

Figure 1-3 shows the total amount of District related capital projects. Figure 1-4, Figure 1-5, and Figure 1-6 show the total amount of capital projects for Selma, Kingsburg, and Fowler, respectively. The District is expected to spend approximately \$28.9¹ million in capital expenditures, including District R&R, and each cities' R&R between FY 2025-FY 2029. Capital is expected to be cash funded.

Figure 1-3: Proposed Capital Financing Plan – District

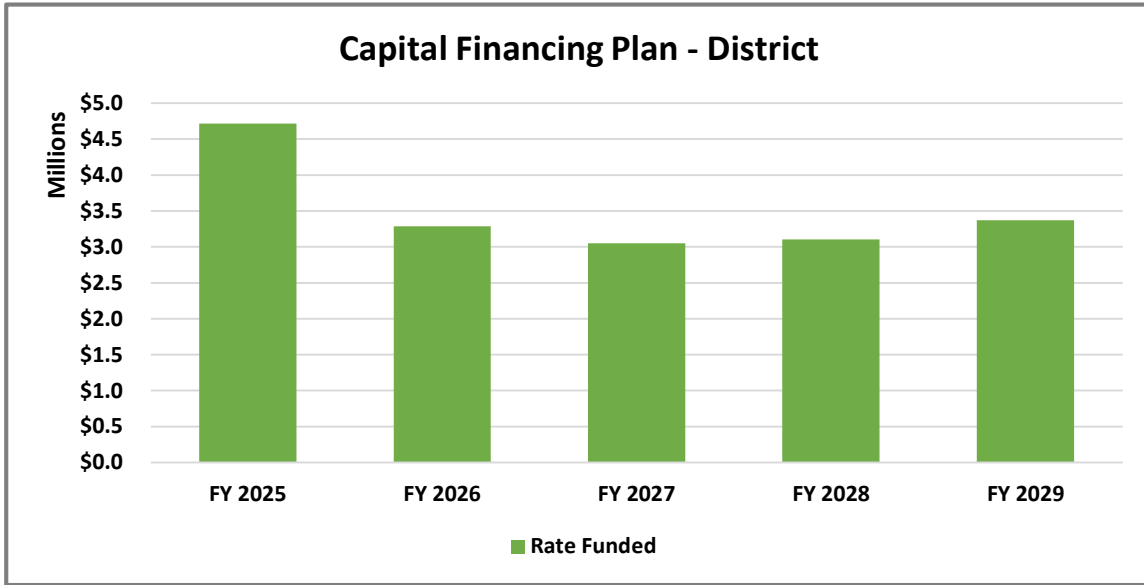
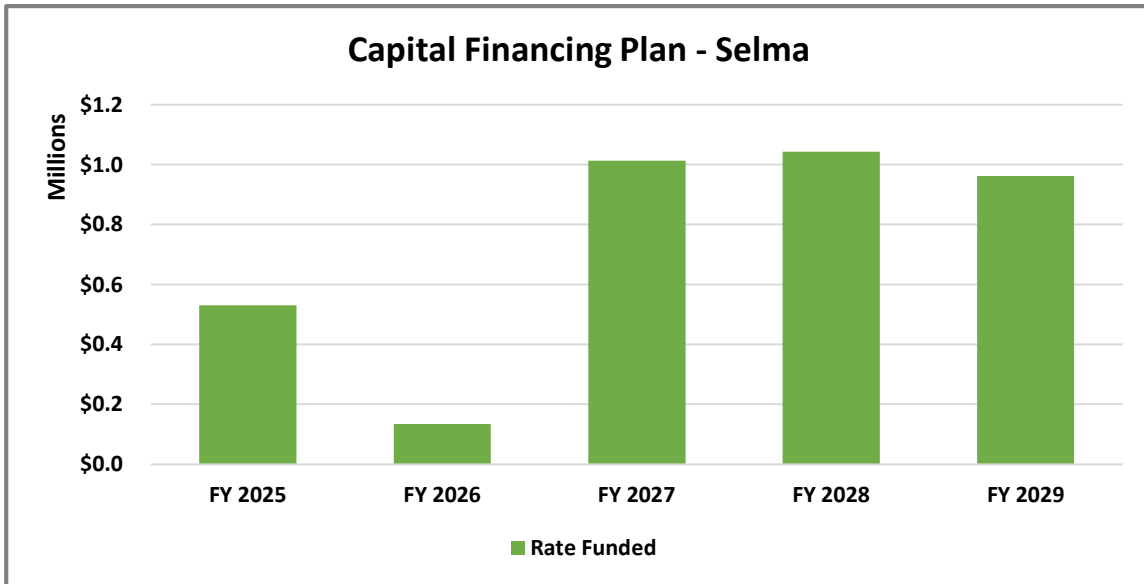


Figure 1-4: Proposed Capital Financing Plan – Selma



(Figure 1-4 amended – revised capital plan)

¹ Amended to reflect adjusted capital plan for Selma.

- Kingsburg R&R: 100% of the 5-year average CIP
- Fowler R&R: 100% of the 5-year average CIP
- District Emergency: estimated asset failure (\$750,000)
- Selma Emergency: estimated asset failure (\$500,000)
- Kingsburg Emergency: estimated asset failure (\$350,000)
- Fowler Emergency: estimated asset failure (\$350,000)

In addition, Selma has to maintain a debt service reserve for its State Revolving Fund loan equal to \$263,844.

Figure 1-7: Projected Reserve Ending Balances – District

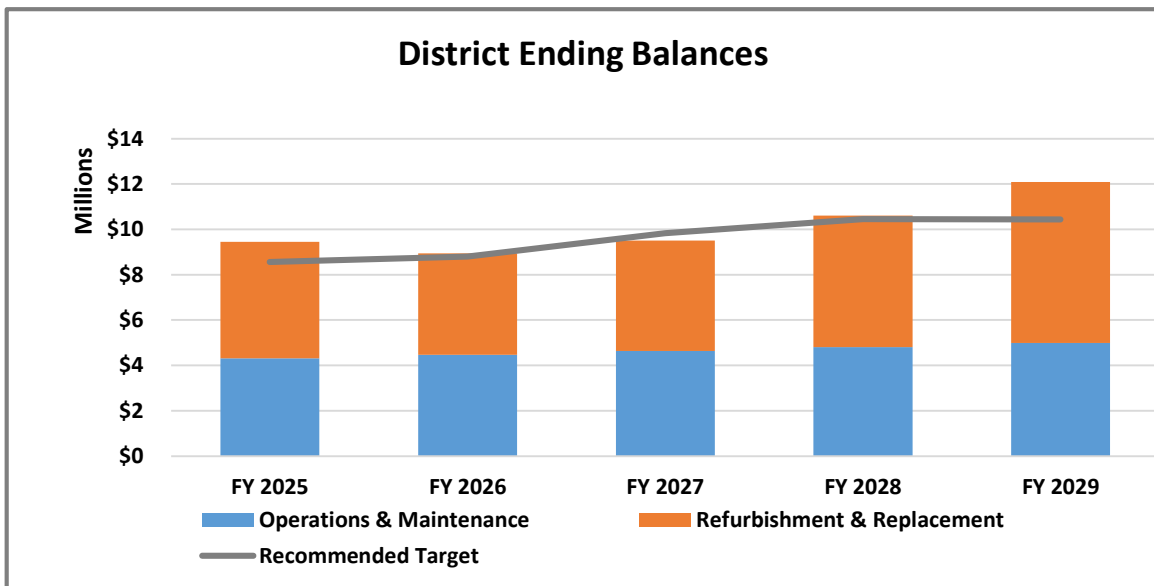
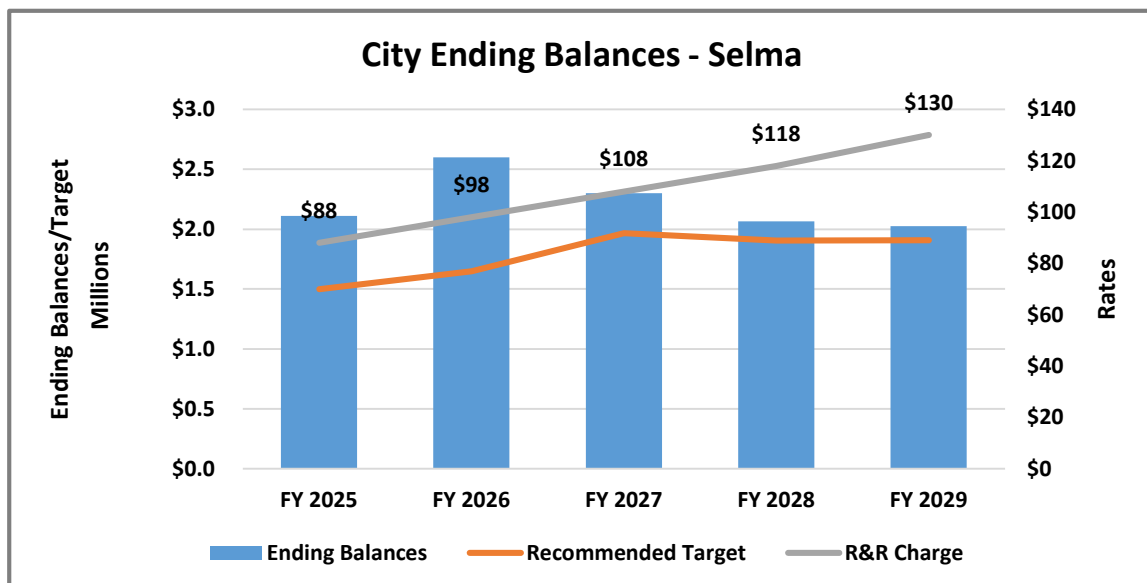


Figure 1-8: Projected Reserve Ending Balances – Selma



(Figure 1-8 amended)

Table 3-2: Budgeted and Projected Revenues

	Budget FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029
District Operations & Maintenance						
1 O&M Service Charge	\$6,005,434	\$6,039,993	\$6,073,140	\$6,118,688	\$6,190,364	\$6,264,359
2 R&R Service Charge	\$1,404,004	\$1,412,083	\$1,419,833	\$1,430,481	\$1,447,238	\$1,464,538
3 Industrial Service Charges	\$2,640,692	\$2,245,212	\$2,245,212	\$2,245,212	\$2,245,212	\$2,245,212
4 Interest Earnings	\$0	\$115,025	\$111,958	\$123,274	\$132,350	\$141,975
5 Septic Hauler Fees	\$142,829	\$144,257	\$145,700	\$147,157	\$148,628	\$150,115
6 Rental of Property	\$63,861	\$64,500	\$65,145	\$65,796	\$66,454	\$67,119
7 Plan Check & Inspection Fees	\$54,719	\$55,267	\$55,819	\$56,377	\$56,941	\$57,511
8 IRS Tax Credit (CREB)	\$219,690	\$204,021	\$190,257	\$176,207	\$161,869	\$147,245
9 Misc Other Revenue	\$49,448	\$49,448	\$0	\$0	\$0	\$0
10 Subtotal - District Operations & Maintenance	\$10,580,677	\$10,329,807	\$10,307,063	\$10,363,193	\$10,449,058	\$10,538,073
District Expansion						
11 Capacity Charges	\$506,682	\$498,960	\$706,224	\$1,144,669	\$1,217,141	\$1,268,745
12 Annexation Fees	\$21,763	\$21,981	\$22,200	\$22,422	\$22,647	\$22,873
13 Interest Earnings	\$0	\$80,308	\$32,245	\$10,604	\$19,804	\$36,953
14 Subtotal - District Expansion	\$528,445	\$601,249	\$760,670	\$1,177,696	\$1,259,592	\$1,328,571
District Replacement & Refurbishment						
15 Annual Transfer from General O&M Function #1	\$1,838,155	\$2,391,208	\$2,529,399	\$3,342,866	\$3,920,246	\$4,544,342
16 Interest Earnings	\$0	\$125,221	\$95,260	\$92,560	\$105,560	\$127,625
17 Subtotal - District Replacement & Refurbishment	\$1,838,155	\$2,516,429	\$2,624,660	\$3,435,426	\$4,025,806	\$4,671,967
Selma Refurbishment & Replacement						
18 Service Charges	\$625,300	\$629,533	\$632,865	\$637,605	\$644,610	\$651,692
19 Interest Earnings	\$42,355	\$46,605	\$48,493	\$43,220	\$40,493	\$37,569
20 Service Charges - Industrial	\$793	\$801	\$809	\$817	\$825	\$833
21 Subtotal - Selma Refurbishment & Replacement	\$668,448	\$676,939	\$682,167	\$681,642	\$685,928	\$690,095
Kingsburg Refurbishment & Replacement						
22 Service Charges	\$199,000	\$253,353	\$254,514	\$256,024	\$258,560	\$261,230
23 Interest Earnings	\$63,491	\$55,776	\$52,580	\$42,424	\$26,193	\$23,314
24 Service Charges - Industrial	\$53,153	\$53,685	\$54,221	\$54,764	\$55,311	\$55,864
25 Subtotal - Kingsburg Refurbishment & Replacement	\$315,644	\$362,813	\$361,315	\$353,211	\$340,064	\$340,408
Fowler Refurbishment & Replacement						
26 Service Charges	\$151,200	\$241,604	\$242,441	\$243,588	\$245,514	\$247,543
27 Interest Earnings	\$34,043	\$29,428	\$26,259	\$23,379	\$22,134	\$22,331
28 Service Charges - Industrial	\$89,473	\$90,368	\$91,271	\$92,184	\$93,106	\$94,037
29 Subtotal - Fowler Refurbishment & Replacement	\$274,716	\$361,399	\$359,971	\$359,151	\$360,754	\$363,911
30 Total - Revenue	\$14,206,086	\$14,848,635	\$15,095,845	\$16,370,319	\$17,121,201	\$17,933,025
31 Total - Operating Revenue	\$13,677,641	\$14,247,387	\$14,335,175	\$15,192,624	\$15,861,610	\$16,604,454

(Table 3-2 amended)

3.2. Inflationary Assumption

To ensure that future costs are reasonably projected, inflationary assumptions are utilized with input from District staff. Table 3-3 shows the inflationary assumptions that were utilized to inflate the expenses for future years (FY 2025 and onward) in the financial plan.

3.4. Capital Improvement Plan

Table 3-5 summarizes the District’s five-year capital improvement plan. A detailed capital improvement plan is included in Appendix B. The District provided FY 2025 CIP in inflated dollars. Starting in FY 2026, the capital projects are inflated by 3% each year to account for future years’ dollars.

Table 3-5: Capital Improvement Plan

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
District					
1 Refurbishment & Replacement	\$4,714,860	\$3,285,412	\$3,047,403	\$3,100,848	\$3,368,348
2 Expansion	\$3,188,740	\$2,920,544	\$1,203,570	\$304,511	\$551,587
3 Total - District	\$7,903,600	\$6,205,956	\$4,250,973	\$3,405,359	\$3,919,936
Selma					
4 Refurbishment & Replacement	\$530,000	\$133,900	\$1,013,160	\$1,043,554	\$962,310
5 Total - Selma	\$530,000	\$133,900	\$1,013,160	\$1,043,554	\$962,310
Kingsburg					
6 Refurbishment & Replacement	\$562,500	\$1,019,700	\$286,443	\$1,819,390	\$987,634
7 Total - Kingsburg	\$562,500	\$1,019,700	\$286,443	\$1,819,390	\$987,634
Fowler					
8 Refurbishment & Replacement	\$712,000	\$520,150	\$668,367	\$551,827	\$568,382
9 Total - Fowler	\$712,000	\$520,150	\$668,367	\$551,827	\$568,382
10 Total - Capital Projects	\$9,708,100	\$7,879,706	\$6,218,943	\$6,820,131	\$6,438,262
11 Total Capital Excluding Expansion	\$6,519,360	\$4,959,162	\$5,015,373	\$6,515,620	\$5,886,674

(Table 3-5 amended)

Table 3-6 displays the proposed five-year capital financing plan for the CIP shown in Table 3-5. All the R&R capital expenditures are expected to be funded by cash (rates and reserves) and the expansion capital expenditures by capacity charges and capacity charge reserves.

Table 3-6: Proposed Capital Financing Plan (Amended)

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
District - Refurbishment & Replacement					
1 Rate Funded	\$4,714,860	\$3,285,412	\$3,047,403	\$3,100,848	\$3,368,348
2 Debt Funded	\$0	\$0	\$0	\$0	\$0
District - Expansion					
3 Expansion Fund	\$3,188,740	\$2,920,544	\$1,203,570	\$304,511	\$551,587
4 Debt Funded	\$0	\$0	\$0	\$0	\$0
Selma					
5 Rate Funded	\$530,000	\$133,900	\$1,013,160	\$1,043,554	\$962,310
6 Debt Funded	\$0	\$0	\$0	\$0	\$0
Kingsburg					
7 Rate Funded	\$562,500	\$1,019,700	\$286,443	\$1,819,390	\$987,634
8 Debt Funded	\$0	\$0	\$0	\$0	\$0
Fowler					
9 Rate Funded	\$712,000	\$520,150	\$668,367	\$551,827	\$568,382
10 Debt Funded	\$0	\$0	\$0	\$0	\$0
11 Total - Capital Projects	\$9,708,100	\$7,879,706	\$6,218,943	\$6,820,131	\$6,438,262

3.5. Existing and Proposed Debt

Table 3-7 shows the District’s existing debt service, which consists of the debt issue related to the Opterra Solar Project and the SRF loan taken out for Selma’s McCall Avenue Sewer R&R project. Solar project debt service is associated with Operations and Maintenance.

Table 3-7: Existing Debt Service

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Existing Debt Service					
Solar Principal	\$480,000	\$490,000	\$500,000	\$510,000	\$520,000
Solar Interest	\$362,865	\$338,385	\$313,395	\$287,895	\$261,885
Clean Water State Fund Loan - Selma	\$263,844	\$263,844	\$263,844	\$263,844	\$263,844
Total - Existing Debt Service	\$1,106,709	\$1,092,229	\$1,077,239	\$1,061,739	\$1,045,729

No new debt is proposed during the study period.

3.6. Proposed Financial Plan

Table 3-8 shows the District’s cash flow detail for the next five fiscal years, which includes the proposed revenues after revenue adjustments (Lines 4-10) and the net annual cash flow (Line 28). The proposed revenue adjustments (Lines 5-9) help ensure adequate revenue to fund operating expenses, capital projects, and reserve balances. The revenue adjustments occur on August 1, 2024 and on July 1 for every subsequent

Table 3-14 show the same information for the Kingsburg and Fowler R&R funds, respectively. The target fund balances for each city were set by the District Policy Advisory Committee (PAC).

Table 3-12: Projected Selma R&R Fund Balance

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Selma					
1 Beginning Fund Balance	\$2,111,727	\$2,109,674	\$2,597,463	\$2,300,329	\$2,064,868
2 Refurbishment & Replacement Charge	\$88.00	\$98.00	\$108.00	\$118.00	\$130.00
Revenues					
3 Cities R&R Charge	\$748,633	\$838,118	\$930,559	\$1,027,892	\$1,144,865
4 Interest Earnings	\$42,355	\$46,605	\$48,493	\$43,220	\$40,493
5 Other Revenues	\$801	\$809	\$817	\$825	\$833
6 Loan Proceeds	\$0	\$0	\$0	\$0	\$0
7 Subtotal - Revenues	\$791,789	\$885,533	\$979,869	\$1,071,937	\$1,186,191
Expenses					
8 Selma R&R	\$530,000	\$133,900	\$1,013,160	\$1,043,554	\$962,310
9 Clean Water State Fund Loan - Selma	\$263,844	\$263,844	\$263,844	\$263,844	\$263,844
10 Subtotal - Expenses	\$793,844	\$397,744	\$1,277,003	\$1,307,398	\$1,226,154
11 Ending Fund Balance	\$2,109,674	\$2,597,463	\$2,300,329	\$2,064,868	\$2,024,906
12 Reserve Target	\$1,500,429	\$1,649,701	\$1,965,614	\$1,905,647	\$1,905,954

(Table 3-12 amended)

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
District Refurbishment & Replacement					
Fleet Replacement Program-V26 Ford F800 4 ton crane	\$0	\$162,225	\$0	\$0	\$0
Replace 6" Gorman Rupp Trailer Mounted Trash Pump	\$0	\$0	\$0	\$0	\$59,089
District Lift Station R/R-D1 (Merced PS)	\$0	\$0	\$0	\$913,536	\$1,654,761
District Interceptors Evaluation	\$0	\$0	\$0	\$0	\$945,427
Laboratory R/R	\$228,000	\$1,062,960	\$0	\$0	\$0
Clarkson Sewer Improvement Project	\$0	\$0	\$445,578	\$0	\$0
District Lift Station R/R-D3 (North St)	\$4,318,860	\$805,192	\$0	\$0	\$0
District Lift Station R/R-D2 (Manning P/S)	\$0	\$1,168,514	\$1,805,355	\$0	\$0
Aerobic Digester No.1 R/R	\$0	\$0	\$668,367	\$0	\$0
Rehabilitate Screwlifts 1 & 2	\$0	\$0	\$128,104	\$0	\$0
Replace Flex Rake Barscreens	\$0	\$0	\$0	\$675,797	\$0
Fleet Replacement Program-V20 Ford F150 Super Cab (2014)	\$0	\$43,260	\$0	\$0	\$0
Fleet Replacement Program V06 2004 Ford F150	\$42,000	\$0	\$0	\$0	\$0
Headworks Transformer Replacement	\$126,000	\$0	\$0	\$0	\$0
Fleet Replacement Program- V1 Ford Taurus 2014	\$0	\$43,260	\$0	\$0	\$0
Fleet Replacement Program-V4 Ford 150 XL	\$0	\$0	\$0	\$45,895	\$0
Aerobic Digester 4 Spencer Blower Replacement	\$0	\$0	\$0	\$900,680	\$0
Aerobic Digester No.2 R/R	\$0	\$0	\$0	\$0	\$709,071
Fleet Replacement - V7 Ford F150 XL (2018)	\$0	\$0	\$0	\$45,895	\$0
Replace WWTP SCADA Hardware/Upgrade Software	\$0	\$0	\$0	\$273,182	\$0
Fleet Replacement-E38 CAT Backhoe Loader (1998)	\$0	\$0	\$0	\$245,864	\$0
Total - District Refurbishment & Replacement	\$4,714,860	\$3,285,412	\$3,047,403	\$3,100,848	\$3,368,348
District Expansion					
District Lift Station R/R-D1 (Merced Avenue PS)	\$0	\$0	\$0	\$304,511	\$551,587
Laboratory R/R	\$152,000	\$708,640	\$0	\$0	\$0
District Lift Station R/R-D3(North St)	\$2,879,240	\$536,795	\$0	\$0	\$0
One Megawatt WWTP Generator	\$0	\$535,600	\$0	\$0	\$0
WWTP Improvements Planning	\$0	\$360,500	\$0	\$0	\$0
Generator (200amp)	\$157,500	\$0	\$0	\$0	\$0
District Lift Station R/R-D2 Manning PS	\$0	\$779,010	\$1,203,570	\$0	\$0
Total - District Expansion	\$3,188,740	\$2,920,544	\$1,203,570	\$304,511	\$551,587

Selma Refurbishment & Replacement -- Amended

Miscellaneous Repairs	\$65,000	\$66,950	\$68,959	\$71,027	\$73,158
CCTV Inspection and Review	\$65,000	\$66,950	\$68,959	\$71,027	\$73,158
Sewer Improvement: Tucker/E. Front and 2nd/Center	\$400,000	\$0	\$0	\$0	\$0
Sewer Improvement: Lee from Arrants to Gaither (2NO0-0900 and 2NO0-0300)	\$0	\$0	\$875,243	\$0	\$0
Sewer Improvement: Between C St and D St from Stillman St to Floral St	\$0	\$0	\$0	\$0	\$815,994
Sewer Improvement: Lee from Maple to Gaither (2NO0-1500 and 2NO0-0900)	\$0	\$0	\$0	\$901,500	\$0
Barbara PS	\$0	\$0	\$0	\$0	\$0
Total - Selma Refurbishment & Replacement	\$530,000	\$133,900	\$1,013,160	\$1,043,554	\$962,310

Kingsburg Refurbishment & Replacement

Miscellaneous Repairs	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
CCTV Inspection and Review	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
18th Avenue Sewer Improvement Phase I (1/2, Design, Construction Management Services, Construction)	\$472,500	\$0	\$0	\$0	\$0
18th Avenue Sewer Improvement Phase I(2/2, Design, Construction Management Services, Construction)	\$0	\$927,000	\$0	\$0	\$0
18th Avenue Sewer Improvement Phase II(1/2, Design, Construction Management Services, Construction)	\$0	\$0	\$0	\$1,721,045	\$0
18th Avenue Sewer Improvement Phase II (2/2, Design, Construction Management Services, Construction)	\$0	\$0	\$0	\$0	\$886,338
Mehlert PS Panel Replacement	\$0	\$0	\$190,962	\$0	\$0
Total - Kingsburg Refurbishment & Replacement	\$562,500	\$1,019,700	\$286,443	\$1,819,390	\$987,634

Fowler Refurbishment & Replacement

Miscellaneous Repairs	\$35,000	\$36,050	\$37,132	\$38,245	\$39,393
CCTV Inspection and Review	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Sewer Improvements (Alley Between 6th/7th Street and Tuolumne/Merced)	\$632,000	\$0	\$0	\$0	\$0
Peach Street PS	\$0	\$0	\$583,495	\$0	\$0
Sewer Improvement (alley btwn 3rd/4th & Merced/Main)	\$0	\$0	\$0	\$0	\$478,341
Sewer Improvement (Alley between 4th/5th and Merced/Main)	\$0	\$437,750	\$0	\$0	\$0
Sewer Improvement(Alley Between 4th/5th and Main/Fresno)	\$0	\$0	\$0	\$464,409	\$0
Total - Fowler Refurbishment & Replacement	\$712,000	\$520,150	\$668,367	\$551,827	\$568,382

Total - Capital Projects

\$9,708,100	\$7,879,706	\$6,218,943	\$6,820,131	\$6,438,262
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