

Amador Water Agency
Lake Camanche Water ID No. 7 Rate Study
AMENDED FINAL REPORT

January 4, 2010

WATER RATE RECOMMENDATIONS

This report presents water rate recommendations for the Lake Camanche Water System (Improvement District No. 7). Rate recommendations are based on the revenue needs for FY 09-10 through FY 11-12.

Agency staff has determined that the water rates in Lake Camanche should generate about \$340,000 in FY 09-10 to meet financial obligations and objectives reflected in the multi-year financial plan. It is recommended that we adopt a three-year rate plan starting with 9%, and then additional rate increases of 9% on July 1, 2010 and 9% on July 1, 2011.

In order to meet the full financial obligations of the water utility and close the operating deficit of about \$618,000, it is recommended that we borrow \$800,000 in FY 09--10 and begin repayment in FY 10-11, which amounts to an annual payment of about \$32,000. The bracketed red numbers on the financial plan reflects this structural cash deficit.

Typical residential users (12 units) will see their monthly bill go from \$37.67 currently to \$41.07, \$44.79 and then to \$48.83 in FY 11-12.

The last adjustment to the water rates in the Lake Camanche water system was July 1, 2006.

**Amador Water Agency - Lake Camanche Water ID No. 7 Water System
Financial Plan Summary**

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
	Actuals	Actuals	9%	9%	9%	9%	8%	8%	6%	6%
OPERATING FUND										
Beginning Balance	\$(204,383)	\$(393,185)	\$(618,380)	\$(711,585)	\$ 7,354	\$(51,496)	\$(86,246)	\$(98,146)	\$(84,196)	\$(54,396)
Revenues and Transfers In										
Water Sales	\$ 334,775	\$ 334,895	\$ 340,000	\$ 397,889	\$ 434,000	\$ 473,000	\$ 511,000	\$ 552,000	\$ 585,000	\$ 620,000
Meter Connection Fees	\$ 3,636	\$ -	\$ 1,500	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Engineering & Inspection Fees	\$ 3,170	\$ 330	\$ 250	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Interest - Operating	\$ 4,041	\$ 65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Revenue	\$ 151	\$ 39,690	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Assessment/Standby Fees	\$ 34,489	\$ -	\$ 33,600	\$ 33,400	\$ 33,200	\$ 33,000	\$ 32,800	\$ 32,600	\$ 32,400	\$ 32,200
From Other Funds (AWS Loan)	\$ -	\$ -	\$ -	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues and Trans. In	\$ 380,262	\$ 374,980	\$ 375,350	\$ 1,233,339	\$ 469,250	\$ 508,050	\$ 545,850	\$ 586,650	\$ 619,450	\$ 654,250
Operating Expenditures										
Salaries and Benefits	\$ 306,812	\$ 327,630	\$ 278,110	\$ 286,000	\$ 295,000	\$ 304,000	\$ 313,000	\$ 322,000	\$ 332,000	\$ 342,000
System Operations & Maint.	\$ 119,079	\$ 135,505	\$ 107,880	\$ 111,000	\$ 114,000	\$ 117,000	\$ 121,000	\$ 125,000	\$ 129,000	\$ 133,000
Administrative Expend.	\$ 62,985	\$ 80,840	\$ 66,270	\$ 68,000	\$ 70,000	\$ 72,000	\$ 74,000	\$ 76,000	\$ 78,000	\$ 80,000
Total Expenditures	\$ 488,876	\$ 543,975	\$ 452,260	\$ 465,000	\$ 479,000	\$ 493,000	\$ 508,000	\$ 523,000	\$ 539,000	\$ 555,000
Debt Service Payments										
Interdepartmental Loan (AWS)	\$ -	\$ -	\$ -	\$ 33,000	\$ 32,500	\$ 32,500	\$ 32,250	\$ 32,000	\$ 31,750	\$ 31,500
CSDA "Z" (ID # 7 share only)	\$ 7,899	\$ 10,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment to Other Funds	\$ 21,811	\$ 20,695	\$ 9,015	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Debt Service Payments	\$ 29,710	\$ 31,510	\$ 9,015	\$ 43,000	\$ 42,500	\$ 42,500	\$ 42,250	\$ 42,000	\$ 41,750	\$ 41,500
Fixed Asset Purchases										
Transfer to Other Funds	\$ 46,878	\$ 20,390	\$ 2,280	\$ 2,300	\$ 2,400	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800	\$ 2,900
Transfers to Other Funds										
To Benefit Reserves	\$ 2,100	\$ 2,800	\$ 3,500	\$ 3,600	\$ 3,700	\$ 3,800	\$ 3,900	\$ 4,000	\$ 4,100	\$ 4,200
To Operating Reserves	\$ 1,000	\$ 1,000	\$ 500	\$ 500	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
To Replacement Reserves	\$ 500	\$ 500	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,500
Total Transfers to Other Funds	\$ 3,600	\$ 4,300	\$ 5,000	\$ 4,100	\$ 4,200	\$ 4,800	\$ 4,900	\$ 5,000	\$ 6,100	\$ 6,700
Ending Balance	\$(393,185)	\$(618,380)	\$(711,585)	\$ 7,354	\$(51,496)	\$(86,246)	\$(98,146)	\$(84,196)	\$(54,396)	\$(6,246)
Operating Reserve (16.7%)	\$ 82,000	\$ 91,000	\$ 76,000	\$ 78,000	\$ 80,000	\$ 82,000	\$ 85,000	\$ 87,000	\$ 90,000	\$ 93,000
Uncommitted Fund Balance	\$(475,185)	\$(709,380)	\$(787,585)	\$(70,646)	\$(131,496)	\$(168,246)	\$(183,146)	\$(171,196)	\$(144,396)	\$(99,246)

**Amador Water Agency - Lake Camanche Water ID No. 7 Water System
Financial Plan Summary**

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
CAPITAL FUND										
Beginning Balance	\$ 235,708	\$ 62,098	\$ (56,855)	\$ (57,240)	\$ (55,940)	\$ (53,940)	\$ (51,940)	\$ (50,940)	\$ (49,940)	\$ (47,940)
Revenues and Transfers In										
Transfer in from Operations	\$ 500	\$ 500	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,500
Participation Fees	\$ 33,705	\$ 15,600	\$ 8,000	\$ 11,300	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Interest Earnings	\$ -	\$ 725	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt/Grant Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues & Trans. In	\$ 34,205	\$ 16,825	\$ 9,200	\$ 11,300	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 13,000	\$ 13,500
Expenditures										
Capital Salaries & Overhead	\$ 111,698	\$ 68,095	\$ 5,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Replac. Projects (Pay-As-You-Go)	\$ 96,117	\$ 67,683	\$ 4,200	\$ 10,000	\$ 10,000	\$ 10,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 12,000
Debt Financed Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer out to Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures & Trans. Out	\$ 207,815	\$ 135,778	\$ 9,585	\$ 10,000	\$ 10,000	\$ 10,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 12,000
Ending Balance	\$ 62,098	\$ (56,855)	\$ (57,240)	\$ (55,940)	\$ (53,940)	\$ (51,940)	\$ (50,940)	\$ (49,940)	\$ (47,940)	\$ (46,440)

**Amador Water Agency -- Lake Camanche Water ID No. 7
Summary of Debt Service Obligations**

	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
CSDA "Z" (ID #7 share only)												
Total Debt Service		128,075	128,075	128,075	-	-						
ID #7 Share (8%)		10,245	10,245	10,245	-	-						
Principal						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Remain. Bal.						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal						\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Interest						\$ 8,000	\$ 7,750	\$ 7,500	\$ 7,250	\$ 7,000	\$ 6,750	\$ 6,500
Total						\$ 33,000	\$ 32,750	\$ 32,500	\$ 32,250	\$ 32,000	\$ 31,750	\$ 31,500
Remain. Bal.						\$ 800,000	\$ 775,000	\$ 750,000	\$ 725,000	\$ 700,000	\$ 675,000	\$ 650,000

Amador Water Agency -- Lake Camanche Water ID No. 7				Amador Water Agency -- Lake Camanche Water ID No. 7 Assumptions for Internal AWS Loan			
Amount of Loan	\$ -		Yes	Debt Service Reserve Req'd	Amount	\$ 800,000	no DS Reserve
Term	40 years		0.0%	Issuance Costs	Term	30 years	0.0% Issuance Costs
Interest Rate	3.25%	\$ 13,500		Annual Payment (approx.)	Interest Rate	1.00%	\$ 32,000 Annual Payment
Net Proceeds	\$ -	\$ -		Capitalized Interest	Proceeds	\$ 800,000	\$ - Capitalized Interest

**Amador Water Agency -- Lake Camanche Water ID No. 7
Capital Improvement Program**

Project	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Pay-As-You-Go Projects										
Water Sustainability Study	\$ -	\$ 2,227	\$ -							
Well #14 Construction	\$ 184,430	\$ 17,469	\$ -							
Tank Repairs	\$ -	\$ 12,262	\$ -							
Fire Hydrant Replacement	\$ -	\$ -	\$ 9,585							
Annual Replac./Improv. Projects	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 12,000
PayGo Total Costs	\$ 184,430	\$ 31,958	\$ 9,585	\$ 10,000	\$ 10,000	\$ 10,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 12,000
Debt Financed Projects										
Water System Improv (Tank & piping)	\$ -	\$ 103,820	\$ -							
Financed Total Costs	\$ -	\$ 103,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CIP	\$ 184,430	\$ 135,778	\$ 9,585	\$ 10,000	\$ 10,000	\$ 10,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 12,000

**Amador Water Agency - Lake Camanche Water ID No. 7
Current Monthly Water Rates and Capital Facilities Fee**

	Current *	FY 09-10	FY 10-11	FY 11-12
Monthly Water Service Charges		9%	9%	9%
5/8 or 3/4 inch meter	\$ 23.75	\$ 25.90	\$ 28.25	\$ 30.80
1 inch meter	\$ 47.00	\$ 51.25	\$ 55.85	\$ 60.90
Commodity Rate (per 100 cubic feet)				
0-5,000 cf (0-50 units)	\$ 1.16	\$ 1.26	\$ 1.38	\$ 1.50
5,000 cf and over (50+ units)	\$ 1.94	\$ 2.11	\$ 2.30	\$ 2.50
Annual Capital Facilities Fee				
All Unconnected Parcels	\$ -	\$ 100.00	\$ 100.00	\$ 100.00
Typical Single Family Bill (12 Units)	\$ 37.67	\$ 41.07	\$ 44.79	\$ 48.83
		\$ 3.40	\$ 3.73	\$ 4.04

* last increase was 7/1/06