72
3/4"	115.84		>1100		>8228		1.99
1"	193.06						

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

Rio Dell Water Company

Rio Dell Public Works Department is located 27 miles south of Eureka and pulls water out of the Eel River. Raw water is pumped from infiltration galleries under the Eel River to the treatment plant, then into a network of water mains, valves, and storage tanks to water customers. The current average monthly billing for a family of four is \$38.00. There are 1100 service connections within the district with a population of 3,250.

The City is nearing completion of an approximately \$8.5 million project to establish a new raw water intake below the Eel River, improve filtration, and rehabilitate the water distribution infrastructure that, upon completion, will lift a water emergency declaration within the City that has been in place for over five years.

**RIO DELL PUBLIC WORKS DEPARTMENT
WATER RATES
As of April, 2016**

Base Rate			Consumption Change				
			Range				
Line Size	Minimum Bi-Monthly Charge	Usage Levels CF	CF		Gallons		Per Addl 100 Gallon
All Users	49.48	100	0	100	0	748	
			>101		>749		3.23

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

7. Water Rate Discussion

Taking advantage of the total expenses from the past five years, as shown in Chart 4.1, Five Year Review of Past Expenses, our calculations show an increase of 10.2% during this period. Projected expenses were calculated by adding 2.04% annually to the previous years' expenses.

Current water rates revenue were calculated by taking the previous years' water revenue as shown in Chart 5.1, and adding the current proposed water rate schedule increase of 1.6% annually over the next five years as described in section 6.1, Current Water Rates.

7.1 Analysis of Current Revenue

**Chart 7.1
Projected Expenses Vs. Current Water Rate Revenue**

Projected Revenue and Expenses - Next 5 Years, Current Rate Schedule

	% Increase	2022	2023	2024	2025	2026
Revenue	1.65 per year	\$751,030.34	\$763,422.34	\$776,018.81	\$788,823.12	\$801,838.70
Expenses	5.5 per year	\$796,873.38	\$836,717.05	\$878,552.90	\$922,480.55	\$968,604.58
Difference		-\$45,843.04	-\$73,294.71	-\$102,534.09	-\$133,657.43	-\$166,765.87

As shown above, when comparing the projected costs to the projected revenue, there are not sufficient funds to cover the differences. Analysis of the WCCSD expenses showed no potential areas for significant savings, so consequently more revenue is needed to make up the budget shortfall.

Projected expenses were calculated utilizing projections from published data of cost increases.

A close look at the expenses also revealed that while the total expenses have increased only 1% annually over the last seven years, payroll (the largest expense) increased by 2% and utilities increased by 6.7%. This suggests that cutbacks were made, or expenses deferred in order to meet the current budgetary limitations.

7.2 Proposed Water Rates

In order to compensate for the budget deficiencies listed above, an increase in revenue is necessary. As the vast majority of the district's revenue derives from water sales, water rates must be increased in order to produce any significant increases in revenue. As such, TVCE developed a proposed rate schedule increase for the next five years.

These increases are recommended with the intent of accomplishing the following goals:

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WILLOW CREEK, CALIFORNIA**

1. Pay Operational Costs: The rate increases are designed with the intent to produce sufficient funds to cover the increased operational costs as mentioned in Section 4.
2. Provide for Reserve Funds: The proposed rate increases will be sufficient to maintain the existing of reserve funds to be used in the event of unanticipated costs that may arise in the future. As costs go up and the system age increases additional reserve funds may be necessary.
3. Other Projects: The increased revenue may also be used to fund other projects as identified in Section 4.4.

The bases for rate increases is based on research of analysis of cost increases (as described above), review of water rates from other water systems, and review of published data. A summary of each is as follows:

As described above, review of the district expenses shows an average annual increase of 2.04%. However, as discussed in Section 7.1, these expenses may have been decreased in order to meet budgetary constraints. Regardless, review of revenue and expenses over the last five years shows financial losses every year.

Revenue and Expenses - Past 5 Years

	% Increase	2021	2020	2019	2018	2017
Revenue	1.65	\$738,839.49	\$683,701.79	\$675,690.40	\$705,243.52	\$682,442.96
Expenses	2.04	\$758,927.03	\$747,211.34	\$711,764.00	\$781,886.24	\$688,622.99
Difference		-\$20,087.54	-\$63,509.55	-\$36,073.60	-\$76,642.72	-\$6,180.03

When compared with water rates from other systems of similar size, Willow Creek is within the mid to high end of the existing rates. However, recent increases in operational costs will likely cause other systems to also adopt rate increases.

For projecting increases in future operational costs, TVCE reviewed published data detailing cost increases. While all costs rose sharply from 2020 to 2022, TVCE utilized an average increase from the last six years. A summary of findings were as follows:

Construction Cost Index (Labor and Materials)	+6.60%
Fuel	+9.30%
Power Rates	+6.54%

The rate increased proposed by TVCE are shown in Appendix C. With these increases we propose an annual increase of 3%, which is above our historical expense growth, but below the industry cost increases. For year one, we would propose a 6% increase as there has not been a rate increase in nine years, with the 3% increases annually for the next four years.

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WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

In addition to the proposed water rate increases we would recommend to following:

Charge of maintenance fee for each backflow device within the water system. Water rates show a charge of \$3.00 per month for each device.

Increase in charges for system expansion fees. To account for overall cost increases as described, a one-time increase of 10% is proposed for connection fees on all of the meter sizes. Proposed increases are as follows:

<u>Meter Size</u>	<u>Current Connection Fee</u>	<u>Proposed Connection Fee</u>
5/8"	\$3,500	\$3,850
¾"	\$5,250	\$5,775
1"	\$8,750	\$9,625
1 ½"	\$17,500	\$19,250
2"	\$28,000	\$30,800
3"	\$56,000	No Longer Offered

At the May 26, 2022 Board Meeting, staff recommended and the Board agreed, that the 3 inch water meter would no longer be offered.

**Chart 7.2
Projected Expenses vs. Proposed Water Rate Revenue**

	2023	2024	2025	2026	2027
Projected Revenue	\$786,860.99	\$812,415.37	\$840,718.16	\$870,036.53	\$897,645.99
Projected Expenses	\$805,145.69	\$829,300.06	\$854,179.06	\$879,804.43	\$906,804.43
Differences	-\$18,284.70	-\$16,884.69	-\$13,460.90	\$9,767.90	\$9,158.44

The above projections show that with the proposed rate increases the WCCSD will be able to pay for the anticipated costs and start showing a surplus after three years. Therefore, the anticipated earnings are sufficient to cover all of the recommended expenditures with a remainder for unanticipated costs which may arise.

7.3 Expense Reduction

The WCCSD current water system expenses are not excessive, and its budget does not have many line items which could easily be reduced or eliminated without reducing the quality of water or jeopardizing the safety and reliability of the WCCSD's water system. Current staffing of the District is not excessive and should not be cut to decrease expenses. The largest possible line-item

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reduction could be Insurance. The District should consider bidding insurance coverage on a bi-annual basis to get the best possible insurance rates.

Based on the current budget for the water system, no immediate reductions are recommended to decrease expenses.

7.4 Lost Revenue

Water loss is a common lost revenue for a water district; however, the WCCSD's water loss is at 9%, below the acceptable level of 15%, depending on the water system. Values greater than 15% can be an indicator of excessive leaks from buried lines and service connections, inaccurate water meters, illegal connections, or simply unmetered permitted connection. Decreasing the amount of unaccounted water will reduce lost revenue associated with the cost to treat, pump, and store this unused resource.

7.5 Inactive Meters

The District has 99 meters that are turned off; these meters should be charged a monthly ready to serve fee that is billed to all structures which have a water meter. This charge should be assessed because the vacant structure could begin using water at some point, for which the District has to be prepared to provide service at that time. Collection of this fee does not change projection of revenue; however, it should be implemented to be equitable and fair to all ratepayers.

Delinquent accounts are a problem with all types of service businesses. The WCCSD does not assess interest penalties on delinquent accounts or request a deposit for those accounts that are known to be continuously delinquent or foreseeable uncollectible. This is a minimal revenue and will not change revenue projections; however, an interest rate should be implemented to be equitable and fair to all ratepayers. Three items should be utilized to provide financial incentive for payment of delinquent accounts:

1. Monthly interest penalties on total of past due balance at the current.
2. Service Charge of 10% on balance past 30 days.
3. Ready of serve fee assessed after water is shut off.

8. Recommendations

In order to cover all of the WCCSD costs and provide a continued high level of water service, TVCE recommends the following:

1. Approve a water rate increase such as the one recommended in Section 7.2.
2. Solicit biannual quotes from insurance in order to obtain the best rates possible.
3. Initiate rate charges and service fees for delinquent accounts.
4. Reevaluate the rate schedule after the five-year period.

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
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9. Conclusion

Based on the data obtained and the analysis performed in this report, it was concluded that the WCCSD will need to obtain additional revenue in order to meet anticipated cost increases. As such, TVCE proposed to increase revenue primarily by increasing the water rates. The current water rates were compared to those in other communities of similar size, and it was found that our rates are at or below those of other districts. These rate increases would also serve to create reserve funds for future, unanticipated costs, and to fund other improvements needed in the near future.

Currently and in the past the WCCSD has been committed to providing a high level of water service. These recommendations will help to ensure that this level of service is provided in the future.

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

References

Willow Creek Community Services District Financial Statements
2014 to 2021

Developing Rates for small systems
American Water Works Association (AWWA Manual M54)
2004

Construction Cost Index

<https://www.dgs.ca.gov/RES/Resourcing/Real-Estate-Services-Division-Resources-List-Folder/DGS-California-Construction-Cost-Index-CCCI>

Gas Price

https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=emm_epm0_pte_sca_dpg&f=m

Power Rates

<https://www.pge.com/tariffs/electric.shtml#RESELEC>

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

Annual Budget 2021/2022

WATER Department		Actual	Budgeted	Budgeted
Ordinary Operating Revenue		2019 / 2020	2020 / 2021	2021 / 2022
4010	Water Sales	\$ 681,869.37	\$ 700,000.00	\$ 700,000.00
	Miscellaneous Income (hydrant, fire)	\$ -	\$ -	\$ -
4110	Reconnect Fees			
4200	Water Adjustments	\$ 2,398.84		
	Total Operating Revenue (Gross Profit)	\$ 684,268.21	\$ 700,000.00	\$ 700,000.00
Ordinary Operating Expense				
6040	Maintenance (Water Treatment and Distribution)	\$ 33,040.10	\$ 35,000.00	\$ 40,000.00
	Leak Detection Services		\$ 5,000.00	\$ 10,000.00
6052	Water Treatment Utilities	\$ 111,327.38	\$ 115,000.00	\$ 120,000.00
6063	Water Treatment Operating Supplies	\$ 30,934.66	\$ 28,000.00	\$ 32,000.00
6073	Water Treatment Lab Fees	\$ 3,570.00	\$ 3,600.00	\$ 3,600.00
6074	Use Permits U.S.F.S.	\$ -	\$ 650.00	\$ 650.00
6083	Water Treatment Fees & Licenses	\$ 5,950.75	\$ 6,000.00	\$ 6,000.00
7000	Personnel Costs (Health Insurance)	\$ 110,015.18	\$ 93,600.00	\$ 75,000.00
	Personnel Costs (District share of CalPERS)		\$ 17,400.00	\$ 16,300.00
7010	Office Expenses	\$ 27,683.80	\$ 25,000.00	\$ 28,000.00
7020	Insurance - Liability (SDRMA)	\$ 22,488.92	\$ 28,700.00	\$ 34,000.00
	Insurance - Workers' Comp	\$ 6,071.86	\$ 7,000.00	\$ 8,000.00
7030	Maintenance (Office)	\$ 9,711.65	\$ 10,000.00	\$ 10,000.00
7040	Travel & Meetings	\$ 166.38	\$ 1,000.00	\$ 1,000.00
7041	Education & Training	\$ 2,175.00	\$ 2,000.00	\$ 2,000.00
7045	Membership Dues	\$ 4,685.00	\$ 5,000.00	\$ 5,000.00
7050	Depreciation	\$ 88,680.00	\$ 87,000.00	\$ 87,000.00
7080	Trucks	\$ 16,723.17	\$ 14,000.00	\$ 14,000.00
7100	Professional fees (Legal, Engineers)	\$ -	\$ 2,000.00	\$ 2,000.00
7110	Outside Services (Computer assistance, Election Fees)	\$ 107.70	\$ 1,000.00	\$ 1,000.00
7120	Audit Fees	\$ 16,926.87	\$ 10,000.00	\$ 15,000.00
7125	Uniforms	\$ 1,905.43	\$ 1,000.00	\$ 2,000.00
7130	Miscellaneous Expenses	\$ -	\$ 1,000.00	\$ 1,000.00
	Payroll Expenses - CalPERS Unfunded	\$ 30,000.00	\$ 33,500.00	\$ 33,500.00
	Payroll Expenses - Payroll	\$ 267,046.07	\$ 269,000.00	\$ 265,000.00
	Total Ordinary Operating Expense	\$ 789,209.92	\$ 801,450.00	\$ 812,050.00
	Ordinary Operating Income (Loss)	\$ (104,941.71)	\$ (101,450.00)	\$ (112,050.00)
	Total Payroll, Taxes & Health Insurance (items 7000+7130)	\$ 377,061.25	\$ 380,000.00	\$ 356,300.00

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Willow Creek Community Services District
Annual Budget 2021/2022

WATER (continued)		Actual	Budgeted	Budgeted
		2019 / 2020	2020 / 2021	2021 / 2022
Other Operating Income				
8010	Interest Income	\$ 115.91	\$ -	\$ -
8020	Interest Income Restricted - From CCCU CD	\$ 1,572.32	\$ 1,800.00	\$ 1,800.00
8030	Other Income Restricted - Expansion Fees	\$ (3,500.00)		
8040	Other Income Unrestricted	\$ (465.00)		
9500	Sale surplus property			
Total Other Operating Income		\$ (2,276.77)	\$ 1,800.00	\$ 1,800.00
Other Operating Expense				
9000	Davis Grunsky interest payment	\$ 16,048.04	\$ 16,048.04	\$ 16,048.04
Total Other Operating Expense		\$ 16,048.04	\$ 16,048.04	\$ 16,048.04
Other Operating Income (Loss)		\$ (18,324.81)	\$ (14,248.04)	\$ (14,248.04)
Total Operating Income		\$ 681,991.44	\$ 701,800.00	\$ 701,800.00
Total Operating Expense		\$ 805,257.96	\$ 817,498.04	\$ 828,098.04
Net Operating Income (Loss)		\$ (123,266.52)	\$ (115,698.04)	\$ (126,298.04)
Net Operating Income (Loss) without Depreciation		\$ (34,586.52)	\$ (28,698.04)	\$ (39,298.04)
Non-Operating Income				
Income from 9525 Property Tax (Davis Grunsky)		\$ 41,100.10	\$ 41,100.10	\$ 41,100.10
Income from 2500 Property Tax (audit, liability ins)		\$ 39,415.79	\$ 38,700.00	\$ 49,000.00
Income from 2500 Property Tax (Recreation to water)		\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Income from 2500 Property Tax (Wastewater to water)		\$ -	\$ -	\$ -
Total Non-Operating Income		\$ 100,515.89	\$ 99,800.10	\$ 110,100.10
Non-Operating Expense				
Davis Grunsky Loan (excluding interest)		\$ 25,052.06	\$ 25,052.06	\$ 25,052.06
Treatment Plant SRF Loan		\$ 23,550.00	\$ 23,550.00	\$ 23,550.00
Total Non-Operating Expense		\$ 48,602.06	\$ 48,602.06	\$ 48,602.06
Non-Operating Income (Loss)		\$ 51,913.83	\$ 51,198.04	\$ 61,498.04
Total Income		\$ 782,507.33	\$ 801,600.10	\$ 811,900.10
Total Expense		\$ 853,860.02	\$ 866,100.10	\$ 876,700.10
Total Income (Loss)		\$ (71,352.69)	\$ (64,500.00)	\$ (64,800.00)
Total Income (Loss) without Depreciation		\$ 17,327.31	\$ 22,500.00	\$ 22,200.00

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
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Willow Creek Community
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Annual Budget 2021/2022

Special Projects: (investments from savings)			
Bussel Tank Project			
GIS data gathering, mapping & water CAD analysis			
Brizared Property Hazard Mitigation Grant	\$ 40,000.00		

**WATER RATE STUDY
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Willow Creek Community
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RECREATION Department		Actual	Budgeted	Budgeted
Ordinary Income		2019 / 2020	2020 / 2021	2021 / 2022
4020	Rental Income - Kimtu Cookhouse	\$ 741.00	\$ 1,000.00	\$ 1,000.00
4112	Tournament Fees	\$ -	\$ -	\$ -
4114	Campground	\$ 25,392.00	\$ 13,000.00	\$ 40,000.00
4115	Kimtu Beach		\$ 11,000.00	\$ 12,000.00
4116	Veterans Park		\$ 2,000.00	\$ 1,000.00
	Commons Park	\$ -	\$ -	\$ -
4117	Misc. Income (recycling)	\$ 301.35	\$ -	\$ -
4120	Six Rivers Rentals	\$ 10,500.00	\$ 12,500.00	\$ 9,450.00
4130	CCCU Dividends	\$ 34.07	\$ -	\$ -
4140	Creek Side Park	\$ 6,400.00	\$ 200.00	\$ 200.00
8010	Interest Income	\$ 13.18	\$ -	\$ -
	Total Ordinary Income	\$ 43,381.60	\$ 39,700.00	\$ 63,650.00
Ordinary Expenses				
6020				
6021	Camp Kimtu	\$ 6,597.89	\$ 3,000.00	\$ 4,000.00
6022	Veteran's Park	\$ 915.31	\$ 2,000.00	\$ 6,000.00
6023	Kimtu Beach	\$ 640.00	\$ 1,000.00	\$ 1,000.00
6050	Power, Utilities	\$ 13,196.26	\$ 13,500.00	\$ 13,500.00
6054	Caretaker utilities	\$ 65.83	\$ 2,500.00	\$ 1,500.00
6060	Supplies	\$ 3,885.98	\$ 3,000.00	\$ 4,000.00
6070	Miscellaneous (all parks)	\$ 3,058.76	\$ 100.00	\$ 100.00
6081	Special Use Permit	\$ 803.34	\$ 800.00	\$ 2,500.00
7010	Office	\$ -	\$ 200.00	\$ 200.00
7012	Bank Fees	\$ -	\$ 50.00	\$ 50.00
7011	Trash (bill used to be split up between parks)	\$ -	\$ -	\$ 14,000.00
7050	Depreciation	\$ 8,100.00	\$ 10,500.00	\$ 8,100.00
7080	Trucks	\$ -	\$ 250.00	\$ 250.00
7081	Mileage	\$ 56.92	\$ -	\$ -
7083	Mowers	\$ 1,915.30	\$ 1,500.00	\$ 2,000.00
7100	Professional Fees	\$ 75.00	\$ 500.00	\$ 1,000.00
7130	Camp Host	\$ 1,634.25	\$ 2,700.00	\$ 2,700.00
7200	Downtown parks	\$ 3,604.67	\$ 4,000.00	\$ 4,000.00
7202	Restrooms	\$ 3,776.78	\$ 3,500.00	\$ 1,000.00
7203	Community Commons	\$ 645.97	\$ 200.00	\$ 200.00
7204	Creekside Park & Brizard Property	\$ 5,570.14	\$ 3,000.00	\$ 3,000.00
7205	Downtown misc.	\$ 324.57	\$ 200.00	\$ 200.00
7300	Six Rivers Community Center	\$ 715.61	\$ 1,000.00	\$ 1,500.00
	Total Ordinary Expenses	\$ 55,582.58	\$ 53,500.00	\$ 70,800.00
	Operating Income (Loss)	\$ (12,200.98)	\$ (13,800.00)	\$ (7,150.00)

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RECREATION (continued)	Actual 2019 / 2020	Budgeted 2020 / 2021	Budgeted 2021 / 2022
Other Operating Income			
Income from 2500 Property Tax	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
From property tax for other	\$ 5,000.00		
Total Other Operating Income	\$ 30,000.00	\$ 25,000.00	\$ 25,000.00
Other Operating Expense			
Payment to Water Department for labor	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Total Other Operating Expense	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Other Operating Income (Loss)	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00
Total Income	\$ 73,381.60	\$ 64,700.00	\$ 88,650.00
Total Expense	\$ 75,582.58	\$ 73,500.00	\$ 90,800.00
Total Income (Loss)	\$ (2,200.98)	\$ (8,800.00)	\$ (2,150.00)
Total Income (Loss) without depreciation	\$ 5,899.02	\$ 1,700.00	\$ 5,950.00

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Willow Creek Community
Services District
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STREET LIGHTS		Projected	Projected	Budgeted
		2019 / 2020	2020 / 2021	2021 / 2022
Street Lights Expense & Income				
Business payments		\$ 3,600.00	\$ 3,600.00	\$ 3,600.00
Street Light Expense (PG&E)		\$ 3,600.00	\$ 3,600.00	\$ 3,600.00
Total Income (Loss)		\$ -	\$ -	\$ -
WASTEWATER Department		Projected	Projected	Projected
		2019 / 2020	2020 / 2021	2021 / 2022
Wastewater Income				
SWRCB Grant		\$ 5,000,000.00	\$ 4,540,000.00	\$ 7,000,000.00
USDA Grant		\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00
Income from 2500 Property Tax		\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Total Wastewater Income		\$ 6,215,000.00	\$ 5,755,000.00	\$ 8,215,000.00
Wastewater Expenses				
GHD engineering including subcontracts		\$ 1,000,000.00	\$ 600,000.00	\$ 200,000.00
Contractor for wastewater construction		\$ 4,840,000.00	\$ 4,840,000.00	\$ 8,000,000.00
Land purchase		\$ 360,000.00	\$ 300,000.00	\$ -
Payment to Water department		\$ -	\$ -	\$ -
Travel		\$ 500.00	\$ 500.00	\$ 500.00
Utilities			\$ 144.00	\$ 144.00
Training for operators		\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Total Wastewater Expense		\$6,201,500.00	\$5,741,644.00	\$8,201,644.00
Total Income (Loss)		\$13,500.00	\$13,356.00	\$13,356.00

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WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

Willow Creek Community
Services District
Annual Budget 2021/2022

Total WCCSD Budgets				
	Projected	Projected	Projected	
	2019 / 2020	2020 / 2021	2021 / 2022	
Water Department	\$ 710,000.00	\$ 700,000.00	\$ 700,000.00	
Special Projects (Water Department)	\$ 40,000.00	\$ -	\$ -	
Recreation Department	\$ 39,200.00	\$ 39,700.00	\$ 63,650.00	
Special Projects (Recreation)	\$ 25,000.00	\$ -	\$ -	
Street Lights	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	
Wastewater Department	\$ 6,215,000.00	\$ 5,755,000.00	\$ 8,215,000.00	
Total WCCSD Budget	\$ 7,032,800.00	\$ 6,498,300.00	\$ 8,982,250.00	
	Actual	Projected	Projected	
	2019 / 2020	2020 / 2021	2021 / 2022	
Total allocation of 2500 Property Tax				
Water Department - Audit & Liability Insurance	\$ 38,700.82	\$ 38,700.00	\$ 49,000.00	
Recreation Department	\$ 30,000.00	\$ 25,000.00	\$ 25,000.00	
Wastewater Department	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	
	\$ 83,700.82	\$ 78,700.00	\$ 89,000.00	
county fees	\$ 3,155.97	\$ 3,000.00	\$ 3,000.00	
	\$ 86,856.79	\$ 81,700.00	\$ 92,000.00	
2500 Property Tax allocations from County	\$ 83,120.39			
2500 Property Tax balance at start of fiscal year	\$ 191,355.51			
	\$ 187,619.11			
	\$ (3,736.40)			

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

Willow Creek Community Service District
Balance Sheet
As Of October 31, 2021

ASSETS

Current Assets

Checking/Savings

1000.00 CASH UNRESTRICTED

1001.00 CASH UMPQUA BANK	66,672.52
1002.00 CCCU Dist. Water Cash	45,511.66
1003.00 WATER PAYROLL CHECKING	1,191.88
1004.00 PETTY CASH	150.00
1005.00 CASH HELD IN COUNTY	193,849.44
1006.00 CASH CCU FILTRATION	50.00
1007.00 CASH- OPERATING RESERV	423,960.15
1008.00 CCCU Captl Imp Fnd CD	10,692.22
1008.01 CCCU CIP FUND #2 CS	10,394.75
1008.02 CIP for Bigfoot Tank	41,550.00
1009.00 CCCU Emgy Fund CD	10,692.22
1009.1 EMGY FUND CD #2	10,394.75
1010.00 CASH CTY SAVE 4 WTR LOAN	283.11

Total 1000.00 CASH UNRESTRICTED 815,392.70

1100.00 CASH RESTRICTED

1101.00 SAVINGS SYS EXPANSION	155,795.82
1102.00 CAPITAL RESERVES FUND	94,672.05
1103.00 CASH SRF RESERVE	23,544.18
1104.00 CASH DAVS/GRUNSKY 9525	102,013.50

Total 1100.00 CASH RESTRICTED 376,025.55

Total Checking/Savings 1,191,418.25

Accounts Receivable

Accounts Receivable 941.19

Total Accounts Receivable 941.19

Other Current Assets

1200.00 ACCOUNTS RECEIVABLE

1201.00 ACCTS RECEIVABLE WATER	71,920.21
1202.00 ALLOWANCE FOR DOUBTFUL	-1,281.50
1210.00 ACCTS RECEIVABLE OTHER	-12,139.55
1212.00 ACCTS REC- STREETLIGHT	423.31
1200.00 ACCOUNTS RECEIVABLE- OTHER	2,150.00

TOTAL 1200.00 ACCOUNTS RECEIVABLE 61,072.47

1300.00 INVENTORY 33,564.17

1400.00 PREPAID EXPENSES 35,401.33

DEFERRED OUTFLOWS 104,526.00

Total Other Current Assets 234,563.97

Total Current Assets 1,426,923.41

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

Fixed Assets

1500.00 FIXED ASSETS

1501.00 PUMPING PLANT	117,000.80
1501.01 HODGSON TANK	129,689.00
1501.02 Bigfoot Tank Rplmnt	186,455.93
1501.03 Bussell Tank Rplmnt	227,345.23
1501.5 Creekside Park EXT	9,051.50
1502.00 WATER TREATMENT EQUIP.	31,432.00
1503.00 TRANS & DIST. EQUIP.	1,755,388.91
1504.00 GENERAL PLANT	92,173.99
1505.00 SOURCE OF SUPPLY	249,560.00
1505.10 Pump 3 Replacement	28,653.89
1506.00 NEW BUILDING	107,480.00
1507.00 OFFICE EQUIPMENT	20,035.00
1508.00 FILTRATION PLANT	2,553,659.00
1603.00 COMM DEV- Renner Imp	13,139.00

Total 1500.00 FIXED ASSETS	5,521,064.25
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1510.00 ACCUMULATED DEPRECIATION

1511.00 ACCT DEP PIMPING PLANT	-117,807.70
1511.10 ACC DEPR HODGESON TANK	-50,146.68
1511.20 Accum Depr Bigfoot Tank	-31,079.36
1511.3 BUSSELL TANK	-30,318.52
1511.5 ACC DEP CREEKSIDE PARK E	-1,810.20
1512.00 ACC DEP WATER TREATMENT	-31,432.00
1513.00 ACC DEP TRANS & DIST	
1513.00 ACC DEP TRANS & DIST- OTHER	1,672,389.07

TOTAL 1513.00 ACC DEP TRANS & DIST	1,672,389.07
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1514.00 ACC DEP GENERAL PLANT	-82,534.74
1515.00 ACC DEP SOURCE OF SUPPL	-249,560.00
1515.10 ACC DEP PUMP 3 REP	-2,785.80
1516.00 ACC DEP NEW BUILDING	-77,878.63
1517.00 ACC DEP OFFICE EQUIPMENT	-20,035.00
1518.00 ACC DEP COMMUNITY DEV	-8,067.00
1519.00 ACC DEPR FILTRATION PL	-642,684.54

TOTAL ACCUMULATED DEPRECIATION	3,018,529.24
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1600.00 OTHER FIXED ASSETS

1501.4 Brannan Mtn Tank WIP	256,728.25
1601.00 LAND	148,371.84
1602.00 INTANGIBLE PLANT ASSETS	5,155.00
1604.00 ACC DEP INTANGIBLE	-5,155.00
1605.00 PUMP Stations Generator	-146,670.00

TOTAL 1600.00 OTHER FIXED ASSETS	258,430.09
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TOTAL FIXED ASSETS	2,760,965.10
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**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

Other Assets	
1800.00 DUE FROM OTHER FUNDS	<u>101,448.50</u>
1800.00 DUE FROM OTHER FUNDS- OTHER	<u>101,448.50</u>
TOTAL 1800.00 DUE FROM OTHER FUNDS	<u>101,448.50</u>
TOTAL ASSETS	<u><u>4,289,337.01</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>-65.73</u>
Total Accounts Payable	<u>-65.73</u>
Other Current Liabilities	
2000.00 ACCOUNTS PAYABLE	
2001.00 ACCRUED ACCTS PAYABLE	<u>38,356.76</u>
Total 2000.00 ACCOUNTS PAYABLE	<u>38,356.76</u>
2200.00 INTEREST PAYABLE	9,261.90
Accrued Payroll	2,652.02
Accrued Vacation	15,418.15
Current Portion pf Long-term de	55,445.66
Payroll Liabilities	
Single Pay Opt-Out	<u>-4,226.67</u>
Payroll Liabilities- Other	<u>-65.17</u>
Total Payroll Liabilities	<u>-4,291.84</u>
Total Other Current Liabilities	<u>116,842.65</u>
Total Current Liabilities	<u>116,776.92</u>
Long Term Liabilities	
2600.00 LONG TERM LIABILITIES	
2630.00 NOTES PAYABLE DAVIS/GRU	
2630.01 Davis/ Grunsky- Def Int	47,854.90
2630.00 NOTES PAYABLE DAVIS/GRU- OTHER	<u>332,949.52</u>
TOTAL 2630.00 NOTES PAYABLE DAVIS/GRU	<u>380,804.42</u>
2660.00 NOTES PAYABLE- SRF	153,037.07
2670.00 Less- Current Portion	-55,445.66
2800.00 DEPOSITS	25,429.26
2908.00 2014 F150 Ford Pickup	15,000.00
Net Pension Liability	439,499.00
2600.00 LONG TERM LIABILITIES- OTHER	<u>-39,855.61</u>
TOTAL 2600.00 LONG TERM LIABILITIES	<u>918,468.48</u>
DEFERRED INFLOWS	<u>33,553.00</u>
Total Long Term Liabilities	<u>952,021.48</u>
Total Liabilities	<u>1,068,798.40</u>

**WATER RATE STUDY
WILLOW CREEK COMMUNITY SERVICES DISTRICT
WILLOW CREEK, CALIFORNIA**

Equity	
3000 Net Investment in capital	2,343,199.89
3100.00 WATER UNRESTRICTED	
3100.00 WATER UNRESTRICTED- OTHER	<u>706,399.90</u>
TOTAL 3100.00 WATER UNRESTRICTED	706,399.90
3300.00 RESTRICTED- DAVIS /GRUN	101,257.43
Retained Earnings	35,570.70
Net Income	<u>34,110.69</u>
TOTAL EQUITY	3,220,538.61
TOTAL LIABILITIES & EQUITY	4,289,337.01

**PROPOSED RATE SCHEDULE INCREASES
WILLOW CREEK COMMUNITY SERVICES DISTRICT**

Existing Water Rate Schedule - 2022

Meter Size	Minimum Charge	Minimum Usage	Usage per 100 cf	# of Services	Excess Use (%/Yr)	Revenue (Yearly)
5/8"	36.30	750	\$1.65	791	240%	\$ 509,008.50
3/4"	41.00	1035	\$1.65	47	330%	\$ 45,276.93
1"	60.60	2223	\$1.65	25	205%	\$ 29,734.04
1 1/2"	88.45	3911	\$1.65	3	380%	\$ 9,688.98
2"	132.80	6598	\$1.65	10	365%	\$ 50,555.71
3"	158.50	8156	\$1.65	1	1223%	\$ 20,037.19
Fixed Charges						\$ 74,559.64

Total Estimated Revenue: \$ 738,860.99

Proposed 2023 Water Rate Schedule -

6% increase on Minimum

Meter Size	Minimum Charge	Minimum Usage	Usage per 100 cf	# of Services	Excess Use (Yr)	Revenue (Yearly)
5/8"	38.50	750	\$1.75	791	240%	\$ 539,857.50
3/4"	43.45	1035	\$1.75	47	330%	\$ 48,001.34
1"	64.25	2223	\$1.75	25	205%	\$ 31,529.29
1 1/2"	93.75	3911	\$1.75	3	380%	\$ 10,274.00
2"	140.75	6598	\$1.75	10	365%	\$ 53,607.87
3"	168.00	8156	\$1.75	1	1223%	\$ 21,250.29
BFD	3.00			95		\$ 3,420.00
Fixed Charges						\$ 79,033.22

Total Estimated Revenue: \$ 786,973.51

Proposed 2024 Water Rate Schedule -

3% increase on Minimum

Meter Size	Minimum Charge	Minimum Usage	Usage per 100 cf	# of Services	Excess Use (Yr)	Revenue (Yearly)
5/8"	39.65	750	\$1.80	791	240%	\$ 555,756.60
3/4"	44.75	1035	\$1.80	47	330%	\$ 49,405.84
1"	66.20	2223	\$1.80	25	205%	\$ 32,464.41
1 1/2"	96.55	3911	\$1.80	3	380%	\$ 10,571.92
2"	144.95	6598	\$1.80	10	365%	\$ 55,160.95
3"	173.05	8156	\$1.80	1	1223%	\$ 21,860.45
BFD	3.10			95		\$ 3,420.00
Fixed Charges						\$ 83,775.21

Total Estimated Revenue: \$ 812,415.37

Proposed 2025 Water Rate Schedule -

3% increase on Minimum

Meter Size	Minimum Charge	Minimum Usage	Usage per 100 cf	# of Services	Excess Use (Yr)	Revenue (Yearly)
5/8"	40.85	750	\$1.85	791	240%	\$ 572,130.30
3/4"	47.45	1035	\$1.85	47	330%	\$ 51,599.94
1"	70.15	2223	\$1.85	25	205%	\$ 33,999.53
1 1/2"	102.35	3911	\$1.85	3	380%	\$ 10,977.83
2"	153.65	6598	\$1.85	10	365%	\$ 57,254.03
3"	183.45	8156	\$1.85	1	1223%	\$ 22,534.80
BFD	3.30			95		\$ 3,420.00
Fixed Charges						\$ 88,801.72

Total Estimated Revenue: \$ 840,718.16

Proposed 2026 Water Rate Schedule -

3% increase on Minimum

Meter Size	Minimum Charge	Minimum Usage	Usage per 100 cf	# of Services	Excess Use (Yr)	Revenue (Yearly)
5/8"	42.10	750	\$1.90	791	240%	\$ 588,978.60
3/4"	50.30	1035	\$1.90	47	330%	\$ 53,878.64
1"	74.35	2223	\$1.90	25	205%	\$ 35,609.66
1 1/2"	108.50	3911	\$1.90	3	380%	\$ 11,396.35
2"	162.85	6598	\$1.90	10	365%	\$ 59,407.12
3"	194.45	8156	\$1.90	1	1223%	\$ 23,216.35
BFD	3.50			95		\$ 3,420.00
Fixed Charges						\$ 94,129.83

Total Estimated Revenue: \$ 870,036.53

Proposed 2027 Water Rate Schedule -

3% increase on Minimum

Meter Size	Minimum Charge	Minimum Usage	Usage per 100 cf	# of Services	Excess Use (Yr)	Revenue (Yearly)
5/8"	43.35	750	\$1.95	791	240%	\$ 605,826.90
3/4"	51.80	1035	\$1.95	47	330%	\$ 55,395.94
1"	76.60	2223	\$1.95	25	205%	\$ 36,634.78
1 1/2"	111.75	3911	\$1.95	3	380%	\$ 11,710.46
2"	167.75	6598	\$1.95	10	365%	\$ 61,044.20
3"	200.30	8156	\$1.95	1	1223%	\$ 23,836.10
BFD	3.60			95		\$ 3,420.00
Fixed Charges						\$ 99,777.62

Total Estimated Revenue: \$ 897,645.99