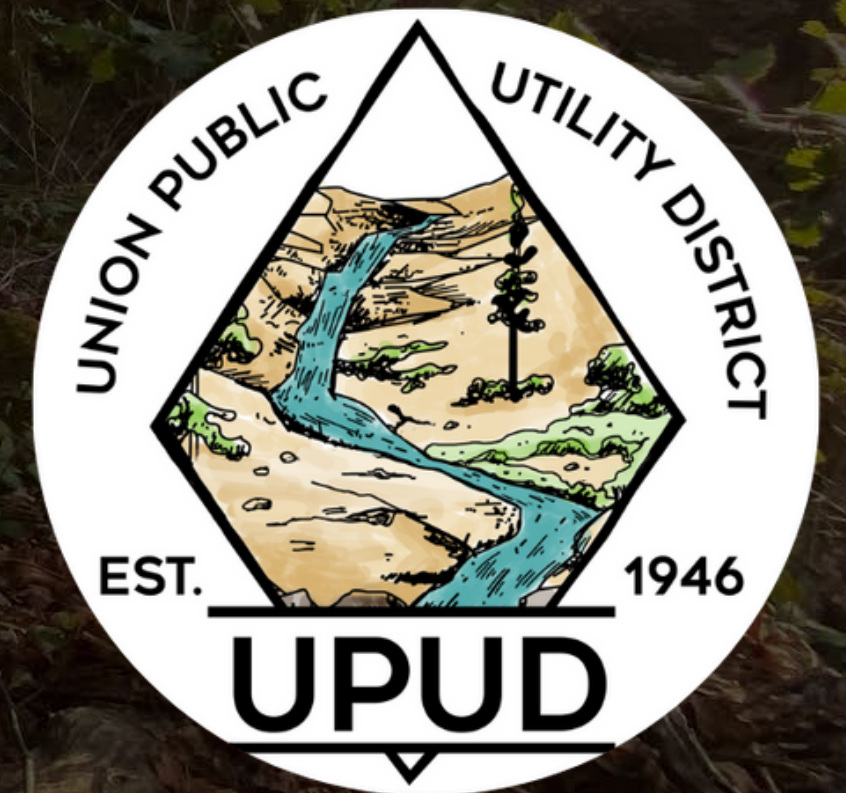


FEBRUARY 28, 2024

# ADOPTION OF NEW RESERVES



# CURRENT RESERVES

SURPLUS

\$1,152,605.62

CAPITAL REPLACEMENT

\$63,626,86

CAPITAL IMPROVEMENT

\$195,227.78

IRRIGATION FUND

\$201,495.55

RESERVE FUND

\$368,535.68

UWPA

\$188,940.06

PARKS FUND

\$0

## RECOMMENDED RESERVES

# Emergency Reserve Fund

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- Held for continued operations during times of severe economic distress due to events requiring immediate and/or significant cash use.

**\$743,216.68**

The portion of the Surplus Fund currently in LAIF

## RECOMMENDED RESERVES

# Capital Reserve Fund

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- Restricted fund, and accumulated to fund infrastructure projects that increase capacity and will be an integral part of the District's capital plan documented in its Ten-Year Forecast. Funds will come from connection fees.

**\$693,162.42**

Renaming the 'SRLF -Connection Fees' Reserve

## RECOMMENDED RESERVES

# Operating Reserve Fund

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- Maintain at least three months' average operating expenses excluding depreciation.
- This reserve is considered a working cash requirement.
- It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers or other funding sources.

**\$1,036,779.26**

Combines Capital Improvement, Capital Replacement, Reserve Fund and the portion of the Surplus Fund currently in California CLASS

## RECOMMENDED RESERVES

# Irrigation Reserve Fund

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- Financial assets held for purposes of sustaining and improving the irrigation infrastructure.
- This is a restricted fund.

**\$201,495.55**

Remaining the same

## RECOMMENDED RESERVES

# UWPA Reserve Fund

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- Financial assets held for UPUD's involvement in the Utica Water and Power Authority to support the maintenance of UWPA water conveyance infrastructure and water supply.
- This is a restricted fund.

**\$188,940.06**

Remaining the same

# CURRENT RESERVES

~~SURPLUS~~

\$1,152,605.62

~~CAPITAL REPLACEMENT~~

\$63,626,86

~~CAPITAL IMPROVEMENT~~

\$195,227.78

IRRIGATION FUND

\$201,495.55

~~RESERVE FUND~~

\$368,535.68

UWPA

\$188,940.06

~~PARKS FUND~~

\$0



# PROPOSED RESERVES

UWP A

\$188,940.06

EMERGENCY

\$743,216.68

IRRIGATION FUND

\$201,495.55

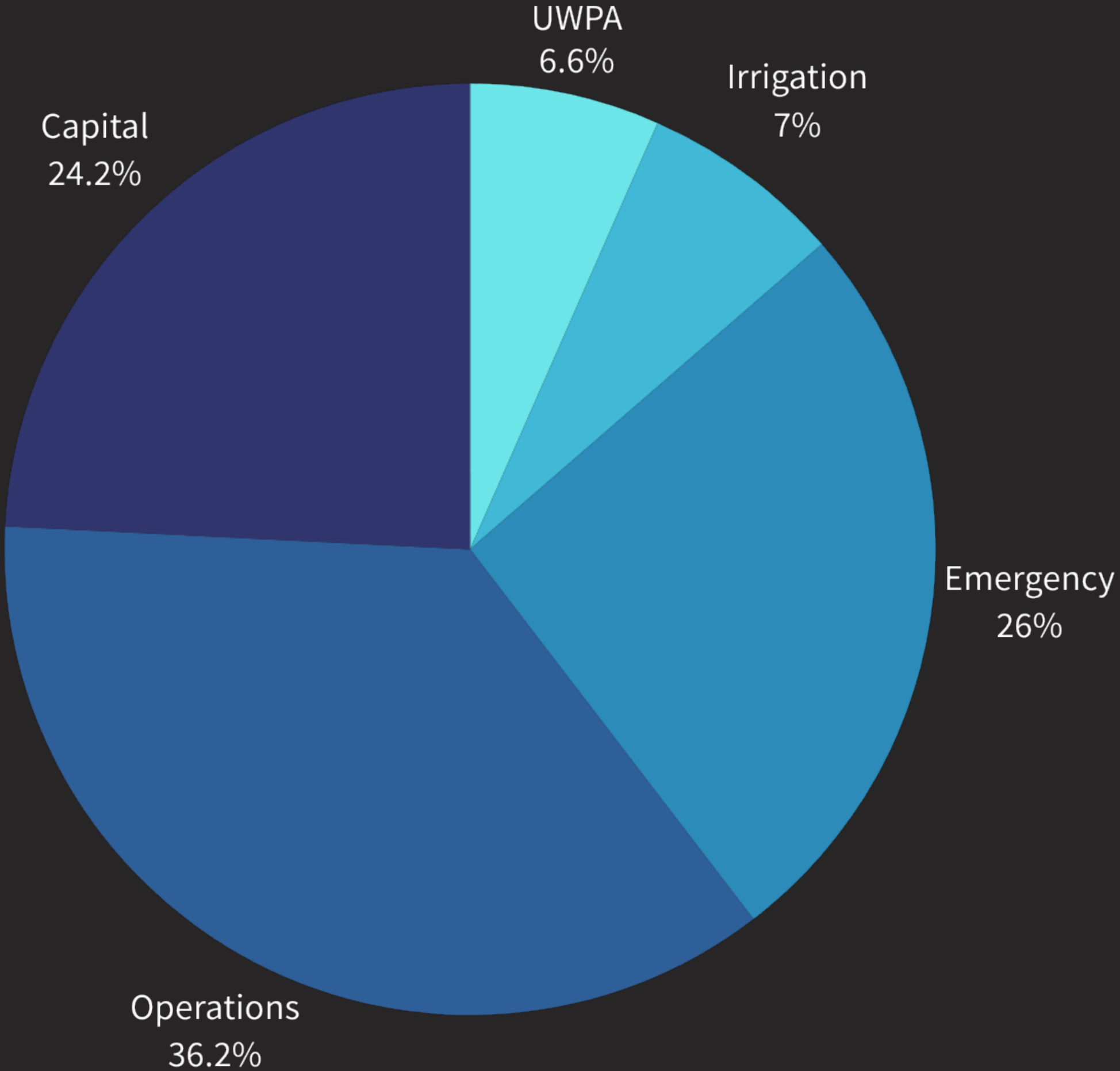
OPERATIONS

\$1,036,779.26

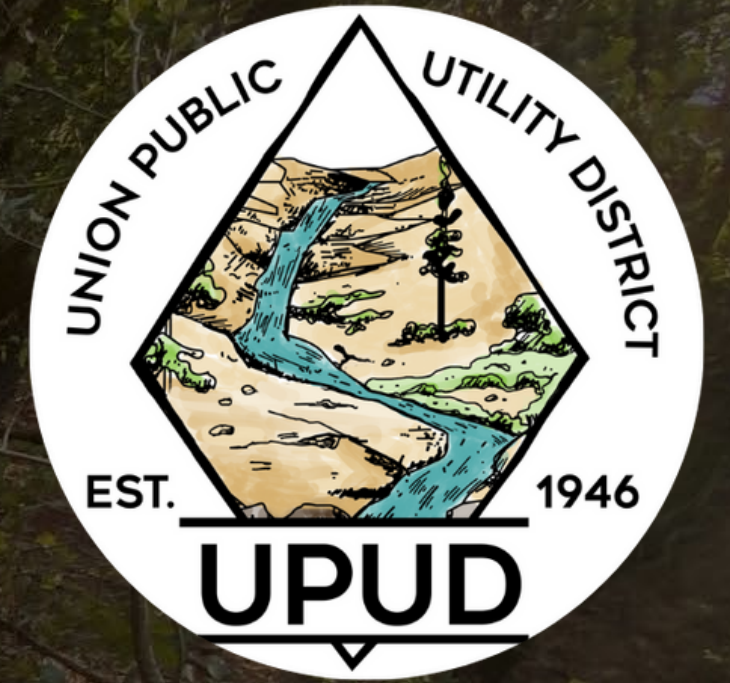
CAPITAL RESERVES (RENAMED)

\$693,162.42

# PROPOSED RESERVES



FEBRUARY 28, 2024



# IRRIGATION RATE ADJUSTMENTS

# Irrigation Rates

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UPUD Board of Directors have listened to the irrigation customers concerns that rates have increased too much, too fast.

# Irrigation Rates

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After reviewing actual consumption and revenue over a full year of implementing new rates, District staff have come to the following conclusions:

- A reduction of water use during irrigation season was approximately 14% compared to the previous year.
- There was record rainfall in 2023, while 2022 the region was in an extreme drought.



# Recommendation

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## BASE RATES

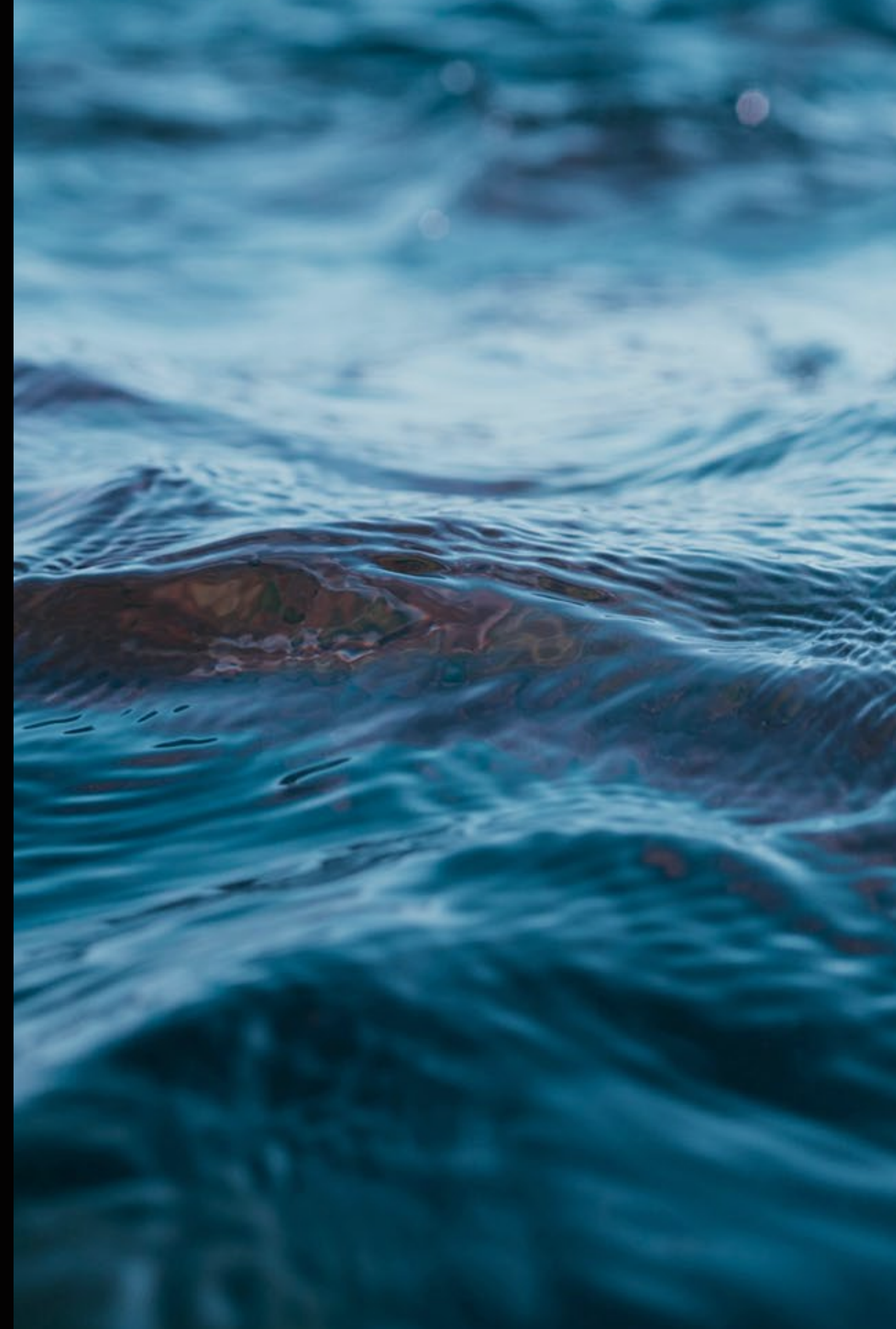
Reduce the base rate for all irrigation meter sizes to maintain the rate at the 2023 level, effective March 1, 2024.

## CONSUMPTION

Decrease the consumption rate to \$0.09 per hundred cubic feet (HCF)

## MOVING FORWARD

Irrigation rate structure will continue to increase as scheduled for the next three years, with a 10% increase each year in 2025, 2026, and 2027.



# Proposed Irrigation Rates

Starting March, 2024

	2023	2024	10% <del>2025</del>	10% <del>2026</del>	10% <del>2027</del>
<b>Meter Size</b>					
5/8" or 3/4"	\$32.83	\$32.83	\$36.11	\$39.72	\$43.70
1"	\$45.16	\$45.16	\$49.68	\$54.64	\$60.11
1.5"	\$75.97	\$75.97	\$83.57	\$91.92	\$101.12
2"	\$112.95	\$112.95	\$124.25	\$136.67	\$150.34
3"	\$199.24	\$199.24	\$219.16	\$241.08	\$265.19
4"	\$322.51	\$322.51	\$354.76	\$390.24	\$429.26
5"	\$630.67	\$630.67	\$693.74	\$763.11	\$839.42
<b>Consumption (per HCF)</b>	\$0.17	\$0.09	\$0.10	\$0.11	\$0.12

# Current Irrigation Rates

		11%	10%	10%	10%
<b>Meter Size</b>					
5/8" or 3/4"	\$32.83	\$36.44	\$40.09	\$44.09	\$48.50
1"	\$45.16	\$50.13	\$55.14	\$60.65	\$66.72
1.5"	\$75.97	\$84.33	\$92.76	\$102.04	\$112.24
2"	\$112.95	\$125.37	\$137.91	\$151.70	\$166.87
3"	\$199.24	\$221.16	\$243.27	\$267.60	\$294.36
4"	\$322.51	\$357.99	\$393.78	\$433.16	\$476.48
5"	\$630.67	\$700.04	\$770.05	\$847.05	\$931.76
<b>Consumption (per HCF)</b>	\$0.17	\$0.19	\$0.21	\$0.23	\$0.25

# Financial Considerations

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## IRRIGATION REVENUE 2023 VS 2024

Decrease by \$40,000 in calendar year 2024 vs 2023

## IF RATES ARE MAINTAINED AS SCHEDULED:

Irrigation revenue will increase \$20,000 in 2024 vs 2023

## ADOPTING THE ADJUSTED RATE SCHEDULE

Lead to a \$60,000 decrease in revenue compared to currently scheduled rates.







# Proposition 218

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- Domestic revenue CANNOT subsidize irrigation costs.
- District staff are required to ration time spent on the irrigation system.
- Must adjust workload accordingly to meet reduced revenues.