

Camarillo Sanitary District

Sewer Rate Study

Draft Report / March 20, 2025

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February 20, 2025

Mark Uribe
Director of Finance
Camarillo Sanitary District
601 Carmen Drive
Camarillo, CA 93010

Subject: Sewer Rate Study Report

Dear Mr. Uribe,

Raftelis is pleased to provide this Sewer Rate Study Report (Report) for the Camarillo Sanitary District (CSD). This Report includes a ten-year financial plan for fiscal year (FY) 2025 through FY 2034 and four years of corresponding rates for implementation beginning July 1, 2025.

The objectives of the Rate Study include:

1. Development of a financial plan and proposed revenue adjustments to ensure financial sufficiency, reserves funding at adopted levels, and borrowing capacity for future capital improvements
2. Calculation of updated sewer rates based on the existing rate schedule and structure
3. Recommend rates for adoption on July 1 of each year from July 1, 2025 through July 1, 2028

It has been a pleasure working with you, and we thank the City of Camarillo's Finance Department and Public Works staff, as well as the Utilities Committee, for the support provided during this Study.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Kostiuk', with a horizontal line extending to the right.

Kevin Kostiuk
Senior Manager

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1. Executive Summary

Introduction

Established in 1955, the Camarillo Sanitary District (CSD or District) predates the incorporation of the City of Camarillo by nearly a decade. As a dependent district of the city, CSD has been instrumental in providing wastewater collection and treatment services to the majority of Camarillo's residents, as well as to areas north of the city. The district operates the Camarillo Sanitary District Water Reclamation Plant, which currently treats approximately 3.5 million gallons of wastewater per day, with a maximum design capacity of 7.25 million gallons per day. Additionally, CSD maintains an estimated 158 miles of sewer collection and conveyance pipelines and five lift stations, ensuring efficient wastewater management for the community.

CSD's Water Reclamation Plant (WRP) has undergone several modifications to increase its capacity and incorporate new technologies since its construction in 1959. The most recent Sewer System Master Plan (SSMP) identified a series of alternatives to upgrade the WRP facilities. The CSD's consulting engineering firm is evaluating further alternatives and updates to the work identified in the 2022 SSMP. These plant upgrades are the primary capital projects in the next five to seven years and are also the primary drivers to future CSD user rates. Upgrading the WRP represents a generational investment in the community and the single largest project undertaking in CSD's history.

CSD is governed by a Board of Directors, with the Camarillo City Council serving in that capacity. CSD remains committed to protecting the environment, public health, and safety in a cost-effective manner. Over the years, CSD has expanded its services to include the production of recycled water for agricultural and landscaping irrigation purposes. This initiative not only supports local agriculture but also contributes to regional water supply resilience for the City of Camarillo Water system.

Study Background

The 2025 Study encompasses a ten-year financial planning horizon with rates proposed for Fiscal Year (FY)¹ 2026 (implemented on July 1, 2025) through FY 2029. Each of the four years proposes rate changes on July 1 of each year. Raftelis conducted the last Sewer Rate Study in 2023, which resulted in adopted rates implemented January 1, 2024 and again on July 1, 2024. Raftelis conducted a Cost of Service Analysis in 2017, which resulted in the existing cost allocations and current rate structures. The rates herein adjust rates based on the existing schedule and structure of rates relying on the existing cost of service.

The financial plan incorporates updated escalation assumptions, estimates, and projections based on the most recent financial information, system information, and customer data available.

The objectives of the 2025 Rate Study include:

1. Development of a financial plan and proposed revenue adjustments to ensure financial sufficiency, reserves funding at adopted levels, and borrowing capacity for future capital improvements
2. Calculation of updated sewer rates based on the existing rate schedule and structure
3. Recommend rates for adoption on July 1 of each year from July 1, 2025 through July 1, 2028

¹ The fiscal year begins on July 1 and ends on June 30 of the corresponding year.

Legal Framework²

The rate-making process for sewer agencies in California begins with a review of the legal requirements and framework currently in place. The primary legal requirement is Article XIII D, Section 6 of the California Constitution, commonly referred to as Proposition 218, which is an initiative that amended the State Constitution.

California Constitution – Article XIII D, Section 6 (Proposition 218)

Proposition 218 was enacted by voters in 1996 to ensure, in part, that fees and charges imposed for ongoing delivery of a service to a property (“property-related fees and charges”) are proportional to, and do not exceed, the cost of providing service. Sewer service fees and charges are property-related and subject to the provisions of Proposition 218. The principal requirements, as they relate to public sewer service fees and charges, are as follows:

1. Revenues derived from a property-related charge imposed by a public agency shall not exceed the costs required to provide the property-related service.
2. Revenues derived by the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
3. The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No fee or charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property.
5. A written notice of the proposed fee or charge shall be mailed to the record owner of each parcel not less than 45 days prior to a public hearing when the agency considers all written protests against the charge.

Proposition 218 requires that wastewater rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers. It also requires that the rate-setting methodology must provide a nexus between the costs incurred by the utility and the rates charged. Raftelis follows industry standard rate setting methodologies set forth by the Water Environment Federation (WEF) *Manual of Practice No. 27, Financing and Charges for Wastewater Systems, 2004* to ensure this study aligns with the requirements of Proposition 218.

Process and Approach

The process and approach Raftelis utilizes is informed by the CSD’s policy objectives, the sewer system’s specific collection and treatment facilities, the existing rates and rates structures, and the legal requirements of Proposition 218. This year’s Study is based on the cost allocations and rate structure developed in the 2017 CSD Wastewater Cost of Service and Rate Study, which were updated in 2019, 2021, and 2023 rate studies. The rates herein adjust rates based on the existing schedule and structure of rates relying on the existing cost of service.

The rate study process follows four key steps, outlined below, to derive proposed rates that fulfill the CSD’s policy objectives, rely upon industry standards, and align with Proposition 218.

Step 1: Revenue Requirement Calculation

The rate-making process begins by determining the revenue requirement for the base year, also known as the rate-setting year. The revenue requirement should sufficiently fund the utility’s operation and maintenance (O&M) costs, annual debt service and debt coverage requirements, capital project expenses, and reserve funding as projected in the CSD’s budgets.

² Raftelis does not practice law nor does it provide legal advice. The above discussion provides a general overview of Raftelis’ understanding as rate practitioners and is labeled “legal framework” for literary convenience only. The CSD should consult with its legal counsel for clarification and/or specific guidance.

Step 2: Cost of Service Analysis

The annual cost of providing wastewater service is distributed among customer classes commensurate with their service requirements. A COS analysis involves the following:

1. Functionalize costs: Examples of functions are collection, treatment, and customer service.
2. Allocate functionalized costs to sewer system cost components: Cost components include wastewater flow, biological oxygen demand (BOD), and total suspended solids (TSS).
3. Distribute the cost components: Using unit costs, the components are distributed to customer classes in proportion to their burden on the wastewater system.

Step 3: Rate Design and Calculation

After allocating the revenue requirement, the rate design and calculation process can begin. Rates do more than simply recover costs; within the legal framework and industry standards, properly designed rates should support CSD's policy objectives while adhering to cost of service principles. Rates are not only a financial instrument but act as a public information tool in communicating policy objectives to customers.

Step 4: Administrative Record Preparation and Rate Adoption

The final step in a rate study is to develop the administrative record in preparation for the rate adoption process. The administrative record, also known as the study report, documents the rate study results and presents the methodologies, rationale, cost justifications, and calculations utilized to derive the proposed rates. A thorough and methodical administrative record serves two important functions: maintaining defensibility in a litigious environment and communicating the rate adoption process to customers and important stakeholders.

Factors Affecting Revenue Adjustments

The following items affect the CSD revenue requirement (i.e., costs) and thus its sewer rates. The CSD's costs include operating and maintenance (O&M) expenses, capital expenses (CIP), debt service, and reserve funding.

1. O&M Expenses: CSD's operating costs have increased in recent years due to increased maintenance costs on aging facilities, additional administrative costs, and inflationary pressures. For example, annual costs for power and treatment-related chemical costs have exceeded normal inflation rates since the last study. These cost increases pressure net revenues to reserves, and importantly, reduce borrowing capacity in the future. Stated differently, each additional dollar of O&M reduces the amount of money CSD can borrow for future projects with existing revenues.
2. Reserve Funding: CSD has reserve policies to meet cash flow needs, ensure adequate funding of repairs and replacements in the event of asset failure or other unforeseen circumstances or events, and protect ratepayers from rate spikes. The FY 2025 actual beginning balance for CSD was \$62.9 million. While the beginning balance is significantly greater than the reserve target, as cash funded CIP and future SSMP projects are financed and constructed, CSD's cash on hand will more closely reflect the adopted reserve policies.
3. Debt Coverage: CSD has debt service coverage requirements for current and any future bond sales. The current minimum coverage is 1.20 (i.e. net revenues equal to no less than 120% of annual debt service). Debt service coverage is a condition of borrowing with an obligation to generate a minimum amount of net operating revenues relative to the agency's annual debt service. CSD's capital improvement plan will require approximately \$175 million in bond sales to execute upgrades of the Water Reclamation Plant (WRP). Rate revenues will need to generate sufficient cash to both repay the annual debt service and achieve debt service coverage ratio minimums.

Financial Plan

Figure 1-1 shows debt coverage and proposed revenue adjustments over the Study Period. The financial plan includes the revenue adjustments throughout the study period derived from the financial plan. The proposed financial plan

and four-year adoption period is a 16 percent adjustment annually from FY 2026 through FY 2029. For planning purposes, and to achieve a sustainable plan over the full 10-year horizon, additional increases of 16 percent are projected in FY 2030 and 2031; followed by 6 percent increases in FY 2032 through 2034. These adjustments adequately fund all operating expenses, debt coverage requirements, and achieve reserve policy targets. The financial plan will utilize existing reserves, future proposed bond proceeds, and available grants (\$30 million based on staff estimates) to fund the upcoming long-term capital improvement program (CIP) resulting from the SSMP.

Figure 1-1: Revenue Adjustments and Debt Coverage

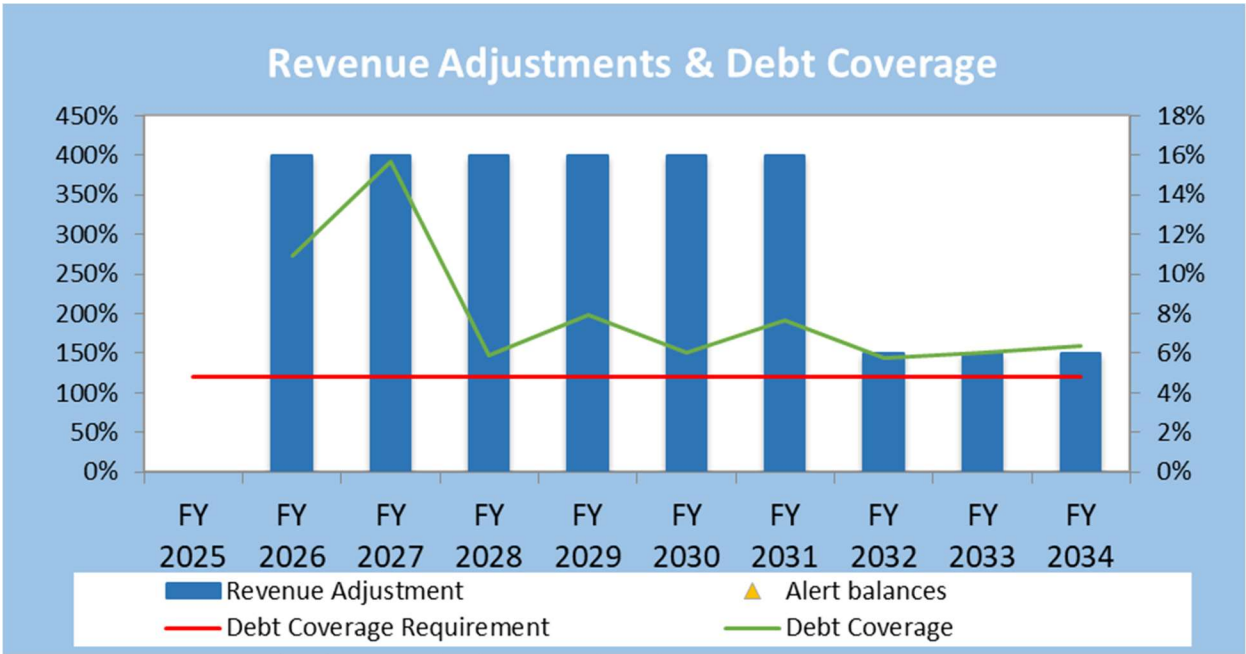


Figure 1-2 illustrates the 10-year operating financial plan including proposed rate increases for FY 2026 through FY 2029; and projected increases through FY 2034. O&M is shown in grey bars, annual debt service in orange, and revenues to/from reserves in green. Current and proposed revenues are shown by the black and blue lines, respectively.

Figure 1-2: Operating Financial Plan

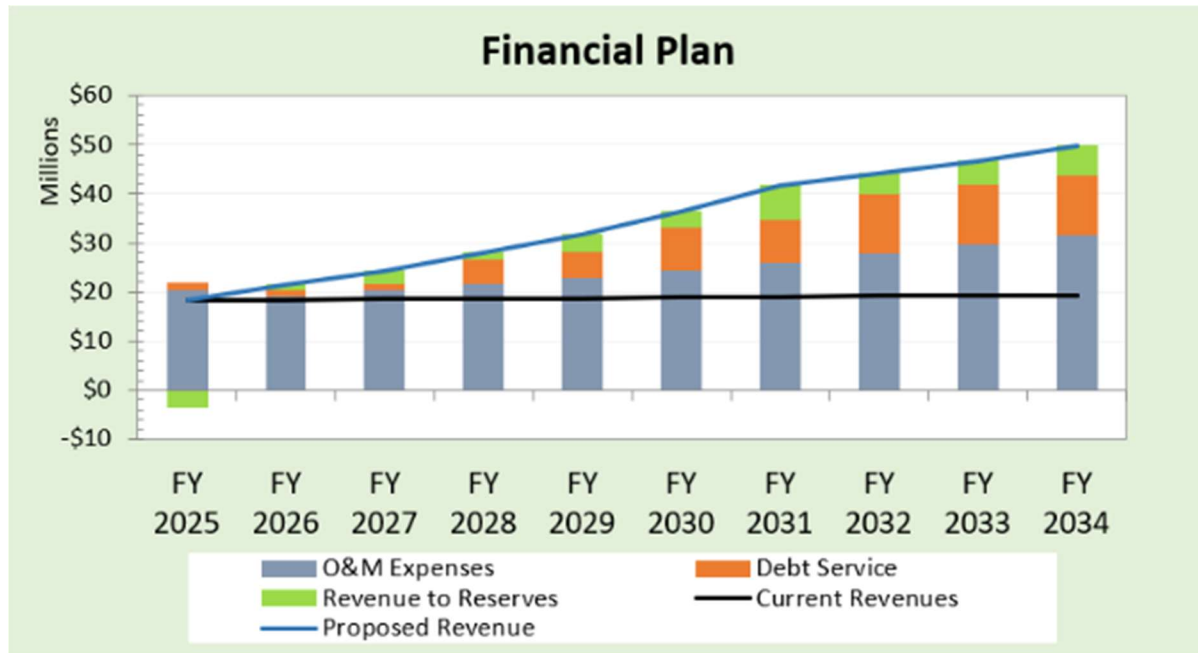


Figure 1-3 shows ending reserve balances (green bars) and targeted balances (green line) over the planning horizon. The proposed financial plan mitigates larger revenue increases by taking early action while the exact magnitude and timing of SSMP capital is refined by CSD staff and consulting engineers. Reserve balances are drawn down slightly below reserve levels in FY 2029 and again in FY 2031 but are planned to again achieve the target in FY 2032 and beyond.

Figure 1-3: Estimated Ending Fund Balances

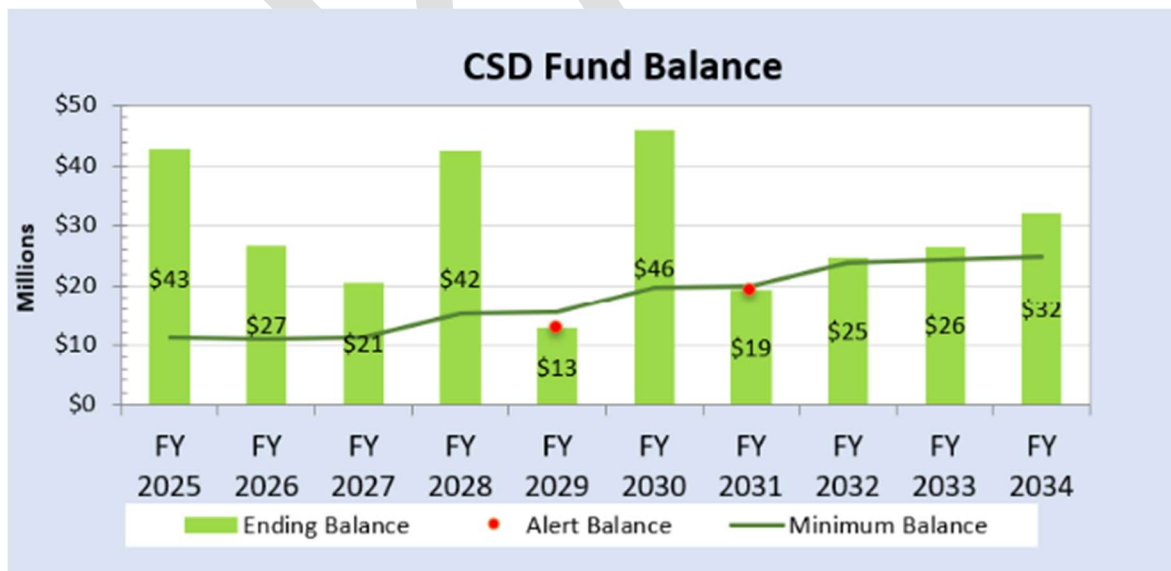
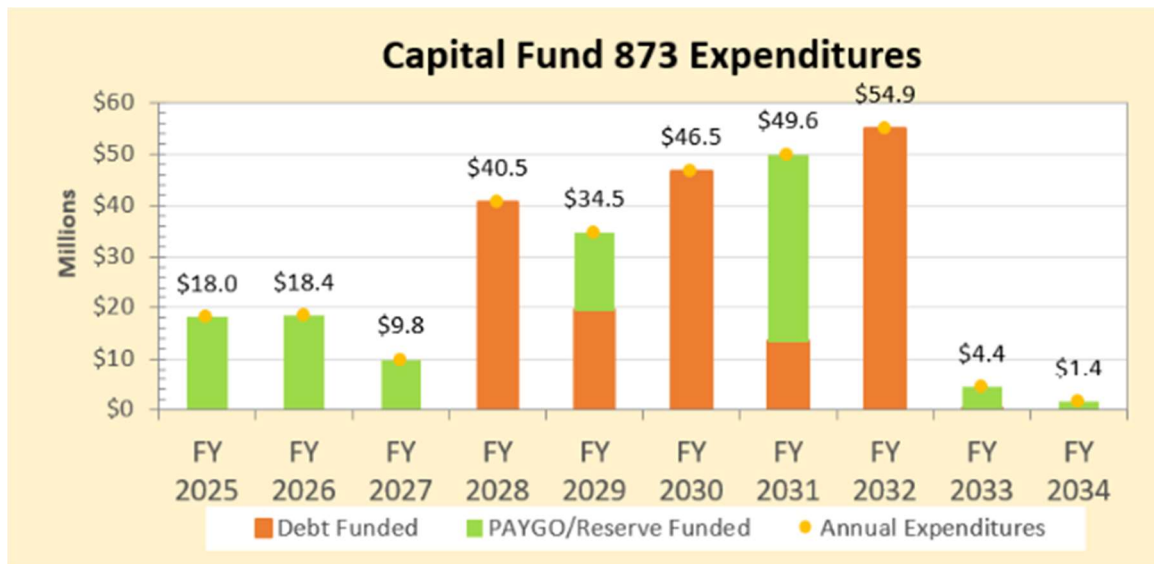


Figure 1-4 shows the CSD planned Capital Improvement Program (CIP) expenditures in FY 2025 through FY 2034. The proposed financial plan CIP expenses are assumed to be funded through a combination of cash reserves (green bars) and bond sales (orange bars). Bond sales assume three separate issues over the 10-year horizon: \$60 M in FY 2028, \$60M in FY 2030, and \$55M in FY 2032.

Figure 1-4: Capital Improvement Program Funding



Proposed Rates

Rates are proposed for implementation on July 1 of 2025 (FY 2026) through July 1 of 2028 (FY 2029); they represent an ‘*across the board*’ 16 percent rate increase, equal to the overall revenue adjustment. All rates are rounded up to the nearest penny.

Table 1-1 shows the current and proposed Residential monthly sewer service charges by customer sub-class, per dwelling unit.

Table 1-1: Proposed Residential Monthly Service Charge

Residential Class	Current Rates	Proposed (July 1, 2025)	Proposed (July 1, 2026)	Proposed (July 1, 2027)	Proposed (July 1, 2028)
Single Family Residential	\$74.30	\$86.19	\$99.99	\$115.99	\$134.55
Multi-Family Residential	\$51.40	\$59.63	\$69.18	\$80.25	\$93.09
Duplex	\$51.40	\$59.63	\$69.18	\$80.25	\$93.09
Triplex	\$51.40	\$59.63	\$69.18	\$80.25	\$93.09
Condos/Cluster Housing	\$51.40	\$59.63	\$69.18	\$80.25	\$93.09
Mobile Home Parks	\$28.92	\$33.55	\$38.92	\$45.15	\$52.38
Qualifying Low-Income Senior	\$28.92	\$33.55	\$38.92	\$45.15	\$52.38
Age Restricted	\$28.92	\$33.55	\$38.92	\$45.15	\$52.38

Table 1-2 shows the current and proposed non-residential sewer rates. Non-residential classes have two components to their sewer charges: a fixed charge based on meter size and a uniform commodity charge per unit of wastewater generated (\$/HCF), based on metered water use.

Table 1-2: Proposed Non-Residential Sewer Rates

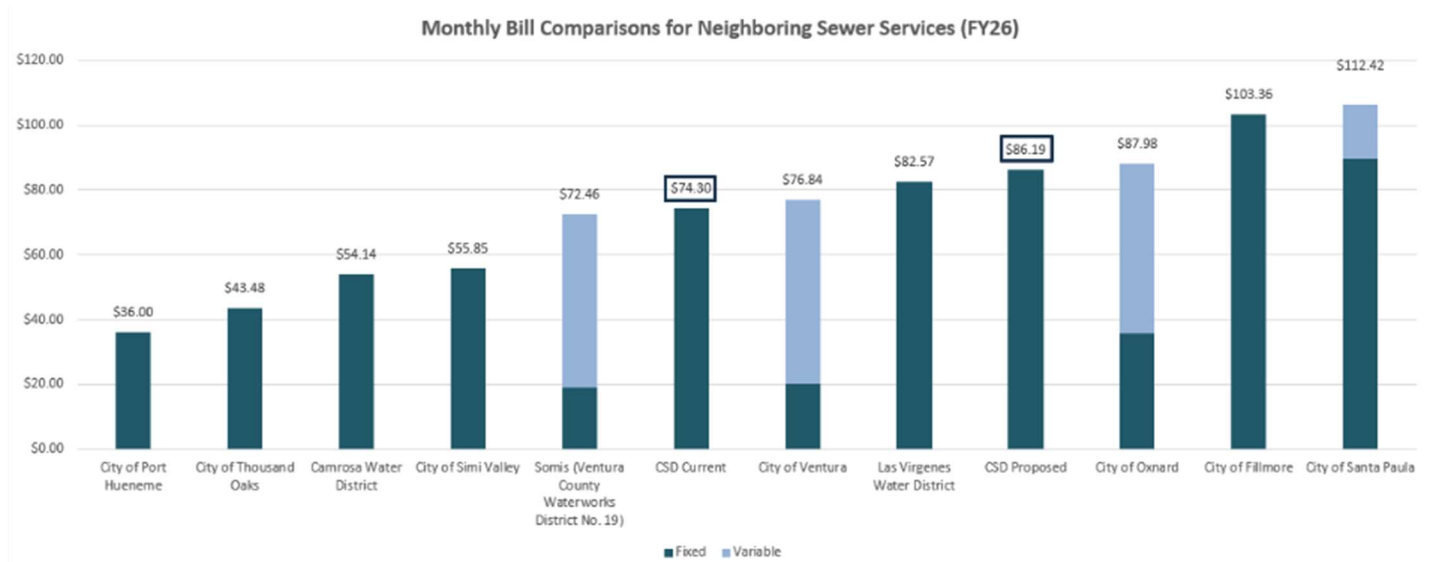
Meter Size/Customer Type	Current Rates	Proposed (July 1, 2025)	Proposed (July 1, 2026)	Proposed (July 1, 2027)	Proposed (July 1, 2028)
Meter Size	(\$/month)	(\$/month)	(\$/month)	(\$/month)	(\$/month)
3/4"	\$43.35	\$50.29	\$58.34	\$67.68	\$78.51
1"	\$94.23	\$109.31	\$126.80	\$147.09	\$170.63
1 1/2"	\$179.10	\$207.76	\$241.01	\$279.58	\$324.32
2"	\$280.90	\$325.85	\$377.99	\$438.47	\$508.63
3"	\$518.42	\$601.37	\$697.59	\$809.21	\$938.69
4"	\$518.42	\$601.37	\$697.59	\$809.21	\$938.69
6"	\$518.42	\$601.37	\$697.59	\$809.21	\$938.69
8"	\$518.42	\$601.37	\$697.59	\$809.21	\$938.69
Commodity Rate	(\$/HCF)	(\$/HCF)	(\$/HCF)	(\$/HCF)	(\$/HCF)
Low Strength Commercial	\$5.44	\$6.32	\$7.34	\$8.52	\$9.89
Medium Strength Commercial	\$6.69	\$7.77	\$9.02	\$10.47	\$12.15
High Strength Commercial	\$7.80	\$9.05	\$10.50	\$12.18	\$14.13
Churches	\$5.44	\$6.32	\$7.34	\$8.52	\$9.89
Schools	\$5.44	\$6.32	\$7.34	\$8.52	\$9.89
Hospitals/Convalescent	\$5.44	\$6.32	\$7.34	\$8.52	\$9.89
Public/City	\$5.44	\$6.32	\$7.34	\$8.52	\$9.89
Industrial	\$7.80	\$9.05	\$10.50	\$12.18	\$14.13

Sewer Rate Survey

Raftelis conducted a rate survey to benchmark current and proposed sewer rates against eight neighboring providers. While a useful benchmark, it is worth noting that such comparisons only paint a partial picture since many factors, such as age and replacement of infrastructure, service area characteristics, revenue sources, and other local conditions affect the total cost of providing sewer services.

Figure 1-5 shows the wastewater bill for the current and proposed rates. The survey compares the bill of a Single Family Residential customer using 12 HCF of water per month. The survey compares estimated bills at July 1, 2025.

Figure 1-5: Sewer Bill Comparison

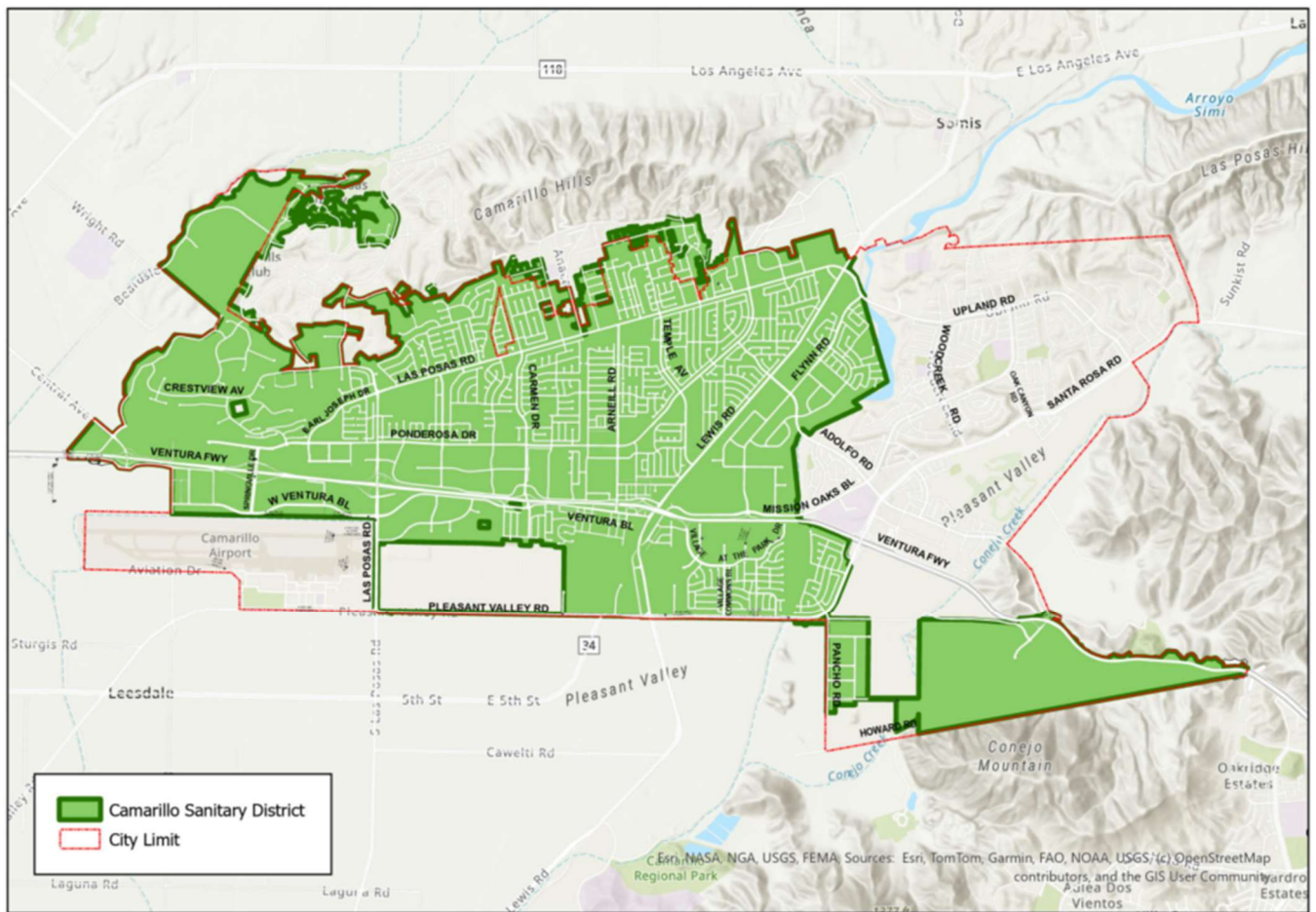


2. Introduction

The Camarillo Sanitary District (CSD) is a special district that provides sewer services to most of the City of Camarillo (City) residents. CSD provides wastewater collection, wastewater treatment, and storm drain management, collectively called sewer service. CSD provides sewer service to a population of approximately 47,000 within City boundaries and to portions of unincorporated areas of Ventura County. The existing service area is approximately 15.3 square miles. The portions of the City east of Calleguas Creek and north of Ventura Freeway are served by Camrosa Water District. CSD is governed by a five-member Board of Directors, all of whom are the City of Camarillo Council members and is run by the District Manager (the City of Camarillo's City Manager).

CSD's Water Reclamation Plant (WRP) has undergone several modifications to increase its capacity and incorporate new technologies since its construction in 1959. The plant currently treats on average 3.5 million gallons of wastewater daily, with a maximum capacity of 7.25 million gallons per day (MGD). CSD also produces recycled water for a small subset of City water irrigation customers. CSD is committed to protecting the environment, public health, and safety in a cost-effective manner through the collection and treatment of domestic, commercial, and industrial wastewater while ensuring full compliance with federal and state regulations. A detailed map of CSD's service area is provided in [Figure 2-1](#)[Figure 2-1](#).

Figure 2-1: Camarillo Sanitary District Service Area



Study Background

The 2025 Study encompasses a ten-year financial planning horizon with rates proposed for Fiscal Year (FY)³ 2026 through FY 2029, with rates proposed for implementation on July 1 of each year. Raftelis conducted the last Sewer Rate Study in 2023, which resulted in rates adjustments on January 1, 2024 and July 1, 2024. The financial plan incorporates updated cost escalation assumptions, estimates, and projections based on the most recent financial information, customer billing data, and sewer system information.

The objectives of the 2025 Rate Study include:

1. Development of a financial plan and proposed revenue adjustments to ensure financial sufficiency, reserves funding at adopted levels, and borrowing capacity for future capital improvements
2. Calculation of updated sewer rates based on the existing rate schedule and structure
3. Recommend rates for adoption on July 1 of each year from July 1, 2025 through July 1, 2028

³ A fiscal year begins on July 1 and ends on June 30 of the corresponding year.

3. Key Inputs and Assumptions

Key Information Used in this Study

Raftelis developed a sewer rate model in Microsoft Excel to forecast financial conditions over a planning period from FY 2025 (current year) through FY 2034. Projections were generally made based on actual data for FY 2024 and/or budgetary information for FY 2025. Underlying model assumptions including cost escalation factors, new connection growth rates, etc. were discussed with, and reviewed by, CSD staff to ensure that the sewer system’s unique characteristics are accurately accounted for.

The Study utilized the following critical information provided by the CSD:

- 1. FY 2024 actual revenues and expenses
- 2. FY 2025 adopted budgets
- 3. FY 2024 customer connections and wastewater flows for non-residential customers
- 4. FY 2025 beginning cash balances (July 1, 2024)
- 5. 10-year adopted CIP schedule and project timing

Current Rates

The current wastewater rate structure for residential customers consists of monthly service charges, per dwelling unit, that vary by customer sub-classification. Non-residential customers are charged 1) a monthly service charge by meter size and, 2) a commodity charge, based on metered water use, and that varies by customer strength⁴ classification.

Table 3-1 shows the Residential monthly charges by residential customer class per dwelling unit. Residential classes pay a fixed service charge which does not incorporate a volumetric rate.

Table 3-1: Current Residential Sewer Monthly Service Charges (FY 2025)

A		B
Line	Residential Class	Current Rate
1	Single Family Residential	\$74.30
2	Multi-Family Residential	\$51.40
3	Duplex	\$51.40
4	Triplex	\$51.40
5	Condos/Cluster Housing	\$51.40
6	Mobile Home Parks	\$28.92
7	Qualifying Low-Income Senior*	\$28.92
8	Age Restricted	\$28.92

Table 3-2 shows the current non-residential sewer rates based on meter size and the variable flow (“commodity”) rates per unit of water (\$/HCF).

⁴ Strength refers to the estimated loadings of two water quality parameters: Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS).

Table 3-2: Current Non-Residential Sewer Rates

Line	A Description	B Rate
1	Meter Size	(\$/month)
2	3/4"	\$43.35
3	1"	\$94.23
4	1 1/2"	\$179.10
5	2"	\$280.90
6	3"	\$518.42
7	4"	\$518.42
8	6"	\$518.42
9	8"	\$518.42
10	Commodity Rate	(\$/HCF)
11	Low Strength Commercial	\$5.44
12	Medium Strength Commercial	\$6.69
13	High Strength Commercial	\$7.80
14	Churches	\$5.44
15	Schools	\$5.44
16	Hospitals/Convalescent	\$5.44
17	Public/City	\$5.44
18	Industrial	\$7.80

Escalation Factors

Table 3-3 shows the Study's inflationary estimates. As part of the Study, Raftelis and CSD Staff have updated assumptions and inputs into the financial plan to reflect the best available information at the time of the study. Each individual expense within the operating budget is assigned the most applicable inflationary escalation factor. Energy inflation at 5 percent reflects long-term trends of power costs from CSD's electric utility provider. The general inflation factor is 3 percent, reflecting long-term historical averages of the Consumer Price Index (CPI). The capital inflation factor aligns with the long-term average increase in the Engineering News-Record (ENR) Construction Cost Index (CCI). Other operating revenues escalation reflects interest earnings expectations on cash reserves. The FY 2025 column shows N/A as the adopted budgets are utilized in that year.

Table 3-3: Sewer Inflationary Escalation

Line	A Description	B FY 2025	C FY 2026	D FY 2027	E FY 2028	F FY 2029
1	General Inflation	N/A	3.0%	3.0%	3.0%	3.0%
2	Salary	N/A	9.0%	9.0%	9.0%	9.0%
3	Benefits	N/A	9.0%	9.0%	9.0%	9.0%
4	Energy	N/A	5.0%	5.0%	5.0%	5.0%
5	Capital	N/A	4.0%	4.0%	4.0%	4.0%
6	Other Operating Revenues	N/A	2.0%	2.0%	2.0%	2.0%

Projected Connection Growth and Water Demand Factor

Table 3-4 shows the estimated change in new connections and water demand factor over the four-year planning horizon. Based on planning and building best estimates, CSD Staff projects a 0.5 percent growth rate in new connections throughout the planning period. Estimates for long-term wastewater generation from non-residential users are assumed to be level (i.e. 100% of prior year) through the planning period. Anticipated wastewater generation will reflect FY 2025 flows and are projected to remain near that level.

Table 3-4: Sewer Connection Growth and Projected Water Use

Line	A Description	C FY 2025	D FY 2026	E FY 2027	F FY 2028	G FY 2029
1	New Account Growth Rate	N/A	0.5%	0.5%	0.5%	0.5%
2	Water Demand Factor (Non-Residential Wastewater Flow)	N/A	100%	100%	100%	100%

Table 3-5 shows the projected number of dwelling units by residential class and fiscal year. The number of dwelling units is projected to grow at a rate of 0.5 percent annually based on the new growth rate identified in **Table 3-4**.

Table 3-5: Projected Residential Dwelling Units by Customer Class

Line	A Residential Class	B FY 2025 Budgeted	C FY 2026 Projected	D FY 2027 Projected	E FY 2028 Projected	F FY 2029 Projected
1	Single Family Residential	10,109	10,160	10,211	10,262	10,313
2	Multi-Family Residential	5,067	5,093	5,118	5,144	5,169
3	Duplex	145	145	146	147	148
4	Triplex	39	39	40	40	40
5	Condos/Cluster Housing	1,924	1,933	1,943	1,953	1,962
6	Mobile Home Parks	760	764	767	771	775
7	Qualifying Low-Income Senior*	24	24	24	24	25
8	Age Restricted	259	261	262	263	265
9	Outside CSD - SFR	0	0	0	0	0
10	Total	18,327	18,419	18,511	18,603	18,696

Table 3-6 shows the projected non-residential customer accounts by meter size and fiscal year. The number of non-residential accounts is escalated each year based on the 0.5 percent growth rate identified in **Table 3-4**.

Table 3-6: Projected Non-Residential Customers by Meter Size

Line	A Description	B FY 2025 Budgeted	C FY 2026 Projected	D FY 2027 Projected	E FY 2028 Projected	F FY 2029 Projected
1	Non-Residential					
2	3/4"	333	334	336	338	339
3	1"	337	338	340	342	343
4	1 1/2"	165	166	166	167	168
5	2"	141	141	142	143	144
6	3"	23	23	23	23	24
7	4"	7	7	7	7	7
8	6"	4	4	4	4	4
9	8"	0	0	0	0	0
10	Total	1,007	1,012	1,017	1,022	1,027

Table 3-7 shows the projected water use by non-residential customer class and by fiscal year. Water use (and wastewater flow generation) is projected to remain around 1% annually, as identified in **Table 3-4**.

Table 3-7: Projected Non-Residential Water Use (HCF) by Customer Class

Line	A Description	B FY 2025 Budgeted	C FY 2026 Projected	D FY 2027 Projected	E FY 2028 Projected	F FY 2029 Projected
1	Non-Residential					
2	Low Strength Commercial	183,167	184,083	185,004	185,929	186,858
3	Medium Strength Commercial	82,043	82,453	82,866	83,280	83,696
4	High Strength Commercial	55,216	55,492	55,769	56,048	56,328
5	Churches	8,802	8,846	8,890	8,934	8,979
6	Schools	13,738	13,807	13,876	13,945	14,015
7	Hospitals/Convalescent	28,308	28,449	28,592	28,735	28,878
8	Public/City	3,491	3,509	3,526	3,544	3,562
9	Industrial	17,674	17,762	17,851	17,940	18,030
10	Total	392,439	394,402	396,374	398,356	400,347

4. Financial Plan

This section of the Report details the financial forecast, projecting operating and capital expenses and reserve coverage requirements that determine the overall revenue adjustments required to ensure the financial stability of CSD. Revenue adjustments represent the gross increase in total rate revenues and can be considered the proposed percentage increase to CSD customers rates. This financial plan projects over a 10-year period which allows CSD to prepare for large-scale capital costs outlined in the SSMP. The numbers shown in the tables of this section are rounded. Therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown in this Report.

Factors Affecting Revenue Adjustments

The following items affect the CSD revenue requirement (i.e., cost of service) and thus its sewer rates. CSD's expenses include operating and maintenance (O&M) expenses, capital expenses, debt service, and reserve funding.

1. **O&M Expenses:** CSD's operating costs have increased in recent years due to increased maintenance costs on aging facilities, additional administrative costs, and inflationary pressures. For example, annual costs for power and treatment-related chemical costs have exceeded normal inflation rates since the last study. These cost increases pressure net revenues to reserves, and importantly, reduce borrowing capacity in the future. Stated differently, each additional dollar of O&M reduces the amount of money CSD can borrow for future projects with existing revenues.
2. **Reserve Funding:** CSD has reserve policies to meet cash flow needs, ensure adequate funding of repairs and replacements in the event of asset failure or other unforeseen circumstances or events, and protect ratepayers from rate spikes. The FY 2025 actual beginning balance for CSD was \$62.9 million. While the beginning balance is significantly greater than the reserve target, as cash funded CIP and future SSMP projects are financed and constructed, CSD's cash on hand will more closely reflect the adopted reserve policies.
3. **Debt Coverage:** CSD has debt service coverage requirements for current and any future bond sales. The current minimum coverage is 1.20 (i.e. net revenues equal to no less than 120% of annual debt service). Debt service coverage is a condition of borrowing with an obligation to generate a minimum amount of net operating revenues relative to the agency's annual debt service. CSD's capital improvement plan will require approximately \$175 million in bond sales to execute upgrades of the Water Reclamation Plant (WRP). Rate revenues will need to generate sufficient cash to both repay the annual debt service and achieve debt service coverage ratio minimums.

Sewer Enterprise Revenues

Table 4-1 **Table 4-1** shows CSD revenues from existing rates and from non-rate sources. Rate revenues consist of monthly service charges (fixed charges) that vary by customer class for residential customers and meter size for non-residential customers. non-residential customers rates include a volumetric (variable) flow charge based on metered water use. Monthly service charges for all customer classes are shown in **Table 3-1** **Table 3-1**. The commodity charges for non-residential customers are shown in **Table 3-2** **Table 3-2**. The volumetric component of a non-residential customer's bill is calculated based on the number of units of water delivered to a property, measured in one hundred cubic feet (HCF), multiplied by the corresponding uniform customer class rate. Projected non-residential water use is shown in **Table 3-4** **Table 3-4**. Rate revenues in **Table 3-1** are calculated by multiplying the current rates by class and sub-class by the respective units of service for each (i.e. residential dwelling units by sub-class, metered non-residential connection by size, and non-residential water use by strength class). CSD also derives a modest amount of revenues from non-rate sources.

Table 4-1: Calculated Sewer Enterprise Revenues

A	B	C	D	E	F
Description	FY 2025 Budgeted	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Rate Revenue					
Residential Service Charge	\$13,800,828	\$13,869,832	\$13,939,181	\$14,008,877	\$14,078,922
Non-Residential Service Charge	\$1,594,821	\$1,602,796	\$1,610,809	\$1,618,864	\$1,626,958
Non-Residential Water Use	\$2,409,444	\$2,421,491	\$2,433,599	\$2,445,767	\$2,457,996
Total Rate Revenue	\$17,805,093	\$17,894,119	\$17,983,589	\$18,073,507	\$18,163,875
Non-Rate Revenue					
Charges for Service	\$216,200	\$220,624	\$225,139	\$229,748	\$234,453
Fines/Assessments	\$111,600	\$113,832	\$116,109	\$118,431	\$120,799
Investments-Contributions	\$153,719	\$158,331	\$163,080	\$167,973	\$173,012
Other Revenues	\$94,870	\$97,716	\$100,648	\$103,667	\$106,777
Total Non-Rate Revenue	\$576,389	\$590,503	\$604,976	\$619,819	\$635,041
Total Revenue (Calculated)	\$18,381,482	\$18,484,622	\$18,588,566	\$18,693,326	\$18,798,916

Enterprise Operating Expenses

Table 4-2 summarizes budgeted and projected O&M expenses for the CSD. O&M expenses include the costs of operating and maintaining the wastewater collection, treatment, and disposal facilities, as well as the costs of providing technical services such as laboratory services and other administrative costs of the wastewater system like customer service and billing. CSD's FY 2025 operating budget is the basis for FY 2026 year with adjustments made with CSD staff to account for any one-time, extraordinary, or non-recurring costs in FY 2025. Projections then rely on the inflationary escalation assumptions in **Table 3-3**.

Table 4-2: Projected Sewer O&M Expenses

A	C	D	E	F	G
Residential Class	FY 2025 Budgeted	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Finance-					
Customer Service	\$732,823	\$778,686	\$828,075	\$881,287	\$938,649
Administration	\$9,087,038	\$7,823,031	\$8,313,370	\$8,844,043	\$9,415,952
Pumping Station	\$1,001,326	\$886,875	\$945,256	\$1,008,091	\$1,075,752
Collection System	\$2,421,952	\$2,020,524	\$2,144,355	\$2,277,591	\$2,421,025
Reclamation Plant	\$6,694,937	\$7,041,778	\$7,472,891	\$7,935,870	\$8,433,333
Capital Purchases	\$678,000	\$784,949	\$816,347	\$849,001	\$882,961
Total O&M	\$20,616,076	\$19,335,843	\$20,520,293	\$21,795,884	\$23,167,672

Capital Improvement Program

Table 4-3 shows the Capital Improvement Program (CIP) detailed by project and year. The exact timing and costs of the long-term CIP will be revisited each year based on progress in planning, design, and construction. Major projects include the flood wall improvements at the WRP, the Pleasant Valley Road sewer force main, and the WRP Phase I and Phase II replacement projects. All project costs are shown in current dollars and are escalated in future years based on the capital escalation factor (4 percent per year) from **Table 3-3**.

Table 4-3: Sewer Enterprise Capital Improvement Plan

	FY 2025 Budgeted	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected	FY 2032 Projected	FY 2033 Projected	FY 2034 Projected
CSD Repair and Replacement										
Chemical System Improvements	\$100,000	\$1,400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Conejo Creek Bank Repair at WRP	\$100,000	\$240,000	\$950,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Daily Drive/101 Freeway Sewer Improvements	\$321,578	\$250,000	\$45,000	\$2,000,000	\$2,000,000	\$0	\$0	\$0	\$0	\$0
Dawson Drive to Metrolink Station Sewer	\$100,000	\$1,400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Flood Improvements at WRP	\$0	\$1,044,840	\$0	\$11,000,000	\$0	\$0	\$0	\$0	\$0	\$0
Interim Plant Buildings Improvements	\$931,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lewis Road to Flynn Road Sewer	\$2,100,000	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant 3 Blower Control Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pleasant Valley Road Sewer Force Main	\$0	\$1,635,006	\$100,000	\$10,000,000	\$10,000,000	\$0	\$0	\$0	\$0	\$0
Ponderosa Drive Sewer	\$0	\$0	\$0	\$0	\$800,000	\$0	\$1,000,000	\$2,200,000	\$2,000,000	\$0
Pump Station No. 3 Improvements	\$100,000	\$950,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pump Station No. 3 Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pump Station No. 4 Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Improvements per SSMP SS5043	\$70,000	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Improvements per SSMP SS5072	\$0	\$300,000	\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Improvements per SSMP SS5117	\$0	\$0	\$300,000	\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Improvements per SSMP SS5135	\$0	\$0	\$0	\$300,000	\$1,700,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,000,000
Wastewater System Generator Replacement	\$1,720,425	\$2,048,825	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Reclamation Plant Upgrades- Phase I	\$1,000,000	\$1,000,000	\$0	\$11,000,000	\$11,000,000	\$0	\$0	\$0	\$0	\$0
Water Reclamation Plant Upgrades- Phase II	\$1,633,363	\$3,322,571	\$4,000,000	\$0	\$4,000,000	\$37,000,000	\$37,000,000	\$38,300,000	\$0	\$0
WRP Clarifier Tanks Coating and Repair	\$100,000	\$250,000	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WRP Entrance Road Improvement	\$150,000	\$450,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WRP Plant 1 Aeration Diffuser Replacement	\$200,000	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional appropriation for WWTP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reclaimed Water Storage Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CIP Rollover + FY 2025 mid-year appropriations	\$9,400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Annual CIP (Nominal)	\$18,026,916	\$17,691,242	\$9,095,000	\$36,000,000	\$29,500,000	\$38,200,000	\$39,200,000	\$41,700,000	\$3,200,000	\$1,000,000
Total Annual CIP (Escalated)	\$18,026,916	\$18,398,892	\$9,837,152	\$40,495,104	\$34,510,828	\$46,476,141	\$49,600,506	\$54,874,355	\$4,379,421	\$1,423,312

Debt Service

The CSD has one outstanding debt issue from wastewater revenue bonds issued in 2005: Camarillo PFA 2005 Wastewater Revenue Bonds/2015 Refunding. [Table 4-4](#) shows the annual debt service payment for the Study planning period.

Table 4-4: Existing Debt Service

Description	FY 2025 Budgeted	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Existing Principal	\$840,000	\$880,000	\$925,000	\$975,000	\$1,000,000
Existing Interest	\$465,994	\$423,994	\$379,994	\$333,744	\$304,494

Cash Reserves

CSD has reserve policies to meet cash flow needs, ensure adequate funds for replacing assets in case of emergency or failure or other unforeseen circumstances or events, and to protect ratepayers from rate spikes. The defined reserve policy is 90 days (three months) of cash to meet operating expenses, one year of annual depreciation in replacement cost dollars for the capital replacement reserve, one percent of sewer collection and treatment system valuation for the emergency reserve, and one year of annual debt service. The FY 2025 actual beginning balance for CSD unrestricted funds was \$62.9 million. [Table 4-5](#) shows the current enterprise reserve policy and targets for FY 2025.

Table 4-5: CSD Cash Reserve Policy Targets

Line	Reserve	Policy	Reserve Target FY 2025
1	Operating	3 months of Operating Expenses	\$5,154,019
2	Capital Replacement	One Year RC Depreciation	\$2,746,252
3	Emergency	1.0% of Total Assets	\$2,012,316
4	Debt Service	One Year Annual Debt Service	\$1,305,994
5	Total Reserve Target		\$11,218,581

Status Quo Financial Plan – No Revenue Adjustments

Table 4-6 shows the projected proforma for the CSD for FY 2025 through FY 2029, absent any revenue adjustments. Without increases to rate revenues, revenues generated from rates are insufficient to recover costs. Net operating revenue is negative in most years as is calculated debt service coverage. Without revenue adjustments or significant revisions to the CIP, the projected cash balance turns negative in FY 2028.

Table 4-6: Status Quo CSD Financial Plan Proforma

A	B	C	D	E	F
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Operating Revenues					
Revenue from Existing Rates	\$17,805,093	\$17,894,119	\$17,983,589	\$18,073,507	\$18,163,875
Total Revenue Adjustments	\$0	\$0	\$0	\$0	\$0
Total Rate Revenue	\$17,805,093	\$17,894,119	\$17,983,589	\$18,073,507	\$18,163,875
Non-Rate Revenue					
Property Tax Revenues	\$1,276,929	\$1,276,929	\$1,276,929	\$1,276,929	\$1,276,929
Charges for Service	\$216,200	\$220,624	\$225,139	\$229,748	\$234,453
Fines/Assessments	\$111,600	\$113,832	\$116,109	\$118,431	\$120,799
Investments-Contributions	\$153,719	\$158,331	\$163,080	\$167,973	\$173,012
Other Revenues	\$94,870	\$97,716	\$100,648	\$103,667	\$106,777
Total Operating Revenue	\$19,658,411	\$19,761,551	\$19,865,495	\$19,970,255	\$20,075,845
O&M Expenses					
Finance - Customer Service	\$732,823	\$778,686	\$828,075	\$881,287	\$938,649
Administration	\$9,087,038	\$7,823,031	\$8,313,370	\$8,844,043	\$9,415,952
Pumping Station	\$1,001,326	\$886,875	\$945,256	\$1,008,091	\$1,075,752
Collection System	\$2,421,952	\$2,020,524	\$2,144,355	\$2,277,591	\$2,421,025
Reclamation Plant	\$6,694,937	\$7,041,778	\$7,472,891	\$7,935,870	\$8,433,333
Capital Purchases	\$678,000	\$784,949	\$816,347	\$849,001	\$882,961
Total O&M Expenses	\$20,616,076	\$19,335,843	\$20,520,293	\$21,795,884	\$23,167,672
Revenues Less Operating Expenses	(\$957,665)	\$425,707	(\$654,798)	(\$1,825,628)	(\$3,091,827)
Replacement Capital Projects	\$18,026,916	\$18,398,892	\$9,837,152	\$40,495,104	\$34,510,828
Debt Issues	\$0	\$0	\$0	\$0	\$0
Debt Service	\$1,305,994	\$1,303,994	\$1,304,994	\$1,308,744	\$1,304,494
Net Cash Change	(\$20,265,188)	(\$19,002,163)	(\$11,786,367)	(\$43,595,628)	(\$38,907,148)
Beginning Balance	\$62,893,782	\$42,628,594	\$23,626,431	\$11,840,064	(\$31,755,564)
Ending Balance Target	\$42,628,594	\$23,626,431	\$11,840,064	(\$31,755,564)	(\$70,662,712)
	\$11,218,581	\$10,896,523	\$11,193,635	\$11,516,283	\$11,854,980
Debt Coverage	-71%	54%	-49%	-137%	-237%
Target Coverage	120%	120%	120%	120%	120%

Proposed Financial Plan - Revenue Adjustments

Table 4-7 displays the proposed revenue adjustments for the study period. The proposed financial plan is a 16 percent increase annually from FY 2026 through FY 2029. These increases will prepare the CSD for significant capital projects costs required to update and upgrade the WRP, while adequately funding all operating expenses, achieving debt coverage requirements, and achieving cash reserve targets.

Table 4-7: Proposed Revenue Adjustments

A	E	F	G	H
Description	FY 2026 Proposed	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed
Proposed Revenue Increase	16.0%	16.0%	16.0%	16.0%

The proposed financial plan relies on future borrowing for capital reinvestment. Debt financing generational asset replacement reduces the impact on rate payers by spreading the burden over an extended period and ensuring future rate payers share in the cost of replacing these types of facilities. Planned debt issues are provided in **Table 4-8** and consists of \$60 million in proceeds, financed in FY 2028 at an assumed 4.5 percent interest, 1 percent cost of issuance, and a 30-year term. Additional borrowing is planned⁵ in FY 2030 and 2032 for WRP upgrades.

Table 4-8: Proposed Debt Service

Description	FY 2026 Planned	FY 2027 Planned	FY 2028 Planned	FY 2029 Planned
Proposed Debt Service	\$0	\$0	\$60,606,061	\$0

Table 4-9 shows the projected proforma for the CSD for FY 2025 through FY 2029. With the proposed revenue adjustments, revenues generated from rates and other non-rate revenue sources are sufficient to recover all operating and capital costs, achieve minimum debt service coverage, and achieve the adopted reserve policies. Line 3 shows the additional revenues from rates achieved with the revenue adjustments shown in **Table 4-7**.

⁵ The adjustments after FY 2029 are for planning purposes only and are subject to an updated study and consideration by the CSD Board at that time.

Table 4-9: Projected CSD Financial Plan Proforma

A	B FY 2025	C FY 2026	D FY 2027	E FY 2028	F FY 2029
Operating Revenues					
Revenue from Existing Rates	\$17,805,093	\$17,894,119	\$17,983,589	\$18,073,507	\$18,163,875
Total Revenue Adjustments	\$0	\$2,863,059	\$5,754,749	\$9,137,965	\$13,019,866
Total Rate Revenue	\$17,805,093	\$20,757,178	\$23,738,338	\$27,211,473	\$31,183,740
Non-Rate Revenue					
Property Tax Revenues	\$1,276,929	\$1,276,929	\$1,276,929	\$1,276,929	\$1,276,929
Charges for Service	\$216,200	\$220,624	\$225,139	\$229,748	\$234,453
Fines/Assessments	\$111,600	\$113,832	\$116,109	\$118,431	\$120,799
Investments-Contributions	\$153,719	\$158,331	\$163,080	\$167,973	\$173,012
Other Revenues	\$94,870	\$97,716	\$100,648	\$103,667	\$106,777
Total Operating Revenue	\$19,658,411	\$22,624,610	\$25,620,243	\$29,108,221	\$33,095,711
O&M Expenses					
Finance - Customer Service	\$732,823	\$778,686	\$828,075	\$881,287	\$938,649
Administration	\$9,087,038	\$7,823,031	\$8,313,370	\$8,844,043	\$9,415,952
Pumping Station	\$1,001,326	\$886,875	\$945,256	\$1,008,091	\$1,075,752
Collection System	\$2,421,952	\$2,020,524	\$2,144,355	\$2,277,591	\$2,421,025
Reclamation Plant	\$6,694,937	\$7,041,778	\$7,472,891	\$7,935,870	\$8,433,333
Capital Purchases	\$678,000	\$784,949	\$816,347	\$849,001	\$882,961
Total O&M Expenses	\$20,616,076	\$19,335,843	\$20,520,293	\$21,795,884	\$23,167,672
Revenues Less Operating Expenses	(\$957,665)	\$3,288,766	\$5,099,950	\$7,312,337	\$9,928,039
Replacement Capital Projects	\$18,026,916	\$18,398,892	\$9,837,152	\$40,495,104	\$34,510,828
Debt Issues	\$0	\$0	\$0	\$60,606,061	\$0
Debt Service	\$1,305,994	\$1,303,994	\$1,304,994	\$4,992,236	\$4,987,986
Net Cash Change	(\$20,265,188)	(\$16,139,104)	(\$6,031,618)	\$21,858,845	(\$29,570,775)
Beginning Balance	\$62,893,782	\$42,642,284	\$26,519,139	\$20,505,773	\$42,385,540
Ending Balance	\$42,628,594	\$26,489,490	\$20,457,872	\$42,316,717	\$12,745,942
Target	\$11,218,581	\$10,896,523	\$11,193,635	\$15,199,775	\$15,538,472
Debt Coverage	-71%	273%	392%	147%	199%
Target Coverage	120%	120%	120%	120%	120%

Figure 4-1 shows debt coverage and proposed revenue adjustments over the Study Period. The proposed financial plan and four year adoption period is a 16 percent adjustment annually from FY 2026 through FY 2029. For planning purposes, and to achieve a sustainable plan over the full 10-year horizon, additional increases of 16

percent are projected in FY 2030 and 2031; followed by 6 percent increases in FY 2032 through 2034. These adjustments adequately fund all operating expenses, debt coverage requirements, and achieve reserve policy targets. The financial plan will utilize existing reserves, future proposed bond proceeds, and available grants (\$30 million based on staff estimates) to fund the upcoming long-term capital improvement program (CIP) resulting from the SSMP.

Figure 4-1: Revenue Adjustments and Debt Coverage

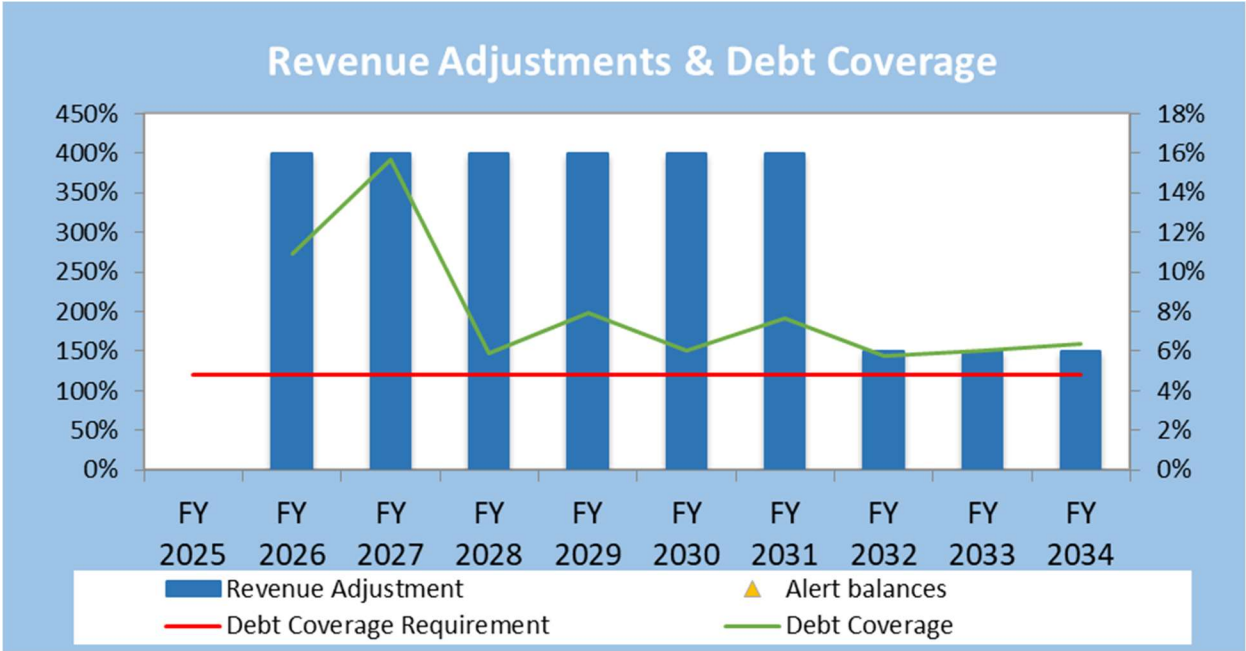


Figure 4-2 illustrates the 10-year operating financial plan including proposed rate increases for FY 2026 through FY 2029; and projected increases through FY 2034. O&M is shown in grey bars, projected debt service in orange, and revenues to/from reserves (for cash funded capital) in green. Current and proposed revenues are shown by the black and blue lines, respectively. The planned revenue adjustments sufficiently fund O&M, current and future debt service, and cash-capital program expenses, while achieving reserve targets over the long term.

Figure 4-2: Operating Financial Plan

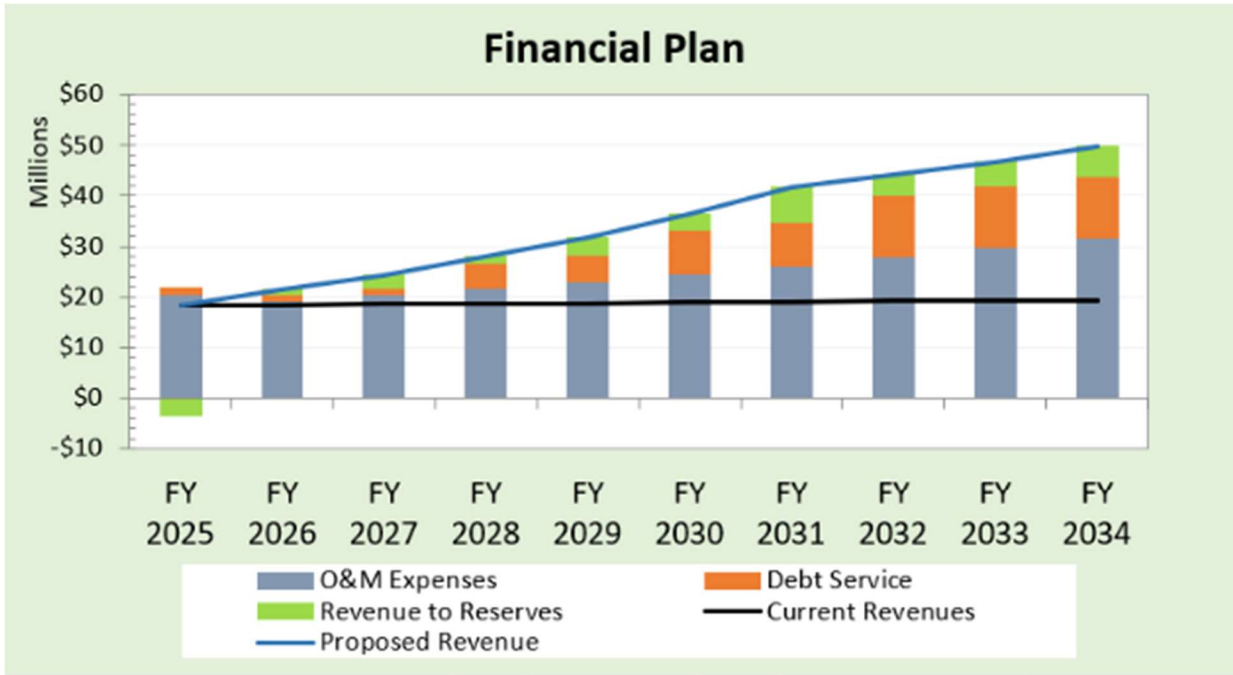


Figure 4-3 shows ending reserve balances (green bars) and targeted balances (green line) over the planning horizon. The proposed revenue adjustments (Table 4-7) maintain ending reserve balances above target through FY 2028. Reserve balances are then drawn down below reserve levels briefly in FY 2029 and FY 2031 before achieving the target again in FY 2032, after completion of the WRP upgrade projects. Reserve balances shown include cash and any remaining bond proceeds on hand but not expended in the year of issue. The proposed financial plan mitigates larger revenue increases by taking early action to build the utility’s revenue base and debt capacity for future SSMP capital projects.

Figure 4-3: Estimated Ending Fund Balances

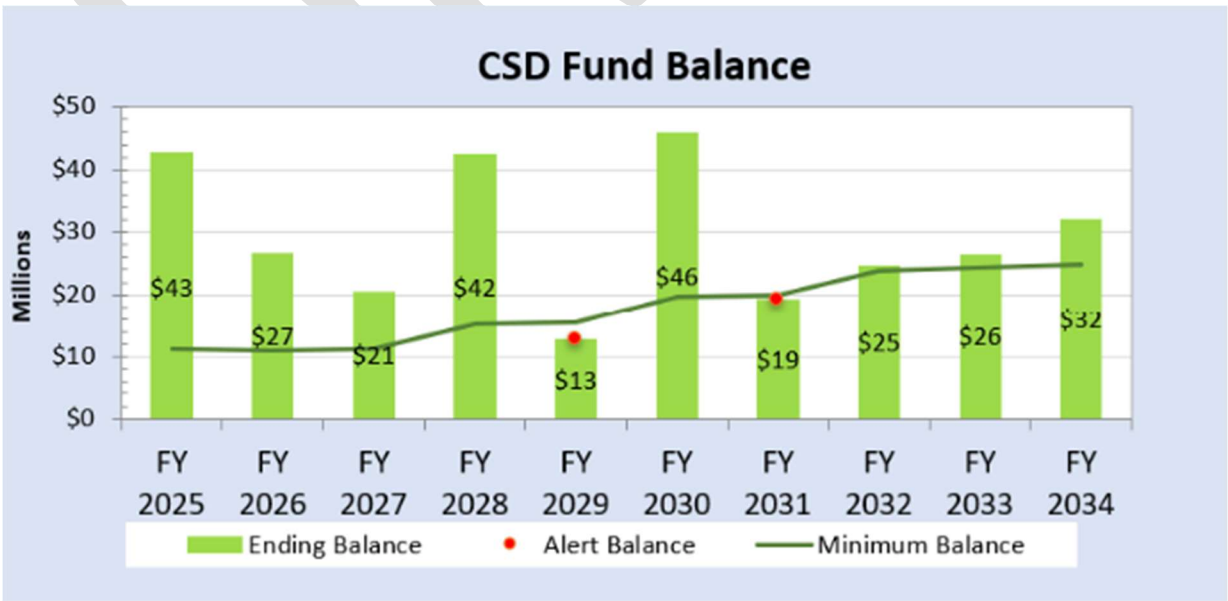
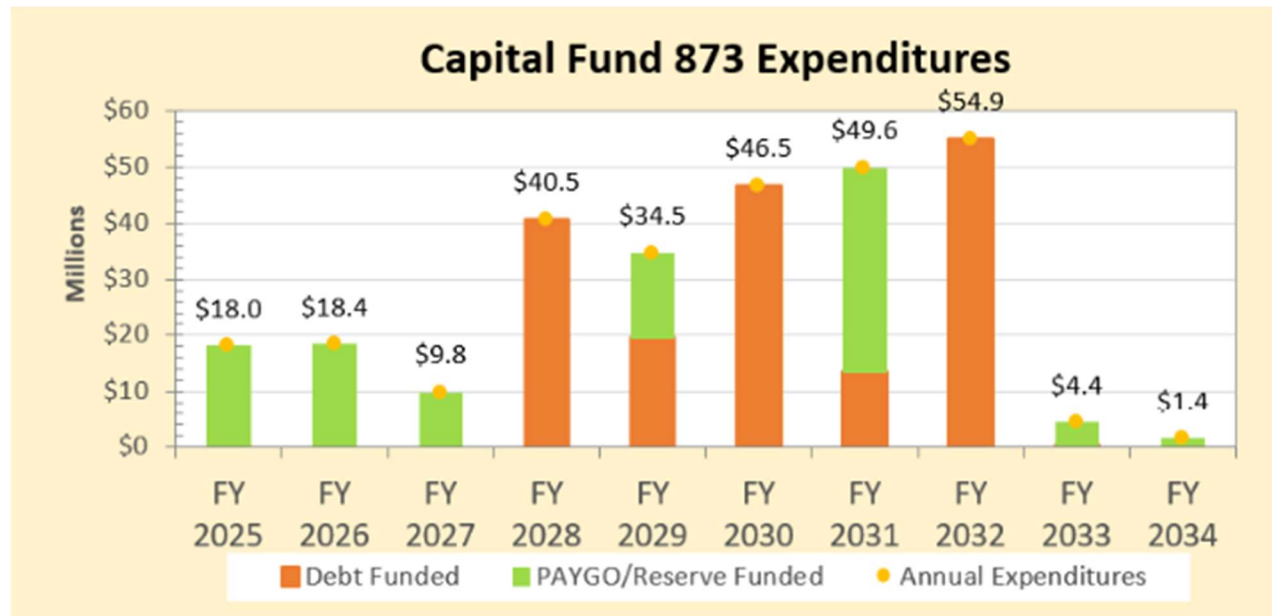


Figure 4-4 shows the CSD CIP expenses in FY 2025 through FY 2034. The proposed financial plan CIP expenses are assumed to be funded through a combination of cash reserves (green bars) and bond sales (orange bars). Bond sales assume three separate issues over the 10-year horizon: \$60M in FY 2028, \$60M in FY 2030, and \$55M in FY 2032.

Figure 4-4: Capital Improvement Program Funding



5. Proposed Rates

This section shows the proposed rates for CSD. The proposed rate adjustments are based on the CSD's financial plan detailed in **Section 4**. Rates below represent a 16 percent increase equal to the revenue adjustment and are proposed for implementation on July 1, 2025 and each July thereafter through July 1, 2028. No changes to the rate structure are proposed. All rates are rounded to the nearest penny.

Table 5-1 shows the current and proposed monthly residential service charges, per dwelling unit, and by customer class.

Table 5-1: Proposed Residential Monthly Service Charge

Residential Class	Current Rates	Proposed (July 1, 2025)	Proposed (July 1, 2026)	Proposed (July 1, 2027)	Proposed (July 1, 2028)
Single Family Residential	\$74.30	\$86.19	\$99.99	\$115.99	\$134.55
Multi-Family Residential	\$51.40	\$59.63	\$69.18	\$80.25	\$93.09
Duplex	\$51.40	\$59.63	\$69.18	\$80.25	\$93.09
Triplex	\$51.40	\$59.63	\$69.18	\$80.25	\$93.09
Condos/Cluster Housing	\$51.40	\$59.63	\$69.18	\$80.25	\$93.09
Mobile Home Parks	\$28.92	\$33.55	\$38.92	\$45.15	\$52.38
Qualifying Low-Income Senior	\$28.92	\$33.55	\$38.92	\$45.15	\$52.38
Age Restricted	\$28.92	\$33.55	\$38.92	\$45.15	\$52.38

Table 5-2 shows the current and proposed non-residential sewer rates. Non-residential classes have two components to their sewer charges: a fixed charge based on meter size and a uniform commodity charge per unit of wastewater generated (\$/HCF), based on metered water use.

Table 5-2: Proposed Non-Residential Sewer Rates

Meter Size/Customer Type	Current Rates	Proposed (July 1, 2025)	Proposed (July 1, 2026)	Proposed (July 1, 2027)	Proposed (July 1, 2028)
Meter Size	(\$/month)	(\$/month)	(\$/month)	(\$/month)	(\$/month)
3/4"	\$43.35	\$50.29	\$58.34	\$67.68	\$78.51
1"	\$94.23	\$109.31	\$126.80	\$147.09	\$170.63
1 1/2"	\$179.10	\$207.76	\$241.01	\$279.58	\$324.32
2"	\$280.90	\$325.85	\$377.99	\$438.47	\$508.63
3"	\$518.42	\$601.37	\$697.59	\$809.21	\$938.69
4"	\$518.42	\$601.37	\$697.59	\$809.21	\$938.69
6"	\$518.42	\$601.37	\$697.59	\$809.21	\$938.69
8"	\$518.42	\$601.37	\$697.59	\$809.21	\$938.69
Commodity Rate	(\$/HCF)	(\$/HCF)	(\$/HCF)	(\$/HCF)	(\$/HCF)
Low Strength Commercial	\$5.44	\$6.32	\$7.34	\$8.52	\$9.89
Medium Strength Commercial	\$6.69	\$7.77	\$9.02	\$10.47	\$12.15
High Strength Commercial	\$7.80	\$9.05	\$10.50	\$12.18	\$14.13
Churches	\$5.44	\$6.32	\$7.34	\$8.52	\$9.89
Schools	\$5.44	\$6.32	\$7.34	\$8.52	\$9.89
Hospitals/Convalescent	\$5.44	\$6.32	\$7.34	\$8.52	\$9.89
Public/City	\$5.44	\$6.32	\$7.34	\$8.52	\$9.89
Industrial	\$7.80	\$9.05	\$10.50	\$12.18	\$14.13

6. Sewer Rate Survey

Raftelis conducted a rate survey to benchmark current and proposed sewer rates against ten neighboring providers. While a useful benchmark, it is worth noting that such comparisons only paint a partial picture since many factors, such as age and replacement of infrastructure, service area characteristics, revenue sources, and other local conditions affect the total cost of providing sewer services.

Figure 6-1 shows the wastewater bill at the current and proposed rates. The survey compares the bill of a Single Family Residential customer using 12 HCF of water per month. The survey compares the estimated bills on July 1, 2025. It should be noted that neighboring agencies have varying durations of adopted rate increases and several agencies including peers like Oxnard, Ventura, and Thousand Oaks are in the process of completing new multi-year rate studies of their own.

Figure 6-1: Sewer Bill Comparison

