



2025 Sewer Rate and Capacity Charge Study

Final Report

April 1, 2026





Mr. James Russell-Field
Director of Administrative Services
Fairfield-Suisun Sewer District
1010 Chadbourne Rd.
Fairfield, CA 94534

Re: 2025 Sewer Rate and Capacity Charge Study

Dear Mr. Russell-Field,

Hildebrand Consulting is pleased to present this 2025 Sewer Rate and Capacity Charge Study (Study) that we performed for Fairfield-Suisun Sewer District (District). We appreciate the fine assistance provided by you and all of the members of the District staff who participated in the Study.

If you or others at the District have any questions, please do not hesitate to contact me at:

mhildebrand@hildco.com
(510) 316-0621

We appreciate the opportunity to be of service to the District and look forward to the possibility of doing so again in the near future.

Sincerely,

Mark Hildebrand
Hildebrand Consulting, LLC

Enclosure

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List of Acronyms

AWWA	American Water Works Association
BOD	biochemical oxygen demand
CCI	Engineering News Record's 20-cities Construction Cost Index
CIP	capital improvement program
DCR	debt service coverage ratio
ENR	<i>Engineering News Record</i> (periodical)
EDU	equivalent single-family dwelling unit; a standard unit measure of sewer utility service based on the estimated volume of sewer flow from an average residential dwelling
ENR	Engineering News Record
FY	Fiscal year (which ends on June 30 for the District)
gpd	gallons per day
hcf	hundred cubic feet (748 gallons)
mg/l	milligrams per liter
mgd	millions of gallons per day
O&M	operations and maintenance
R&R	repair and replacement
RCNLD	replacement cost new less depreciation
TSS	total suspended solids
SRF	state revolving fund (loan)
SWRCB	State Water Resources Control Board
WEF	Water Environment Federation
WWTP	wastewater treatment plant

Section 1. INTRODUCTION

Hildebrand Consulting, LLC was retained by Fairfield-Suisun Sewer District (District) to conduct a comprehensive 2025 Sewer Rate and Capacity Charge Study (Study). This report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations.

1.1 DISTRICT BACKGROUND

The Fairfield-Suisun Sewer District (District) is a special district incorporated by an act of the California State Legislature in 1951, which serves all territory within the cities of Fairfield and Suisun City. The District is located in central Solano County, California, midway between San Francisco and Sacramento and has broad powers to finance, construct, and operate systems for the treatment, collection, and disposal of sewage and storm water within the District's jurisdiction. The District currently serves a population of approximately 149,000, and contracts with the City of Fairfield and City of Suisun City for sewer billing and collections. Its Board of Directors is a ten-member body consisting of the members of the city councils of the two cities. The Board president is elected by the Board from among its members. The District's day-to-day operations are managed by the General Manager, who reports directly to the Board of Directors.

District Operations - Fairfield and Suisun City lie in a large valley surrounded by rolling hills. Fairfield is the Solano County seat and houses most county government activities while Suisun City is one of California's oldest cities. Suisun City sits approximately 15 feet above sea level, and a network of sloughs, navigable by small boats, extends from the city to San Francisco Bay. The District owns and operates a system of sanitary sewers and pumping stations, used to oversee wastewater collection and treatment. The District's service area encompasses 48 square miles, and its facilities include 70 miles of 12-inch to 48-inch diameter sewers, 13 pumping stations and the regional wastewater treatment plant (WWTP). The District owns all 12-inch diameter and larger

sewers in the service area, while the 10-inch diameter and smaller sewers are owned by the Cities. While the District's treatment facilities are intended to have a build-out capacity of over 23 million gallons per day (mgd), current average dry weather flow to the plant ranges from 10 to 15 mgd. The District also maintains some storm drain assets in conjunction with the City of Fairfield and Suisun City; however, the storm drain enterprise is not analyzed in this Study.

Major employers located within the District's boundaries include Travis Air Force Base, County of Solano, Anheuser-Busch Brewery, Jelly Belly, Producers Dairy Foods, North Bay Medical Center, Kaiser Permanente, other large manufacturers and industries, and shopping districts.

1.2 RATE STUDY BACKGROUND

The District's Board last approved rate adjustments in March of 2022 based on the District's 2022 Sewer Rate and Capacity Charge Study (2022 Study). That action implemented five years of rate changes from FY 2022/23 through FY 2026/27.

The District's primary source of revenue comes from its Sewer Service Charge, which supports operating expenses and repair and rehabilitation (R&R) of District infrastructure. The District's Sewer Service Charges are stable with approximately 80 percent of rate revenue coming from residential customers who are billed a fixed fee on a monthly basis. Commercial and industrial customers comprise the remaining 20 percent of the total Sewer Service Charges and are billed based on water consumption. The District's developer-funded Capacity Charges pay for growth related capital spending. The Drainage Maintenance primary revenue source is a fee charged to each property in the service area and pays expenses related to storm drain facilities (and is not part of this Study).

The financial forecasts from the 2022 Study have generally been accurate with exception of labor costs which have been higher than forecasted due an unanticipated increase in staffing. Future capital spending is also unexpectedly high due largely to the

Suisun Force Main Reliability project and a project driven by regulatory compliance with a new permit, the A/B Train Aeration Basin Anoxic Zones (see Section 2.1.10). Despite the increase in personnel costs, the District's funds (Operations, Capital, and Drainage Maintenance) are adequately funded and legal debt covenants are being met. That being said, the increase in capital spending will require the District to issue new debt, which will require more rate revenue than previously anticipated. As such, this Study is being conducted prior to the conclusion of the previous 5-year rate schedule. A more robust rate schedule will enable the District to qualify for more affordable debt.

1.3 SCOPE & OBJECTIVES OF STUDY

The scope of this Study was to prepare a multi-year financial plan, update the cost-of-service analysis, review the District's existing rate structure, propose a 5-year rate program, and update the District's Capacity Charges. The primary objectives of this Study were to:

- i. Develop a multi-year financial management plan that integrates the District's operational and capital project funding needs
- ii. Propose annual rate adjustments to the Sewer Service Charges that will ensure adequate revenues to meet the District's ongoing service and financial obligations
- iii. Determine the cost of providing sewer service to the District's customers (including some large industrial customers) using equitable and industry-accepted methodologies
- iv. Recommend specific modifications to the District's existing rate structure in order to ensure that the District is equitably recovering the cost of service and comporting with industry standards and California's legal requirements
- v. Update the District's Capacity Charge's to ensure that growth is paying for the value of the assets that will serve them

1.4 STUDY METHODOLOGY

This Study applied methodologies that are aligned with industry standard practices for rate setting as promulgated by the Water Environment Federation (WEF) and all applicable law, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

The Study began with development of a multi-year financial management plan that determined the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and capital cost requirements while maintaining adequate reserves. A financial planning model was customized to reflect the District's financial dynamics and latest available data for the sewer operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

Revenue requirements calculated in the financial plan for FY 2026/27 were then used to perform a detailed cost-of-service analysis. The cost-of-service analysis and rate structure design were conducted based upon principles outlined by the WEF, legal requirements (Proposition 218) and other generally accepted industry practices to develop rates that reflect the cost of providing service.

Recommendations for the financial plan and updated rate structure were presented to the District's Executive Committee and Board of Directors. A Public Hearing to adopt the rates will be held in the spring of 2026.

Section 2. FINANCIAL PLAN

This Study's 10-year financial plan was developed through interactive work sessions with District staff. As a result of this process, the Study has produced a robust financial plan that will allow the District to meet revenue requirements and financial performance objectives throughout the projection period while striving to minimize rate increases. This includes maintaining prudent reserves and ensuring that the District's customers are all paying fair and equitable amounts for services provided.

2.1 FINANCIAL DATA & ASSUMPTIONS

The District provided historical and budgeted financial information associated with operation of the sewer system, including historical and budgeted operating costs, a multi-year capital improvement program (CIP), and outstanding debt service obligations. District staff also assisted in providing other assumptions and policies, operating and capital reserve targets, and escalation rates for operating costs (all of which are described in the following subsections).

2.1.1 DISTRICT FUNDS

The District enterprise is comprised of four major funds that are used to manage funds in a transparent manner. While the financial plan model for this Study was developed with an understanding of those funds, the model did not attempt to replicate the movement of all moneys between funds. Rather the financial model was used to evaluate the financial condition of the District's sewer enterprise as a whole. The financial plan was developed to serve as a planning tool for managing overall financial needs, constraints, and opportunities, as well as for determining annual rate revenue needs. It is primarily a cash flow model and differs from the District's budgets and financial statements.

The following describes the purpose of each fund and how the financial plan model reflected the use of those funds. A schematic of this fund structure and cash flow is provided as **Figure 1**.

Fund 1 – Fund 1 is the District’s primary fund and receives the Sewer Service Charge revenues. Fund 1 pays for all operating and maintenance expenditures, debt service and funds most replacement and replacement (R&R) capital projects (as opposed to growth-related capital spending, see Fund 2). Additional revenues into Fund 1 include miscellaneous fees, and interest earnings.

Within Fund 1, there are three reserves: the Operating Reserve, the Major Maintenance Reserve, and the Debt Reserve. The District’s policies regarding the target funding levels for these reserves are discussed in 2.1.3.

Fund 2 - As further described in Section 4, a portion of the District’s existing Capacity Charge revenue is considered restricted to fund growth-related projects, while the remainder of the existing Capacity Charge revenue is unrestricted and can fund any capital project, including R&R projects. The Restricted Capacity Fund (Fund 2) is dedicated to paying for the District’s growth-related capital projects. Fund 2 receives revenue from the restricted capacity charge revenue (“capacity surcharges”) as well as transfers from Fund 3 (see below) which received the District’s unrestricted capacity charge revenue (“capacity fees”).

Fund 3 - The Unrestricted Capacity Fund (Fund 3) is used solely to receive and distribute the District’s unrestricted capacity charge revenue (capacity fees). Fund 3 then transfers its funds to either Fund 2 (to pay for growth related capital projects) or Fund 1 (to pay for R&R capital projects).

Fund 4 is the Drainage Maintenance Fund and is outside of the scope of this study.

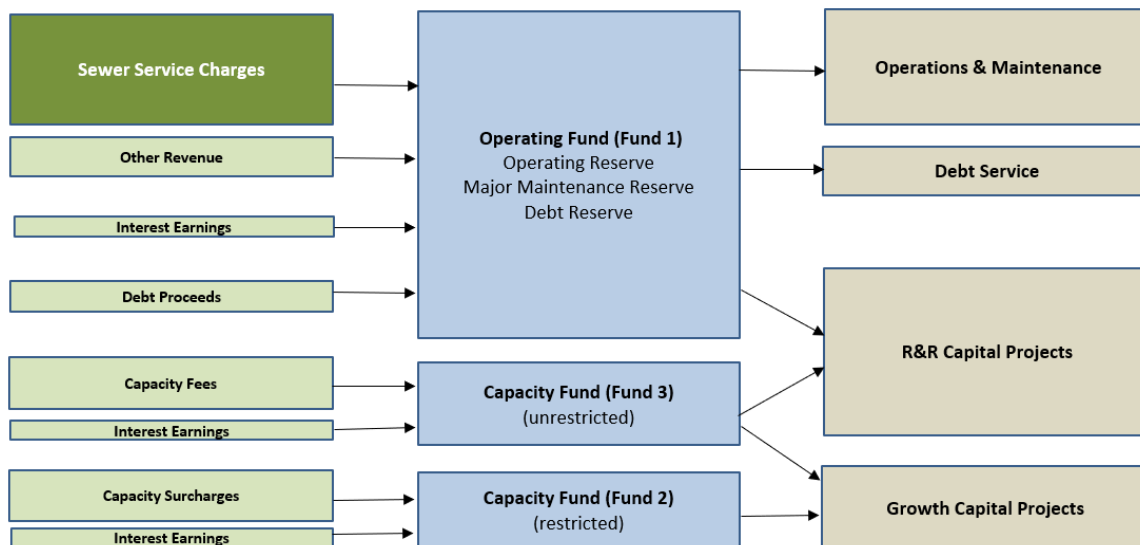


Figure 1: Schematic of District Cash Flow and Fund Structure

2.1.2 BEGINNING FUND BALANCES

The FY 2025/26 beginning fund balances for each fund described in Section 2.1.1 are summarized in **Table 1**.

Table 1: FY 2025/26 Beginning Cash Balance

Fund 1 (Operating Fund)	\$37,764,000
Fund 2 (Restricted Capacity Charges)	\$9,219,000
Fund 3 (Unrestricted Capacity Charges)	\$9,354,000
Total:	\$56,337,000

2.1.3 RESERVE TARGETS

Reserves for utilities are cash balances that are maintained in order to (a) comply with contractual obligations (e.g., bond covenants), (b) protect the utility from unexpected financial events, and/or (c) accommodate operational and capital program cash flow needs. Often multiple reserves are maintained, each with a specific function. In addition to the direct benefits of financial stability, reserves can help utilities obtain higher credit

rankings, which can then help qualify the utility for cheaper debt. Credit rating agencies evaluate utilities on their financial stability, which includes adherence to formally adopted reserve targets.

The following describes recommended reserve targets which are partially informed based on existing District reserve policies and are consistent with 1) the author's industry experience for similar systems, 2) findings of reserve studies conducted by the American Water Works Association (AWWA), and 3) healthy reserve levels for public utilities per the evaluation criteria published by rating agencies (e.g., Fitch, Moody's, and Standard & Poor's).

Operating Reserve – The Operating Reserve is maintained in order to meet the liquidity and cash flow needs for the District's day-to-day operations. This reserve ensures continuity of service regardless of short-term changes in cash flow or sudden increases in operating costs. Consistent with recent historical District practices, this Study recommends that the Operating Reserve continue to be maintained at twenty five percent (3 months) of the annual operating budget, excluding debt service.

Given the FY 2025/26 Fund 1 operating budget of \$34.2 million, the targeted Operating Reserve for that year is about \$8.5 million.

Major Maintenance Reserve – This Major Maintenance Reserve is intended to be used for both (a) catastrophic failure of critical infrastructure and (b) managing the inherent volatility of capital spending needs. Given the inherent volatility of capital spending (see Figure 4), the District's practice has been to target a Major Maintenance Reserve balance equal to the average annual capital spending for projects over the next 5 years (rolling average). Given the average projected annual capital spending over the next five years (see Section 2.1.10), the current target is proposed to be about \$11.0 million.

This reserve is designed to be drawn down during years of higher-than-average capital spending and, conversely, built up during years when capital spending is below

average. Such an approach can help reduce the need for large rate adjustments and help ensure continuous funding for capital R&R projects.

Debt Reserve – The District’s loan covenants for its existing state revolving fund (SRF) require the District to maintain a debt reserve equal to one year of debt service. Based on current annual debt service (see Section 2.1.7), this reserve is maintained at about \$1.07 million.

2.1.4 CUSTOMER GROWTH

Over the past two years the District has received an average of approximately \$3.2 million per year in capacity fee revenue. This level of capacity fee revenue corresponds with a growth rate of approximately 0.91 percent. This growth rate is consistent with projections provided by the City of Fairfield. The City of Fairfield has also indicated that it expects growth to taper off over the next 10 years, therefore this financial plan assumes that growth will gradually drop from the current rate of 0.91 percent down to 0.57% by FY 2035/36.

2.1.5 RATE REVENUES

Rate revenue is the revenue generated from customers for sewer service. In the District’s case, rate revenue is collected from individual residential and commercial customers within the District. This Study’s financial plan proposes annual rate revenue adjustments that will meet the District’s revenue requirements. Budget and projected rate revenues are listed in Schedule 1. The rate revenue assumed for FY2025/26 assumes a 4.0 percent increase over the previous year’s actuals (consistent with the adopted rate increases).

2.1.6 NON-RATE REVENUES

In addition to rate revenue, the District receives other revenue, including miscellaneous fees, capacity charge revenue, operating revenue and interest revenue on investments. Estimates of interest income were calculated annually based upon recent estimated

average fund balances and historic effective return of 3.5 percent on cash and invested funds. It was assumed that these (historically high) returns will not be sustain, therefore interest earnings was assumed to drop to 2.5 percent starting in FY 2028/29. Projections of all other non-rate revenues were based on FY 2025/26 budgeted revenues. Budgeted revenues FY 2025/26 are depicted in Figure 3 below and listed in detail in **Schedule 1**.

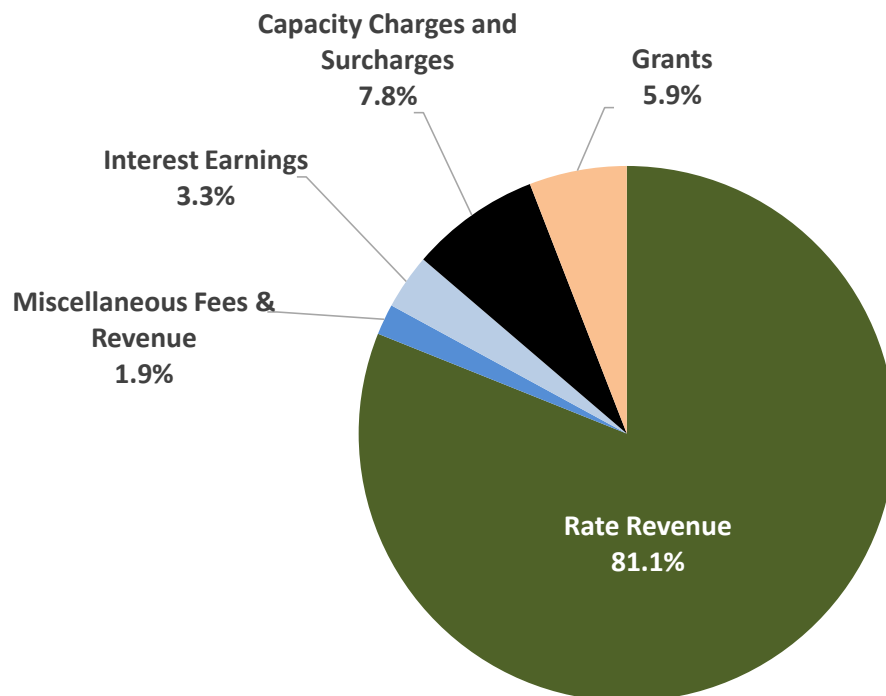


Figure 2: FY 2025/26 Budgeted Revenue Categories

2.1.7 OPERATION AND MAINTENANCE EXPENSES

The District’s operating and maintenance expenses include all ongoing collection, treatment, disposal, and administrative expenses, and debt service payments. The financial plans’ assumed annual operating and maintenance costs are based on the FY 2025/26 budget and are adjusted for future years based on inflation (see Section 2.1.8). Recent operating cost increases that were not fully anticipated by the 2022 Study include increases to personnel costs (due primarily to an increase in filled positions),

electricity costs (due largely to increased PG&E rates, and partially due to the cogeneration facility that has been offline for construction of the Bioenergy Generation Project), and insurance liability premiums (which have nearly tripled).

The District currently has two outstanding SRF loans. The combined annual debt service is \$1.07 million through 2032, at which time the combined *existing*¹ annual debt service will drop to about \$333 thousand until FY2040.

Budgeted expense categories for FY 2025/26 are depicted in **Figure 3**. Budgeted and projected operating and debt expenses are listed in detail in **Schedule 2**. Capital program expenses are discussed in Section 2.1.10 and detailed in **Schedule 3**.

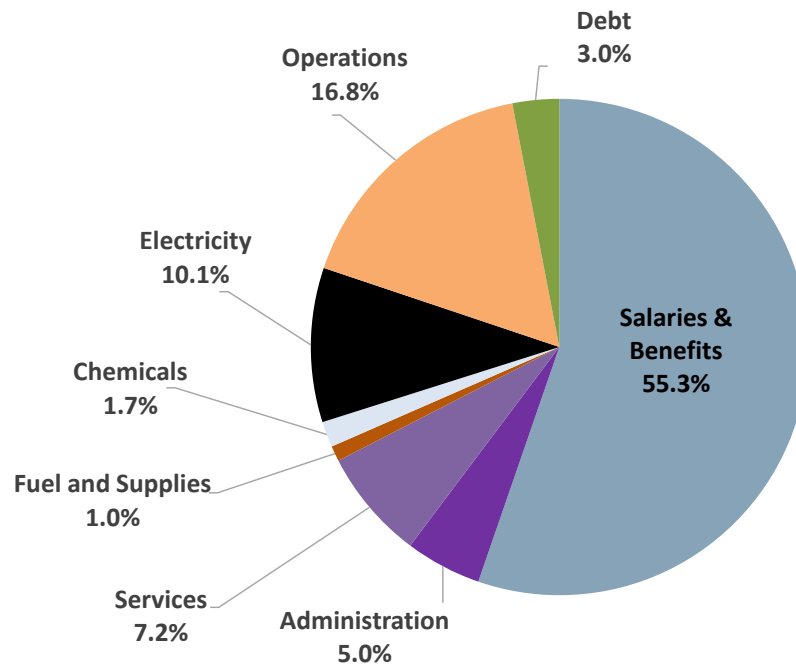


Figure 3: FY 2025/26 Budgeted Expense Categories

¹ This financial plan proposed to issue additional debt.

2.1.8 COST ESCALATION

Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with District staff. During the projection period, most of the District's operating and capital expenses (including personnel costs) are projected to increase at 3 percent per year (the long-term historical inflation rate). Exceptions include liability insurance premiums (10 percent per year for 5 years, and then 5 percent per year thereafter), and utilities, chemicals, and health insurance (5 percent increase per year).

2.1.9 DEBT SERVICE COVERAGE

Debt service coverage is a measure of how easily an entity is able to afford its outstanding debt. Typically, state-revolving fund (SRF) loans require a debt coverage ratio (DCR) of 1.1 to 1.2. The author of this study recommends maintaining a DCR of at least 1.5 to ensure access to favorable borrowing terms in the future. The District currently has little debt relative to its net revenue and therefore has a strong DCR (currently over 8.0). This financial plan does propose additional debt and includes rate revenue increases that we expect will maintain the District's strong DCR throughout the planning period.

2.1.10 CAPITAL IMPROVEMENT PROGRAM

In recent years, (from FY 2022/23 to FY 2024/25) the District averaged \$11.5 million in annual capital spending. Between FY 2025/26 and FY 2035/36, the District is planning to increase its annual spending to an average of about \$19.0 million. Part of this increase was anticipated by the 2022 Study and can be attributed to the District's 2022 Collection System Asset Management Plan, which identified a series of projects which would proactively address sewer system rehabilitation needs associated with aging pipes, pump stations, and other system deficiencies. A few projects in particular are now estimated to be significantly more expensive than previously forecasted, including:

- Suisun Force Main Rehabilitation (currently estimated at \$53.3 million, previously forecasted at \$12 million)
- A/B Train Aeration Basin Anoxic Zones – Phases 1 (a new \$13.5 million project driven by changes regulations)

Figure 4 shows the recent historical capital spending and projected capital spending for the next 10 years. The projection is based on the District’s capital spending forecast through FY 2032/33 and assumes average capital spending levels in FY 2033/34 through FY 2035/36 (\$12.5 million). A detailed list of projected R&R and growth-related capital projects and associated costs is provided in **Schedule 3**.

In addition to the two large projects listed above, additional notable projects include the multiple phases of Electrical Replacement Project (totaling \$22.1 million), the Peabody/Walters Relief Sewer Phase 2 (a \$7.7 million expansion project driven by growth in the northeast portion of the City of Fairfield), and the Bioenergy Generation Project (\$4 million).

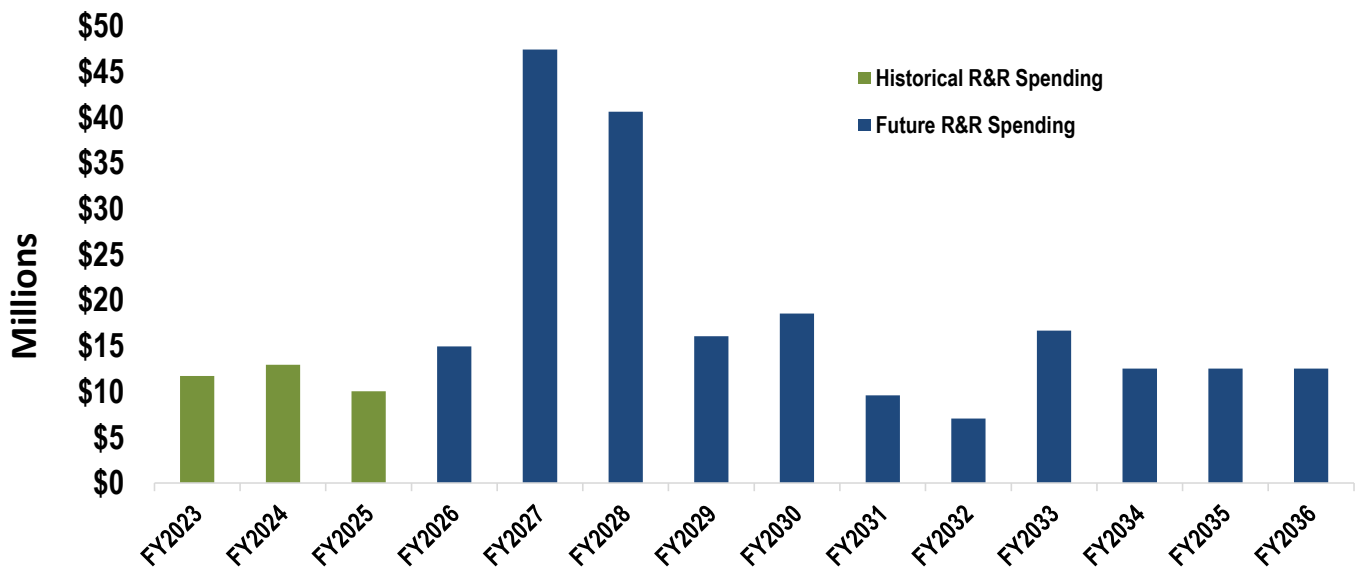


Figure 4: Historical and projected capital spending

2.1.11 FUTURE BORROWING ASSUMPTIONS

This financial plan proposes new debt in the immediate future, consisting of a mix of WIFIA² loans and bond debt. This strategy is necessary to smooth the spike in capital spending in FY 2026/27 and FY 2027/28 that is evident in Figure 4. This financial plan assumes that about 49 percent of the Suisun Force Main Project and the Electrical Replacement project will be funded with WIFIA loans and the remainder of those projects will be funded with one or more bonds. It is assumed that the WIFIA loan will have an interest rate of 4.75 percent and a repayment period of 37 years, as well as a 5-year deferral of the first payment. The bond is assumed to have an interest rate of 5 percent, and repayment period of 30 years, and a one-year deferral of the first payment.

2.2 PROPOSED RATE REVENUE INCREASES

All of the above information was entered into a financial planning model to produce a 10-year financial plan that evaluated the sufficiency of current revenues to meet current and estimated future financial obligations and determined the level of rate revenue increases necessary in each year of the planning period.

Based upon the previously discussed financial data, assumptions, and reserve targets, this Study proposes a 5-year schedule of rate adjustments as shown at the bottom of **Figure 5**. The numbers provided in **Schedule 4** (cash flow proforma) are summarized graphically in Figure 5. Note that the ending fund balance (red line below) represents the fund balance for Fund 1. It is assumed that about \$6.5 million will be transferred from Fund 3 (unrestricted capacity charge fund) to support part of the R&R capital spending plan. While there is no specific reserve policy for Fund 2 and Fund 3, this financial plan projects that both funds will maintain a positive balance throughout the planning period.

² Water Infrastructure Finance and Innovation Act, a federal loan program

The proposed rate revenue increases are necessary in order to support the District’s proposed debt strategy for funding the capital spending program, which features a spike in spending in the near term. The projected rate revenue increases starting in FY 2031/32 shown in Figure 5 are only estimates to demonstrate that, based on current forecasts, larger rate increases are not anticipated during that time period.

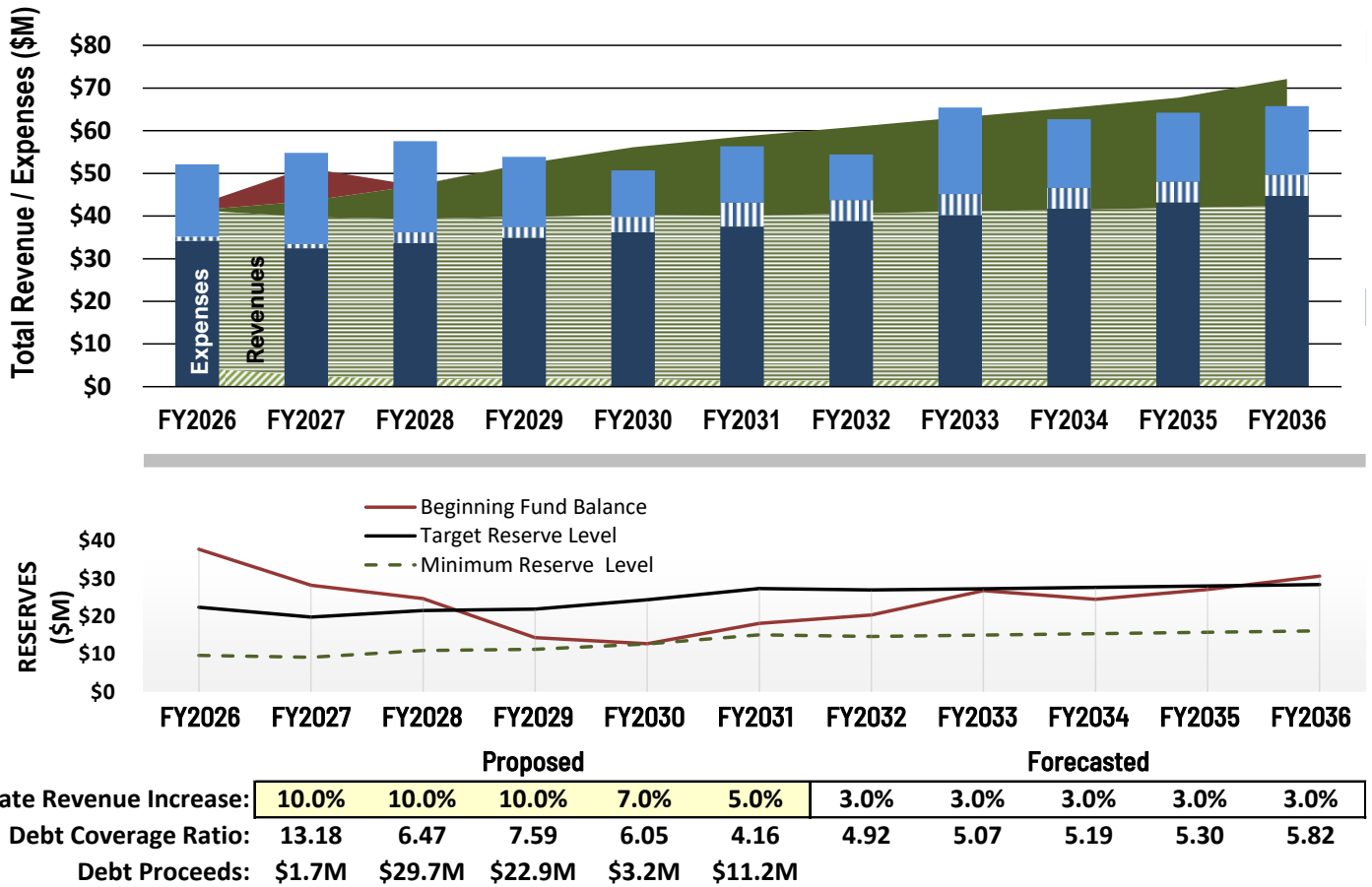


Figure 5: Financial Plan Estimates with Recommended Rate Increases

Section 3. COST-OF-SERVICE & RATE STRUCTURE

This section of the report provides the cost-of-service analysis (COSA) and design of Sewer Service Charges intended to meet the District’s financial obligations for FY 2026/27 and beyond. Proposed Sewer Service Charges are intended to meet the utility’s financial needs, satisfy legal requirements, and achieve other rate-setting objectives. The COSA and related rate design recommendations address each of the following:

- Identification of Sewer Service Charge rate-setting objectives
- Evaluation of customer account and wastewater production data
- Allocation of costs to each customer and customer class in proportion with service demands
- Design of a Sewer Service Charge rate structure to meet revenue needs, satisfy legal requirements, and achieve rate-setting objectives in a fair and reasonable manner

3.1.1 RATE SETTING OBJECTIVES

There are two rate setting objectives that are primary and fundamental to guiding the rate-setting process. They include (1) Sewer Service Charges must generate sufficient revenue to meet the utility’s service and financial obligations, and (2) Sewer Service Charges must be calculated consistent with the requirements of the California Constitution, Article XIII D (Proposition 218) and relevant case law. Other rate-setting objectives are secondary and can be addressed so long as the primary objectives are first achieved. Beyond the primary objectives, other rate-setting objectives identified to help guide the rate design process included the following:

- Sewer Service Charges should be viewed as fair and equitable by the public
- Sewer Service Charges should be simple, understandable, and easy to administer
- Sewer Service Charges should strike an appropriate balance between fixed and usage-based charges, with consideration of:
 - Revenue stability
 - Affordability for basic usage

3.1.2 CURRENT SEWER SERVICE CHARGES

The District’s Sewer Service Charges were most recently increased in July 2025 by between 4 percent. The current Sewer Service Charges are presented in Table 2. The Sewer Service Charges as assessed to all residential accounts based on the number of dwelling units. Non-residential accounts are billed for wastewater service based on actual monthly water usage.

Table 2: Current Sewer Service Charge Schedule

Residential (monthly) ¹	\$51.62 per dwelling unit
Commercial	
Monthly Account Charge and Regular Strength Volumetric ² or High Strength Volumetric ³	\$13.73 per account per mo. \$4.13 per HCF \$7.14 per HCF
Case-by-Case ⁴	
Monthly Account Charge and Volumetric (direct connect) ⁵ or Volumetric (through local collection) and BOD (by weight) and TSS (by weight)	\$13.73 per account per mo. \$3,433.67 per MG \$5,043.21 per MG \$577.37 per 1000 lbs \$293.02 per 1000 lbs
Travis Air Force Base Volumetric	\$3.33 per HCF

¹ Single-family dwelling, multiple-family dwelling, trailer courts, and mobile home parks

² Offices, retail, stores, hotels, motels, schools, churches, hospitals, nursing homes, laundromats, dry cleaning, establishments, bars without dining facilities, car washes without auto steam cleaning facilities, other commercial or industrial customers not treated high strength or as case-by-case.

³ Commercial laundries, restaurants and bars with dining facilities, service stations with holding tank dumping facilities, car washes with auto steam cleaning facilities, bakeries and food processing, other commercial or industrial customers with concentrations greater than 200 milligrams per liter BOD or 265 milligrams per liter TSS, but less than the concentrations specified for case-by-case.

⁴ All commercial or industrial customers other than those specified as regular or high strength with flows greater than 0.005 MGD, or with concentrations greater than 65 mg/l BOD or 1,000 mg/l TSS; all intermittent customers; and any commercial or industrial customer requesting and paying the full cost of metering and testing.

⁵ For customers that deliver wastewater directly to collection system pipes of 12" or greater.

3.1.3 WASTEWATER FLOW AND LOADING ESTIMATES

Sewer Service Charges calculations are based on several factors related to wastewater service customers. Factors include the number of customers, customer classes, water usage (leading to estimated wastewater flows), and strength characteristics of wastewater as determined by biochemical oxygen demand (BOD) and total suspended solids (TSS). **Table 3** summarizes customer account and water usage data obtained from the utility billing system for FY 2024/25, as well as estimates of resulting wastewater flow and loading characteristics.

The sewer flow have been estimated based on winter water usage (January through March) based on the assumption that minimal irrigation occurs during those months and therefore most water usage is returned to the sewer. The BOD and TSS concentrations were established during the 2022 Study based on a mass balance calculation using the known BOD and TSS loading to the WWTP.

Non-residential wastewater flows are based on 90 percent of actual monthly water usage, as irrigation is generally separately metered, and it is reasonable to assume that most non-irrigation water demand ends up as wastewater.

Sewer Service Charge analyses consider the strength (loading) characteristics of wastewater entering treatment facilities. Strength factors for BOD and TSS are considered, as these factors play a role in the treatment operations. Each wastewater user is grouped into one of four possible strength categories: residential, Regular Strength commercial, High Strength commercial, and “Case-by-Case” industrial. The Case-by-Case customers are subject to site-specific high-strength surcharges due to their unique or heavy loading characteristics and/or high flow volumes.

The assumed BOD and TSS strength for each of the above categories is summarized in Table 3. The strength characteristics for the two general strength commercial categories and the assignment of different business types to each category are generally based on guidelines published by the California State Water Resources

Control Board (SWRCB)³. The strength characteristics for the Case-by-Case accounts is based on regular wastewater testing at each facility. Finally, the residential strengths have been inferred using on a mass balance calculation using the known loadings to the WWTP and the assumed strength for all non-residential accounts. While the resulting strength assumptions for residential wastewater is higher than the range provided by SWRCB guidelines, the historical trend of more efficient water usage by residential accounts supports the concept that residential strengths are higher now than they were in 1998.

³ Revenue Guidelines, Appendix G, March 1998, SWRCB

Table 3: Wastewater Customer Account Data and Estimated Wastewater Flows and Loadings

Customer Class	No. of Accounts ¹	No. of Dwelling Units	Water Usage ¹ HCF	Rate of Return ²	Estimated Annual Wastewater Flow HCF	Estimated Annual Wastewater Flow MG	BOD Strength ³ mg/l	Annual BOD Loading lbs	TSS Strength ³ mg/l	Annual TSS Loading lbs
FAIRFIELD										
Residential										
Single Family	30,400	30,400	4,092,700	65%	2,660,260	1,989.9	300	4,978,700	220	3,651,000
Multi-family	440	8,750	590,900	79%	466,810	349.2	300	873,600	220	640,700
Mobile Homes	11	798	54,100	65%	35,170	26.3	300	65,800	220	48,300
Total Residential	30,851	39,948	4,737,700	69%	3,285,810	2,457.8		5,918,100		4,340,000
Commercial General										
Regular Strength	973	na	584,800	90%	526,320	393.7	150	492,500	150	492,500
Special Strength	130	na	85,600	90%	77,040	57.6	650	312,400	1,000	480,600
Case-by-Case and District Billed Accounts										
Anheuser Busch	1	na	205,800	100%	205,800	153.9	381	489,100	824	1,057,900
Aradagh Metal (Rexam)	1	na	51,200	100%	51,200	38.3	34	10,900	84	26,800
Ball Metal	1	na	37,700	100%	37,700	28.2	74	17,400	61	14,300
Clorox	1	na	5,100	100%	5,100	3.8	203	6,500	15	500
Courage	1	na	17,000	100%	17,000	12.7	78	8,300	128	13,600
FSUSD/Tolenas	1	na	500	100%	500	0.4	150	500	150	500
Jelly Belly	1	na	3,900	100%	3,900	2.9	150	3,600	150	3,600
Just Desserts	1	na	1,600	100%	1,600	1.2	1,416	14,100	35	300
Nippon	1	na	2,700	100%	2,700	2.0	545	9,200	237	4,000
Paradise Valley	1	na	37,700	100%	37,700	28.2	300	70,600	220	51,700
Producers	1	na	68,600	100%	68,600	51.3	1,804	772,000	536	229,400
Travis Air Force Base	1	na	423,800	100%	423,800	317.0	155	409,800	110	290,800
SUISUN										
Residential										
Single Family	8,240	8,240	895,200	65%	581,880	435.2	300	1,089,000	220	798,600
Multi-family	110	1,577	98,900	79%	78,130	58.4	300	146,200	220	107,200
Total Residential	8,350	9,817	994,100	69%	660,010	493.7		1,235,200		905,800
Commercial General										
Low Strength	122	na	61,300	90%	55,170	41.3	150	51,600	150	51,600
High Strength	23	na	17,500	90%	15,750	11.8	650	63,900	1,000	98,300
Totals	40,461	49,765	7,336,600		5,475,700	4,095.8		9,885,700		8,062,200

Notes:

¹ Based on utility billing system data for FY 2024/25.

² Value for residential categories based on annualized average winter water usage for residential accounts (based on January through March bills) and annual water usage. Values for Non-Residential categories based on common industry practices.

³ Based on mass balance calculations & SWRCB guidelines for residential and commercial, and based on actual measurements for case-by-case accounts.

3.1.4 WASTEWATER COST-OF-SERVICE ANALYSIS AND RATE DESIGN

There are three steps to determine Sewer Service Charges. These are:

- Determine annual Sewer Service Charge revenue requirements
- Analyze the cost of providing service and proportionately allocate costs to each customer class and customer
- Design Sewer Service Charges to recover costs from each customer class and customer

The District's ten-year financial plan (see Section 2) was used to identify the wastewater rate revenue required to meet financial obligations for each fiscal year of the planning period. As presented in Section 2.2 of this report, a rate revenue increase of 10 percent is proposed for FY 2026/27. The rate structure updates proposed by this study will include this rate revenue increase for FY 2026/27.

Once the annual Sewer Service Charge revenue requirement has been determined, the next step in the rate-setting process is to evaluate the cost of providing service. The COSA is designed to allocate the costs of providing wastewater service to customers in proportion to the extent to which each customer contributes to the utility's incursion of costs. The COSA evaluates the cost of providing wastewater services and allocates those costs to rate structure components to ensure the proposed rates are aligned with the costs to provide service.

To develop equitable Sewer Service Charges, the revenue requirement is allocated to various customer classifications according to the services provided and the demands placed on the wastewater system. This Study allocates a majority of wastewater costs based on water usage (wastewater flows) and sewage strength. Collection system costs are allocated entirely based on flow, whereas treatment costs are allocated on the basis of flow, BOD, & TSS. The District's rates include an Account Charge, which capture the costs associated with account management.

The District's financial accounting structure allows for a clear segregation of costs between O&M, debt service and capital project costs, as well as between collection

system and treatment/disposal costs. However, the financial accounting structure does not lend itself to a simple segregation of costs into specific treatment components. As a result, this study has “functionalized” all of the wastewater utility’s costs as best as possible using professional judgment and standard industry practices.

Table 4 summarizes how the FY 2026/27 revenue requirement (totaling \$40.9 million) has been functionalized. The revenue requirements include various functional categories of operating and maintenance costs, debt service obligations, and capital costs, offsetting non-rate revenues and the use of available reserves. Each of these costs (and offsetting revenues) has been assigned to one or more of the following functions:

- Customer costs, such as meter reading and billing, are fixed costs that tend to vary as a function of the number of customers being served. Customer costs are allocated to all customers equally (regardless of size).
- Local collection costs include the cost of maintaining and operating the local collection system (defined as collection pipes with a diameter smaller than 12”) that connects directly to individual services. All existing Case-by-Case accounts currently deliver their wastewater directly to collection pipes that are 12” or larger (i.e., they do not use the local collection system) and therefore are not allocated these costs. In the event that a new Case-by-Case account joins the system and utilizes a local collection system (i.e., discharges to a collection pipe of smaller than 12”), that user would be subject to a higher Volumetric rate (see Table 8).
- General collection costs include costs associated with operating and maintaining the sewer collection system of pipes that are 12” and larger.
- Treatment costs are those costs that are charged for operating the WWTP. Treatment costs are further allocated between flow, BOD, and TSS (see Table 5).

Table 4: Functionalization of Costs

	FY 2026/27 Forecast	Customer Costs	Local Collection Costs	General Collection Costs	Treatment Costs	Customer Costs	Local Collection Costs	General Collection Costs	Treatment Costs
Operations & Maintenance	\$16,736,000	30%		10%	60%	\$5,021,000		\$1,674,000	\$10,042,000
Laboratory Department	\$1,150,000				100%				\$1,150,000
Information Systems									
District Sewer Lines	\$514,000			100%				\$514,000	
City of Suisun City Sewer Line	\$185,000		100%				\$185,000		
City of Fairfield Sewer Lines	\$12,000		100%				\$12,000		
Local Sewer Maintenance	\$3,651,000		100%				\$3,651,000		
Plant Major Maintenance	\$2,408,000				100%				\$2,408,000
Regulatory	\$1,604,000				100%				\$1,604,000
Safety	\$0								
Finance & Human Resources	\$2,415,000	100%				\$2,415,000			
Community Outreach	\$180,000	100%				\$180,000			
Administration	\$2,744,000	60%	8%	7%	25%	\$1,646,000	\$223,000	\$200,000	\$675,000
Other Post Retirement Benefit	\$865,000	20%		40%	40%	\$173,000		\$346,000	\$346,000
Capacity Fee Projects				100%				\$0	
Project Planning	\$0			50%	50%			\$0	\$0
New Development Review/Inspect		100%				\$0			
Peabody Walters S-245A	\$0	100%				\$0			
Collection System Master Plan	\$0			100%				\$0	
Capital Improvement Program (cash)	\$21,365,000	20%	20%	20%	40%	\$4,273,000	\$4,273,000	\$4,273,000	\$8,546,000
Debt	\$987,000			50%	50%			\$494,000	\$494,000
Non-Rate Revenue	-\$10,455,000	23%	16%	14%	47%	-\$2,422,000	-\$1,630,000	-\$1,466,000	-\$4,937,000
Change in Fund Balance	-\$3,447,000	23%	16%	14%	47%	-\$798,000	-\$538,000	-\$483,000	-\$1,628,000
Total Rate Revenue Requirement:	\$40,914,000					\$10,488,000	\$6,176,000	\$5,552,000	\$18,700,000

¹ This includes hauled waste billing, regulatory compliance fees and sewer service charges that are collected through the property tax roll.

The allocations result in 25.6 percent of costs assigned to the customer component, 15.1 percent to the local collection function, 13.6 percent to the general collection function, and 45.7 percent to the treatment function. The customer costs are allocated on a per-account basis, both collection components are allowed based on wastewater flows, and the treatment costs are allocated through a combination of flow and strength.

Table 5 summarizes the allocation of annual Sewer Service Charge revenue requirements to the functions shown in Table 4. This table shows that treatment costs are further broken down into the variable components of flow, BOD and TSS. Allocation to these various treatment parameters are consistent with prior rate studies and rate setting practices. Once total costs are allocated, unit costs were determined by dividing the total cost for each component by the number of units identified in Table 3. These units include number of customer accounts, gallons for wastewater flow volume, and pounds of BOD and TSS in the wastewater influent.

Unit costs are applied to the annual wastewater flows, as well as BOD and TSS loadings associated with each customer class to arrive at the allocation of total costs to each customer class.

Table 6 presents the allocation of costs to each user class (or individual customers the Case-by-Case accounts).

Table 7 presents the Sewer Service Charges and usage rates for each customer class. As summarized in the “Calculated Rate” column, residential customers will continue to pay a fixed monthly service charge (which includes all cost categories previously discussed), general commercial customers will pay a fixed monthly Account Charge in addition to a variable Usage Charge (with the rate depending on whether they are Regular Strength or High Strength), and Case-by-Case customers will pay a fixed monthly Account Charge as well as a unit rate based on actual measured flows (HCF (hundred cubic feet or 748 gallons) of wastewater) and loadings (pounds of BOD and TSS).

Table 5: Determination of Unit Costs

Cost Category	Parameter Allocation Percentages ¹	Annual Cost Allocated to Each Parameter	Total Quantities	Unit Cost for Each Parameter
Account Charge		\$10,487,000	51,024 Accts & DUs ²	\$205.53 / Account per year
Usage Charge Costs for Collection				
Local Collection		\$6,176,000	4,620,100 HCF of wastewater	\$1.34 / HCF
General Collection		\$5,552,000	5,475,700 HCF of wastewater	\$1.01 / HCF
Usage Charge Costs for Treatment				
Flow	54%	\$10,097,000	5,475,700 HCF of wastewater	\$1.84 / HCF
BOD	32%	\$5,984,000	9,885,700 lbs of BOD	\$605.32 / thousand lbs
SS	14%	\$2,618,000	8,062,200 lbs of TSS	\$324.73 / thousand lbs
Total FY 2021/22 Wastewater Rate Revenue Requirement		\$40,914,000		

Notes:

¹ Parameter allocations based on the District's 2005 "Cost of Service and Rate Study" (Brown & Caldwell, Table 4.2) and is consistent with the Consultant's experience of cost allocations for similar studies.

² Customer costs are allocated per dwelling unit for residential and per account for non-residential

Table 6: Wastewater Allocation of Annual Costs to Users

Count	Customer Class	Account Charges	Collection Charge		Flow	Treatment Charges		Allocation of Total Costs	
		\$205.531 /Acct. or DU	Local	General	\$1.844 / HCF	BOD	SS		
			\$1.337 / HCF	\$1.013934 / HCF		\$605.32 / 1000 lbs	\$324.73 / 1000 lbs		
Residential									
49,765	Dwelling Units	Total Residential	\$10,228,240	\$5,274,640	\$4,000,800	\$7,275,950	\$4,330,030	\$1,703,440	\$32,813,100
Commercial General									
1,095	Accounts	Regular Strength	\$225,060	\$777,320	\$589,590	\$1,072,250	\$329,350	\$176,680	\$3,170,250
153	Accounts	Special Strength	\$31,450	\$124,040	\$94,080	\$171,100	\$227,780	\$187,980	\$836,430
Case-by-Case and District Billed Accounts									
1	Account	Anheuser Busch	\$205.53	\$0	\$208,670	\$379,490	\$296,060	\$343,530	\$1,227,960
1	Account	Aradagh Metal (Rexam)	\$205.53	\$0	\$51,910	\$94,410	\$6,600	\$8,700	\$161,830
1	Account	Ball Metal	\$205.53	\$0	\$38,230	\$69,520	\$10,530	\$4,640	\$123,130
1	Account	Clorox	\$205.53	\$0	\$5,170	\$9,400	\$3,930	\$160	\$18,870
1	Account	Courage	\$205.53	\$0	\$17,240	\$31,350	\$5,020	\$4,420	\$58,240
1	Account	FSUSD/Tolenas	\$205.53	\$0	\$510	\$920	\$300	\$160	\$2,100
1	Account	Jelly Belly	\$205.53	\$0	\$3,950	\$7,190	\$2,180	\$1,170	\$14,700
1	Account	Just Desserts	\$205.53	\$0	\$1,620	\$2,950	\$8,530	\$100	\$13,410
1	Account	Nippon	\$205.53	\$0	\$2,740	\$4,980	\$5,570	\$1,300	\$14,800
1	Account	Paradise Valley	\$205.53	\$0	\$38,230	\$69,520	\$42,740	\$16,790	\$167,490
1	Account	Producers	\$205.53	\$0	\$69,560	\$126,500	\$467,310	\$74,490	\$738,070
1	Account	Travis Air Force Base	\$205.53	\$0	\$429,710	\$781,470	\$248,060	\$94,430	\$1,553,880
51,025	Totals:		\$10,487,200	\$6,176,000	\$5,552,000	\$10,097,000	\$5,984,000	\$2,618,000	\$40,914,000

Notes:

¹ Unit costs from previous table are multiplied by the wastewater flow, the BOD loading, or the TSS loading for each customer class. Calculations are rounded.

Table 7: Wastewater Rate Determination

Count	Customer Class	Metric	BOD Strength (mg/l)	TSS Strength (mg/l)	Calculated Rate ¹	Estimated Total Annual Revenue
Residential						
49,765 Dwelling Units		49,800 Dwelling Units	300	220	\$54.91 / Dwelling Unit	\$32,813,000
Commercial General						
1,095 Accounts	Regular Strength	646,100 HCF Annual Water	150	150	\$4.56 / HCF water \$205.53 / Account/DU	\$2,946,000 \$225,000
153 Accounts	Special Strength	103,100 HCF Annual Water	650	1,000	\$7.81 / HCF water \$205.53 / Account/DU	\$805,000 \$31,000
Case-by-Case and District Billed Accounts						
1 Account	Anheuser Busch	205,800 HCF Annual Water	381	824		\$1,228,000
1 Account	Aradagh Metal (Rexam)	51,200 HCF Annual Water	34	84	\$4.19 / HCF of water (with local collection)	\$162,000
1 Account	Ball Metal	37,700 HCF Annual Water	74	61		\$123,000
1 Account	Clorox	5,100 HCF Annual Water	203	15		\$19,000
1 Account	Courage	17,000 HCF Annual Water	78	128	\$2.86 / HCF of water (without local collection)	\$58,000
1 Account	FSUSD/Tolenas	500 HCF Annual Water	150	150		\$2,000
1 Account	Jelly Belly	3,900 HCF Annual Water	150	150		\$15,000
1 Account	Just Desserts	1,600 HCF Annual Water	1,416	35		\$13,000
1 Account	Nippon	2,700 HCF Annual Water	545	237	\$605.32 / 1000 lbs BOD	\$15,000
1 Account	Paradise Valley	37,700 HCF Annual Water	300	220		\$167,000
1 Account	Producers	68,600 HCF Annual Water	1,804	536	\$324.73 / 1000 lbs TSS	\$738,000
Travis Air Force Base						
1 Account	Travis Air Force Base	423,800 HCF Annual Water	155	110	\$3.67 / HCF water	\$1,554,000
51,025 Accts / DUs					Total:	\$40,914,000

Notes:

¹ Wastewater usage rates apply to actual monthly water use for general commercial customers and measured wastewater flows for Case-by-Case customers.

3.1.5 PROPOSED WASTEWATER RATE SCHEDULE

Table 8 summarizes the proposed wastewater rate schedule starting on July 1, 2026.

Table 8: Proposed Sewer Service Charges for FY 2026/27, effective on July 1, 2026

Residential (monthly) ¹	\$54.91 per dwelling unit
Commercial	
Monthly Account Charge and	\$17.13 per account per mo.
Regular Strength Volumetric ² or	\$4.56 per HCF
High Strength Volumetric ³	\$7.81 per HCF
Case-by-Case ⁴	
Monthly Account Charge and	\$17.13 per account per mo.
Volumetric (direct connect) ⁵ or	\$3,823.53 per MG
Volumetric (through local collection) and	\$5,601.60 per MG
BOD (by weight) and	\$605.32 per 1000 lbs
TSS (by weight)	\$324.73 per 1000 lbs
Travis Air Force Base Volumetric	\$3.67 per HCF

¹ Single-family dwelling, multiple-family dwelling, trailer courts, and mobile home parks

² Offices, retail, stores, hotels, motels, schools, churches, hospitals, nursing homes, laundromats, dry cleaning, establishments, bars without dining facilities, car washes without auto steam cleaning facilities, other commercial or industrial customers not treated high strength or as case-by-case.

³ Commercial laundries, restaurants and bars with dining facilities, service stations with holding tank dumping facilities, car washes with auto steam cleaning facilities, bakeries and food processing, other commercial or industrial customers with concentrations greater than 200 milligrams per liter BOD or 265 milligrams per liter TSS, but less than the concentrations specified for case-by-case.

⁴ All commercial or industrial customers other than those specified as regular or high strength with flows greater than 0.005 MGD, or with concentrations greater than 65 mg/l BOD or 1,000 mg/l TSS; all intermittent customers; and any commercial or industrial customer requesting and paying the full cost of metering and testing.

⁵ For customers that deliver wastewater directly to collection system pipes of 12" or greater.

An example of the bill calculation for a Case-by-Case customer is provided below.

Example Case-by-Case customer monthly bill calculation

Measured monthly flow = 0.31 MG

Measured BOD = 500 lbs.

Measured TSS = 333 lbs.

$$\begin{aligned} &= \text{Monthly Account charge} + \text{Flow charge (gravity rate)} + \text{BOD charge} + \text{TSS charge} \\ &= \$17.13 + (0.31 \text{ MG} \times \$3,823.53) + (1.0 \text{ thousand lbs. BOD} \times \$605.32) + (0.333 \text{ thousand} \\ &\text{ lbs.} \times \$324.73) \\ &= \$17.13 + \$1,192.62 + \$605.32 + \$108.24 \\ &= \mathbf{\$1,923.31} \end{aligned}$$

The proposed wastewater rates reflect the cost of providing wastewater service to customers. In particular, the proposed wastewater rates reflect a proportionate distribution of costs to all customers and customer classes and better reflect the cost of providing service.

The proposed wastewater rates will increase annually in accordance with the percentage increases presented in Section 2.2 to continue to meet service and financial obligations. A complete schedule of proposed wastewater rates for the five-year planning period are provided as Schedule 5.

Section 4. CAPACITY CHARGES

The following section updates the District’s existing Capacity Charges, which are one-time fees charged to new or expanded connections to the District’s sewer system designed to help recover the costs of infrastructure and assets benefiting new development. The following were the objectives for this update of the District’s Capacity Charges:

- Develop updated capacity fees that recover the costs of infrastructure and assets that benefit new development
- Ensure that the fees equitably recover costs from new connections
- Confirm that the fees continue to be consistent with industry-standard practices and comply with government code

4.1 EXISTING CAPACITY CHARGES

The District’s current fees are assessed by calculating the estimated “equivalent dwelling units” (EDU) of new development, based on the assumption that single family homes typically produce 178.4 gallons per day (gpd) and have wastewater strengths of 300 mg/l for BOD and 204 mg/l for TSS. The current fee per single family (1 EDU) is \$7,056.

Based on Ordinance 2024-01, non-single family residential accounts are charged as follows:

- Multi-family dwellings are charged 1 EDU for living units larger than 1,000 square feet and 0.60 EDUs for living unit less than 1,200 square feet.
- Non-residential Regular Strength are charged 1 EDU for each ¼ acre (including lands appurtenant to the premises, including parking areas)

- Non-residential accounts (commercial) are charged based on an EDU multiplier depending on the number of square feet of gross floor area or some other appropriate metrics (such as number of washing machines for laundry).

Note that some industrial customers only paid for limited capacity when they joined the system and consequently agreed to pay a capacity surcharge on any unpurchased capacity used during any month (paid as restricted revenue to Fund 2). The surcharge is calculated based on 7.0 percent times the then-prevailing Capacity Charge divided by 12 (months) and multiplied by the number of unpurchased capacity units used during any month.

4.2 CAPACITY CHARGE AUTHORITY

California state law gives the District broad authority to charge Capacity Charges. The limitations of that authority are encompassed by the requirement that charges on new development bear a reasonable relationship to the needs created by, and the benefits accruing to that development. California courts use that reasonableness standard to evaluate the constitutionality of exactions on new development, including capacity fees.

Government Code Section 66013 (see **Schedule 6**) contains specific requirements related to the imposition of capacity fees (referred to as “capacity charges” in the code). In general, capacity fees must not exceed the estimated reasonable cost of providing service.

4.3 INTRODUCTION TO FEE METHODOLOGIES

There are various methods that can be used to calculate capacity fees. Each method has varying advantages and disadvantages, as well as applicability in a given situation. Within all of the available methodologies there are two primary approaches. Other methodologies are typically a combination of these two methods. The two primary methods are described below to illustrate the different perspectives that can be used to determine appropriate fees.

4.3.1 SYSTEM BUY-IN METHODOLOGY

The system Buy-In method is based on the average investment in the capital facilities by current customers. The ‘Buy-In’ concept means that existing system users, through service charges and fees, have financed a valuable public capital facility. The charge is designed to recognize the previous investments into the capacity/condition of the system and equitably charge developers for “joining” the system. The Buy-In fee is calculated by establishing the system’s current fixed asset value (accounting for depreciation), adding applicable assets (such as designated cash reserves), and deducting relevant liabilities (long-term debt, loans, etc.). The number of available units of service is then divided into this value (considered to be the utility’s equity) to establish the capacity fees. By calculating the capacity fees in this manner, new development buys into the existing capital facilities on par with existing development. The cost of future repair and replacement of the existing assets are then shared equally by all customers going forward (through Sewer Service Charges). The system Buy-In methodology has four distinct advantages:

- The Buy-In methodology is a common and generally well accepted methodology for calculating capacity fees. This method is popular with developers in part because it can result in lower fees than other methods (since the capacity that is being purchased has been partially depreciated).
- The Buy-In methodology is simple because it includes only the cost of existing facilities and excludes the costs of future or planned facilities; therefore, it does not require a formal capital improvement program.
- The Buy-In methodology includes only the cost of existing facilities and excludes the cost of future or planned facilities; it therefore does not require a formal capital improvement plan to support the fee calculation.
- Capacity fees based on the Buy-In method are a reimbursement for past capital costs. Therefore, the use (as defined in the Government Code) of the fee is to reimburse the District. As such, the District receives the revenue in Fund 3 (unrestricted) and is able to spend the fee revenue as it desires (always on

capital projects but not necessarily growth-related projects), and the requirement for detailed accounting of fee revenues is greatly simplified.

The system Buy-In method is best applied in areas that are largely built out and with infrastructure already in place. The District's current Capacity Fees are based on the Buy-In Method.

4.3.2 INCREMENTAL METHODOLOGY

The Incremental cost methodology is also a common approach for capacity fees, particularly for communities experiencing considerable new infrastructure growth. The approach is based on the cost of new or planned capital facilities. The cost of growth-related facilities is allocated to the new development to be served by the facilities. The assumption is that the existing system is being used at full capacity by existing customers and that any new development will necessitate expansion of the system. As such, new customers pay for the Incremental costs for expanding the system.

The Incremental methodology is based on the cost of adding new capacity, which is derived from the District's capital improvement plan or master plan. To the extent that expansion-related projects also rehabilitate or improve the existing system (e.g., an aging 4" line is replaced with a new 6" line or a new transmission line is added where no line previously existed but also provides some redundancy value to the existing system), a portion of the cost of the project should be borne by existing customers. As a result, it is fairly common for only a portion of new capital facility costs to be included in fee calculations. The amount of capacity that will be provided by those projects is either based on an engineering analysis of the cumulative capacity provided by the totality of the projects or simply based on the amount of growth that those projects are designed to serve.

Capacity fees based on the Incremental cost methodology are subject to statutory accounting requirements because fee revenue must be accounted for until the specific capital improvements are constructed. For reference, **Schedule 6** includes Government Code Section 66013 et. seq. which includes the statutory requirements for accounting for capacity fees.

4.3.3 HYBRID METHODOLOGY

In some cases, the capacity fee calculation combines both existing and planned facilities into fee calculations. This is often done when new development benefits from both surplus capacity in existing facilities but also requires new facilities to provide required capacity. The hybrid approach recognizes that new customers are benefitting in part from the available facilities that are already in place and the additional capacity that will be built in order to accommodate them. As such, capacity fees that are calculated using the hybrid method reflect the weighted average unit cost of the Buy-In methodology and the Incremental methodology.

4.4 RECOMMENDED STUDY METHODOLOGY

After considering the District's situation and the applicability of various methods, this Study recommends continuing to use the Buy-In approach because the District has reliable cost data for their existing assets. While the District has previously completed a study of the cost of future expansion projects (2020 Collection System Master Plan), the amount of new capacity that will be created by those projects is not easily derived. Note that the capacity of the District's existing WWTP was built to meet build-out demands, meaning that the WWTP will not require further expansion. In short, we have found that the Buy-In approach provides the most reliable method for estimating the value of capacity in the District's current and future infrastructure.

4.5 SOURCE DATA

The following data was used for calculating the proposed Retail Capacity Charges:

- District file "Total Replacement Cost of Plant and Sewers," dated 9/23/2025
 - This file provides the estimated replacement cost of existing assets based on the District's historical tracking of assets values and asset addition through the capital program.
- District's "Capital Assets Inventory" dated June 2025

- This file provides a partial record of assets since the District started more systematic tracking.
- Debt service schedules for:
 - CWSRF 8172-110
 - CWSRF 5208-110
- District cash balances (“Cash Balances 06.30.24 and 06.30.25_REVISED”)
- “Capital and Operating Cost Allocation Update,” Wm. Lea Fischer, Consulting Engineer, May 2, 2002 (provides allocation of costs between flow, BOD and TSS)

4.6 UNIT COST CALCULATION

As previously explained, the Buy-In approach is primarily based on the value of existing assets. The approach uses the replacement cost of existing assets (by apply cost escalation factors to the original cost) and then subtracts any applicable depreciation of those assets. This metric is commonly referred to as “replacement cost net less depreciation” (RCNLD). By way of example, an asset with an estimated useful life of 40 years that was purchased 20 years ago and has a current replacement value of \$1 million would have an RCNLD value of \$500 thousand. While the District has not historically maintained a detailed asset register of all its assets (with original costs and estimated useful life), the financial records do track the replacement value of the District’s assets⁴. The average depreciation of District’s assets was estimated based on a partial asset register⁵ which indicates that the average depreciation of registered District assets is 57.4 percent.

⁴ Source: “Total Replacement Cost of Plant and Sewers,” dated 9/23/2025

⁵ Source: “Capital Assets Inventory” dated June 2025. It is assumed that this asset register provides a representative “cross-section” of District assets.

In addition to the RCNLD of current assets, the Buy-In Approach subtracts any current outstanding debt principal. This is done because the debt service on those outstanding balances will be paid for by Sewer Service Charges by current and new customers, and therefore those costs must be excluded to avoid double collection.

Finally, current cash reserves that are designated for capital spending are also added to the value of the system. While those reserves are not physical assets, it is appropriate to add reserves to the system value since a utility with material reserves has more value than a utility that has no reserves. In other words, the Capacity Charge would, in part, reimburse existing rate payers for the cost of building those cash reserves.

The sum of the values described above are summarized in Table 9.

Table 9 - Calculation of Existing Sewer System Value

Replacement Cost: ¹	\$926,377,000
Estimated Depreciation: ²	<u>57.4%</u>
Replacement Cost Net Less Depreciation (RCNLD):	\$531,740,000
Less outstanding principal on long-term debt:	-\$7,811,000
Plus existing Major Maintenance Fund reserves: ³	\$28,143,000
Total System Value: \$552,072,000	

¹ From District files "Total Replacement Cost of Plant and Sewers" received 9/23/2025

² Estimated based on available asset register

³ Per "Cash Balances 06.30.24 and 06.30.25_REVISIED" and includes reserves available for rehabilitation projects

Table 10 shows the calculation of the unit costs for the Capacity Charges.

1. First the System Value is allocated to three functions (flow, BOD and TSS) based on the relative value of system assets which serve these three functions. While it is outside of the scope of the current study to conduct a detailed analysis of the function and value of system assets, such as study was conducted by a licensed engineer in 2002 (see Table 10). Note that the allocation percentages cited in Table 10 are based on the relative value of assets in the system while the

allocation percentages cited in Table 5 are estimated of the relative operating costs associated with these three functions.

2. Next the capacity of the existing system to meet flow and loadings demands is estimated based on current customer demands (as summarized in Table 3).
3. Finally, the unit cost for each function is calculated by dividing the respective system values by the flow or loading metric. For example, the value of \$334 million assigned to flow-related assets is divided by the current flow of 11.56 million gpd to yield a unit cost of \$28.91 per gpd.

Table 10 - Calculation of Capacity Unit Costs

	Total	Flow (HCF per year)	BOD (lbs/year)	SS (lbs/year)
		Functional Allocation ¹		
		74.81%	19.73%	5.46%
Existing System Value:	\$552,072,000	\$413,005,000	\$108,924,000	\$30,143,000
Estimated Current Flow & Loadings ² :		11,221,000 gpd	27,100 (lbs/year)	22,100 (lbs/year)
Unit Cost:		\$36.81 \$ / gpd	\$4,019.34 \$ / annual lbs	\$1,363.94 \$ / annual lbs

¹ Source: "Capital and Operating Cost Allocation Update", Table 9A, Wm. Lea Fischer, Consulting Engineer, May 2, 2002

² Flow and loadings based on current usage and strength assumptions as summarized in Table 3.

4.7 PROPOSED CAPACITY CHARGES

Capacity fees are assessed to new development based on estimated flows and loadings of the new development, which reflects the potential demand each new service connections could place on the water system. For purposes of this Study, it is assumed that residential dwelling units produce 162.5 gpd, 0.407 lbs. per day of BOD, and 0.298 lbs. per day of TSS (consistent with the data from Table 3).

162.5 gpd x \$36.81 / gpd + 0.407 lbs. BOD x \$4,019.34 per lbs. BOD+ 0.298 lbs. TSS x \$1,363.94 per lbs. TSS=

\$5,980 + \$1,640 + \$410 = **\$8,030 per single family residential dwelling unit**

The Capacity Charges are applied to non-single family residential accounts and non-residential accounts in accordance with the Sewer Capacity and Service Charge Ordinance (currently 2024-01).

4.8 ADMINISTRATION AND UPDATES

As previously explained in Section 4.3.1, the District is not responsible for reporting the use of the Capacity Charge revenue collected under the Buy-In approach. Given that the methodology for the District's current Capacity *Surcharge* was calculated using a hybrid approach, we recommend (out of an abundance of caution) that the capacity surcharge revenue continue to be directed to Fund 2 and treated as restricted to fund growth-related projects. The District should continue to treat Capacity *Charge* revenues to (unrestricted) Fund 3 and can be used to fund any type of capital project (including repair and replacement projects). Capacity Charge revenues should not be used to fund operating costs.

It is recommended that the District continue to annually adjust the Capacity Charge for the effects of inflation using the Engineering News Record's Construction Cost Index (CCI) for the San Francisco area.

Section 5. CONCLUSION

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by WEF, AWWA and all applicable laws, including California’s Proposition 218. The proposed annual adjustments to the rates will allow the District to continue to provide reliable sewer service to customers while meeting the state’s mandates.

The Sewer Service Charges will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed rates to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

As with past practice, the District should monitor financial conditions and needs on an ongoing (annual) basis and update the financial plan model if conditions or plans change sufficiently to warrant an update. Actual future conditions, such as wastewater production, operating and maintenance expenses, capital project costs/timing, project financing, etc., may differ from the financial plan assumptions reflected herein. Material differences affecting the overall financial condition of the wastewater system may warrant closer review and/or an earlier update. The need for and magnitude of annual wastewater rate increases may also be affected by differences between assumed and actual conditions.

SCHEDULES

Schedule 1 - Budgeted and Projected Cash Inflows

Schedule 2 - Budgeted and Projected Cash Outflows

Schedule 3 – Projected Capital Spending Plan

Schedule 4 - Cash Flow Pro Formas – Funds 1, 2 and 3

Schedule 5 – 5-Year Rate Schedule

Schedule 6 – Government Code 66013 et. seq.

Budgeted and Projected Cash Inflows for Fund 1, 2 & 3

Schedule 1

	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35	FY2035/36
1 Growth in Sewer Accounts	0.91%	0.86%	0.82%	0.78%	0.74%	0.70%	0.67%	0.64%	0.60%	0.57%
2 Projected Sewer Rate Increase	10.0%	10.0%	10.0%	7.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Rate Revenue										
3 Sewer Service Charge	\$36,889,000	\$40,914,000	\$45,359,000	\$50,267,000	\$54,178,000	\$57,288,000	\$59,410,000	\$61,589,000	\$63,828,000	\$68,043,000
4 Increase due to growth	336,000	354,000	372,000	392,000	401,000	403,000	397,000	391,000	385,000	390,000
5 Increase due to rate adjustments	3,689,000	4,091,000	4,536,000	3,519,000	2,709,000	1,719,000	1,782,000	1,848,000	1,915,000	2,041,000
6 Total Rate Revenue	\$40,914,000	\$45,359,000	\$50,267,000	\$54,178,000	\$57,288,000	\$59,410,000	\$61,589,000	\$63,828,000	\$66,128,000	\$70,474,000
Other Revenue:										
Fund 1										
7 Interest Earnings	985,000	861,000	359,000	318,000	453,000	510,000	670,000	612,000	678,000	766,000
8 Other Service Charges	25,300	25,500	25,800	26,000	26,300	26,500	26,800	27,100	27,100	27,100
9 Development Fees	20,200	20,400	20,600	20,800	21,000	21,200	21,400	21,700	21,700	21,700
10 Lease Income	110,500	111,600	112,700	113,800	114,900	116,100	117,200	118,400	118,400	118,400
11 Miscellaneous Income	23,200	23,500	23,700	23,900	24,200	24,400	24,700	24,900	24,900	24,900
12 Biosolids Host & Facility Charge	656,500	663,100	669,700	676,400	683,200	690,000	696,900	703,900	703,900	703,900
13 Product Sales/Land Application - L	1,000	1,000	1,000	1,000	1,100	1,100	1,100	1,100	1,100	1,100
14 Grants	734,000	-	733,000	733,000	-	-	-	-	-	-
Fund 2										
15 Fund 2 Capacity Surcharges	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
16 Restricted Interest Earnings	163,000	208,000	60,000	46,000	155,000	257,000	282,000	318,000	163,000	13,000
17 Miscellaneous Fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Fund 3										
18 Fund 3 Capacity Charges	3,636,000	3,195,000	3,035,000	2,883,000	2,739,000	2,602,000	2,472,000	2,348,000	2,231,000	2,119,000
19 Fund 3 Interest Earnings	450,000	196,000	225,000	307,000	261,000	199,000	81,000	45,000	55,000	37,000
20 Total Other Revenue	\$7,014,700	\$5,515,100	\$5,475,500	\$5,358,900	\$4,688,700	\$4,657,300	\$4,603,100	\$4,430,100	\$4,234,100	\$4,042,100
21 TOTAL REVENUE	\$47,928,700	\$50,874,100	\$55,742,500	\$59,536,900	\$61,976,700	\$64,067,300	\$66,192,100	\$68,258,100	\$70,362,100	\$74,516,100

Budgeted and Projected Operating and Debt Cash Outflows (1 of 4)

Schedule 2

	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35	FY2035/36
Operations & Maintenance											
1 Salaries	\$6,020,600	\$6,201,000	\$6,387,000	\$6,579,000	\$6,776,000	\$6,979,000	\$7,189,000	\$7,405,000	\$7,627,000	\$7,855,000	\$8,091,000
2 Shift Differential	\$34,500	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000
3 Overtime	\$65,000	\$67,000	\$69,000	\$71,000	\$73,000	\$75,000	\$78,000	\$80,000	\$82,000	\$85,000	\$87,000
4 Leave Payouts	\$129,100	\$133,000	\$137,000	\$141,000	\$145,000	\$150,000	\$154,000	\$159,000	\$164,000	\$168,000	\$174,000
5 State Unemployment Reimbursement	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
6 Benefit Allocation	\$3,049,200	\$3,141,000	\$3,235,000	\$3,332,000	\$3,432,000	\$3,535,000	\$3,641,000	\$3,750,000	\$3,863,000	\$3,979,000	\$4,098,000
7 Uniform Services	\$34,800	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000	\$42,000	\$43,000	\$44,000	\$45,000	\$47,000
8 Other Contract Services	\$42,400	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000	\$55,000	\$57,000
9 Office Supplies	\$7,800	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000	\$10,000
10 Printing/Binding/Advertising	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
11 Organization Dues (FSSD & Employee)	\$11,100	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000
12 Gasoline	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
13 Diesel Fuel	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
14 Telephone	\$13,300	\$14,000	\$14,000	\$15,000	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000
15 Lease	\$11,100	\$11,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000
16 Computer Hardware	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
17 Computer Software	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
18 Employee Conferences, Trainings, Travel, Lices	\$56,000	\$58,000	\$59,000	\$61,000	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000	\$73,000	\$75,000
19 Site Safety Training	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
20 Safety Apparel & Supplies	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
21 Department Recognition & Hosted Meetings	\$1,800	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
22 Miscellaneous Expense	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
23 Chemicals - Polymer	\$270,000	\$284,000	\$298,000	\$313,000	\$328,000	\$345,000	\$362,000	\$380,000	\$399,000	\$419,000	\$440,000
24 Chemicals - Ferrous Chloride	\$250,000	\$263,000	\$276,000	\$289,000	\$304,000	\$319,000	\$335,000	\$352,000	\$369,000	\$388,000	\$407,000
25 Chemicals - Hypochlorite	\$20,000	\$21,000	\$22,000	\$23,000	\$24,000	\$26,000	\$27,000	\$28,000	\$30,000	\$31,000	\$33,000
26 Chemicals - Urea	\$50,000	\$53,000	\$55,000	\$58,000	\$61,000	\$64,000	\$67,000	\$70,000	\$74,000	\$78,000	\$81,000
27 Electricity	\$3,545,600	\$2,723,000	\$2,859,000	\$3,002,000	\$3,152,000	\$3,310,000	\$3,475,000	\$3,649,000	\$3,831,000	\$4,023,000	\$4,224,000
28 Landfill Fees	\$20,000	\$21,000	\$22,000	\$23,000	\$24,000	\$26,000	\$27,000	\$28,000	\$30,000	\$31,000	\$33,000
29 Vehicle Maintenance	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
30 Laboratory Testings/Supplies	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
31 Natural Gas	\$220,000	\$231,000	\$243,000	\$255,000	\$267,000	\$281,000	\$295,000	\$310,000	\$325,000	\$341,000	\$358,000
32 Tools	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000
33 Trash	\$54,800	\$58,000	\$60,000	\$63,000	\$67,000	\$70,000	\$73,000	\$77,000	\$81,000	\$85,000	\$89,000
34 Water	\$16,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$21,000	\$23,000	\$24,000	\$25,000	\$26,000
35 Landscaping Services	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
36 Biosolids Management	\$1,260,700	\$1,324,000	\$1,390,000	\$1,459,000	\$1,532,000	\$1,609,000	\$1,689,000	\$1,774,000	\$1,863,000	\$1,956,000	\$2,054,000
37 Repair & Maintenance	\$654,500	\$674,000	\$694,000	\$715,000	\$737,000	\$759,000	\$782,000	\$805,000	\$829,000	\$854,000	\$880,000
38 Program Cost Allocation	\$1,080,800	\$1,113,000	\$1,147,000	\$1,181,000	\$1,216,000	\$1,253,000	\$1,291,000	\$1,329,000	\$1,369,000	\$1,410,000	\$1,453,000
Laboratory Department											
39 Salaries	\$604,700	\$623,000	\$642,000	\$661,000	\$681,000	\$701,000	\$722,000	\$744,000	\$766,000	\$789,000	\$813,000
40 Overtime	\$2,200	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
41 Leave Payouts	\$25,600	\$26,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$33,000	\$34,000
42 Benefit Allocation	\$306,300	\$315,000	\$325,000	\$335,000	\$345,000	\$355,000	\$366,000	\$377,000	\$388,000	\$400,000	\$412,000
43 Consulting Services	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
44 Other Contract Services	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
45 Office Supplies	\$600	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
46 Organization Dues (FSSD & Employee)	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000
47 Computer Software	\$8,500	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000
48 Employee Conferences, Trainings, Travel, Lices	\$15,300	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$19,000	\$20,000	\$21,000
49 Operating Permits/Cert.	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000
50 Laboratory Testings/Supplies	\$120,000	\$124,000	\$127,000	\$131,000	\$135,000	\$139,000	\$143,000	\$148,000	\$152,000	\$157,000	\$161,000
51 Repair & Maintenance	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000



Budgeted and Projected Operating and Debt Cash Outflows (2 of 4)

Schedule 2

	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35	FY2035/36
Information Systems											
52 Salaries	\$166,600	\$172,000	\$177,000	\$182,000	\$188,000	\$193,000	\$199,000	\$205,000	\$211,000	\$217,000	\$224,000
53 Leave Payouts	\$13,600	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000
54 Benefit Allocation	\$84,400	\$87,000	\$90,000	\$92,000	\$95,000	\$98,000	\$101,000	\$104,000	\$107,000	\$110,000	\$113,000
55 Consulting Services	\$143,500	\$148,000	\$152,000	\$157,000	\$162,000	\$166,000	\$171,000	\$176,000	\$182,000	\$187,000	\$193,000
56 Other Contract Services	\$2,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
57 Office Supplies	\$700	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
58 Organization Dues (FSSD & Employee)	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
59 Telephone	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000	\$46,000
60 Computer Hardware	\$59,900	\$62,000	\$64,000	\$65,000	\$67,000	\$69,000	\$72,000	\$74,000	\$76,000	\$78,000	\$81,000
61 Computer Software	\$216,600	\$223,000	\$230,000	\$237,000	\$244,000	\$251,000	\$259,000	\$266,000	\$274,000	\$283,000	\$291,000
62 Employee Conferences, Trainings, Travel, Licen	\$2,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
63 Program Cost Allocation	(\$724,800)	(\$747,000)	(\$769,000)	(\$792,000)	(\$816,000)	(\$840,000)	(\$865,000)	(\$891,000)	(\$918,000)	(\$946,000)	(\$974,000)
District Sewer Lines											
64 Salaries	\$231,700	\$239,000	\$246,000	\$253,000	\$261,000	\$269,000	\$277,000	\$285,000	\$294,000	\$302,000	\$311,000
65 Overtime	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
66 Benefit Allocation	\$117,400	\$121,000	\$124,000	\$128,000	\$132,000	\$136,000	\$140,000	\$144,000	\$149,000	\$153,000	\$158,000
67 Consulting Services	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
68 Other Contract Services	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
69 Printing/Binding/Advertising	\$1,600	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
70 Computer Software	\$30,600	\$32,000	\$32,000	\$33,000	\$34,000	\$35,000	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000
71 Vehicle Maintenance	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000
72 Tools	\$2,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
73 Repair & Maintenance	\$80,000	\$82,000	\$85,000	\$87,000	\$90,000	\$93,000	\$96,000	\$98,000	\$101,000	\$104,000	\$108,000
City of Suisun City Sewer Lines											
74 Salaries	\$118,800	\$122,000	\$126,000	\$130,000	\$134,000	\$138,000	\$142,000	\$146,000	\$150,000	\$155,000	\$160,000
75 Overtime	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
76 Benefit Allocation	\$60,100	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000	\$78,000	\$81,000
City Sewer Lines											
77 Salaries	\$4,500	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000
78 Benefit Allocation	\$2,300	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
79 Repair & Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
Local Sewer Maintenance											
80 Sewer Line Maint - Fairfield	\$3,001,400	\$3,091,000	\$3,184,000	\$3,280,000	\$3,378,000	\$3,479,000	\$3,584,000	\$3,691,000	\$3,802,000	\$3,916,000	\$4,034,000
81 Sewer Line Maint - Suisun	\$542,800	\$559,000	\$576,000	\$593,000	\$611,000	\$629,000	\$648,000	\$668,000	\$688,000	\$708,000	\$729,000
Engineering											
82 Salaries	\$1,478,300	\$1,523,000	\$1,568,000	\$1,615,000	\$1,664,000	\$1,714,000	\$1,765,000	\$1,818,000	\$1,873,000	\$1,929,000	\$1,987,000
83 Overtime	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$22,000
84 Leave Payouts	\$37,800	\$39,000	\$40,000	\$41,000	\$43,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000
85 Benefit Allocation	\$748,700	\$771,000	\$794,000	\$818,000	\$843,000	\$868,000	\$894,000	\$921,000	\$948,000	\$977,000	\$1,006,000
86 Legal Services	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
87 Consulting Services	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
88 Other Contract Services	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
89 Office Supplies	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
90 Printing/Binding/Advertising	\$1,500	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
91 Organization Dues (FSSD & Employee)	\$4,200	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000
92 Computer Hardware	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
93 Employee Conferences, Trainings, Travel, Licen	\$22,300	\$23,000	\$24,000	\$24,000	\$25,000	\$26,000	\$27,000	\$27,000	\$28,000	\$29,000	\$30,000
94 Department Recognition & Hosted Meetings	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

Budgeted and Projected Operating and Debt Cash Outflows (3 of 4)

Schedule 2

	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35	FY2035/36	
Regulatory												
95	Salaries	\$535,500	\$552,000	\$568,000	\$585,000	\$603,000	\$621,000	\$639,000	\$659,000	\$678,000	\$699,000	\$720,000
96	Leave Payouts	\$47,100	\$49,000	\$50,000	\$51,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000
97	Benefit Allocation	\$271,200	\$279,000	\$288,000	\$296,000	\$305,000	\$314,000	\$324,000	\$334,000	\$344,000	\$354,000	\$365,000
98	Consulting Services	\$154,000	\$159,000	\$163,000	\$168,000	\$173,000	\$179,000	\$184,000	\$189,000	\$195,000	\$201,000	\$207,000
99	Other Contract Services	\$67,400	\$69,000	\$71,000	\$74,000	\$76,000	\$78,000	\$80,000	\$83,000	\$85,000	\$88,000	\$91,000
101	Printing/Binding/Advertising	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
102	Organization Dues (FSSD & Employee)	\$89,800	\$93,000	\$95,000	\$98,000	\$101,000	\$104,000	\$107,000	\$110,000	\$114,000	\$117,000	\$121,000
103	Employee Conferences, Trainings, Travel, Licen	\$4,900	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$7,000
104	Safety Apparel & Supplies	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
105	Operating Permits/Cert.	\$337,000	\$347,000	\$358,000	\$368,000	\$379,000	\$391,000	\$402,000	\$414,000	\$427,000	\$440,000	\$453,000
106	Laboratory Testings/Supplies	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000	\$56,000	\$57,000	\$59,000	\$61,000	\$63,000	\$65,000
Safety												
107	Salaries	\$218,300	\$225,000	\$232,000	\$239,000	\$246,000	\$253,000	\$261,000	\$268,000	\$277,000	\$285,000	\$293,000
108	Benefit Allocation	\$110,600	\$114,000	\$117,000	\$121,000	\$124,000	\$128,000	\$132,000	\$136,000	\$140,000	\$144,000	\$149,000
109	Consulting Services	\$144,000	\$148,000	\$153,000	\$157,000	\$162,000	\$167,000	\$172,000	\$177,000	\$182,000	\$188,000	\$194,000
110	Other Contract Services	\$9,300	\$10,000	\$10,000	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000
111	Organization Dues (FSSD & Employee)	\$1,400	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
112	Computer Software	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000
113	Employee Conferences, Trainings, Travel, Licen	\$3,500	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000
114	Site Safety Training	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000
115	Safety Apparel & Supplies	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
116	Program Cost Allocation	(\$546,800)	(\$563,000)	(\$580,000)	(\$597,000)	(\$615,000)	(\$634,000)	(\$653,000)	(\$672,000)	(\$693,000)	(\$713,000)	(\$735,000)
Finance & Human Resources												
117	Salaries	\$822,500	\$847,000	\$873,000	\$899,000	\$926,000	\$954,000	\$982,000	\$1,012,000	\$1,042,000	\$1,073,000	\$1,105,000
118	Overtime	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
119	Leave Payouts	\$38,300	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000	\$46,000	\$47,000	\$49,000	\$50,000	\$51,000
120	Benefit Allocation	\$416,600	\$429,000	\$442,000	\$455,000	\$469,000	\$483,000	\$497,000	\$512,000	\$528,000	\$544,000	\$560,000
121	Banking Services/Trustee Fees	\$40,200	\$41,000	\$43,000	\$44,000	\$45,000	\$47,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000
122	Audit Services	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
123	Utility Billing Charges - FF	\$645,200	\$665,000	\$684,000	\$705,000	\$726,000	\$748,000	\$770,000	\$794,000	\$817,000	\$842,000	\$867,000
124	Utility Billing Charges - SS	\$171,800	\$177,000	\$182,000	\$188,000	\$193,000	\$199,000	\$205,000	\$211,000	\$218,000	\$224,000	\$231,000
125	Consulting Services	\$65,300	\$67,000	\$69,000	\$71,000	\$73,000	\$76,000	\$78,000	\$80,000	\$83,000	\$85,000	\$88,000
126	Other Contract Services	\$3,700	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000
127	Office Supplies	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
128	Printing/Binding/Advertising	\$1,500	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
129	Organization Dues (FSSD & Employee)	\$4,100	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
130	Computer Software	\$49,900	\$51,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000
131	Employee Conferences, Trainings, Travel, Licen	\$31,900	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000	\$42,000	\$43,000
132	Wellness Services and Supplies	\$22,600	\$23,000	\$24,000	\$25,000	\$25,000	\$26,000	\$27,000	\$28,000	\$29,000	\$29,000	\$30,000
133	Miscellaneous Expense	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Community Outreach												
134	Salaries	\$31,200	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000
135	Overtime	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
136	Benefit Allocation	\$15,800	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$19,000	\$20,000	\$21,000	\$21,000
137	Consulting Services	\$66,000	\$68,000	\$70,000	\$72,000	\$74,000	\$77,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000
138	Other Contract Services	\$25,000	\$26,000	\$27,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000
139	Office Supplies	\$9,500	\$10,000	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000
140	Printing/Binding/Advertising	\$25,000	\$26,000	\$27,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000
141	Organization Dues (FSSD & Employee)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

Budgeted and Projected Operating and Debt Cash Outflows (4 of 4)

Schedule 2

	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	FY2034/35	FY2035/36
Administration											
142 Salaries	\$503,000	\$518,000	\$534,000	\$550,000	\$566,000	\$583,000	\$601,000	\$619,000	\$637,000	\$656,000	\$676,000
143 Leave Payouts	\$28,800	\$30,000	\$31,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$38,000	\$39,000
144 Medicare	\$163,300	\$168,000	\$173,000	\$178,000	\$184,000	\$189,000	\$195,000	\$201,000	\$207,000	\$213,000	\$219,000
145 Social Security Contribution	\$646,900	\$666,000	\$686,000	\$707,000	\$728,000	\$750,000	\$772,000	\$796,000	\$819,000	\$844,000	\$869,000
146 PERS Contribution	\$3,931,700	\$2,050,000	\$2,111,000	\$2,174,000	\$2,240,000	\$2,307,000	\$2,376,000	\$2,447,000	\$2,521,000	\$2,596,000	\$2,674,000
147 PERS Replacement Benefit Contribution	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000	\$46,000	\$47,000
148 Deferred Compensation	\$578,100	\$595,000	\$613,000	\$632,000	\$651,000	\$670,000	\$690,000	\$711,000	\$732,000	\$754,000	\$777,000
149 Social Security Administration Fee - 218	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
150 Life Insurance	\$66,400	\$68,000	\$70,000	\$73,000	\$75,000	\$77,000	\$79,000	\$82,000	\$84,000	\$87,000	\$89,000
151 Health Insurance	\$2,267,500	\$2,381,000	\$2,500,000	\$2,625,000	\$2,756,000	\$2,894,000	\$3,039,000	\$3,191,000	\$3,350,000	\$3,518,000	\$3,694,000
152 Flexible Benefits	\$4,500	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000
153 Employee Assistance Program	\$1,700	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
154 Phone Allowance	\$27,000	\$28,000	\$29,000	\$30,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000
155 Auto Allowance	\$6,800	\$7,000	\$7,000	\$7,000	\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000
156 Benefit Allocation	(\$5,432,900)	(\$5,596,000)	(\$5,764,000)	(\$5,937,000)	(\$6,115,000)	(\$6,298,000)	(\$6,487,000)	(\$6,682,000)	(\$6,882,000)	(\$7,089,000)	(\$7,301,000)
157 Insurance Premiums	\$1,075,200	\$1,183,000	\$1,301,000	\$1,431,000	\$1,574,000	\$1,653,000	\$1,735,000	\$1,822,000	\$1,913,000	\$2,009,000	\$2,109,000
158 Insurance Claims	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000
159 Legal Services	\$48,200	\$50,000	\$51,000	\$53,000	\$54,000	\$56,000	\$58,000	\$59,000	\$61,000	\$63,000	\$65,000
160 Consulting Services	\$165,000	\$170,000	\$175,000	\$180,000	\$186,000	\$191,000	\$197,000	\$203,000	\$209,000	\$215,000	\$222,000
161 Other Contract Services	\$44,800	\$46,000	\$48,000	\$49,000	\$50,000	\$52,000	\$53,000	\$55,000	\$57,000	\$58,000	\$60,000
162 Office Supplies	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000
163 Printing/Binding/Advertising	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
164 Organization Dues (FSSD & Employee)	\$65,500	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000	\$78,000	\$81,000	\$83,000	\$86,000	\$88,000
165 Lease	\$4,600	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000
166 Property Tax	\$4,600	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000
167 Board Member Fees	\$35,700	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000	\$43,000	\$44,000	\$45,000	\$47,000	\$48,000
168 Board Members, Meetings, Conference & Train	\$54,000	\$56,000	\$57,000	\$59,000	\$61,000	\$63,000	\$64,000	\$66,000	\$68,000	\$70,000	\$73,000
169 Employee Conferences, Trainings, Travel, Licer	\$58,500	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000	\$79,000
170 Department Recognition & Hosted Meetings	\$1,100	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
171 Miscellaneous Expense	\$20,000	\$21,000	\$21,000	\$22,000	\$23,000	\$24,000	\$25,000	\$25,000	\$25,000	\$26,000	\$27,000
Other Post Retirement Benefit											
172 Other Post Employment Benefit	\$839,400	\$865,000	\$891,000	\$917,000	\$945,000	\$973,000	\$1,002,000	\$1,032,000	\$1,063,000	\$1,095,000	\$1,128,000
Capacity Fee Projects											
173 Salaries	\$49,600	\$51,000	\$53,000	\$54,000	\$56,000	\$57,000	\$59,000	\$61,000	\$63,000	\$65,000	\$67,000
174 Benefit Allocation	\$25,100	\$26,000	\$27,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000
175 Program Cost Allocation	\$190,700	\$196,000	\$202,000	\$208,000	\$215,000	\$221,000	\$228,000	\$235,000	\$242,000	\$249,000	\$256,000
New Development Review/Inspe											
176 Salaries	\$230,300	\$237,000	\$244,000	\$252,000	\$259,000	\$267,000	\$275,000	\$283,000	\$292,000	\$301,000	\$310,000
177 Overtime	\$4,500	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000
178 Benefit Allocation	\$116,700	\$120,000	\$124,000	\$127,000	\$131,000	\$135,000	\$139,000	\$143,000	\$148,000	\$152,000	\$157,000
179 Existing Debt	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	333,000	333,000	333,000	333,000	333,000
Total Operating Expenses	\$35,889,100	\$34,179,000	\$35,394,000	\$36,664,000	\$38,003,000	\$39,311,000	\$39,931,000	\$41,344,000	\$42,804,000	\$44,324,000	\$45,905,000

Capital Spending Plan

Schedule 3

	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	Funding		
									Rates		Capacity Charges
									Cash	Debt	Cash
R&R PROJECTS											
1 Suisun Force Main Rehabilitation	\$1,650,000	\$29,700,000	\$22,000,000								100%
2 Collection System Rehabilitation Projects					\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000			100%
3 Travis/Pennsylvania Sewer Replacement Project		\$500,000	\$1,000,000								100%
4 Trunk Main Lining	\$100,000	\$600,000	\$2,500,000	\$2,300,000							100%
5 2027 Collection System Rehabilitation			\$200,000	\$2,800,000							100%
6 2028 Collection System Rehabilitation				\$1,000,000							100%
7 A/B Train Aeration Basin Anoxic Zones - Phase 1	\$2,900,000	\$4,600,000	\$6,000,000								100%
8 A/B Train Aeration Basin Anoxic Zones - Phase 2A							\$869,000	\$6,537,000			100%
9 A/B Train Aeration Basin Anoxic Zones - Phase 2B							\$307,000	\$3,166,000			100%
10 Electrical Replacement Project - 12kV Distribution			\$500,000	\$2,000,000	\$8,000,000						100%
11 Electrical Replacement Project - Phase II	\$750,000	\$5,561,000	\$530,000								75%
12 Electrical Replacement Project - Phase III			\$350,000	\$1,200,000	\$3,225,000						100%
13 Bioenergy Generation Project	\$4,000,000										75%
14 Roof Rehabilitation	\$1,300,000	\$1,030,000	\$212,000								100%
15 Pavement Rehabilitation				\$300,000			\$300,000				100%
16 Recycled Water Master Plan				\$212,000	\$219,000						100%
17 Beneficial Baylands	\$734,000		\$733,000	\$733,000							100%
18 Cathodic Protection Rehabilitation	\$50,000	\$650,000	\$50,000	\$150,000	\$60,000	\$169,000	\$70,000	\$169,000			100%
19 Major Maintenance Project FY 2021-22											100%
20 Remote Sites Condition Assessment and Strategy/ Master Plan						\$232,000	\$284,000				100%
21 Treatment Plant Master Plan		\$50,000	\$450,000	\$450,000							100%
22 Other CIP	\$1,940,000	\$2,043,000	\$3,715,000	\$2,435,000	\$3,803,000	\$5,349,000	\$1,225,000	\$150,000			100%
23 Major Maintenance - Treatment and Conveyance	\$2,112,000	\$2,827,000	\$1,612,000	\$1,023,000	\$1,405,000	\$1,128,000	\$878,000	\$1,550,000			100%
24 Major Maintenance - Vehicles and Equipment	\$605,000	\$470,000	\$292,000	\$250,000	\$130,000	\$230,000	\$130,000	\$130,000			100%
25 Remote Sites Rehab & Replacement							\$2,000,000	\$2,000,000			100%
26 Primary Clarifier Improvements						\$1,487,000					100%
27 Grey Goose Turnout Modification			\$100,000								100%
28 Sludge Drying Beds Rehabilitation				\$546,000							100%
29 Coatings & Linings			\$350,000								100%
30 Structural Rehab Project					\$730,000						100%
31 Plant Drainage Swale Regrading and Rehab			\$186,000								100%
32 Major Maintenance Plant Rehab & Replacement								\$2,000,000			100%
33 Campus Rehabilitation with Admin Building Repairs and Rehab		\$824,000									100%
34 EQ Lagoons and Pond Embankment Rodent Mitigation				\$670,000							100%
GROWTH PROJECTS											
35 Northeast Fairfield Pump Station	\$2,500,000										100%
36 Collection System Master Plan	\$391,000	\$782,000						\$246,000			100%
37 Cordelia Pump Station Expansion								\$1,000,000			100%
38 Lopes Lift Station/ Force Main Capacity Improvements	\$300,000	\$1,100,000	\$3,000,000								100%
39 Peabody/Walters Relief Sewer - Phase 2						\$900,000	\$6,028,000	\$836,000			100%
40 Collection System Technical Services		\$95,000	\$95,000	\$95,000	\$107,000	\$107,000	\$107,000	\$107,000			100%
41 Total Capital Spending (2026 dollars)	\$19,332,000	\$50,832,000	\$43,875,000	\$16,164,000	\$18,679,000	\$10,602,000	\$13,198,000	\$18,891,000			

Fairfield-Suisun Sewer District
2025 Sewer Rate and Capacity Charge Study

Schedules

Cash Flow Proforma
Fund 1 - Operating Fund

SCHEDULE 4

	Budget FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	Forecast FY2034	Forecast FY2035	Forecast FY2036	
1	Rate Revenue Increase:		10.0%	10.0%	10.0%	7.0%	5.0%	3.0%	3.0%	3.0%	3.0%	
Rate Revenue												
2	Service Charge Revenue	\$36,889,000	\$36,889,000	\$40,914,000	\$45,359,000	\$50,267,000	\$54,178,000	\$57,288,000	\$59,410,000	\$61,589,000	\$63,828,000	\$68,043,000
3	Change due to growth & use		\$336,000	\$354,000	\$372,000	\$392,000	\$401,000	\$403,000	\$397,000	\$391,000	\$385,000	\$390,000
4	Increase due to rate adjustments		\$3,689,000	\$4,091,000	\$4,536,000	\$3,519,000	\$2,709,000	\$1,719,000	\$1,782,000	\$1,848,000	\$1,915,000	\$2,041,000
Non-Rate Revenues												
5	Miscellaneous Fees	\$729,000	\$736,000	\$743,000	\$751,000	\$758,000	\$766,000	\$773,000	\$781,000	\$789,000	\$789,000	\$789,000
6	Interest Earnings	\$987,000	\$985,000	\$861,000	\$359,000	\$318,000	\$453,000	\$510,000	\$670,000	\$612,000	\$678,000	\$766,000
7	Operating Revenue	\$109,000	\$110,000	\$112,000	\$113,000	\$114,000	\$115,000	\$116,000	\$117,000	\$118,000	\$118,000	\$118,000
8	Grants	\$2,677,000	\$734,000	\$0	\$733,000	\$733,000	\$0	\$0	\$0	\$0	\$0	\$0
9	Transfer in from Fund 2	\$1,188,000	\$1,390,000	\$133,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Tranfers in from Fund 3	\$0	\$6,400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Total Revenue	\$42,579,000	\$51,269,000	\$47,208,000	\$52,223,000	\$56,101,000	\$58,622,000	\$60,809,000	\$63,157,000	\$65,347,000	\$67,713,000	\$72,147,000
O&M Costs												
12	Salaries & Benefits	\$19,501,000	\$18,132,000	\$18,723,000	\$19,335,000	\$19,967,000	\$20,621,000	\$21,298,000	\$21,998,000	\$22,721,000	\$23,470,000	\$24,245,000
13	Administration	\$1,746,000	\$1,874,000	\$2,013,000	\$2,164,000	\$2,329,000	\$2,431,000	\$2,537,000	\$2,647,000	\$2,763,000	\$2,885,000	\$3,011,000
14	Services	\$2,537,000	\$2,615,000	\$2,694,000	\$2,777,000	\$2,862,000	\$2,949,000	\$3,040,000	\$3,133,000	\$3,229,000	\$3,328,000	\$3,430,000
15	Fuel and Supplies	\$354,000	\$369,000	\$385,000	\$402,000	\$419,000	\$437,000	\$455,000	\$475,000	\$495,000	\$517,000	\$539,000
16	Chemicals	\$590,000	\$620,000	\$650,000	\$683,000	\$717,000	\$753,000	\$791,000	\$830,000	\$872,000	\$915,000	\$961,000
17	Electricity	\$3,546,000	\$2,723,000	\$2,859,000	\$3,002,000	\$3,152,000	\$3,310,000	\$3,475,000	\$3,649,000	\$3,831,000	\$4,023,000	\$4,224,000
18	Operations	\$5,928,000	\$6,131,000	\$6,342,000	\$6,561,000	\$6,787,000	\$7,022,000	\$7,265,000	\$7,517,000	\$7,779,000	\$8,050,000	\$8,331,000
19	Total Operating Expenses	\$34,202,000	\$32,464,000	\$33,666,000	\$34,924,000	\$36,233,000	\$37,523,000	\$38,861,000	\$40,249,000	\$41,690,000	\$43,188,000	\$44,741,000
Capital Costs												
20	Fund 1 Capital Spending	\$13,304,000	\$17,765,000	\$17,798,000	\$12,869,000	\$7,347,000	\$9,595,000	\$7,063,000	\$16,702,000	\$12,530,000	\$12,530,000	\$12,530,000
21	Contribution to Collection Reserves	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000
22	Existing Debt Service	\$987,000	\$987,000	\$987,000	\$987,000	\$987,000	\$987,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
23	New Debt Service	\$0	\$0	\$1,490,000	\$1,490,000	\$2,547,000	\$4,641,000	\$4,641,000	\$4,641,000	\$4,641,000	\$4,641,000	\$4,641,000
24	Total Capital Expenses	\$17,891,000	\$22,352,000	\$23,875,000	\$18,946,000	\$14,481,000	\$18,823,000	\$15,554,000	\$25,193,000	\$21,021,000	\$21,021,000	\$21,021,000
24	Total Expenditures	\$52,093,000	\$54,816,000	\$57,541,000	\$53,870,000	\$50,714,000	\$56,346,000	\$54,415,000	\$65,442,000	\$62,711,000	\$64,209,000	\$65,762,000
25	Beginning Year Balance	\$37,764,000	\$28,250,000	\$24,703,000	\$14,370,000	\$12,723,000	\$18,110,000	\$20,386,000	\$26,780,000	\$24,495,000	\$27,131,000	\$30,635,000
26	Surplus/(Shortfall)	(\$9,514,000)	(\$3,547,000)	(\$10,333,000)	(\$1,647,000)	\$5,387,000	\$2,276,000	\$6,394,000	(\$2,285,000)	\$2,636,000	\$3,504,000	\$6,385,000
27	End of Year Balance	\$28,250,000	\$24,703,000	\$14,370,000	\$12,723,000	\$18,110,000	\$20,386,000	\$26,780,000	\$24,495,000	\$27,131,000	\$30,635,000	\$37,020,000
28	Minimum Reserve Policy	\$9,621,000	\$9,186,000	\$10,977,000	\$11,291,000	\$12,675,000	\$15,092,000	\$14,689,000	\$15,036,000	\$15,397,000	\$15,771,000	\$16,159,000
29	Available Cash	\$18,629,000	\$15,517,000	\$3,393,000	\$1,432,000	\$5,435,000	\$5,294,000	\$12,091,000	\$9,459,000	\$11,734,000	\$14,864,000	\$20,861,000
Debt Coverage Calculations												
30	Revenue Available for Debt Service	\$3,905,000	\$9,656,000	\$12,765,000	\$15,902,000	\$18,451,000	\$20,394,000	\$21,221,000	\$22,159,000	\$22,886,000	\$23,730,000	\$26,587,000
31	Total Yearly Parity Debt Payment	\$1,070,000	\$1,070,000	\$2,560,000	\$2,560,000	\$3,617,000	\$5,711,000	\$4,974,000	\$4,974,000	\$4,974,000	\$4,974,000	\$4,974,000
32	Debt Coverage Ratio (without Capacity Charges)	3.65	9.02	4.99	6.21	5.10	3.57	4.27	4.45	4.60	4.77	5.35

Fairfield-Suisun Sewer District
2025 Sewer Rate and Capacity Charge Study

Schedules

**Cash Flow Proforma
Fund 2 Restricted Capacity Charges**

SCHEDULE 4

	Budget FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033	Forecast FY 2034	Forecast FY 2035	Forecast FY 2036
1 Fund 2 Beginning Balance	\$9,219,000	\$4,675,000	\$5,963,000	\$2,416,000	\$1,834,000	\$6,206,000	\$10,266,000	\$11,278,000	\$12,739,000	\$6,528,000	\$535,000
Revenues											
2 Fund 2 Capacity Surcharges	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
3 Restricted Interest Earnings	\$325,000	\$163,000	\$208,000	\$60,000	\$46,000	\$155,000	\$257,000	\$282,000	\$318,000	\$163,000	\$13,000
4 Miscellaneous Fees	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
5 Transfer In from Fund 3	\$0	\$5,000,000	\$0	\$0	\$5,000,000	\$5,500,000	\$7,500,000	\$4,000,000	\$2,000,000	\$3,000,000	\$3,600,000
6 Total Revenues	\$535,000	\$5,373,000	\$418,000	\$270,000	\$5,256,000	\$5,865,000	\$7,967,000	\$4,492,000	\$2,528,000	\$3,373,000	\$3,823,000
Expenditures											
7 Fund 2 Funded Capital	\$4,379,000	\$3,367,000	\$3,228,000	\$95,000	\$107,000	\$1,007,000	\$6,135,000	\$2,189,000	\$7,875,000	\$8,478,000	\$3,415,000
8 Fund 2 Operating Costs	\$617,000	\$635,000	\$654,000	\$674,000	\$694,000	\$715,000	\$737,000	\$759,000	\$781,000	\$805,000	\$829,000
9 Fund 2 Debt Service	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
10 Total Expenses	\$5,079,000	\$4,085,000	\$3,965,000	\$852,000	\$884,000	\$1,805,000	\$6,955,000	\$3,031,000	\$8,739,000	\$9,366,000	\$4,327,000
11 Surplus/(Shortfall)	(\$4,544,000)	\$1,288,000	(\$3,547,000)	(\$582,000)	\$4,372,000	\$4,060,000	\$1,012,000	\$1,461,000	(\$6,211,000)	(\$5,993,000)	(\$504,000)
12 Fund 2 Ending Balance	\$4,675,000	\$5,963,000	\$2,416,000	\$1,834,000	\$6,206,000	\$10,266,000	\$11,278,000	\$12,739,000	\$6,528,000	\$535,000	\$31,000

**Cash Flow Proforma
Fund 3 Unrestricted Capacity Charges**

	Budget FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033	Forecast FY 2034	Forecast FY 2035	Forecast FY 2036
1 Fund 3 Beginning Balance	\$9,354,000	\$12,923,000	\$5,609,000	\$9,000,000	\$12,260,000	\$10,450,000	\$7,950,000	\$3,251,000	\$1,804,000	\$2,197,000	\$1,483,000
Revenues											
13 Fund 3 Capacity Charges	\$3,365,000	\$3,636,000	\$3,195,000	\$3,035,000	\$2,883,000	\$2,739,000	\$2,602,000	\$2,472,000	\$2,348,000	\$2,231,000	\$2,119,000
14 Fund 3 Interest Earnings	\$204,000	\$450,000	\$196,000	\$225,000	\$307,000	\$261,000	\$199,000	\$81,000	\$45,000	\$55,000	\$37,000
15 Total Revenues	\$3,569,000	\$4,086,000	\$3,391,000	\$3,260,000	\$3,190,000	\$3,000,000	\$2,801,000	\$2,553,000	\$2,393,000	\$2,286,000	\$2,156,000
Expenditures											
16 Transfer Out to R&R Capital (Fund 1)	\$0	\$6,400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Transfer Out to Growth Capital (Fund 2)	\$0	\$5,000,000	\$0	\$0	\$5,000,000	\$5,500,000	\$7,500,000	\$4,000,000	\$2,000,000	\$3,000,000	\$3,600,000
18 Total Expenses	\$0	\$11,400,000	\$0	\$0	\$5,000,000	\$5,500,000	\$7,500,000	\$4,000,000	\$2,000,000	\$3,000,000	\$3,600,000
19 Surplus/(Shortfall)	\$3,569,000	(\$7,314,000)	\$3,391,000	\$3,260,000	(\$1,810,000)	(\$2,500,000)	(\$4,699,000)	(\$1,447,000)	\$393,000	(\$714,000)	(\$1,444,000)
20 Fund 3 Ending Balance	\$12,923,000	\$5,609,000	\$9,000,000	\$12,260,000	\$10,450,000	\$7,950,000	\$3,251,000	\$1,804,000	\$2,197,000	\$1,483,000	\$39,000

Schedule 5 - Proposed 5-Year Rate Schedule

Effective Date:	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029	July 1, 2030	
Residential (monthly) ¹	\$54.91	\$60.40	\$66.44	\$71.09	\$74.64	per dwelling unit
Commercial						
Monthly Account Charge and	\$17.13	\$18.84	\$20.72	\$22.17	\$23.28	per account per mo.
Regular Strength Volumetric ²	\$4.56	\$5.02	\$5.52	\$5.91	\$6.21	per HCF
<u>or</u>						
High Strength Volumetric ³	\$7.81	\$8.59	\$9.45	\$10.11	\$10.62	per HCF
Case-by-Case ⁴						
Monthly Account Charge and	\$17.13	\$18.84	\$20.72	\$22.17	\$23.28	per account per mo.
Volumetric (direct connect) ⁵	\$3,823.53	\$4,205.88	\$4,626.47	\$4,950.32	\$5,197.84	per MG
<u>or</u>						
Volumetric (through local collection) and	\$5,601.60	\$6,161.76	\$6,777.94	\$7,252.40	\$7,615.02	per MG
BOD (by weight) and	\$605.32	\$665.85	\$732.44	\$783.71	\$822.90	per 1000 lbs
TSS (by weight)	\$324.73	\$357.20	\$392.92	\$420.42	\$441.44	per 1000 lbs
Travis Air Force Base (volumetric)	\$3.67	\$4.04	\$4.44	\$4.75	\$4.99	per HCF

¹ Single-family dwelling, multiple-family dwelling, trailer courts, and mobile home parks

² Offices, retail, stores, hotels, motels, schools, churches, hospitals, nursing homes, laundromats, dry cleaning, establishments, bars without dining facilities, car washes without auto steam cleaning facilities, other commercial or industrial customers not treated high strength or as case-by-case.

³ Commercial laundries, restaurants and bars with dining facilities, service stations with holding tank dumping facilities, car washes with auto steam cleaning facilities, bakeries and food processing, other commercial or industrial customers with concentrations greater than 200 milligrams per liter BOD or 265 milligrams per liter TSS, but less than the concentrations specified for case-by-case.

⁴ All commercial or industrial customers other than those specified as regular or high strength with flows greater than 0.005 MGD, or with concentrations greater than 65 mg/l BOD or 1,000 mg/l TSS; all intermittent customers; and any commercial or industrial customer requesting and paying the full cost of metering and testing.

⁵ For customers that deliver wastewater directly to collection system pipes of 12" or greater.

Schedule 6

GOVERNMENT CODE SECTIONS 66013, 66016, 66022, AND 66023

66013. (a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

(b) As used in this section:

(1) "Sewer connection" means the connection of a structure or project to a public sewer system.

(2) "Water connection" means the connection of a structure or project to a public water system, as defined in subdivision (f) of Section 116275 of the Health and Safety Code.

(3) "Capacity charge" means a charge for facilities in existence at the time a charge is imposed or charges for new facilities to be constructed in the future that are of benefit to the person or property being charged.

(4) "Local agency" means a local agency as defined in Section 66000.

(5) "Fee" means a fee for the physical facilities necessary to make a water connection or sewer connection, including, but not limited to, meters, meter boxes, and pipelines from the structure or project to a water distribution line or sewer main, and that does not exceed the estimated reasonable cost of labor and materials for installation of those facilities.

(c) A local agency receiving payment of a charge as specified in paragraph (3) of subdivision (b) shall deposit it in a separate capital facilities fund with other charges received, and account for the charges in a manner to avoid any commingling with other moneys of the local agency, except for investments, and shall expend those charges solely for the purposes for which the charges were collected.

Any interest income earned from the investment of moneys in the capital facilities fund shall be deposited in that fund.

(d) For a fund established pursuant to subdivision (c), a local agency shall make available to the public, within 180 days after the last day of each fiscal year, the following information for that fiscal year:

(1) A description of the charges deposited in the fund.

(2) The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.

(3) The amount of charges collected in that fiscal year.

(4) An identification of all of the following:

(A) Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.

(B) Each public improvement on which charges were expended that was completed during that fiscal year.

(C) Each public improvement that is anticipated to be undertaken in the following fiscal year.

(5) A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

(e) The information required pursuant to subdivision (d) may be included in the local agency's annual financial report.

(f) The provisions of subdivisions (c) and (d) shall not apply to any of the following:

(1) Moneys received to construct public facilities pursuant to a contract between a local agency and a person or entity, including, but not limited to, a reimbursement agreement pursuant to Section 66003.

(2) Charges that are used to pay existing debt service or which are subject to a contract with a trustee for bondholders that requires a different accounting of the charges, or charges that are used to reimburse the local agency or to reimburse a person or entity who advanced funds under a reimbursement agreement or contract for facilities in existence at the time the charges are collected.

(3) Charges collected on or before December 31, 1998.

(g) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion imposing a fee or capacity charge subject to this section shall be brought pursuant to Section 66022.

(h) Fees and charges subject to this section are not subject to the provisions of Chapter 5 (commencing with Section 66000), but are subject to the provisions of Sections 66016, 66022, and 66023.

(i) The provisions of subdivisions (c) and (d) shall only apply to capacity charges levied pursuant to this section.

66016. (a) Prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data

required by this section is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting on new or increased fees or service charges. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service. At least 10 days prior to the meeting, the local agency shall make available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including General Fund revenues. Unless there has been voter approval, as prescribed by Section 66013 or 66014, no local agency shall levy a new fee or service charge or increase an existing fee or service charge to an amount which exceeds the estimated amount required to provide the service for which the fee or service charge is levied. If, however, the fees or service charges create revenues in excess of actual cost, those revenues shall be used to reduce the fee or service charge creating the excess.

(b) Any action by a local agency to levy a new fee or service charge or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution. The legislative body of a local agency shall not delegate the authority to adopt a new fee or service charge, or to increase a fee or service charge.

(c) Any costs incurred by a local agency in conducting the meeting or meetings required pursuant to subdivision (a) may be recovered from fees charged for the services which were the subject of the meeting.

(d) This section shall apply only to fees and charges as described in Sections 51287, 56383, 57004, 65104, 65456, 65863.7, 65909.5, 66013, 66014, and 66451.2 of this code, Sections 17951, 19132.3, and 19852 of the Health and Safety Code, Section 41901 of the Public Resources Code, and Section 21671.5 of the Public Utilities Code.

(e) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion levying a fee or service charge subject to this section shall be brought pursuant to Section 66022.

66022. (a) Any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance, resolution, or motion adopting a new fee or service charge, or modifying or amending an existing fee or service charge, adopted by a local agency, as defined in Section 66000, shall be commenced within 120 days of the effective date of the ordinance, resolution, or motion.

If an ordinance, resolution, or motion provides for an automatic adjustment in a fee or service charge, and the automatic adjustment results in an increase in the amount of a fee or service charge, any action or proceeding to attack, review, set aside, void, or annul the increase shall be commenced within 120 days of the effective date of the increase.

(b) Any action by a local agency or interested person under this section shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

(c) This section shall apply only to fees, capacity charges, and service charges described in and subject to Sections 66013 and 66014.

66023. (a) Any person may request an audit in order to determine whether any fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of any product or service provided by the local agency. If a person makes that request, the legislative body of the local agency may retain an independent auditor to conduct an audit to determine whether the fee or charge is reasonable.

(b) Any costs incurred by a local agency in having an audit conducted by an independent auditor pursuant to subdivision (a) may be recovered from the person who requests the audit.

(c) Any audit conducted by an independent auditor to determine whether a fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of providing the product or service shall conform to generally accepted auditing standards.

(d) The procedures specified in this section shall be alternative and in addition to those specified in Section 54985.

(e) The Legislature finds and declares that oversight of local agency fees is a matter of statewide interest and concern. It is, therefore, the intent of the Legislature that this chapter shall supersede all conflicting local laws and shall apply in charter cities.

(f) This section shall not be construed as granting any additional authority to any local agency to levy any fee or charge which is not otherwise authorized by another provision of law, nor shall its provisions be construed as granting authority to any local agency to levy a new fee or charge when other provisions of law specifically prohibit the levy of a fee or charge.