



**WATER  
AGENCY**

# **Calendar Year 2025 Proposed Untreated Water Rates**

**October 16, 2024  
Regular Board Meeting**

# 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

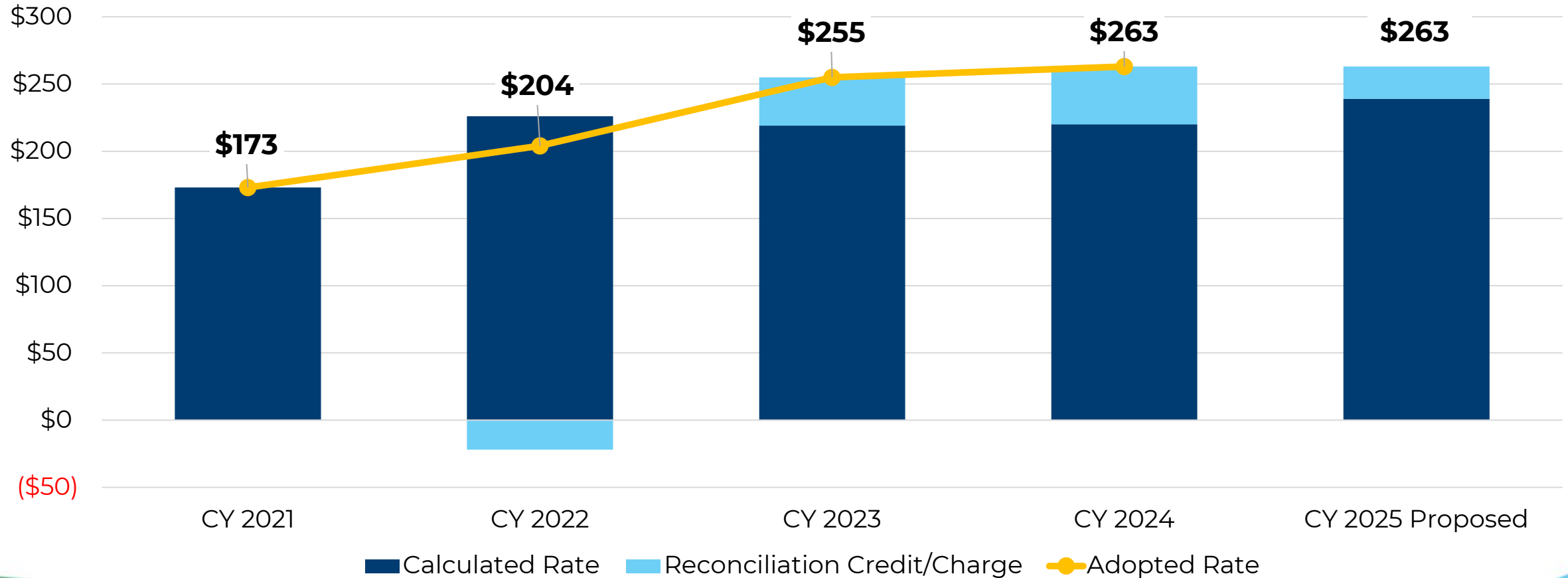
1. Rate calculation is compliant with Board policy guidelines for untreated water rates.
2. Calculated CY 2025 untreated water rate is \$239/AF.
3. Finance Committee recommendation: Modify scheduled reconciliation charge for CY 2025 from \$42/AF to \$24/AF
4. **CY 2025 proposed untreated water is \$263/AF.**

# Background/Process Recap

- Rates set annually and based on cost and delivery projections
- Board policy guidelines include following rate components:
  - › Water Supply Costs
  - › Water Service Costs
  - › Overhead
- 2024 Untreated Rate Setting Process Recap:
  - › August Finance Committee Meeting – presented findings of calendar year 2023 reconciliation
  - › September Finance Committee Meeting – presented calendar year 2025 preliminary untreated water rate



# Historical Untreated Water Rates



# Results of CY 2025 Update

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

Based on 5-year historical average

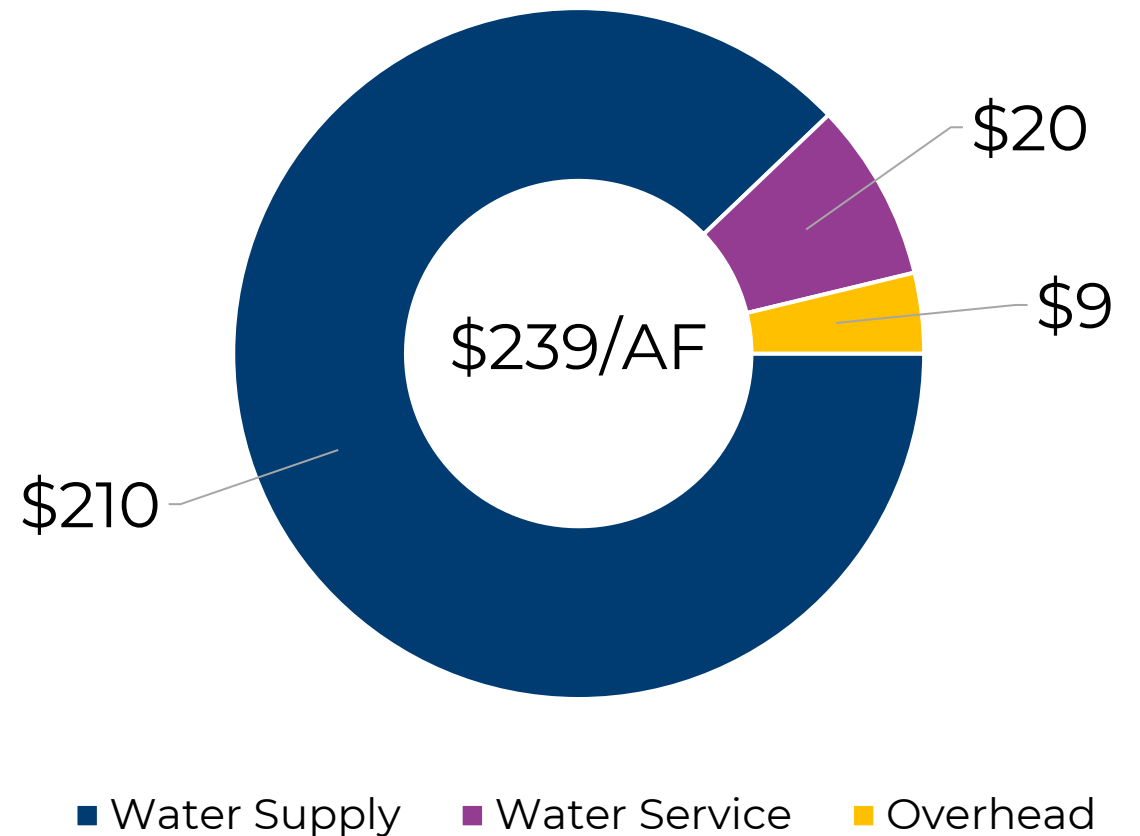
- **Water Service Costs (8%)**

Agency staff time to manage water supply portfolio

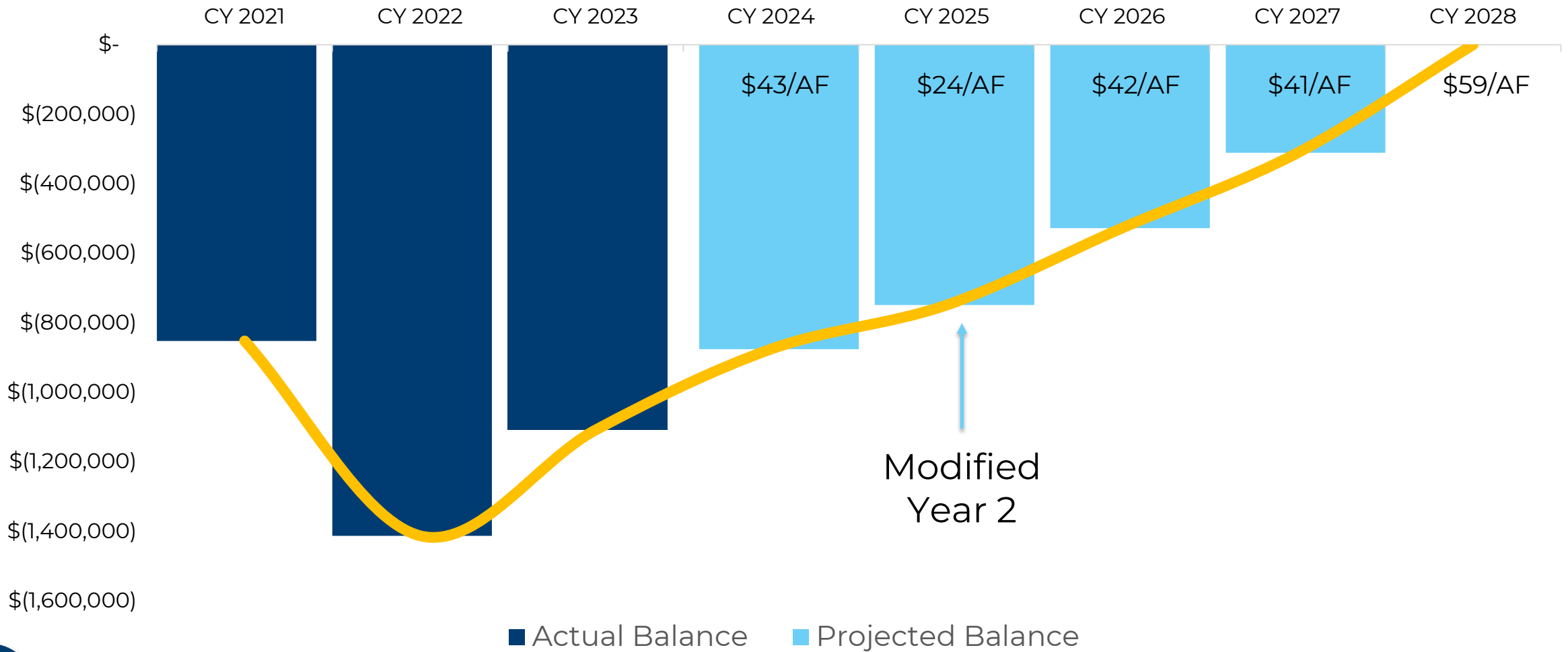
- **Overhead (4%)**

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

CY 2025 Calculated Untreated Rate



# Untreated Water Program's Reconciliation Balance



# CY 2025 Proposed Untreated Water Rate

- Recommendation to reduce scheduled CY 2025 reconciliation charge from \$42/AF to \$24/AF.
- **CY 2025 Proposed Untreated Water Rate is \$263/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	\$24	\$239	<b>\$263</b>	\$263	\$0



# Recommended Action/Next Steps

- Adopt attached Resolution incorporating the Finance Committee's recommendation and setting untreated water rates for CY 2025.
- Adopted rates become effective January 1, 2025.



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**Questions?**

