



**WATER
AGENCY**

Calendar Year 2025
Preliminary Untreated Water Rate
September 12, 2024



Strategic Plan

Goal G

Fiscal Responsibility:
Operate the Agency in a
fiscally responsible manner

Initiative 24

Continue to effectively
manage financial resources
for the Agency

Takeaways

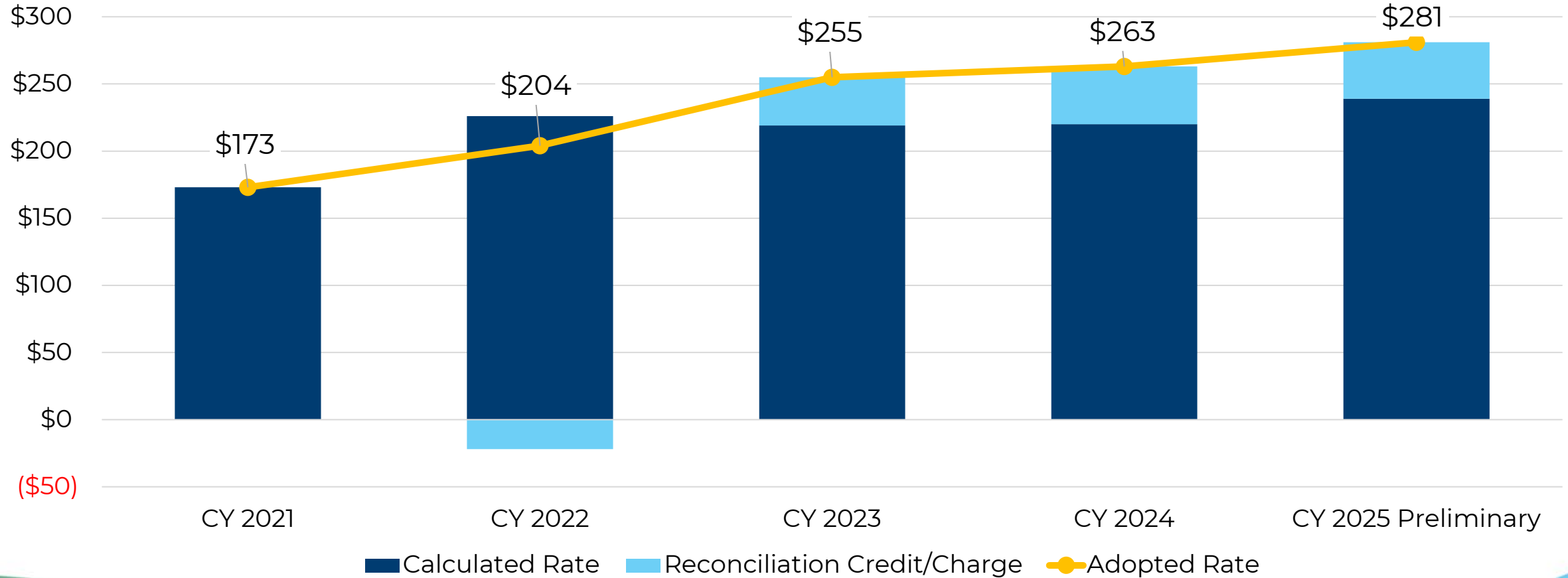
1. Rate calculation compliant with Board policy guidelines for untreated water rates
2. Calculated CY 2025 untreated water rate is \$239/AF.
3. Scheduled reconciliation charge for second year of Board approved five-year phase-in is \$42/AF, bringing CY 2025 preliminary untreated water rate to **\$281/AF.**

Background/Objectives

- Rates set annually and based on cost and delivery projections
- Board policy guidelines include following rate components:
 - › Water Supply Costs
 - › Water Service Costs
 - › Overhead
- Objectives of untreated rate update include:
 - › Financial sufficiency for the untreated water program to meet costs
 - › Maintain fairness and equitability of rates while minimizing customer impact



Historical Untreated Water Rates



Results of CY 2025 Update

- **Water Supply Costs (88%)**

- Based on 5-year historical average

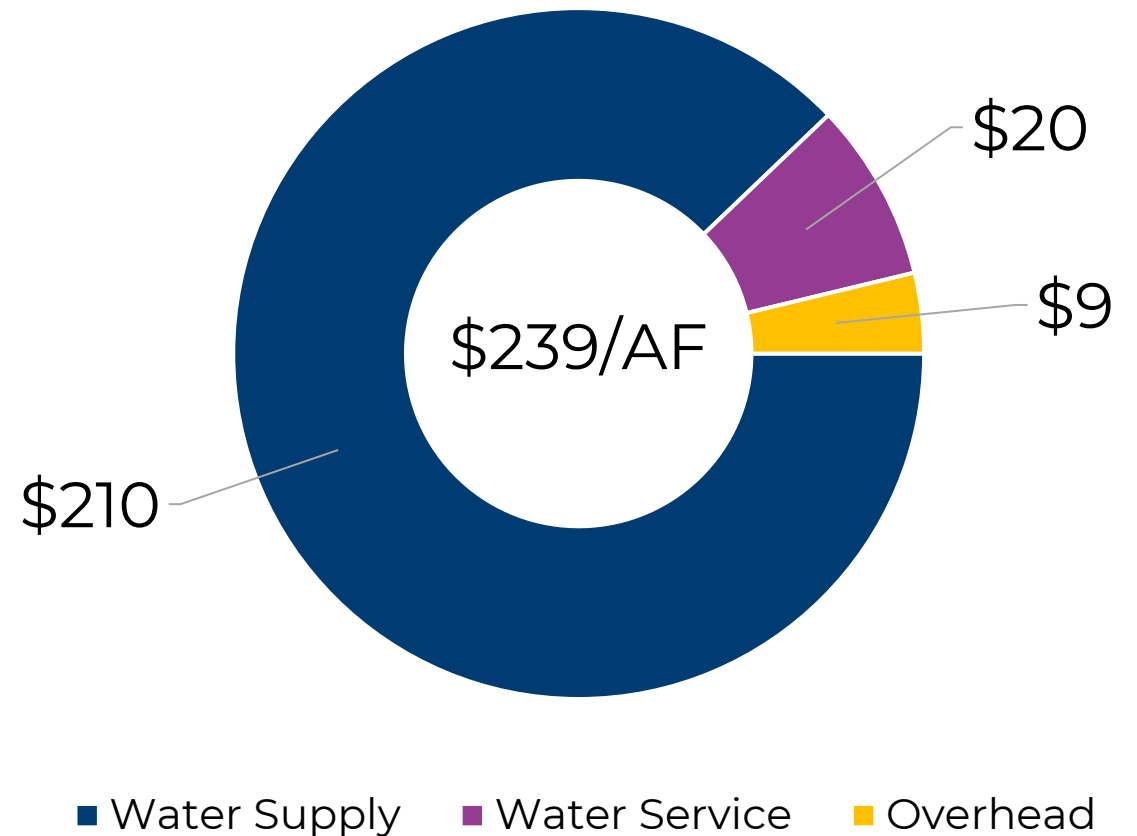
- **Water Service Costs (8%)**

- Agency staff time to manage water supply portfolio

- **Overhead (4%)**

- Ongoing costs to run Agency (costs not directly tied to water delivery or water service)

CY 2025 Calculated Untreated Rate

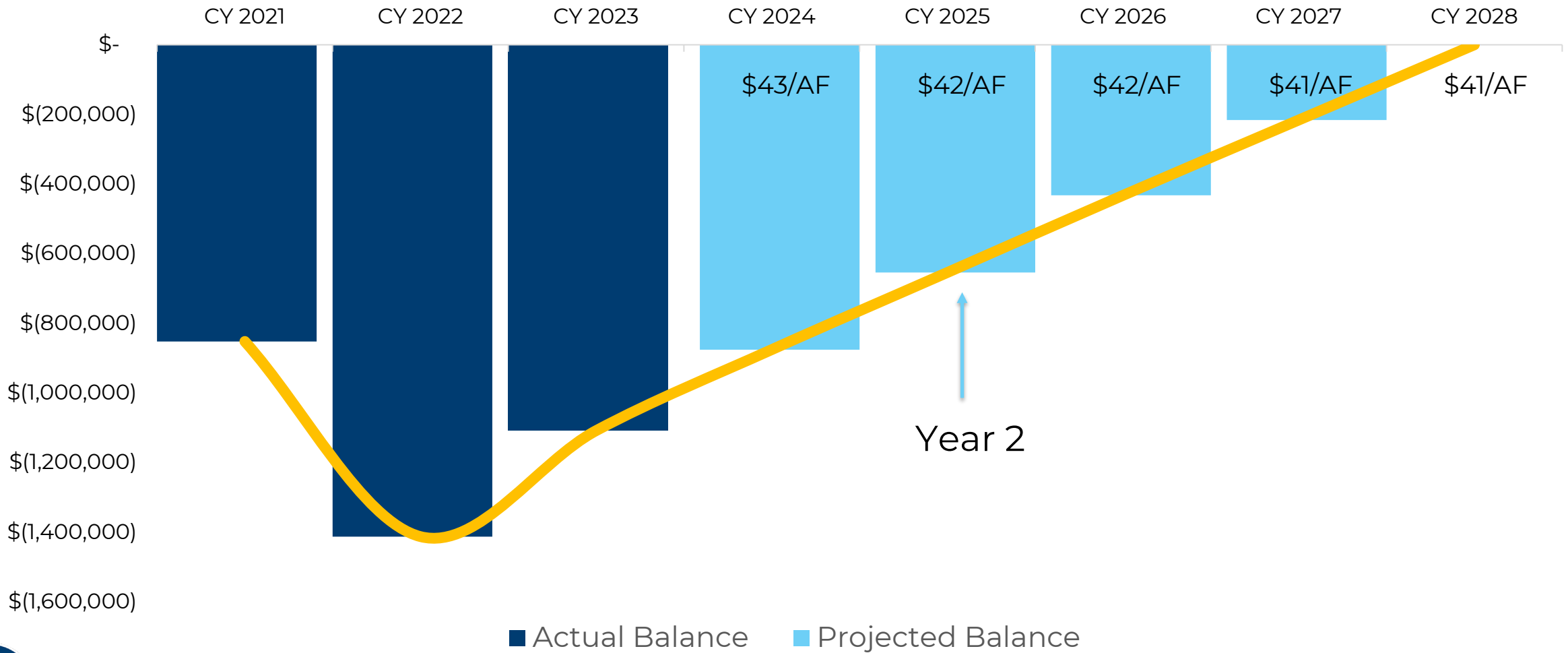


CY 2025 Planned Reconciliation Charge

- Year 2 of Board approved implementation schedule = \$42/AF reconciliation charge
- **CY 2025 Preliminary Untreated Water Rate is \$281/AF.**

Approved Phase-in	CY 2025 (Year 2) Reconciliation Charge	CY 2025 Calculated Rate	CY 2025 Preliminary Untreated Rate	Current Untreated Rate	Change (\$)
5-Year	\$42	\$239	\$281	\$263	+\$18

Five-Year Implementation Schedule



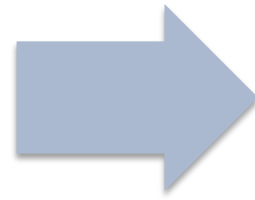
Recommended Action

- Discuss and provide a recommendation for the CY 2025 preliminary untreated water rate to forward to Board for adoption at the October 16, 2024, regular Board meeting.

Upcoming Meetings/Next Steps

October 16, 2024 Regular Board Meeting

- Present proposed CY 2025 untreated rate to the Board.
- Adopt CY 2025 untreated rate.



January 1, 2025

- CY 2025 untreated rate becomes effective.



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Questions?

