

Resolution No. 3713

**A RESOLUTION OF THE SANITARY BOARD OF ORO LOMA SANITARY DISTRICT
OVERRULING PROTESTS AND ADOPTING SEWER SERVICE CHARGES AND
RESIDENTIAL RECYCLING AND GREEN WASTE CHARGES FOR FIVE FISCAL
YEARS FY 2021/22 – FY 2025/26**

WHEREAS, the Sanitary Board of Oro Loma Sanitary District (the “Board”) adopted, on May 17, 2016, Ordinance No. 37-28, authorizing that sewer service charge increases be approved by resolution; and,

WHEREAS, the Board adopted Resolution No. 3627 on May 17, 2016, establishing the sewer service charges for Oro Loma for five fiscal years, 2011-2016; and,

WHEREAS, the Board held a special workshop meeting on December 8, 2020 to discuss various rate scenarios and provide direction on what discretionary expenditures to include in an analysis for future rates; and,

WHEREAS, the Board determined that, based on a fiscal analysis and projection of costs for the next five years, and using inflationary projections of 3% per year on the cost to collect, transport, and treat wastewater within the District, the proposed increase would enable the District to accelerate the pace of repairing and replacing its 270 miles of underground pipes, many of which are over 70 years old; and,

WHEREAS, the Board determined that additional funding is needed to meet the requirements of SB 1383 as they apply to solid waste cart colors and labels; and,

WHEREAS, the Board will consider an increase in sewer service charges of 7.5% per year (rounded to the nearest dollar) for the next five fiscal years (approximately \$2 per month for a single-family customer) and a \$1.00 per month increase to residential recycling and green waste charges in 2021, followed by \$0.50 per month increase for the each of the following four fiscal years, with the first increases going into effect July 1, 2021; and,

WHEREAS, the proposed sewer service charges and the proposed residential recycling and green waste charges for all classes of customers are attached hereto as Attachment A, and made part of this resolution; and,

WHEREAS, pursuant to the provisions of Proposition 218, the District has provided all property owners within the District with written notice of the proposed increase in sewer service charges and residential recycling and green waste charges for the next five fiscal years; and,

WHEREAS, the Board held a public hearing on June 1, 2021 and considered all written and verbal public protests in regards to the new sewer service charges and residential recycling and green waste charges; and,

WHEREAS, the objections to and protests against proposed sewer service charges and residential recycling and green waste charges were not made by the owners of a majority of the separate parcels of property against which charges for the services and facilities provided by the District were fixed; and,

WHEREAS, all objections to and protests against the changes in sewer service charges and residential recycling and green waste charges have been heard by this Board and, by adopting this Resolution, the objections and protests have been overruled.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT the Sanitary Board of Oro Loma Sanitary District hereby adopts the sewer service charges and residential recycling and green waste charges for all classes of customers, for five fiscal years, FY 2021/22 – FY 2025/26, attached hereto as Attachment A, and made part of this resolution; and finds that this action is exempt per California Environmental Quality Act (CEQA) Guidelines Section 15273.

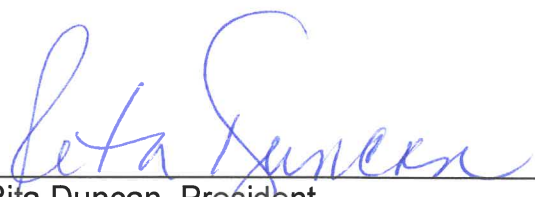
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I certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted by the Sanitary Board of Oro Loma Sanitary District, Alameda County, California, at a meeting thereof held on the 1<sup>st</sup> day of June, 2021, by the following vote of the members thereof:

AYES, Members: Duncan, Lee, Simon, Stelzmann, Young

NOES, Members: None

ABSENT, Members: None

  
\_\_\_\_\_  
Rita Duncan, President

Countersigned:

  
\_\_\_\_\_  
Shelia Young, Secretary

**SEWER SERVICE CHARGES FOR ALL CLASSES  
OF CUSTOMERS AND RESIDENTIAL RECYCLING  
AND GREEN WASTE CHARGES FOR FIVE FISCAL  
YEARS, FY 2021/2022 – FY 2025/2026**

**GENERAL**

All sewer service charges shall be developed using the unit costs listed in Table A-1, as regulated by Ordinance No. 37. Any sewer service charges not specifically identified in this Resolution will be prepared using the unit costs of Table A-1 and the appropriate parameter from the Table.

**TABLE A-1  
Sewer Service Charge Unit Costs**

|                                            | Effective<br>07/01/21 | Effective<br>07/01/22 | Effective<br>07/01/23 | Effective<br>07/01/24 | Effective<br>07/01/25 |
|--------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Flow, per 100 cubic feet (ccf) water       | 3.079                 | 3.310                 | 3.558                 | 3.825                 | 4.112                 |
| Biochemical Oxygen Demand (BOD), per pound | 0.599                 | 0.644                 | 0.692                 | 0.744                 | 0.800                 |
| Suspended Solids (SS), per pound           | 0.684                 | 0.735                 | 0.790                 | 0.849                 | 0.913                 |

**Minimum Charge:** The District requires that all customers connected to the District's sewer system pay a minimum annual sewer service charge of no less than the lowest annual residential rate currently in effect. Annual minimum sewer service charge shall be \$259 (2021), \$278 (2022), \$299 (2023), \$321 (2024), \$345 (2025).

**RESIDENTIAL CUSTOMERS**

Annual sewer service charges for this class of customer shall be charged based on the customer class and multiplied by the number of dwelling units as follows:

| <u>Customer Class</u>       | <u>Effective<br/>07/01/2021</u> | <u>Effective<br/>07/01/2022</u> | <u>Effective<br/>07/01/2023</u> | <u>Effective<br/>07/01/2024</u> | <u>Effective<br/>07/01/2025</u> |
|-----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Single Family Dwelling      | \$318                           | \$342                           | \$368                           | \$396                           | \$426                           |
| Multiple Family Dwelling    | \$318                           | \$342                           | \$368                           | \$396                           | \$426                           |
| Mobile Homes/House Trailers | \$259                           | \$278                           | \$299                           | \$321                           | \$345                           |

**COMMERCIAL/LIGHT INDUSTRIAL/INSTITUTIONAL/INTERMEDIATE /MINOR  
USERS**

Sewer service charges for this class of customer is \$4.699 (2021), \$5.051 (2022), \$5.430 (2023), \$5.837 (2024), \$6.275 (2025) per actual water use, measured in hundred cubic feet (ccf), with a minimum annual charge of \$259 (2021), \$278 (2022), \$299 (2023), \$321 (2024), \$345 (2025).

### **SCHOOL CUSTOMERS**

Sewer service charges for this class of customer is \$3.454 (2021), \$3.713 (2022), \$3.991 (2023), \$4.290 (2024), \$4.612 (2025) per actual water use, measured in hundred cubic feet (ccf).

### **SIGNIFICANT INDUSTRIAL USERS**

Sewer service charges for this class of customer shall be prepared based upon actual flow and loadings, times the unit costs as follows, with a minimum annual charge to be collected in the amount of \$259 (2021), \$278 (2022), \$299 (2023), \$321 (2024), \$345 (2025).

|                     | Effective<br>07/01/2021 | Effective<br>07/01/2022 | Effective<br>07/01/2023 | Effective<br>07/01/2024 | Effective<br>07/01/2025 |
|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Flow, per ccf water | 3.079                   | 3.310                   | 3.558                   | 3.825                   | 4.112                   |
| BOD, per pound      | 0.599                   | 0.644                   | 0.692                   | 0.744                   | 0.800                   |
| SS, per pound       | 0.684                   | 0.735                   | 0.790                   | 0.849                   | 0.913                   |

### **PUMPED AREAS**

Users of the District's sewerage system serviced by lift stations constructed after January 1, 1995, shall pay an additional annual charge as determined by District to cover renewal and replacement and operation and maintenance costs of the lift station. Charges for residential customers shall be a flat fee regardless of type of unit. Charges for commercial customers shall be based on flow volume.

A. Lift Station 13 (Blackstone Court) provides sewer service to most residents of Blackstone Court:

|             | Effective<br>07/01/2021 | Effective<br>07/01/2022 | Effective<br>07/01/2023 | Effective<br>07/01/2024 | Effective<br>07/01/2025 |
|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Residential | \$116                   | \$116                   | \$116                   | \$116                   | \$116                   |
| Commercial  | None                    | None                    | None                    | None                    | None                    |

B. Lift Station 14 (Canyon Drive) provides sewer service to Tract 6833 (Henry Lane) and residents of the Five Canyons Development generally east and west of Five Canyons Parkway, except Tract 6196. The parcels of Tract 6179, which are tributary to this lift station, are charged separately under Lift Station 15.

|             | Effective<br>07/01/2021 | Effective<br>07/01/2022 | Effective<br>07/01/2023 | Effective<br>07/01/2024 | Effective<br>07/01/2025 |
|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Residential | \$60                    | \$60                    | \$60                    | \$60                    | \$60                    |
| Commercial  | None                    | None                    | None                    | None                    | None                    |

C. Lift Station 15 (Canyon Ridge) provides sewer service to the parcels of Tract 6179. In addition, these parcels are tributary to Lift Station 14, therefore, the total surcharge is shown:

|             | Effective<br>07/01/2021 | Effective<br>07/01/2022 | Effective<br>07/01/2023 | Effective<br>07/01/2024 | Effective<br>07/01/2025 |
|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Residential | \$116                   | \$116                   | \$116                   | \$116                   | \$116                   |
| Commercial  | None                    | None                    | None                    | None                    | None                    |

**D. New Lift Stations:** Should the District, after the effective date of this Ordinance, desire to approve construction of a new lift station intended to serve one or more new customers, the annual user charge for connection to that station shall be set by the Board of Directors and approved by motion. Such charges specified in the motion will be incorporated into this Ordinance at an appropriate future date.

### **SPECIAL SITUATIONS**

Certain District commercial customers have unique situations which require billing computations based on Equivalent Dwelling Units (EDUs). In these cases, District staff determines the appropriate annual charges which are memorialized in a written agreement between the parties and approved by Oro Loma Sanitary District Board action.

### **SCHEDULE OF FEES FOR MONITORING AND WASTEWATER DISCHARGE PERMITS FOR FISCAL YEARS 2021/2022 – 2025/2026 (Regulated by Ordinance No. 39)**

| <b><u>User Classification</u></b>                | <b><u>Annual Permit Fee *</u></b>                                                    | <b><u>Annual Monitoring Service Fee **</u></b>                                                           |
|--------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Significant Industrial User<br>(Categorical)     | \$1,064 (2021), \$1,144 (2022),<br>\$1,230 (2023), \$1,322 (2024),<br>\$1,421 (2025) | \$13,399 (2021), \$14,404 (2022),<br>\$15,484 (2023), \$16,645 (2024),<br>\$17,893 (2025)                |
| Significant Industrial User<br>(Non-Categorical) | \$1,064 (2021), \$1,144 (2022),<br>\$1,230 (2023), \$1,322 (2024),<br>\$1,421 (2025) | \$17,633 (2021), \$18,955 (2022),<br>\$20,377 (2023), \$21,905 (2024),<br>\$23,548 (2025)                |
| Intermediate Users                               | \$1,064 (2021), \$1,144 (2022),<br>\$1,230 (2023), \$1,322 (2024),<br>\$1,421 (2025) | \$4,542 (2021), \$4,883 (2022),<br>\$5,249 (2023), \$5,643 (2024),<br>\$6,066 (2025)                     |
| Minor User                                       | \$1,064 (2021), \$1,144 (2022),<br>\$1,230 (2023), \$1,322 (2024),<br>\$1,421 (2025) | Fees to be determined                                                                                    |
| <b><u>Special Discharge Permit</u></b>           |                                                                                      | <b><u>Volume Discharge Fee</u></b>                                                                       |
| Groundwater                                      | \$1,064 (2021), \$1,144 (2022),<br>\$1,230 (2023), \$1,322 (2024),<br>\$1,421 (2025) | \$4.111/ccf (2021), \$4.419/ccf (2022),<br>\$4.750/ccf (2023), \$5.106/ccf (2024),<br>\$5.489/ccf (2025) |
| Swimming Pools                                   | \$267 (2021), \$287 (2022),<br>\$309 (2023), \$332 (2024),<br>\$357 (2025)           | N/A                                                                                                      |

|                  |                                                                                      |                       |
|------------------|--------------------------------------------------------------------------------------|-----------------------|
| Other Discharges | \$126 (2021), \$135 (2022),<br>\$145 (2023), \$156 (2024),<br>\$168 (2025) (minimum) | Fees to be determined |
|------------------|--------------------------------------------------------------------------------------|-----------------------|

| <b><u>Resampling/Re-Inspection Fees</u></b>                                  |                                                                      |
|------------------------------------------------------------------------------|----------------------------------------------------------------------|
| A) Grab Sample – Minimum plus actual cost of laboratory analysis + 20%       | \$199 (2021), \$214 (2022), \$230 (2023), \$247 (2024), \$266 (2025) |
| B) Composite Samples – Minimum plus actual cost of laboratory analysis + 20% | \$397 (2021), \$427 (2022), \$459 (2023), \$493 (2024), \$530 (2025) |
| C) Re-Inspection (as part of ERP)                                            | \$397 (2021), \$427 (2022), \$459 (2023), \$493 (2024), \$530 (2025) |
| D) Site Visit (at SIU's request)                                             | \$267 (2021), \$287 (2022), \$309 (2023), \$332 (2024), \$357 (2025) |

**Notes:**

- \* Includes application review and inspection.
- \*\* Includes all costs for sampling events, analysis, program administration and equipment.

**INTEREST**

The District's policy is not to pay any interest on refunds or claims connected with sewer service charges, developer deposit accounts, or other sums deposited with the District.

**RESIDENTIAL RECYCLING AND GREEN WASTE CHARGES**

Single-family residential customers – single-family homes, mobile home residences, townhomes, condos, and apartments with four units or less – shall be charged for recycling and green waste services annually, per unit, on the property tax statement, as follows: \$67.20/year (2021), \$73.20/year (2022), \$79.20/year (2023), \$85.20/year (2024), \$91.20/year (2025).

Mobile home parks with five units or more, collectively billed and paid on a single invoice, and apartments with five units or more, collected on the property tax roll as one parcel, shall be charged for recycling and green waste services annually, per unit, on the property tax statement, as follows: \$63.84/year (2021), \$69.84/year (2022), \$75.84/year (2023), \$81.84/year (2024), \$87.84/year (2025).

**Oro Loma Sanitary District  
MEMORANDUM**

**TO:** Board of Directors

**FROM:** Jason Warner, General Manager  
Arlene Wong, Finance Manager

**DATE:** February 4, 2021

**SUBJECT: FIVE-YEAR SEWER SERVICE AND RESIDENTIAL RECYCLING RATE  
STUDY – 2021-2026**

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***Summary***

The District is in the fifth year of a five-year sewer service rate increase in place from July 2016 to June 2021. The last of the five increases raised the sewer service rate to \$296/year, effective July 1, 2020. Between October 2020 and January 2021, the Oro Loma Board met to discuss various scenarios, strategic goals and policy decisions for the next 5 years.

The District also collects recycling (both organics and mixed recyclables) fees on the tax bill in the amount of \$4.60/month. The recycling fee was implemented after Assembly Bill 939 in 1990 and predates Proposition 218. The fee was established at \$4.60 per month and has remained the same amount for the past 30 years. Now, CA State Senate Bill 1383 adds new requirements above those of AB 939, including a requirement to convert cart colors to the State standard over time. This rate study provides a basis to raise the recycling fee to provide for expenses associated with operating the recycling program, including new mandates from SB 1383. During its rate discussion between October 2020 and January 2021, the Board also discussed alternatives to comply with the new mandates and provided direction as outlined below.

The Board's discussions on both sewer and recycling programs resulted in key decisions that form the basis of the attached Rate Study. The key decisions include:

1. The Board affirmed a prior commitment to the strategic goal to replace 40 miles of sewer pipe between 2019 and 2029. Through closed circuit televised inspections, the District has identified a total of 70 of its 270 miles for replacement. 40 miles was selected as a compromise between the identified replacement need and affordability. It is likely that another 40 miles of pipe will be required in the following decade.
2. The Board provided direction to reduce the District's pension liabilities by accelerating the amortization of its exiting pension liabilities over 10 years instead of the default 20-year amortization offered by the California Public Employee Retirement System (CalPERS).

3. Given the projected shortfall between revenues and expenses over the next five years, the Rate Study assumes the District will borrow \$40M to support the 40-mile replacement goal.
4. In response to SB1383, the District will replace its organics and mixed recycling carts in FY 22/23. The new colors will allow standardized communications across the State and achieve compliance under the law. New organics and recycling carts are estimated to cost \$4M. The Board directed staff to adjust the rates to allow repayment of the carts within five years. It is worth noting that another \$2M will be required to purchase new refuse carts as well (\$6M in total). The refuse cart expenses will be paid from refuse revenues, which are not considered in this memo and require a separate rate setting process under the law.
5. The Board affirmed the District's existing reserve policy. The policy is based upon maintaining reserves of 50% of the annual residential sewer revenue. The objective is to set rates so that Board approved reserves are maintained at the end of the five-year horizon.
6. The Rate Study includes funding for the next five years of projects in the 10-Year capital and renewal and replacement plan.
7. The rate study incorporates a five-year rate increase – the maximum length allowed under Prop. 218.

During the discussions, staff presented over 30 different rate scenarios, with various combinations of the seven key decisions, and showed how each combination of decisions impacted the ending cash balance (reserves) in Year 5. The Board considered trade-offs between a fiscally sustainable rate today (i.e. a rate to avoid debt) and metered approaches to achieve a rate in which ongoing revenues were matched to planned expenses. Based upon available financing options, ability to maintain minimal reserve limits, and a desire to smooth the rate increase over time, the Board voted to limit the rate increase to 7.5%/year over the next five years. The rate increase is a part of a larger strategic goal to incorporate capital spending into the sewer service rate by 2029.

Based upon these decisions from the Board, the Sewer Service and Recycling Rate Study includes all planned projects in the Capital Improvement Plan, including replacement of 40 miles of sewer pipe by 2029, amortizing \$11M of existing pension liabilities over a 10-year period, replacement of all organics and mixed recycling carts in FY 22/23 and meeting Board policy related to minimum reserve levels in 2026. The Rate Study assumes borrowing in FY 21/22 of \$40M.

### ***Rate Model***

The basis of the rate study is a five-year cash flow analysis. The cash flow analysis includes projected operating, non-operating, capital, and renewal and replacement expenditures. It also includes projected revenues from a variety of existing sources,



including connection fees, grease receiving, biosolids storage, and investment returns. Staff used the cash flow analysis to determine the ending cash balance for a variety of scenarios. Board members used the sensitivity analysis to discuss how the various combinations of decisions impact the District's cash balance at the end of five years.

A list of the assumptions used in the five-year analysis is included in Appendix A. The Five-Year Cash Flow Model is shown in Appendix B (with an assumed 7.5% annual rate increase). A summary of the planned Capital Improvements and Renewal & Replacement Projects is included in Appendix C. A cash flow analysis with a 10-Year horizon is provided in Appendix D.

Staff maintains a version of the model for projections to 10 years. The longer horizon is considered by the Board when making shorter term decisions, so that long-term financial sustainability can be achieved. In addition to the key Board decisions outlined in the prior sections, the model incorporates the following key assumptions (See Appendix A for full list).

1. Inflation for labor, chemicals, and materials projected at 3.0%.
2. The District will award the Consolidated Building project in FY 21/22 in the amount of \$7.4M. This bid document includes multiple options – including those with lower projected costs. The Board will select among the options after the bids are received.
3. Investment income is assumed at 0.50% of the prior year's ending balance – reflecting the current low rate environment.
4. Revenues from customers served outside the District boundaries in San Leandro and Hayward are projected to increase by 2% per year.
5. Employee headcount increased from 45 to 46 employees.
6. Additional \$0.15M/year added to Operations Expenses (above inflation) to reflect recent changes to the PG&E rate tariff and increased electrical consumption due to the increased level of treatment following the Nutrient Optimization Project.
7. Connection fees from new customers assumed at \$0.2M/Year.
8. The District will borrow \$20M from State Revolving Fund Sources with 30 year amortization and an interest rate of 1.1% per year.
9. The District will borrow \$20M from the Federal Water Infrastructure Financing Act program at an interest rate of 1.9% and 35 year amortization.

The remainder of this memorandum provides discussion of the major decision points or the District's response to the challenges it faces.

### ***Length of Programmed Increase***

Due to the high noticing costs, the rate study assumes a five-year horizon, which is the maximum period allowed by Proposition 218. The logic was to spread the fixed cost of a Proposition 218 notice (approximately \$70,000), as opposed to re-noticing multiple times.

### ***Review of Pension Liabilities***

The District offers pension benefits through CalPERS. CalPERS calculates contribution rates based upon projected returns (7%/year) and life expectancy of retirees. Due to a combination of lower actual historical returns, lower projected future returns (CalPERS has lowered its projections from 7.75% to 7.0% over the past decade) and increased life expectancy of retirees, the District has underfunded its obligations by \$11M.

Unpaid liabilities accrue at a rate of 7%. The District is projected to earn approximately 0.5% on its reserves. Given this differential, it makes sense to increase payments to CalPERS above the default 20-year amortization schedule. When accelerated payments are made, they are credited and invested when received. Once invested, funds are subject to market gains or losses and not guaranteed to earn 7% annually.

The Board has directed staff to amortize the existing obligation over a 10-year period. The 10-year amortization period limits market timing risk and smooths the impact of the payments over an affordable horizon. The 10-Year amortization is incorporated into the Cash Flow Model.

### ***Reserves***

The FY 20/21 Board-approved reserve level is \$6.8M. By Board policy, this amount is indexed at 50% of the sewer revenue charges. As sewer revenue increases, so does the reserve amount. The policy was established based on prudent business needs, as opposed to a legal or other debt covenant. The amount roughly equals one of two annual payments from the County. In a case where the County could not collect or transfer funds (due to pandemic, disaster, strike, or other), the District would have six months of cash on hand. Reserve requirements are projected to increase from \$6.8M today to \$9.8M/year in FY 2025-2026. The Board directed staff to build the existing reserve policy into the rate model and to target an ending balance equal to the reserve level defined by policy.

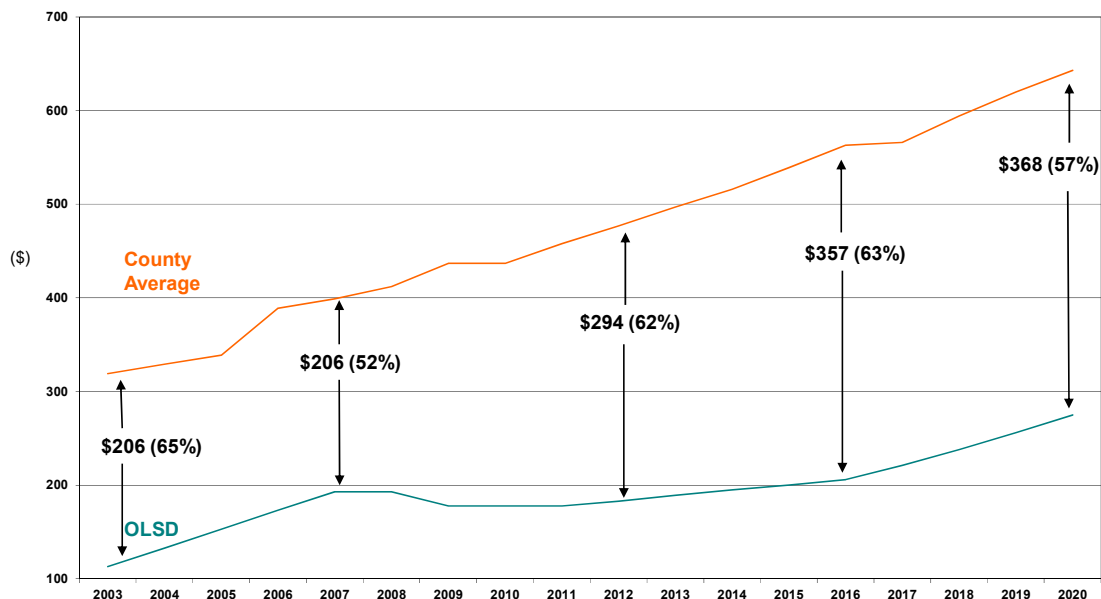
### ***Expense Reductions***

A primary concern in every rate discussion is whether to focus on expense reductions or revenue increases. Between 2011 and 2020, District operating expenses have increased at 2.7% per year due to increasing energy, chemical, and salary adjustments associated with labor agreements in 2016. Over the nine-year period, costs have risen from \$16.9M (2011) to \$21.5M (2020). Staffing levels remain at or near their lowest levels in 25 years.

Since FY 2006-2007, the difference between the District's sewer service charge and the county average has grown from \$206 to \$369/year (see rate comparison on the following page). The trend highlights the District's effectiveness in limiting rate increases compared to the industry. Given the District's low historical rates, the Board can be confident that it has provided sufficient focus on cost controls.

### Single Family Sewer Rates, OLSD vs. Average in Alameda Co.

2003 - 2020



### Conclusion

During multiple public Board workshops over the past four months, the Board considered the various rate increase, debt issue, and pension buy-down scenarios and provided direction on the preferred alternative. In its decision, the Board considered the long-term sustainability of the District's finances, the priority of maintaining the District's history of operational reliability, and an interest in smoothing required rate increases over time.

The District faces several significant financial challenges. The backlog of required line replacements now stands at 70 miles of pipe. The District has \$11M in pension liabilities that accrue at a rate of 7% and several major capital projects are on the horizon (Digester Replacement and Consolidated O&M Building). Given these challenges, the District must raise rates above inflation to achieve a sustainable long-term rate structure. Because the proposed rate increase does not cover planned expenses over the next five years, the District will also secure \$40M in low interest loans to provide a bridge between our current state and a future with a sustainable rate.

This memorandum serves as the formal basis for the District's proposed 5-Year Rate increase. The memo, and its conclusions regarding rate increases for Sewer and Recycling Service, will be incorporated into a 218 notice and circulated to all ratepayers in the community. Notices will be mailed in late March for a formal public hearing in May 2021.

Attachments:

Appendix A – Assumptions for Cash Flow Projections

Appendix B – Five-Year Cash Flow Model (7.5% annual increase, 10-Year Unfunded Pension Amortization)

Appendix C – Summary of Planned Capital and Renewal & Replacement Projects

Appendix D – Ten-Year Cash Flow Model (7.5% annual increase, 10-Year Unfunded Pension Amortization)

**ORO LOMA SANITARY DISTRICT - TEN-YEAR CASH FLOW PROJECTIONS - ASSUMPTIONS  
FOR THE FISCAL YEARS ENDING JUNE 30, 2021 TO JUNE 30, 2030**

- Rate increases by 7.5% per year for all years.
- \$40m additional debt. Sewer line replacements accelerate to \$10m per year in Y1-Y3, \$7m in Y4, \$6m in Y5, decrease to \$3m per year in Y6-Y9, revert to \$5m in Y10.
- Commercial sewer revenues discounted by 20% due to economic conditions.
- Projected solid waste contract increases: 3% per year, based on contract terms on CPI and teamsters wages and benefits.
- Solid waste franchise fees: 10% starting 9/1/20.
- Projected solid waste franchise fees discounted by 20% due to economic conditions.
- Recycling revenues: Current agreement with Waste Management ends 2024. Proposing annual monthly increases as follows: \$1/\$0.5/\$0.5/\$0.5/\$0.5.
- Agency treatment charges: CVSan's O&M to increase by 3% per year based on department expenses. R&R based on 10-year R&R projects.
- Agency treatment charges: Hayward and San Leandro's revenues to increase by 2% per year. EBDA to remain stable at \$200k per year.
- Investment income at 0.5% of prior year's cash balance.
- Connection fees assumed at \$200,000 per year.
- Expense inflation: 3% per year.
- Treatment Plant projects carry a 10% contingency amount from Y2-Y5. Collections projects do not carry any contingency.
- Treatment Plant Battery Energy Storage System approved by Board on 12/30/20 is reflected in CIP in Y0. PG&E rebate and energy cost savings are reflected in Y1-Y10.
- Staffing at 46 positions.
- Consolidated operations building project in Y1, with an assumed amount of \$7.4m for construction.
- SB 1383 implementation in FY 2022-22 requires a \$6m expense for purchasing new cans (\$4m for organics and recycling carts, \$2m for refuse carts).
- Pension UAL and buydown payments to be shared with CVSan within operating expenses.
- Additional pension buydown to follow CalPERS' 10-year amortization schedule. Each year, pay the difference between required UAL and the amortized value.

## Cash Flow Projection

|                                                                        | Rate Approved       | Projected Rate      | Projected Rate      | Projected Rate      | Projected Rate      | Projected Rate      |
|------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Annual Rate Increase</b>                                            | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         |
| <b>Sewer Rate</b>                                                      | <b>\$296</b>        | <b>\$318</b>        | <b>\$342</b>        | <b>\$368</b>        | <b>\$395</b>        | <b>\$425</b>        |
| <b>Year Number</b>                                                     | <b>Y0</b>           | <b>Y1</b>           | <b>Y2</b>           | <b>Y3</b>           | <b>Y4</b>           | <b>Y5</b>           |
| <b>Fiscal Year</b>                                                     | <b>2020/21</b>      | <b>2021/22</b>      | <b>2022/23</b>      | <b>2023/24</b>      | <b>2024/25</b>      | <b>2025/26</b>      |
| <b>Operating revenues</b>                                              |                     |                     |                     |                     |                     |                     |
| District service charges                                               | \$16,181,280        | \$17,394,876        | \$18,699,492        | \$20,101,954        | \$21,609,600        | \$23,230,320        |
| Agency treatment charges                                               | 3,085,360           | 3,826,613           | 3,923,118           | 4,210,467           | 4,204,845           | 4,222,579           |
| Sanitary truck waste charges                                           | 20,000              | 20,000              | 20,000              | 20,000              | 20,000              | 20,000              |
| Grease receiving charges                                               | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             |
| Biosolids charges                                                      | 170,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             |
| Permits and inspection fees                                            | 140,000             | 140,000             | 140,000             | 140,000             | 140,000             | 140,000             |
| Contract fees - Waste Mgmt (10% starting Y0)                           | 1,531,821           | 1,577,776           | 1,625,109           | 1,673,862           | 1,724,078           | 1,775,800           |
| Recycling charges - residential                                        | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           |
| Recycling charges - commercial                                         | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             |
| Recycling revenue options - (\$1/\$0.5/\$0.5/\$0.5/\$0.5)              | 0                   | 514,000             | 771,000             | 1,028,000           | 1,285,000           | 1,542,000           |
| Landfills fees - Measure D                                             | 350,000             | 350,000             | 350,000             | 350,000             | 350,000             | 350,000             |
| Overhead recovery                                                      | 700,000             | 725,000             | 750,000             | 775,000             | 800,000             | 825,000             |
| <b>Total Operating Revenues</b>                                        | <b>\$24,727,461</b> | <b>\$27,297,265</b> | <b>\$29,027,719</b> | <b>\$31,048,282</b> | <b>\$32,882,523</b> | <b>\$34,854,700</b> |
| <b>Operating Expenses (include Renewal &amp; Replacement Projects)</b> |                     |                     |                     |                     |                     |                     |
| O&M Engineering                                                        | \$867,700           | \$893,731           | \$920,543           | \$948,159           | \$976,604           | \$1,005,902         |
| O&M Collections                                                        | 2,122,200           | 2,335,866           | 2,405,942           | 2,478,120           | 2,552,464           | 2,629,038           |
| O&M Treatment plant                                                    | 8,287,100           | 8,535,713           | 8,791,784           | 9,055,538           | 9,327,204           | 9,607,020           |
| O&M Energy savings from battery storage system                         | 0                   | -39,584             | -120,336            | -125,148            | -130,148            | -135,356            |
| O&M Administration and general                                         | 2,317,300           | 2,386,819           | 2,458,424           | 2,532,176           | 2,608,142           | 2,686,386           |
| O&M Effluent disposal-EBDA                                             | 830,000             | 830,000             | 848,900             | 868,367             | 888,418             | 909,071             |
| R&R Collections                                                        | 2,592,800           | 1,620,000           | 1,580,000           | 1,560,000           | 1,560,000           | 1,750,000           |
| R&R Treatment Plant                                                    | 1,603,400           | 552,200             | 638,000             | 1,419,000           | 1,017,500           | 698,500             |
| R&R Engineering & Administration                                       | 278,200             | 162,500             | 162,500             | 162,500             | 162,500             | 162,500             |
| R&R Effluent disposal - EBDA                                           | 166,500             | 166,500             | 166,500             | 166,500             | 166,500             | 166,500             |
| Required Pension UAL Payment                                           | 566,504             | 771,514             | 897,217             | 963,112             | 1,038,238           | 1,071,690           |
| Additional Pension buydown (10-year amortization)                      | 534,000             | 762,116             | 636,413             | 570,518             | 495,392             | 461,940             |
| Interest savings from additional pension buydown                       |                     | -37,380             | -90,728             | -135,277            | -175,213            | -209,891            |
| Depreciation                                                           | 3,725,000           | 3,836,750           | 3,951,853           | 4,070,408           | 4,192,520           | 4,318,296           |
| Decrease in EBDA equity                                                | 0                   | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             |
| Solid waste                                                            | 482,000             | 496,460             | 511,354             | 526,694             | 542,495             | 558,770             |
| Recycling                                                              | 2,913,700           | 2,932,111           | 2,951,074           | 2,970,607           | 2,990,725           | 3,011,446           |
| <b>Total Operating Expenses</b>                                        | <b>\$27,286,404</b> | <b>\$26,405,316</b> | <b>\$26,909,439</b> | <b>\$28,231,275</b> | <b>\$28,413,341</b> | <b>\$28,891,812</b> |
| <b>Operating Income (Loss)</b>                                         | <b>-\$2,558,943</b> | <b>\$891,949</b>    | <b>\$2,118,279</b>  | <b>\$2,817,008</b>  | <b>\$4,469,183</b>  | <b>\$5,962,888</b>  |
| <b>Non-Operating Revenues</b>                                          |                     |                     |                     |                     |                     |                     |
| Investment income                                                      | \$100,000           | \$59,438            | \$41,676            | \$32,917            | \$54,463            | \$64,707            |
| Rents and leases                                                       | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             |
| Recovery of uncollectible accounts                                     | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              |
| Other miscellaneous revenues                                           | 118,000             | 118,000             | 118,000             | 118,000             | 118,000             | 118,000             |
| Grant Revenues (EPA-Microvi, PG&E)                                     | 487,500             | 918,000             | 183,600             | 183,600             | 183,600             | 183,600             |
| <b>Total Non-Operating Revenues</b>                                    | <b>\$815,500</b>    | <b>\$1,205,438</b>  | <b>\$453,276</b>    | <b>\$444,517</b>    | <b>\$466,063</b>    | <b>\$476,307</b>    |
| <b>Non-Operating Expenses</b>                                          |                     |                     |                     |                     |                     |                     |
| Contingency                                                            | \$340,000           | \$340,000           | \$340,000           | \$340,000           | \$340,000           | \$340,000           |
| Bond interest                                                          | 448,300             | 436,213             | 423,838             | 411,088             | 397,963             | 384,388             |
| Write off of uncollectible accounts/capital assets                     | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              |
| <b>Total Non-Operating Expenses</b>                                    | <b>\$801,500</b>    | <b>\$789,413</b>    | <b>\$777,038</b>    | <b>\$764,288</b>    | <b>\$751,163</b>    | <b>\$737,588</b>    |
| <b>Income before Contributions and Transfers</b>                       | <b>-\$2,544,943</b> | <b>\$1,307,974</b>  | <b>\$1,794,518</b>  | <b>\$2,497,237</b>  | <b>\$4,184,083</b>  | <b>\$5,701,607</b>  |
| Connection fees                                                        | 3,500,000           | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             |
| <b>Change in Net Assets</b>                                            | <b>\$955,057</b>    | <b>\$1,507,974</b>  | <b>\$1,994,518</b>  | <b>\$2,697,237</b>  | <b>\$4,384,083</b>  | <b>\$5,901,607</b>  |
| <b>Beginning Cash Position</b>                                         | <b>\$19,576,466</b> | <b>\$11,887,623</b> | <b>\$8,335,147</b>  | <b>\$6,583,472</b>  | <b>\$10,892,525</b> | <b>\$12,941,466</b> |
| Change in net position                                                 | 955,057             | 1,507,974           | 1,994,518           | 2,697,237           | 4,384,083           | 5,901,607           |
| + Depreciation                                                         | 3,725,000           | 3,836,750           | 3,951,853           | 4,070,408           | 4,192,520           | 4,318,296           |
| + Decrease in EBDA equity                                              | 0                   | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             |
| + Write-offs                                                           | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              |
| - Capital outlays (Collections)                                        | (6,748,100)         | (10,645,000)        | (10,340,000)        | (10,215,000)        | (7,525,000)         | (6,215,000)         |
| - Capital outlays (Treatment plant & Others)                           | (6,925,700)         | (10,703,000)        | (1,008,700)         | (1,694,000)         | (6,204,000)         | (8,250,000)         |
| - Capital outlays (Engineering/Admin)                                  | (20,000)            | (40,000)            | (40,000)            | (40,000)            | (40,000)            | (40,000)            |
| - Capital outlays (SB 1383 Can Replacements)                           |                     |                     | (6,000,000)         |                     |                     |                     |
| + Capital repayments from CVSAn                                        | 1,706,700           | 2,682,600           | 259,025             | 430,350             | 1,557,850           | 2,069,350           |
| <b>+ New debt financing</b>                                            |                     | <b>10,000,000</b>   | <b>10,000,000</b>   | <b>10,000,000</b>   | <b>7,000,000</b>    | <b>3,000,000</b>    |
| <b>- New debt payments</b>                                             |                     |                     | <b>(361,571)</b>    | <b>(723,142)</b>    | <b>(1,084,713)</b>  | <b>(1,337,813)</b>  |
| <b>+ Bond financing</b>                                                |                     |                     |                     |                     |                     |                     |
| - Bond principal payments                                              | (395,000)           | (405,000)           | (420,000)           | (430,000)           | (445,000)           | (460,000)           |
| <b>Ending cash position</b>                                            | <b>\$11,887,623</b> | <b>\$8,335,147</b>  | <b>\$6,583,472</b>  | <b>\$10,892,525</b> | <b>\$12,941,466</b> | <b>\$12,141,106</b> |
| Reserve level (indexed at 50% of sewer revenues)                       | \$6,845,000         | \$7,340,000         | \$7,890,000         | \$8,480,000         | \$9,110,000         | \$9,800,000         |
| <b>Available cash in excess of reserve level</b>                       | <b>\$5,042,623</b>  | <b>\$995,147</b>    | <b>-\$1,306,528</b> | <b>\$2,412,525</b>  | <b>\$3,831,466</b>  | <b>\$2,341,106</b>  |

## 10-Year Treatment Plant Major Repairs - Renewal &amp; Replacement

Oro Loma Sanitary District

| Project                                                                                  | Re-occurrence<br>Interval (Years) | Sea Rise<br>Implications | 20/21        | 21/22      | 22/23      | 23/24        | 24/25        | 25/26        | 26/27        | 27/28      | 28/29      | 29/30      | 30/31        |
|------------------------------------------------------------------------------------------|-----------------------------------|--------------------------|--------------|------------|------------|--------------|--------------|--------------|--------------|------------|------------|------------|--------------|
| 10 Year Projections Plan Cost Audit                                                      |                                   | No                       |              |            |            |              |              |              |              |            |            |            |              |
| 78" Plant Influent Pipeline Inspection/Lining                                            | 20                                | No                       |              | \$ 25,000  |            |              |              | \$ 25,000    | \$ 500,000   |            |            |            |              |
| <b>Aeration Basins Inspection/Rehabilitation (Coatings)</b>                              | 10                                | No                       |              |            |            |              | \$ 600,000   |              |              |            |            |            |              |
| Arc Flash Hazard Review                                                                  | 5                                 | Existing                 |              |            |            |              |              | \$ 40,000    |              |            |            |            |              |
| <b>Belt Filter Press Conveyor Parts</b>                                                  | 10                                | No                       | \$ 23,000    |            | \$ 50,000  | \$ 50,000    |              |              |              |            |            |            |              |
| <b>Blower (3); Aeration Basin (\$1,000,000 in FY 44/45)</b>                              | 1                                 | Yes                      |              |            |            |              |              | \$ 90,000    |              |            |            |            | \$ 300,000   |
| CEPT System Rehabilitation                                                               | 3                                 | Existing/Yes             |              | \$ 35,000  |            |              |              | \$ 35,000    |              | \$ 35,000  | \$ 35,000  | \$ 35,000  | \$ 35,000    |
| Concrete Assessment & Rehabilitation                                                     | 3                                 | No                       | \$ 150,000   | \$ 20,000  | \$ 150,000 |              |              | \$ 20,000    | \$ 150,000   | \$ 20,000  | \$ 20,000  | \$ 20,000  | \$ 20,000    |
| Digesters Facilities Improvement Plan                                                    |                                   | Yes                      |              |            |            |              |              |              |              |            |            |            |              |
| Digester Study                                                                           |                                   | Yes                      |              |            |            |              |              |              |              |            |            |            |              |
| <b>Digester No. 6 Rehabilitation (coatings)</b>                                          | 10                                | No                       |              |            |            |              |              |              | \$ 300,000   |            |            |            |              |
| <b>Digester No. 7 Rehabilitation (coatings)</b>                                          | 10                                | No                       |              |            |            |              |              |              | \$ 300,000   |            |            |            |              |
| Ecotone Research & Monitoring (CVSD participation 35%)                                   |                                   | No                       | \$ 80,000    |            |            |              |              |              |              |            |            |            |              |
| Equalization Basin Expansion                                                             |                                   | Yes                      |              |            |            |              |              |              |              |            |            |            |              |
| Effluent Local Limits Report/Testing                                                     | 5                                 | No                       |              | \$ 30,000  |            |              |              |              |              | \$ 30,000  |            |            |              |
| Equipment Specific LOTO Procedure Development                                            |                                   | No                       |              |            |            |              |              |              |              |            |            |            |              |
| <b>Flare Repairs</b>                                                                     | 10                                | Yes                      |              | \$ 25,000  |            |              | \$ 25,000    |              |              |            |            |            |              |
| Fuel Tank Coatings Rehabilitation                                                        | 5                                 | No                       |              |            |            |              | \$ 25,000    |              |              |            |            |            |              |
| <b>Gate &amp; Valve Replacements</b>                                                     | 1                                 | N/A                      | \$ 65,000    | \$ 25,000  | \$ 25,000  | \$ 25,000    | \$ 25,000    | \$ 25,000    | \$ 35,000    | \$ 35,000  | \$ 35,000  | \$ 35,000  | \$ 35,000    |
| <b>Gravity Belt-Thickener (GBT) capacity test</b>                                        |                                   |                          |              |            |            |              |              |              |              |            |            |            |              |
| <b>Grease System Rehabilitation and Pump Replacements</b>                                |                                   | No                       |              | \$ 40,000  | \$ 40,000  |              |              |              |              |            |            |            |              |
| Emergency Pond Bridge Repair                                                             |                                   |                          | \$ 12,500    |            |            |              |              |              |              |            |            |            |              |
| <b>Influent Pump (Electric) Volute Replacement (Critical Spare)</b>                      |                                   | No                       |              | \$ 27,000  |            |              |              |              |              |            |            |            |              |
| Non-Potable Recycled Water Study                                                         |                                   | N/A                      | \$ 27,500    |            |            |              |              |              |              |            |            |            |              |
| O&M Manual and CBT Updates                                                               |                                   | N/A                      | \$ 1,800     | \$ 35,000  | \$ 35,000  | \$ 35,000    | \$ 35,000    | \$ 35,000    | \$ 35,000    | \$ 35,000  | \$ 35,000  | \$ 35,000  | \$ 35,000    |
| Polymer Units at BFP (spare parts)                                                       |                                   | Yes                      | \$ 35,000    |            |            |              |              |              |              |            |            |            |              |
| Pre-design Studies and Testing                                                           |                                   | Yes                      | \$ 50,000    | \$ 50,000  | \$ 50,000  | \$ 50,000    | \$ 50,000    | \$ 50,000    | \$ 50,000    | \$ 50,000  | \$ 50,000  | \$ 50,000  | \$ 50,000    |
| <b>Primary Clarifier Launder Rehab</b>                                                   |                                   | No                       |              | \$ 50,000  |            |              |              |              | \$ 100,000   |            |            |            |              |
| <b>Primary Clarifier Rehabilitation (add anodes)</b>                                     | 10                                | Existing                 |              |            | \$ 700,000 |              |              |              |              |            |            |            |              |
| <b>Process Instrumentation Replacement</b>                                               | 5                                 | Existing                 |              | \$ 50,000  | \$ 70,000  |              | \$ 35,000    | \$ 35,000    | \$ 35,000    | \$ 35,000  | \$ 35,000  | \$ 35,000  | \$ 35,000    |
| <b>Recurring Maintenance</b>                                                             |                                   |                          |              |            |            |              |              |              |              |            |            |            |              |
| Landscaping and Grounds                                                                  | 1                                 | No                       | \$ 25,000    | \$ 25,000  | \$ 25,000  | \$ 25,000    | \$ 25,000    | \$ 25,000    | \$ 25,000    | \$ 25,000  | \$ 25,000  | \$ 25,000  | \$ 25,000    |
| <b>Painting and Coating</b>                                                              | 2                                 | No                       | \$ 205,000   |            | \$ 150,000 |              | \$ 150,000   |              | \$ 150,000   |            | \$ 150,000 |            | \$ 150,000   |
| Coating of Interior of Maintenance Building                                              |                                   | No                       |              |            |            |              |              |              |              |            |            |            |              |
| Secondary Clarifier Coating on East Wall                                                 |                                   | No                       |              |            |            |              |              |              |              |            |            |            |              |
| Paving/Roadway/Fence Maintenance                                                         | 1                                 | No                       | \$ 39,500    | \$ 40,000  | \$ 40,000  | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000  | \$ 40,000  | \$ 40,000  | \$ 40,000    |
| Roof Maintenance                                                                         | 1                                 | No                       | \$ 25,500    | \$ 25,000  | \$ 25,000  | \$ 25,000    | \$ 25,000    | \$ 25,000    | \$ 25,000    | \$ 25,000  | \$ 25,000  | \$ 25,000  | \$ 25,000    |
| Safety Improvements                                                                      | 1                                 | Yes                      | \$ 50,100    | \$ 30,000  | \$ 30,000  | \$ 30,000    | \$ 30,000    | \$ 30,000    | \$ 30,000    | \$ 30,000  | \$ 30,000  | \$ 30,000  | \$ 30,000    |
| Treatment Plant GIS&AMP                                                                  | 1                                 | Yes                      | \$ 18,200    | \$ 10,000  | \$ 10,000  | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000  | \$ 10,000  | \$ 10,000  | \$ 10,000    |
| SF Bay Water Quality Improvement (Sidestream)                                            |                                   | Yes                      | \$ 738,300   |            |            |              |              |              |              |            |            |            |              |
| Secondary Clarifier Rehabilitation (NEW) (Coatings)                                      | 10                                | No                       |              |            |            |              |              |              | \$ 750,000   |            |            |            |              |
| Utility Trench Rehabilitation (primary sludge trench)                                    |                                   | Existing/No              |              |            |            |              |              |              | \$ 250,000   |            |            |            |              |
| <b>Critical Renewal and Replacement - Treatment Plant</b>                                |                                   | Yes                      | \$ 57,000    | \$ 70,000  | \$ 70,000  |              |              |              |              |            |            |            |              |
| Fiscal Agent Fees                                                                        |                                   | N/A                      | \$ 5,700     | \$ 2,500   | \$ 2,500   | \$ 2,500     | \$ 2,500     | \$ 2,500     | \$ 2,500     | \$ 2,500   | \$ 2,500   | \$ 2,500   | \$ 2,500     |
| <b>IT, Network &amp; Cybersecurity Upgrades - District-wide (CVSD participation 19%)</b> |                                   |                          | \$ 50,000    | \$ 40,000  | \$ 40,000  | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000  | \$ 40,000  | \$ 40,000  | \$ 40,000    |
| Open House (CVSD participation 19%)                                                      |                                   |                          | \$ 80,000    | \$ 80,000  | \$ 80,000  | \$ 80,000    | \$ 80,000    | \$ 80,000    | \$ 80,000    | \$ 80,000  | \$ 80,000  | \$ 80,000  | \$ 80,000    |
| Engr Critical (CVSD participation 12.5%)                                                 | 1                                 | No                       | \$ 10,000    | \$ 10,000  | \$ 10,000  | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000  | \$ 10,000  | \$ 10,000  | \$ 10,000    |
| Admin Critical (CVSD participation 18%)                                                  | 1                                 | No                       | \$ 20,000    | \$ 30,000  | \$ 30,000  | \$ 30,000    | \$ 30,000    | \$ 30,000    | \$ 30,000    | \$ 30,000  | \$ 30,000  | \$ 30,000  | \$ 30,000    |
| EBDA Replacement Assessment (CVSD participation 0%)                                      | 1                                 | N/A                      | \$ 125,000   | \$ 166,500 | \$ 166,500 | \$ 166,500   | \$ 166,500   | \$ 166,500   | \$ 166,500   | \$ 166,500 | \$ 166,500 | \$ 166,500 | \$ 166,500   |
| <b>Contingency</b>                                                                       | 10%                               |                          |              | \$ 50,200  | \$ 58,000  | \$ 129,000   | \$ 92,500    | \$ 63,500    | \$ 263,500   | \$ 46,500  | \$ 34,000  | \$ 49,000  | \$ 64,000    |
| <b>Totals</b>                                                                            |                                   |                          | \$ 1,894,100 | \$ 881,200 | \$ 967,000 | \$ 1,748,000 | \$ 1,346,500 | \$ 1,027,500 | \$ 3,227,500 | \$ 840,500 | \$ 703,000 | \$ 868,000 | \$ 1,033,000 |
| <b>Subtotal - Treatment Plant</b>                                                        |                                   |                          | \$ 1,603,400 | \$ 552,200 | \$ 638,000 | \$ 1,419,000 | \$ 1,017,500 | \$ 698,500   | \$ 2,898,500 | \$ 511,500 | \$ 374,000 | \$ 539,000 | \$ 704,000   |
| <b>Subtotal - Engineering &amp; Admin</b>                                                |                                   |                          | \$ 165,700   | \$ 162,500 | \$ 162,500 | \$ 162,500   | \$ 162,500   | \$ 162,500   | \$ 162,500   | \$ 162,500 | \$ 162,500 | \$ 162,500 | \$ 162,500   |
| <b>Subtotal - EBDA</b>                                                                   |                                   |                          | \$ 125,000   | \$ 166,500 | \$ 166,500 | \$ 166,500   | \$ 166,500   | \$ 166,500   | \$ 166,500   | \$ 166,500 | \$ 166,500 | \$ 166,500 | \$ 166,500   |
| <b>Total Check</b>                                                                       |                                   |                          | \$ 1,894,100 | \$ 881,200 | \$ 967,000 | \$ 1,748,000 | \$ 1,346,500 | \$ 1,027,500 | \$ 3,227,500 | \$ 840,500 | \$ 703,000 | \$ 868,000 | \$ 1,033,000 |
| <b>5-Year Average</b>                                                                    |                                   |                          | \$ 1,194,040 |            |            |              |              |              |              |            |            |            |              |
| <b>CVSD Participation @</b>                                                              | 25%                               |                          | \$ 482,240   | \$ 167,500 | \$ 188,950 | \$ 384,200   | \$ 283,825   | \$ 204,075   | \$ 754,075   | \$ 157,325 | \$ 122,950 | \$ 164,200 | \$ 205,450   |

**10-Year Treatment Plant Capital Improvements - CIP**

Oro Loma Sanitary District

| <b>Project</b>                                                              | <b>Re-occurrence Interval (Years)</b> | <b>Sea Rise Implications</b> | <b>20/21</b> | <b>21/22</b>  | <b>22/23</b> | <b>23/24</b> | <b>24/25</b> | <b>25/26</b> | <b>26/27</b> | <b>27/28</b> | <b>28/29</b>  | <b>29/30</b> | <b>30/31</b> |
|-----------------------------------------------------------------------------|---------------------------------------|------------------------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|
| Bar Screens Replacement                                                     |                                       | Existing                     |              |               |              |              |              |              | \$ 3,500,000 |              |               |              |              |
| Belt Filter Press Replacement                                               | 20 (2030/31)                          | Existing/Yes                 |              |               |              |              |              |              |              |              |               |              | \$ 2,000,000 |
| <b>Belt Filter Press Building No. 4 Water line replacement</b>              |                                       | <b>No</b>                    |              | \$ 90,000     |              |              |              |              |              |              |               |              |              |
| Boiler Replacement                                                          |                                       | Yes                          |              |               |              |              |              |              |              |              | \$ 200,000    |              |              |
| <b>Chlorine Contact Basin Water Champ Replacement</b>                       | 8                                     | Existing                     |              |               | \$ 27,000    |              |              |              | \$ 20,000    |              |               |              |              |
| <b>Cogeneration Engine Overhaul</b>                                         | 2                                     | Existing                     | \$ 175,000   | \$ 175,000    | \$ 175,000   | \$ 300,000   | \$ 175,000   |              | \$ 175,000   |              | \$ 175,000    |              |              |
| <b>Cogeneration/Gen 3 Engine Controls Module Upgrades</b>                   |                                       | <b>Yes</b>                   |              | \$ 600,000    | \$ 50,000    |              |              |              |              |              |               |              |              |
| Cogeneration System Upgrade/Replacement                                     |                                       | Yes                          |              |               |              |              |              |              |              |              | \$ 5,000,000  | \$ 5,000,000 |              |
| Consolidated District Operations Building                                   |                                       | Yes                          | \$ 461,900   | \$ 7,400,000  |              |              |              |              |              |              |               |              |              |
| <b>Communications: Staff Radios</b>                                         | 2                                     | no                           |              |               | \$ 25,000    |              | \$ 25,000    |              |              | \$ 25,000    |               | \$ 25,000    |              |
| Digester Gas System Flares                                                  |                                       | Yes                          |              |               |              |              |              |              | \$ 1,100,000 |              |               |              |              |
| <b>Digester Gas System Flares - Automation</b>                              |                                       | <b>No</b>                    |              |               |              |              |              |              | \$ 100,000   |              |               |              |              |
| Digester Nos. 8 & 9 and 1, 2, 3, 4 & 5 Demolition                           |                                       | Yes                          |              |               | \$ 800,000   | \$ 5,000,000 | \$ 7,300,000 |              |              |              |               |              |              |
| <b>Electrical System Master Plan</b>                                        |                                       | <b>Yes</b>                   |              |               | \$ 75,000    |              |              |              |              |              |               |              |              |
| Equalization Basin Expansion Project (CVSD Participation 25%)               |                                       | Yes                          |              |               |              |              |              |              |              |              |               |              |              |
| <b>Generator 3 Exhaust Silencer Replacement</b>                             |                                       | <b>Yes</b>                   |              |               |              |              |              |              |              |              |               |              |              |
| Gravity Belt Thickener Polymer System Rehabilitation                        | 10                                    | Yes                          |              |               |              |              |              | \$ 35,000    |              |              |               |              |              |
| Gravity Belt Thickener Facility Rehabilitation                              |                                       | Yes                          |              |               |              |              |              |              | \$ 1,250,000 |              |               |              |              |
| <b>Gravity Belt Thickener Roof Replacement</b>                              |                                       | <b>No</b>                    |              |               |              | \$ 35,000    |              |              |              |              |               |              |              |
| Grit Pump Replacement and Piping Rehabilitation                             | 20                                    | Existing                     |              |               |              |              |              |              | \$ 200,000   |              |               |              |              |
| Grit Detritter Rehabilitation                                               |                                       | Existing                     |              |               |              | \$ 75,000    |              |              |              |              |               |              |              |
| Grit Washer Replacement                                                     | 20 (2028/29)                          | Existing/Yes                 |              |               |              |              |              |              |              |              | \$ 250,000    |              |              |
| Hypochlorite PVC Piping Replacement                                         |                                       | No                           | \$ 75,000    |               |              |              |              |              |              |              |               |              |              |
| Hypochlorite Tank Replacement                                               |                                       | N/A                          |              | \$ 60,000     | \$ 60,000    |              |              |              |              |              |               |              |              |
| <b>Influent Grinder Rebuild (2 units)</b>                                   | 2                                     | N/A                          | \$ 30,000    |               |              |              |              |              |              |              |               |              |              |
| <b>Influent Grinder Replacements (Washer Compactor)</b>                     | 10                                    | Existing                     |              | \$ 300,000    |              |              |              |              | \$ 200,000   |              |               |              |              |
| Influent Pump Station Pump Replacement (IPS 1; 1968 pumps)                  |                                       | Existing/Yes                 |              |               |              |              |              |              |              |              | \$ 4,000,000  |              |              |
| Influent Pump Station VFD replacement                                       | 10                                    | Yes                          |              | \$ 75,000     |              |              |              |              |              |              | \$ 200,000    |              |              |
| <b>MCC Circuit Breakers Replacements throughout Plant</b>                   |                                       | <b>Existing</b>              |              | \$ 60,000     | \$ 50,000    |              |              |              |              |              |               |              |              |
| <b>Network Cabling Management and Asbuiting and Standards Documentation</b> |                                       | <b>Existing</b>              |              | \$ 95,000     |              |              |              |              |              |              |               |              |              |
| No. 1 Water Piping Replacement (Ops Building)                               |                                       | No                           |              | \$ 100,000    |              |              |              |              |              |              |               |              |              |
| No. 4 Water Suction Valve Replacement                                       |                                       | No                           | \$ 50,000    |               |              |              |              |              |              |              |               |              |              |
| Nutrient Optimization Project                                               |                                       | Yes                          | \$ 2,041,800 |               |              |              |              |              |              |              |               |              |              |
| <b>Old Secondary Clarifiers - (1) Inlet Gate Actuator modifications</b>     |                                       | <b>No</b>                    |              | \$ 40,000     |              |              |              |              |              |              |               |              |              |
| Operations Training Project                                                 |                                       | No                           | \$ 137,300   |               |              |              |              |              |              |              |               |              |              |
| Treatment Plant Battery Energy Storage System                               |                                       |                              | \$ 2,026,800 |               |              |              |              |              |              |              |               |              |              |
| Plant Paving; Post Digester Project                                         |                                       | No                           | \$ 900,000   |               |              |              |              |              |              |              |               |              |              |
| <b>Pond Complex Lighting and Security Enhancements</b>                      |                                       | <b>Yes</b>                   |              | \$ 60,000     |              |              |              |              |              |              |               |              |              |
| Primary Clarifier Rebuild                                                   |                                       | Existing                     |              |               |              |              |              |              |              | \$ 750,000   |               |              |              |
| Primary Sludge Line Reroute for Digesters 6 and 7                           |                                       | No                           |              |               |              |              | \$ 250,000   |              |              |              |               |              |              |
| <b>RAS Pump VFD Installation (3 units)</b>                                  |                                       | <b>Yes</b>                   |              | \$ 48,000     |              |              |              |              |              |              |               |              |              |
| <b>Rotorex Actuators and Replacement</b>                                    |                                       | <b>Yes</b>                   |              | \$ 45,000     | \$ 45,000    |              |              |              |              |              |               |              |              |
| Safety Improvements                                                         |                                       |                              | \$ 50,900    |               |              |              |              |              |              |              |               |              |              |
| <b>Sea Level Rise Response Planning Study</b>                               |                                       | <b>Yes</b>                   |              |               | \$ 50,000    |              |              |              |              |              |               |              |              |
| <b>Secondary Clarifiers Sludge Judge Hoist System</b>                       |                                       | <b>No</b>                    |              |               |              |              |              |              |              |              |               |              |              |
| <b>SCADA Network System Replacements &amp; Upgrades</b>                     |                                       | <b>Yes</b>                   | \$ 82,600    | \$ 50,000     | \$ 50,000    | \$ 75,000    | \$ 100,000   | \$ 100,000   | \$ 100,000   | \$ 100,000   | \$ 100,000    | \$ 100,000   | \$ 100,000   |
| <b>SCADA Server Hardware Replacement</b>                                    |                                       |                              |              | \$ 67,000     |              |              |              |              |              |              |               |              |              |
| <b>SCADA Software Upgrades</b>                                              |                                       |                              |              | \$ 110,000    |              |              |              |              |              |              |               |              |              |
| Storm Flow Prediction Model                                                 |                                       | No                           | \$ 48,400    |               |              |              |              |              |              |              |               |              |              |
| Treatment Plant Roof Replacements                                           | 15                                    | No                           | \$ 450,000   |               | \$ 250,000   |              |              |              |              |              |               |              |              |
| Treatment Unit Gate service/repair/replacement                              |                                       | n/a                          |              | \$ 150,000    | \$ 150,000   |              |              |              |              |              |               |              |              |
| <b>Truck Wash Drainage Pump</b>                                             |                                       | <b>Yes</b>                   |              |               | \$ 80,000    |              |              |              |              |              |               |              |              |
| <b>Vehicle Replacements</b>                                                 |                                       | <b>N/A</b>                   | \$ 80,000    | \$ 50,000     | \$ 50,000    | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000     | \$ 40,000    | \$ 40,000    |
| Sludge Turning/Moving Equipment (Cat D6)                                    |                                       | N/A                          |              |               |              |              |              |              |              |              |               |              |              |
| Sludge Dump Truck                                                           |                                       | N/A                          | \$ 230,000   |               |              |              |              |              |              |              |               |              |              |
| Backhoe Replacement                                                         |                                       | N/A                          |              |               |              |              |              |              |              | \$ 140,000   |               |              |              |
| <b>UPS Replacement/Addition - W. Switchgear and TR6 Lighting Panel</b>      |                                       | <b>N/A</b>                   |              | \$ 20,000     |              |              |              |              |              |              |               |              |              |
| <b>West Switchgear Circuit Breaker Replacement</b>                          |                                       | <b>N/A</b>                   |              | \$ 125,000    |              |              |              |              |              |              |               |              |              |
| <b>Critical Equipment Plant</b>                                             |                                       |                              | \$ 86,000    | \$ 70,000     | \$ 70,000    |              |              |              |              |              |               |              |              |
| IT & Network Upgrades - District-wide (CVSD participation 19%)              |                                       | Yes                          | \$ -         | \$ 20,000     | \$ 20,000    | \$ 20,000    | \$ 20,000    | \$ 20,000    | \$ 20,000    | \$ 20,000    | \$ 20,000     | \$ 20,000    | \$ 20,000    |
| Engr. Critical (CVSD participation 12.5%)                                   | 1                                     | N/A                          | \$ 10,000    | \$ 10,000     | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000     | \$ 10,000    | \$ 10,000    |
| Admin Critical (CVSD participation 18%)                                     | 1                                     | N/A                          | \$ 10,000    | \$ 10,000     | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000    | \$ 10,000     | \$ 10,000    | \$ 10,000    |
| Contingency                                                                 | 10%                                   |                              |              | \$ 873,000    | \$ 91,700    | \$ 154,000   | \$ 564,000   | \$ 750,000   | \$ 668,500   | \$ 105,500   | \$ 996,500    | \$ 516,500   | \$ 214,000   |
| <b>Totals</b>                                                               |                                       |                              | \$ 6,945,700 | \$ 10,703,000 | \$ 1,048,700 | \$ 1,734,000 | \$ 6,244,000 | \$ 8,290,000 | \$ 7,393,500 | \$ 1,200,500 | \$ 11,001,500 | \$ 5,721,500 | \$ 2,394,000 |
| Subtotal - Treatment Plant                                                  |                                       |                              | \$ 6,925,700 | \$ 10,703,000 | \$ 1,008,700 | \$ 1,694,000 | \$ 6,204,000 | \$ 8,250,000 | \$ 7,353,500 | \$ 1,160,500 | \$ 10,961,500 | \$ 5,681,500 | \$ 2,354,000 |
| Subtotal - Engineering & Admin                                              |                                       |                              | \$ 20,000    | \$ 40,000     | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000    | \$ 40,000     | \$ 40,000    | \$ 40,000    |
| Total Check                                                                 |                                       |                              | \$ 6,945,700 | \$ 10,743,000 | \$ 1,048,700 | \$ 1,734,000 | \$ 6,244,000 | \$ 8,290,000 | \$ 7,393,500 | \$ 1,200,500 | \$ 11,001,500 | \$ 5,721,500 | \$ 2,394,000 |
| <b>5-Year Average</b>                                                       |                                       |                              | \$ 5,603,940 |               |              |              |              |              |              |              |               |              |              |
| <b>CVSD Participation @</b>                                                 | <b>25%</b>                            |                              | \$ 1,706,761 | \$ 2,682,600  | \$ 259,025   | \$ 430,350   | \$ 1,557,850 | \$ 2,069,350 | \$ 1,845,225 | \$ 296,975   | \$ 2,747,225  | \$ 1,427,225 | \$ 595,350   |



**10 - YEAR COLLECTION SYSTEM IMPROVEMENTS PLAN - RENEWAL & REPLACEMENT**

Oro Loma Sanitary District

| <i>Project</i>                                           | <i>Sea Rise Implications</i> | <i>20/21</i>        | <i>21/22</i>        | <i>22/23</i>        | <i>23/24</i>        | <i>24/25</i>        | <i>25/26</i>        | <i>26/27</i>        | <i>27/28</i>        | <i>28/29</i>        | <i>29/30</i>        | <i>30/31</i>        |
|----------------------------------------------------------|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Lift Stations</b>                                     |                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Asset Management                                         |                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| FY's 17/18- 21/22 Implementation of Objectives Plan      | No                           | \$ 40,000           | \$ 70,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           |
| <b>General &amp; Recurring Maintenance of Facilities</b> | No                           | \$ 217,000          | \$ 100,000          | \$ 100,000          | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           |
| # Blackstone Lift Station                                |                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| # Canyon Ridge Lift Station                              |                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Collection System</b>                                 |                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Point Repair/ Maintenance                                | No                           | \$ 1,540,000        | \$ 1,250,000        | \$ 1,250,000        | \$ 1,250,000        | \$ 1,250,000        | \$ 1,250,000        | \$ 1,250,000        | \$ 1,250,000        | \$ 1,250,000        | \$ 1,250,000        | \$ 1,250,000        |
| GIS & AMP                                                | No                           | \$ 25,000           | \$ 25,000           | \$ 25,000           | \$ 25,000           | \$ 25,000           | \$ 25,000           | \$ 25,000           | \$ 25,000           | \$ 25,000           | \$ 25,000           | \$ 25,000           |
| Source Detection and Hydraulic Model Updates             | No                           | \$ 35,000           | \$ 10,000           | \$ 10,000           | \$ 10,000           | \$ 10,000           | \$ 10,000           | \$ 200,000          | \$ 10,000           | \$ 10,000           | \$ 10,000           | \$ 10,000           |
| Manhole Adjustments (paving)                             |                              | \$ 400,000          | \$ 100,000          | \$ 100,000          | \$ 100,000          | \$ 100,000          | \$ 100,000          | \$ 100,000          | \$ 100,000          | \$ 100,000          | \$ 100,000          | \$ 100,000          |
| Junction Structure Inspections                           |                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| MH Coating/Rehabilitation                                |                              | \$ 220,800          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Prop 1 Grant Funding Compliance                          | No                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| SRF Loan Application and CEQA                            |                              | \$ 50,000           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Easement Clearing and Road Maintenance                   | No                           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           |
| Critical Equipment                                       | No                           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           |
| Contingency                                              | 0%                           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Totals</b>                                            |                              | <b>\$ 2,592,800</b> | <b>\$ 1,620,000</b> | <b>\$ 1,580,000</b> | <b>\$ 1,560,000</b> | <b>\$ 1,560,000</b> | <b>\$ 1,750,000</b> | <b>\$ 1,560,000</b> | <b>\$ 1,560,000</b> | <b>\$ 1,560,000</b> | <b>\$ 1,560,000</b> | <b>\$ 1,560,000</b> |
| <b>5-Year Average</b>                                    |                              | <b>\$ 1,614,000</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |

**10 - YEAR COLLECTION SYSTEM IMPROVEMENTS PLAN - CIP**

Oro Loma Sanitary District

| <i>Project</i>                                                                                                                                                      | <i>Sea Rise Implications</i> | <i>20/21</i>        | <i>21/22</i>         | <i>22/23</i>         | <i>23/24</i>         | <i>24/25</i>        | <i>25/26</i>        | <i>26/27</i>        | <i>27/28</i>        | <i>28/29</i>        | <i>29/30</i>        | <i>30/31</i>        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Lift Stations</b>                                                                                                                                                |                              |                     |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |
| # General                                                                                                                                                           | 1                            | No                  | \$ 38,500            | \$ 50,000            | \$ 50,000            | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           | \$ 50,000           |
| Rehabilitation: General                                                                                                                                             |                              | No                  | \$ 41,900            | \$ 150,000           | \$ 150,000           | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          |
| # PLC Upgrades                                                                                                                                                      |                              | No                  |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |
| <b>Trojan Backup Generator Replacement</b>                                                                                                                          |                              | No                  |                      |                      |                      | \$ 110,000          |                     |                     |                     |                     |                     |                     |
| # Wickman Backup Generator Installation                                                                                                                             |                              | No                  | \$ 89,000            |                      |                      |                     |                     |                     |                     |                     |                     |                     |
| <b>Canyon Ridge Backup Generator installation</b>                                                                                                                   |                              | No                  |                      | \$ 180,000           |                      |                     |                     |                     |                     |                     |                     |                     |
| Maintenance Truck - Lift Station (3/4 ton with tool bed)                                                                                                            | 5                            | N/A                 | \$ 65,000            |                      |                      |                     |                     |                     |                     |                     |                     |                     |
| <b>Collection System</b>                                                                                                                                            |                              |                     |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |
| CCTV Camera                                                                                                                                                         | 5                            | N/A                 |                      | \$ 30,000            |                      |                     |                     | \$ 30,000           |                     |                     |                     |                     |
| <b>Sewer Line Replacement (typically &gt; 1,000 feet)</b>                                                                                                           |                              |                     |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |
| <b>Includes the Sewer Reconstruction/Realignment Projects which consists of but is not limited to, the following projects: Mattax Road, and Bockman Ave Siphons</b> |                              |                     |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |
| SRF-2                                                                                                                                                               |                              | N/A                 | \$ 6,305,000         | \$ 10,000,000        | \$ 10,000,000        | \$ 10,000,000       | \$ 7,000,000        | \$ 6,000,000        | \$ 3,000,000        | \$ 3,000,000        | \$ 3,000,000        | \$ 5,000,000        |
| Vehicle Replacement                                                                                                                                                 |                              |                     | \$ 193,700           |                      |                      |                     |                     |                     |                     |                     |                     |                     |
| CCTV Van (3) (2000, 2013, 2018)                                                                                                                                     | 10                           | N/A                 |                      | \$ 150,000           |                      |                     |                     |                     | \$ 150,000          |                     |                     |                     |
| Hydro (3) (2013, 2012, 2008)                                                                                                                                        | 10                           | N/A                 |                      | \$ 275,000           |                      |                     |                     | \$ 275,000          |                     |                     |                     |                     |
| Vactor (1) (2004)                                                                                                                                                   | 10                           | N/A                 |                      |                      |                      | \$ 350,000          |                     |                     |                     |                     |                     |                     |
| <b>Standby/Emergency Response Truck (1) (2011)</b>                                                                                                                  | 5                            | N/A                 |                      | \$ 70,000            |                      |                     |                     |                     | \$ 60,000           |                     |                     |                     |
| Truck (3) (2004, 2016, & 2017)                                                                                                                                      | 10                           | N/A                 |                      |                      |                      |                     |                     | \$ 45,000           | \$ 45,000           |                     |                     |                     |
| Unanticipated Critical Equipment Replacement                                                                                                                        |                              | N/A                 | \$ 15,000            | \$ 15,000            | \$ 15,000            | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           |
| Contingency                                                                                                                                                         | 0%                           | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Totals</b>                                                                                                                                                       |                              | <b>\$ 6,748,100</b> | <b>\$ 10,645,000</b> | <b>\$ 10,340,000</b> | <b>\$ 10,215,000</b> | <b>\$ 7,525,000</b> | <b>\$ 6,215,000</b> | <b>\$ 3,565,000</b> | <b>\$ 3,470,000</b> | <b>\$ 3,215,000</b> | <b>\$ 3,215,000</b> | <b>\$ 5,215,000</b> |
| <b>5-Year Average</b>                                                                                                                                               |                              | <b>\$ 8,988,000</b> |                      |                      |                      |                     |                     |                     |                     |                     |                     |                     |

|                                                 | <i>20/21</i> | <i>21/22</i>  | <i>22/23</i> | <i>23/24</i> | <i>24/25</i> | <i>25/26</i> | <i>26/27</i>  | <i>27/28</i> | <i>28/29</i>  | <i>29/30</i> | <i>30/31</i> |
|-------------------------------------------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|--------------|
| <b>10-YEAR TREATMENT PLANT: R&amp;R and CIP</b> | \$ 8,839,800 | \$ 11,584,200 | \$ 2,015,700 | \$ 3,482,000 | \$ 7,590,500 | \$ 9,317,500 | \$ 10,621,000 | \$ 2,041,000 | \$ 11,704,500 |              |              |
| <b>5-Year Average</b>                           | \$ 6,797,980 |               |              |              |              |              |               |              |               |              |              |

|                                                                        | <i>20/21</i>  | <i>21/22</i>  | <i>22/23</i>  | <i>23/24</i>  | <i>24/25</i> | <i>25/26</i> | <i>26/27</i> | <i>27/28</i> | <i>28/29</i> | <i>29/30</i> | <i>30/31</i> |
|------------------------------------------------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>10 - YEAR COLLECTION SYSTEM IMPROVEMENTS PLAN - R&amp;R and CIP</b> | \$ 9,340,900  | \$ 12,265,000 | \$ 11,920,000 | \$ 11,775,000 | \$ 9,085,000 | \$ 7,965,000 | \$ 5,125,000 | \$ 5,030,000 | \$ 4,775,000 | \$ 4,775,000 | \$ 6,775,000 |
| <b>5-Year Average</b>                                                  | \$ 10,602,000 |               |               |               |              |              |              |              |              |              |              |

| TOTAL DISTRICT PROJECTIONS                                          |  | 20/21         | 21/22         | 22/23         | 23/24         | 24/25         | 25/26         | 26/27         | 27/28        | 28/29         | 29/30         | 30/31         |       |
|---------------------------------------------------------------------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|-------|
| Total District R&R                                                  |  | \$ 4,486,900  | \$ 2,501,200  | \$ 2,547,000  | \$ 3,308,000  | \$ 2,906,500  | \$ 2,777,500  | \$ 4,787,500  | \$ 2,400,500 | \$ 2,263,000  | \$ 2,428,000  | \$ 2,593,000  |       |
| Total District CIP                                                  |  | \$ 13,693,800 | \$ 21,388,000 | \$ 11,388,700 | \$ 11,949,000 | \$ 13,769,000 | \$ 14,505,000 | \$ 10,958,500 | \$ 4,670,500 | \$ 14,216,500 | \$ 8,936,500  | \$ 7,609,000  |       |
| Total District R&R + CIP                                            |  | \$ 18,180,700 | \$ 23,889,200 | \$ 13,935,700 | \$ 15,257,000 | \$ 16,675,500 | \$ 17,282,500 | \$ 15,746,000 | \$ 7,071,000 | \$ 16,479,500 | \$ 11,364,500 | \$ 10,202,000 |       |
| 5-Year Average                                                      |  | \$ 17,407,980 |               |               |               |               |               |               |              |               |               |               |       |
| CVSD Participation                                                  |  | \$ 2,189,001  | \$ 2,850,100  | \$ 447,975    | \$ 814,550    | \$ 1,841,675  | \$ 2,273,425  | \$ 2,599,300  | \$ 454,300   | \$ 2,870,175  | \$ 1,591,425  | \$ 800,800    |       |
| 5-Year Average                                                      |  | \$ 1,645,545  |               |               |               |               |               |               |              |               |               |               |       |
| TOTAL DISTRICT PROJECTIONS (INCLUDING HISTORIC INFLATION FACTOR)    |  |               |               |               |               |               |               |               |              |               |               |               |       |
| ENR April to April 10 year average =                                |  | 0.0238        | 20/21         | 21/22         | 22/23         | 23/24         | 24/25         | 25/26         | 26/27        | 27/28         | 28/29         | 29/30         | 30/31 |
| Total District R&R                                                  |  | \$ 4,593,688  | \$ 2,621,674  | \$ 2,733,218  | \$ 3,634,344  | \$ 3,269,234  | \$ 3,198,489  | \$ 5,644,359  | \$ 2,897,495 | \$ 2,796,538  | \$ 3,071,850  | \$ 3,358,682  |       |
| Total District CIP                                                  |  | \$ 14,019,712 | \$ 22,418,184 | \$ 12,221,360 | \$ 13,127,803 | \$ 15,487,383 | \$ 16,703,539 | \$ 12,919,836 | \$ 5,637,472 | \$ 17,568,263 | \$ 11,306,253 | \$ 9,855,847  |       |
| Total District R&R + CIP                                            |  | \$ 18,613,401 | \$ 25,039,858 | \$ 14,954,578 | \$ 16,762,147 | \$ 18,756,616 | \$ 19,902,027 | \$ 18,564,195 | \$ 8,534,967 | \$ 20,364,800 | \$ 14,378,103 | \$ 13,214,529 |       |
| 5-Year Average                                                      |  | \$ 19,083,045 |               |               |               |               |               |               |              |               |               |               |       |
| CVSD Participation                                                  |  | \$ 2,241,099  | \$ 2,987,379  | \$ 480,728    | \$ 894,908    | \$ 2,071,518  | \$ 2,618,010  | \$ 3,064,519  | \$ 548,357   | \$ 3,546,864  | \$ 2,013,434  | \$ 1,037,267  |       |
| 5-Year Average                                                      |  | \$ 1,810,509  |               |               |               |               |               |               |              |               |               |               |       |
| NOTE: Inflation factor applied is based on the ENR 10 year average. |  |               |               |               |               |               |               |               |              |               |               |               |       |

## Cash Flow Projection

|                                                                        | Rate Approved       | Projected Rate      | Projected Rate      | Projected Rate      | Projected Rate      | Projected Rate      | Projected Rate      | Projected Rate      | Projected Rate      | Projected Rate      | Projected Rate      |
|------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Annual Rate Increase</b>                                            | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         | <b>7.5%</b>         |
| <b>Sewer Rate</b>                                                      | <b>\$296</b>        | <b>\$318</b>        | <b>\$342</b>        | <b>\$368</b>        | <b>\$395</b>        | <b>\$425</b>        | <b>\$457</b>        | <b>\$491</b>        | <b>\$528</b>        | <b>\$568</b>        | <b>\$610</b>        |
| Year Number                                                            | Y0                  | Y1                  | Y2                  | Y3                  | Y4                  | Y5                  | Y6                  | Y7                  | Y8                  | Y9                  | Y10                 |
| Fiscal Year                                                            | 2020/21             | 2021/22             | 2022/23             | 2023/24             | 2024/25             | 2025/26             | 2026/27             | 2027/28             | 2028/29             | 2029/30             | 2030/31             |
| <b>Operating revenues</b>                                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| District service charges                                               | \$16,181,280        | \$17,394,876        | \$18,699,492        | \$20,101,954        | \$21,609,600        | \$23,230,320        | \$24,972,594        | \$26,845,539        | \$28,858,954        | \$31,023,376        | \$33,350,129        |
| Agency treatment charges                                               | 3,085,360           | 3,826,613           | 3,923,118           | 4,210,467           | 4,204,845           | 4,222,579           | 4,872,874           | 4,379,314           | 4,451,106           | 4,601,587           | 4,755,221           |
| Sanitary truck waste charges                                           | 20,000              | 20,000              | 20,000              | 20,000              | 20,000              | 20,000              | 20,000              | 20,000              | 20,000              | 20,000              | 20,000              |
| Grease receiving charges                                               | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             |
| Biosolids charges                                                      | 170,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             |
| Permits and inspection fees                                            | 140,000             | 140,000             | 140,000             | 140,000             | 140,000             | 140,000             | 140,000             | 140,000             | 140,000             | 140,000             | 140,000             |
| Contract fees - Waste Mgmt (10% starting Y0)                           | 1,531,821           | 1,577,776           | 1,625,109           | 1,673,862           | 1,724,078           | 1,775,800           | 1,829,074           | 1,883,947           | 1,940,465           | 1,998,679           | 2,058,639           |
| Recycling charges - residential                                        | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           | 2,309,000           |
| Recycling charges - commercial                                         | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             | 120,000             |
| Recycling revenue options - (\$1/50.5/\$0.5/\$0.5/\$0.5)               | 0                   | 514,000             | 771,000             | 1,028,000           | 1,285,000           | 1,542,000           | 1,542,000           | 1,542,000           | 1,542,000           | 1,542,000           | 1,542,000           |
| Landfills fees - Measure D                                             | 350,000             | 350,000             | 350,000             | 350,000             | 350,000             | 350,000             | 350,000             | 350,000             | 350,000             | 350,000             | 350,000             |
| Overhead recovery                                                      | 700,000             | 725,000             | 750,000             | 775,000             | 800,000             | 825,000             | 850,000             | 875,000             | 900,000             | 925,000             | 950,000             |
| <b>Total Operating Revenues</b>                                        | <b>\$24,727,461</b> | <b>\$27,297,265</b> | <b>\$29,027,719</b> | <b>\$31,048,282</b> | <b>\$32,882,523</b> | <b>\$34,854,700</b> | <b>\$37,325,542</b> | <b>\$38,784,799</b> | <b>\$40,951,525</b> | <b>\$43,349,641</b> | <b>\$45,914,989</b> |
| <b>Operating Expenses (Include Renewal &amp; Replacement Projects)</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| O&M Engineering                                                        | \$867,700           | \$893,731           | \$920,543           | \$948,159           | \$976,604           | \$1,005,902         | \$1,036,079         | \$1,067,162         | \$1,099,176         | \$1,132,152         | \$1,166,116         |
| O&M Collections                                                        | 2,122,200           | 2,335,866           | 2,405,942           | 2,478,120           | 2,552,464           | 2,629,038           | 2,707,909           | 2,789,146           | 2,872,821           | 2,959,005           | 3,047,775           |
| O&M Treatment plant                                                    | 8,287,100           | 8,535,713           | 8,791,784           | 9,055,538           | 9,327,204           | 9,607,020           | 9,895,231           | 10,192,088          | 10,497,850          | 10,812,786          | 11,137,169          |
| O&M Energy savings from battery storage system                         | 0                   | -39,584             | -120,336            | -125,148            | -130,148            | -135,356            | -140,776            | -146,404            | -152,256            | -158,348            | -164,684            |
| O&M Administration and general                                         | 2,317,300           | 2,386,819           | 2,458,424           | 2,532,176           | 2,608,142           | 2,686,386           | 2,766,977           | 2,849,987           | 2,935,486           | 3,023,551           | 3,114,257           |
| O&M Effluent disposal-EBDA                                             | 830,000             | 830,000             | 848,900             | 868,367             | 888,418             | 909,071             | 930,343             | 952,253             | 974,821             | 998,065             | 1,022,007           |
| R&R Collections                                                        | 2,592,800           | 1,620,000           | 1,580,000           | 1,560,000           | 1,560,000           | 1,750,000           | 1,560,000           | 1,560,000           | 1,560,000           | 1,560,000           | 1,560,000           |
| R&R Treatment Plant                                                    | 1,603,400           | 552,200             | 638,000             | 1,419,000           | 1,017,500           | 698,500             | 2,898,500           | 511,500             | 374,000             | 539,000             | 704,000             |
| R&R Engineering & Administration                                       | 278,200             | 162,500             | 162,500             | 162,500             | 162,500             | 162,500             | 162,500             | 162,500             | 162,500             | 162,500             | 162,500             |
| R&R Effluent disposal - EBDA                                           | 166,500             | 166,500             | 166,500             | 166,500             | 166,500             | 166,500             | 166,500             | 166,500             | 166,500             | 166,500             | 166,500             |
| Required Pension UAL Payment                                           | 566,504             | 771,514             | 897,217             | 963,112             | 1,038,238           | 1,071,690           | 1,099,615           | 1,128,304           | 1,157,787           | 1,188,083           | 1,219,204           |
| Additional Pension buydown (10-year amortization)                      | 534,000             | 762,116             | 636,413             | 570,518             | 495,392             | 461,940             | 434,015             | 405,326             | 375,843             | 345,547             | 314,426             |
| Interest savings from additional pension buydown                       |                     |                     | -37,380             | -97,728             | -135,277            | -209,891            | -242,227            | -272,608            | -300,980            | -327,289            | -351,478            |
| Depreciation                                                           | 3,725,000           | 3,836,750           | 3,951,853           | 4,070,408           | 4,192,520           | 4,318,296           | 4,447,845           | 4,581,280           | 4,718,719           | 4,860,280           | 5,006,089           |
| Decrease in EBDA equity                                                | 0                   | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             |
| Solid waste                                                            | 482,000             | 496,460             | 511,354             | 526,694             | 542,495             | 558,770             | 575,533             | 592,799             | 610,583             | 628,901             | 647,768             |
| Recycling                                                              | 2,913,700           | 2,932,111           | 2,951,074           | 2,970,607           | 2,990,725           | 3,011,446           | 3,032,790           | 3,054,774           | 3,077,417           | 3,100,739           | 3,124,761           |
| <b>Total Operating Expenses</b>                                        | <b>\$27,286,404</b> | <b>\$26,405,316</b> | <b>\$26,909,439</b> | <b>\$28,231,275</b> | <b>\$28,413,341</b> | <b>\$28,891,812</b> | <b>\$31,530,834</b> | <b>\$29,794,606</b> | <b>\$30,330,266</b> | <b>\$31,191,471</b> | <b>\$32,076,412</b> |
| <b>Operating Income (Loss)</b>                                         | <b>-\$2,558,943</b> | <b>\$891,949</b>    | <b>\$2,118,279</b>  | <b>\$2,817,008</b>  | <b>\$4,469,183</b>  | <b>\$5,962,888</b>  | <b>\$5,794,708</b>  | <b>\$8,990,192</b>  | <b>\$10,621,259</b> | <b>\$12,158,170</b> | <b>\$13,838,577</b> |
| <b>Non-Operating Revenues</b>                                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Investment income                                                      | \$100,000           | \$59,438            | \$41,676            | \$32,917            | \$54,463            | \$64,707            | \$60,706            | \$57,580            | \$93,860            | \$103,685           | \$141,753           |
| Rents and leases                                                       | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             |
| Recovery of uncollectible accounts                                     | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              | 10,000              |
| Other miscellaneous revenues                                           | 118,000             | 118,000             | 118,000             | 118,000             | 118,000             | 118,000             | 118,000             | 118,000             | 118,000             | 118,000             | 118,000             |
| Grant Revenues (EPA-Microvi, PG&E)                                     | 487,500             | 918,000             | 183,600             | 183,600             | 183,600             | 183,600             | 183,600             | 0                   | 0                   | 0                   | 0                   |
| <b>Total Non-Operating Revenues</b>                                    | <b>\$815,500</b>    | <b>\$1,205,438</b>  | <b>\$453,276</b>    | <b>\$444,517</b>    | <b>\$466,063</b>    | <b>\$476,307</b>    | <b>\$472,306</b>    | <b>\$285,580</b>    | <b>\$321,860</b>    | <b>\$331,685</b>    | <b>\$369,753</b>    |
| <b>Non-Operating Expenses</b>                                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contingency                                                            | \$340,000           | \$340,000           | \$340,000           | \$340,000           | \$340,000           | \$340,000           | \$340,000           | \$340,000           | \$340,000           | \$340,000           | \$340,000           |
| Bond interest                                                          | 448,300             | 436,213             | 423,838             | 411,088             | 397,963             | 384,388             | 370,438             | 356,113             | 341,338             | 326,113             | 310,438             |
| Write off of uncollectible accounts/capital assets                     | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              |
| <b>Total Non-Operating Expenses</b>                                    | <b>\$801,500</b>    | <b>\$789,413</b>    | <b>\$777,038</b>    | <b>\$764,288</b>    | <b>\$751,163</b>    | <b>\$737,588</b>    | <b>\$723,638</b>    | <b>\$709,313</b>    | <b>\$694,538</b>    | <b>\$679,313</b>    | <b>\$663,638</b>    |
| <b>Income before Contributions and Transfers</b>                       | <b>-\$2,544,943</b> | <b>\$1,307,974</b>  | <b>\$1,794,518</b>  | <b>\$2,497,237</b>  | <b>\$4,184,083</b>  | <b>\$5,701,607</b>  | <b>\$5,543,376</b>  | <b>\$8,566,460</b>  | <b>\$10,248,582</b> | <b>\$11,810,542</b> | <b>\$13,544,692</b> |
| Connection fees                                                        | 3,500,000           | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             |
| <b>Change in Net Assets</b>                                            | <b>\$955,057</b>    | <b>\$1,507,974</b>  | <b>\$1,994,518</b>  | <b>\$2,697,237</b>  | <b>\$4,384,083</b>  | <b>\$5,901,607</b>  | <b>\$5,743,376</b>  | <b>\$8,766,460</b>  | <b>\$10,448,582</b> | <b>\$12,010,542</b> | <b>\$13,744,692</b> |
| <b>Beginning Cash Position</b>                                         | <b>\$19,576,466</b> | <b>\$11,887,623</b> | <b>\$8,335,147</b>  | <b>\$6,583,472</b>  | <b>\$10,892,525</b> | <b>\$12,941,466</b> | <b>\$12,141,106</b> | <b>\$11,515,968</b> | <b>\$18,772,099</b> | <b>\$20,737,040</b> | <b>\$28,350,504</b> |
| Change in net position                                                 | 955,057             | 1,507,974           | 1,994,518           | 2,697,237           | 4,384,083           | 5,901,607           | 5,743,376           | 8,766,460           | 10,448,582          | 12,010,542          | 13,744,692          |
| + Depreciation                                                         | 3,725,000           | 3,836,750           | 3,951,853           | 4,070,408           | 4,192,520           | 4,318,296           | 4,447,845           | 4,581,280           | 4,718,719           | 4,860,280           | 5,006,089           |
| + Decrease in EBDA equity                                              | 0                   | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             | 200,000             |
| + Write-offs                                                           | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              | 13,200              |
| - Capital outlays (Collections)                                        | (6,748,100)         | (10,645,000)        | (10,340,000)        | (10,215,000)        | (7,215,000)         | (6,215,000)         | (3,565,000)         | (3,470,000)         | (3,215,000)         | (3,215,000)         | (5,215,000)         |
| - Capital outlays (Treatment plant & Others)                           | (6,925,700)         | (10,703,000)        | (1,008,700)         | (1,694,000)         | (6,204,000)         | (8,250,000)         | (7,353,500)         | (1,160,500)         | (10,961,500)        | (5,681,500)         | (2,354,000)         |
| - Capital outlays (Engineering/Admin)                                  | (20,000)            | (40,000)            | (40,000)            | (40,000)            | (40,000)            | (40,000)            | (40,000)            | (40,000)            | (40,000)            | (40,000)            | (40,000)            |
| - Capital outlays (SB 1383 Can Replacements)                           |                     |                     | (6,000,000)         |                     |                     |                     |                     |                     |                     |                     |                     |
| + Capital repayments from CVSsan                                       | 1,706,700           | 2,682,600           | 259,025             | 430,350             | 1,557,850           | 2,069,350           | 1,845,225           | 296,975             | 2,747,225           | 1,427,225           | 595,350             |
| <b>+ New debt financing</b>                                            |                     | <b>10,000,000</b>   | <b>10,000,000</b>   | <b>10,000,000</b>   | <b>7,000,000</b>    | <b>3,000,000</b>    |                     |                     |                     |                     |                     |
| <b>- New debt payments</b>                                             |                     |                     | <b>(361,571)</b>    | <b>(723,142)</b>    | <b>(1,084,713)</b>  | <b>(1,337,813)</b>  | <b>(1,446,284)</b>  | <b>(1,446,284)</b>  | <b>(1,446,284)</b>  | <b>(1,446,284)</b>  | <b>(1,446,284)</b>  |
| <b>+ Bond financing</b>                                                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| - Bond principal payments                                              | (395,000)           | (405,000)           | (420,000)           | (430,000)           | (445,000)           | (460,000)           | (470,000)           | (485,000)           | (500,000)           | (515,000)           | (530,000)           |
| <b>Ending cash position</b>                                            | <b>\$11,887,623</b> | <b>\$8,335,147</b>  | <b>\$6,583,472</b>  | <b>\$10,892,525</b> | <b>\$12,941,466</b> | <b>\$12,141,106</b> | <b>\$11,515,968</b> | <b>\$18,772,099</b> | <b>\$20,737,040</b> | <b>\$28,350,504</b> | <b>\$38,324,550</b> |
| Reserve level (indexed at 50% of sewer revenues)                       | \$6,845,000         | \$7,340,000         | \$7,890,000         | \$8,480,000         | \$9,110,000         | \$9,800,000         | \$10,530,000        | \$11,320,000        | \$12,170,000        | \$13,083,000        | \$14,064,000        |
| <b>Available cash in excess of reserve level</b>                       | <b>\$5,042,623</b>  | <b>\$995,147</b>    | <b>-\$1,306,528</b> | <b>\$2,412,525</b>  | <b>\$3,831,466</b>  | <b>\$2,341,106</b>  | <b>\$985,968</b>    | <b>\$7,452,099</b>  | <b>\$8,567,040</b>  | <b>\$15,267,504</b> | <b>\$24,260,550</b> |