

Selma-Kingsburg-Fowler County Sanitation District

Wastewater Financial Plan and Rates

March 14, 2024



Agenda

- 1. Objectives**
- 2. Key Assumptions and Inputs**
- 3. Reserve Policy**
- 4. Financial Plan Results**
- 5. Wastewater Rates**

Objectives

- Ensure adequate revenues to cover operating and capital expenses, meet coverage, and provide adequate reserves
- Design equitable rates consistent with Proposition 218
- Determine capital R&R charges for cities

Key Assumptions and Inputs



GROWTH ASSUMPTIONS

- Selma:
 - › Residential/Commercial: 0.5 – 1.1%
 - › Industrial: 0%
- Kingsburg
 - › Residential/Commercial: 0.6 – 1.3%
 - › Industrial: 0%
- Fowler
 - › Residential/Commercial: 0.6 – 1.3%
 - › Industrial: 0%

New ESFRs	FY24	FY25	FY26	FY27	FY28
Selma	46	45	64	95	96
Kingsburg	30	29	38	63	67
Fowler	16	15	20	34	36
Total	93	89	122	192	199

FACTORS FOR PROJECTIONS

- General – 3%/yr
- Salary – 4% FY 2024 & FY 2025, then 3%/yr
- Benefits – 5%/yr
- Utilities – 5%/yr
- Capital – 3%/yr from FY 2025\$
- Non-Rate Revenues – 1%/yr
- Reserve Interest Rate ~ 2%/yr

DISTRICT RESERVE POLICY

- District O&M: 50% of annual O&M
- District R&R: 100% of 5-year average CIP
- District Emergency: \$750,000

- Selma R&R: 100% of 5-year average CIP
- Selma Emergency: \$500,000
- Selma SRF Debt Service Reserve: \$263,844

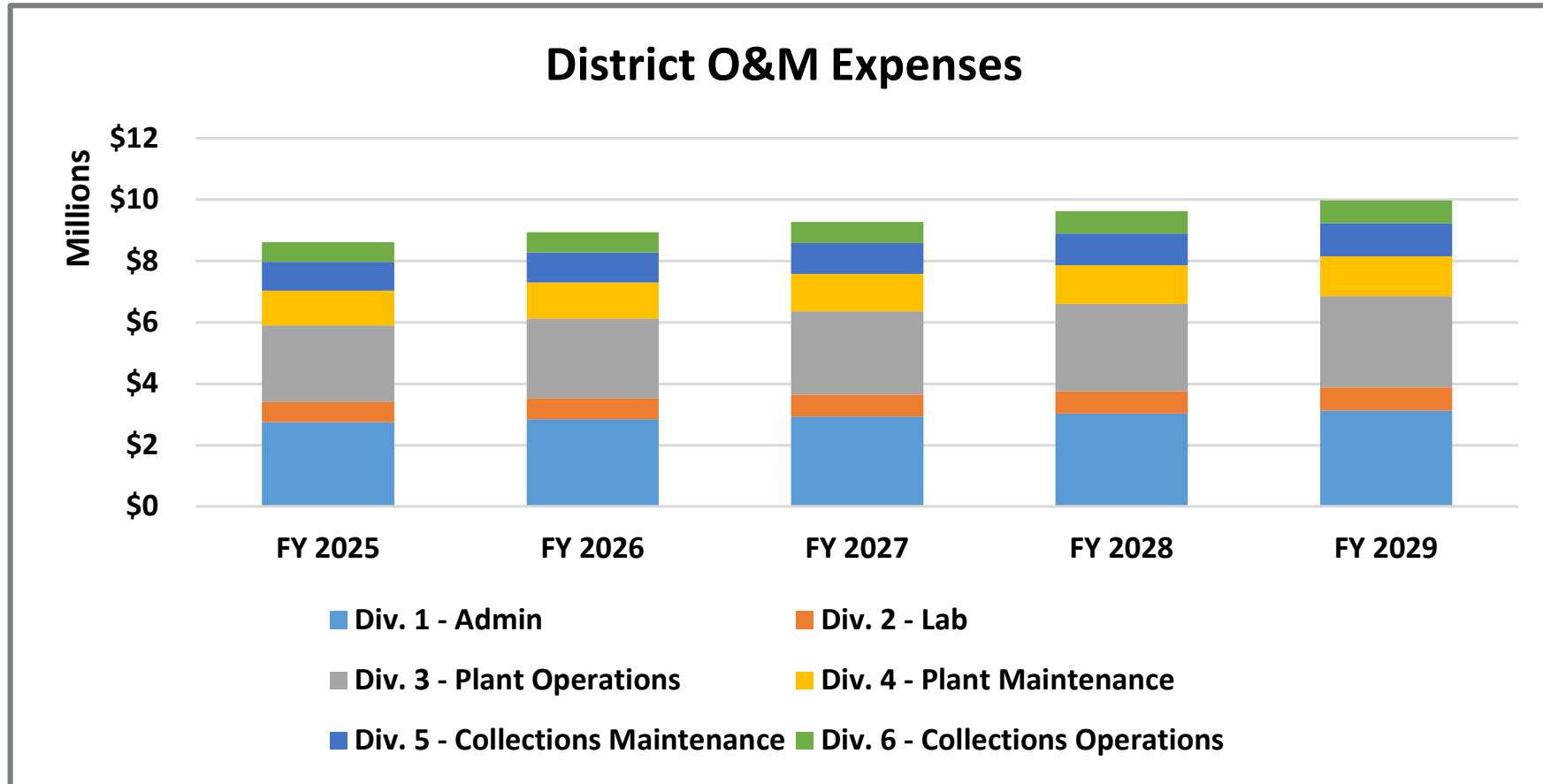
- Kingsburg R&R: 100% of 5-year average CIP
- Kingsburg Emergency: \$350,000

- Fowler R&R: 100% of 5-year average CIP
- Fowler Emergency: \$350,000

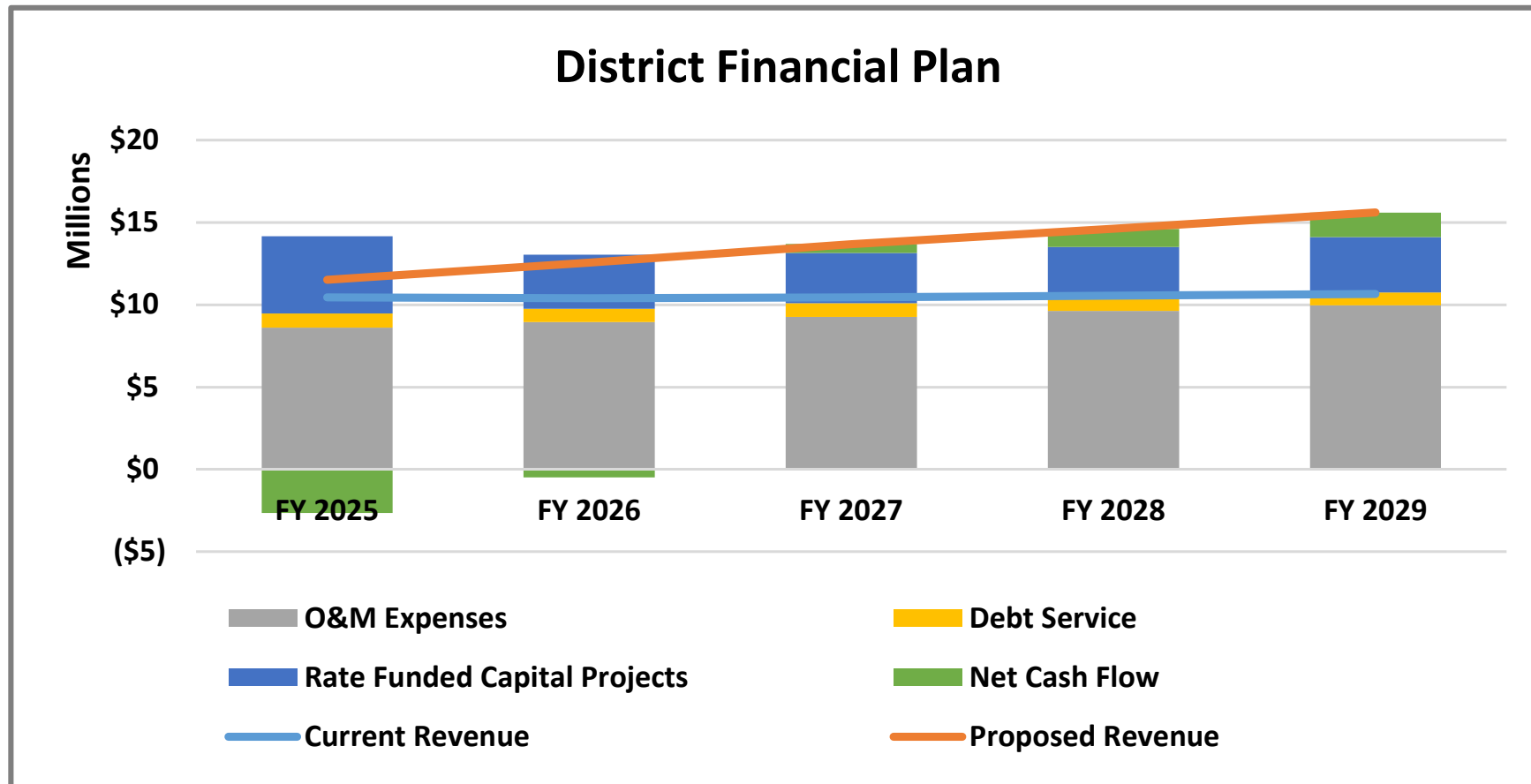
Financial Plan Results



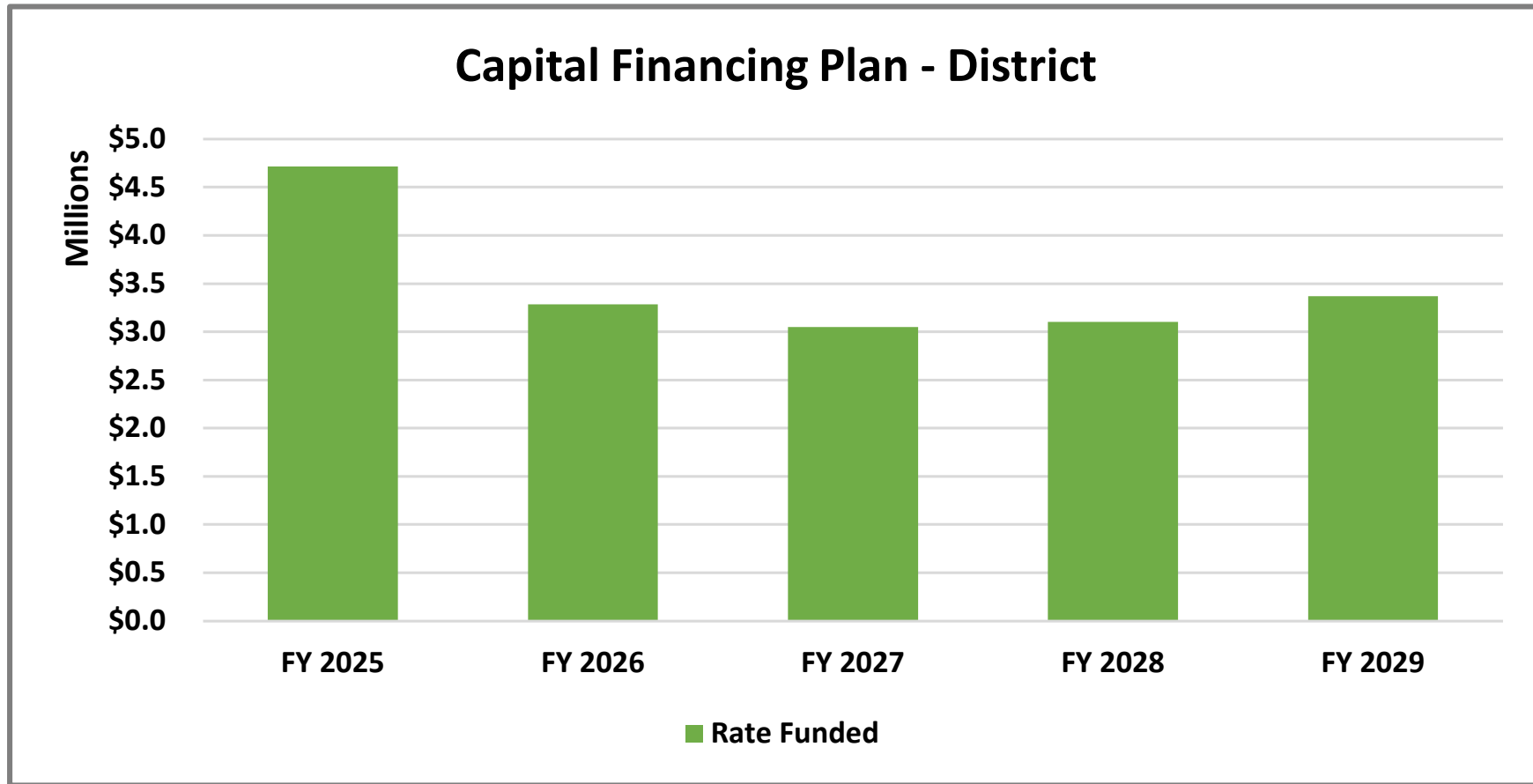
DISTRICT O&M EXPENSES



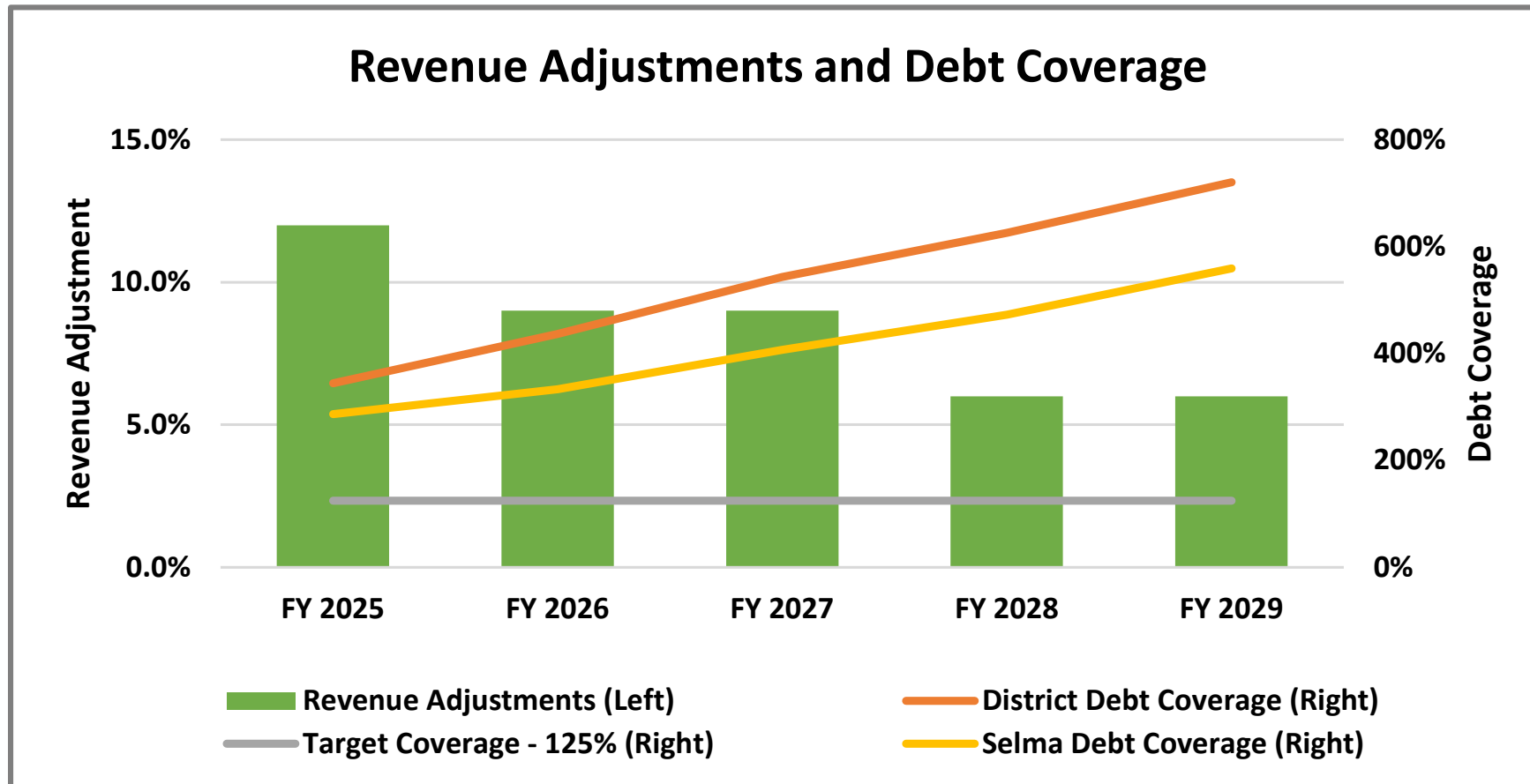
DISTRICT FINANCIAL PLAN



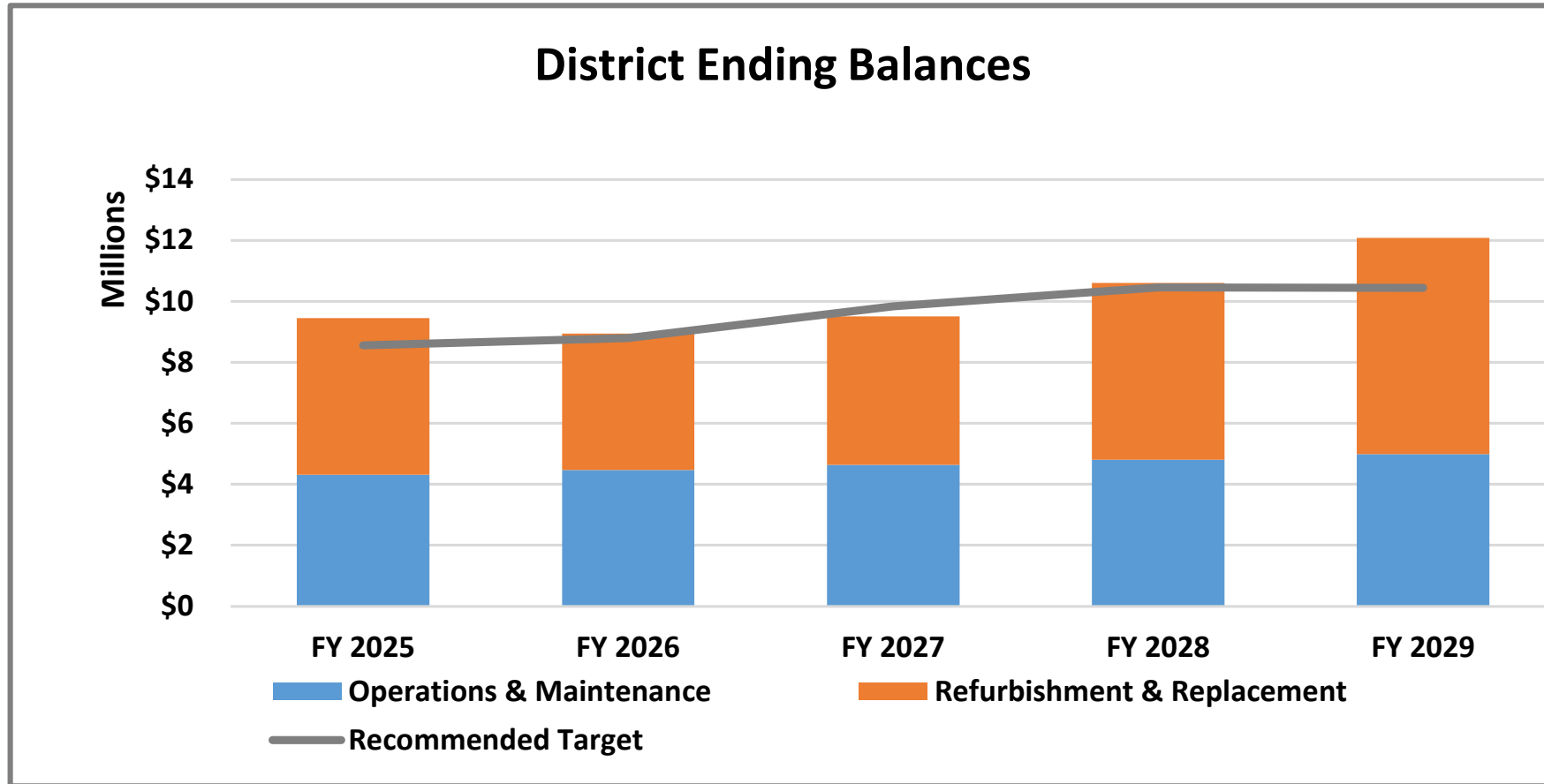
DISTRICT CAPITAL FINANCING PLAN



DISTRICT REVENUE ADJUSTMENTS AND DEBT COVERAGE



DISTRICT ENDING BALANCES

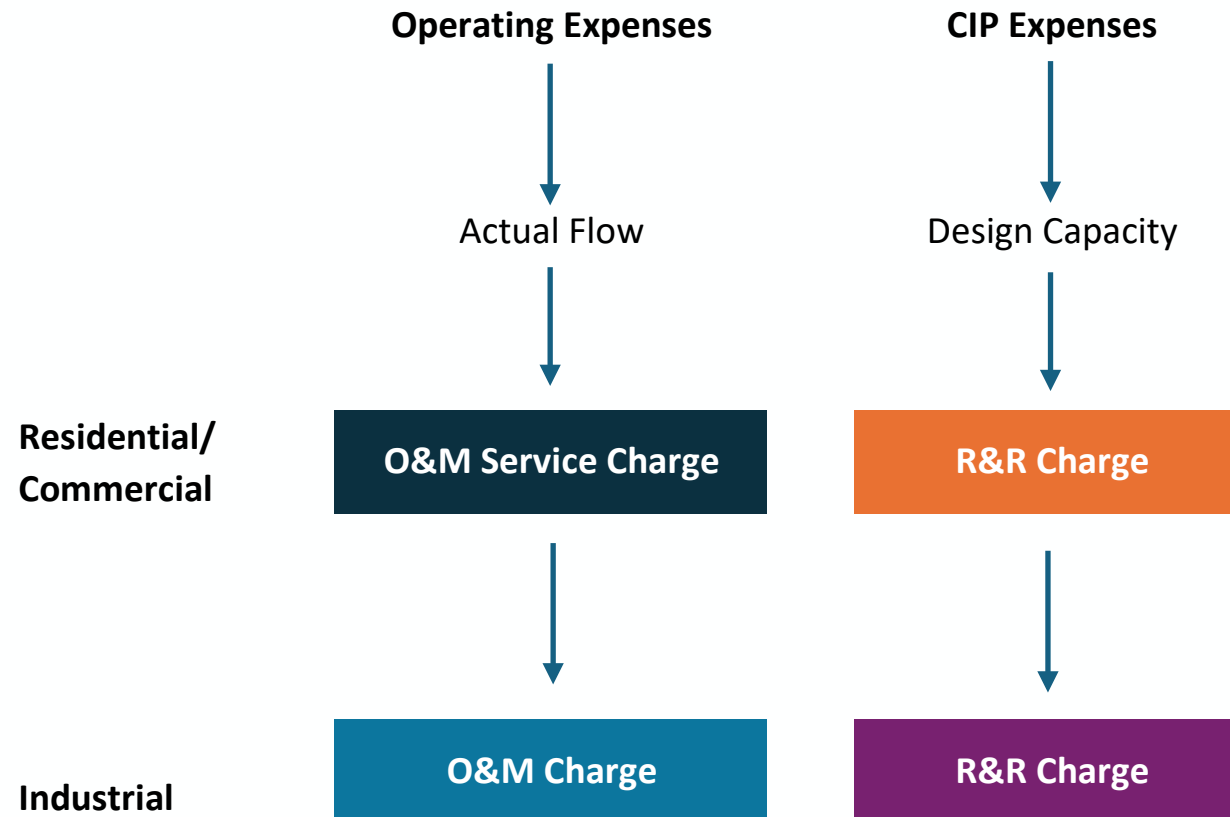


Wastewater Rates



RATE STRUCTURE

Proposed rates follow the same methodology as last study.



DISTRICT O&M SERVICE CHARGE

- Current annual rate: \$372.43 / ESFR
- Charged to Residential, Commercial, and Outside District customers
- Two components: Operating Costs for Actual Flow and Capital Costs for Design Capacity

INDUSTRIAL O&M FLOW CHARGE

- Current annual rate:
 - › Flow – \$2,586.61 / mg
 - › B.O.D. – \$0.25 / lb
 - › S.S. – \$0.48 / lb
- Charged to Industrial customers only
- Comprised of Operating Costs for Actual Flow

INDUSTRIAL R&R CHARGE

- Current annual rate:
 - › Flow – \$192,072.65 / mgd
 - › B.O.D. – \$7.32 / lb per day
 - › S.S. – \$24.00 / lb per day
- Charged to Industrial customers only
- One component: Capital Costs for Design Capacity

DISTRICT R&R CHARGE

- Current annual rate: \$87.07 / ESFR
- Charged to all customers
- Comprised of Capital Costs for Design Capacity

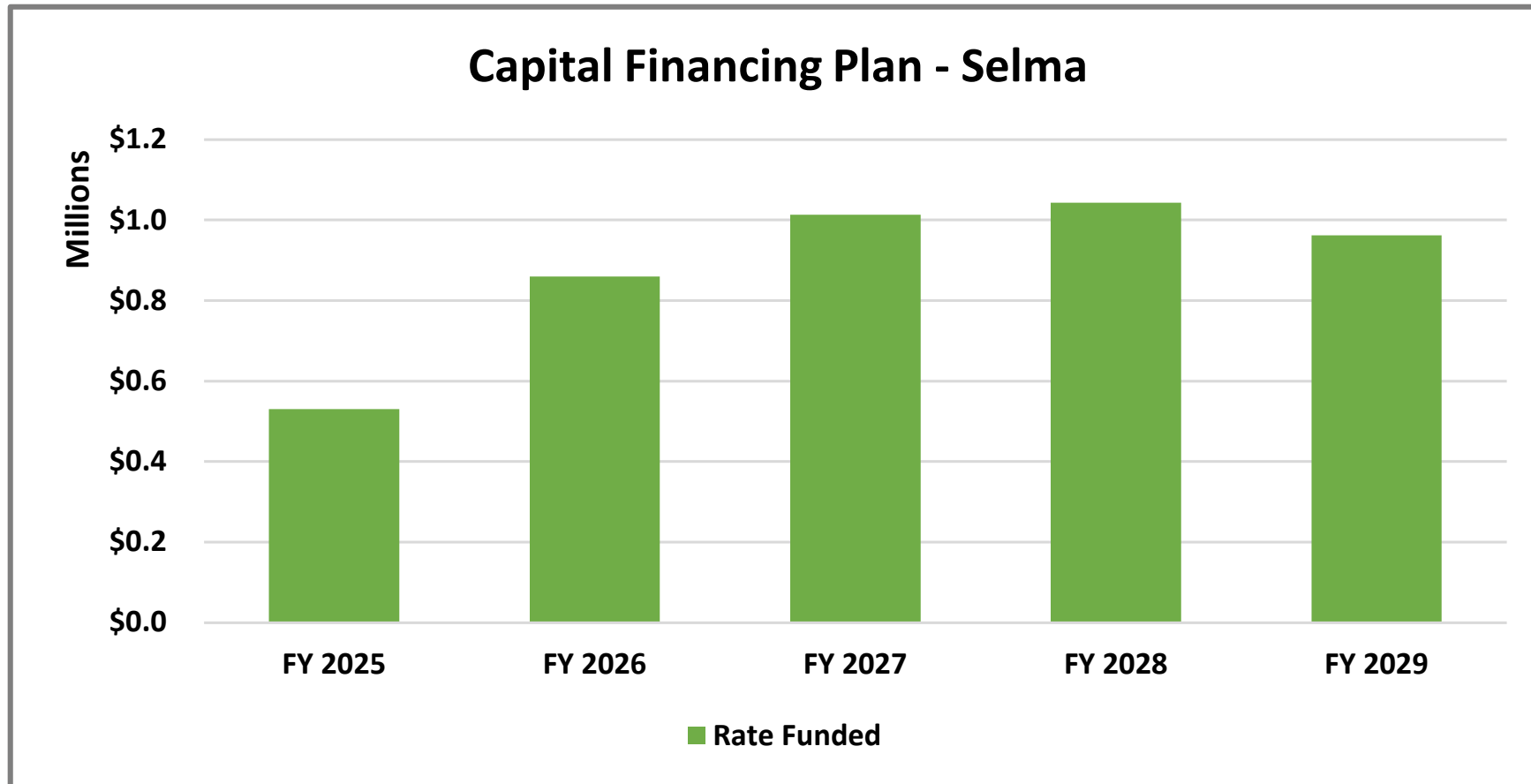
PROPOSED ANNUAL RATES – DISTRICT

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Adjustments		COS	9.0%	9.0%	6.0%	6.0%
All Customers (\$/ESFR)						
District Refurbishment and Replacement	\$87.07	\$97.78	\$106.59	\$116.19	\$123.17	\$130.57
Residential/Commercial O&M Charge (\$/ESFR)						
Operation and Maintenance Service Charge	\$372.43	\$397.36	\$433.13	\$472.12	\$500.45	\$530.48
Total Residential/Commercial O&M Charge	\$459.50	\$495.14	\$539.72	\$588.31	\$623.62	\$661.05
Industrial O&M Charge						
Flow Charge (\$/mg)	\$2,586.61	\$2,834.62	\$3,089.74	\$3,367.82	\$3,569.89	\$3,784.09
B.O.D. Charge (\$/lb)	\$0.25	\$0.46	\$0.51	\$0.56	\$0.60	\$0.64
S.S. Charge (\$/lb)	\$0.48	\$0.44	\$0.48	\$0.53	\$0.57	\$0.61
Industrial R&R Charge						
Flow Charge (\$/mgd)	\$192,072.65	\$215,891	\$235,321	\$256,500	\$271,890	\$288,204
B.O.D. Charge (\$/lb per day)	\$7.32	\$9.84	\$10.73	\$11.70	\$12.41	\$13.16
S.S. Charge (\$/lb per day)	\$24.00	\$32.45	\$35.38	\$38.57	\$40.89	\$43.35

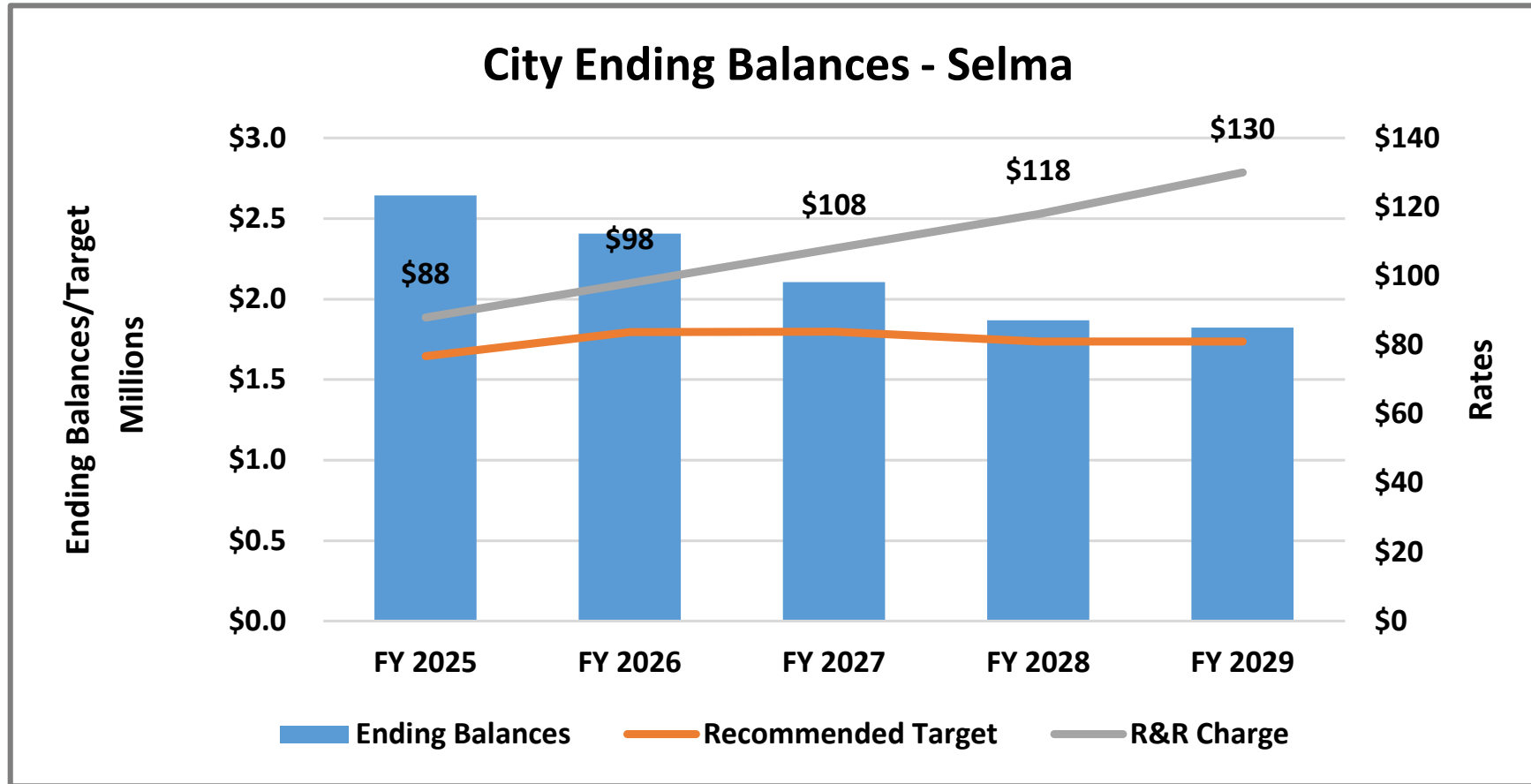
CITIES R&R CHARGE

- Current annual rate:
 - › Selma: \$74.00 / ESFR
 - › Kingsburg: \$40.00 / ESFR
 - › Fowler: \$56.00 / ESFR
- Charged to customers within each City
- Recovers costs associated with each Cities' refurbishment and replacement capital improvement plan

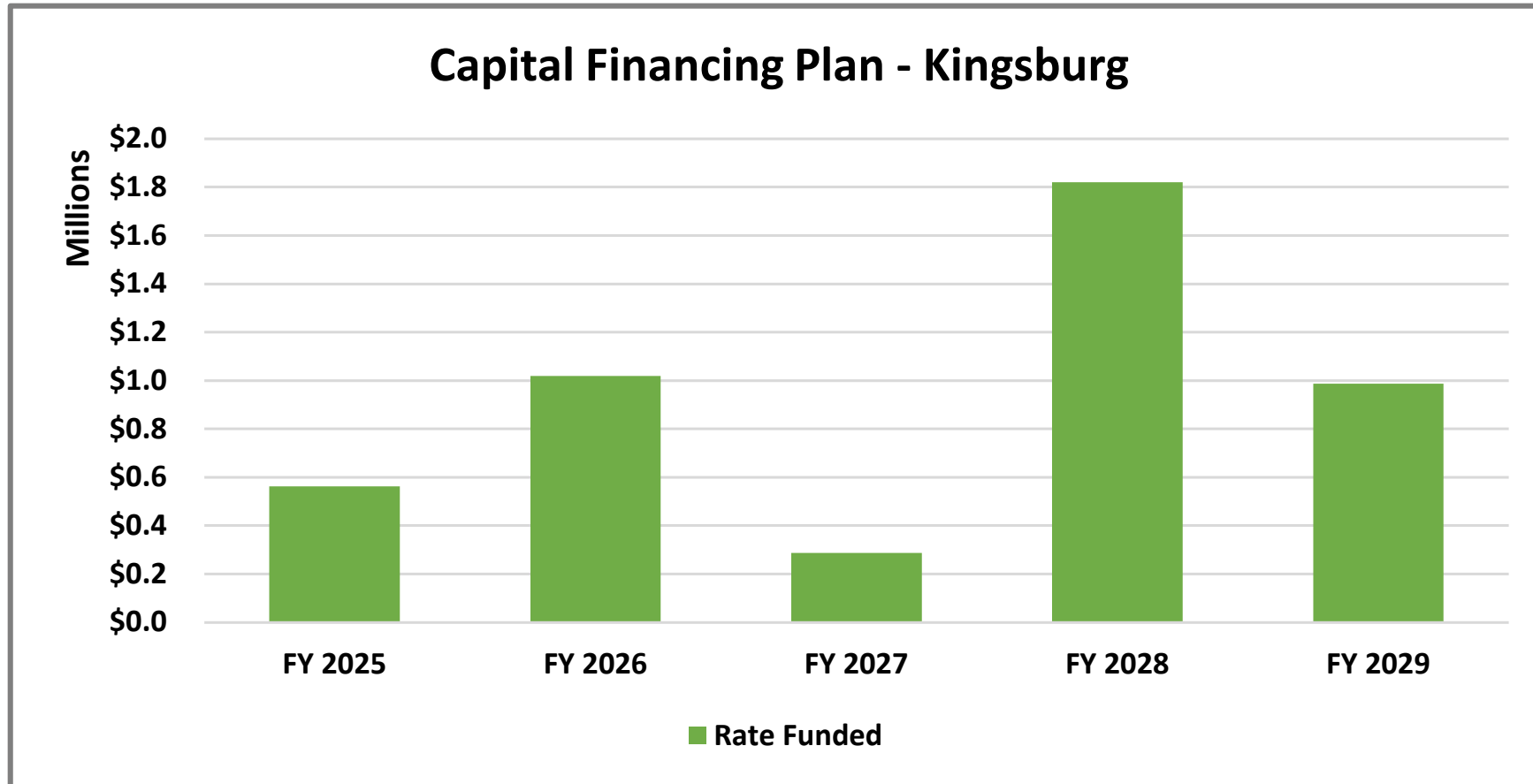
SELMA CAPITAL FINANCING PLAN



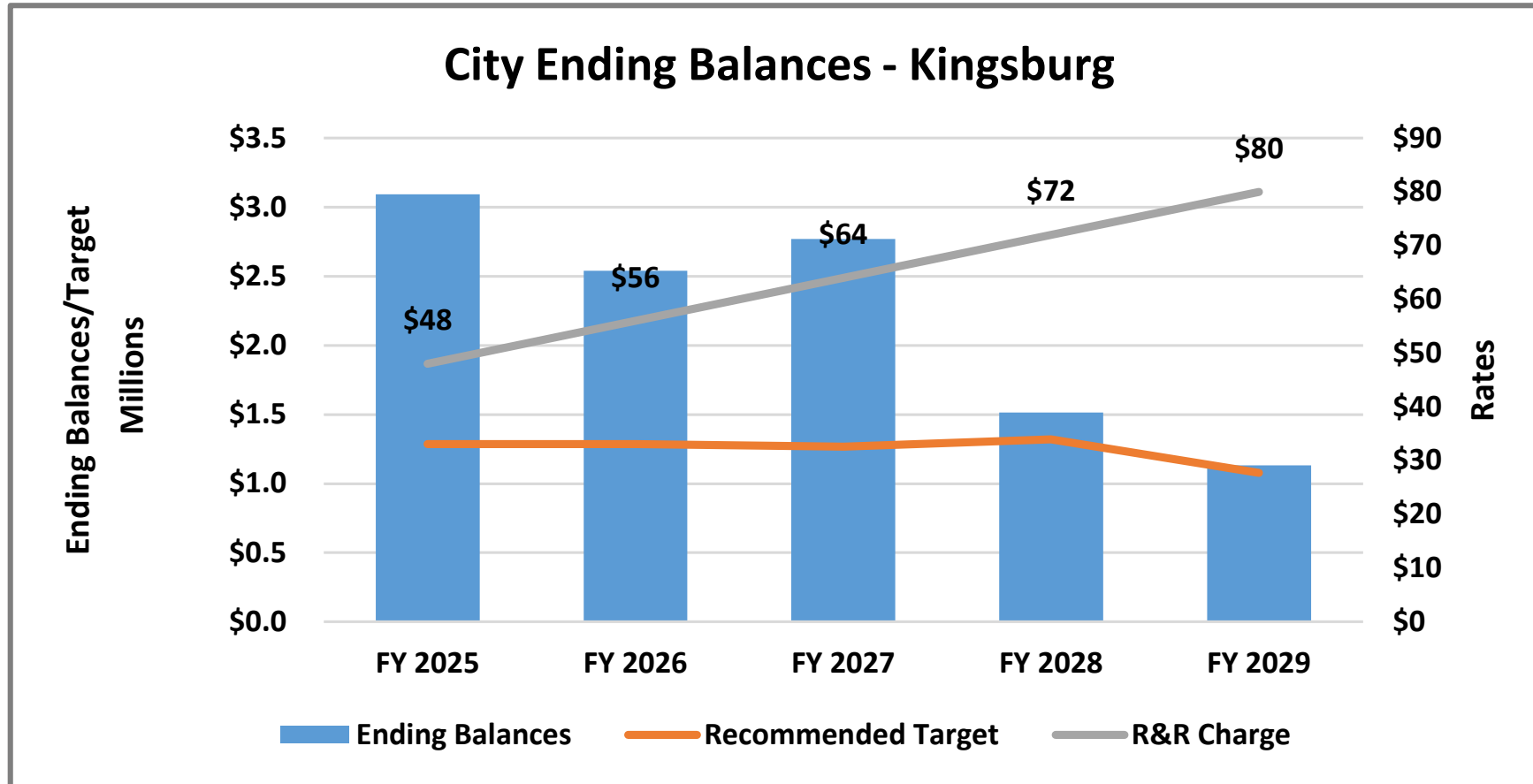
SELMA ENDING BALANCES



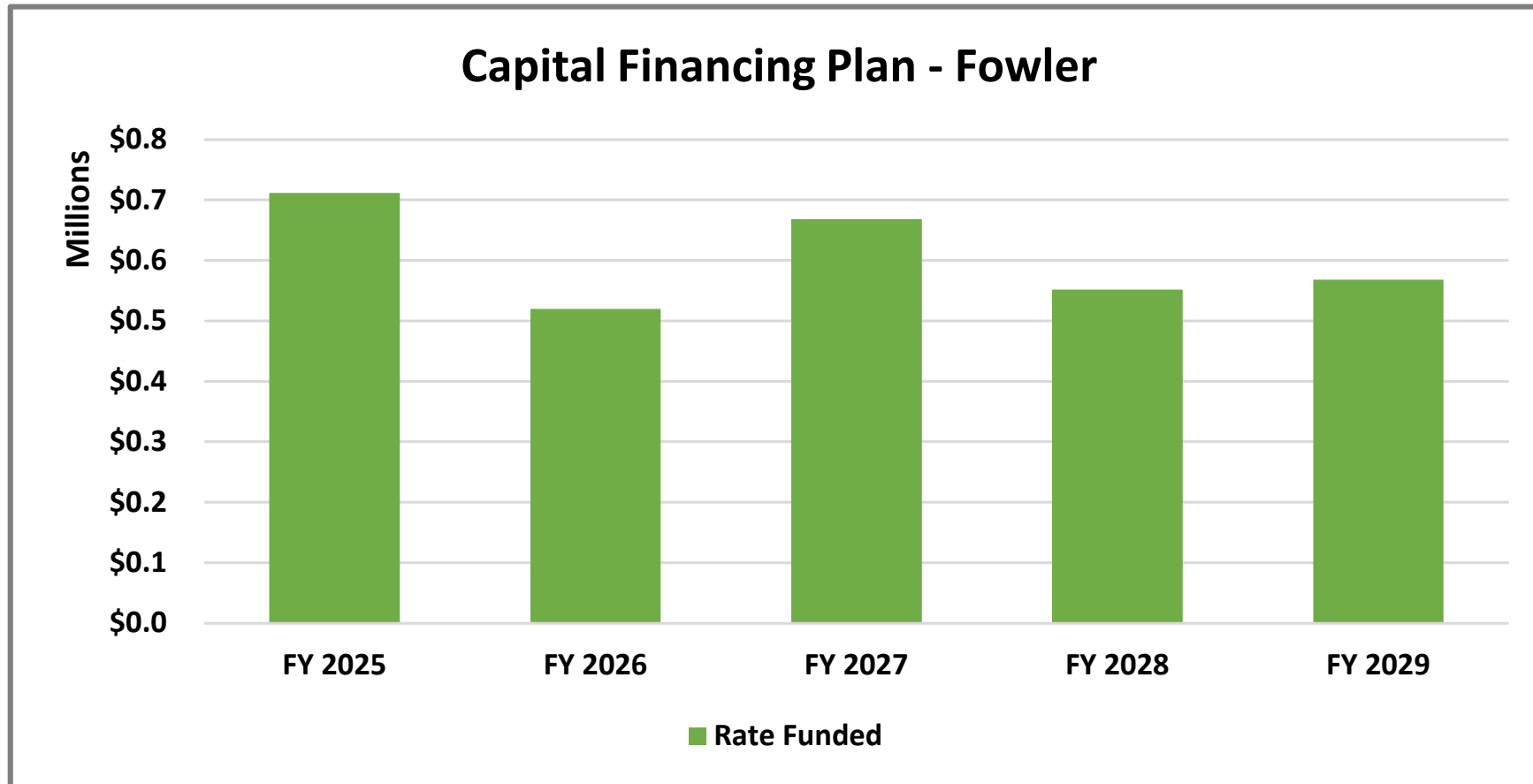
KINGSBURG CAPITAL FINANCING PLAN



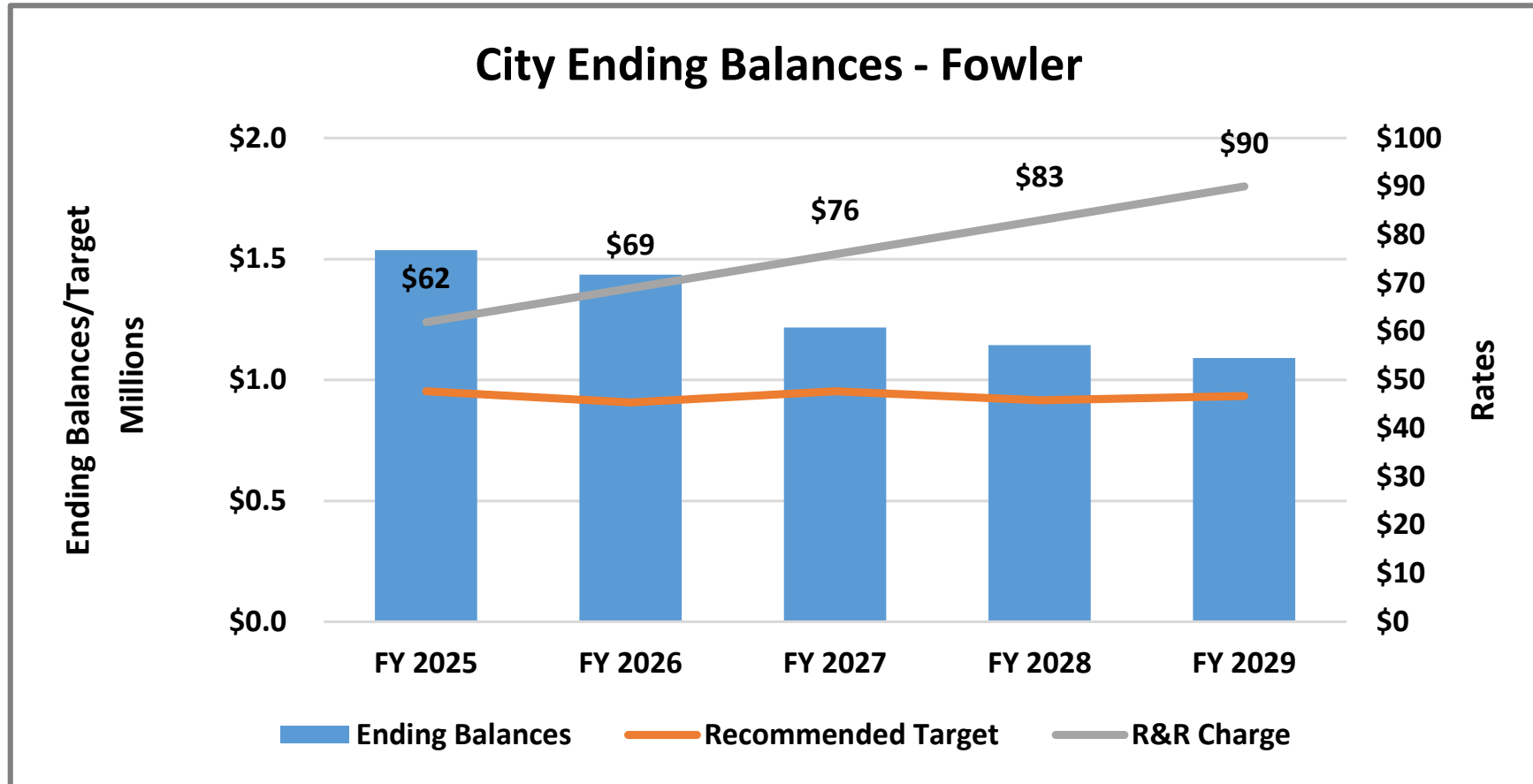
KINGSBURG ENDING BALANCES



FOWLER CAPITAL FINANCING PLAN



FOWLER ENDING BALANCES



PROPOSED ANNUAL RATES – CITIES

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
All Customers (\$/ESFR)						
Selma Refurbishment & Replacement	\$74.00	\$88.00	\$98.00	\$108.00	\$118.00	\$130.00
Kingsburg Refurbishment & Replacement	\$40.00	\$48.00	\$56.00	\$64.00	\$72.00	\$80.00
Fowler Refurbishment & Replacement	\$56.00	\$62.00	\$69.00	\$76.00	\$83.00	\$90.00

PROPOSED ANNUAL RATES – SUMMARY

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Adjustments		COS	9.0%	9.0%	6.0%	6.0%
All Customers (\$/ESFR)						
District Refurbishment and Replacement	\$87.07	\$97.78	\$106.59	\$116.19	\$123.17	\$130.57
Selma Refurbishment & Replacement	\$74.00	\$88.00	\$98.00	\$108.00	\$118.00	\$130.00
Kingsburg Refurbishment & Replacement	\$40.00	\$48.00	\$56.00	\$64.00	\$72.00	\$80.00
Fowler Refurbishment & Replacement	\$56.00	\$62.00	\$69.00	\$76.00	\$83.00	\$90.00
Residential/Commercial O&M Charge (\$/ESFR)						
Operation and Maintenance Service Charge	\$372.43	\$397.36	\$433.13	\$472.12	\$500.45	\$530.48
Total Residential/Commercial O&M Charge	\$459.50	\$495.14	\$539.72	\$588.31	\$623.62	\$661.05
Industrial O&M Charge						
Flow Charge (\$/mg)	\$2,586.61	\$2,834.62	\$3,089.74	\$3,367.82	\$3,569.89	\$3,784.09
B.O.D. Charge (\$/lb)	\$0.25	\$0.46	\$0.51	\$0.56	\$0.60	\$0.64
S.S. Charge (\$/lb)	\$0.48	\$0.44	\$0.48	\$0.53	\$0.57	\$0.61
Industrial R&R Charge						
Flow Charge (\$/mgd)	\$192,072.65	\$215,891	\$235,321	\$256,500	\$271,890	\$288,204
B.O.D. Charge (\$/lb per day)	\$7.32	\$9.84	\$10.73	\$11.70	\$12.41	\$13.16
S.S. Charge (\$/lb per day)	\$24.00	\$32.45	\$35.38	\$38.57	\$40.89	\$43.35
Septic Hauler (\$/100 gal)	\$13.83	\$12.86	\$14.05	\$15.48	\$16.62	\$17.77

PROPOSED RATES (monthly) – SELMA

City of Selma Year	Current FY 2024	Year 1 FY 2025	Year 2 FY 2026	Year 3 FY 2027	Year 4 FY 2028	Year 5 FY 2029
O&M Service Charge	\$31.04	\$33.11	\$36.09	\$39.34	\$41.70	\$44.21
Monthly Increase		\$2.08	\$2.98	\$3.25	\$2.36	\$2.50
District R&R Charge	\$7.26	\$8.15	\$8.88	\$9.68	\$10.26	\$10.88
Monthly Increase		\$0.89	\$0.73	\$0.80	\$0.58	\$0.62
Cities R&R Charge	\$6.17	\$7.33	\$8.17	\$9.00	\$9.83	\$10.83
Monthly Increase		\$1.17	\$0.83	\$0.83	\$0.83	\$1.00
Total Monthly Charge	\$44.46	\$48.60	\$53.14	\$58.03	\$61.80	\$65.92
Monthly Increase		\$4.14	\$4.55	\$4.88	\$3.78	\$4.12
Percent Increase		9.3%	9.4%	9.2%	6.5%	6.7%

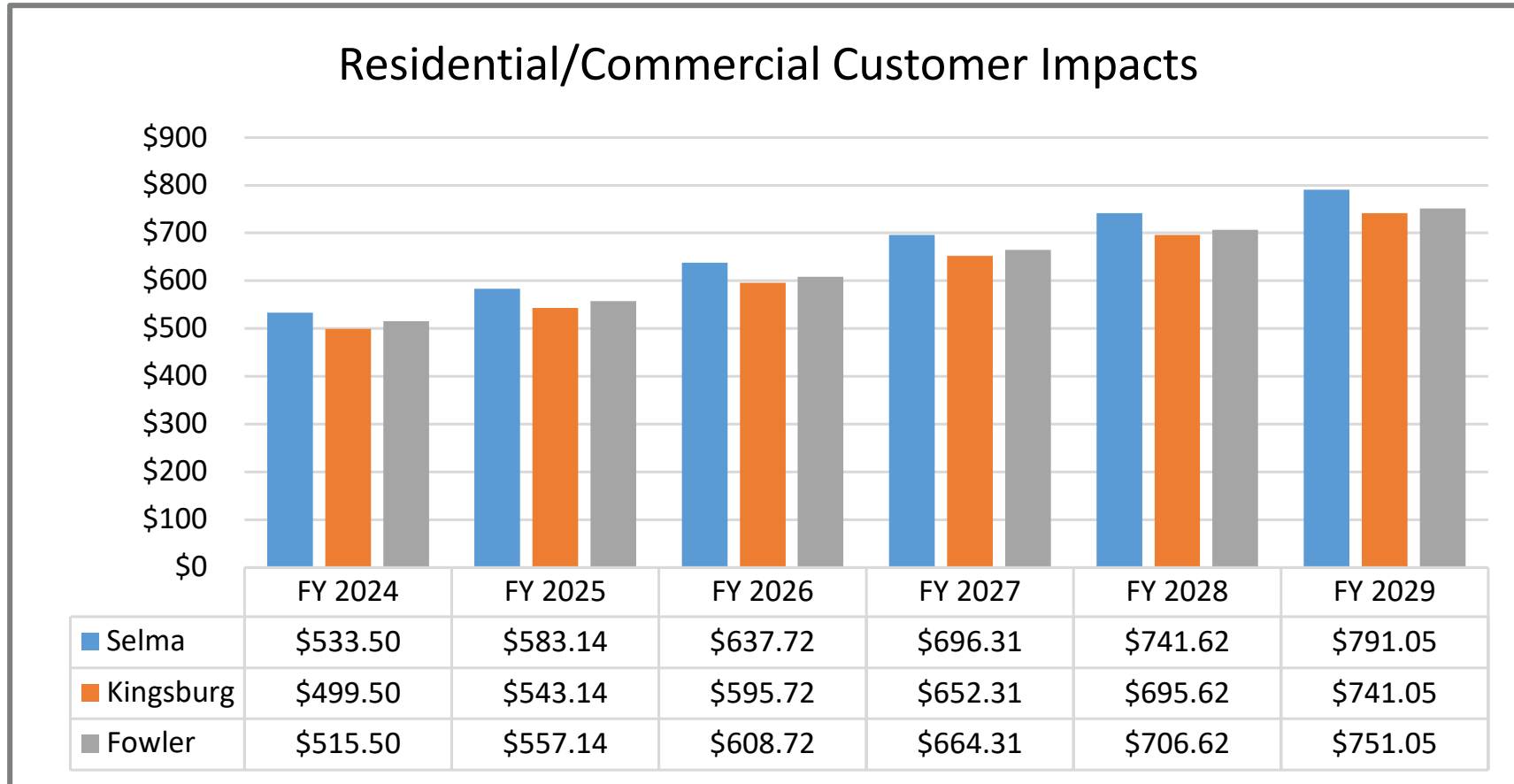
PROPOSED RATES (monthly) – KINGSBURG

City of Kingsburg Year	Current FY 2024	Year 1 FY 2025	Year 2 FY 2026	Year 3 FY 2027	Year 4 FY 2028	Year 5 FY 2029
O&M Service Charge	\$31.04	\$33.11	\$36.09	\$39.34	\$41.70	\$44.21
Monthly Increase		\$2.08	\$2.98	\$3.25	\$2.36	\$2.50
District R&R Charge	\$7.26	\$8.15	\$8.88	\$9.68	\$10.26	\$10.88
Monthly Increase		\$0.89	\$0.73	\$0.80	\$0.58	\$0.62
Cities R&R Charge	\$3.33	\$4.00	\$4.67	\$5.33	\$6.00	\$6.67
Monthly Increase		\$0.67	\$0.67	\$0.67	\$0.67	\$0.67
Total Monthly Charge	\$41.63	\$45.26	\$49.64	\$54.36	\$57.97	\$61.75
Monthly Increase		\$3.64	\$4.38	\$4.72	\$3.61	\$3.79
Percent Increase		8.7%	9.7%	9.5%	6.6%	6.5%

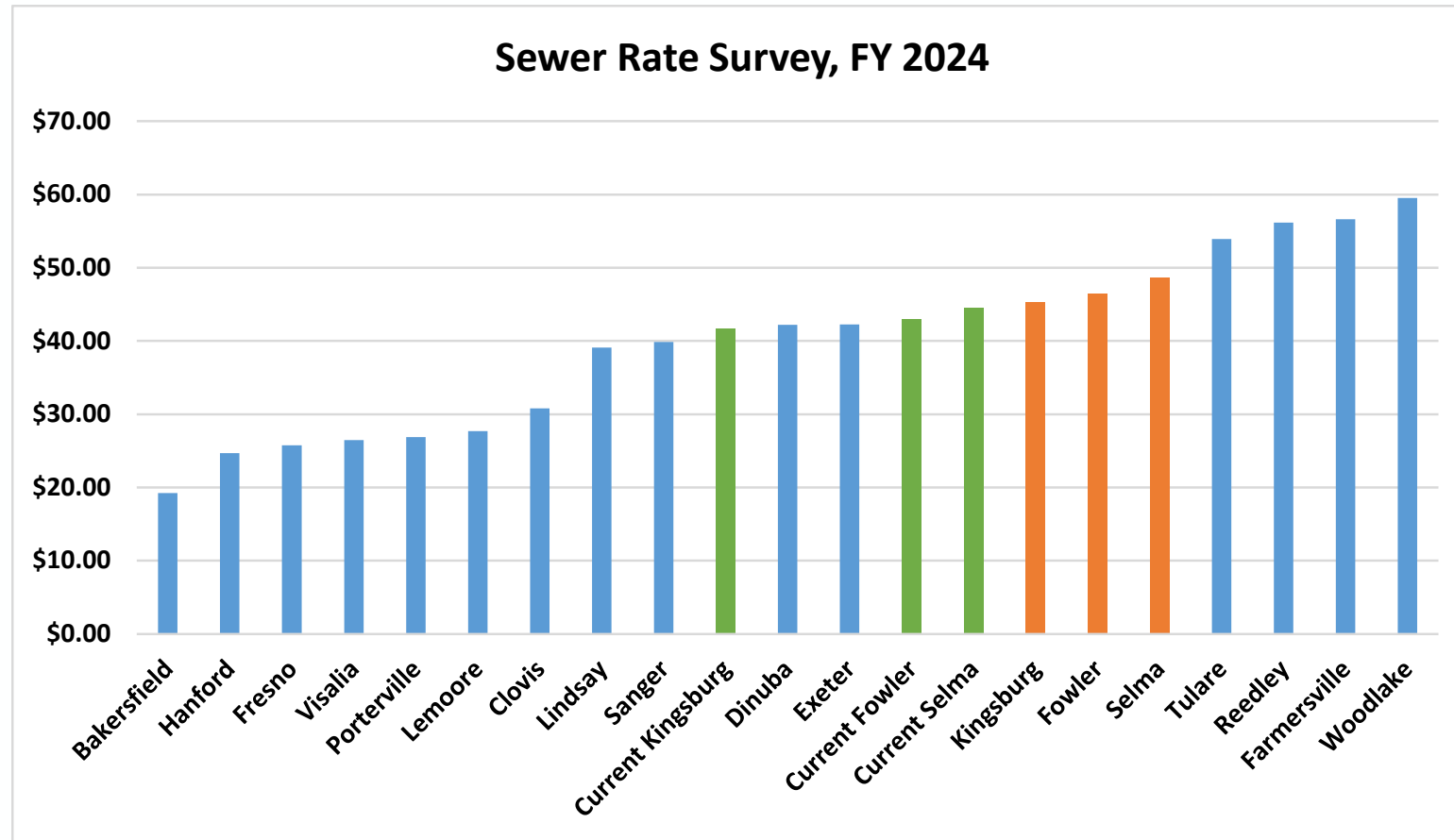
PROPOSED RATES (monthly) – FOWLER

City of Fowler Year	Current FY 2024	Year 1 FY 2025	Year 2 FY 2026	Year 3 FY 2027	Year 4 FY 2028	Year 5 FY 2029
O&M Service Charge	\$31.04	\$33.11	\$36.09	\$39.34	\$41.70	\$44.21
Monthly Increase		\$2.08	\$2.98	\$3.25	\$2.36	\$2.50
District R&R Charge	\$7.26	\$8.15	\$8.88	\$9.68	\$10.26	\$10.88
Monthly Increase		\$0.89	\$0.73	\$0.80	\$0.58	\$0.62
Cities R&R Charge	\$4.67	\$5.17	\$5.75	\$6.33	\$6.92	\$7.50
Monthly Increase		\$0.50	\$0.58	\$0.58	\$0.58	\$0.58
Total Monthly Charge	\$42.96	\$46.43	\$50.73	\$55.36	\$58.89	\$62.59
Monthly Increase		\$3.47	\$4.30	\$4.63	\$3.53	\$3.70
Percent Increase		8.1%	9.3%	9.1%	6.4%	6.3%

RESIDENTIAL/COMMERCIAL CUSTOMER IMPACTS (ANNUAL)



RATE SURVEY – Monthly Residential



Selma, Kingsburg, and Fowler rates are based on proposed FY 2025 rates

Thank you

