



Lake Arrowhead Community Services District FY 2021-22 Rate Study

**Water (Arrowhead Woods, Rimforest, Deer
Lodge Park) and Wastewater**

Agenda

For All
Enterprises

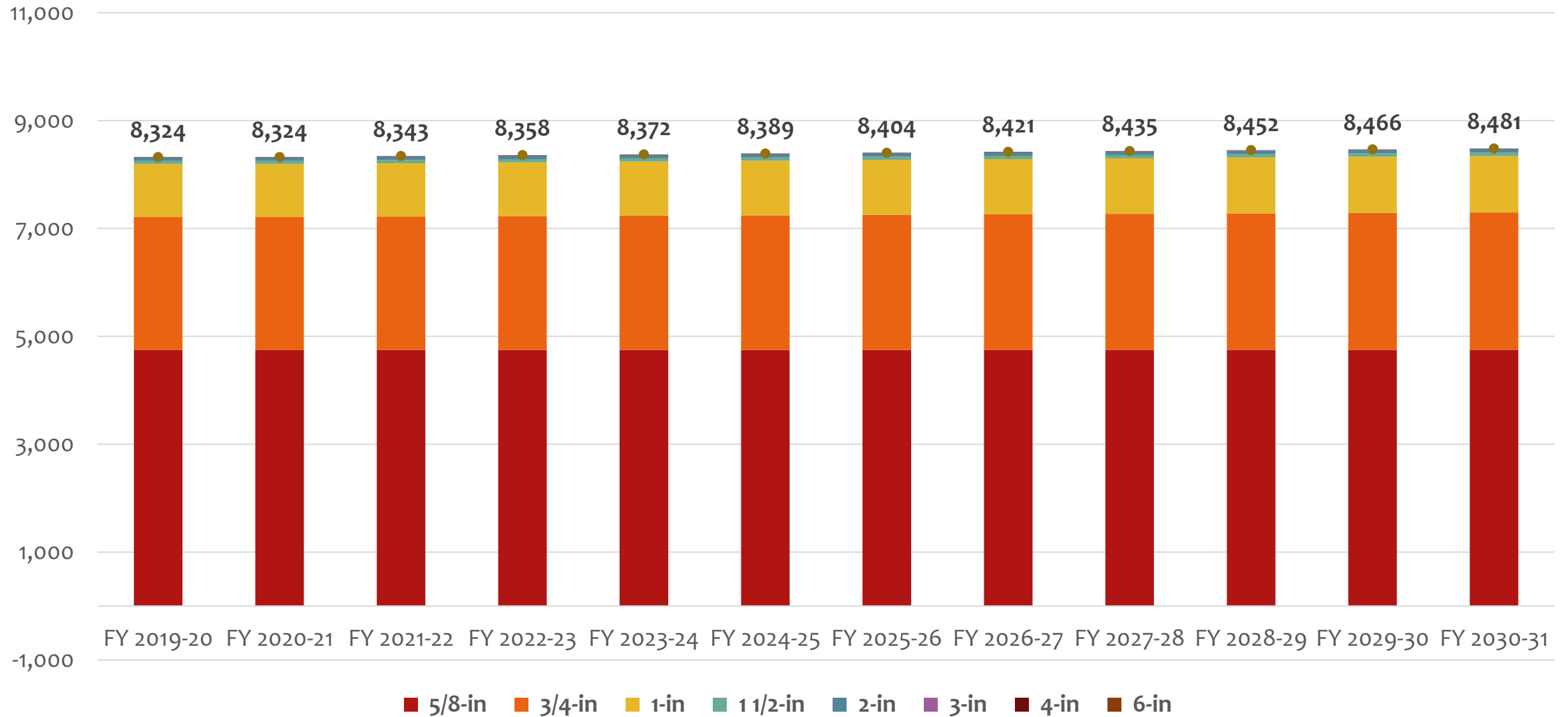
Key Assumptions

Financial Plans

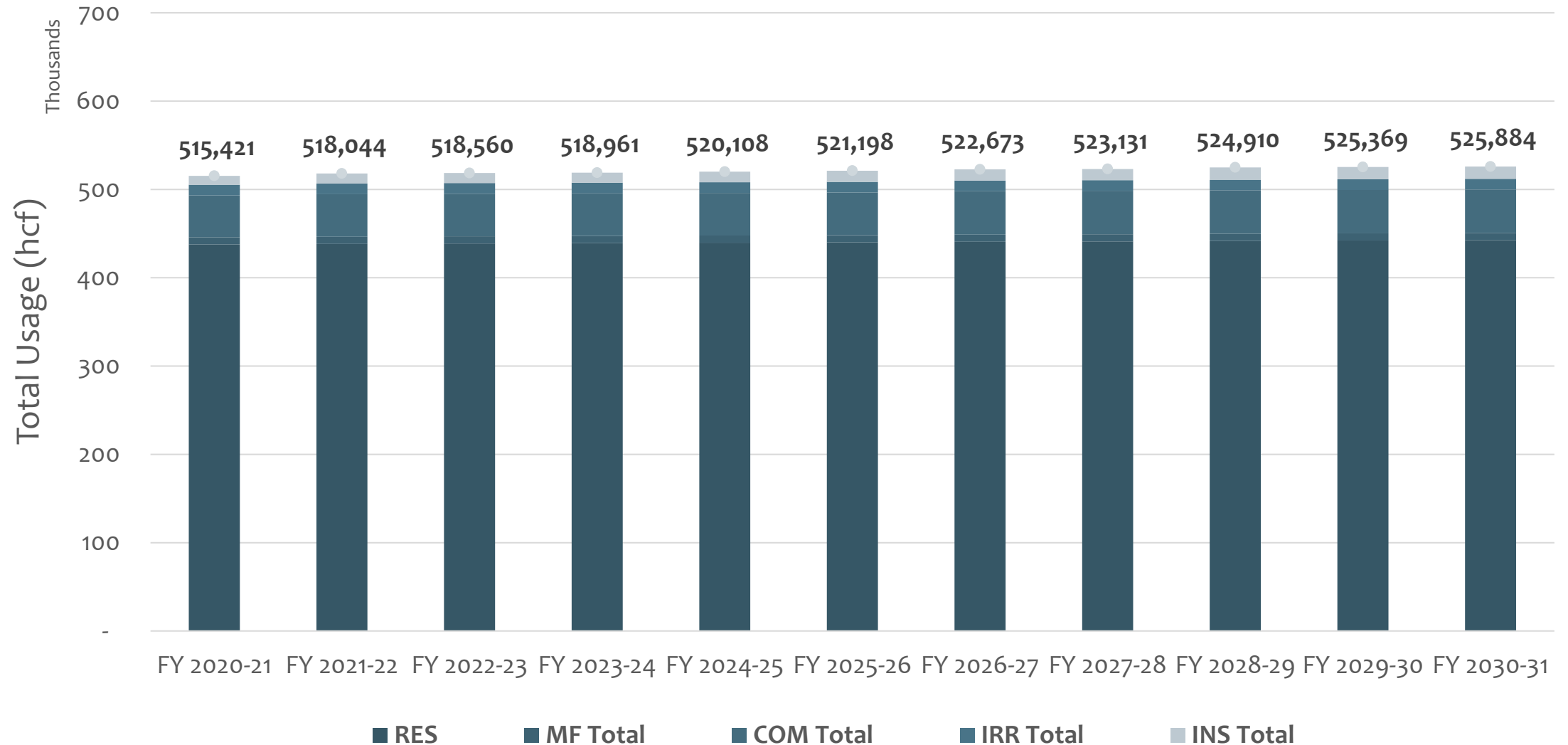
Cost of Service Analysis

Proposed Rates

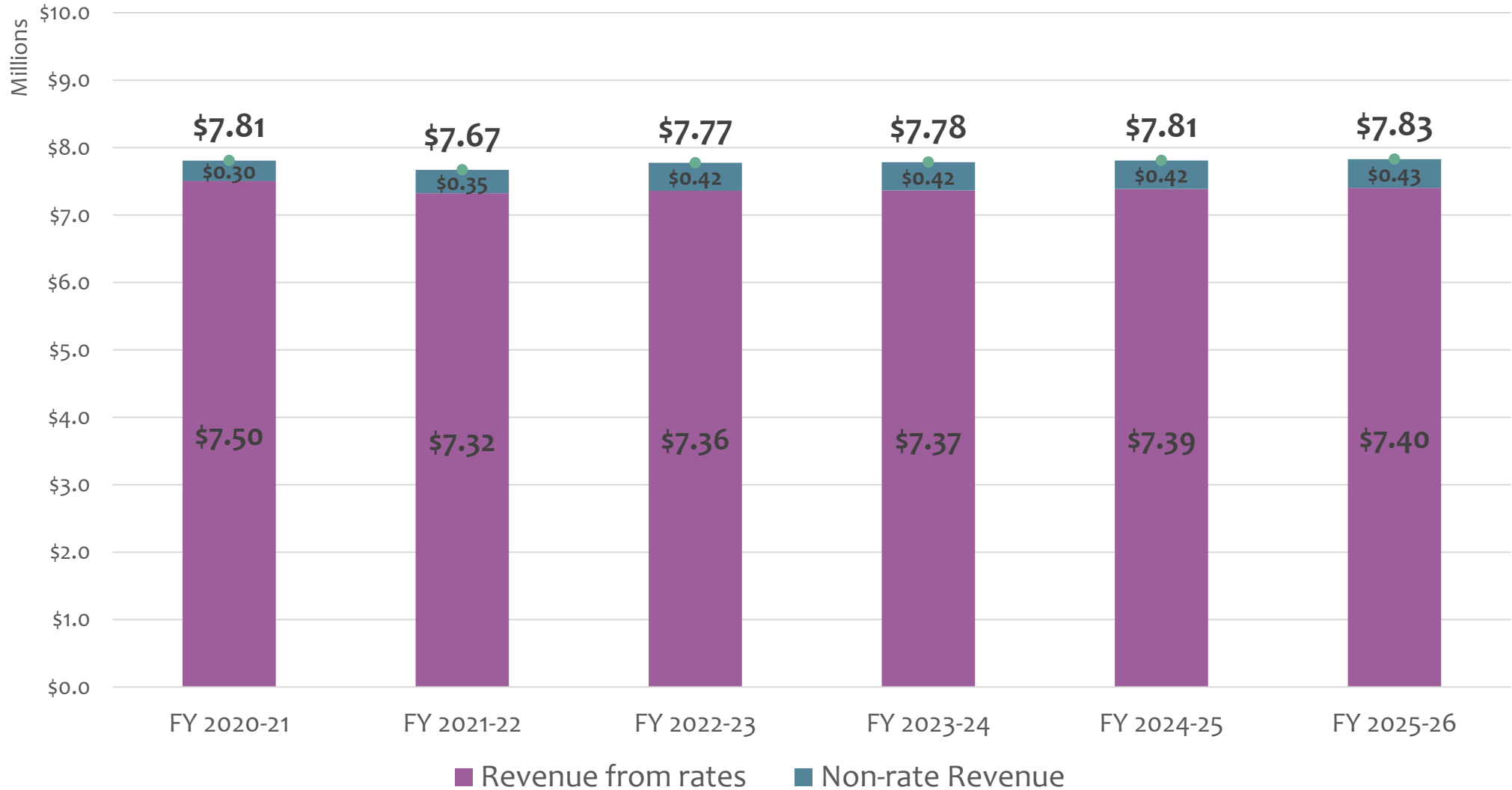
Arrowhead Woods – Account Growth Projections



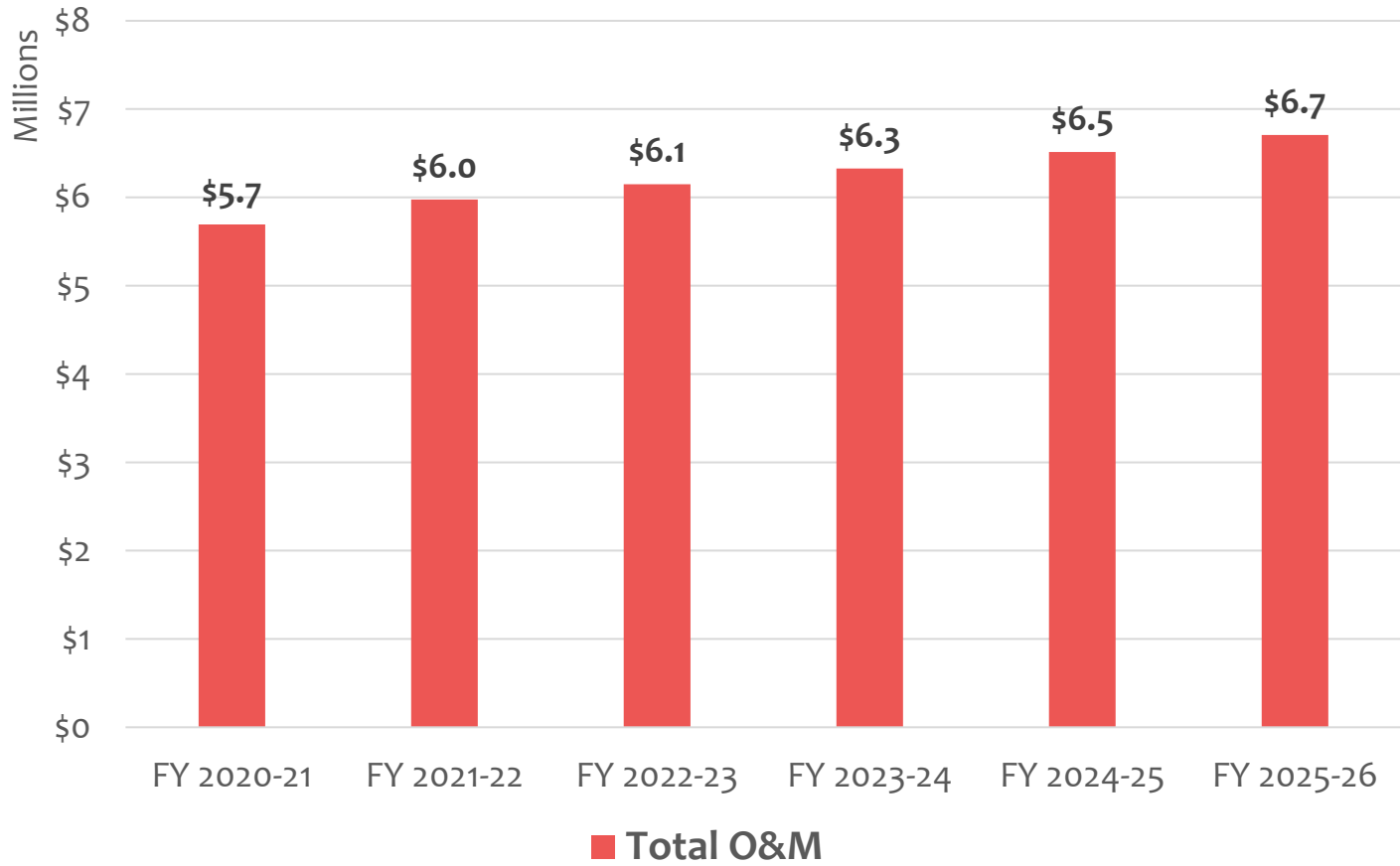
Arrowhead Woods – Demand Projections



Arrowhead Woods – Financial Plan: Revenue

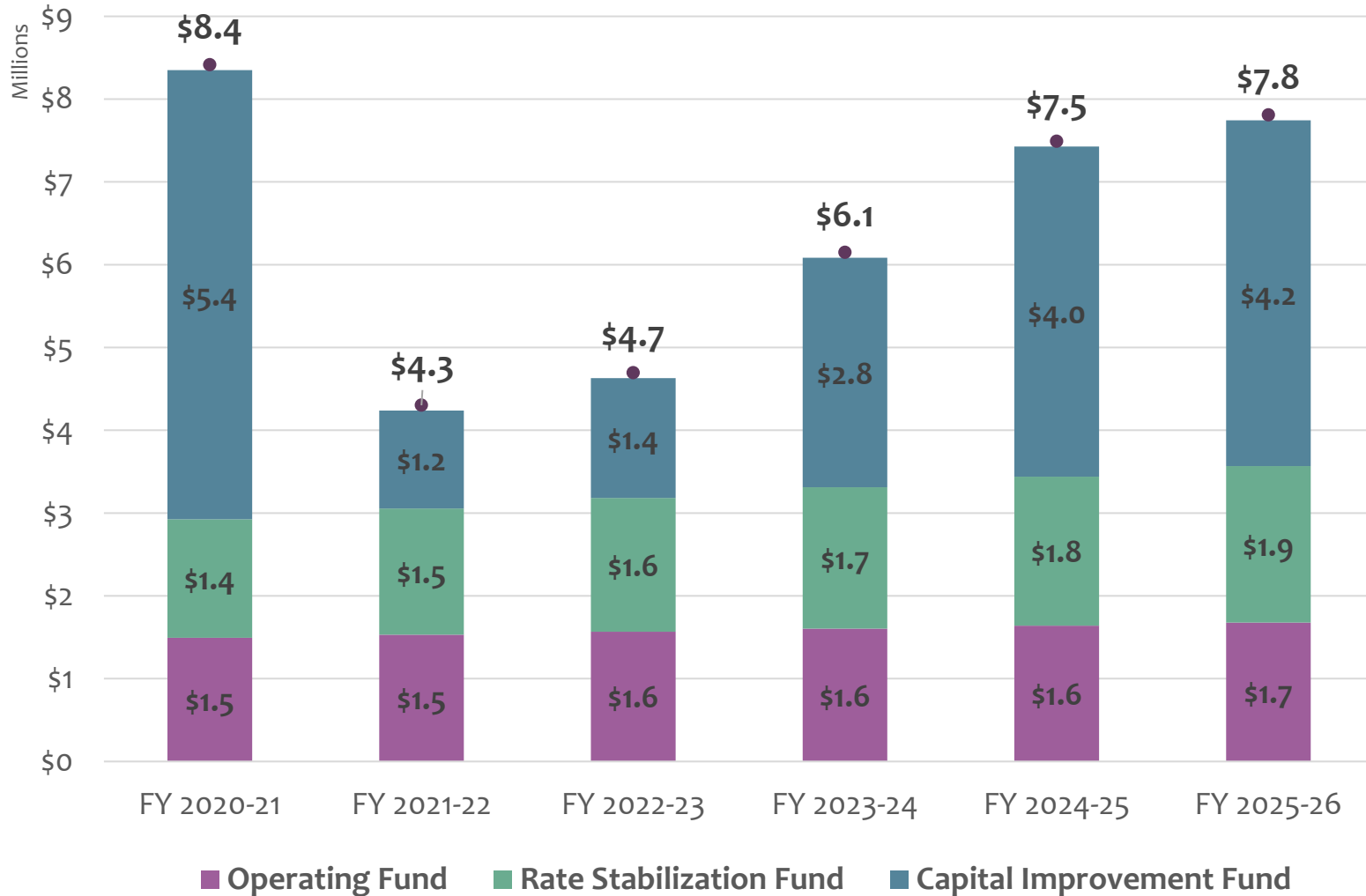


Arrowhead Woods – Financial Plan: O&M Expenses



Expense Escalation Factors	FY 2021-22
Overall Inflation Rate:	2.6%
Utility Inflation Rate:	4.8%
Treatment Inflation Rate:	3.3%
Purchased Water Inflation Rate	7.0%
Employee Expenses Inflation Rate:	2.6%
Equipment Inflation Rate:	2.5%
Fuels and Automobile Inflation Rate:	3.1%
Construction Inflation Rate:	3.4%

Arrowhead Woods – Financial Plan: Reserves



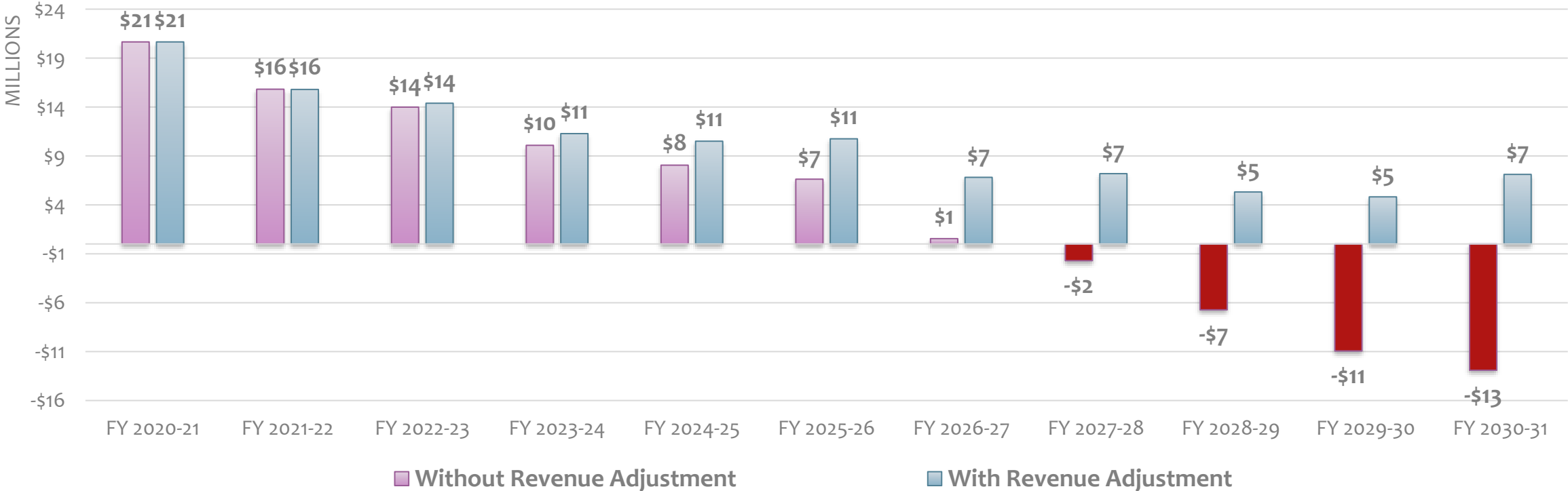
Key Capital Projects:

- New Banff Tank – **\$3.7 million in FY 2024**
- Spyglass Site Improvements - **\$2.8 million in FY 2022**
- Pipe Replacements: Golf Course Rd., Lane, Way, Tunnel Ct. - **\$1.9 million in FY 2025**
- Blue Jay Well - **\$1.4 million in FY 2023**

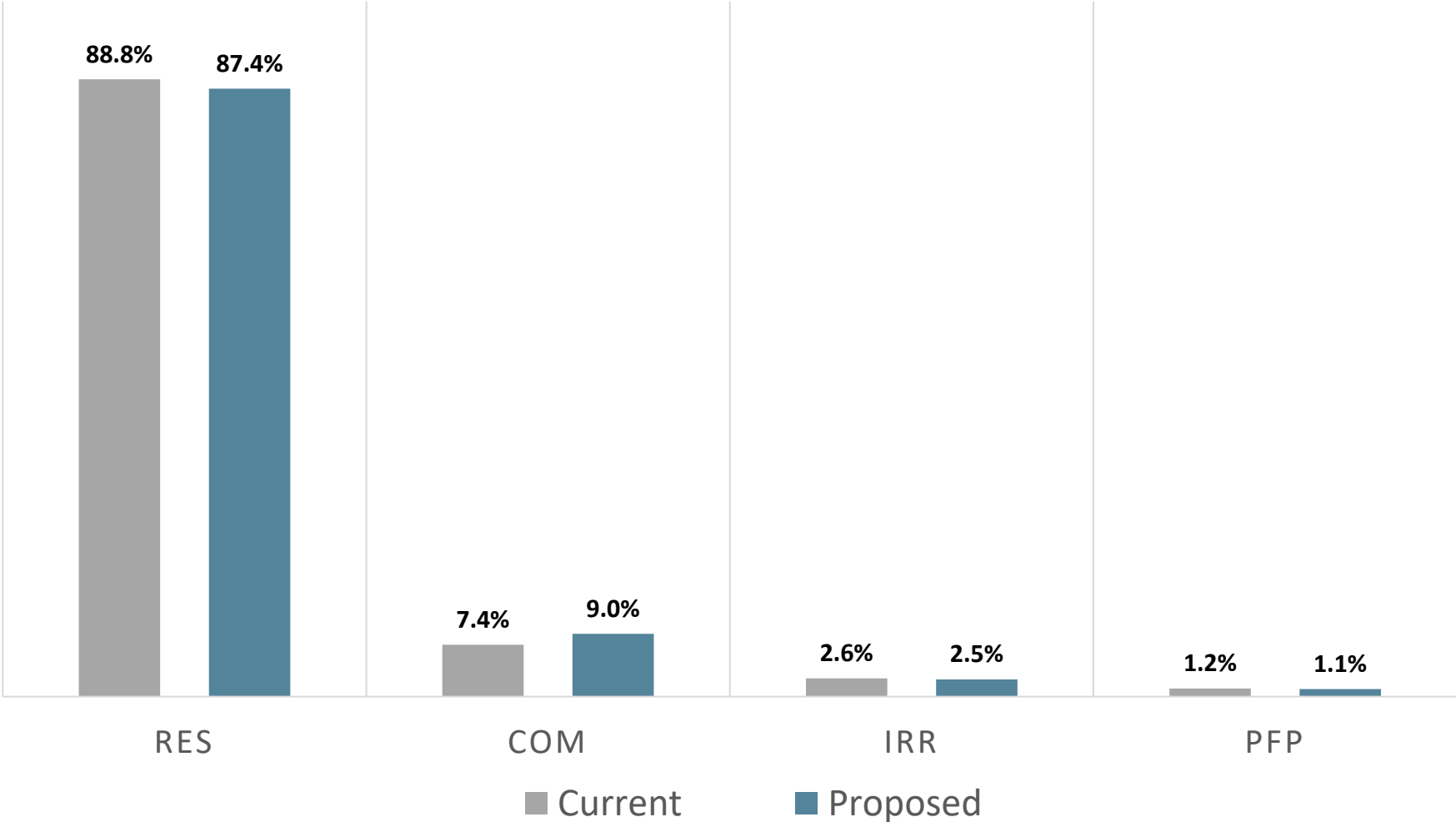
Arrowhead Woods – Financial Plan: Revenue Adjustment

Annual Revenue Adjustments

FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
5.02%	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%



Arrowhead Woods – Financial Plan: Cost Allocation

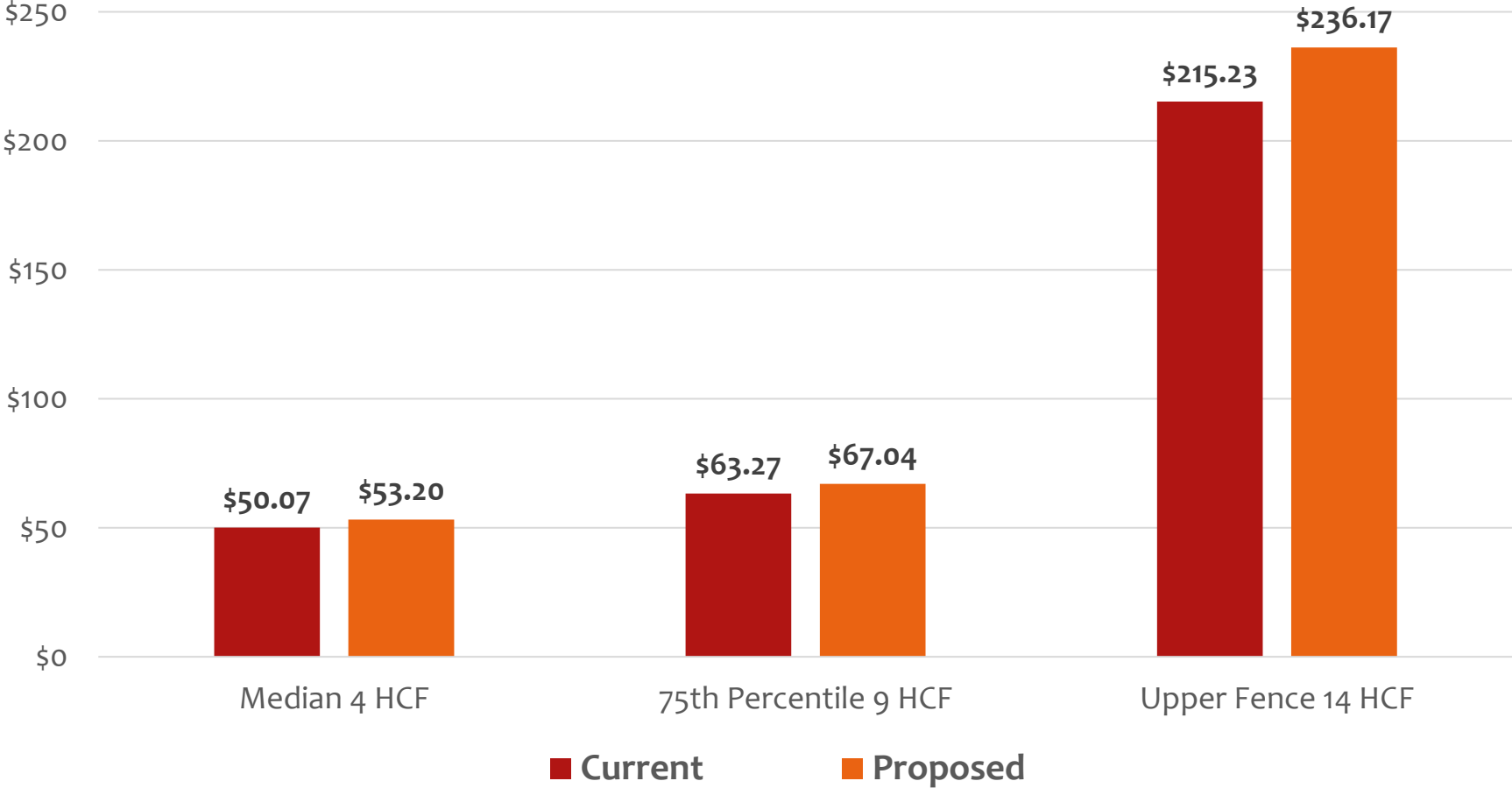


Arrowhead Woods – Proposed Rates (First Year)

Fixed Charges	Current	Proposed			
		RES	COM & INS	IRR	Fire
5/8-in	\$44.51	\$45.25	\$48.31	\$50.90	
3/4-in	\$44.51	\$45.25	\$48.31	\$50.90	
1-in	\$109.04	\$90.22	\$92.52	\$92.64	\$13.85
1 1/2-in	\$218.10	\$174.77	\$179.38	\$179.61	\$22.03
2-in	\$348.51	\$276.22	\$283.60	\$283.97	\$31.84
3-in	\$697.43	\$512.95	\$526.78	\$527.48	\$54.73
4-in	\$1,089.53	\$851.14	\$874.19	\$875.35	\$87.44
6-in	\$2,179.09	\$1,696.61	\$1,742.70	\$1,745.03	\$169.21

Volumetric (Per HCF)	Widths	Current			Proposed		
		RES	COM & INS	IRR	RES	COM & INS	IRR
Tier 1	0 - 4	\$1.39	\$4.32	\$7.90	\$1.47	\$4.39	\$8.04
Tier 2	5 - 13	\$2.64			\$2.69	\$8.56	
Tier 3	14 - 30	\$7.82			\$8.04		
Tier 4	31 +	\$16.30			\$16.43		

Arrowhead Woods – Sample Bills, Residential ¾”

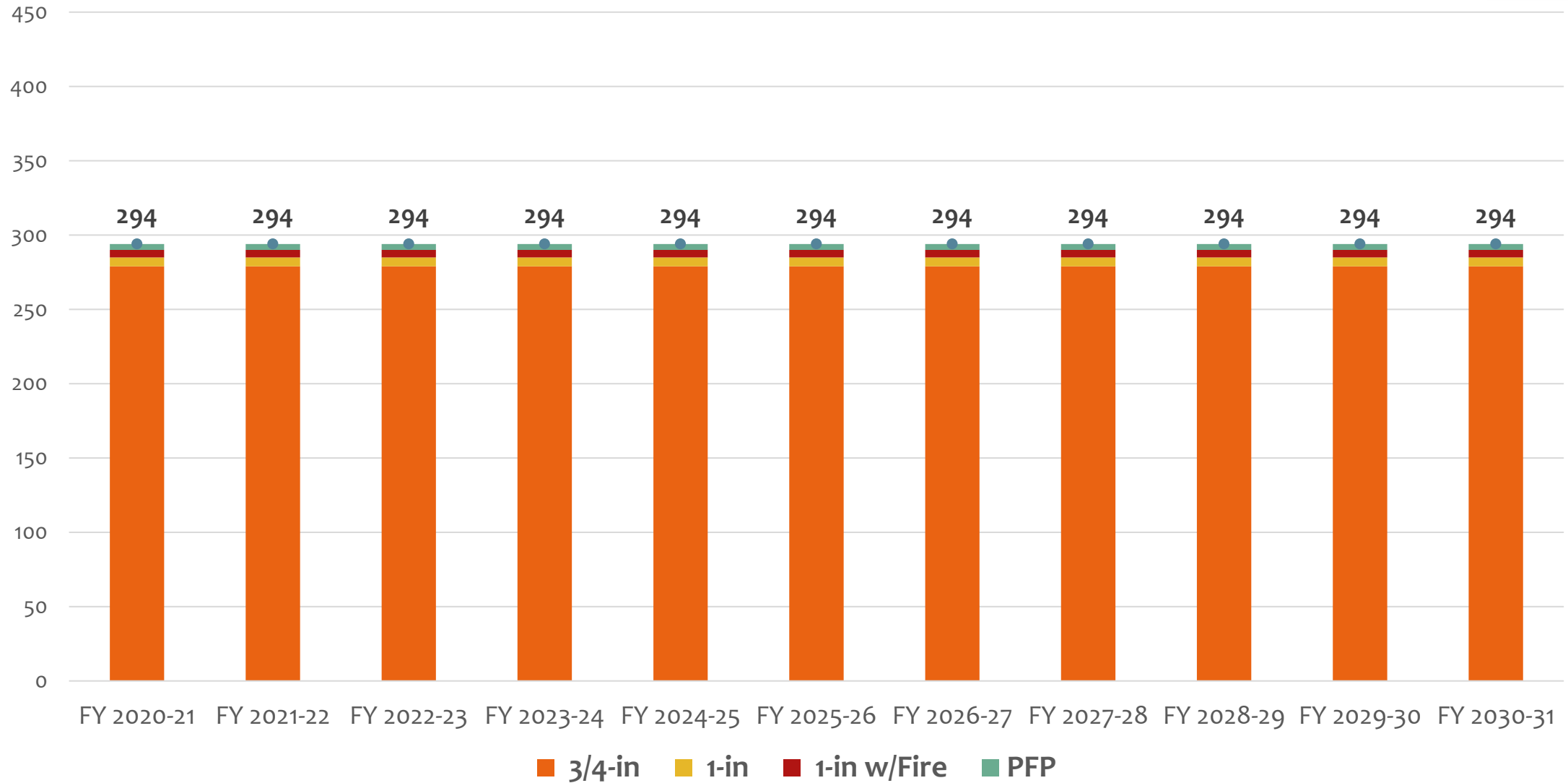


Arrowhead Woods – Sample Bills, Commercial ¾”

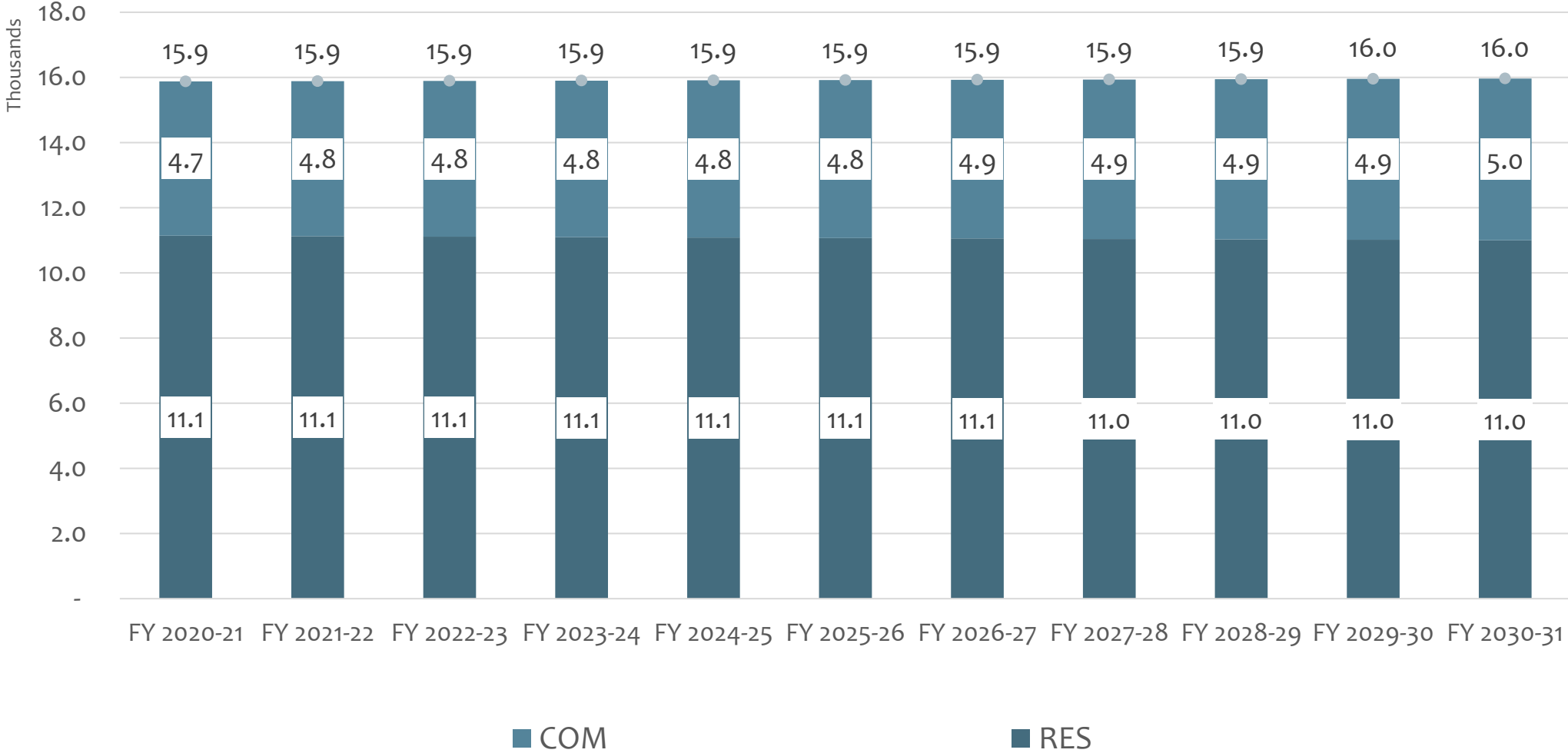


Rimforest

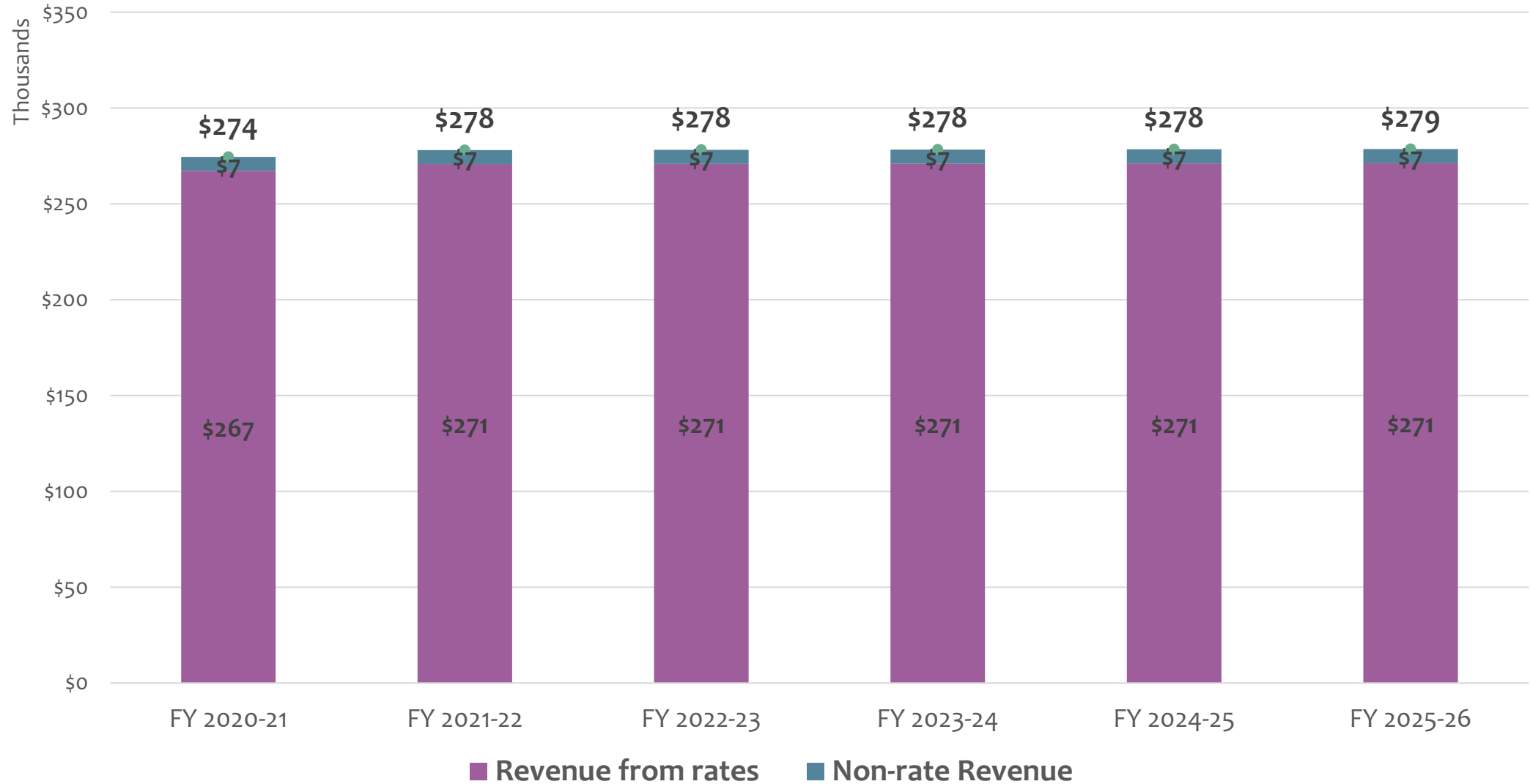
Rimforest – Account Growth Projections



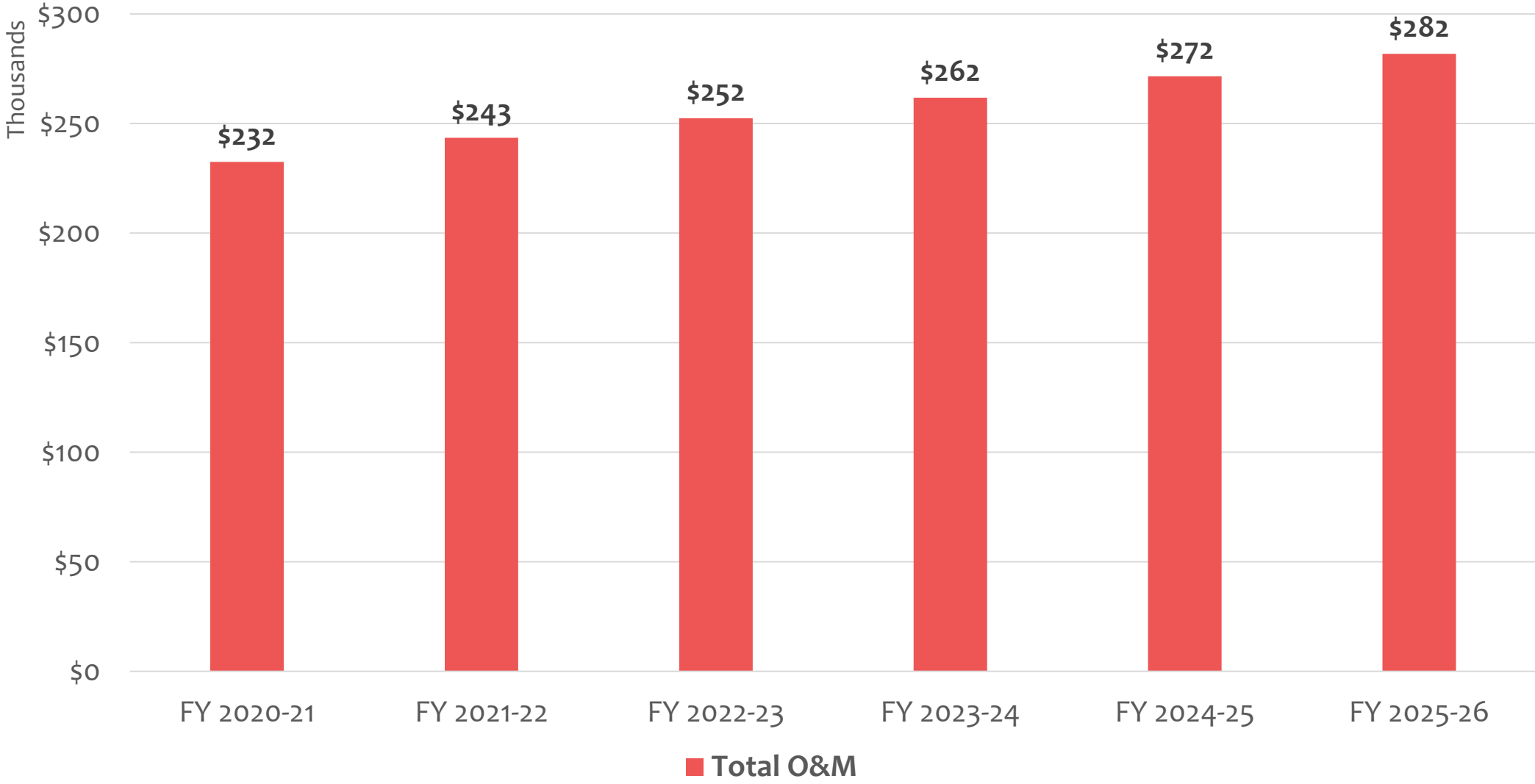
Rimforest – Demand Projections



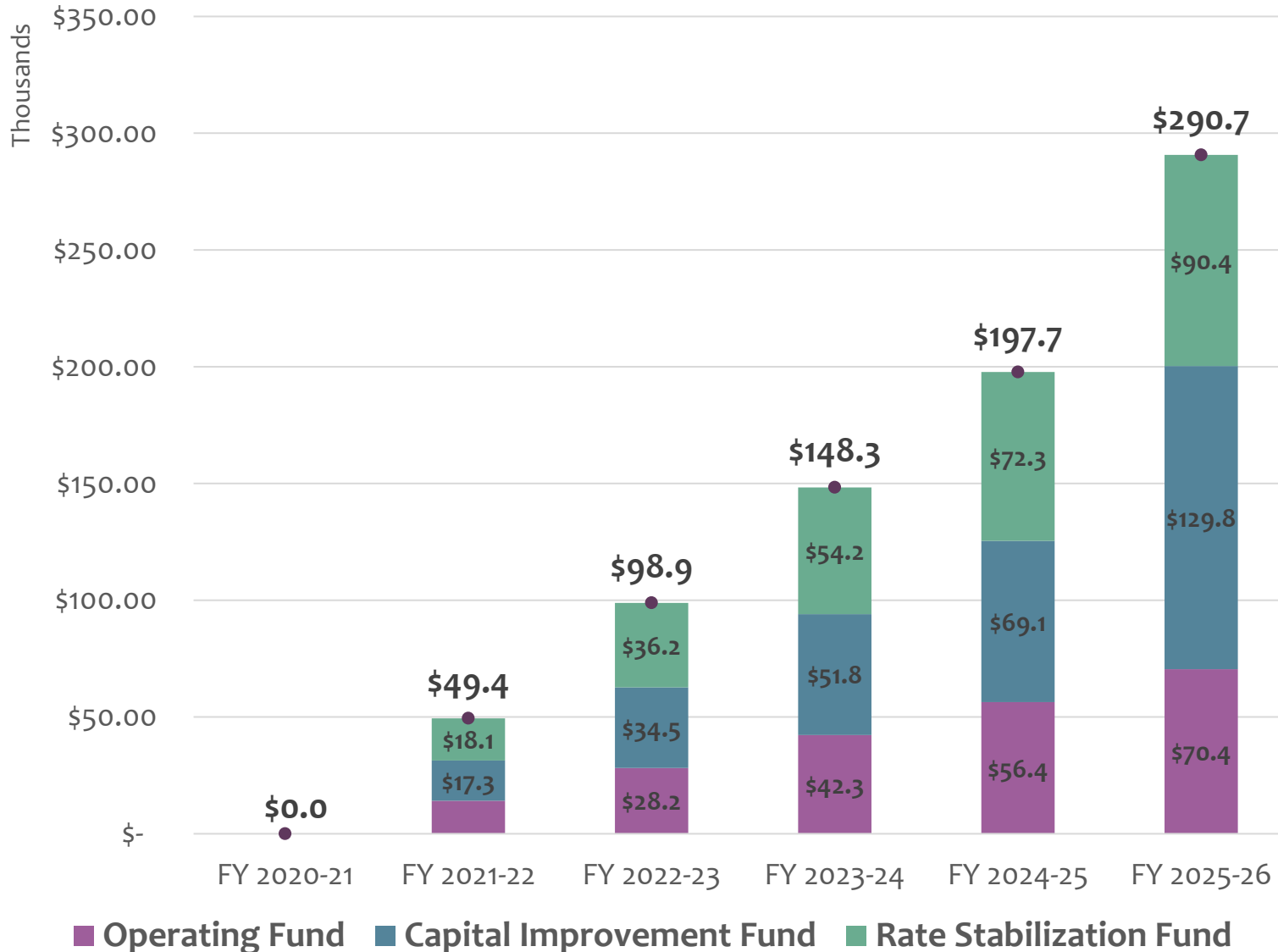
Rimforest – Financial Plan: Revenue



Rimforest – Financial Plan: O&M Expenses



Rimforest – Financial Plan: Reserve Balance



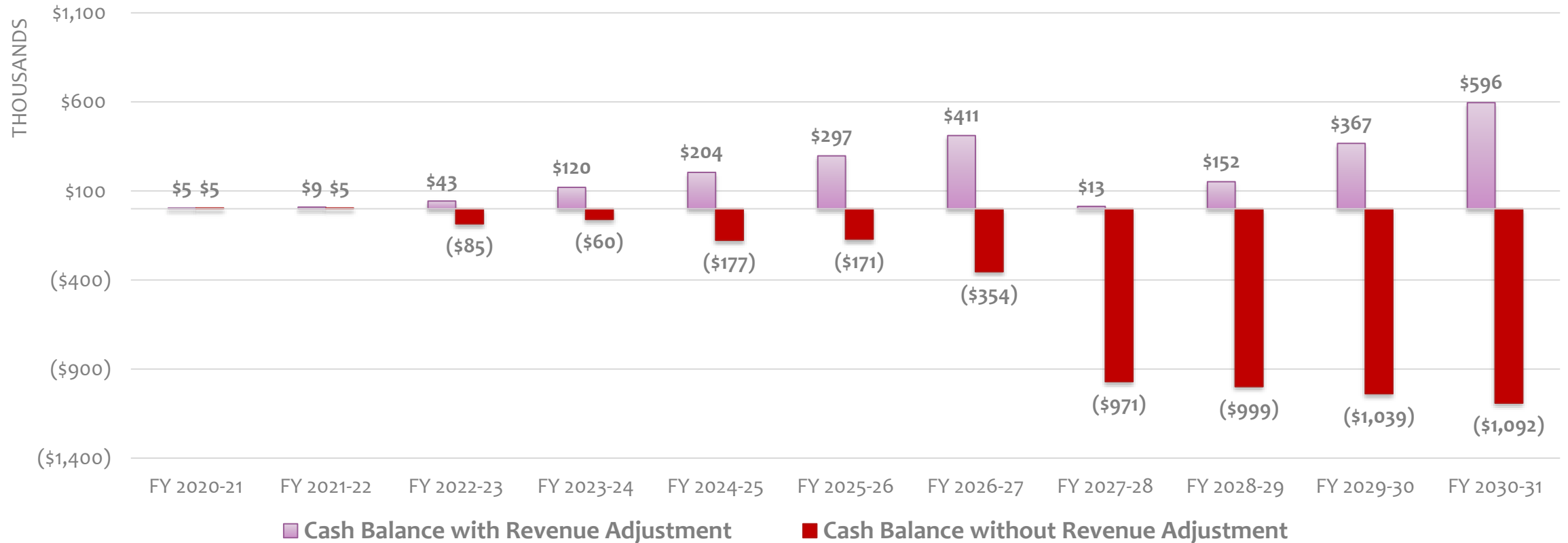
Key Capital Projects:

- Recoat Existing Tank - \$256,943 in FY 2023 and FY 2025
- Add 2nd Storage Tank - \$1.7 million (funded by grant)

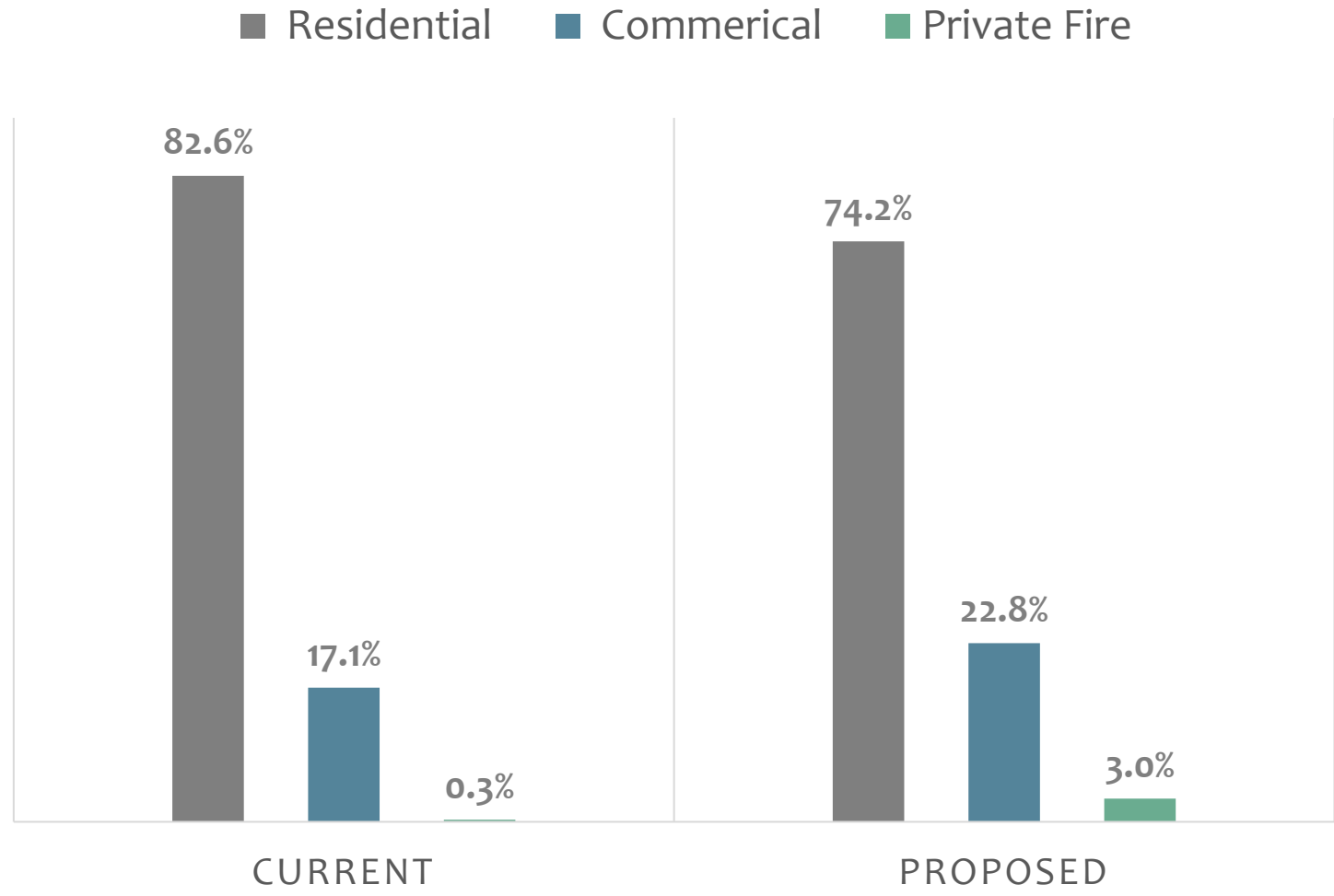
Rimforest – Financial Plan: Revenue Adjustment

Annual Revenue Adjustments

FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
20.00%	20.00%	5.00%	5.00%	5.00%	5.50%	5.50%	5.00%	5.00%	5.00%



Rimforest – Cost of Service Allocation



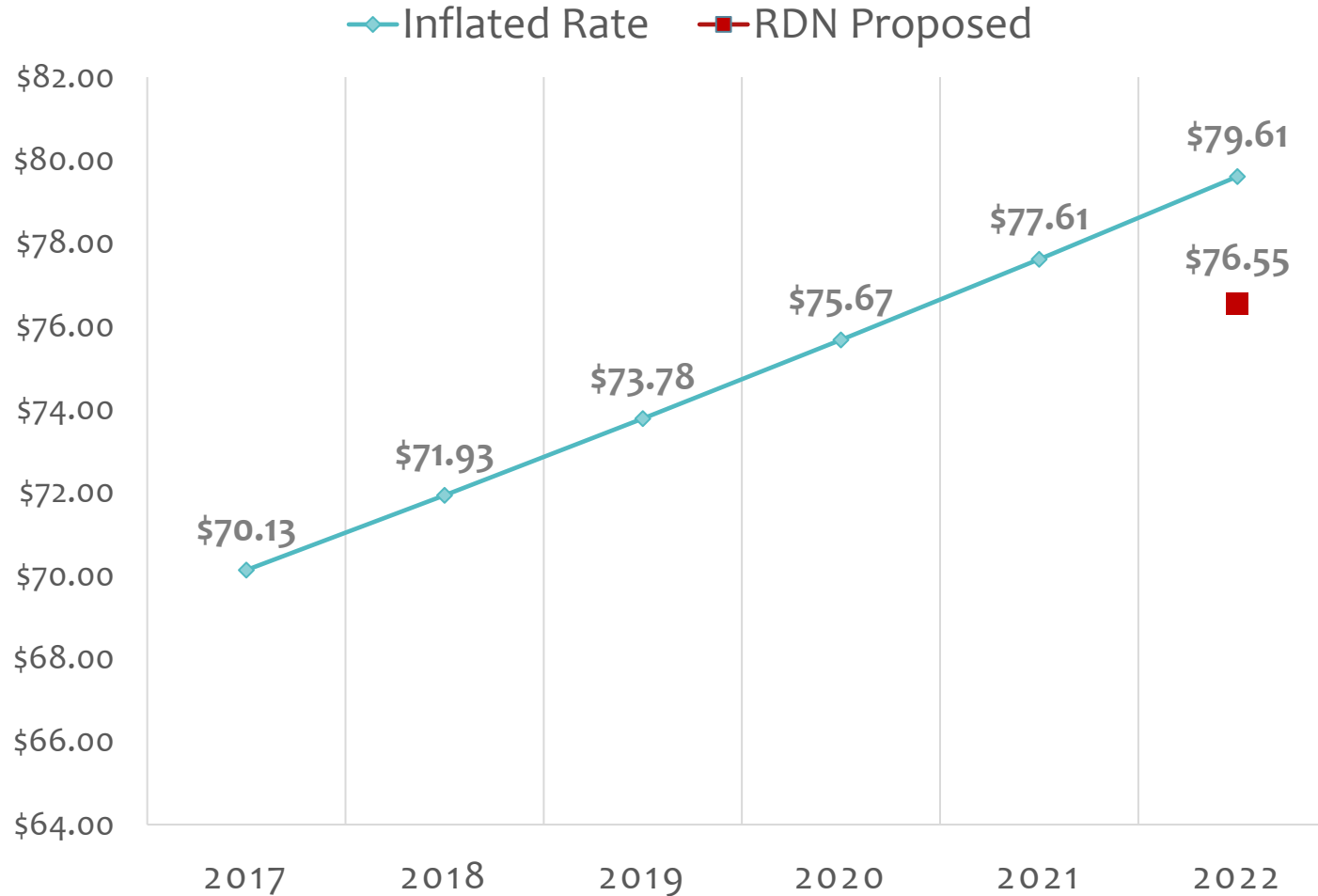
Rimforest – Proposed Rates (First Year)

Fixed	Current	Proposed		
		RES	COM	Fire
3/4-in	\$49.73	\$54.95	\$63.02	
1-in w/Fire	\$56.69	\$88.13	\$101.58	
1-in	\$90.70	\$88.13	\$101.58	
1 1/2-in	\$114.27	\$171.08	\$197.98	
2-in	\$146.60	\$270.61	\$313.66	
3-in	\$242.46	\$502.86	\$583.57	
4-in	\$321.93	\$834.65	\$969.16	\$57.66
6-in	\$530.37	\$1,664.12	\$1,933.14	\$100.25
8-in				\$196.35

Volumetric per CCF	Current	Proposed	
		Widths	Rate
RES Tier 1	\$5.10	0 - 5	\$5.40
RES Tier 2	\$5.10	5 +	\$8.30

Volumetric per CCF	Current	Proposed	
		Widths	Rate
COM Tier 1	\$5.10	0 - 18	\$8.28
COM Tier 2	\$5.10	18 +	\$11.22

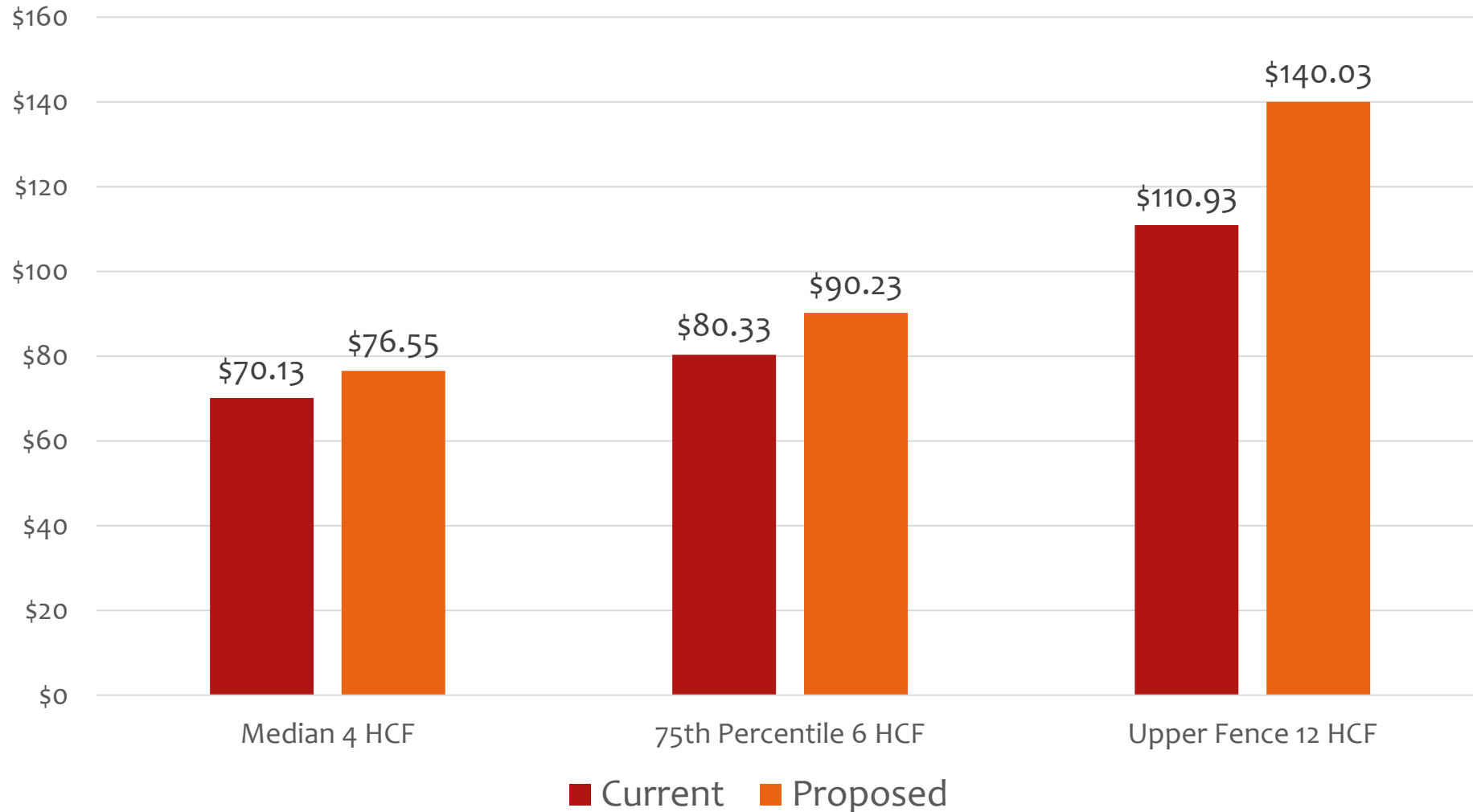
Rimforest – Inflated Rate vs. Proposed Rate (RES, Median User)



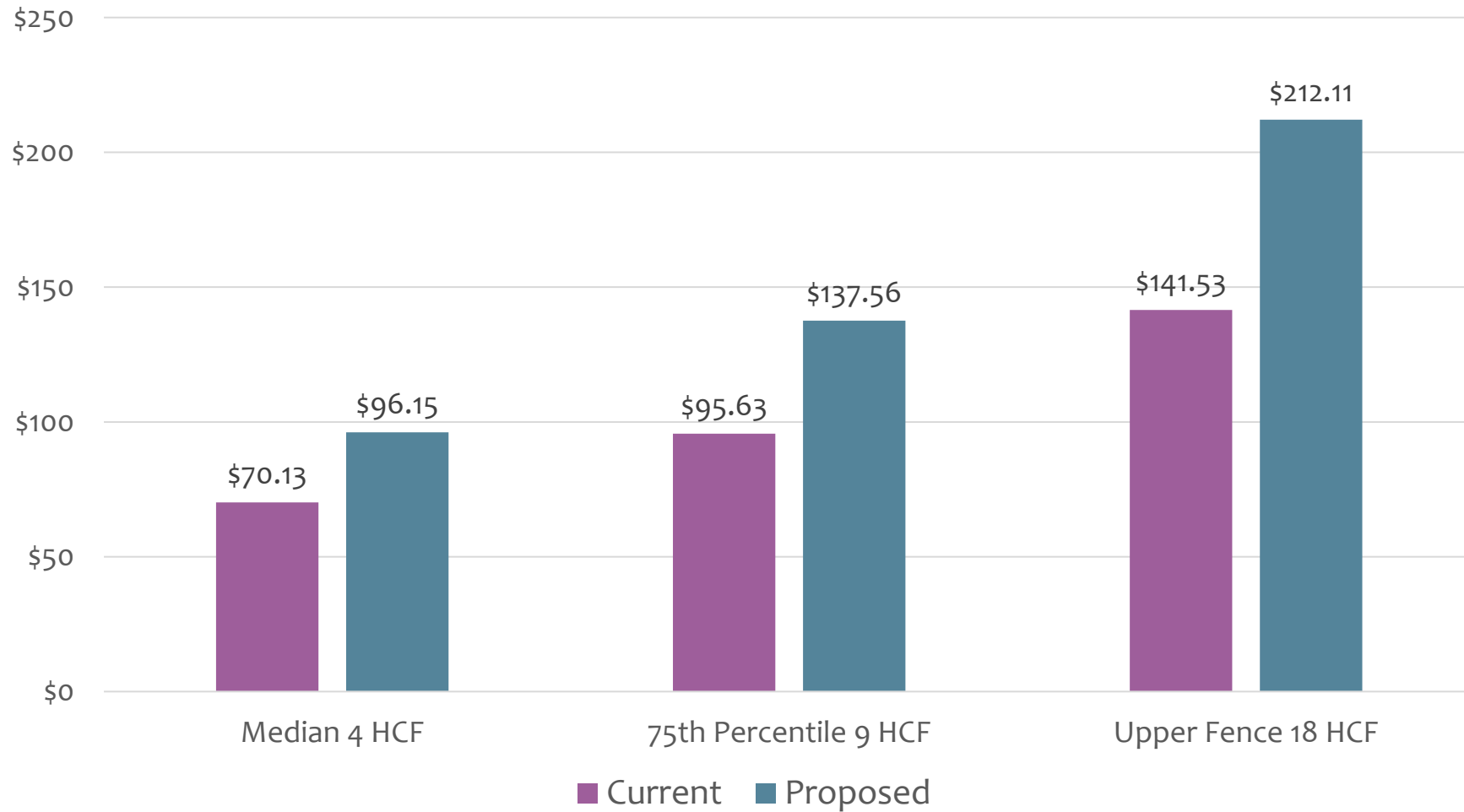
Simulation:

- Median Residential User (4 hcf) bill comparison: inflated rate vs. proposed rate
- Rim Forest Rate has not been increased for five years
- RDN used a conservative 2.6 percent CPI inflation to adjust the current rate to simulate what should have been today

Rimforest – Sample Bills, Residential

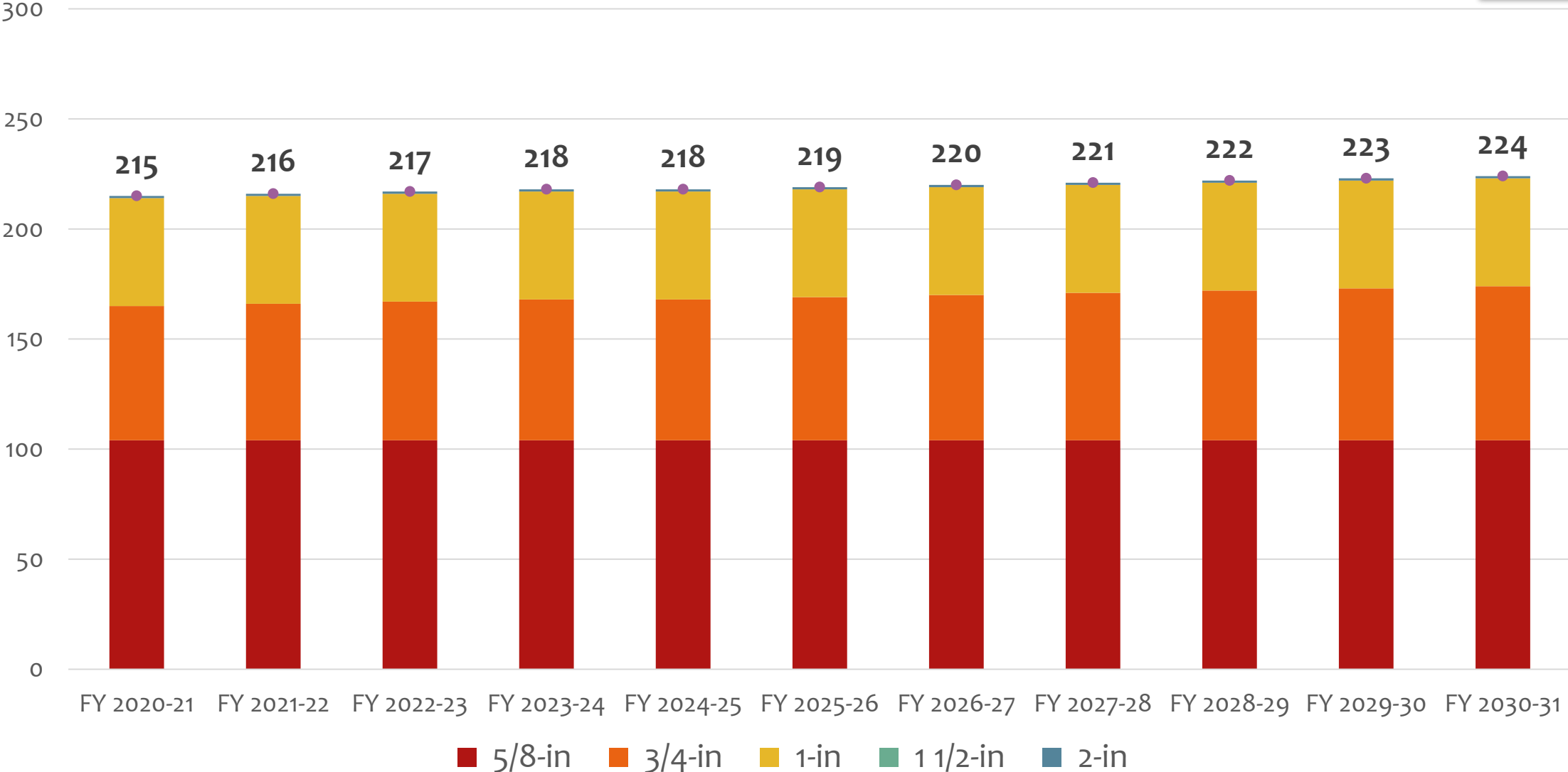


Rimforest – Sample Bills, Commercial

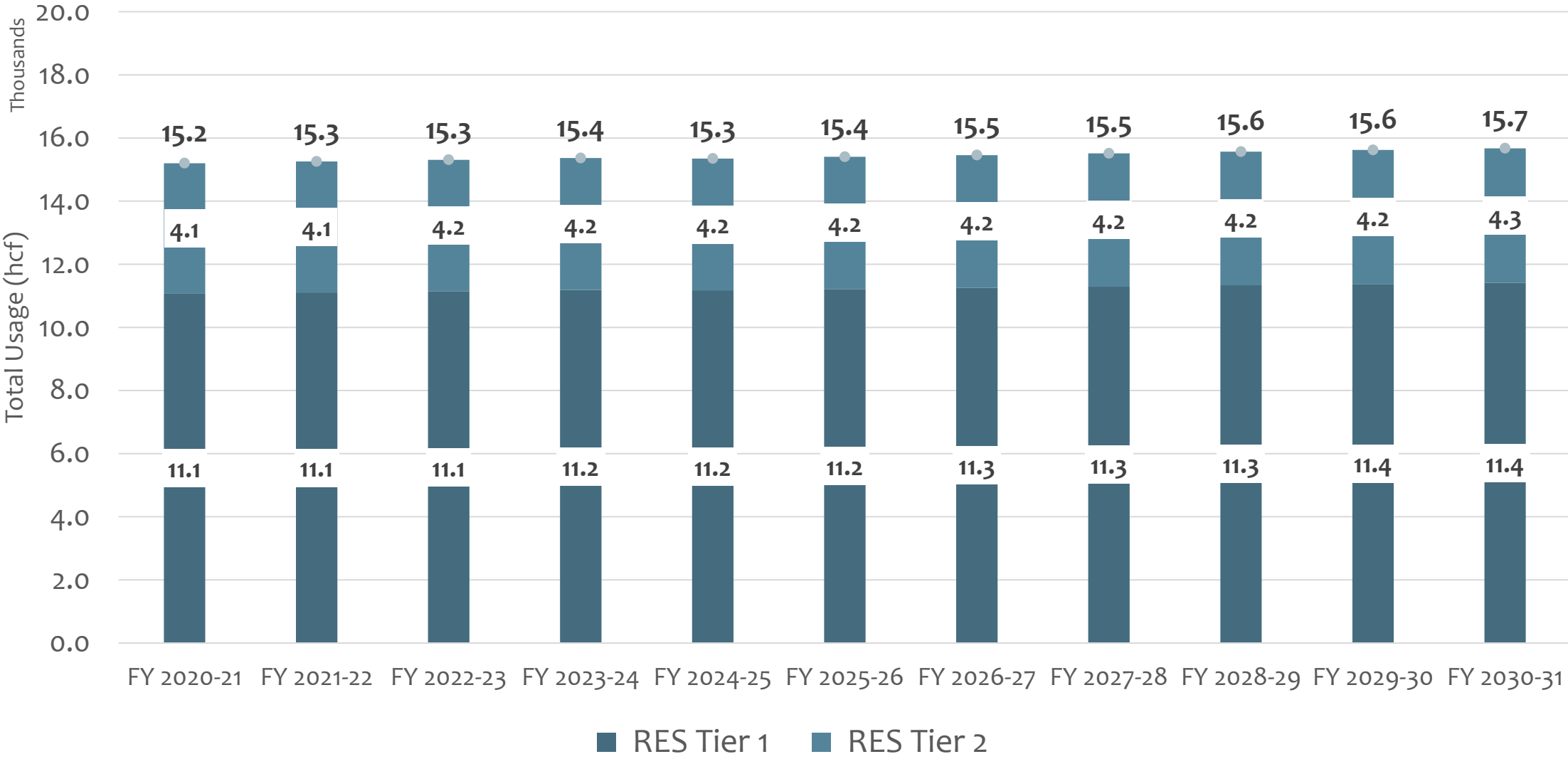


Deer Lodge Park

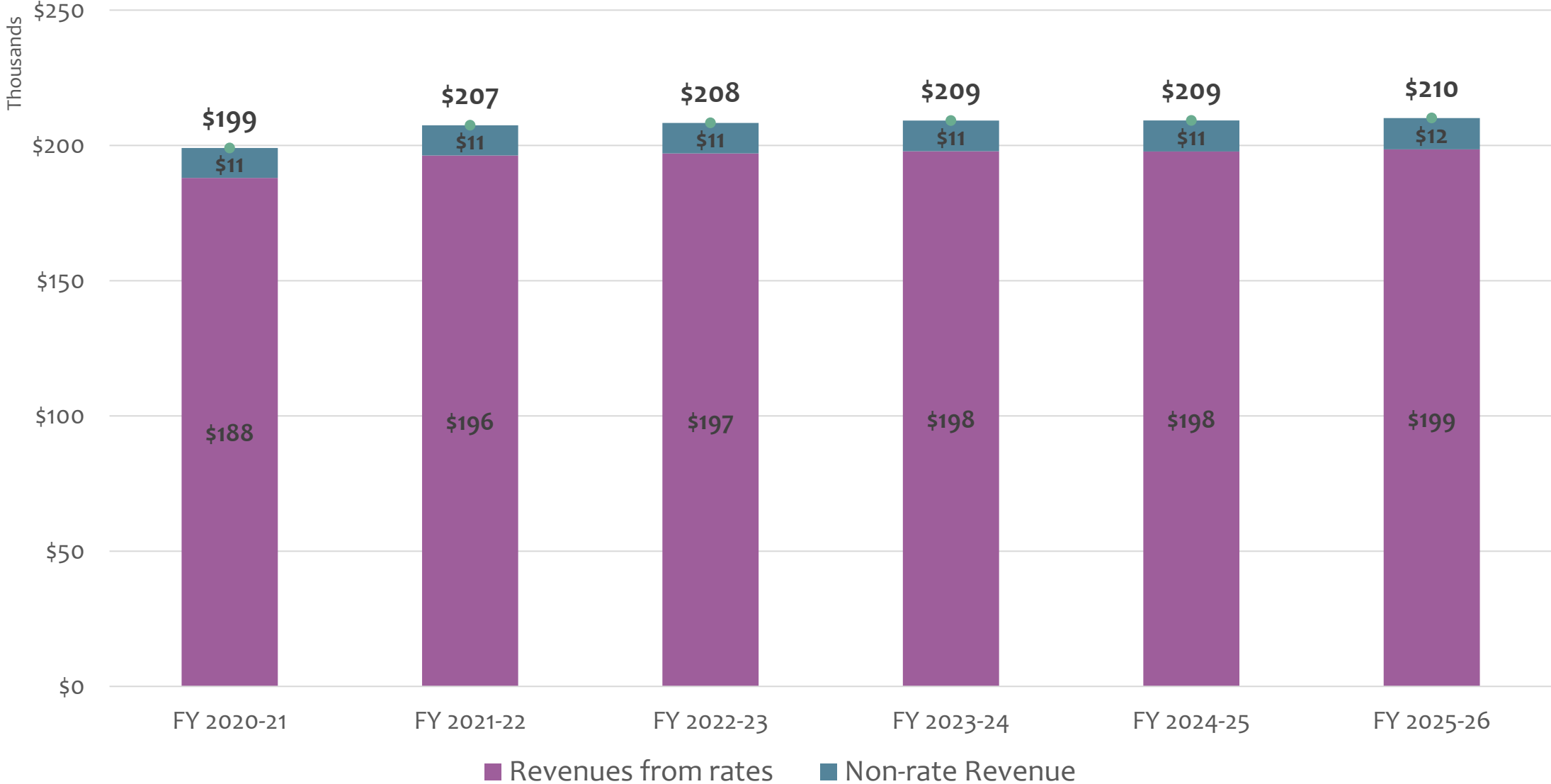
Deer Lodge Park – Account Growth Projections



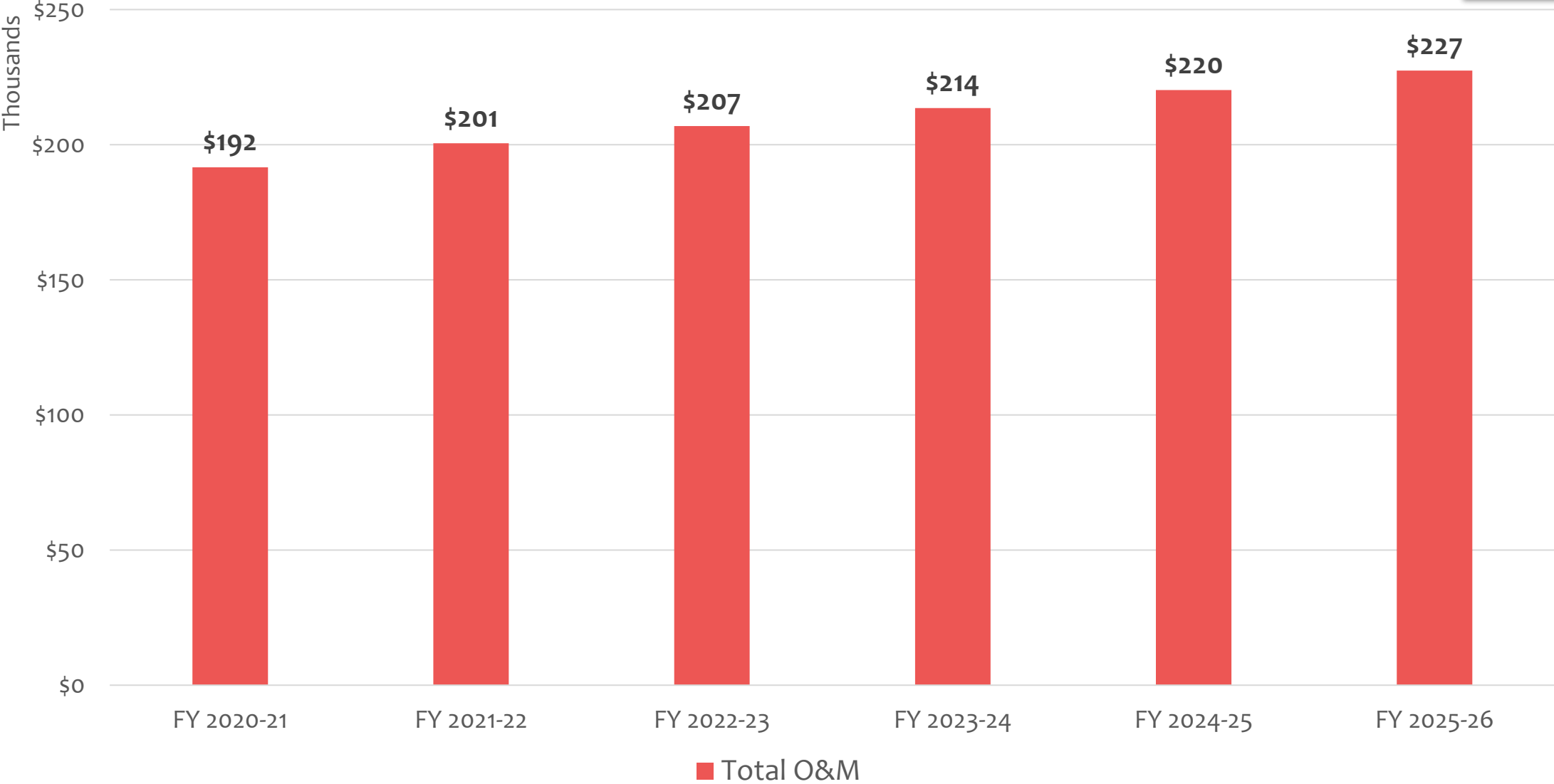
Deer Lodge Park – Demand Projections



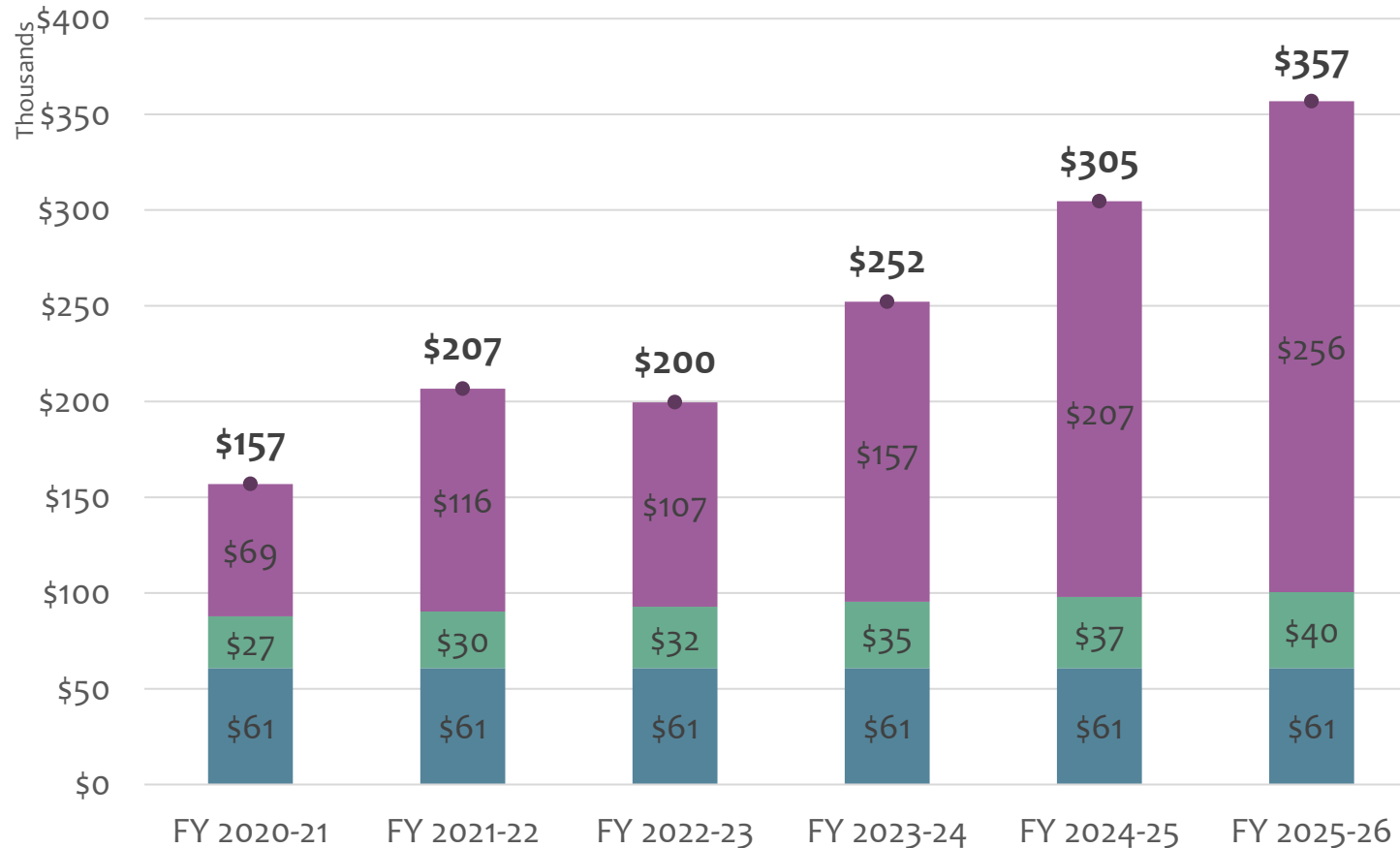
Deer Lodge Park – Financial Plan: Revenue



Deer Lodge Park – Financial Plan: O&M Expenses



Deer Lodge Park – Financial Plan: Reserve Balance



Key Capital Projects:

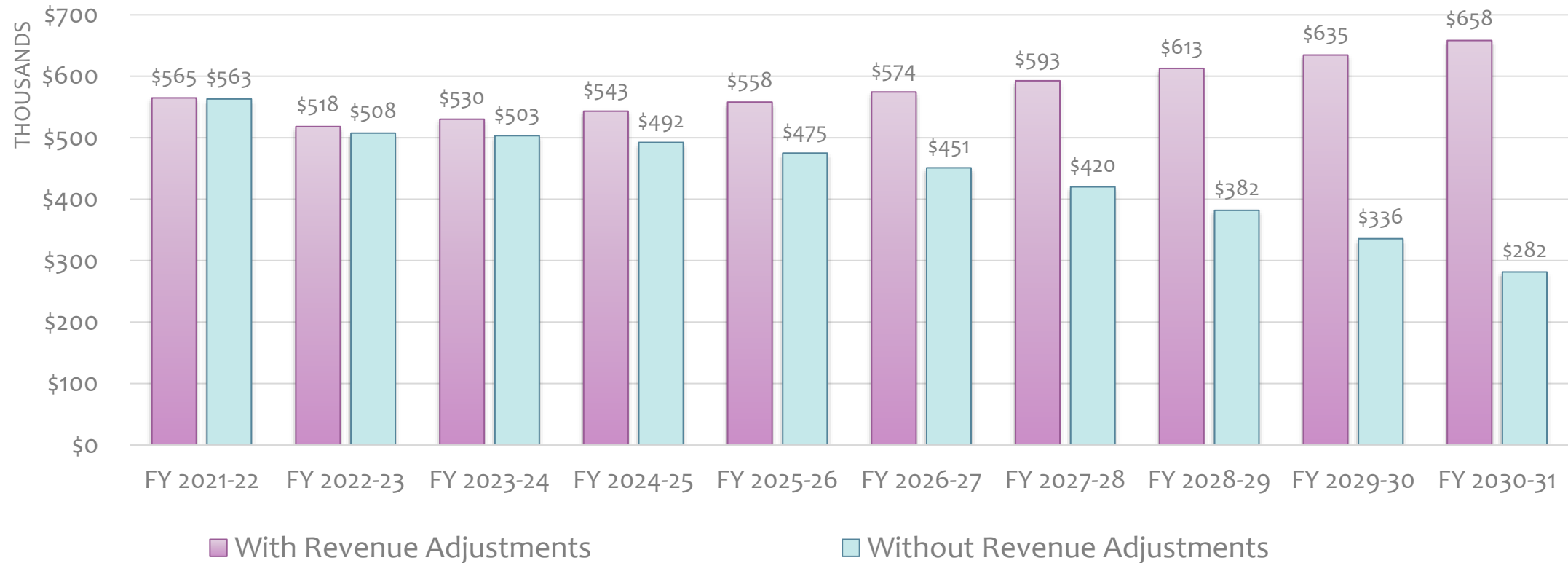
- Replace IX Canisters - **\$40,000 in FY 2023**
- **New Valves - \$15,000 in FY 2022-23**

■ Capital Improvement Fund ■ Rate Stabilization Fund ■ Operating Fund

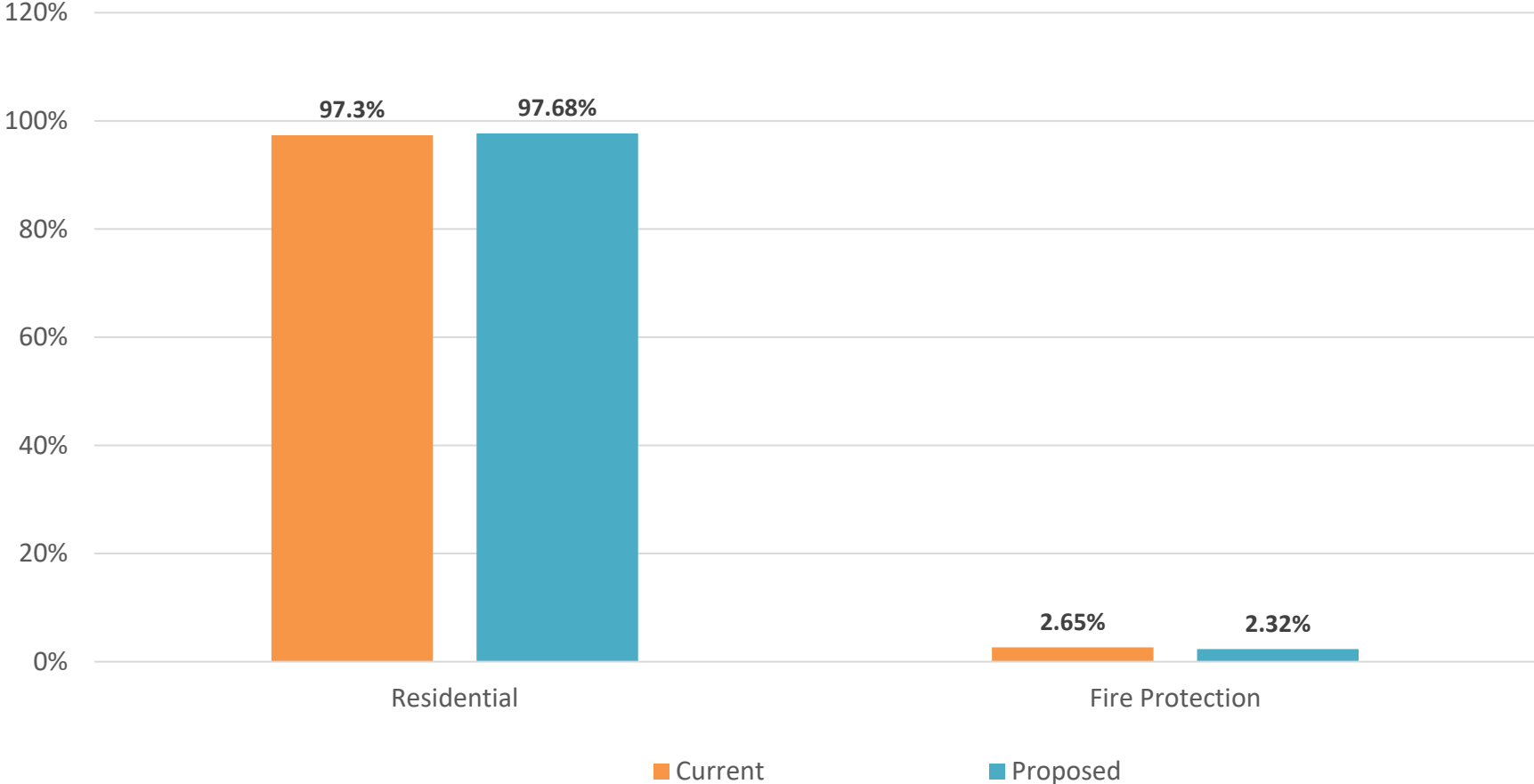
Deer Lodge Park – Financial Plan: Revenue Adjustment

Annual Revenue Adjustments

FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%



Deer Lodge Park – Cost of Service Analysis

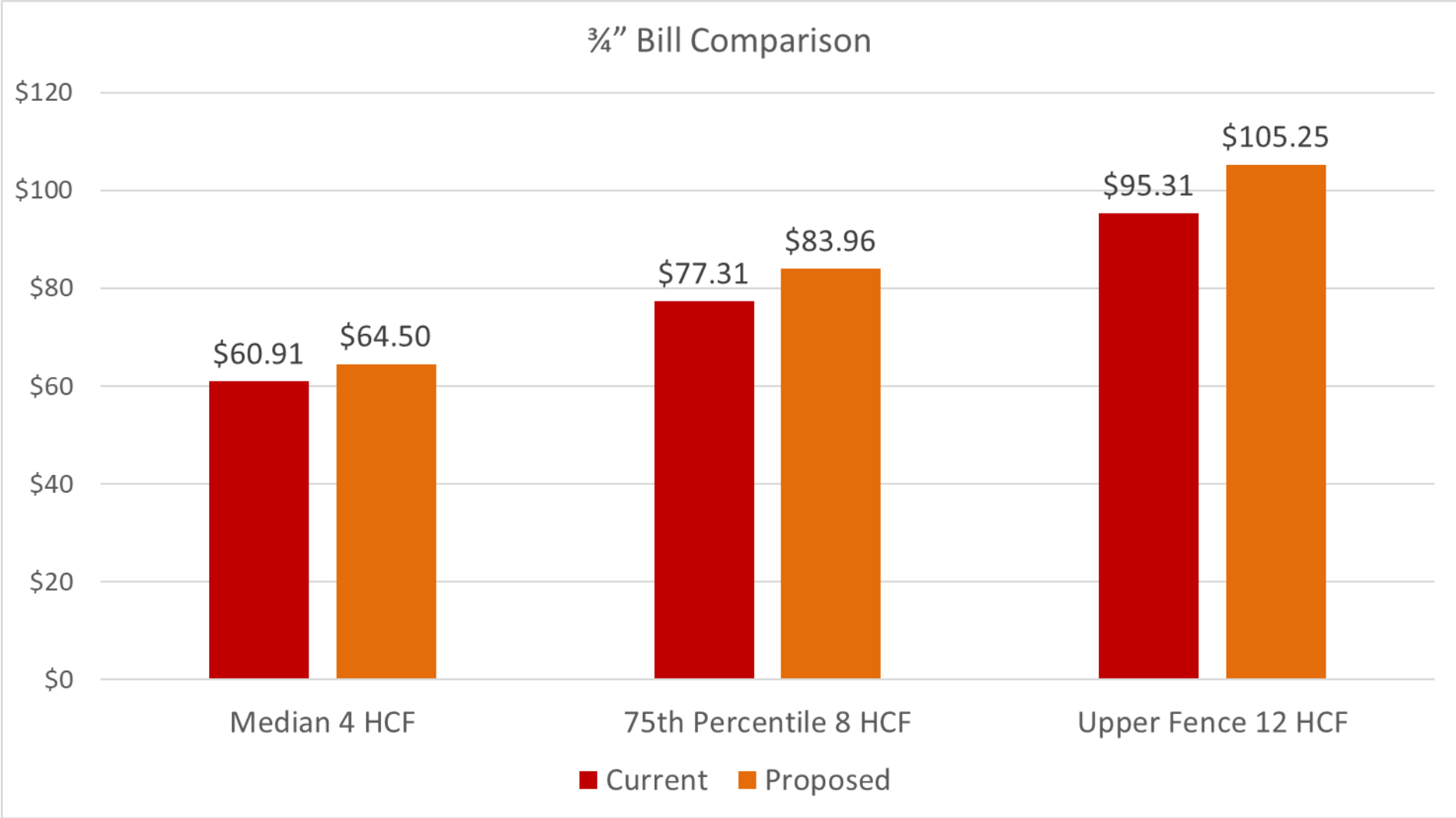


Deer Lodge Park – Proposed Rates (First Year)

Fixed Charges	Current		Proposed	
	RES	FIRE	RES	Fire
5/8-in	\$44.51		\$45.04	
3/4-in	\$44.51		\$45.04	
1-in	\$109.04	\$15.03	\$105.76	\$14.38
1 1/2-in	\$218.10	\$19.81	\$206.96	\$24.21
2-in	\$348.51	\$22.24	\$328.40	\$36.00
3-in		\$34.85		\$63.51
4-in		\$46.54		\$102.82
6-in		\$64.27		\$201.07

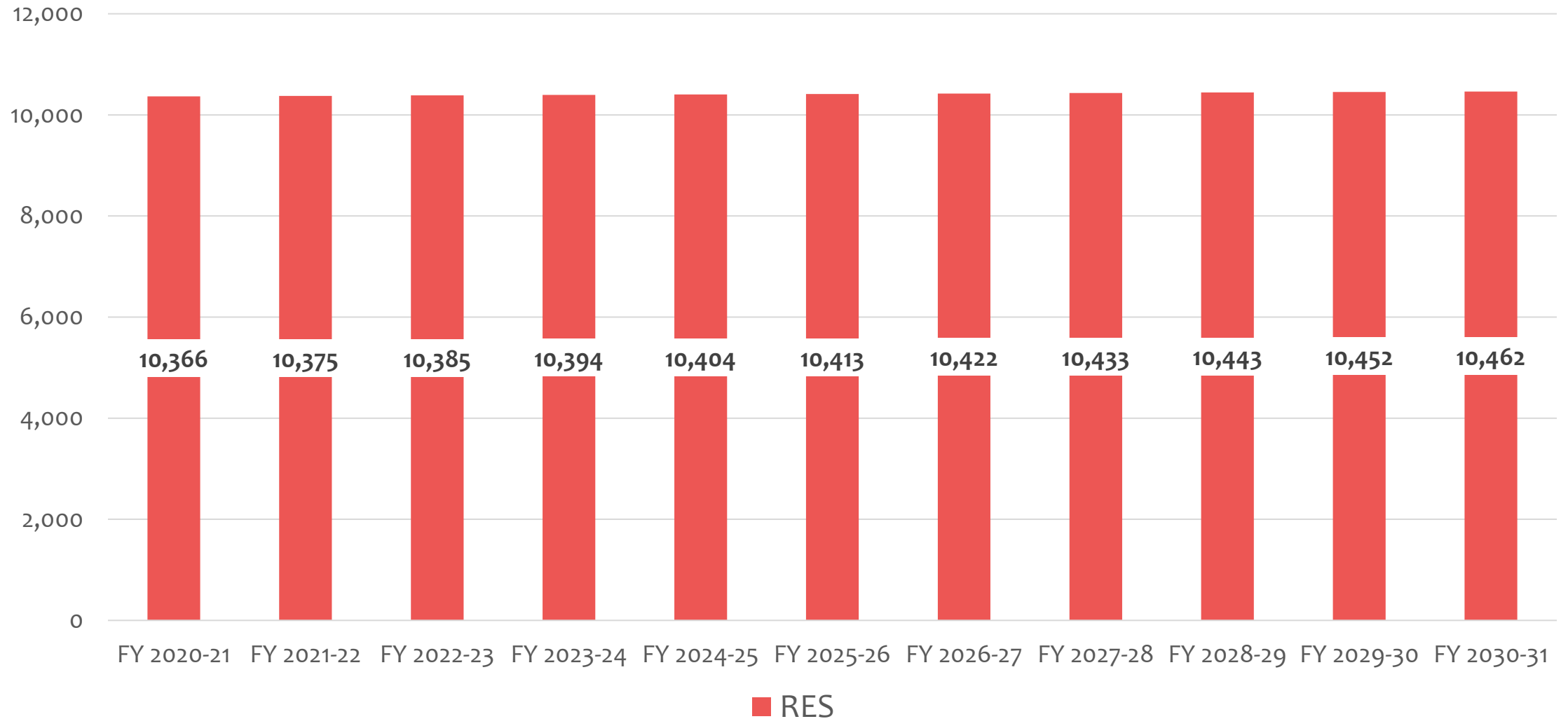
Volumetric (per HCF)	Widths	Current	Proposed
Tier 1	0 - 10	\$4.10	\$4.87
Tier 2	10 +	\$4.90	\$5.78

Deer Lodge Park– Sample Bills, Residential

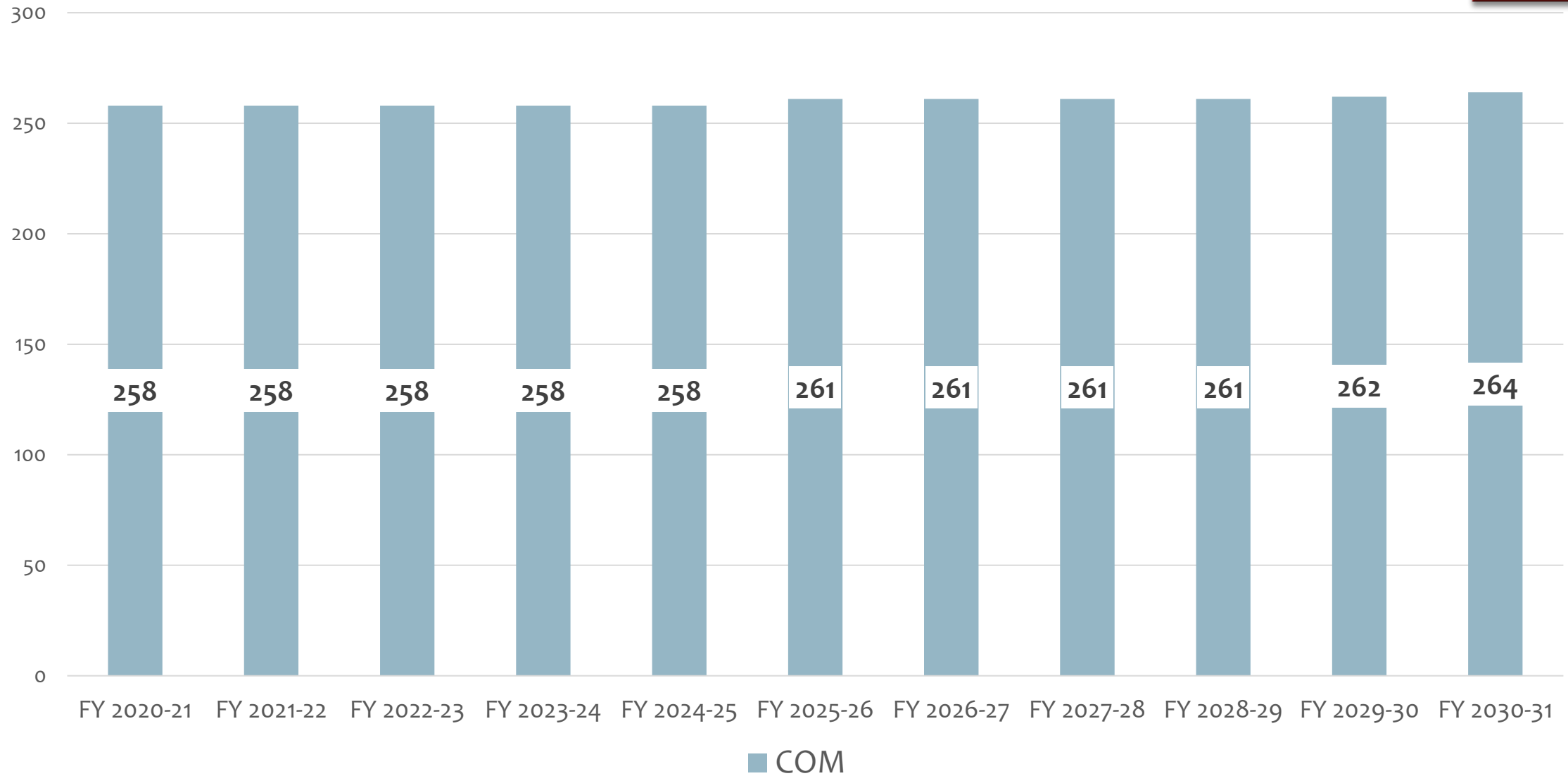


Sewer Utility

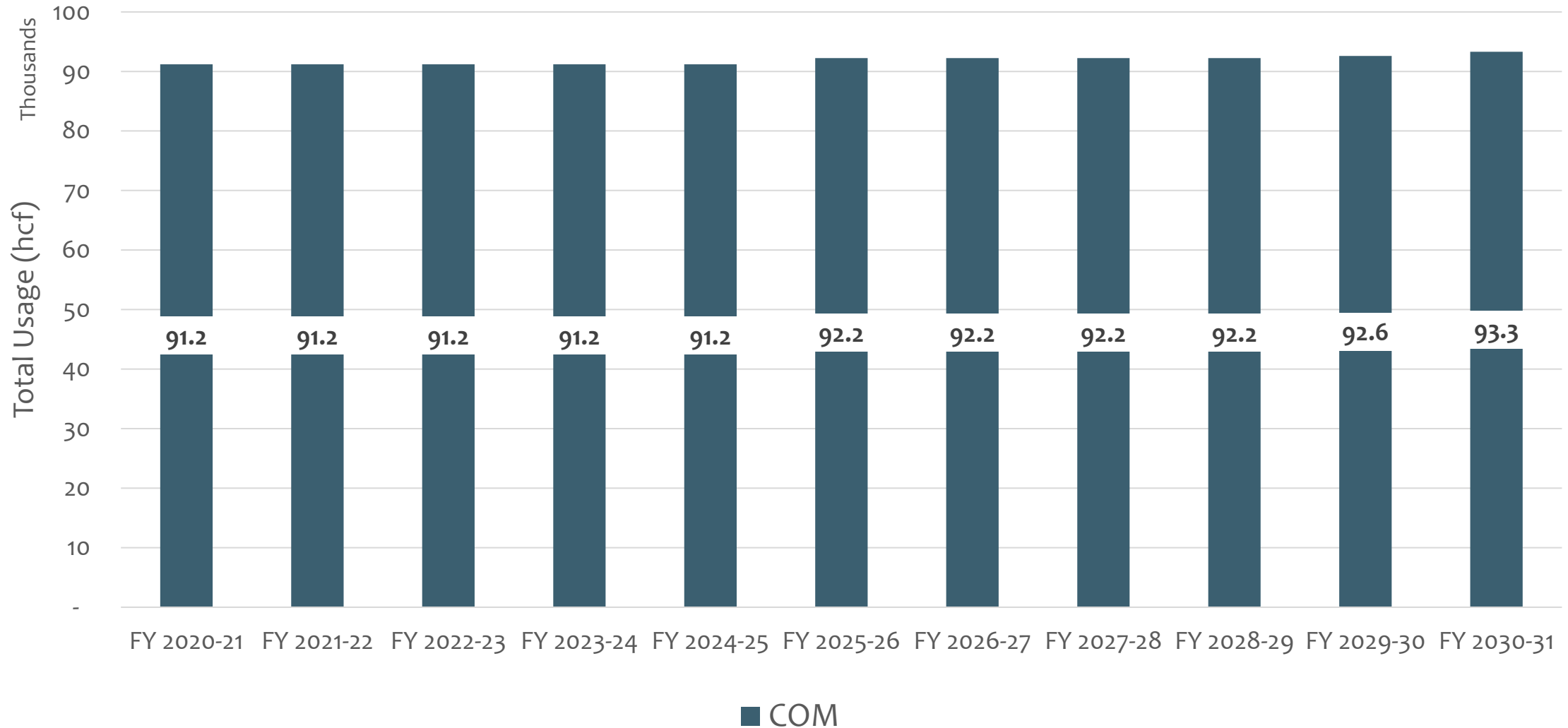
Sewer – Account Growth Projections - Residential



Sewer – Account Growth Projections, Commercial



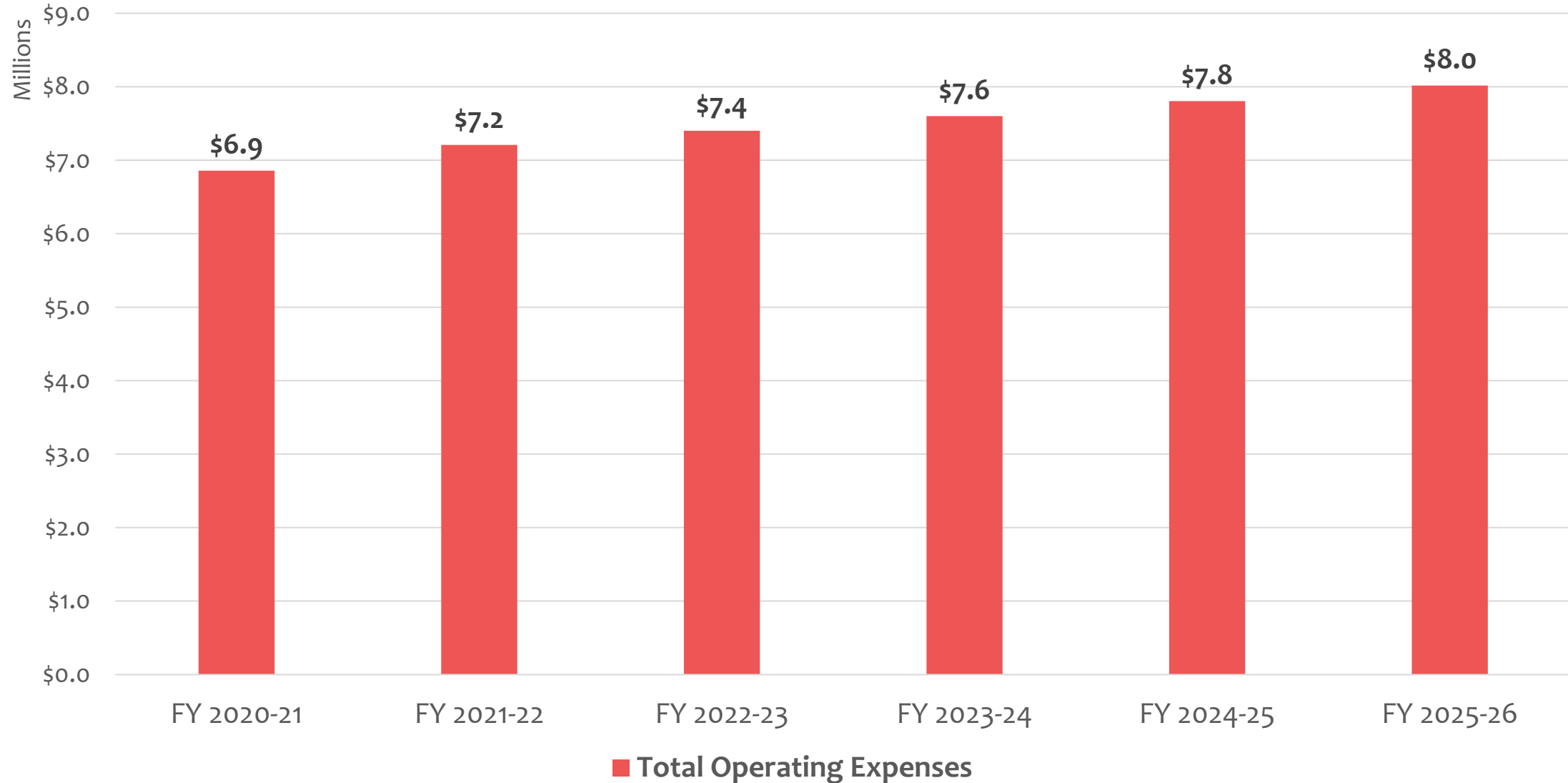
Sewer – Demand Projections



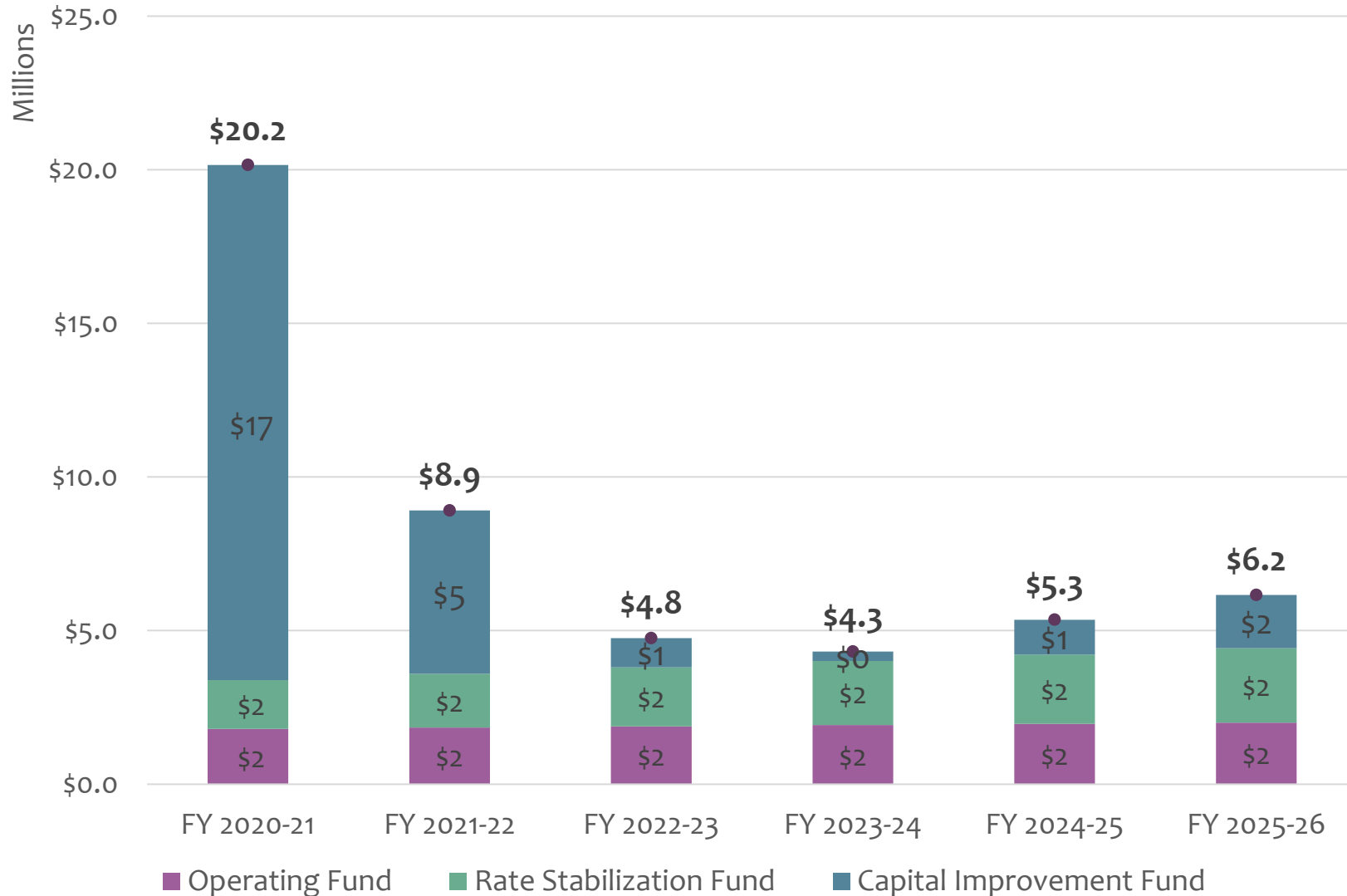
Sewer – Financial Plan: Revenue



Sewer – Financial Plan: O&M Expenses



Sewer – Financial Plan: Reserve Balance



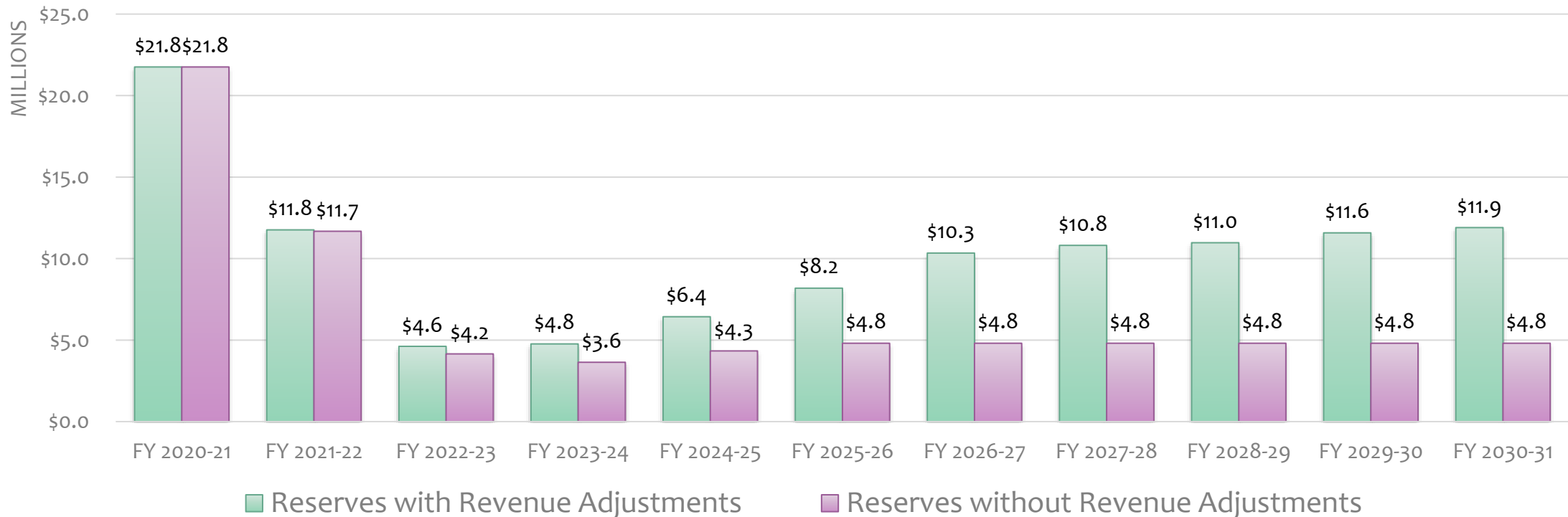
Key Capital Projects:

- Field Operations Facility - **\$6.1 million in FY 2023**
- Sliplining - **\$3.5 million in FY 2024**
- GVWWTP Pond - **\$3.2 million in FY 2023**
- Hesperia Farm Solar - **\$3.0 million in FY 2022**

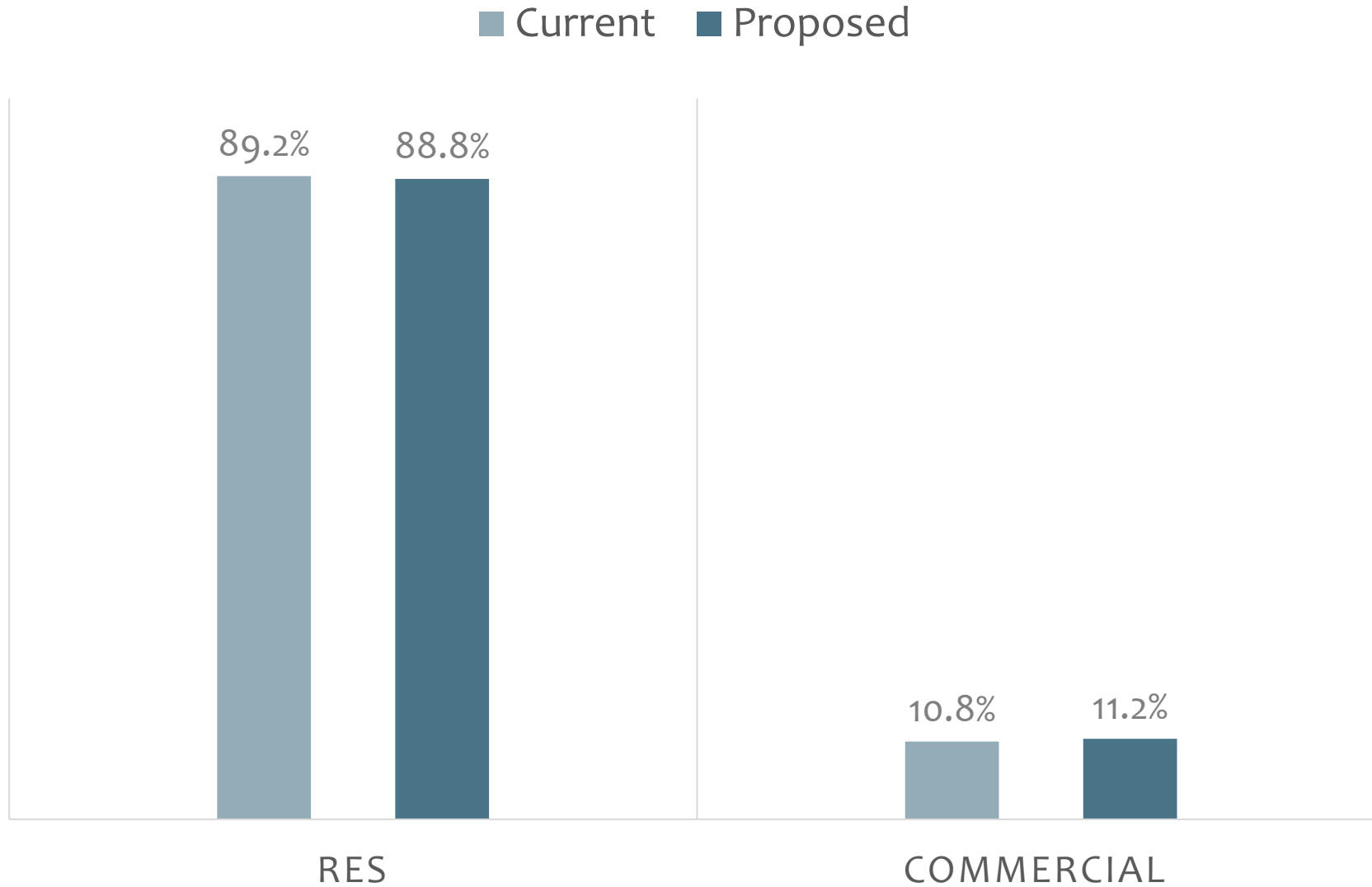
Sewer – Financial Plan: Revenue Adjustment

Annual Revenue Adjustments

FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%



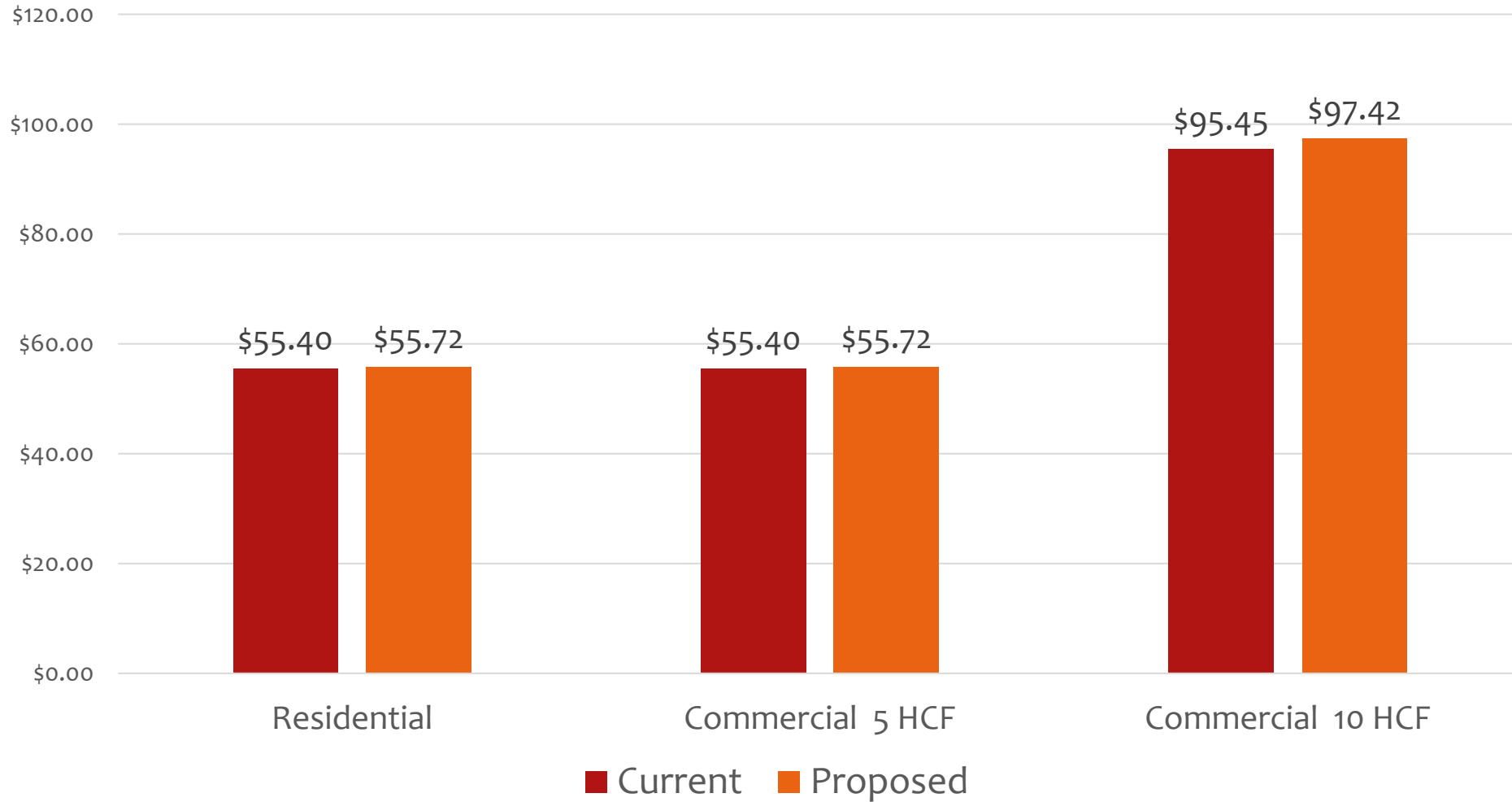
Sewer – Financial Plan: Cost Allocation



Sewer – Proposed Rates

Fixed Charges	Current	Proposed
Residential	\$55.40	\$55.72
Commercial	\$55.40	\$55.72
Volume Fee > 5 CCF		
Commercial	\$8.01	\$8.34

Sewer – Sample Bills



Thank You
Questions?