

Purissima Hills Water District

2026 Water Rate Study
Final Report – May 2026

Prepared by: Water Resources Economics, LLC



**Water Resources
Economics**

PROMOTING THE VALUE AND PRICE OF
WATER SERVICE



**PURISSIMA
HILLS** EST. 1955
.....
WATER DISTRICT

This page intentionally left blank



May 28, 2026

Tammy Rudock
General Manager
Purissima Hills Water District
26375 W Fremont Road
Los Altos Hills, CA 94022

Subject: Purissima Hills Water District Water Rate Study Report

Dear Ms. Rudock,

Water Resources Economics, LLC (WRE) is pleased to submit this 2026 Water Rate Study Report to the Purissima Hills Water District (District). This report documents the results and recommendations of the District’s water rate study. The goal of the study was to develop a five-year schedule of water rates that will sufficiently fund the District’s water system expenses, allow the District to meet its financial goals, and comply with cost-of-service principles. Additionally, this study included developing a five-year schedule of water shortage rates to be implemented during water shortage emergencies (aligned with the District’s Water Shortage Contingency Plan) and new monthly cross connection charges to cover additional backflow device maintenance costs not accounted for in the District’s current water rate schedule.

This study utilized industry-standard rate-setting methodology in accordance with guidelines developed by the American Water Works Association and incorporates guidance provided by the District’s Board of Directors. Our project team has a proven track record of developing fair and equitable water rates for numerous public water agencies in California over the past 25 years. We are confident in our ability to develop sound water rates that satisfy the requirements of Proposition 218.

The District’s water capacity fees (previously known as water facility charges), which are one-time fees charged to new customers connecting to the water system, were also updated in this study based on the most up-to-date asset valuations and District data. The proposed capacity fees have been prepared using the buy-in methodology and in accordance with the requirements of Proposition 26.

It has been a pleasure assisting the District, and we appreciate the support provided by yourself, Ms. Samantha Vu, Mr. Erik Walter, and other District staff during this study.

Sincerely,

Sanjay Gaur, Founder / President

Nancy Phan, Principal Consultant

This page intentionally left blank

TABLE OF CONTENTS

1. Executive Summary.....	1
1.1 System Overview.....	1
1.2 Rate Study Overview.....	1
1.3 Legal Requirements	1
1.4 Rate-Setting Methodology	2
1.5 Public Meeting Schedule	2
1.6 Additional Information and Disclaimers	3
1.7 Current Water Rates.....	3
1.8 Financial Plan	4
1.9 Cost-of-Service Analysis	10
1.10 Proposed Water Rates.....	11
1.11 Proposed Water Shortage Rates	20
1.12 Proposed Water Capacity Fees.....	28
2. Financial Plan	31
2.1 Financial Plan Methodology.....	31
2.2 Revenues.....	31
2.3 Operating Expenses	39
2.4 Debt Service	43
2.5 Capital Improvement Plan	44
2.6 Financial Policies	44
2.7 Status Quo Financial Plan	45
2.8 Proposed Financial Plan	57
3. Cost-of-Service	64
3.1 Cost-of-Service Methodology	64
3.2 Revenue Requirement	64
3.3 Cost Functionalization	65
3.4 Cost Causation Components	67
3.5 Unit Cost Calculation	75
3.6 Cost-of-Service by Customer Class and Tier	79
4. Water Rates	80
4.1 Rate Design Methodology	80
4.2 Proposed Changes to Rate Structure	80
4.3 Proposed Monthly Minimum (RTS) Charges	81
4.4 Proposed Monthly Cross Connection Charges	83
4.5 Proposed Consumption Charges	84
4.6 Proposed Water Rate Schedule	87
4.7 Three Tier Alternative Customer Impacts.....	90
4.8 Uniform Alternative Customer Impacts	93
5. Water Shortage Rates.....	97
5.1 Water Shortage Rate Design Methodology.....	97

**Purissima Hills Water District
2026 Water Rate Study**

- 5.2 Risks Related to Water Shortages 97
- 5.3 Proposed Water Shortage rates 98
- 5.4 Proposed Water Shortage Rate Schedule 102
- 5.5 Three Tier Alternative Customer Impacts..... 106
- 5.6 Uniform Alternative Customer Impacts 112
- 6. Water Capacity Fees 119**
- 6.1 Capacity Fee Overview 119
- 6.2 Buy-In Component 119
- 6.3 Proposed Water Capacity Fees 120
- 6.4 Capacity Fee Survey 121
- 7. Appendices 122**
- 7.1 Financial Plan Appendices 122
- 7.2 Cost-of-Service Appendices 127
- 8. Study Resource Documents 143**

LIST OF TABLES

Table 1-1: Current RTS Charges	4
Table 1-2: Current Consumption Charges	4
Table 1-3: Current SFPUC Wholesale Pass-Through Rates	4
Table 1-4: Current and Proposed Reserve Policies	5
Table 1-5: Current and Proposed Reserve Policy Targets vs Projected Fund Balances.....	6
Table 1-6: Proposed Financial Plan Scenario.....	9
Table 1-7: Proposed Monthly Minimum (RTS) Charges	12
Table 1-8: Proposed Monthly Cross Connection Charges	12
Table 1-9: Proposed Combined Consumption Charges (Three Tier).....	13
Table 1-10: Proposed Combined Consumption Charges (Uniform)	13
Table 1-11: Proposed PHWD and SFPUC Consumption Charges (Three Tier).....	14
Table 1-12: Proposed PHWD and SFPUC Consumption Charges (Uniform)	14
Table 1-13: Proposed Winter Monthly Residential Customer Impacts (Three Tier).....	14
Table 1-14: Proposed Summer Monthly Residential Customer Impacts (Three Tier).....	15
Table 1-15: Proposed Winter Monthly Residential Customer Impacts (Uniform)	17
Table 1-16: Proposed Summer Monthly Residential Customer Impacts (Uniform)	18
Table 1-17: Proposed Water Shortage Rates (Three Tier).....	20
Table 1-18: Proposed Water Shortage Rates (Uniform)	21
Table 1-19: Proposed Combined Consumption Charges and Water Shortage Rates (Three Tier)	23
Table 1-20: Proposed Combined Consumption Charges and Water Shortage Rates (Uniform)	24
Table 1-21: Proposed Residential Customer Impacts (Stage 2 Shortage) (Three Tier)	25
Table 1-22: Proposed Residential Customer Impacts (Stage 3 Shortage) (Three Tier)	26
Table 1-23: Proposed Residential Customer Impacts (Stage 2 Shortage) (Uniform).....	27
Table 1-24: Proposed Residential Customer Impacts (Stage 3 Shortage) (Uniform).....	28
Table 1-25: Water Capacity Fee Calculation	29
Table 1-26: Current and Proposed Water Capacity Fees	30
Table 2-1: Current RTS Charges	32
Table 2-2: Current Consumption Charges	32
Table 2-3: Current SFPUC Wholesale Pass-Through Rates	32
Table 2-4: Effective RTS Charges	33
Table 2-5: Consumption Patterns	33
Table 2-6: Effective Consumption Charges	34
Table 2-7: Effective SFPUC Wholesale Pass-Through	34
Table 2-8: Projected Customer Accounts (Meters)	34
Table 2-9: Demand Assumptions.....	35
Table 2-10: Projected Customer Water Consumption (ccf)	36
Table 2-11: Calculated Rate Revenues at Current Rates	37
Table 2-12: Revenue Summary	38
Table 2-13: Expense Inflationary Assumptions	39
Table 2-14: Calculated Potable Water Supply Costs.....	41
Table 2-15: Expenses Summary	42
Table 2-16: Existing Debt Service	43
Table 2-17: Proposed Debt Service	43
Table 2-18: Capital Project Costs and Funding.....	44
Table 2-19: Status Quo Financial Plan Scenario (No Proposed Debt).....	45

Purissima Hills Water District
2026 Water Rate Study

Table 2-20: Status Quo Financial Plan Scenario (Proposed Debt)..... 45

Table 2-21: Projected Cash Flows (Status Quo Financial Plan – No Proposed Debt)..... 47

Table 2-22: Projected Cash Flows (Status Quo Financial Plan – Proposed Debt)..... 48

Table 2-23: Projected Fund Balances (Status Quo Financial Plan – No Proposed Debt)..... 50

Table 2-24: Projected Fund Balances (Status Quo Financial Plan – Proposed Debt)..... 51

Table 2-25: Forecasted Financial Performance (Status Quo Financial Plan) 52

Table 2-26: Proposed Financial Plan Scenario..... 57

Table 2-27: Projected Cash Flows (Proposed Financial Plan) 58

Table 2-28: Projected Fund Balances (Proposed Financial Plan) 60

Table 2-29: Forecasted Financial Performance (Proposed Financial Plan)..... 61

Table 3-1: FY 2026 Revenue Requirement 65

Table 3-2: Operating Costs by System Functions..... 66

Table 3-3: Capital Assets by System Functions 67

Table 3-4: System-Wide Capacity Allocation..... 68

Table 3-5: System Function Allocation to Cost Components 69

Table 3-6: Operating Allocation by Cost Component 70

Table 3-7: Capital Allocation by Cost Component 71

Table 3-8: Preliminary Cost-of-Service Allocation by Cost Component 72

Table 3-9: General Cost Reallocation 72

Table 3-10: Capacity Reallocation 73

Table 3-11: Backflow Reallocation..... 74

Table 3-12: Final Cost-of-Service Allocation by Cost Component 74

Table 3-13: Current and Proposed Residential Tier Allotments (Three Tier) 75

Table 3-14: Customer Demand Capacity 75

Table 3-15: Equivalent Meter Units 76

Table 3-16: Equivalent Backflow Units 77

Table 3-17: Units of Service Definitions..... 77

Table 3-18: Unit Cost by Cost Component 78

Table 3-19: Cost-of-Service Allocation by Customer Class and Tier 79

Table 4-1: SFPUC Fixed Charge 81

Table 4-2: Revenue Neutral Monthly Minimum (RTS) Charges 82

Table 4-3: Proposed Monthly Minimum (RTS) Charges after Adjustment..... 82

Table 4-4: Revenue Neutral Monthly Cross Connection Charges 83

Table 4-5: Proposed Cross Connection Charges after Adjustment 83

Table 4-6: SFPUC Variable Unit Cost and Base Charge Adjustment..... 84

Table 4-7: Capacity Unit Cost by Customer Class and Tier 85

Table 4-8: Conservation Outreach Unit Cost by Customer Class and Tier..... 85

Table 4-9: Revenue Offset Unit Cost by Customer Class and Tier 86

Table 4-10: Revenue Neutral Consumption Charges 86

Table 4-11: Proposed Consumption Charges after Adjustment..... 87

Table 4-12: Proposed Revenue Adjustments 88

Table 4-13: Proposed Monthly Minimum (RTS) Charges 88

Table 4-14: Proposed Monthly Cross Connection Charges 88

Table 4-15: Proposed Combined Consumption Charges (Three Tier)..... 89

Table 4-16: Proposed Combined Consumption Charges (Uniform) 89

Table 4-17: Proposed PHWD and SFPUC Consumption Charges (Three Tier)..... 89

Table 4-18: Proposed PHWD and SFPUC Consumption Charges (Uniform) 90

Purissima Hills Water District
2026 Water Rate Study

Table 4-19: Proposed Winter Monthly Residential Customer Impacts (Three Tier)..... 90

Table 4-20: Proposed Summer Monthly Residential Customer Impacts (Three Tier)..... 91

Table 4-21: Proposed Winter Monthly Residential Customer Impacts (Uniform) 93

Table 4-22: Proposed Summer Monthly Residential Customer Impacts (Uniform) 94

Table 5-1: Water Usage Reductions by Customer Class and Tier..... 98

Table 5-2: Consumption Charge Revenue Loss by Stage..... 99

Table 5-3: Water Supply Cost Differences by Stage 100

Table 5-4: Shortage Costs by Stage..... 101

Table 5-5: Proposed Water Shortage Rates (FY 2027) 102

Table 5-6: Proposed Revenue Adjustments 103

Table 5-7: Proposed Water Shortage Rates (Three Tier)..... 103

Table 5-8: Proposed Water Shortage Rates (Uniform) 104

Table 5-9: Proposed Combined Consumption Charges and Water Shortage Rates (Three Tier) 105

Table 5-10: Proposed Combined Consumption Charges and Water Shortage Rates (Uniform) 106

Table 5-11: Proposed Residential Customer Impacts (Stage 1 Shortage) (Three Tier) 107

Table 5-12: Proposed Residential Customer Impacts (Stage 2 Shortage) (Three Tier) 108

Table 5-13: Proposed Residential Customer Impacts (Stage 3 Shortage) (Three Tier) 109

Table 5-14: Proposed Residential Customer Impacts (Stage 4 Shortage) (Three Tier) 110

Table 5-15: Proposed Residential Customer Impacts (Stage 5 Shortage) (Three Tier) 111

Table 5-16: Proposed Residential Customer Impacts (Stage 6 Shortage) (Three Tier) 112

Table 5-17: Proposed Residential Customer Impacts (Stage 1 Shortage) (Uniform)..... 113

Table 5-18: Proposed Residential Customer Impacts (Stage 2 Shortage) (Uniform)..... 114

Table 5-19: Proposed Residential Customer Impacts (Stage 3 Shortage) (Uniform)..... 115

Table 5-20: Proposed Residential Customer Impacts (Stage 4 Shortage) (Uniform)..... 116

Table 5-21: Proposed Residential Customer Impacts (Stage 5 Shortage) (Uniform)..... 117

Table 5-22: Proposed Residential Customer Impacts (Stage 6 Shortage) (Uniform)..... 118

Table 6-1: System Value (Buy-In Component) 120

Table 6-2: Water Capacity Fee Calculation 120

Table 6-3: Current and Proposed Capacity Fees..... 121

Table 7-1: Revenues (Detail)..... 122

Table 7-2: Expenses (Detail) 123

Table 7-3: Capital Projects (Detailed) 126

Table 7-4: O&M Expense Allocation (Detailed) 127

Table 7-5: Asset Allocation (Detailed) 130

Table 8-1: Proposed Six-Year Cashflow Projections..... 143

Table 8-2: Six-Year Fund Balance Projections 144

Table 8-3: Six-Year Financial Performance Projections 145

Table 8-4: Proposed Five-Year Monthly Minimum (RTS) Charges 147

Table 8-5: Proposed Five-Year Monthly Cross Connection Charges 147

Table 8-6: Proposed Five-Year Combined Consumption Charges (Three Tier)..... 148

Table 8-7: Proposed Five-Year Combined Consumption Charges (Uniform) 148

Table 8-8: Proposed Five-Year PHWD and SFPUC Consumption Charges (Three Tier)..... 148

Table 8-9: Proposed Five-Year PHWD and SFPUC Consumption Charges (Uniform) 148

Table 8-10: Proposed Five-Year Water Shortage Rates (Three Tier)..... 149

Table 8-11: Proposed Five-Year Water Shortage Rates (Uniform) 150

Table 8-12: Proposed Five-Year Combined Consumption Charges and Water Shortage Rates (Three Tier)
..... 151

**Purissima Hills Water District
2026 Water Rate Study**

Table 8-13: Proposed Five-Year Combined Consumption Charges and Water Shortage Rates (Uniform) .152

Table 8-14: Proposed Water Capacity Fees (Effective 7/1/2026, to be Increased by CPI for Future Years) 153

LIST OF FIGURES

Figure 1-1: Projected Fund Balances (Status Quo Financial Plan – No Proposed Debt)	7
Figure 1-2: Projected Fund Balances (Status Quo Financial Plan – Proposed Debt).....	7
Figure 1-3: Projected Debt Coverage (Status Quo Financial Plan – No Proposed Debt).....	8
Figure 1-4: Projected Debt Coverage (Status Quo Financial Plan – Proposed Debt).....	8
Figure 1-5: Projected Fund Balances (Proposed Financial Plan).....	9
Figure 1-6: Projected Debt Coverage (Proposed Financial Plan).....	10
Figure 1-7: Proposed Annual Customer Impacts (\$) (Three Tier).....	15
Figure 1-8: Proposed Annual Customer Impacts (%) (Three Tier).....	16
Figure 1-9: Monthly Residential Water Bill at Average Winter Usage Comparison (Three Tier)	16
Figure 1-10: Monthly Residential Water Bill At Average Summer Usage Comparison (Three Tier)	17
Figure 1-11: Proposed Annual Customer Impacts (\$) (Uniform)	18
Figure 1-12: Proposed Annual Customer Impacts (%) (Uniform)	19
Figure 1-13: Monthly Residential Water Bill at Average Winter Usage Comparison (Uniform).....	19
Figure 1-14: Monthly Residential Water Bill At Average Summer Usage Comparison (Uniform)	20
Figure 1-15: Proposed Residential Customer Impacts (Stage 2 Shortage) (Three Tier)	25
Figure 1-16: Proposed Residential Customer Impacts (Stage 3 Shortage) (Three Tier)	26
Figure 1-17: Proposed Residential Customer Impacts (Stage 2 Shortage) (Uniform)	27
Figure 1-18: Proposed Residential Customer Impacts (Stage 3 Shortage) (Uniform)	28
Figure 1-19: Water Capacity Fee Survey.....	30
Figure 2-1: Historical and Projected Water Consumption (ccf).....	36
Figure 2-2: Revenue Requirements vs. Revenues (Status Quo Financial Plan - No Proposed Debt)	54
Figure 2-3: Revenue Requirements vs. Revenues (Status Quo Financial Plan – Proposed Debt).....	54
Figure 2-4: Projected Debt Coverage (Status Quo Financial Plan – No Proposed Debt).....	55
Figure 2-5: Projected Debt Coverage (Status Quo Financial Plan – Proposed Debt).....	55
Figure 2-6: Projected Fund Balances (Status Quo Financial Plan – No Proposed Debt)	56
Figure 2-7: Projected Fund Balances (Status Quo Financial Plan – Proposed Debt).....	56
Figure 2-8: Revenue Requirements vs. Revenues (Proposed Financial Plan).....	62
Figure 2-9: Projected Debt Coverage (Proposed Financial Plan).....	62
Figure 2-10: Projected Fund Balances (Proposed Financial Plan)	63
Figure 4-1: Proposed Annual Customer Impacts (\$) (Three Tier).....	91
Figure 4-2: Proposed Annual Customer Impacts (%) (Three Tier).....	92
Figure 4-3: Monthly Residential Water Bill at Average Winter Usage Comparison (Three Tier)	92
Figure 4-4: Monthly Residential Water Bill at Average Summer Usage Comparison (Three Tier)	93
Figure 4-5: Proposed Annual Customer Impacts (\$) (Uniform)	94
Figure 4-6: Proposed Annual Customer Impacts (%) (Uniform)	95
Figure 4-7: Monthly Residential Water Bill at Average Winter Usage Comparison (Uniform)	95
Figure 4-8: Monthly Residential Water Bill At Average Summer Usage Comparison (Uniform)	96
Figure 5-1: Proposed Residential Customer Impacts (Stage 1 Shortage) (Three Tier).....	107
Figure 5-2: Proposed Residential Customer Impacts (Stage 2 Shortage) (Three Tier).....	108
Figure 5-3: Proposed Residential Customer Impacts (Stage 3 Shortage) (Three Tier).....	109
Figure 5-4: Proposed Residential Customer Impacts (Stage 4 Shortage) (Three Tier).....	110
Figure 5-5: Proposed Residential Customer Impacts (Stage 5 Shortage) (Three Tier).....	111
Figure 5-6: Proposed Residential Customer Impacts (Stage 6 Shortage) (Three Tier).....	112
Figure 5-7: Proposed Residential Customer Impacts (Stage 1 Shortage) (Uniform)	113
Figure 5-8: Proposed Residential Customer Impacts (Stage 2 Shortage) (Uniform)	114

**Purissima Hills Water District
2026 Water Rate Study**

Figure 5-9: Proposed Residential Customer Impacts (Stage 3 Shortage) (Uniform)115
Figure 5-10: Proposed Residential Customer Impacts (Stage 4 Shortage) (Uniform)116
Figure 5-11: Proposed Residential Customer Impacts (Stage 5 Shortage) (Uniform)117
Figure 5-12: Proposed Residential Customer Impacts (Stage 6 Shortage) (Uniform)118
Figure 6-1: Water Capacity Fee Survey.....121

1. EXECUTIVE SUMMARY

1.1 SYSTEM OVERVIEW

The Purissima Hills Water District (District or PHWD) provides potable water service to over 2,000 metered connections in Los Altos Hills, which includes Residential and Institutional customers. The water system, which is owned and operated by the District, consists of 11 storage tanks totaling almost 10 million gallons in storage capacity, as well as pumping equipment and miles of distribution pipelines to deliver water to customers. The District’s sole water supply includes wholesale treated water from the San Francisco Public Utilities Commission (SFPUC) via the Sierra Nevada Mountains.

1.2 RATE STUDY OVERVIEW

In 2022, the District completed a rate study to establish a five-year rate schedule from FY 2022 through FY 2026. The District began this rate-setting process by engaging Water Resources Economics, LLC (WRE) in 2025 to conduct a comprehensive water rate study, with the following objectives:

- Evaluate a six-year financial plan scenario to meet financial targets from Fiscal Year (FY) 2026¹ to FY 2031
- Conduct a cost-of-service analysis based on the most recent data and customer use characteristics
- Develop a five-year water rate schedule from FY 2027 through FY 2031
- Develop a five-year water shortage rate schedule from FY 2027 to 2031
- Calculate updated water capacity fees (previously known as facility charges) for FY 2027 to be adjusted by CPI (Consumer Price Index) for future years

1.3 LEGAL REQUIREMENTS²

Legal considerations relating to retail water rates in California focus heavily on Proposition 218, which was enacted in 1996 and is now reflected in Article XIII C and Article XIII D of the California Constitution. Proposition 218 states that “property related fees and charges” (which include retail water rates) may not exceed the proportional cost of providing the service to the customer and may not be used for any purpose other than providing said service. The practical implication is that public retail water agencies in California must demonstrate a sufficient nexus between the costs incurred by the agency to provide water service, and the rates charged to customers. The primary means by which retail water agencies address this requirement is by conducting a “cost-of-service analysis.”

Proposition 218 also affects the rate adoption process by requiring agencies to hold a public hearing to adopt rates. The agency must mail public hearing notices to all customers no fewer than 45 days prior to the public hearing. The public hearing notices must clearly show all proposed rate changes, provide information on the public hearing date/time/location, and provide instructions on how customers may

¹ FY 2026 is the year starting July 1, 2025 and ending June 30, 2026.

² Although this section is named “Legal Requirements” and discusses Proposition 218 and 26, WRE is not a law firm and does not provide legal advice.

Purissima Hills Water District 2026 Water Rate Study

protest the proposed rate changes. If a majority of customers submit a protest, the proposed rate changes cannot be adopted.

Water capacity fees are regulated under Proposition 26, which was approved by voters in 2010 and amended provisions of Article XIII A and Article XIII C of the California Constitution. Proposition 26 defines what types of charges are considered a “tax” (which is subject to a two-thirds voter approval) and are not considered as such. Based on the definitions provided by Proposition 26, “a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government conferring the benefit or granting the privilege” and “a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product” are not considered “taxes.” As such, water capacity fees are not taxes and do not require two-thirds voter approval. However, the calculation of capacity fees must follow cost-of-service principles to prove that the fees charged do not exceed the reasonable costs of connecting new customers to the District’s water system.

1.4 RATE-SETTING METHODOLOGY

This study was conducted using industry-standard methodology outlined by the American Water Works Association (AWWA) in its *Manual of Water Supply Practices M1: Principles of Water Rates, Fees and Charges, Eighth Edition* (M1 Manual). The rate study process includes the following steps:

1. **Financial Plan:** Annual revenues and expenses are projected over the rate-setting period to determine the magnitude of rate increases needed to maintain financial sufficiency. Financial policies, such as reserve targets, are also evaluated and updated if necessary.
2. **Cost-of-Service Analysis:** Costs are allocated to customers in proportion to use of and burden on the water system. The overall goal is to establish a robust nexus between the costs incurred by an agency and the rates charged to customers, as required by Proposition 218.
3. **Rate Design:** The existing rate structure is evaluated, and potential changes are identified. A multi-year proposed rate schedule is then calculated directly from the results of the financial plan and cost-of-service analysis.
4. **Rate Study Documentation:** A rate study report, or administrative record, is developed to document the proposed rate development process. This provides transparency and enhances legal defensibility in light of Proposition 218 requirements. This document serves as the rate study report and administrative record for this study.

1.5 PUBLIC MEETING SCHEDULE

WRE and District staff presented at the following Board of Directors public meetings over the course of the rate study, where the Board provided input and direction on the rate study topics:

- **October 8, 2025 Board Meeting:** Reviewed preliminary financial plan scenarios based on different capital funding scenarios. Board also provided direction on proposed reserve policies, SFPUC wholesale pass-through rate implementation, and rate adoption schedule.

Purissima Hills Water District 2026 Water Rate Study

- **November 12, 2025 Board Meeting:** Financial plan scenario updated and preliminary rate structure scenarios reviewed based on different rate structure and fixed revenue recovery options, incorporating results of the financial plan analysis.
- **February 11, 2026 Board Meeting:** Financial plan scenario updated, stress test completed on the impact of different water reductions on financial sufficiency, preliminary capacity fees reviewed, rate structure scenarios updated, and preliminary water shortage rates reviewed.
- **March 11, 2026 Board Meeting:** Financial plan scenario and rate structure scenarios updated including additional customer impact information.
- **March 25, 2026 Board Meeting:** Capacity fees, cross connection charges, and water shortage rates updated.
- **April 8, 2026 Board Meeting:** Final water rate, water shortage rate, and capacity fee schedule reviewed.

1.6 ADDITIONAL INFORMATION AND DISCLAIMERS

This report summarizes the data, analyses, processes, and results of the District’s water rate study. Some important information to keep in mind when reading the report includes the following:

- All study projections are based on the best available data as of March 2026.
- All table values are rounded to the nearest digit shown unless stated otherwise. However, all calculations are based on precise values. Attempting to manually recreate the calculations described in this report from the values displayed in tables may therefore produce slightly different results.
- All current and proposed rates and charges in this report are shown on a monthly basis.

1.7 CURRENT WATER RATES

The District’s current water rates include a monthly readiness-to-serve (RTS) charge based on meter size, a consumption charge based on units of water in hundred cubic feet (ccf), and a SFPUC wholesale pass-through rate based on units of water in ccf. Residential customers currently have a four-tiered consumption charge; Institutional customers have a uniform consumption charge.

Table 1-1, Table 1-2, and Table 1-3 show the current monthly RTS charges, consumption charges, and SFPUC wholesale pass-through rates, respectively. The current monthly RTS and consumption charges are based on the District’s most recent water rate study completed in January 2022, which created a five-year rate schedule from FY 2022 through FY 2026. Under the current methodology, SFPUC wholesale pass-through rates are adjusted annually based on the difference between the projected variable unit cost of SFPUC imported water purchases from the 2022 Water Rate Study and actual variable unit cost adopted by SFPUC.

Table 1-1: Current RTS Charges

Line	Monthly RTS Charges	As of 1/1/2025	As of 1/1/2026
1	3/4"	\$41.67	\$45.42
2	1"	\$54.37	\$59.26
3	1.5"	\$86.11	\$93.86
4	2"	\$124.20	\$135.38
5	3"	\$213.09	\$232.36
6	4"	\$340.06	\$370.66
7	6"	\$340.06	\$370.66
8	8"	\$340.06	\$370.66

Table 1-2: Current Consumption Charges

Line	Consumption Charges	As of 1/1/2025	As of 1/1/2026
1	Residential		
2	Tier 1 (1-10 ccf)	\$7.38	\$8.04
3	Tier 2 (11-29 ccf)	\$9.94	\$10.83
4	Tier 3 (30-58 ccf)	\$14.11	\$15.38
5	Tier 4 (59+ ccf)	\$18.32	\$19.97
6	Institutional	\$16.35	\$17.82

Table 1-3: Current SFPUC Wholesale Pass-Through Rates

Line	SFPUC Wholesale Pass-Through Rates	As of 7/1/2025
1	All Customers	\$0.43 ³

1.8 FINANCIAL PLAN

WRE worked closely with District staff and the Board of Directors to determine the financial plan scenario that best suits the District’s needs. The results and recommendations of the water rate study are driven by the District’s financial performance, input from District staff, and feedback and direction from the Board.

FACTORS AFFECTING FINANCIAL PERFORMANCE

To maintain financial sufficiency, water rates must fully fund operations and maintenance (O&M) costs and capital improvement plan (CIP) expenditures, while allowing the District to meet relevant financial policies, which for this study include target fund balances and debt coverage.

The key factors affecting financial performance include:

- **Substantial capital investment needs over the next five years:** The cost of planned capital projects over the next six years (FY 2026 through FY 2031) is approximately \$44.5 million (M),

³ Calculated based on the difference between the actual SFPUC variable unit cost of \$5.80 and the projected SFPUC variable unit cost of \$5.37 from the 2022 Water Rate Study effective on July 1, 2025.

**Purissima Hills Water District
2026 Water Rate Study**

accounting for inflation of project costs over time. Significant projects include the Operations Center (approximately \$21.0M in FY 2026 and FY 2027) which is anticipated to be fully debt financed. The remaining projects, including water main and tank improvements, are anticipated to be funded through rates and/or reserves totaling approximately \$23.6M.

- **Debt coverage targets for new debt:** The District is required to meet a minimum annual debt coverage requirement of 125% and has established a separate target coverage ratio of 150%. This means that the District’s net operating revenues (excluding debt proceeds, debt service, and CIP expenses) must be at least 125% of its annual debt service for all existing and proposed debt service. Without additional water rate revenues, the District is not projected to meet its target debt coverage ratio of 150% starting in FY 2030, including proposed debt to finance the Operations Center.
- **Proposed reserve policy targets:** The District’s current and proposed reserve policies, which are shown in **Table 1-4**, include the operating and capital reserve. The reserve policies in place allow the District to maintain cash on hand to meet short-term cash flow requirements and execute CIP projects. WRE worked closely with the Board to update the reserve policies, which involved adjusting the District’s current capital reserve target from \$1.5M annually to \$4.0M starting in FY 2026 with 4% annual adjustments for future years. The proposed capital reserve target more closely reflects annual proposed rate funded CIP costs which average \$3.9M from FY 2026 to FY 2031⁴. By better aligning reserves with the District’s capital investment needs, the District will be better able to respond to unexpected costs and minimize the need for sharp rate adjustments in the future to fund CIP projects.

Table 1-4: Current and Proposed Reserve Policies

Line	Reserve Policy	Policy Targets
1	Current	
2	Operating Reserve	The higher value of \$1.4M or 25% of annual O&M expenses
3	Capital Reserve	\$1.5M annually
5		
6	Proposed	
7	Operating Reserve	25% of annual O&M expenses
8	Capital Reserve	\$4.0M starting in FY 2026 with 4% adjustments for future years

- **Fund balance ability to meet reserve policy targets:** The financial planning period spans from FY 2026 to FY 2031; however, the proposed rate schedule starts in FY 2027 since the District already has adopted rates for FY 2026. **Table 1-5** shows the current and proposed reserve policy targets relative to projected fund balances for the first two years of the planning period. The projected fund balances for FY 2026 (the first year of the financial plan period) prior to any revenue adjustments or proposed debt issuances are negative (Line 11). If debt is issued to finance the full cost of the Operations Center project in FY 2026, the fund balance increases to include approximately \$21.0M in debt proceeds to fund the project (Line 12). However, after the Operations Center project is completed in FY 2027, projected fund balances (Line 12) are below both current and proposed reserve policy targets (Lines 4 and 9). Without additional water rate revenues, the District’s projected fund balances will be negative by FY 2029.

⁴ Excluding the Operations Center CIP project costs which are projected to be debt funded.

Table 1-5: Current and Proposed Reserve Policy Targets vs Projected Fund Balances

Line	Reserve Policy	FY 2026	FY 2027
1	Current		
2	Operating Reserve	\$2,226,075	\$2,372,464
3	Capital Reserve	\$1,500,000	\$1,500,000
4	Total	\$3,726,075	\$3,872,464
5			
6	Proposed		
7	Operating Reserve	\$2,226,075	\$2,372,464
8	Capital Reserve	\$4,000,000	\$4,160,000
9	Total	\$6,226,075	\$6,532,464
10			
11	Projected Fund Balances (no debt, no rate adjustments)	(\$16,959)	(\$16,793,226)
12	Projected Fund Balances (with debt, no rate adjustments)	\$20,957,821	\$3,086,108

STATUS QUO FINANCIAL PLAN

The first step in evaluating the District’s financial performance is to develop a “status quo financial plan,” which is the scenario in which the District does not increase its water rate revenues. Two status quo scenarios are shown: one in which the District does not issue new debt and one in which the District issues new debt in FY 2026 to fund the Operations Center project. This exercise is to determine whether the District’s current water rates are sufficient to meet key financial performance metrics. This section shows two important metrics: fund balance and debt coverage.

Figure 1-1 and **Figure 1-2** show the fund balance projections in the status quo financial plan based on no proposed debt and proposed debt assumptions, respectively. With no new debt, the District’s ending balance (green bars) will not meet its current reserve targets (dashed black line) nor proposed reserve targets (dashed red line) and will be negative starting in FY 2026. With new debt issuances, the District’s ending balance will not meet its current nor proposed reserve targets starting in FY 2027. Additionally, fund balances will be negative starting in FY 2029.

Figure 1-1: Projected Fund Balances (Status Quo Financial Plan – No Proposed Debt)

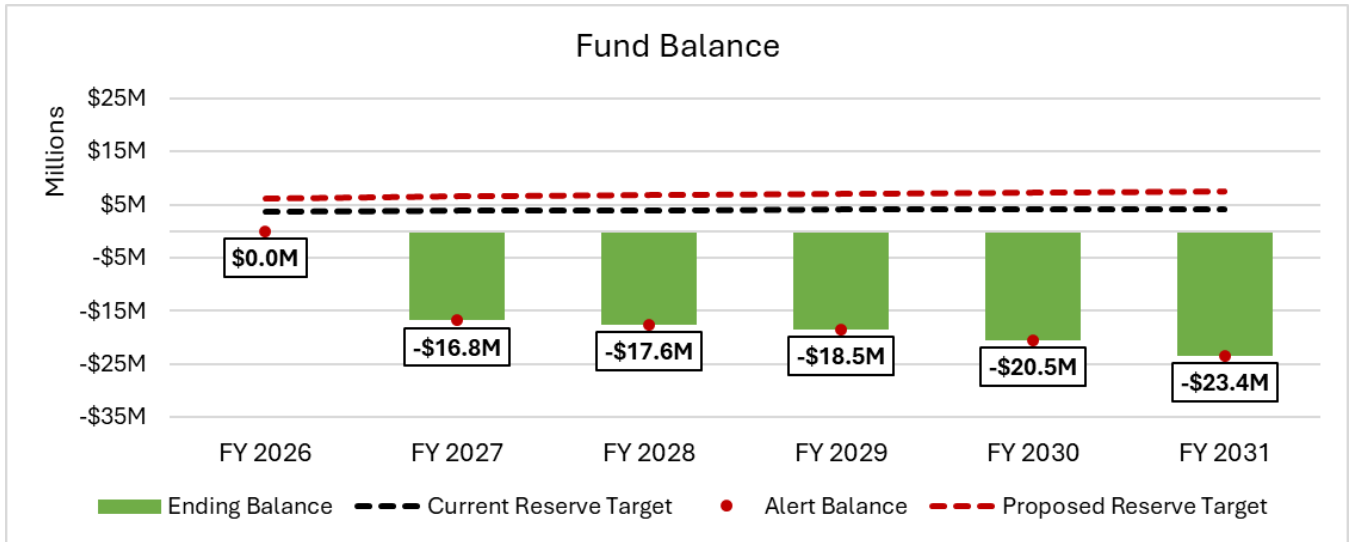


Figure 1-2: Projected Fund Balances (Status Quo Financial Plan – Proposed Debt)

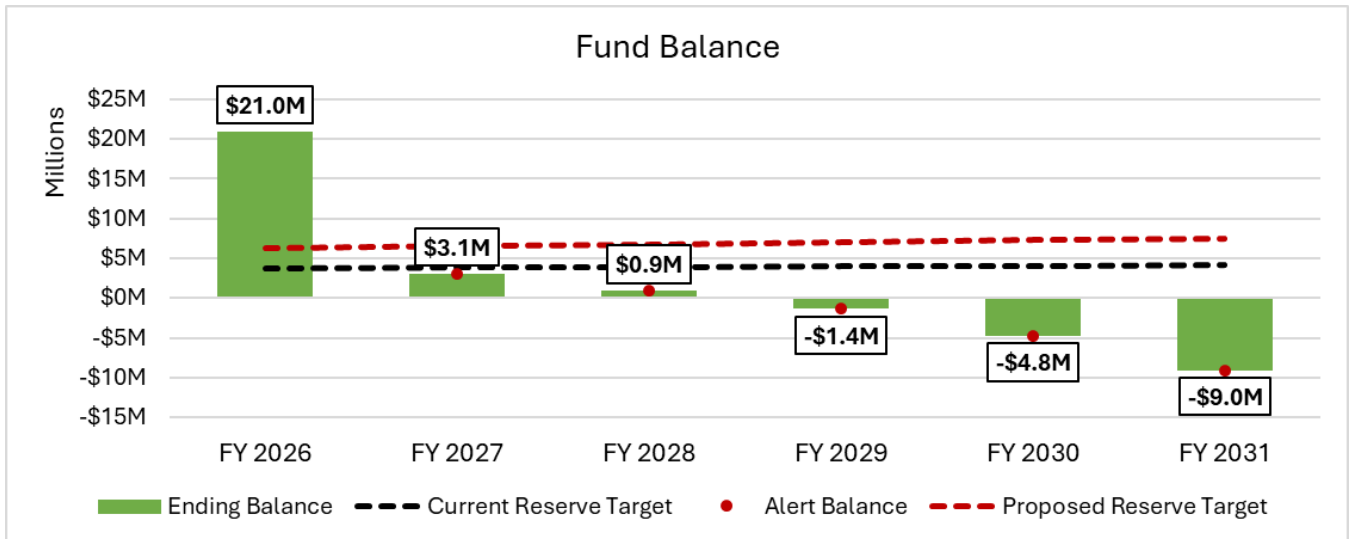


Figure 1-3 and Figure 1-4 show the debt coverage projections in the status quo financial plan based on no proposed debt and proposed debt assumptions, respectively. The required debt coverage (dotted black line) is equal to 125% and the target debt coverage (dashed black line) is equal to 150%. The District is expected to meet its required and target debt coverage for all years for existing debt. However, for proposed debt, the District is expected to fail to meet its target debt coverage starting in FY 2030. Although debt is expected to be issued at the end of FY 2026, based on direction from District staff, debt service payments will not commence until FY 2027.

Figure 1-3: Projected Debt Coverage (Status Quo Financial Plan – No Proposed Debt)

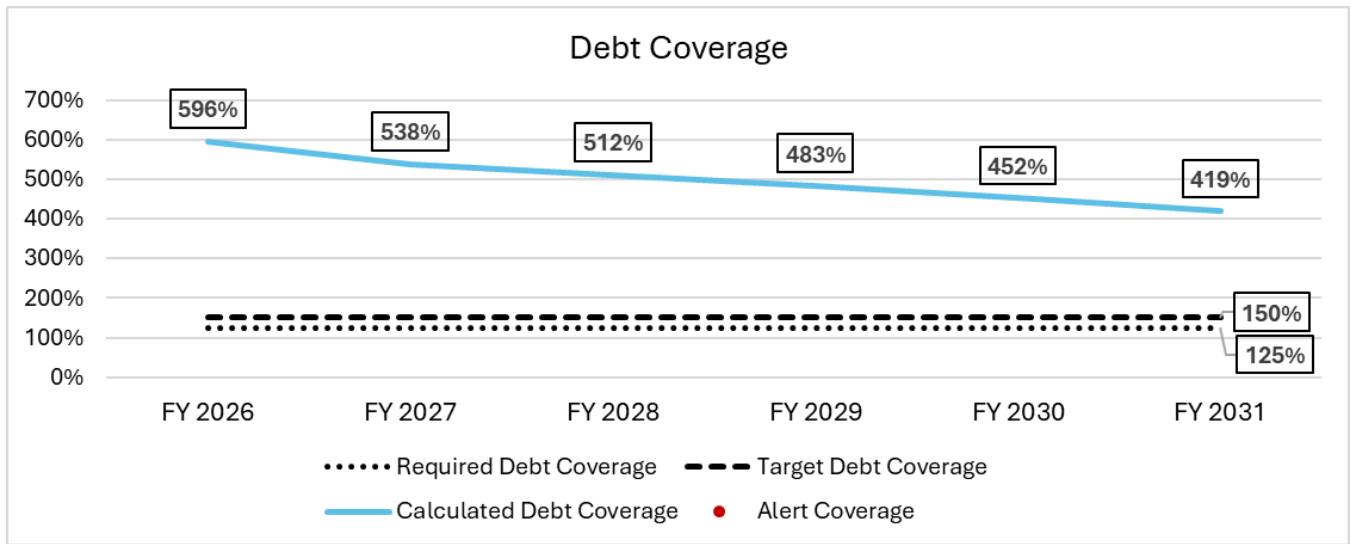
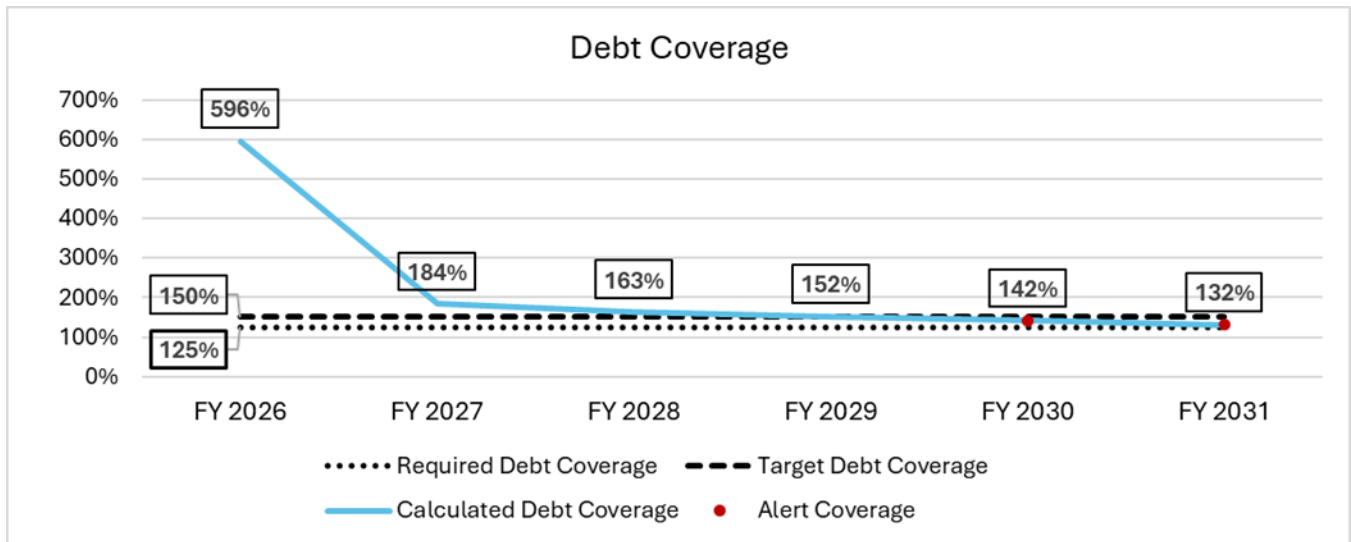


Figure 1-4: Projected Debt Coverage (Status Quo Financial Plan – Proposed Debt)



PROPOSED REVENUE ADJUSTMENTS AND DEBT ISSUANCES

Overall annual increases in water rate revenues resulting from rate increases are referred to as “revenue adjustments.” WRE worked with the Board and District staff to determine the most appropriate financial plan scenario, shown in **Table 1-6**, which includes proposed revenue adjustments and new debt to fund the Operations Center.

The proposed financial plan scenario includes five years of revenue adjustments (excluding FY 2026), which are required to maintain financial sufficiency and resiliency, and a proposed debt issuance in FY 2026. Significant projects include approximately \$21.0M for the Operations Center improvements and approximately \$23.6M for water main and tank improvements.

Table 1-6: Proposed Financial Plan Scenario

Line	Fiscal Year	Effective Date	Revenue Adjustments	Debt Issuance	Debt Proceeds for CIP
1	FY 2026	N/A	N/A	\$21,402,837	\$20,974,780
2	FY 2027	10/1/2026	10.5%	\$0	\$0
3	FY 2028	7/1/2027	10.5%	\$0	\$0
4	FY 2029	7/1/2028	10.5%	\$0	\$0
5	FY 2030	7/1/2029	10.5%	\$0	\$0
6	FY 2031	7/1/2030	10.5%	\$0	\$0

PROPOSED FINANCIAL PLAN

The proposed financial plan applies the revenue adjustments and debt issuance, shown in **Table 1-6**, to reevaluate financial performance based on the same two metrics: fund balances and debt coverage.

Figure 1-5 shows the projected fund balances under the proposed scenario. In this scenario, the District will meet its proposed reserve targets by the end of the planning period in FY 2031.

Figure 1-5: Projected Fund Balances (Proposed Financial Plan)

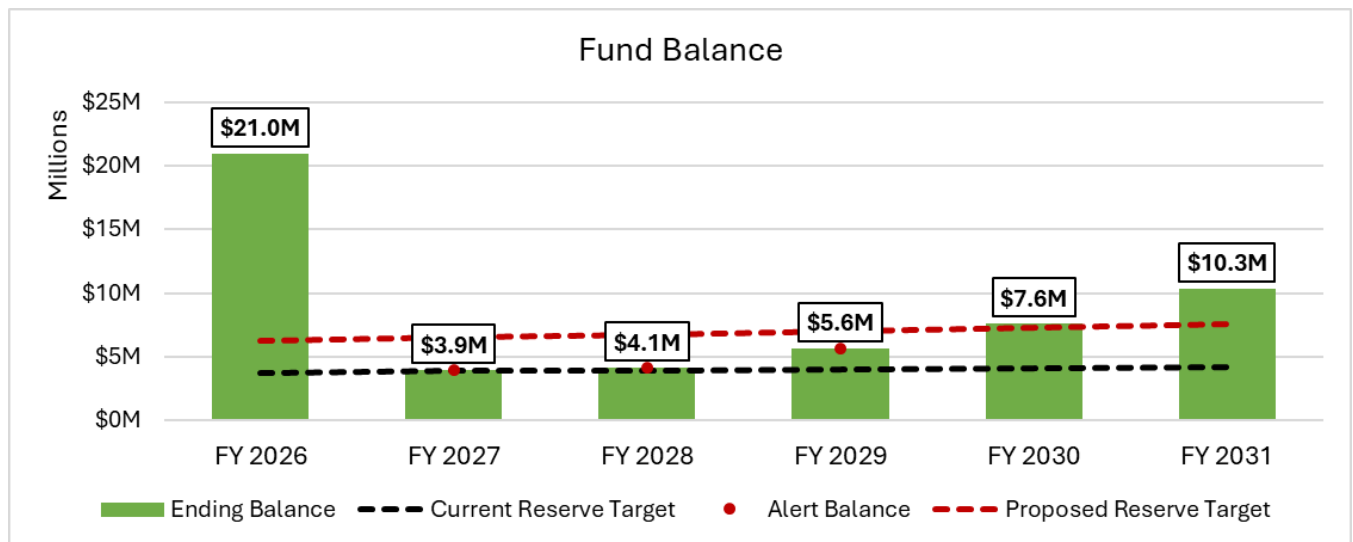
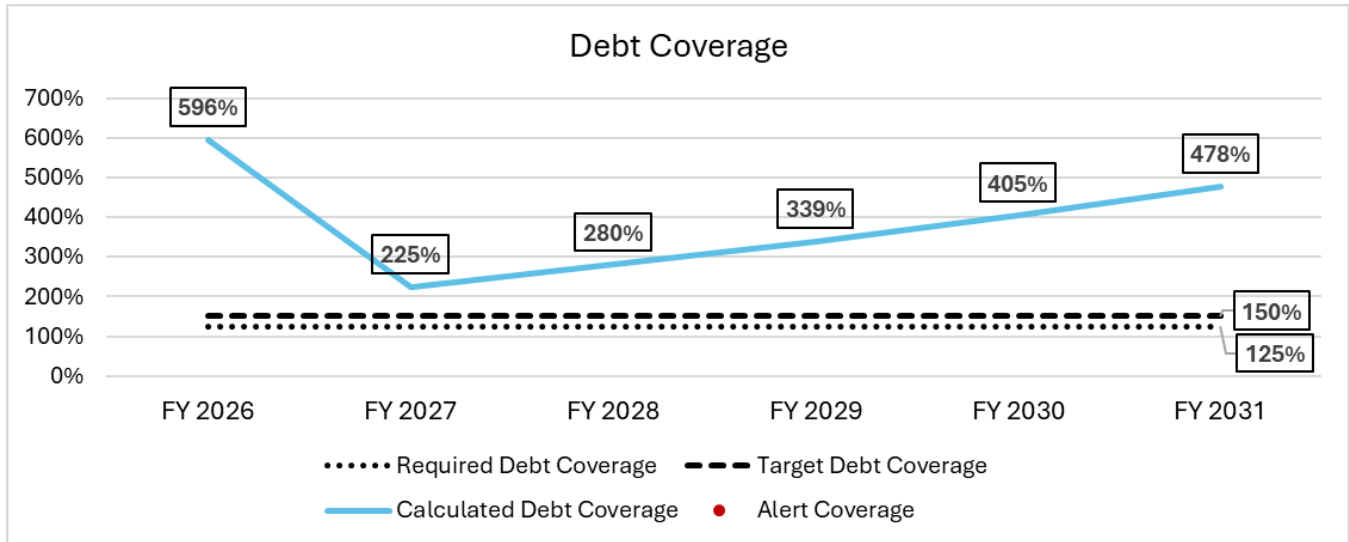


Figure 1-6 shows projected debt coverage under the proposed scenario. Although this scenario includes an additional \$21.4M in new debt, the District will meet required and target coverage for all years. Although debt is expected to be issued at the end of FY 2026, based on direction from District staff, debt service payments will not commence until FY 2027.

Figure 1-6: Projected Debt Coverage (Proposed Financial Plan)



1.9 COST-OF-SERVICE ANALYSIS

A cost-of-service analysis is a technical process used to determine the cost of providing water service to the District’s customers based on each customer’s use of and burden on the water system. The cost-of-service analysis is the basis of the nexus between the costs incurred by the utility to provide water service, and the water rates charged to customers, which is a requirement of Proposition 218.

COST-OF-SERVICE METHODOLOGY

The cost-of-service methodology is based on District-specific customer usage and financial data and informed by industry standards set forth by AWWA in its *M1 Manual*; this rate study utilizes the base-extra capacity method. The overall goal of the cost-of-service analysis is to develop “unit costs,” which form the basis for calculating rates. Note that although the study period spans six years, the cost-of-service analysis is limited to a single representative year referred to as the “test year.” The test year in this study is FY 2026. The key steps in conducting a water cost-of-service analysis are outlined below:

- **Revenue requirement determination:** The total rate revenue requirement for the test year is determined based on the results of the proposed financial plan and divided into primary sub-components (operating, capital, etc.).
- **Cost functionalization:** Operating and capital costs are evaluated and assigned to “functional categories” in the water system (e.g., customer service, water supply, distribution, etc.). This provides a proportional breakdown of system costs by functional category.
- **Revenue requirement allocation to cost causation components:** Functionalized costs are allocated to “cost causation components” (e.g., water supply, delivery, conservation, etc.), which is used to attribute customers’ use of the system to the District’s incurrence of costs.
- **Unit cost development:** The rate revenue requirement allocation for each individual cost causation component is divided by the appropriate units of service to establish unit costs for the test year. Unit costs provide the basis from which proposed rates are calculated.

1.10 PROPOSED WATER RATES

WRE worked closely with the Board and District staff to determine the most appropriate water rate structure that meets the District's needs.

PROPOSED RATE STRUCTURE CHANGES

Currently, the District's water rate structure includes fixed monthly RTS charges by meter size to collect for meter maintenance and customer service costs. However, the District has additional maintenance and replacement costs for some Residential meters with backflow devices not accounted for in current monthly fixed charges. To account for these additional costs, WRE worked with District staff to develop a monthly cross connection charge for meters with backflow devices to collect costs for installation, inspection, repair, replacement, etc.

Additionally, the District's current consumption charge consists of a four-tiered consumption charge for Residential customers and a uniform consumption charge for Institutional customers based on usage. Recent court cases have highlighted potential legal risks associated with tiered rate structures for different customer classes, particularly when tier definitions are not clearly cost-justified or specific to agency customer use characteristics. As part of this rate study process, WRE worked with the Board and District staff to evaluate alternative rate structures. These alternatives include reducing the number of tiers for the Residential consumption charge from four to three tiers, or alternatively, implementing a uniform rate for all Residential customers. Both alternatives simplify the rate structure and can strengthen the defensibility of the District's rate structure; however, each option presents different considerations related to administrative implementation, legal complexity, and customer bill impacts. This report presents both alternatives: 1) a three tier Residential consumption charge with a uniform Institutional consumption charge and 2) uniform consumption charges for both Residential and Institutional.

The current and proposed rate schedules assume a full pass-through of SFPUC variable costs on the District's SFPUC wholesale pass-through rates. Based on discussions with District staff and Board, WRE recommends updating the pass-through implementation methodology. Currently the District projects SFPUC variable costs from year to year and implements a pass-through based on the difference between projected SFPUC variable unit costs and actual unit costs. For example, the current SFPUC wholesale pass-through rate of \$0.43 effective on July 1, 2025 represents the difference between the projected SFPUC variable unit cost of \$5.37 from the 2022 Water Rate Study and the actual SFPUC variable unit cost of \$5.80. This methodology has resulted in variability in pass-through rates from year to year due to differences between projected and actual SFPUC variable costs.

To limit variability from year to year, better align rates with actual costs, and improve customer understanding and transparency, WRE recommends aligning the SFPUC wholesale pass-through rate with the actual SFPUC variable unit cost. Under this methodology, the financial plan, cost-of-service analysis, and rate design were developed using the best available information at the time of the study, including the then-current SFPUC variable unit cost of \$5.80 per ccf effective July 1, 2025. No changes to the SFPUC variable unit cost were projected in the financial plan scenarios, and future pass-through charges are subject to change based on the actual rate adopted by SFPUC.

Subsequent to completion of the rate study analysis, SFPUC adopted an updated variable wholesale water rate of \$6.23 per ccf, effective July 1, 2026. Consistent with the recommended pass-through methodology, the proposed rate schedules, customer bill impacts, and revenue projections reflect the actual SFPUC

**Purissima Hills Water District
2026 Water Rate Study**

adopted variable unit cost of \$6.23 per ccf beginning October 1, 2026. Future SFPUC wholesale pass-through rates will continue to be based on the actual variable wholesale water rate adopted by SFPUC and may differ from the charges shown in this study. Adjustments to the SFPUC wholesale pass-through rate will not require an additional Proposition 218 noticing process.

PROPOSED FIVE-YEAR WATER RATE SCHEDULE

The proposed five-year water rate schedules in this section are based on the proposed rate structure and methodology changes, the updated cost-of-service analysis, and the proposed revenue adjustments in the five-year period. The first year of water rates will be effective in October 2026, with the following years effective in July 2027 through July 2030. The District is transitioning from a January implementation schedule to a July implementation schedule to ease administration of the District’s rate structure. The July implementation schedule aligns the rate schedule with the District’s current FY-based budget cycle and SFPUC’s rate implementation schedule. Note that all rates are effective in October 2026 except for proposed monthly cross connection charges which are effective in January 2027 based on District staff’s current implementation plan for Board consideration.

Table 1-7 and **Table 1-8** show the proposed monthly minimum (RTS) charges, monthly cross connection charges, respectively. Note that monthly cross connection charges only apply to Residential meters with backflow devices.

Table 1-7: Proposed Monthly Minimum (RTS) Charges

Line	Meter Size	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	3/4"	\$49.32	\$54.50	\$60.23	\$66.56	\$73.55
2	1"	\$63.29	\$69.94	\$77.29	\$85.41	\$94.38
3	1.5"	\$98.22	\$108.54	\$119.94	\$132.54	\$146.46
4	2"	\$140.12	\$154.84	\$171.10	\$189.07	\$208.93
5	3"	\$272.83	\$301.48	\$333.14	\$368.12	\$406.78
6	4"	\$468.40	\$517.59	\$571.94	\$632.00	\$698.36
7	6"	\$936.37	\$1,034.69	\$1,143.34	\$1,263.40	\$1,396.06
8	8"	\$1,984.08	\$2,192.41	\$2,422.62	\$2,677.00	\$2,958.09

Table 1-8: Proposed Monthly Cross Connection Charges

Line	Connection Size	Effective 1/1/2027	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	3/4"	\$25.74	\$28.45	\$31.44	\$34.75	\$38.40
2	1"	\$26.03	\$28.77	\$31.80	\$35.14	\$38.83
3	1.5"	\$26.95	\$29.78	\$32.91	\$36.37	\$40.19
4	2"	\$27.54	\$30.44	\$33.64	\$37.18	\$41.09
5	3"	\$53.05	\$58.63	\$64.79	\$71.60	\$79.12
6	4"	\$54.89	\$60.66	\$67.03	\$74.07	\$81.85
7	6"	\$82.02	\$90.64	\$100.16	\$110.68	\$122.31
8	8"	\$87.66	\$96.87	\$107.05	\$118.30	\$130.73
9	10"	\$90.54	\$100.05	\$110.56	\$122.17	\$135.00

**Purissima Hills Water District
2026 Water Rate Study**

Table 1-9 and **Table 1-10** show the proposed consumption charges, including alternatives for the two Residential rate structure options (three-tier and uniform). Proposed consumption charges include the SFPUC wholesale pass-through rate.

As discussed in the Proposed Rate Structure Changes section, the District's proposed SFPUC wholesale pass-through rate methodology recovers actual SFPUC variable wholesale water costs through a direct pass-through. While the financial plan, cost-of-service analysis, and rate design were developed using the best available information at the time of the study, including the then-current SFPUC variable wholesale water rate of \$5.80 per ccf effective July 1, 2025, SFPUC subsequently adopted an updated variable wholesale water rate of \$6.23 per ccf effective July 1, 2026. Consistent with the proposed pass-through methodology, the rate schedules, customer bill impacts, and revenue projections presented in this report reflect the actual adopted SFPUC variable wholesale water rate of \$6.23 per ccf beginning October 1, 2026. Future SFPUC wholesale pass-through rates effective July 1, 2027 and beyond will be based on actual SFPUC variable unit costs and may differ from the amounts shown in the tables below.

Table 1-9: Proposed Combined Consumption Charges (Three Tier)

Line	Combined Consumption Charges (\$/ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential					
2	Tier 1 (0-11 ccf)	\$7.40	\$8.14	\$8.95	\$9.85	\$10.84
3	Tier 2 (12-40 ccf)	\$15.29	\$16.86	\$18.59	\$20.50	\$22.61
4	Tier 3 (41+ ccf)	\$22.17	\$24.46	\$26.99	\$29.78	\$32.87
5	Institutional	\$16.23	\$17.89	\$19.73	\$21.76	\$24.00

Table 1-10: Proposed Combined Consumption Charges (Uniform)

Line	Combined Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential	\$14.71	\$16.21	\$17.87	\$19.71	\$21.74
2	Institutional	\$16.23	\$17.89	\$19.73	\$21.76	\$24.00

Table 1-11 and **Table 1-12** show the proposed combined consumption charges (**Table 1-9** and **Table 1-10**) broken out by their District and SFPUC components for the three tier and uniform alternatives, respectively. The total consumption charge for each customer class and tier is equal to the sum of PHWD charges and SFPUC wholesale pass-through rates. After rates are adopted, SFPUC wholesale pass-through rates will be broken down on PHWD customer bills. Note that proposed SFPUC wholesale pass-through rates are based on current SFPUC variable costs. Future pass-through rates will be based on actual SFPUC variable costs and may vary from the charges shown in the tables below.

Table 1-11: Proposed PHWD and SFPUC Consumption Charges (Three Tier)

Line	PHWD and SFPUC Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential					
2	Tier 1 (0-11 ccf)	\$1.17	\$1.91	\$2.72	\$3.62	\$4.61
3	Tier 2 (12-40 ccf)	\$9.06	\$10.63	\$12.36	\$14.27	\$16.38
4	Tier 3 (41+ ccf)	\$15.94	\$18.23	\$20.76	\$23.55	\$26.64
5	Institutional	\$10.00	\$11.66	\$13.50	\$15.53	\$17.77
6	SFPUC Wholesale Pass-Through Rate	\$6.23	\$6.23	\$6.23	\$6.23	\$6.23

Table 1-12: Proposed PHWD and SFPUC Consumption Charges (Uniform)

Line	PHWD + SFPUC Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential	\$8.48	\$9.98	\$11.64	\$13.48	\$15.51
2	Institutional	\$10.00	\$11.66	\$13.50	\$15.53	\$17.77
3	SFPUC Wholesale Pass-Through Rate	\$6.23	\$6.23	\$6.23	\$6.23	\$6.23

MONTHLY RESIDENTIAL CUSTOMER IMPACTS (THREE TIER)

The Residential monthly customer impacts below are based on the three tier rate structure alternative (Table 1-9).

Table 1-13 shows the proposed impacts for a Residential customer with a 3/4” meter (the most common meter size within this class) at various levels of monthly consumption. For the average Residential customer in winter (defined as January through March) that consumes 11 ccf of water monthly, the monthly impact will be a reduction of \$10.66 or 7.5%.

Table 1-13: Proposed Winter Monthly Residential Customer Impacts (Three Tier)

Line	Winter Usage Level	Consumption (ccf)	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
1	Very Low Usage (10th percentile)	2	\$62.36	\$64.12	\$1.76	2.8%
2	Low Usage (30th percentile)	4	\$79.30	\$78.92	(\$0.38)	-0.5%
3	Median Usage (50th percentile)	7	\$104.71	\$101.12	(\$3.59)	-3.4%
4	Average Usage	11	\$141.38	\$130.72	(\$10.66)	-7.5%
5	High Usage (75th percentile)	13	\$163.90	\$161.30	(\$2.60)	-1.6%
6	Very High Usage (95th percentile)	33	\$407.30	\$467.10	\$59.80	14.7%

Table 1-14 shows the proposed impacts for a Residential customer with a 3/4” meter (the most common meter size within this class) at various levels of monthly consumption. For the average Residential customer in summer (defined as August through October) that consumes 40 ccf of water monthly, the monthly impact will be an increase of \$56.16 or 10.8%.

Table 1-14: Proposed Summer Monthly Residential Customer Impacts (Three Tier)

Line	Summer Usage Level	Consumption (ccf)	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
1	Very Low Usage (10th percentile)	4	\$79.30	\$78.92	(\$0.38)	-0.5%
2	Low Usage (30th percentile)	13	\$163.90	\$161.30	(\$2.60)	-1.6%
3	Median Usage (50th percentile)	27	\$321.54	\$375.36	\$53.82	16.7%
4	Average Usage	40	\$517.97	\$574.13	\$56.16	10.8%
5	High Usage (75th percentile)	54	\$739.31	\$884.51	\$145.20	19.6%
6	Very High Usage (95th percentile)	118	\$2,026.55	\$2,303.39	\$276.84	13.7%

ANNUAL CUSTOMER IMPACTS (THREE TIER)

The annual customer impacts below are based on the three tier rate structure alternative for Residential customers (Table 1-9).

Figure 1-7 shows the proposed annual dollar impacts for Residential and Institutional customers based on current account level meter size and consumption data provided by staff relative to estimated current bills. For most Institutional customers (63%) the annual impact will be \$0 or lower. For Residential customers the annual impact is more varied due to the new tier structure, with 19% experiencing an impact equal to \$0 or lower, reflecting indoor essential water usage in Tier 1. Additionally, 19% will experience an impact between \$200 and \$500 and 21% will experience an impact over \$1,000, reflecting water usage in higher tiers.

Figure 1-7: Proposed Annual Customer Impacts (\$) (Three Tier)

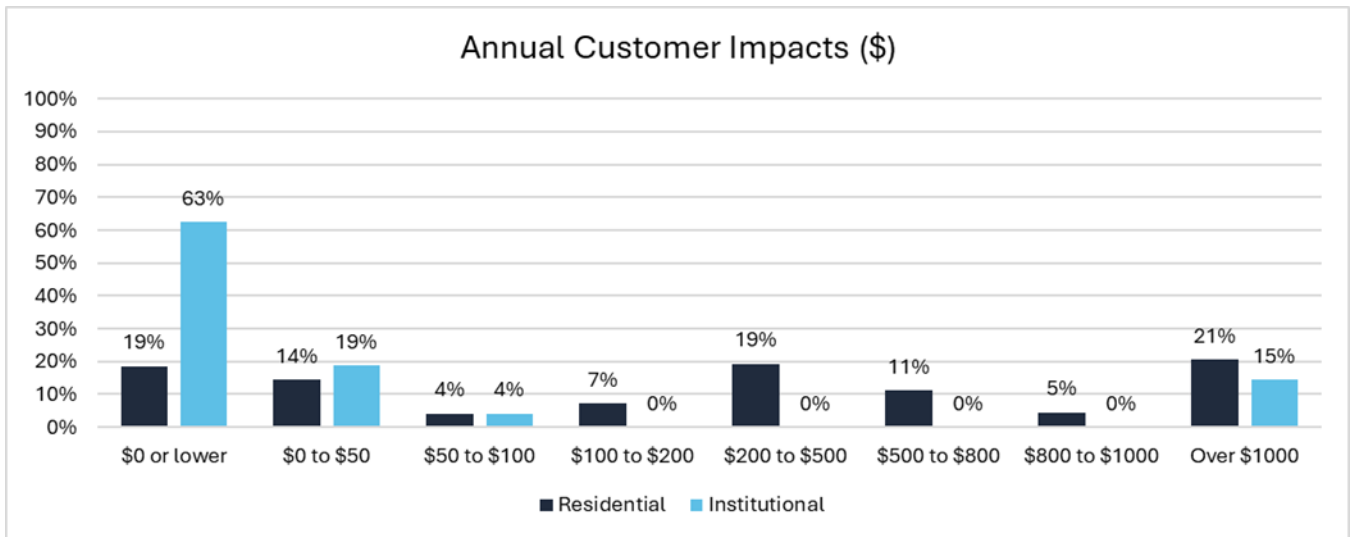
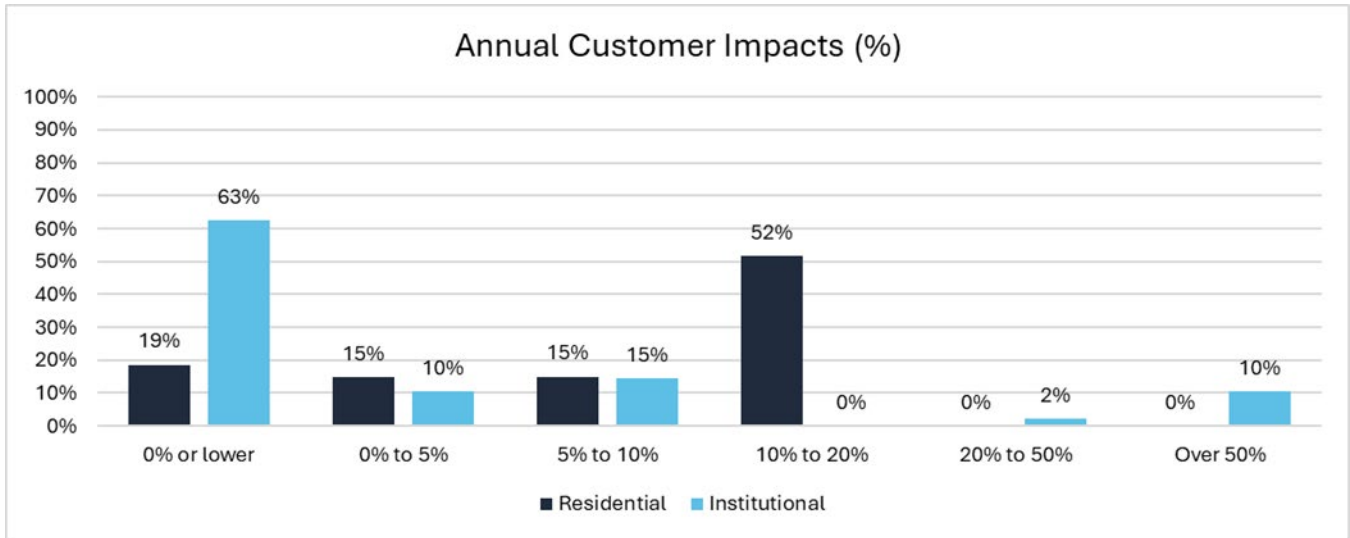


Figure 1-8 shows the proposed annual percentage impacts for Residential and Institutional customers based on the same information used in Figure 1-7. For most Institutional customers (63%) the annual impact will be 0% or less. For approximately half Residential customers (48%) the annual impact will be 10% or lower, with the remaining customers (52%) annual impact falling between 10% to 20%.

Figure 1-8: Proposed Annual Customer Impacts (%) (Three Tier)

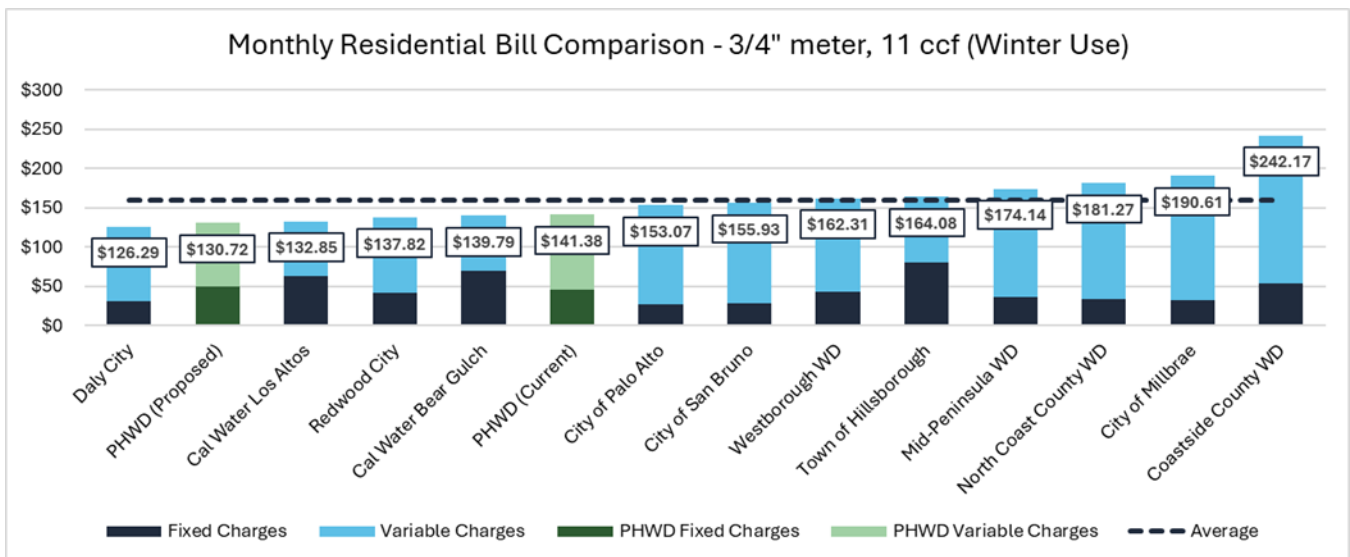


RATE SURVEY (THREE TIER)

WRE compared the current and proposed water bills for Residential customers at average winter and summer usage relative to the current bills of nearby agencies for the for the three tier alternative (Table 1-9).

Figure 1-9 shows the current and proposed monthly bills for a Residential customer with a 3/4” meter at average winter usage (11 ccf) by their fixed and variable components relative to the bills of other nearby agencies. Currently PHWD bills at average winter usage are below the average and, with the proposed changes, PHWD bills at average winter usage remain below the average amongst all agencies surveyed.

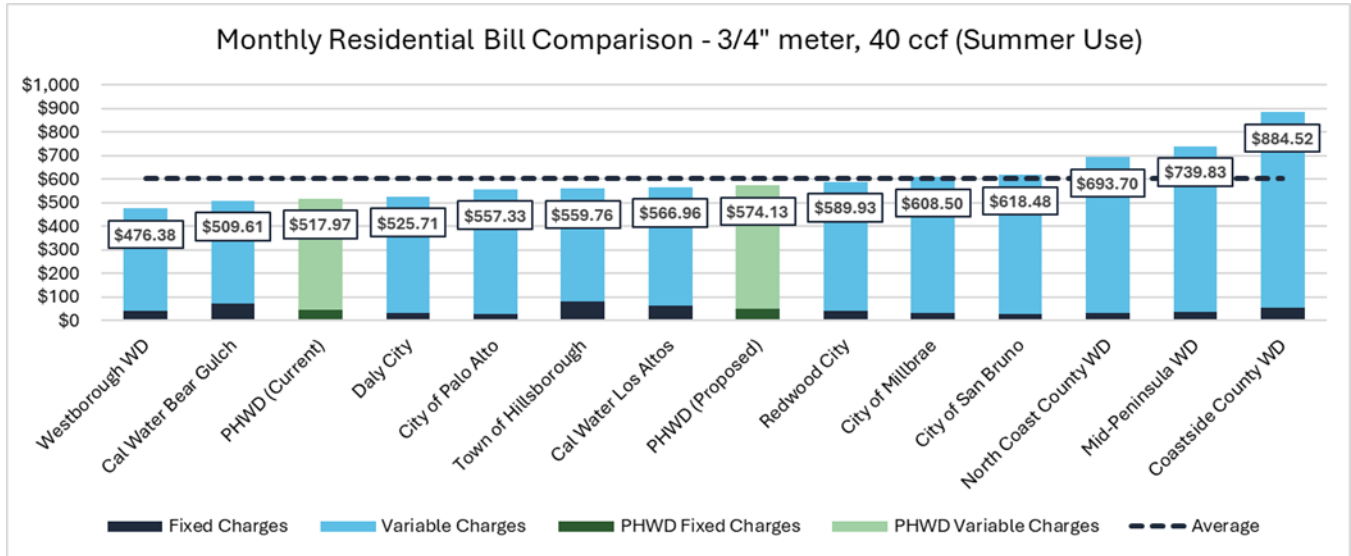
Figure 1-9: Monthly Residential Water Bill at Average Winter Usage Comparison (Three Tier)



**Purissima Hills Water District
2026 Water Rate Study**

Figure 1-10 shows the current and proposed monthly bills for a Residential customer with a 3/4” meter at average summer usage (40 ccf) by their fixed and variable components relative to the bills of other nearby agencies. Currently PHWD bills at average summer usage are below the average and, with the proposed changes, PHWD bills at average summer usage remain below the average.

Figure 1-10: Monthly Residential Water Bill At Average Summer Usage Comparison (Three Tier)



MONTHLY CUSTOMER IMPACTS (UNIFORM)

The Residential monthly customer impacts below are based on the uniform rate structure alternative (Table 1-10).

Table 1-15 shows the proposed impacts for a Residential customer with a 3/4” meter (the most common meter size within this class) at various levels of monthly consumption. For the average Residential customer in winter (defined as January through March) that consumes 11 ccf of water monthly, the monthly impact will be an increase of \$69.75 or 49.3%.

Table 1-15: Proposed Winter Monthly Residential Customer Impacts (Uniform)

Line	Winter Usage Level	Consumption (ccf)	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
1	Very Low Usage (10th percentile)	2	\$62.36	\$78.74	\$16.38	26.3%
2	Low Usage (30th percentile)	4	\$79.30	\$108.16	\$28.86	36.4%
3	Median Usage (50th percentile)	7	\$104.71	\$152.29	\$47.58	45.4%
4	Average Usage	11	\$141.38	\$211.13	\$69.75	49.3%
5	High Usage (75th percentile)	13	\$163.90	\$240.55	\$76.65	46.8%
6	Very High Usage (95th percentile)	33	\$407.30	\$534.75	\$127.45	31.3%

Table 1-16 shows the proposed impacts for a Residential customer with a 3/4” meter (the most common meter size within this class) at various levels of monthly consumption. For the average Residential customer in summer (defined as August through October) that consumes 40 ccf of water monthly, the monthly impact will be an increase of \$119.75 or 23.1%.

Table 1-16: Proposed Summer Monthly Residential Customer Impacts (Uniform)

Line	Summer Usage Level	Consumption (ccf)	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
1	Very Low Usage (10th percentile)	4	\$79.30	\$108.16	\$28.86	36.4%
2	Low Usage (30th percentile)	13	\$163.90	\$240.55	\$76.65	46.8%
3	Median Usage (50th percentile)	27	\$321.54	\$446.49	\$124.95	38.9%
4	Average Usage	40	\$517.97	\$637.72	\$119.75	23.1%
5	High Usage (75th percentile)	54	\$739.31	\$843.66	\$104.35	14.1%
6	Very High Usage (95th percentile)	118	\$2,026.55	\$1,785.10	(\$241.45)	-11.9%

ANNUAL CUSTOMER IMPACTS (UNIFORM)

The annual customer impacts below are based on the uniform rate structure alternative for Residential customers (**Table 1-10**).

Figure 1-11 shows the proposed annual dollar impacts for Residential and Institutional customers based on current account level meter size and consumption data provided by staff relative to estimated current bills. For Institutional customers the annual impacts are the same as in the three tier alternative. For Residential customers the annual impact is between \$200 and \$1,000 for most customers (57%), with the remainder experiencing more minimal impacts under \$200 (17%) and more substantial impacts above \$1,000 (26%).

Figure 1-11: Proposed Annual Customer Impacts (\$) (Uniform)

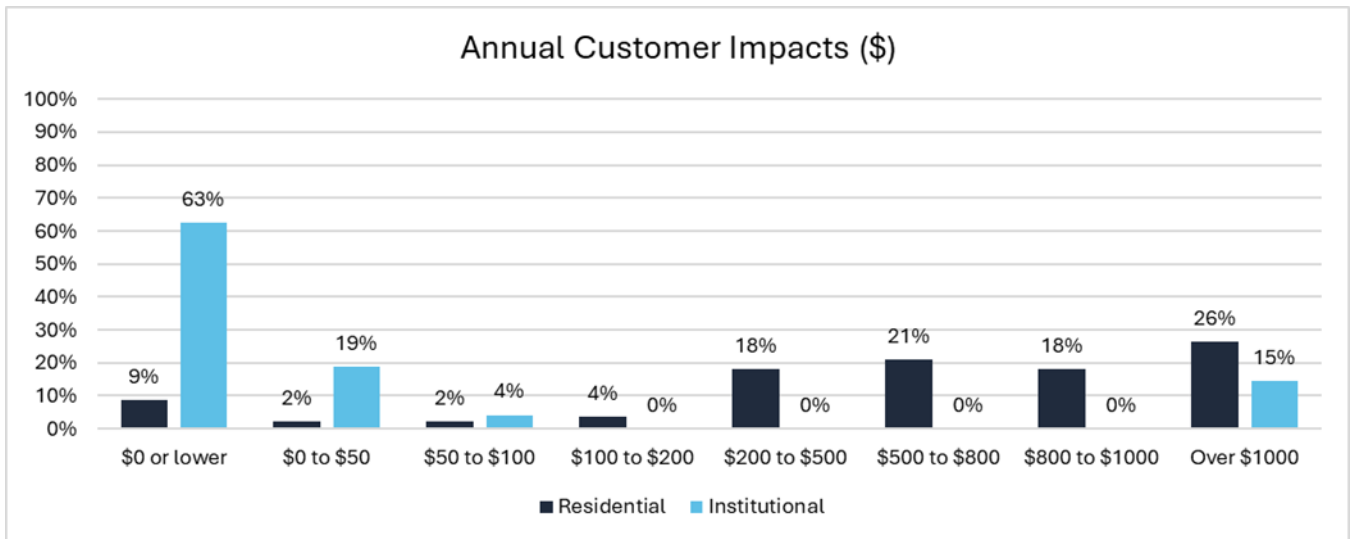
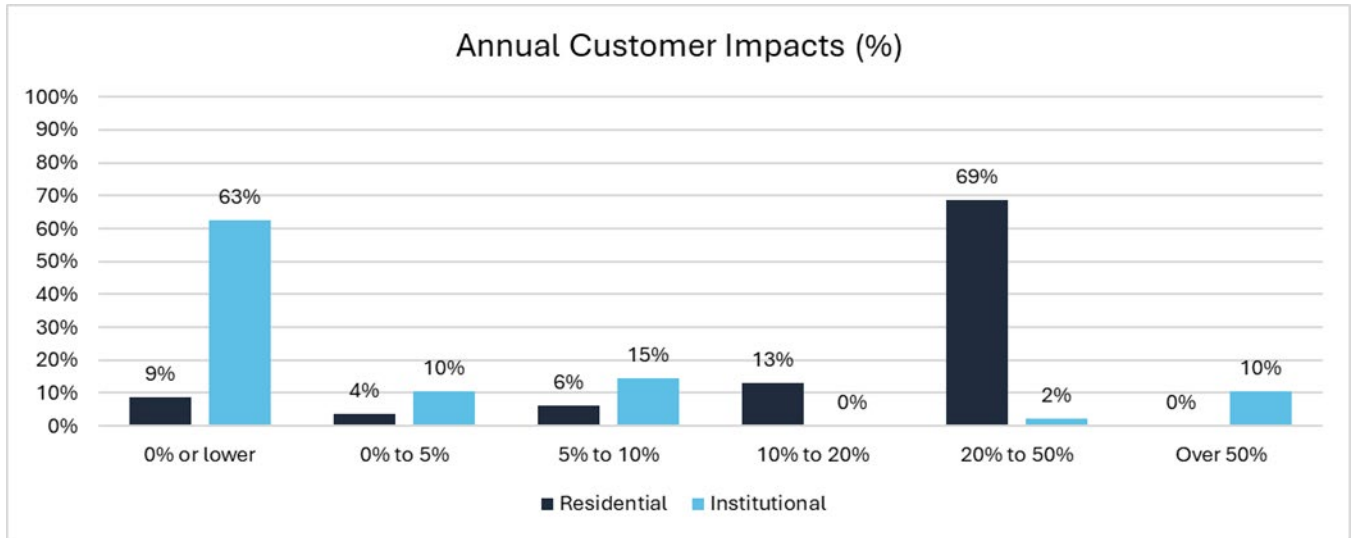


Figure 1-12 shows the proposed annual percentage impacts for Residential and Institutional customers based on the same information used in **Figure 1-11**. For Institutional customers the annual impacts are the same as in the three tier alternative. For most Residential customers (69%) the annual impact is between 20% and 50%, with the remainder (32%) experiencing more minimal impacts under 20%.

Figure 1-12: Proposed Annual Customer Impacts (%) (Uniform)



RATE SURVEY (UNIFORM)

WRE compared the current and proposed water bills for Residential customers at average winter and summer usage relative to the current bills of nearby agencies for the uniform alternative (Table 1-10). Figure 1-13 shows the current and proposed monthly bills for a Residential customer with a 3/4” meter at average winter usage (11 ccf) by their fixed and variable components relative to the bills of other nearby agencies. Currently PHWD bills at average winter usage are below the average and, with the proposed changes, PHWD bills at average winter usage are above the average.

Figure 1-13: Monthly Residential Water Bill at Average Winter Usage Comparison (Uniform)

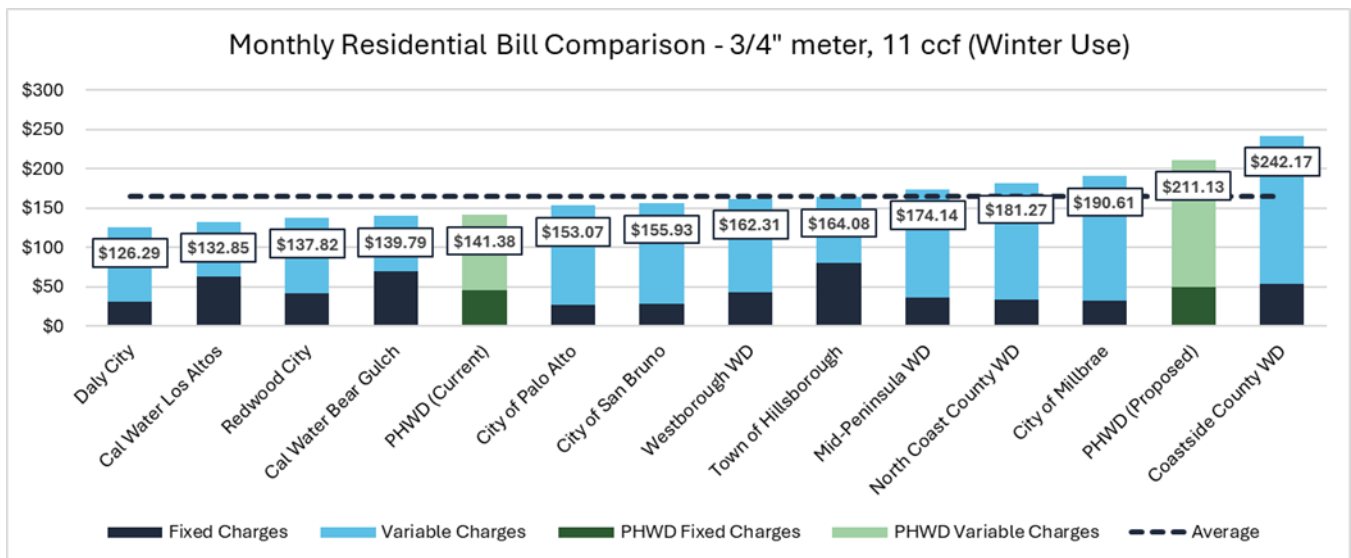
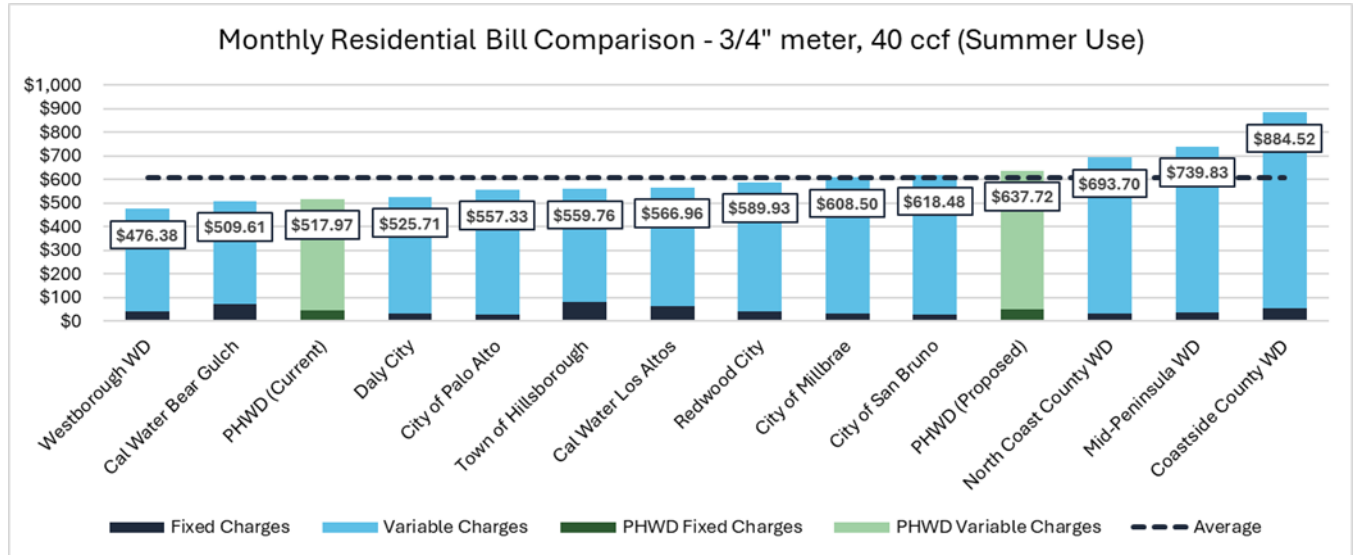


Figure 1-14 shows the current and proposed monthly bills for a Residential customer with a 3/4” meter at average summer usage (40 ccf) by their fixed and variable components relative to the bills of other nearby

agencies. Currently PHWD bills at average summer usage are below the average and, with the proposed changes, PHWD bills at average summer usage are slightly above the average.

Figure 1-14: Monthly Residential Water Bill At Average Summer Usage Comparison (Uniform)



1.11 PROPOSED WATER SHORTAGE RATES

The District’s Water Shortage Contingency Plan⁵ includes six stages of drought or water shortage emergencies, which all require different levels of usage reduction by the District’s customers. When customers reduce their usage at each stage, the District’s rate revenues from consumption charges are directly impacted. Water shortage rates are a tool for the District to effectively respond to water shortage emergencies while maintaining financial sufficiency and operational reliability. Water shortage rates are designed to recover the costs of water shortage emergencies or droughts, which include the loss of consumption revenues and any differences (savings) in water supply costs.

Table 1-17 and **Table 1-18** show the proposed water shortage rates in each stage for the five-year period, which are incremental charges in addition to the consumption charges shown in **Table 1-9** and **Table 1-10** for the three tier and uniform alternatives, respectively. Consistent with the proposed SFPUC wholesale pass-through methodology, the water shortage rates shown below reflect the updated SFPUC variable wholesale water rate of \$6.23 per ccf. Future water shortage rates may be adjusted to reflect changes in actual SFPUC variable wholesale water costs.

Table 1-17: Proposed Water Shortage Rates (Three Tier)

⁵ Draft Water Shortage Contingency Plan, prepared by Woodard & Curran (January 2024).

Purissima Hills Water District
2026 Water Rate Study

Line	Water Shortage Rates (\$/ ccf)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026						
2	Residential						
3	Tier 1 (0-11 ccf)	\$0.92	\$2.23	\$4.12	\$6.05	\$9.12	\$14.72
4	Tier 2 (12-40 ccf)	\$1.90	\$4.60	\$8.51	\$12.50	\$18.83	\$30.40
5	Tier 3 (41+ ccf)	\$2.76	\$6.67	\$12.34	\$18.13	\$27.30	\$44.08
6	Institutional	\$2.02	\$4.88	\$9.04	\$13.27	\$19.99	\$32.27
7							
8	Effective 7/1/2027						
9	Residential						
10	Tier 1 (0-11 ccf)	\$1.02	\$2.47	\$4.56	\$6.69	\$10.08	\$16.27
11	Tier 2 (12-40 ccf)	\$2.10	\$5.09	\$9.41	\$13.82	\$20.81	\$33.60
12	Tier 3 (41+ ccf)	\$3.05	\$7.38	\$13.64	\$20.04	\$30.17	\$48.71
13	Institutional	\$2.24	\$5.40	\$9.99	\$14.67	\$22.09	\$35.66
14							
15	Effective 7/1/2028						
16	Residential						
17	Tier 1 (0-11 ccf)	\$1.13	\$2.73	\$5.04	\$7.40	\$11.14	\$17.98
18	Tier 2 (12-40 ccf)	\$2.33	\$5.63	\$10.40	\$15.28	\$23.00	\$37.13
19	Tier 3 (41+ ccf)	\$3.38	\$8.16	\$15.08	\$22.15	\$33.34	\$53.83
20	Institutional	\$2.48	\$5.97	\$11.04	\$16.22	\$24.41	\$39.41
21							
22	Effective 7/1/2029						
23	Residential						
24	Tier 1 (0-11 ccf)	\$1.25	\$3.02	\$5.57	\$8.18	\$12.31	\$19.87
25	Tier 2 (12-40 ccf)	\$2.58	\$6.23	\$11.50	\$16.89	\$25.42	\$41.03
26	Tier 3 (41+ ccf)	\$3.74	\$9.02	\$16.67	\$24.48	\$36.85	\$59.49
27	Institutional	\$2.75	\$6.60	\$12.20	\$17.93	\$26.98	\$43.55
28							
29	Effective 7/1/2030						
30	Residential						
31	Tier 1 (0-11 ccf)	\$1.39	\$3.34	\$6.16	\$9.04	\$13.61	\$21.96
32	Tier 2 (12-40 ccf)	\$2.86	\$6.89	\$12.71	\$18.67	\$28.09	\$45.34
33	Tier 3 (41+ ccf)	\$4.14	\$9.97	\$18.43	\$27.06	\$40.72	\$65.74
34	Institutional	\$3.04	\$7.30	\$13.49	\$19.82	\$29.82	\$48.13

Table 1-18: Proposed Water Shortage Rates (Uniform)

Purissima Hills Water District
2026 Water Rate Study

Line	Water Shortage Rates (\$/ ccf)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026						
2	Residential	\$0.95	\$2.14	\$3.66	\$5.70	\$8.54	\$12.81
3	Institutional	\$1.05	\$2.36	\$4.04	\$6.29	\$9.43	\$14.14
4							
5	Effective 7/1/2027						
6	Residential	\$1.05	\$2.37	\$4.05	\$6.30	\$9.44	\$14.16
7	Institutional	\$1.17	\$2.61	\$4.47	\$6.96	\$10.43	\$15.63
8							
9	Effective 7/1/2028						
10	Residential	\$1.17	\$2.62	\$4.48	\$6.97	\$10.44	\$15.65
11	Institutional	\$1.30	\$2.89	\$4.94	\$7.70	\$11.53	\$17.28
12							
13	Effective 7/1/2029						
14	Residential	\$1.30	\$2.90	\$4.96	\$7.71	\$11.54	\$17.30
15	Institutional	\$1.44	\$3.20	\$5.46	\$8.51	\$12.75	\$19.10
16							
17	Effective 7/1/2030						
18	Residential	\$1.44	\$3.21	\$5.49	\$8.52	\$12.76	\$19.12
19	Institutional	\$1.60	\$3.54	\$6.04	\$9.41	\$14.09	\$21.11

Table 1-19 and **Table 1-20** show the proposed combined consumption charges and water shortage rates in each stage for the five-year period for the three tier and uniform alternatives, respectively. The combined consumption charges in **Table 1-9** and **Table 1-10** are added to the incremental water shortage rates in **Table 1-17** and **Table 1-18** to calculate the combined consumption charges.

Purissima Hills Water District
2026 Water Rate Study

Table 1-19: Proposed Combined Consumption Charges and Water Shortage Rates (Three Tier)

Line	Combined Water Shortage Rates (\$/ ccf)	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026							
2	Residential							
3	Tier 1 (0-11 ccf)	\$7.40	\$8.32	\$9.63	\$11.52	\$13.45	\$16.52	\$22.12
4	Tier 2 (12-40 ccf)	\$15.29	\$17.19	\$19.89	\$23.80	\$27.79	\$34.12	\$45.69
5	Tier 3 (41+ ccf)	\$22.17	\$24.93	\$28.84	\$34.51	\$40.30	\$49.47	\$66.25
6	Institutional	\$16.23	\$18.25	\$21.11	\$25.27	\$29.50	\$36.22	\$48.50
7								
8	Effective 7/1/2027							
9	Residential							
10	Tier 1 (0-11 ccf)	\$8.14	\$9.16	\$10.61	\$12.70	\$14.83	\$18.22	\$24.41
11	Tier 2 (12-40 ccf)	\$16.86	\$18.96	\$21.95	\$26.27	\$30.68	\$37.67	\$50.46
12	Tier 3 (41+ ccf)	\$24.46	\$27.51	\$31.84	\$38.10	\$44.50	\$54.63	\$73.17
13	Institutional	\$17.89	\$20.13	\$23.29	\$27.88	\$32.56	\$39.98	\$53.55
14								
15	Effective 7/1/2028							
16	Residential							
17	Tier 1 (0-11 ccf)	\$8.95	\$10.08	\$11.68	\$13.99	\$16.35	\$20.09	\$26.93
18	Tier 2 (12-40 ccf)	\$18.59	\$20.92	\$24.22	\$28.99	\$33.87	\$41.59	\$55.72
19	Tier 3 (41+ ccf)	\$26.99	\$30.37	\$35.15	\$42.07	\$49.14	\$60.33	\$80.82
20	Institutional	\$19.73	\$22.21	\$25.70	\$30.77	\$35.95	\$44.14	\$59.14
21								
22	Effective 7/1/2029							
23	Residential							
24	Tier 1 (0-11 ccf)	\$9.85	\$11.10	\$12.87	\$15.42	\$18.03	\$22.16	\$29.72
25	Tier 2 (12-40 ccf)	\$20.50	\$23.08	\$26.73	\$32.00	\$37.39	\$45.92	\$61.53
26	Tier 3 (41+ ccf)	\$29.78	\$33.52	\$38.80	\$46.45	\$54.26	\$66.63	\$89.27
27	Institutional	\$21.76	\$24.51	\$28.36	\$33.96	\$39.69	\$48.74	\$65.31
28								
29	Effective 7/1/2030							
30	Residential							
31	Tier 1 (0-11 ccf)	\$10.84	\$12.23	\$14.18	\$17.00	\$19.88	\$24.45	\$32.80
32	Tier 2 (12-40 ccf)	\$22.61	\$25.47	\$29.50	\$35.32	\$41.28	\$50.70	\$67.95
33	Tier 3 (41+ ccf)	\$32.87	\$37.01	\$42.84	\$51.30	\$59.93	\$73.59	\$98.61
34	Institutional	\$24.00	\$27.04	\$31.30	\$37.49	\$43.82	\$53.82	\$72.13

Table 1-20: Proposed Combined Consumption Charges and Water Shortage Rates (Uniform)

Line	Combined Water Shortage Rates (\$/ ccf)	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026							
2	Residential	\$14.71	\$15.66	\$16.85	\$18.37	\$20.41	\$23.25	\$27.52
3	Institutional	\$16.23	\$17.28	\$18.59	\$20.27	\$22.52	\$25.66	\$30.37
4								
5	Effective 7/1/2027							
6	Residential	\$16.21	\$17.26	\$18.58	\$20.26	\$22.51	\$25.65	\$30.37
7	Institutional	\$17.89	\$19.06	\$20.50	\$22.36	\$24.85	\$28.32	\$33.52
8								
9	Effective 7/1/2028							
10	Residential	\$17.87	\$19.04	\$20.49	\$22.35	\$24.84	\$28.31	\$33.52
11	Institutional	\$19.73	\$21.03	\$22.62	\$24.67	\$27.43	\$31.26	\$37.01
12								
13	Effective 7/1/2029							
14	Residential	\$19.71	\$21.01	\$22.61	\$24.67	\$27.42	\$31.25	\$37.01
15	Institutional	\$21.76	\$23.20	\$24.96	\$27.22	\$30.27	\$34.51	\$40.86
16								
17	Effective 7/1/2030							
18	Residential	\$21.74	\$23.18	\$24.95	\$27.23	\$30.26	\$34.50	\$40.86
19	Institutional	\$24.00	\$25.60	\$27.54	\$30.04	\$33.41	\$38.09	\$45.11

WATER SHORTAGE IMPACTS (THREE TIER)

WRE evaluated the impacts of the water shortage rates for Residential customers for the three tier alternative. This section shows the impacts for Stages 2 and 3, which are the most common stages for water shortage emergencies. The body of this report includes the customer impacts for all six stages.

Table 1-21 and **Figure 1-15** show the proposed Stage 2 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 2 water shortage, this customer will pay \$157.93 more every month if they do not reduce their usage according to Stage 2, which corresponds to a 20% reduction. However, if this customer reduces their usage by 20% and uses 32 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 1-21: Proposed Residential Customer Impacts (Stage 2 Shortage) (Three Tier)

Line	Residential Customer Impacts - Stage 2	No Shortage (40 ccf)	Stage 2 Shortage, No Reduction (40 ccf)	Stage 2 Shortage, Reduction (32 ccf)
1	Monthly Usage (ccf)	40	40	32
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$524.81	\$524.81	\$402.49
5	Water Shortage Charge	\$0.00	\$157.93	\$121.13
6	Total Monthly Bill	\$574.13	\$732.06	\$572.94

Figure 1-15: Proposed Residential Customer Impacts (Stage 2 Shortage) (Three Tier)

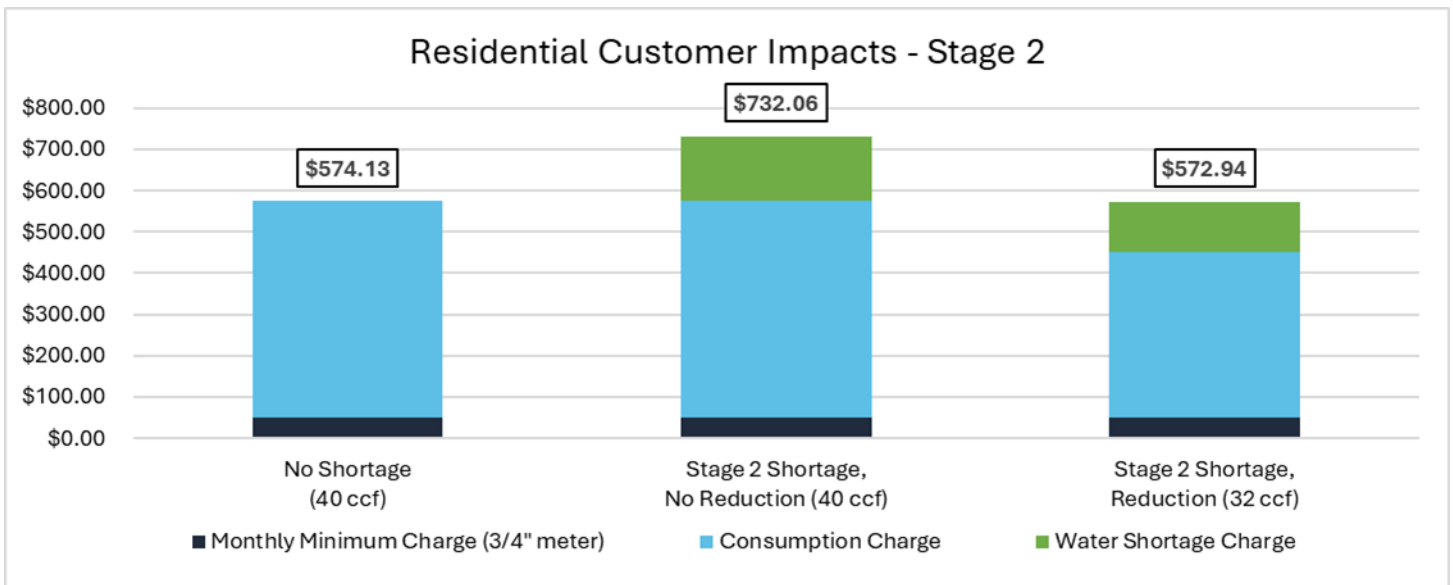
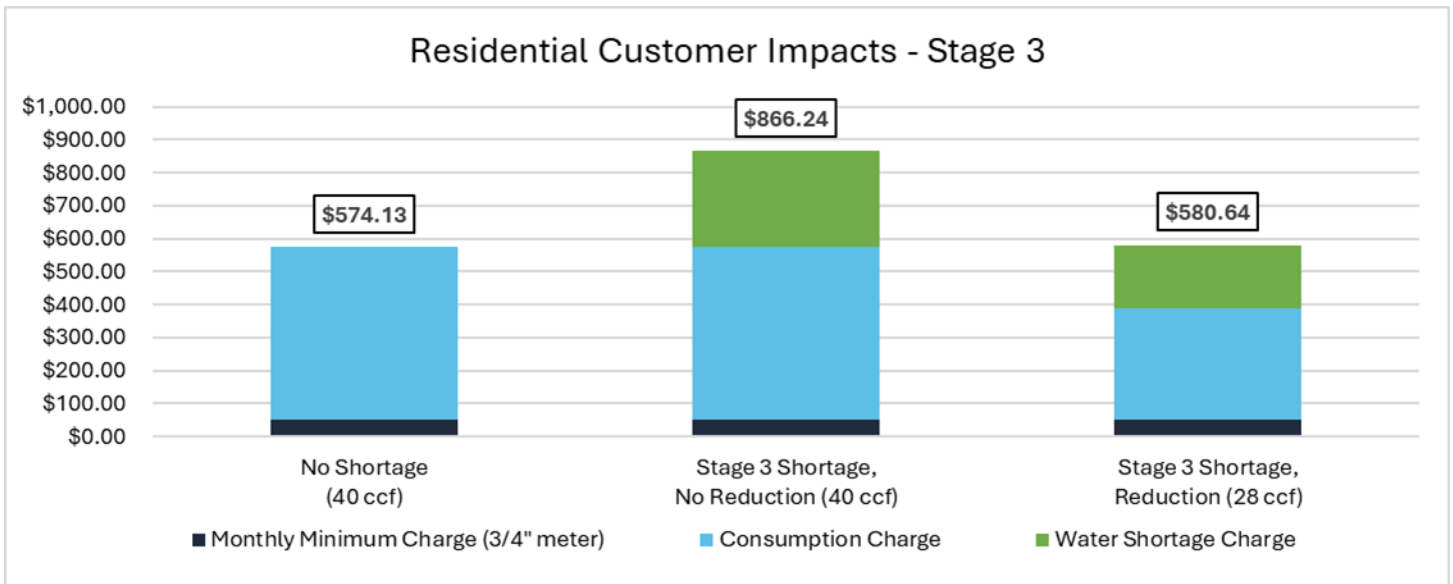


Table 1-22 and **Figure 1-16** show the proposed Stage 3 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 3 water shortage, this customer will pay \$292.11 more every month if they do not reduce their usage according to Stage 3, which corresponds to a 30% reduction. However, if this customer reduces their usage by 30% and uses 28 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 1-22: Proposed Residential Customer Impacts (Stage 3 Shortage) (Three Tier)

Line	Residential Customer Impacts - Stage 3	No Shortage (40 ccf)	Stage 3 Shortage, No Reduction (40 ccf)	Stage 3 Shortage, Reduction (28 ccf)
1	Monthly Usage (ccf)	40	40	28
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$524.81	\$524.81	\$341.33
5	Water Shortage Charge	\$0.00	\$292.11	\$189.99
6	Total Monthly Bill	\$574.13	\$866.24	\$580.64

Figure 1-16: Proposed Residential Customer Impacts (Stage 3 Shortage) (Three Tier)



WATER SHORTAGE IMPACTS (UNIFORM)

WRE evaluated the impacts of the water shortage rates for Residential customers for the uniform alternative. This section shows the impacts for Stages 2 and 3, which are the most common stages for water shortage emergencies. The body of this report includes the customer impacts for all six stages.

Table 1-23 and **Figure 1-17** show the proposed Stage 2 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 2 water shortage, this customer will pay \$85.60 more every month if they do not reduce their usage according to Stage 2, which corresponds to a 20% reduction. However, if this customer reduces their usage by 20% and uses 32 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 1-23: Proposed Residential Customer Impacts (Stage 2 Shortage) (Uniform)

Line	Residential Customer Impacts - Stage 2	No Shortage (40 ccf)	Stage 2 Shortage, No Reduction (40 ccf)	Stage 2 Shortage, Reduction (32 ccf)
1	Monthly Usage (ccf)	40	40	32
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$588.40	\$588.40	\$470.72
5	Water Shortage Charge	\$0.00	\$85.60	\$68.48
6	Total Monthly Bill	\$637.72	\$723.32	\$588.52

Figure 1-17: Proposed Residential Customer Impacts (Stage 2 Shortage) (Uniform)

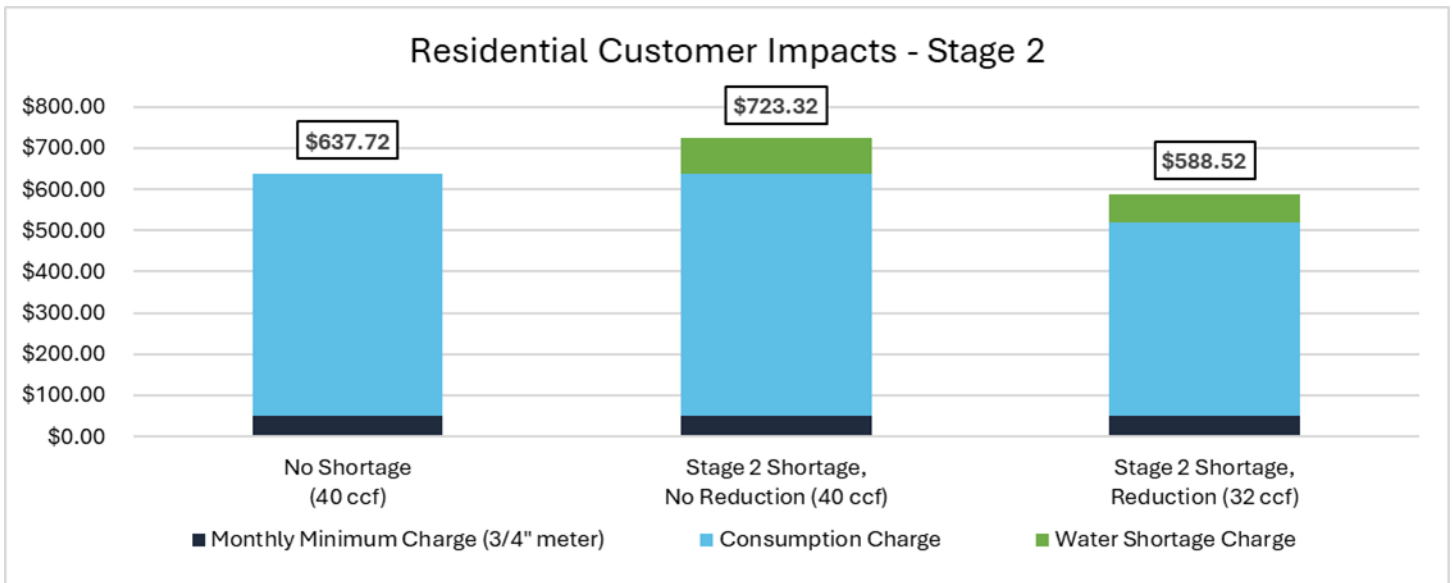
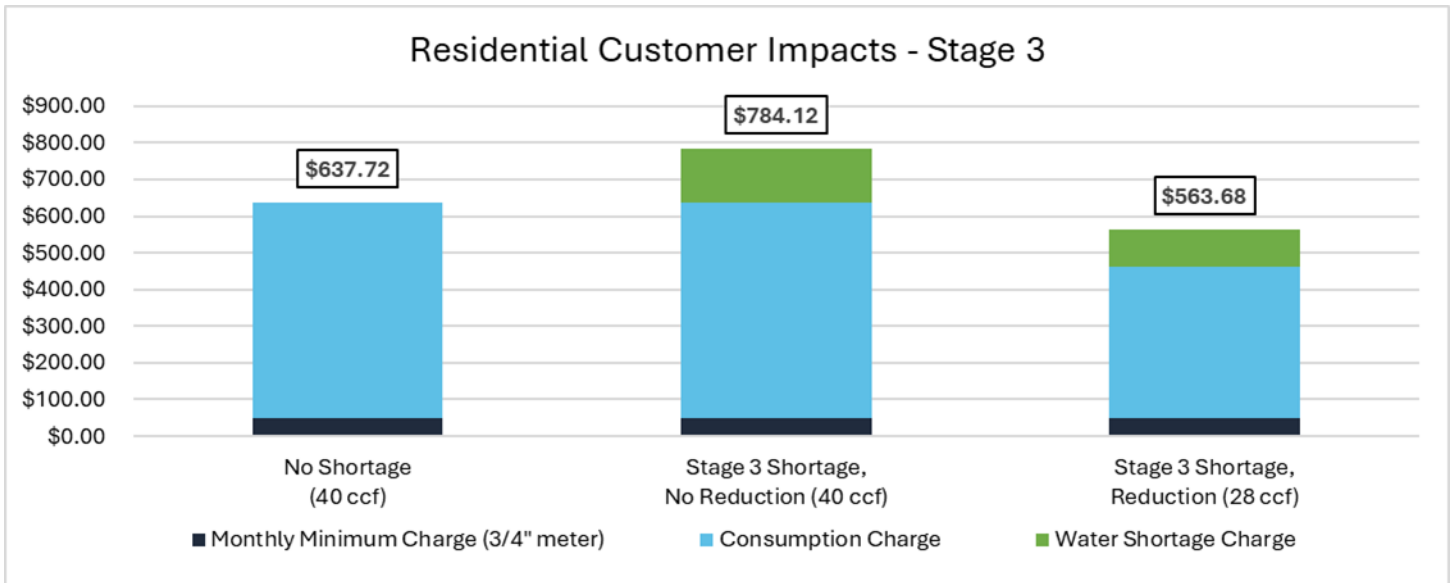


Table 1-24 and **Figure 1-18** show the proposed Stage 3 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 3 water shortage, this customer will pay \$146.40 more every month if they do not reduce their usage according to Stage 3, which corresponds to a 30% reduction. However, if this customer reduces their usage by 30% and uses 28 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 1-24: Proposed Residential Customer Impacts (Stage 3 Shortage) (Uniform)

Line	Residential Customer Impacts - Stage 3	No Shortage (40 ccf)	Stage 3 Shortage, No Reduction (40 ccf)	Stage 3 Shortage, Reduction (28 ccf)
1	Monthly Usage (ccf)	40	40	28
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$588.40	\$588.40	\$411.88
5	Water Shortage Charge	\$0.00	\$146.40	\$102.48
6	Total Monthly Bill	\$637.72	\$784.12	\$563.68

Figure 1-18: Proposed Residential Customer Impacts (Stage 3 Shortage) (Uniform)



1.12 PROPOSED WATER CAPACITY FEES

New connections to the District’s water system are subject to a one-time water capacity fee, which is necessary to ensure that existing users are not unfairly burdened by costs incurred to provide capacity for new users. The overall purpose of a capacity fee is to equitably recover capital costs incurred by the agency to provide system capacity to new users. Water capacity fees in California are typically developed based on one of three common methodologies outlined by the AWWA in its *M1 Manual*.

Many different terminologies are used to refer to water capacity fees, including but not limited to connection fees, facility charges, development fees, etc. Currently, the District’s fees are referred to as facility charges, including storage and transmission fee components. The storage component covers costs associated with storing water such as reservoir maintenance and the transmission component covers all other costs associated with transporting water from storage facilities to end users such as pipeline replacement. WRE recommends updating the name from facility charges to capacity fees, which is more commonly used. Additionally, WRE recommends consolidating the storage and transmission fee components into one combined capacity fee to simplify the administration of fees.

The three methodologies include:

1. **Buy-In Method:** The Buy-In Method establishes capacity fees based on the value of the system’s existing capital assets and is typically most appropriate when a system’s current capacity is sufficient to serve both short-term and long-term projected demands. The rationale underlying the Buy-In Method is that new customers should pay to “buy-in” to existing system capacity funded by past and current users.
2. **Incremental Cost Method:** The Incremental Cost Method establishes capacity fees based on the cost of planned capital expenditures required to expand system capacity and is typically most appropriate when a system’s current capacity is already fully utilized by existing users. The rationale underlying the Incremental Cost Method is that new users should fund planned capital projects that are necessary to accommodate growth.
3. **Hybrid Method:** The Hybrid Method establishes capacity fees based on a combination of the Buy-In Method and the Incremental Cost Method. The Hybrid Method is typically most appropriate when some existing capacity is available to new users, but capacity expansion is still necessary to accommodate long-term demands.

WRE recommends the Buy-In Method for the District’s water capacity fees as the existing system has remaining capacity to serve new customers.

PROPOSED WATER CAPACITY FEES

Table 1-25 shows the water capacity fee calculation based on the Buy-In Method. The proposed water capacity fee per equivalent meter unit (EMU) (Line 3) is calculated by dividing the existing system value (Line 1) by existing units served (Line 2). One EMU is equal to the base meter size, which for this study is a 3/4” meter.

Table 1-25: Water Capacity Fee Calculation

Line	Capacity Fee Calculation	Buy-In
1	Existing System Value	\$49,788,113
2	Existing Units (EMUs)	3,311
3	Buy-In Unit Cost	\$15,039

Table 1-26 shows the current and proposed water capacity fees based on the results of the water capacity fee study. The per EMU cost (**Table 1-25**, Line 3) is then multiplied by the EMU ratios to determine the appropriate fee for each meter size. EMU ratios were derived from the *AWWA M1 Manual* and were updated to match the meter ratios used in the rate study. Additionally, WRE recommends adding a fee for 3/4”, 6”, and 8” meters. Though most new connections to the system require 1” meters, 3/4” meters remain most common within the legacy system and therefore meter capacity should be allocated accordingly. The District currently charges the same fee for meters 4” and greater, however WRE recommends updating the fee for 6” and 8” meters to reflect the increased capacity required to serve 6” and 8” meters.

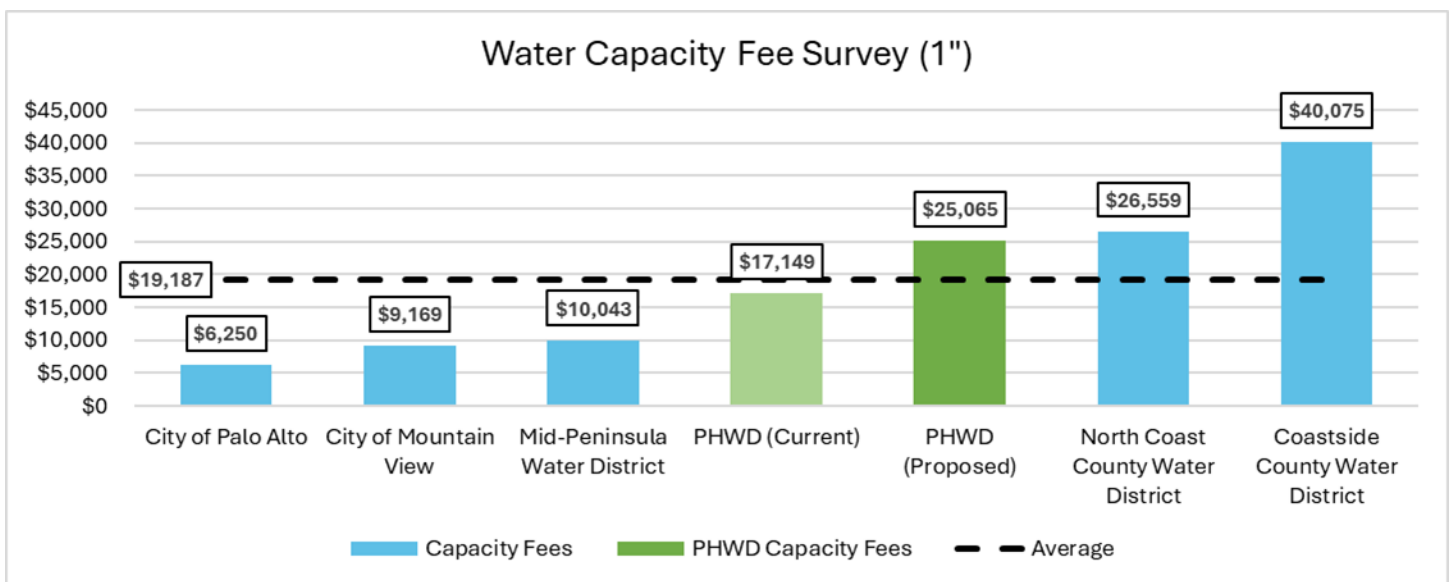
Proposed water capacity fees will be effective starting July 1, 2026 and are increased based on CPI for each subsequent year.

Table 1-26: Current and Proposed Water Capacity Fees

Line	Meter Size	Meter Ratio	Proposed Fee	Current Fee ⁶	Difference (\$)	Difference (%)
1	3/4"	1.00	\$15,039	N/A	N/A	N/A
2	1"	1.67	\$25,065	\$17,149	\$7,916	46.2%
3	1.5"	3.33	\$50,130	\$34,299	\$15,831	46.2%
4	2"	5.33	\$80,208	\$54,878	\$25,330	46.2%
5	3"	11.67	\$175,455	\$109,755	\$65,700	59.9%
6	4"	21.00	\$315,819	\$171,492	\$144,327	84.2%
7	6"	43.33	\$651,690	\$171,492	\$480,198	280.0%
8	8"	93.33	\$1,403,640	\$171,492	\$1,232,148	718.5%

Figure 1-19 shows the current and proposed water capacity fees for a 1” meter (the most common meter size for new connections) relative to the capacity fees of other nearby agencies. Currently the District’s capacity fee is below the average of other agencies surveyed, and after the proposed changes, the District’s water capacity fees are above average.

Figure 1-19: Water Capacity Fee Survey



⁶ Current fees represent the sum of storage and transmission fees which are charged together for all new connections to the system.

2. FINANCIAL PLAN

2.1 FINANCIAL PLAN METHODOLOGY

The purpose of a financial plan is to project revenues, expenses, cash flows, reserve balances, and debt coverage over a multi-year period to assess financial sufficiency and performance and to determine the amount of required rate revenue. For this study, the planning period is from FY 2026 through FY 2031⁷; data for FY 2025 is shown when needed to represent actual data inputs. The key steps in developing a financial plan for a water enterprise are below:

- **Revenue projections:** Annual revenues from rates and other miscellaneous sources are projected over the planning period. Rate revenues are projected based on current rates to establish baseline revenues from which the need for additional rate increases can be evaluated.
- **Expense projections:** Annual expenses are projected over the study period, including O&M expenses, debt service, and CIP costs. CIP funding options (grants, debt, etc.) are also evaluated as part of the financial plan.
- **Financial policy evaluation:** Key financial policies include minimum debt coverage requirements, target debt coverage ratios, and reserve targets. Debt coverage requirements are typically explicitly stated in official agreements on outstanding debt issuances. Reserve and debt coverage targets are typically set by an agency’s elected officials and may need to be periodically evaluated and updated.
- **Status quo financial plan projections:** Cash flow, reserve balances, and debt coverage are projected over the study period in the absence of additional rate increases (this scenario is called the “status quo”). Projected reserve balances and debt coverage are then compared to the agency’s financial policy requirements and targets. The status quo financial plan provides a baseline to evaluate the need for rate increases.
- **Proposed financial plan projections:** The magnitude and timing of annual proposed revenue increases over the study period are evaluated and determined based on the agency’s financial policies, financial performance, and policy objectives. Proposed rate increases (referred to as “revenue adjustments”) should generate sufficient revenue to recover the agency’s expenses, maintain adequate reserves, and meet all required and target debt coverage. The proposed financial plan determines the total annual rate revenue requirement over the study period.

2.2 REVENUES

CURRENT WATER RATES

The District’s current water rates include a monthly RTS charge based on meter size, a consumption charge based on units of water in ccf, and a SFPUC wholesale pass-through rate based on units of water in ccf. Residential customers have a four-tiered consumption charge; Institutional customers have a uniform consumption charge.

Table 2-1, Table 2-2, and Table 2-3 show the current monthly RTS charges, consumption charges, and SFPUC wholesale pass-through rates, respectively. The current monthly RTS and consumption charges are

⁷ Note that although the financial planning period spans six years (FY 2026 through FY 2031), rate adjustments will only be proposed for five years (FY 2027 through FY 2031).

**Purissima Hills Water District
2026 Water Rate Study**

based on the District’s most recent water rate study completed in January 2022, which created a five-year rate schedule from FY 2022 through FY 2026. Under the current methodology, SFPUC wholesale pass-through rates are adjusted annually based on the difference between the projected variable unit cost of SFPUC imported water purchases from the 2022 water rate study and actual variable unit cost adopted by SFPUC.

Table 2-1: Current RTS Charges

Line	Monthly RTS Charges	As of 1/1/2025	As of 1/1/2026
1	3/4"	\$41.67	\$45.42
2	1"	\$54.37	\$59.26
3	1.5"	\$86.11	\$93.86
4	2"	\$124.20	\$135.38
5	3"	\$213.09	\$232.36
6	4"	\$340.06	\$370.66
7	6"	\$340.06	\$370.66
8	8"	\$340.06	\$370.66

Table 2-2: Current Consumption Charges

Line	Consumption Charges (\$/ ccf)	As of 1/1/2025	As of 1/1/2026
1	Residential		
2	Tier 1 (1-10 ccf)	\$7.38	\$8.04
3	Tier 2 (11-29 ccf)	\$9.94	\$10.83
4	Tier 3 (30-58 ccf)	\$14.11	\$15.38
5	Tier 4 (59+ ccf)	\$18.32	\$19.97
6	Institutional	\$16.35	\$17.82

Table 2-3: Current SFPUC Wholesale Pass-Through Rates

Line	SFPUC Wholesale Pass-Through Rates (\$/ ccf)	As of 7/1/2025
1	All Customers	\$0.43 ⁸

EFFECTIVE FISCAL YEAR WATER RATES

The District’s budget is based on a Fiscal Year starting July 1 and ending June 30. Since the current water rates were not implemented to match the fiscal year cycle, **Table 2-4** shows the effective RTS charges for each fiscal year prior to any revenue adjustments. FY 2026 rates were implemented on January 1, 2026, meaning that those rates were effective for half of the fiscal year. The remaining days of FY 2026 are charged based on the FY 2025 rate effective on January 1, 2025. The current rates for all other years (FY 2027 through FY 2031) are representative of the full fiscal year.

⁸ Calculated based on the difference between the actual SFPUC variable unit cost of \$5.80 and the projected SFPUC variable unit cost of \$5.37 from the 2022 Water Rate Study, effective on July 1, 2025.

Table 2-4: Effective RTS Charges

Line	Effective Monthly RTS Charges	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	3/4"	\$43.55	\$45.42	\$45.42	\$45.42	\$45.42	\$45.42
2	1"	\$56.82	\$59.26	\$59.26	\$59.26	\$59.26	\$59.26
3	1.5"	\$89.99	\$93.86	\$93.86	\$93.86	\$93.86	\$93.86
4	2"	\$129.79	\$135.38	\$135.38	\$135.38	\$135.38	\$135.38
5	3"	\$222.73	\$232.36	\$232.36	\$232.36	\$232.36	\$232.36
6	4"	\$355.36	\$370.66	\$370.66	\$370.66	\$370.66	\$370.66
7	6"	\$355.36	\$370.66	\$370.66	\$370.66	\$370.66	\$370.66
8	8"	\$355.36	\$370.66	\$370.66	\$370.66	\$370.66	\$370.66

Effective consumption charges depend on when consumption occurs during the fiscal year. Seasonality and weather patterns can influence customer demand distribution within the fiscal year as shown in **Table 2-5**. Residential customers, for example, use approximately 61% of their annual water consumption within the first half of the fiscal year (July through December), which includes summer months when outdoor irrigation demand is typically the highest (Line 2). Institutional customers show a similar pattern, with approximately 57% of annual consumption occurring within the first half of the fiscal year (Line 3). The remaining consumption occurs in the second half of the fiscal year (January through June, Lines 6 and 7). Consumption patterns for FY 2026 are based on budgeted consumption data provided by staff, and no changes are projected going forward.

Table 2-5: Consumption Patterns

Line	Consumption Patterns	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	First Half of Fiscal Year						
2	Residential	61.0%	61.0%	61.0%	61.0%	61.0%	61.0%
3	Institutional	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%
4							
5	Second Half of Fiscal Year						
6	Residential	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%
7	Institutional	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%

Table 2-6 shows the effective fiscal year consumption charges for each fiscal year prior to any revenue adjustments based on current rates and the consumption patterns from **Table 2-5**. FY 2026 rates were effective for approximately 39% of the fiscal year for Residential customers (**Table 2-5**, Line 6) and 43% of the fiscal year for Institutional customers (**Table 2-5**, Line 7), with the FY 2025 rates effective for the remainder of the fiscal year. The same methodology is applied to calculate the effective consumption charges for all future years.

Table 2-6: Effective Consumption Charges

Line	Effective Consumption Charges (\$/ ccf)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Residential						
2	Tier 1 (1-10 ccf)	\$7.64	\$8.04	\$8.04	\$8.04	\$8.04	\$8.04
3	Tier 2 (11-29 ccf)	\$10.29	\$10.83	\$10.83	\$10.83	\$10.83	\$10.83
4	Tier 3 (30-58 ccf)	\$14.61	\$15.38	\$15.38	\$15.38	\$15.38	\$15.38
5	Tier 4 (59+ ccf)	\$18.96	\$19.97	\$19.97	\$19.97	\$19.97	\$19.97
6	Institutional	\$16.99	\$17.82	\$17.82	\$17.82	\$17.82	\$17.82

Since the District’s fiscal year budget cycle aligns with the implementation of SFPUC wholesale pass-through rates, current SFPUC wholesale pass-through rates are effective for the full fiscal year for each year prior to any pass-through adjustments.

Table 2-7: Effective SFPUC Wholesale Pass-Through

Line	Effective SFPUC Wholesale Pass-Through (\$/ ccf)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	All Customers	\$0.43	\$0.43	\$0.43	\$0.43	\$0.43	\$0.43

CUSTOMER ACCOUNTS AND USAGE

This section details the customer accounts and water usage for all years of the study, which are referred to as the units of service. Units of service represent the quantity of billing units that are subject to the District’s water rates and charges.

Table 2-8 shows the projected number of meters for each customer class for the study period. District staff provided actual data for FY 2025⁹ and no growth in metered connections is assumed for the remainder of the study period. The number of metered connections is the unit of service for the District’s monthly RTS charges.

Table 2-8: Projected Customer Accounts (Meters)

Line	Customer Accounts	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Source	Input	Projected	Projected	Projected	Projected	Projected	Projected
2	Residential							
3	3/4"	1,344	1,344	1,344	1,344	1,344	1,344	1,344
4	1"	579	579	579	579	579	579	579
5	1.5"	94	94	94	94	94	94	94
6	2"	36	36	36	36	36	36	36
7	3"	0	0	0	0	0	0	0
8	4"	0	0	0	0	0	0	0
9	6"	0	0	0	0	0	0	0
10	8"	0	0	0	0	0	0	0

⁹ Customer meters for FY 2025 reflect the weighted average of accounts over FY 2025 to account for fluctuations in active accounts over one year.

Purissima Hills Water District
2026 Water Rate Study

Line	Customer Accounts	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
11	Subtotal	2,052	2,052	2,052	2,052	2,052	2,052	2,052
12								
13	Institutional							
14	3/4"	9	9	9	9	9	9	9
15	1"	8	8	8	8	8	8	8
16	1.5"	7	7	7	7	7	7	7
17	2"	11	11	11	11	11	11	11
18	3"	0	0	0	0	0	0	0
19	4"	2	2	2	2	2	2	2
20	6"	7	6 ¹⁰	6	6	6	6	6
21	8"	1	1	1	1	1	1	1
22	Subtotal	45	44	44	44	44	44	44
23								
24	Total	2,097	2,096	2,096	2,096	2,096	2,096	2,096

Table 2-9 shows the demand assumptions used to project water consumption by customer class and tier. District staff provided actual water consumption for FY 2025, and consumption was projected forward based on the assumptions below. An adjustment was applied to FY 2026 to align projected consumption with budgeted consumption provided by staff. No additional demand changes are assumed after FY 2026.

Table 2-9: Demand Assumptions

Line	Demand Assumptions	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Residential						
2	Tier 1 (1-10 ccf)	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Tier 2 (11-29 ccf)	-1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Tier 3 (30-58 ccf)	-1.8%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Tier 4 (59+ ccf)	-4.2%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Institutional	-19.6%	0.0%	0.0%	0.0%	0.0%	0.0%

Figure 2-1 shows the historical and projected water consumption based on the demand assumptions from Table 2-9. For Residential consumption, July through December 2026 is assumed to remain consistent with 2024 levels. However, due to future weather demand pattern uncertainty, January through July 2026 consumption is based on average monthly usage by tier over the past four years. FY 2026 Institutional consumption is based on FY 2024 levels, as leaks in FY 2025 resulted in artificially high consumption. Overall consumption was unusually high in FY 2025 and is projected to decrease from approximately 705.1 thousand (K) ccf to 686.3K ccf in FY 2026, which is slightly above the four year fiscal year average (660.3K ccf).

¹⁰ Note that one 6" Institutional meter was mistakenly charged in FY 2025 and is excluded for future projections.

Figure 2-1: Historical and Projected Water Consumption (ccf)

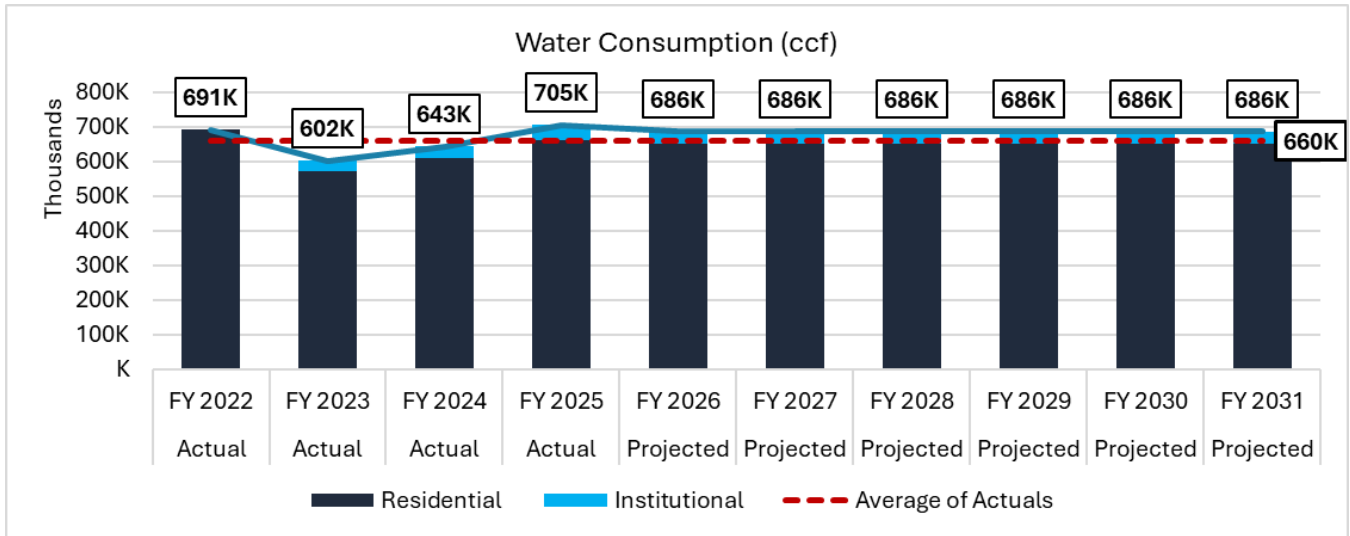


Table 2-10 shows the projected water consumption for each customer class and tier. District staff provided actual water consumption for FY 2025 which is projected forward based on the demand assumptions in Table 2-9. Water consumption in ccf is the unit of service for the District’s consumption charges and SFPUC wholesale pass-through rates.

Table 2-10: Projected Customer Water Consumption (ccf)

Line	Consumption (ccf)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Source	Input	Projected	Projected	Projected	Projected	Projected	Projected
2	Residential							
3	Tier 1 (1-10 ccf)	197,132	196,969	196,969	196,969	196,969	196,969	196,969
4	Tier 2 (11-29 ccf)	198,808	196,548	196,548	196,548	196,548	196,548	196,548
5	Tier 3 (30-58 ccf)	140,295	137,805	137,805	137,805	137,805	137,805	137,805
6	Tier 4 (59+ ccf)	124,514	119,247	119,247	119,247	119,247	119,247	119,247
7	Subtotal	660,749	650,569	650,569	650,569	650,569	650,569	650,569
8								
9	Institutional	44,388	35,701	35,701	35,701	35,701	35,701	35,701
10								
11	Total	705,137	686,270	686,270	686,270	686,270	686,270	686,270

REVENUES FROM CURRENT RATES

Table 2-11 shows the calculated water rate revenues for the study period based on the current effective rates and the projected units of service. The monthly RTS revenue (Lines 1-4) is calculated by multiplying the effective monthly RTS charges (**Table 2-4**) by the projected meter connections (**Table 2-8**) for twelve billing periods. The consumption charge revenue (Lines 6-9) is calculated by multiplying the effective consumption charges (**Table 2-6**) by the projected water consumption (**Table 2-10**) in each year. The SFPUC wholesale pass-through rate revenue (Lines 11-14) is calculated by multiplying the effective SFPUC wholesale pass-through rates (**Table 2-7**) by the total projected water consumption (**Table 2-10**, Lines 7 and 9) in each year. Total water revenues (Line 16) represent the sum of monthly RTS, consumption, and SFPUC wholesale pass-through rate revenues.

Table 2-11: Calculated Rate Revenues at Current Rates

Line	Calculated Rate Revenues	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Monthly RTS						
2	Residential	\$1,253,413	\$1,307,375	\$1,307,375	\$1,307,375	\$1,307,375	\$1,307,375
3	Institutional	\$73,290	\$76,445	\$76,445	\$76,445	\$76,445	\$76,445
4	Subtotal	\$1,326,703	\$1,383,820	\$1,383,820	\$1,383,820	\$1,383,820	\$1,383,820
5							
6	Consumption						
7	Residential	\$7,800,467	\$8,213,049	\$8,213,049	\$8,213,049	\$8,213,049	\$8,213,049
8	Institutional	\$606,432	\$636,192	\$636,192	\$636,192	\$636,192	\$636,192
9	Subtotal	\$8,406,898	\$8,849,241	\$8,849,241	\$8,849,241	\$8,849,241	\$8,849,241
10							
11	SFPUC Wholesale Pass-Through¹¹						
12	Residential	\$279,745	\$279,745	\$279,745	\$279,745	\$279,745	\$279,745
13	Institutional	\$15,351	\$15,351	\$15,351	\$15,351	\$15,351	\$15,351
14	Subtotal	\$295,096	\$295,096	\$295,096	\$295,096	\$295,096	\$295,096
15							
16	Total	\$10,028,697	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157

¹¹ Note that calculated SFPUC wholesale pass-through rate revenue does not change and is based on the current SFPUC wholesale pass-through rate of \$0.43 per ccf.

REVENUE SUMMARY

Table 2-12 shows the summary of projected revenues for the study period. District staff provided budgeted revenues for FY 2026; all other years are projected based on the relevant assumptions or calculations except for rate revenues (Line 2) which are projected starting in FY 2026. Total rate revenues (Line 2) are equal to total calculated rate revenues (**Table 2-11**, Line 16). Interest income (Line 3) is calculated based on ending fund balances and a 2.5% interest rate, property taxes (Line 4) are inflated by 5% each year, antenna leases (Line 5) are inflated by 2.5% each year, capacity fees and miscellaneous operating revenue excluding backflow testing revenue (Lines 6-7) are non-inflated, and miscellaneous non-operating revenue is non-recurring for future years. Detailed revenues are available in the **Appendix (Table 7-1)**.

Table 2-12: Revenue Summary

Line	Revenue Summary	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Source	Budget	Projected	Projected	Projected	Projected	Projected
2	Rate Revenues	\$10,028,697	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157
3	Interest Income	\$180,000	\$307,202	\$99,343	\$120,479	\$163,340	\$221,382
4	Property Taxes	\$1,850,000	\$1,942,500	\$2,039,625	\$2,141,606	\$2,248,687	\$2,361,121
5	Antenna Leases	\$222,000	\$227,550	\$233,239	\$239,070	\$245,046	\$251,173
6	Capacity Fees ¹²	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000
7	Miscellaneous Operating Revenue ¹³	\$300,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
8	Miscellaneous Non-Operating Revenue ¹⁴	\$25,000	\$0	\$0	\$0	\$0	\$0
9	Total	\$12,698,697	\$13,228,409	\$13,123,364	\$13,252,312	\$13,408,230	\$13,584,833

¹² Capacity fees include both storage and transmission components.

¹³ Miscellaneous operating revenue includes miscellaneous fees such as meter installation and returned check fees. Backflow testing (\$170K in FY 2026) is excluded for future years to be accounted for in proposed monthly cross connection charge rate revenues.

¹⁴ Miscellaneous non-operating revenue includes one-time gain on sale of assets revenue.

2.3 OPERATING EXPENSES

INFLATIONARY ASSUMPTIONS

WRE worked with District staff to determine the annual inflationary assumptions to apply to the District’s O&M expense budget. District staff provided budgeted expenses for FY 2026; all other years are projected based on the inflationary assumptions shown in **Table 2-13**.

Table 2-13: Expense Inflationary Assumptions

Line	Inflationary Assumptions	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	General	4.0%	4.0%	4.0%	4.0%	4.0%
2	Water Supply ¹⁵	1.7%	3.2%	3.8%	7.0%	2.7%
3	BAWSCA	4.0%	4.0%	4.0%	4.0%	4.0%
4	Electricity	5.0%	5.0%	5.0%	5.0%	5.0%
5	Treatment	5.0%	5.0%	5.0%	5.0%	5.0%
6	Salaries / Benefits	8.0%	8.0%	8.0%	8.0%	8.0%
7	Backflow ¹⁶	200.0%	10.0%	10.0%	10.0%	10.0%

WATER SUPPLY COSTS

The District’s only source of water supply is imported water from SFPUC. The cost of purchasing water from SFPUC represents a significant portion, approximately 47% of the District’s budgeted O&M expenses in FY 2026. Imported water costs can vary depending on water demand each year and the projected fixed and variable rates of SFPUC water. SFPUC imported water costs include fixed monthly service charges based on meter size and a variable unit cost based on imported water purchases in ccf. Additionally, BAWSCA (Bay Area Water Supply & Conservation Agency) imposes bond surcharges on member agencies to recover debt service costs associated with bonds issued in 2013 to prepay SFPUC member agency capital costs.

Table 2-14 shows the calculated SFPUC water supply costs for the study period accounting for these factors. The District estimates 6.5% water loss for the system (Line 2). Water consumption (Line 1) is equal to the total water usage for all customers (**Table 2-10**, Line 11). Imported water (Line 3) is based on water consumption (Line 1), accounting for water loss (Line 2). District staff provided the FY 2026 SFPUC variable unit cost (Line 7) and monthly service charges (Lines 9-12).

Currently, the District projects SFPUC variable costs from year to year and implements a pass-through based on the difference between the projected SFPUC variable unit cost and actual unit cost, which has resulted in variability in pass-through charges from year to year. To limit variability from year to year, WRE recommends aligning the SFPUC wholesale pass-through rate with the actual SFPUC variable unit cost. Under this methodology, no changes to the current SFPUC variable unit cost of \$5.80¹⁷ per ccf, effective

¹⁵ Based on the projected annual wholesale rate change from SFPUC FY 2026 10-year financial planning report.

¹⁶ Note that staff provided updated backflow maintenance costs for FY 2027 equal to \$30K and inflated by 10% for future years.

¹⁷ Subsequent to completion of the study analysis, SFPUC adopted an updated variable wholesale water rate of \$6.23 per ccf effective July 1, 2026. The financial plan is based on the \$5.80 per ccf rate that was in effect during the rate study analysis, while the proposed rate schedules and customer bill impacts reflect the updated \$6.23 per ccf rate in accordance with the proposed pass-through methodology.

**Purissima Hills Water District
2026 Water Rate Study**

July 1, 2025, are projected in the financial plan and future pass-through charges are subject to change based on the actual rate adopted by SFPUC. Fixed monthly service charges are not recovered through a pass-through and therefore are escalated by the water supply inflationary assumption from **Table 2-13** (Line 2).

Variable SFPUC imported water costs (Line 15) are calculated by multiplying annual imported water (Line 3) by the variable unit cost (Line 7). Fixed SFPUC imported water costs (Line 16) are calculated by multiplying the sum of monthly service charges (Lines 10-12) by twelve billing periods per year.

BAWSCA unit costs are escalated from FY 2026 based on the BAWSCA inflationary assumption from **Table 2-13** (Line 3) and BAWSCA imported water costs are calculated by multiplying the prior year imported water (Line 3) by the BAWSCA unit cost (Line 20). Total water supply costs (Line 25) include the sum of SFPUC costs (Line 17) and BAWSCA costs (Line 23).

Table 2-14: Calculated Potable Water Supply Costs

Line	Water Supply	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Water Consumption (ccf)	686,270	686,270	686,270	686,270	686,270	686,270
2	Water Loss (%)	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
3	Imported Water (ccf)	733,979	733,979	733,979	733,979	733,979	733,979
4							
5	SFPUC Imported Water Unit Costs	<i>Actual</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
6							
7	Unit Cost (\$/ ccf)	\$5.80	\$5.80	\$5.80	\$5.80	\$5.80	\$5.80
8							
9	Monthly Service Charge						
10	4" Turbine Meter	\$690.00	\$701.73	\$724.19	\$751.70	\$804.32	\$826.04
11	4" Turbine Meter	\$690.00	\$701.73	\$724.19	\$751.70	\$804.32	\$826.04
12	8" Turbine Meter	\$2,575.00	\$2,618.78	\$2,702.58	\$2,805.27	\$3,001.64	\$3,082.69
13							
14	SFPUC Imported Water Costs						
15	Unit Cost	\$4,257,076	\$4,257,076	\$4,257,076	\$4,257,076	\$4,257,076	\$4,257,076
16	Monthly Service Charge	\$47,460	\$48,267	\$49,811	\$51,704	\$55,323	\$56,817
17	Total	\$4,304,536	\$4,305,343	\$4,306,887	\$4,308,780	\$4,312,399	\$4,313,893
18							
19	BAWSCA Unit Costs						
20	BAWSCA Bond Surcharges (\$/ ccf)	\$0.29 ¹⁸	\$0.30	\$0.31	\$0.32	\$0.34	\$0.35
21							
22	BAWSCA Imported Water Costs						
23	Bond Surcharges (\$/ccf)	NA	\$219,171	\$227,938	\$237,055	\$246,537	\$256,399
24							
25	Total SFPUC and BAWSCA Costs	NA	\$4,524,513	\$4,534,825	\$4,545,835	\$4,558,937	\$4,570,292

¹⁸ Calculated based on FY 2026 District annual BAWSCA costs (\$214,584) divided by prior imported water (747,353 ccf) (accounting for water loss).

OPERATING EXPENSE SUMMARY

Table 2-15 shows the summary of O&M expenses for the study period. District staff provided budgeted expenses for FY 2026; expenses for other years are projections. Water supply expenses (Line 2) are from **Table 2-14** (Line 25). Note that water supply expenses are exclusive of SFPUC variable unit rate changes, and actual water supply costs may change in future years depending on actual SFPUC costs from year to year. All other expenses are inflated based on the assumptions in **Table 2-13**. Detailed operating expense projections are included in the **Appendix (Table 7-2)**.

Table 2-15: Expenses Summary

Line	Expenses Summary	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Source	Budget	Projected	Projected	Projected	Projected	Projected
2	Water Supply Expenses	\$4,206,000	\$4,524,513	\$4,534,825	\$4,545,835	\$4,558,937	\$4,570,292
3	Other Water Source of Supply Expenses ¹⁹	\$547,000	\$574,350	\$603,068	\$633,221	\$664,882	\$698,126
4	Pumps & Tanks O&M	\$140,000	\$145,600	\$151,424	\$157,481	\$163,780	\$170,331
5	Transmission & Distribution O&M	\$578,000	\$620,720	\$647,349	\$675,223	\$704,410	\$734,982
6	Fuel	\$36,500	\$37,960	\$39,478	\$41,058	\$42,700	\$44,408
7	General Maintenance	\$40,000	\$41,600	\$43,264	\$44,995	\$46,794	\$48,666
8	Customer Account	\$64,000	\$66,560	\$69,222	\$71,991	\$74,871	\$77,866
9	Conservation Programs	\$25,000	\$26,000	\$27,040	\$28,122	\$29,246	\$30,416
10	Salaries and Wages	\$1,351,000	\$1,459,080	\$1,575,806	\$1,701,871	\$1,838,021	\$1,985,062
11	Payroll Taxes and Benefits	\$490,000	\$509,600	\$529,984	\$551,183	\$573,231	\$596,160
12	General & Administrative	\$791,500	\$823,160	\$856,086	\$890,330	\$925,943	\$962,981
13	Non-Operating Expenses	\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496
14	Other Expenses	\$365,300	\$379,912	\$395,108	\$410,913	\$427,349	\$444,443
15	Total	\$8,904,300	\$9,489,855	\$9,764,687	\$10,055,935	\$10,366,025	\$10,692,230

¹⁹ Including electricity costs for pumping and water treatment costs.

2.4 DEBT SERVICE

EXISTING AND PROPOSED DEBT SERVICE

Table 2-16 shows the District’s existing annual debt service for the study period. The District has existing debt service payments averaging approximately \$636.8K annually over six years.

Table 2-16: Existing Debt Service

Line	Existing Debt Service	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	CDIAC No. 2019-2376	\$636,632	\$637,238	\$636,601	\$636,710	\$636,560	\$637,135
2	Total	\$636,632	\$637,238	\$636,601	\$636,710	\$636,560	\$637,135

Table 2-17 shows the proposed annual debt service based on the proposed financial plan scenario. The proposed financial plan scenario includes one new debt issuance in FY 2026 (Line 7) assuming a 5% interest rate, 30-year term, and 2% issuance cost (Lines 1-4). This results in approximately \$1.4M of additional annual debt service payments over the rate setting period (Line 8) and an additional \$21.0M of debt proceeds to fund the Operations Center project in FY 2026 and FY 2027 (Line 6; from **Table 2-18**, sum of Line 1). Note that although new debt is expected to issue in FY 2026, new debt service payments will not start until FY 2027 (Line 11) based on direction from staff. The study assumes that the District will capitalize the issuance costs, which means that the debt issuance will be higher than the debt proceeds used to fund CIP.

Table 2-17: Proposed Debt Service

Line	Proposed Debt Service	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Proposed Debt Terms						
2	Interest Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
3	Term (years)	30	30	30	30	30	30
4	Issuance Costs	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
5							
6	Debt Proceeds for CIP	\$20,974,780	\$0	\$0	\$0	\$0	\$0
7	Debt Issuance	\$21,402,837	\$0	\$0	\$0	\$0	\$0
8	Annual Debt Service	\$1,392,285	\$0	\$0	\$0	\$0	\$0
9							
10	Proposed Debt Service						
11	Proposed Debt FY 2026	\$0	\$1,392,285	\$1,392,285	\$1,392,285	\$1,392,285	\$1,392,285
12	Proposed Debt FY 2027		\$0	\$0	\$0	\$0	\$0
13	Proposed Debt FY 2028			\$0	\$0	\$0	\$0
14	Proposed Debt FY 2029				\$0	\$0	\$0
15	Proposed Debt FY 2030					\$0	\$0
16	Proposed Debt FY 2031						\$0
17	Total	\$0	\$1,392,285	\$1,392,285	\$1,392,285	\$1,392,285	\$1,392,285

2.5 CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PROJECTS

Table 2-18 shows the District’s planned CIP²⁰. The Operations Center project (Line 1) is assumed to be debt funded; all other capital projects are assumed to be rate funded in absence of other available funding sources (Line 2). The portion of CIP to be debt funded (Line 6) is equal to the Operations Center projects costs (Line 1) and the portion of CIP to be rate funded (Line 7) is equal to the cost of all other projects (Line 2). Detailed CIP costs are included in the **Appendix (Table 7-3)**.

Table 2-18: Capital Project Costs and Funding

Line	Capital Project Costs	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Operations Center	\$5,000,000	\$15,974,780	\$0	\$0	\$0	\$0
2	All Other Projects	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
3	Total	\$9,020,751	\$19,570,380	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
4							
5	Capital Project Funding						
6	Debt Funded	\$5,000,000	\$15,974,780	\$0	\$0	\$0	\$0
7	Rate Funded	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
8	Total	\$9,020,751	\$19,570,380	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614

2.6 FINANCIAL POLICIES

RESERVE POLICY

The District’s reserve policy maintains cash on hand to meet short-term cash imbalances and execute CIP projects. The District currently has a Cash Reserve Policy adopted on July 13, 2022, that consists of an operating target equal to the higher value of \$1.4M or 25% of annual operating expenses²¹ and a capital target equal to \$1.5M. The current reserve target for the study period ranges from approximately \$3.7M to \$4.2M in the District’s reserve funds.

The District is proposing to maintain its current operating target at 25% of annual operating expenses and update its capital target to \$4.0M starting in FY 2026 with 4% annual adjustments for future years. The proposed capital target more closely reflects annual rate funded CIP costs, which averages \$3.9M from FY 2026 to FY 2031 (**Table 2-18**, average of costs in Line 7). By better aligning reserves with the District’s capital investment needs, the District will be better able to respond to unexpected costs and minimize the need for sharp rate adjustments in the future to fund CIP. The proposed reserve target for the study period ranges from approximately \$6.2M to \$7.5M in the District’s reserve funds.

DEBT COVERAGE REQUIREMENT AND POLICY TARGET

The District is required to meet a minimum annual debt coverage requirement of 125% and has established a separate target coverage ratio of 150%. This means that the District’s net operating revenues (excluding debt proceeds, debt service, and CIP expenses) must be at least 125% of its annual debt service

²⁰ Note that the District provided planned CIP which included a 4% inflation adjustment.

²¹ Note that the 25% of annual operating expenses exceeds \$1.4M in each year of the study period.

for all existing and proposed debt service. The District’s target debt service coverage ratio is in accordance with the District’s Debt Management Policy adopted on February 13, 2019.

2.7 STATUS QUO FINANCIAL PLAN

STATUS QUO FINANCIAL PLAN SCENARIO

Table 2-19 and **Table 2-20** shows the status quo financial plan scenarios, which assume no revenue adjustments. **Table 2-19** and **Table 2-20** shows the status quo scenario based on no proposed debt and proposed debt assumptions from **Table 2-17**, respectively. These scenarios are used to evaluate the ability of the current water rates to meet the District’s financial targets and to determine the need for revenue adjustments. No revenue adjustment will be proposed for FY 2026 since the District already has adopted rates effective 1/1/2026, however potential debt issuances are evaluated starting in FY 2026.

Table 2-19: Status Quo Financial Plan Scenario (No Proposed Debt)

Line	Fiscal Year	Effective Date	Revenue Adjustments	Debt Issuance	Debt Proceeds for CIP
1	FY 2026	N/A	N/A	\$0	\$0
2	FY 2027	10/1/2026	0.0%	\$0	\$0
3	FY 2028	7/1/2027	0.0%	\$0	\$0
4	FY 2029	7/1/2028	0.0%	\$0	\$0
5	FY 2030	7/1/2029	0.0%	\$0	\$0
6	FY 2031	7/1/2030	0.0%	\$0	\$0

Table 2-20: Status Quo Financial Plan Scenario (Proposed Debt)

Line	Fiscal Year	Effective Date	Revenue Adjustments	Debt Issuance	Debt Proceeds for CIP
1	FY 2026	N/A	N/A	\$21,402,837	\$20,974,780
2	FY 2027	10/1/2026	0.0%	\$0	\$0
3	FY 2028	7/1/2027	0.0%	\$0	\$0
4	FY 2029	7/1/2028	0.0%	\$0	\$0
5	FY 2030	7/1/2029	0.0%	\$0	\$0
6	FY 2031	7/1/2030	0.0%	\$0	\$0

STATUS QUO CASH FLOW PROJECTIONS

Table 2-21 shows the cash flow projections for the status quo financial plan with no proposed debt (**Table 2-19**). Revenues²² (Lines 2, 4-9) are from **Table 2-12**. No revenue from proposed revenue adjustments is projected in the status quo scenario (Line 3). Operating expenses (Lines 12-26) are from **Table 2-15**. Net operating revenue (Line 28) is equal to the difference between total revenues (Line 10) and total expenses (Line 26). Existing debt service (Line 31) is from **Table 2-16** and no new debt is proposed in this status quo scenario (Line 32). Net operating revenue less debt (Line 35) is equal to the difference between net operating revenue (Line 28) and total debt service (Line 33).

²² Interest income (**Table 2-21**, Line 4) is different in the status quo financial plan scenario because it is based on projected fund balances. The status quo scenario results in lower fund balances; therefore, the District has less interest income. **Table 2-12** shows the interest income for the proposed financial plan scenario.

**Purissima Hills Water District
2026 Water Rate Study**

Rate funded CIP (Line 38) is equal to total CIP (**Table 2-18**, Line 8). In absence of new debt, all CIP is expected to be rate funded. Net cash flow (Line 41) is equal to the net operating revenue (Line 28) less debt service (Line 33) and rate funded CIP (Line 39).

Table 2-22 shows the cash flow projections for the status quo financial plan with proposed debt (**Table 2-20**). Revenues²³ (Lines 1-10) and operating expenses (Lines 12-26) are from **Table 2-21**. Net operating revenue (Line 28) is equal to the difference between total revenues (Line 10) and total expenses (Line 26). Existing debt service (Line 31) is from **Table 2-16** and proposed debt service is from **Table 2-17**. Net operating revenue less debt (Line 35) is equal to the difference between net operating revenue (Line 28) and total debt service (Line 33). Rate funded CIP (Line 38) is from **Table 2-18** (Line 7). Net cash flow (Line 41) is equal to the net operating revenue (Line 28) less debt service (Line 33) and rate funded CIP (Line 39). Debt proceeds and debt funded CIP are not included in the cash flow projections.

The net operating revenue less debt in both scenarios is positive each year of the study period, meaning the District's current revenues are sufficient to fund its operating expenses and debt service. However, the net cash flow in the status quo scenario is negative for all years, meaning that the District's current revenues are not sufficient to fund its annual CIP.

²³ Interest Income (**Table 2-22**, Line 4) is different in the status quo scenario with proposed debt compared to the status quo scenario without proposed debt because it is based on projected fund balances. Proposed debt proceeds increase fund balances and results in more interest income than in the status quo scenario without proposed debt (**Table 2-21**, Line 4).

Purissima Hills Water District
2026 Water Rate Study

Table 2-21: Projected Cash Flows (Status Quo Financial Plan – No Proposed Debt)

Line	Cash Flow Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Revenues						
2	Rate Revenues at Existing Rates	\$10,028,697	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157
3	Revenue Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
4	Interest Income	\$180,000	\$0	\$0	\$0	\$0	\$0
5	Property Taxes	\$1,850,000	\$1,942,500	\$2,039,625	\$2,141,606	\$2,248,687	\$2,361,121
6	Antenna Leases	\$222,000	\$227,550	\$233,239	\$239,070	\$245,046	\$251,173
7	Capacity Fees ²⁴	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000
8	Miscellaneous Operating Revenue	\$300,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
9	Miscellaneous Non-Operating Revenue	\$25,000	\$0	\$0	\$0	\$0	\$0
10	Total	\$12,698,697	\$12,921,207	\$13,024,021	\$13,131,833	\$13,244,890	\$13,363,451
11							
12	Expenses						
13	Water Supply Costs	\$4,206,000	\$4,524,513	\$4,534,825	\$4,545,835	\$4,558,937	\$4,570,292
14	Other Water Source of Supply Costs	\$547,000	\$574,350	\$603,068	\$633,221	\$664,882	\$698,126
15	Pumps & Tanks O&M	\$140,000	\$145,600	\$151,424	\$157,481	\$163,780	\$170,331
16	Transmission & Distribution O&M	\$578,000	\$620,720	\$647,349	\$675,223	\$704,410	\$734,982
17	Fuel	\$36,500	\$37,960	\$39,478	\$41,058	\$42,700	\$44,408
18	General Maintenance	\$40,000	\$41,600	\$43,264	\$44,995	\$46,794	\$48,666
19	Customer Account	\$64,000	\$66,560	\$69,222	\$71,991	\$74,871	\$77,866
20	Conservation Programs	\$25,000	\$26,000	\$27,040	\$28,122	\$29,246	\$30,416
21	Salaries and Wages	\$1,351,000	\$1,459,080	\$1,575,806	\$1,701,871	\$1,838,021	\$1,985,062
22	Payroll Taxes and Benefits	\$490,000	\$509,600	\$529,984	\$551,183	\$573,231	\$596,160
23	General & Administrative	\$791,500	\$823,160	\$856,086	\$890,330	\$925,943	\$962,981
24	Non-Operating Expenses	\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496
25	Other Expenses	\$365,300	\$379,912	\$395,108	\$410,913	\$427,349	\$444,443
26	Total	\$8,904,300	\$9,489,855	\$9,764,687	\$10,055,935	\$10,366,025	\$10,692,230
27							
28	Net Revenue	\$3,794,397	\$3,431,352	\$3,259,334	\$3,075,898	\$2,878,865	\$2,671,221

²⁴ Capacity fees include both storage and transmission components.

Purissima Hills Water District
2026 Water Rate Study

Line	Cash Flow Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
29							
30	Debt Service						
31	Existing Debt	\$636,632	\$637,238	\$636,601	\$636,710	\$636,560	\$637,135
32	Proposed Debt	\$0	\$0	\$0	\$0	\$0	\$0
33	Total	\$636,632	\$637,238	\$636,601	\$636,710	\$636,560	\$637,135
34							
35	Net Revenue Less Debt	\$3,157,765	\$2,794,113	\$2,622,732	\$2,439,188	\$2,242,304	\$2,034,086
36							
37	CIP						
38	Rate Funded	\$9,020,751	\$19,570,380	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
39	Total	\$9,020,751	\$19,570,380	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
40							
41	Net Cash Flow	(\$5,862,986)	(\$16,776,267)	(\$838,388)	(\$888,610)	(\$1,983,953)	(\$2,899,528)

Table 2-22: Projected Cash Flows (Status Quo Financial Plan – Proposed Debt)

Line	Cash Flow Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Revenues						
2	Rate Revenues at Existing Rates	\$10,028,697	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157
3	Revenue Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
4	Interest Income	\$180,000	\$296,839	\$49,269	\$0	\$0	\$0
5	Property Taxes	\$1,850,000	\$1,942,500	\$2,039,625	\$2,141,606	\$2,248,687	\$2,361,121
6	Antenna Leases	\$222,000	\$227,550	\$233,239	\$239,070	\$245,046	\$251,173
7	Capacity Fees ²⁵	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000
8	Miscellaneous Operating Revenue	\$300,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
9	Miscellaneous Non-Operating Revenue	\$25,000	\$0	\$0	\$0	\$0	\$0
10	Total	\$12,698,697	\$13,218,046	\$13,073,290	\$13,131,833	\$13,244,890	\$13,363,451
11							
12	Expenses						
13	Water Supply Costs	\$4,206,000	\$4,524,513	\$4,534,825	\$4,545,835	\$4,558,937	\$4,570,292

²⁵ Capacity fees include both storage and transmission components.

Purissima Hills Water District
2026 Water Rate Study

Line	Cash Flow Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
14	Other Water Source of Supply Costs	\$547,000	\$574,350	\$603,068	\$633,221	\$664,882	\$698,126
15	Pumps & Tanks O&M	\$140,000	\$145,600	\$151,424	\$157,481	\$163,780	\$170,331
16	Transmission & Distribution O&M	\$578,000	\$620,720	\$647,349	\$675,223	\$704,410	\$734,982
17	Fuel	\$36,500	\$37,960	\$39,478	\$41,058	\$42,700	\$44,408
18	General Maintenance	\$40,000	\$41,600	\$43,264	\$44,995	\$46,794	\$48,666
19	Customer Account	\$64,000	\$66,560	\$69,222	\$71,991	\$74,871	\$77,866
20	Conservation Programs	\$25,000	\$26,000	\$27,040	\$28,122	\$29,246	\$30,416
21	Salaries and Wages	\$1,351,000	\$1,459,080	\$1,575,806	\$1,701,871	\$1,838,021	\$1,985,062
22	Payroll Taxes and Benefits	\$490,000	\$509,600	\$529,984	\$551,183	\$573,231	\$596,160
23	General & Administrative	\$791,500	\$823,160	\$856,086	\$890,330	\$925,943	\$962,981
24	Non-Operating Expenses	\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496
25	Other Expenses	\$365,300	\$379,912	\$395,108	\$410,913	\$427,349	\$444,443
26	Total	\$8,904,300	\$9,489,855	\$9,764,687	\$10,055,935	\$10,366,025	\$10,692,230
27							
28	Net Revenue	\$3,794,397	\$3,728,190	\$3,308,603	\$3,075,898	\$2,878,865	\$2,671,221
29							
30	Debt Service						
31	Existing Debt	\$636,632	\$637,238	\$636,601	\$636,710	\$636,560	\$637,135
32	Proposed Debt	\$0	\$1,392,285	\$1,392,285	\$1,392,285	\$1,392,285	\$1,392,285
33	Total	\$636,632	\$2,029,523	\$2,028,886	\$2,028,996	\$2,028,846	\$2,029,420
34							
35	Net Revenue Less Debt	\$3,157,765	\$1,698,667	\$1,279,717	\$1,046,903	\$850,019	\$641,801
36							
37	CIP						
38	Rate Funded	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
39	Total	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
40							
41	Net Cash Flow	(\$862,986)	(\$1,896,933)	(\$2,181,403)	(\$2,280,895)	(\$3,376,238)	(\$4,291,813)

Purissima Hills Water District
2026 Water Rate Study

STATUS QUO FUND BALANCE PROJECTIONS

Table 2-23 shows the fund balance projections for the status quo financial plan with no proposed debt (**Table 2-19**). Based on the sources (revenues) and uses (operating expenses, debt service, and capital expenditures) of funds, the District’s fund balances will be negative by the end of FY 2026. At the end of the study period, the District’s fund balances will be approximately negative \$23.4M in FY 2031, from a starting balance of approximately \$5.9M in FY 2026. This represents a net loss of approximately \$29.2M in six years.

Table 2-23: Projected Fund Balances (Status Quo Financial Plan – No Proposed Debt)

Line	Fund Balance Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Beginning Fund Balance	\$5,846,027	(\$16,959)	(\$16,793,226)	(\$17,631,613)	(\$18,520,223)	(\$20,504,176)
2							
3	Sources of Funds						
4	Rate Revenues at Existing Rates	\$10,028,697	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157
5	Revenue Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
6	Interest Income	\$180,000	\$0	\$0	\$0	\$0	\$0
7	Property Taxes	\$1,850,000	\$1,942,500	\$2,039,625	\$2,141,606	\$2,248,687	\$2,361,121
8	Antenna Leases	\$222,000	\$227,550	\$233,239	\$239,070	\$245,046	\$251,173
9	Capacity Fees	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000
10	Miscellaneous Operating Revenue	\$300,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
11	Miscellaneous Non-Operating Revenue	\$25,000	\$0	\$0	\$0	\$0	\$0
12	Debt Proceeds	\$0	\$0	\$0	\$0	\$0	\$0
13	Total	\$12,698,697	\$12,921,207	\$13,024,021	\$13,131,833	\$13,244,890	\$13,363,451
14							
15	Uses of Funds						
16	Expenses	\$8,904,300	\$9,489,855	\$9,764,687	\$10,055,935	\$10,366,025	\$10,692,230
17	Debt Service	\$636,632	\$637,238	\$636,601	\$636,710	\$636,560	\$637,135
18	Debt Funded	\$0	\$0	\$0	\$0	\$0	\$0
19	Rate Funded	\$9,020,751	\$19,570,380	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
20	Total	\$18,561,683	\$29,697,474	\$13,862,408	\$14,020,443	\$15,228,843	\$16,262,979
21							
22	Ending Fund Balance	(\$16,959)	(\$16,793,226)	(\$17,631,613)	(\$18,520,223)	(\$20,504,176)	(\$23,403,704)

Purissima Hills Water District
2026 Water Rate Study

Table 2-24 shows the fund balance projections for the status quo financial plan with proposed debt (**Table 2-20**). Based on the sources (revenues) and uses (operating expenses, debt service, and capital expenditures) of funds, the District’s fund balances will be negative by the end of FY 2029. At the end of the study period, the District’s fund balances will be approximately negative \$9.0M in FY 2031, from a starting balance of approximately \$5.9M in FY 2026. This represents a net loss of approximately \$14.9M in six years.

Table 2-24: Projected Fund Balances (Status Quo Financial Plan – Proposed Debt)

Line	Fund Balance Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Beginning Fund Balance	\$5,846,027	\$20,957,821	\$3,086,108	\$904,704	(\$1,376,191)	(\$4,752,429)
2							
3	Sources of Funds						
4	Rate Revenues at Existing Rates	\$10,028,697	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157
5	Revenue Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
6	Interest Income	\$180,000	\$296,839	\$49,269	\$0	\$0	\$0
7	Property Taxes	\$1,850,000	\$1,942,500	\$2,039,625	\$2,141,606	\$2,248,687	\$2,361,121
8	Antenna Leases	\$222,000	\$227,550	\$233,239	\$239,070	\$245,046	\$251,173
9	Capacity Fees	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000
10	Miscellaneous Operating Revenue	\$300,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
11	Miscellaneous Non-Operating Revenue	\$25,000	\$0	\$0	\$0	\$0	\$0
12	Debt Proceeds	\$20,974,780	\$0	\$0	\$0	\$0	\$0
13	Total	\$33,673,477	\$13,218,046	\$13,073,290	\$13,131,833	\$13,244,890	\$13,363,451
14							
15	Uses of Funds						
16	Expenses	\$8,904,300	\$9,489,855	\$9,764,687	\$10,055,935	\$10,366,025	\$10,692,230
17	Debt Service	\$636,632	\$2,029,523	\$2,028,886	\$2,028,996	\$2,028,846	\$2,029,420
18	Debt Funded	\$5,000,000	\$15,974,780	\$0	\$0	\$0	\$0
19	Rate Funded	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
20	Total	\$18,561,683	\$31,089,759	\$15,254,694	\$15,412,729	\$16,621,128	\$17,655,264
21							
22	Ending Fund Balance	\$20,957,821	\$3,086,108	\$904,704	(\$1,376,191)	(\$4,752,429)	(\$9,044,243)

Purissima Hills Water District
2026 Water Rate Study

STATUS QUO FINANCIAL PERFORMANCE

The District’s financial performance is evaluated based on the reserve targets, debt coverage requirements, and debt coverage targets as shown in **Table 2-25**. Under the status quo financial plans with and without new debt, the District will not meet its current nor proposed reserve targets (except for FY 2026 under the proposed debt scenario where reserves include debt proceeds for CIP). Based on its existing debt, the District will meet its required and target debt coverage in all years (Lines 27-28). However, when accounting for new debt, the District will fail to meet its target debt coverage starting in FY 2030 (Line 32).

Table 2-25: Forecasted Financial Performance (Status Quo Financial Plan)

Line	Financial Performance	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Current Financial Policies						
2	Operating Reserve	\$2,226,075	\$2,372,464	\$2,441,172	\$2,513,984	\$2,591,506	\$2,673,057
3	Operating Reserve Alternative	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
4	Capital Reserve	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
5	Combined Reserve Target	\$3,726,075	\$3,872,464	\$3,941,172	\$4,013,984	\$4,091,506	\$4,173,057
6							
7	Proposed Financial Policies						
8	Operating Reserve	\$2,226,075	\$2,372,464	\$2,441,172	\$2,513,984	\$2,591,506	\$2,673,057
9	Capital Reserve	\$4,000,000	\$4,160,000	\$4,326,400	\$4,499,456	\$4,679,434	\$4,866,612
10	Emergency Reserve	\$0	\$0	\$0	\$0	\$0	\$0
11	Rate Stabilization Reserve	\$0	\$0	\$0	\$0	\$0	\$0
12	Combined Reserve Target	\$6,226,075	\$6,532,464	\$6,767,572	\$7,013,440	\$7,270,941	\$7,539,669
13							
14	Combined Reserves (Existing Debt)	(\$16,959)	(\$16,793,226)	(\$17,631,613)	(\$18,520,223)	(\$20,504,176)	(\$23,403,704)
15	Meets Current Target?	No	No	No	No	No	No
16	Meets Proposed Target?	No	No	No	No	No	No
17							
18	Combined Reserves (Proposed Debt)	\$20,957,821	\$3,086,108	\$904,704	(\$1,376,191)	(\$4,752,429)	(\$9,044,243)
19	Meets Current Target?	Yes	No	No	No	No	No
20	Meets Proposed Target?	Yes	No	No	No	No	No
21							
22	Debt Service Coverage						
23	Required Debt Coverage	125%	125%	125%	125%	125%	125%

Purissima Hills Water District
2026 Water Rate Study

Line	Financial Performance	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
24	Target Debt Coverage	150%	150%	150%	150%	150%	150%
25							
26	Calculated Debt Coverage (Existing Debt)	596%	538%	512%	483%	452%	419%
27	Meets Required Coverage?	Yes	Yes	Yes	Yes	Yes	Yes
28	Meets Target Coverage?	Yes	Yes	Yes	Yes	Yes	Yes
29							
30	Calculated Debt Coverage (Proposed Debt)	596%	184%	163%	152%	142%	132%
31	Meets Required Coverage?	Yes	Yes	Yes	Yes	Yes	Yes
32	Meets Target Coverage?	Yes	Yes	Yes	Yes	No	No

Figure 2-2 and **Figure 2-3** show the comparison of revenues and the revenue requirement for the status quo scenario based on no proposed debt and proposed debt assumptions, respectively. The stacked bars represent the revenue requirements, or costs: light blue for O&M expenses, green for debt service, and dark blue for rate funded CIP. The District will not be adding to its reserves (grey bars) in this scenario. The current revenue, shown as a solid line, is lower than the revenue requirements, meaning that revenues are insufficient to fund necessary costs, indicated by the deficit (red circles).

Figure 2-2: Revenue Requirements vs. Revenues (Status Quo Financial Plan - No Proposed Debt)

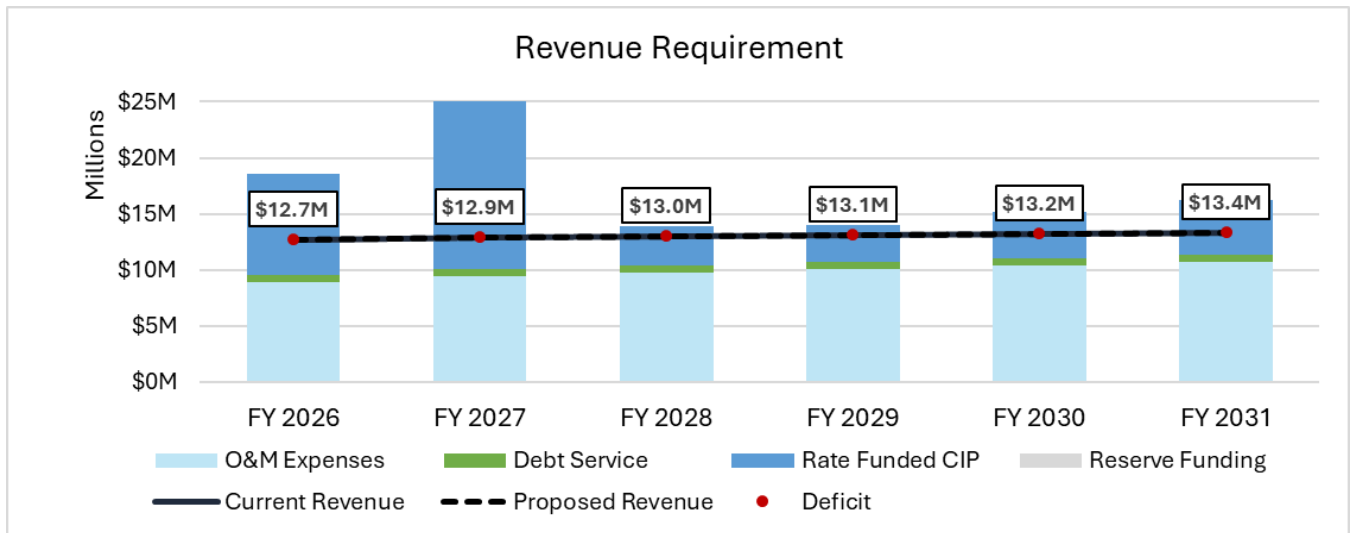


Figure 2-3: Revenue Requirements vs. Revenues (Status Quo Financial Plan – Proposed Debt)

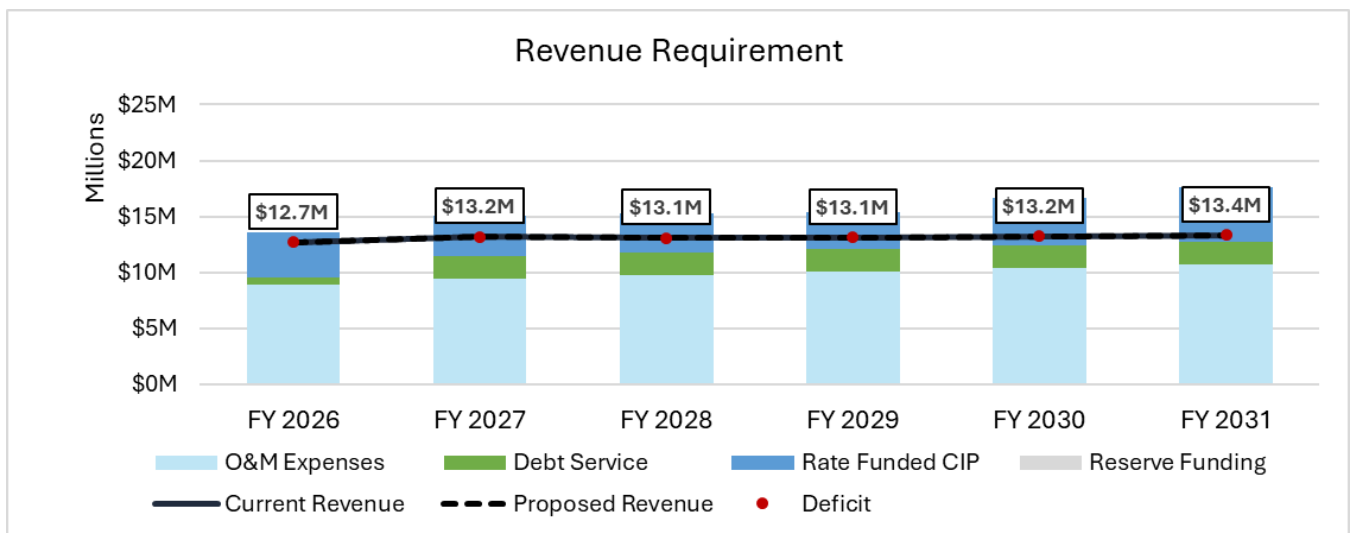


Figure 2-4 and **Figure 2-5** show the debt coverage projections in the status quo financial plan based on no proposed debt and proposed debt assumptions, respectively. The required debt coverage (dotted black line) is equal to 125% and the target debt coverage (dashed black line) is equal to 150%. The District is expected to meet its target and required debt coverage for all years for existing debt. However, for proposed debt, the District is expected to fail to meet its target debt coverage starting in FY 2030. Although

debt is expected to be issued at the end of FY 2026, based on direction from District staff, debt service payments will not commence until FY 2027.

Figure 2-4: Projected Debt Coverage (Status Quo Financial Plan – No Proposed Debt)

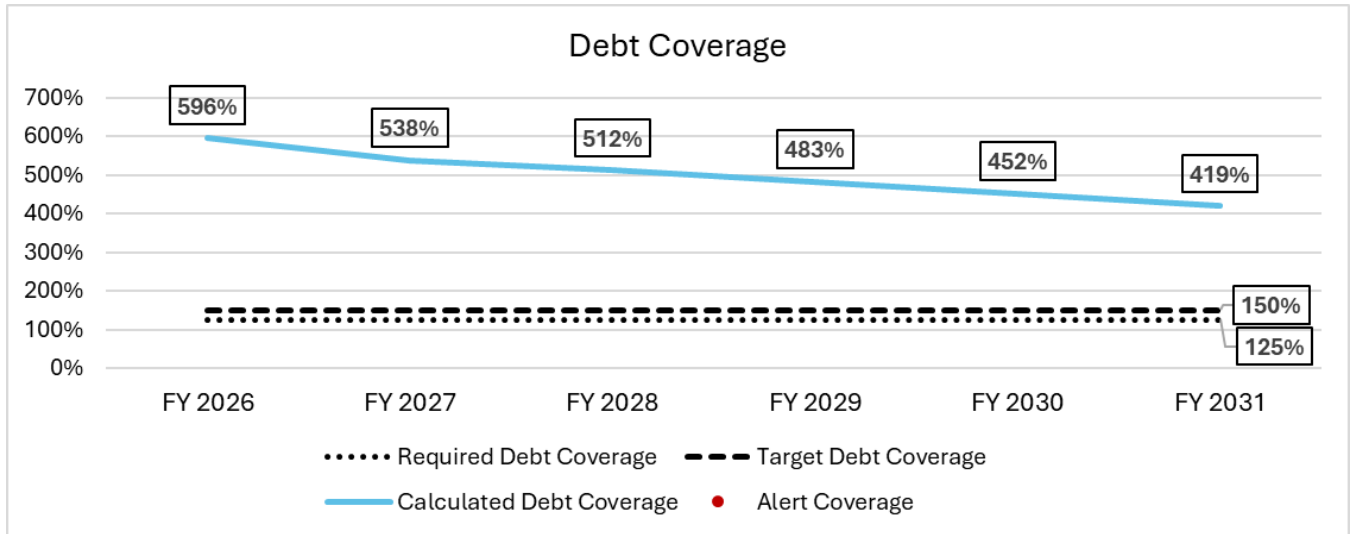


Figure 2-5: Projected Debt Coverage (Status Quo Financial Plan – Proposed Debt)

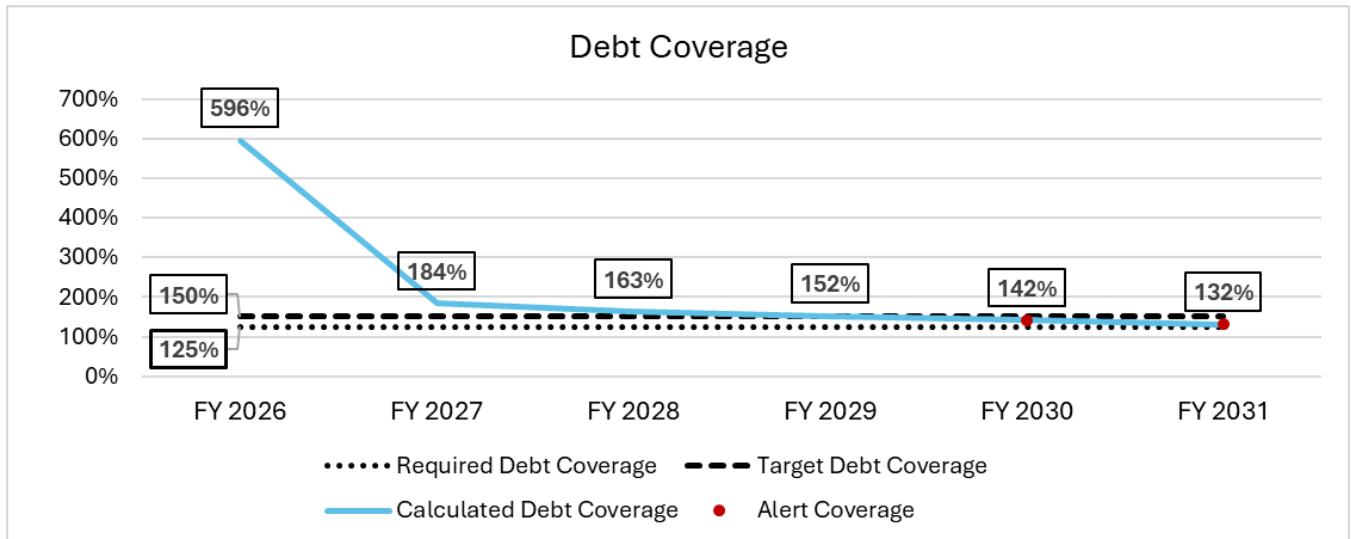


Figure 2-6 and Figure 2-7 show the fund balance projections in the status quo financial plan based on no proposed debt and proposed debt assumptions, respectively. With no new debt, the District’s ending balance (green bars) will not meet its current reserve targets (dashed black line) nor proposed reserve targets (dashed red line) and will be negative starting in FY 2026. With new debt, the District’s ending balance will not meet its current nor proposed reserve targets starting in FY 2027. Additionally, fund balances will be negative starting in FY 2029.

Figure 2-6: Projected Fund Balances (Status Quo Financial Plan – No Proposed Debt)

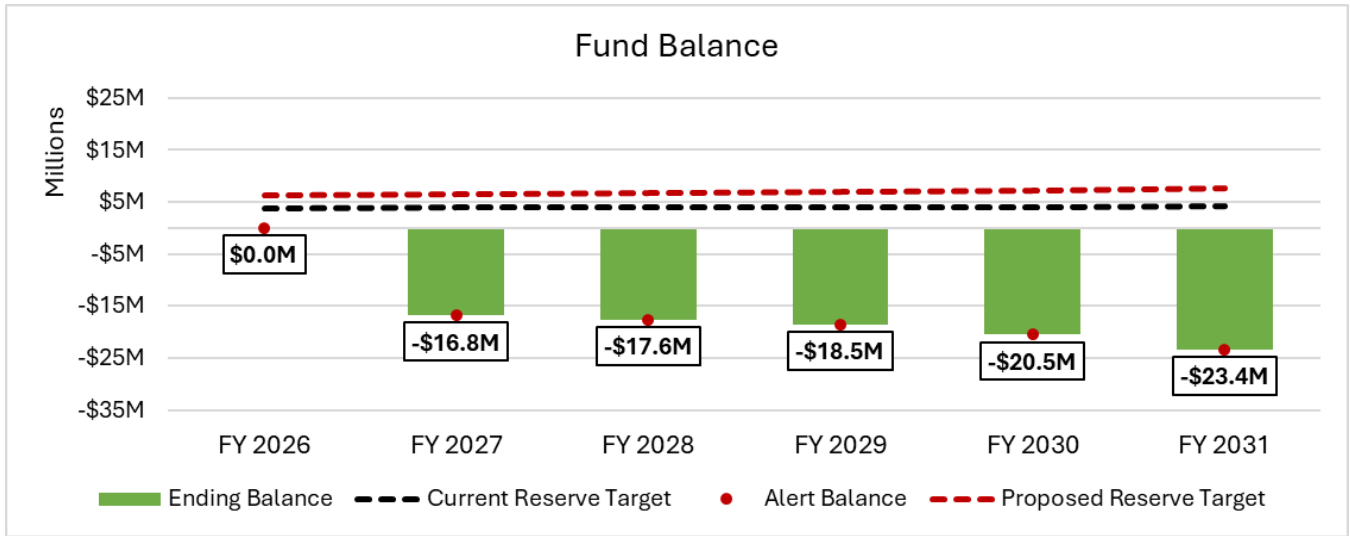
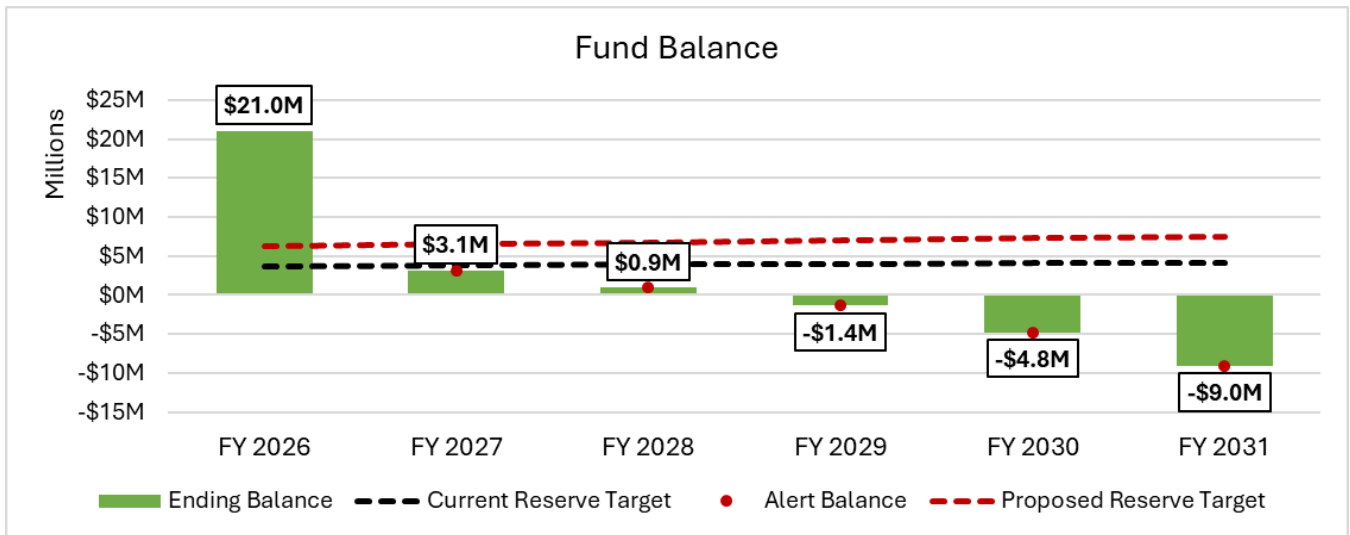


Figure 2-7: Projected Fund Balances (Status Quo Financial Plan – Proposed Debt)



2.8 PROPOSED FINANCIAL PLAN

PROPOSED FINANCIAL PLAN SCENARIO

The proposed financial plan includes five years of revenue adjustments (excluding FY 2026) and one debt issuance in FY 2026 to fund the Operations Center, as shown in **Table 2-26**. These adjustments are needed to maintain the District’s financial sufficiency and were developed based on input from District staff and direction from the Board.

The first year of water rates will be effective in October 2026, with the following years effective in July 2027 through July 2030. The District is transitioning from a January implementation schedule to a July implementation schedule to ease administration of the District’s rate structure. The July implementation schedule aligns the rate schedule with the District’s current fiscal year budget cycle and SFPUC’s rate implementation schedule.

Table 2-26: Proposed Financial Plan Scenario

Line	Fiscal Year	Effective Date	Revenue Adjustments	Debt Issuance	Debt Proceeds for CIP
1	FY 2026	N/A	N/A	\$21,402,837	\$20,974,780
2	FY 2027	10/1/2026	10.5%	\$0	\$0
3	FY 2028	7/1/2027	10.5%	\$0	\$0
4	FY 2029	7/1/2028	10.5%	\$0	\$0
5	FY 2030	7/1/2029	10.5%	\$0	\$0
6	FY 2031	7/1/2030	10.5%	\$0	\$0

PROPOSED CASH FLOW PROJECTIONS

Table 2-27 shows the cash flow projections for the proposed financial plan. Revenues (Lines 2, 4-9) are from **Table 2-12**. Revenue adjustments (Line 3) are based on the proposed revenue adjustments in **Table 2-26**. Operating expenses (Lines 12-26) are from **Table 2-15**. Net operating revenue (Line 28) is equal to the difference between total revenues (Line 10) and total expenses (Line 26). Existing debt service (Line 31) is from **Table 2-16** and proposed debt service (Line 32) is from **Table 2-17**. Net operating revenue less debt (Line 35) is equal to net operating revenue (Line 28) less debt service (Line 33). Rate funded CIP (Line 38) is from **Table 2-18** (Line 7). Net cash flow (Line 41) is equal to the net operating revenue (Line 28) less debt service (Line 33) and rate funded CIP (Line 39). Debt proceeds and debt funded CIP are not included in the cash flow projections.

The net operating revenue less debt is positive each year of the study period, meaning the District’s current revenues are sufficient to fund its operating expenses and debt service. The net cash flow in the proposed scenario is positive for all years (except for FY 2026 and FY 2027 during which current reserves will be used to fund CIP), meaning that the District’s proposed revenues are sufficient to fund its annual CIP.

Table 2-27: Projected Cash Flows (Proposed Financial Plan)

Line	Cash Flow Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Revenues						
2	Rate Revenues at Existing Rates	\$10,028,697	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157
3	Revenue Adjustments	\$0	\$829,092	\$2,326,986	\$3,676,776	\$5,168,294	\$6,816,421
4	Interest Income	\$180,000	\$307,202	\$99,343	\$120,479	\$163,340	\$221,382
5	Property Taxes	\$1,850,000	\$1,942,500	\$2,039,625	\$2,141,606	\$2,248,687	\$2,361,121
6	Antenna Leases	\$222,000	\$227,550	\$233,239	\$239,070	\$245,046	\$251,173
7	Capacity Fees ²⁶	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000
8	Miscellaneous Operating Revenue	\$300,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
9	Miscellaneous Non-Operating Revenue	\$25,000	\$0	\$0	\$0	\$0	\$0
10	Total	\$12,698,697	\$14,057,502	\$15,450,350	\$16,929,088	\$18,576,524	\$20,401,254
11							
12	Expenses						
13	Water Supply Costs	\$4,206,000	\$4,524,513	\$4,534,825	\$4,545,835	\$4,558,937	\$4,570,292
14	Other Water Source of Supply Costs	\$547,000	\$574,350	\$603,068	\$633,221	\$664,882	\$698,126
15	Pumps & Tanks O&M	\$140,000	\$145,600	\$151,424	\$157,481	\$163,780	\$170,331
16	Transmission & Distribution O&M	\$578,000	\$620,720	\$647,349	\$675,223	\$704,410	\$734,982
17	Fuel	\$36,500	\$37,960	\$39,478	\$41,058	\$42,700	\$44,408
18	General Maintenance	\$40,000	\$41,600	\$43,264	\$44,995	\$46,794	\$48,666
19	Customer Account	\$64,000	\$66,560	\$69,222	\$71,991	\$74,871	\$77,866
20	Conservation Programs	\$25,000	\$26,000	\$27,040	\$28,122	\$29,246	\$30,416
21	Salaries and Wages	\$1,351,000	\$1,459,080	\$1,575,806	\$1,701,871	\$1,838,021	\$1,985,062
22	Payroll Taxes and Benefits	\$490,000	\$509,600	\$529,984	\$551,183	\$573,231	\$596,160
23	General & Administrative	\$791,500	\$823,160	\$856,086	\$890,330	\$925,943	\$962,981
24	Non-Operating Expenses	\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496
25	Other Expenses	\$365,300	\$379,912	\$395,108	\$410,913	\$427,349	\$444,443
26	Total	\$8,904,300	\$9,489,855	\$9,764,687	\$10,055,935	\$10,366,025	\$10,692,230
27							
28	Net Revenue	\$3,794,397	\$4,567,646	\$5,685,663	\$6,873,153	\$8,210,499	\$9,709,024

²⁶ Capacity fees include both storage and transmission components.

Purissima Hills Water District
2026 Water Rate Study

Line	Cash Flow Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
29							
30	Debt Service						
31	Existing Debt	\$636,632	\$637,238	\$636,601	\$636,710	\$636,560	\$637,135
32	Proposed Debt	\$0	\$1,392,285	\$1,392,285	\$1,392,285	\$1,392,285	\$1,392,285
33	Total	\$636,632	\$2,029,523	\$2,028,886	\$2,028,996	\$2,028,846	\$2,029,420
34							
35	Net Revenue Less Debt	\$3,157,765	\$2,538,123	\$3,656,776	\$4,844,157	\$6,181,653	\$7,679,604
36							
37	CIP						
38	Rate Funded	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
39	Total	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
40							
41	Net Cash Flow	(\$862,986)	(\$1,057,477)	\$195,656	\$1,516,359	\$1,955,396	\$2,745,990

PROPOSED FUND BALANCE PROJECTIONS

Table 2-28 shows the fund balance projections for the proposed financial plan. Based on the sources (revenues, revenue adjustments, and debt proceeds) and uses (operating expenses, debt service, and capital expenditures) of funds, the District’s fund balances will be approximately \$10.3M at the end of the study.

Table 2-28: Projected Fund Balances (Proposed Financial Plan)

Line	Fund Balance Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Beginning Fund Balance	\$5,846,027	\$20,957,821	\$3,925,564	\$4,121,220	\$5,637,579	\$7,592,975
2							
3	Sources of Funds						
4	Rate Revenues at Existing Rates	\$10,028,697	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157
5	Revenue Adjustments	\$0	\$829,092	\$2,326,986	\$3,676,776	\$5,168,294	\$6,816,421
6	Interest Income	\$180,000	\$307,202	\$99,343	\$120,479	\$163,340	\$221,382
7	Property Taxes	\$1,850,000	\$1,942,500	\$2,039,625	\$2,141,606	\$2,248,687	\$2,361,121
8	Antenna Leases	\$222,000	\$227,550	\$233,239	\$239,070	\$245,046	\$251,173
9	Capacity Fees ²⁷	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000
10	Miscellaneous Operating Revenue	\$300,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
11	Miscellaneous Non-Operating Revenue	\$25,000	\$0	\$0	\$0	\$0	\$0
12	Debt Proceeds	\$20,974,780	\$0	\$0	\$0	\$0	\$0
13	Total	\$33,673,477	\$14,057,502	\$15,450,350	\$16,929,088	\$18,576,524	\$20,401,254
14							
15	Uses of Funds						
16	Expenses	\$8,904,300	\$9,489,855	\$9,764,687	\$10,055,935	\$10,366,025	\$10,692,230
17	Debt Service	\$636,632	\$2,029,523	\$2,028,886	\$2,028,996	\$2,028,846	\$2,029,420
18	Debt Funded	\$5,000,000	\$15,974,780	\$0	\$0	\$0	\$0
19	Rate Funded	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
20	Total	\$18,561,683	\$31,089,759	\$15,254,694	\$15,412,729	\$16,621,128	\$17,655,264
21							
22	Ending Fund Balance	\$20,957,821	\$3,925,564	\$4,121,220	\$5,637,579	\$7,592,975	\$10,338,965

²⁷ Capacity fees include both storage and transmission components.

PROPOSED FINANCIAL PERFORMANCE

Table 2-29 shows the forecasted financial performance for the proposed financial plan. Under this plan, the District will meet its required and target debt coverage in all years and proposed reserve policy targets by the end of the study period in FY 2031.

Table 2-29: Forecasted Financial Performance (Proposed Financial Plan)

Line	Financial Performance	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Current Financial Policies						
2	Operating Reserve	\$2,226,075	\$2,372,464	\$2,441,172	\$2,513,984	\$2,591,506	\$2,673,057
3	Operating Reserve Alternative	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
4	Capital Reserve	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
5	Combined Reserve Target	\$3,726,075	\$3,872,464	\$3,941,172	\$4,013,984	\$4,091,506	\$4,173,057
6	Combined Reserves	\$20,957,821	\$3,925,564	\$4,121,220	\$5,637,579	\$7,592,975	\$10,338,965
7	Meets Target?	Yes	Yes	Yes	Yes	Yes	Yes
8							
9	Proposed Financial Policies						
10	Operating Reserve	\$2,226,075	\$2,372,464	\$2,441,172	\$2,513,984	\$2,591,506	\$2,673,057
11	Capital Reserve	\$4,000,000	\$4,160,000	\$4,326,400	\$4,499,456	\$4,679,434	\$4,866,612
12	Emergency Reserve	\$0	\$0	\$0	\$0	\$0	\$0
13	Rate Stabilization Reserve	\$0	\$0	\$0	\$0	\$0	\$0
14	Combined Reserve Target	\$6,226,075	\$6,532,464	\$6,767,572	\$7,013,440	\$7,270,941	\$7,539,669
15	Combined Reserves	\$20,957,821	\$3,925,564	\$4,121,220	\$5,637,579	\$7,592,975	\$10,338,965
16	Meets Target?	Yes	No	No	No	Yes	Yes
17							
18	Debt Service Coverage						
19	Required Debt Coverage	125%	125%	125%	125%	125%	125%
20	Target Debt Coverage	150%	150%	150%	150%	150%	150%
21	Calculated Debt Coverage	596%	225%	280%	339%	405%	478%
22	Meets Required Coverage?	Yes	Yes	Yes	Yes	Yes	Yes
23	Meets Target Coverage?	Yes	Yes	Yes	Yes	Yes	Yes

Figure 2-8 shows the comparison of revenues and the revenue requirement for the proposed scenario. The stacked bars represent the revenue requirements, or costs. The District will add to its reserves (grey bars) in this scenario. The current revenue, shown as a solid line, is lower than the revenue requirements. The proposed revenue, shown as a dotted line, is greater than the revenue requirements (except for FY 2026 and FY 2027 where current reserves will be used to fund CIP), meaning that the District’s revenues are able to sufficiently fund its expenses.

Figure 2-8: Revenue Requirements vs. Revenues (Proposed Financial Plan)

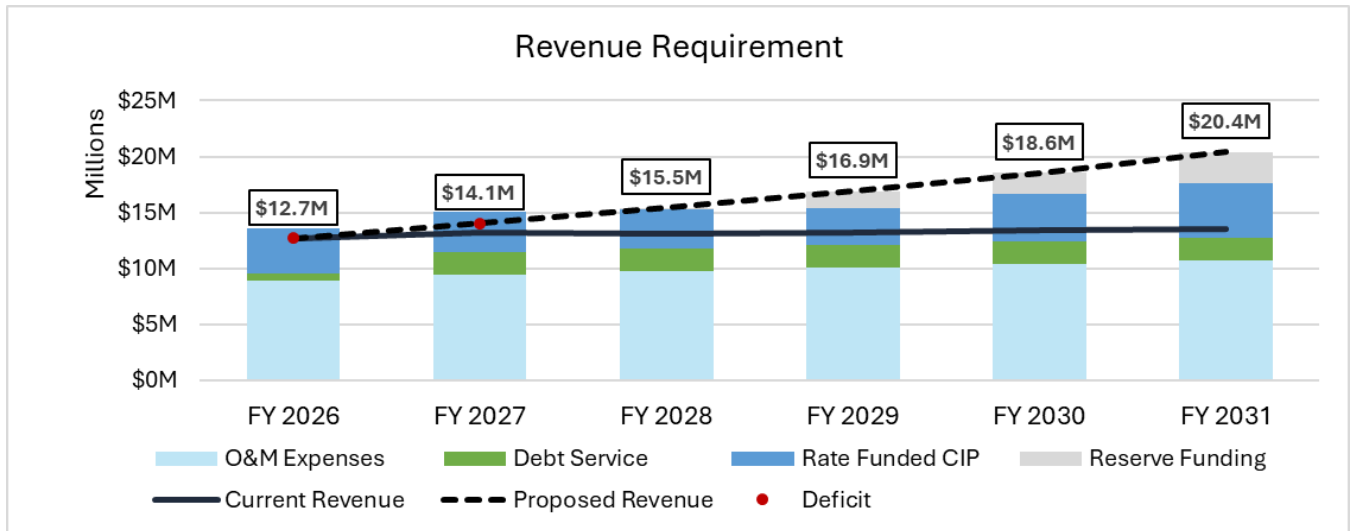
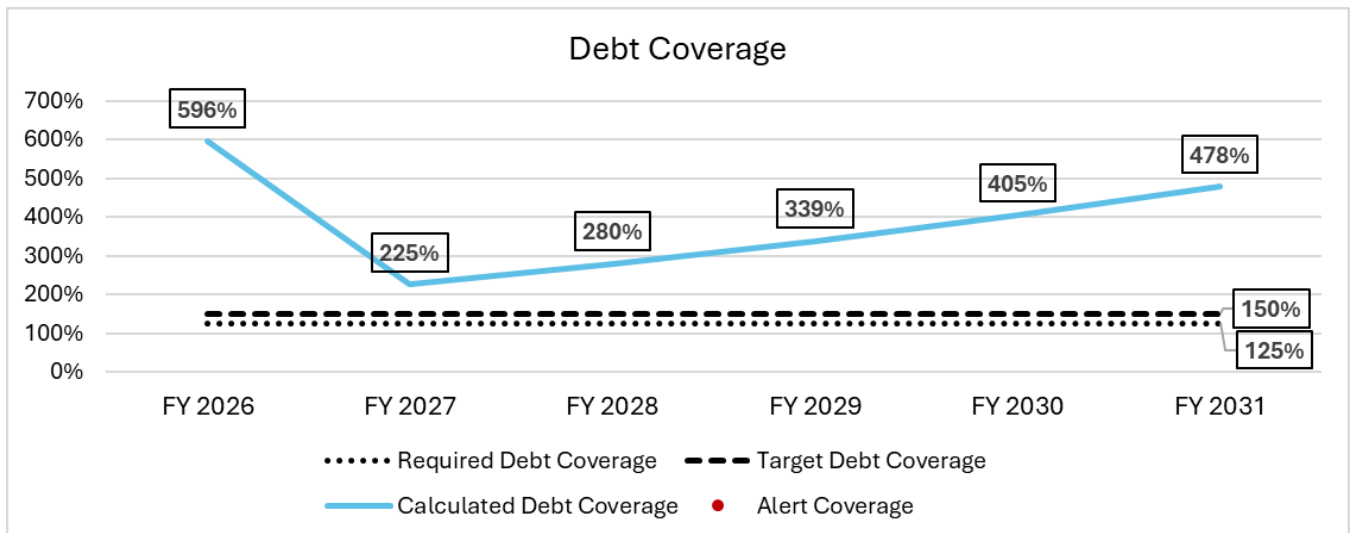


Figure 2-9 shows the debt coverage projections in the proposed financial plan. The required debt coverage (dotted black line) is equal to 125% and the target debt coverage (dashed black line) is equal to 150%. The District is expected to meet its required and target debt coverage for all years of this scenario, including proposed debt service starting in FY 2027.

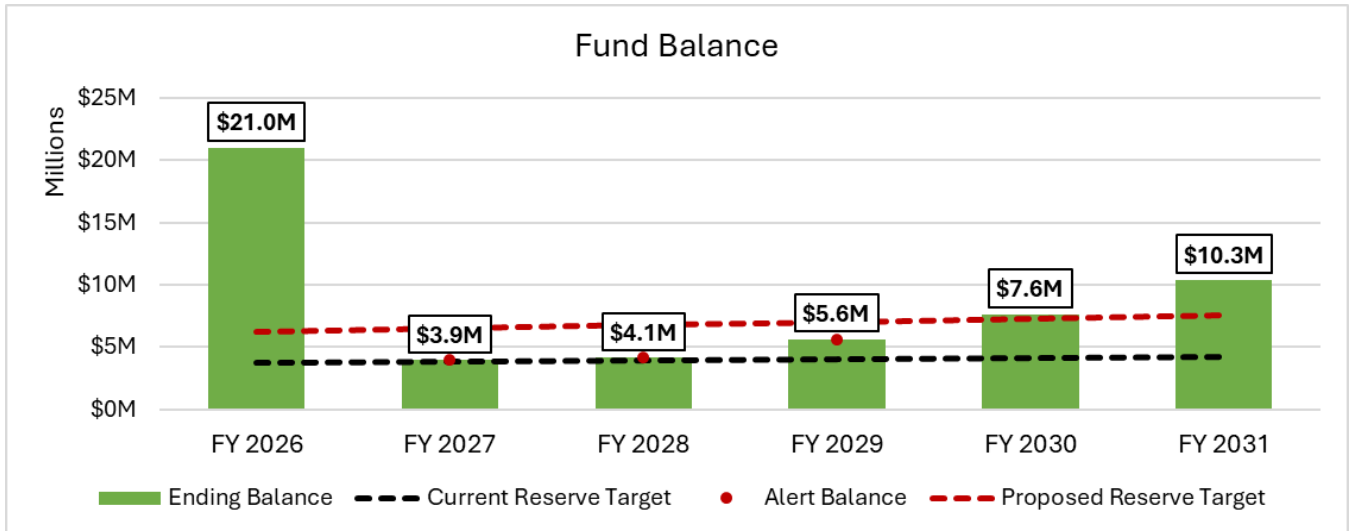
Figure 2-9: Projected Debt Coverage (Proposed Financial Plan)



Purissima Hills Water District
2026 Water Rate Study

Figure 2-10 shows the fund balance projections in the proposed financial plan. The District’s ending balance (green bars) will meet the proposed reserve targets (dashed red line) by the end of the study period in FY 2031.

Figure 2-10: Projected Fund Balances (Proposed Financial Plan)



3. COST-OF-SERVICE

3.1 COST-OF-SERVICE METHODOLOGY

A cost-of-service analysis was conducted to allocate the proposed FY 2026 rate revenue requirement to customers in proportion to use of and burden on the District’s water system. The overall goal of the cost-of-service analysis is to develop “unit costs,” which form the basis for calculating rates. Note that although the study period spans six years, the cost-of-service analysis is limited to a single representative year referred to as the “test year.” The test year in this study is FY 2026.

The key steps in conducting a water cost-of-service analysis are outlined below:

- **Revenue requirement determination:** The total rate revenue requirement for the test year is determined based on the results of the proposed financial plan and divided into primary sub-components (operating, capital, etc.).
- **Cost functionalization:** Operating and capital costs are evaluated and assigned to “functional categories” in the water system (e.g., customer service, supply, distribution, etc.). This provides a proportional breakdown of system costs by functional category.
- **Revenue requirement allocation to cost causation components:** Functionalized costs are allocated to “cost causation components” (e.g., water supply, base delivery, max day, etc.), which is used to attribute customers’ use of the system to the District’s incurrence of costs.
- **Unit cost development:** The rate revenue requirement allocation for each individual cost causation component is divided by the appropriate units of service to establish unit costs for the test year. Unit costs provide the basis from which proposed rates are calculated.

3.2 REVENUE REQUIREMENT

The total rate revenue requirement for the test year, FY 2026, is based on the financial plan projections (**Table 2-27**) and is allocated between the Operating, Capital, and Revenue Offset components, as shown in **Table 3-1**:

- The **Operating revenue requirement** consists of operating expenses (Line 2; from **Table 2-27**, Line 26), miscellaneous operating revenue (Line 12; from **Table 2-27**, Line 8), and an adjustment to annualize the mid-year rate revenue adjustment effective on 1/1/2026 (Line 18).
- The **Capital revenue requirement** includes debt service (Line 3; from **Table 2-27**, Line 33), rate funded CIP (Line 4; from **Table 2-27**, Line 39), interest income (Line 8; from **Table 2-27**, Line 4), capacity fees (Line 11; from **Table 2-27**, Line 7), miscellaneous non-operating revenue (Line 13; from **Table 2-27**, Line 9), and adjustments for cash from reserves (Line 17; from **Table 2-27**, Line 41).
- The **Revenue Offset revenue requirement** reduces the overall revenue requirement by eligible revenues not generated by specific customer classes or payment of services provided by the District. Under this definition, only property taxes (Line 9; from **Table 2-27**, Line 5) and antenna leases (Line 10; from **Table 2-27**, Line 6) qualify.

**Purissima Hills Water District
2026 Water Rate Study**

The total revenue requirement (Line 21) less the revenue adjustment annualization (Line 18) is equal to the amount of rate revenue collected in FY 2026 (**Table 2-27**, Line 2).

Table 3-1: FY 2026 Revenue Requirement

Line	FY 2026 Revenue Requirement	Operating	Capital	Rev. Offset	Total
1	Revenue Requirements				
2	Operating Expenses	\$8,904,300	\$0	\$0	\$8,904,300
3	Debt Service	\$0	\$636,632	\$0	\$636,632
4	Rate Funded CIP	\$0	\$4,020,751	\$0	\$4,020,751
5	Subtotal	\$8,904,300	\$4,657,383	\$0	\$13,561,683
6					
7	Non-Rate Revenues				
8	Interest Income	\$0	(\$180,000)	\$0	(\$180,000)
9	Property Taxes	\$0	\$0	(\$1,850,000)	(\$1,850,000)
10	Antenna Leases	\$0	\$0	(\$222,000)	(\$222,000)
11	Capacity Fees ²⁸	\$0	(\$93,000)	\$0	(\$93,000)
12	Miscellaneous Operating Revenue ²⁹	(\$300,000)	\$0	\$0	(\$300,000)
13	Miscellaneous Non-Operating Revenue ³⁰	\$0	(\$25,000)	\$0	(\$25,000)
14	Subtotal	(\$300,000)	(\$298,000)	(\$2,072,000)	(\$2,670,000)
15					
16	Adjustments				
17	Cash to/(from) Reserves	\$0	(\$862,986)	\$0	(\$862,986)
18	Revenue Adjustment Annualization	\$499,460 ³¹	\$0	\$0	\$499,460
19	Subtotal	\$499,460	(\$862,986)	\$0	(\$363,526)
20					
21	Total - FY 2026 Revenue Requirement	\$9,103,760	\$3,496,397	(\$2,072,000)	\$10,528,157

3.3 COST FUNCTIONALIZATION

FUNCTIONAL CATEGORY DEFINITIONS

After determining the revenue requirement, the next step in the cost-of-service analysis is to allocate the District’s costs into various functional categories. These categories represent the main functions of the District’s water system and include:

- **Meter Maintenance:** costs of meter maintenance and replacement
- **Customer Service:** costs related to customer service and billing
- **Backflow Maintenance:** costs related to backflow device maintenance and replacement
- **Water Supply:** costs related to acquiring water from SFPUC (including BAWSCA costs)
- **Treatment:** costs related to treating water to potable standards

²⁸ Capacity fees include both storage and transmission components.

²⁹ Miscellaneous operating revenue consists of miscellaneous fees such as meter installation fees, turn on charges, returned check fees, etc.

³⁰ Miscellaneous non-operating revenue consists of gains from asset sales.

³¹ \$10,528,157 total rate revenue collected if mid-year rates effective on 1/1/2026 are effective for the full year \$10,028,697 actual rate revenue collected in FY 2026 (from **Table 2-27**, Line 2).

**Purissima Hills Water District
2026 Water Rate Study**

- **Pumping:** costs relating to pumping water to higher elevations
- **Storage:** costs related to water storage facilities (such as reservoirs and tanks)
- **Transmission and Distribution (T&D):** costs related to the transmission and distribution of water through the District’s water system
- **Conservation Outreach:** costs related to the District’s water conservation program
- **General:** costs that are not directly attributable to any other functional category
- **Revenue Offset:** miscellaneous revenues that are not generated by specific customer classes or for payment of services provided by the District; these revenues can be used to offset rates at the District’s discretion under Proposition 218 requirements

OPERATING COST FUNCTIONALIZATION

WRE worked closely with District staff to evaluate and allocate the operating expenses for FY 2026 (**Table 2-15**) to the most closely associated functional categories within the water system, as shown in **Table 3-2**. A detailed allocation of operating expenses to functional category is available in the **Appendix (Table 7-4)**.

Table 3-2: Operating Costs by System Functions

Line	System Functions	Operating Expenses	Percent of Total
1	Meter Maintenance	\$148,956	1.7%
2	Customer Service	\$479,674	5.4%
3	Backflow Maintenance	\$163,332	1.8%
4	Water Supply	\$4,206,000	47.2%
5	Pumping	\$684,369	7.7%
6	Treatment	\$24,000	0.3%
7	Storage	\$186,194	2.1%
8	T&D	\$1,261,157	14.2%
9	Conservation Outreach	\$25,000	0.3%
10	General	\$1,725,618	19.4%
11	Revenue Offset	\$0	0.0%
12	Total	\$8,904,300	100.0%

CAPITAL ASSET FUNCTIONALIZATION

WRE worked with District staff to evaluate and allocate the District’s current capital assets to the most closely associated functional categories within the water system, as shown in **Table 3-3**. The detailed allocation of the current capital assets to the functional categories is included in the **Appendix (Table 7-5)**.

It is standard practice in most water cost-of-service studies to functionalize current capital assets rather than planned CIP costs, since the latter can fluctuate more significantly from year to year. The current capital asset base provides a more stable representation of long-term capital needs and their associated costs. The asset valuation methodology used in this study is Replacement Cost Less Depreciation (RCLD), which takes both inflation and depreciation of the District’s water system into account.

Table 3-3: Capital Assets by System Functions

Line	System Functions	Capital Assets (RCLD)	Percent of Total
1	Meter Maintenance	\$419,784	0.8%
2	Customer Service	\$33,626	0.1%
3	Backflow Maintenance	\$0	0.0%
4	Water Supply	\$0	0.0%
5	Pumping	\$1,390,800	2.8%
6	Treatment	\$0	0.0%
7	Storage	\$5,594,563	11.3%
8	T&D	\$39,162,060	79.3%
9	Conservation Outreach	\$0	0.0%
10	General	\$2,797,254	5.7%
11	Revenue Offset	\$0	0.0%
12	Total	\$49,398,086	100.0%

3.4 COST CAUSATION COMPONENTS

COST COMPONENT DEFINITIONS

While the functional categories represent the costs of system functions, cost causation components represent the reasons for why and how those costs are incurred within the system (thus, cost causation). Cost causation components will be referred to as cost components in this report. The next step of the cost-of-service analysis is to allocate the Operating, Capital, and Revenue Offsets in the functional categories between the cost components, most of which directly correspond to a single functional category.

The cost components in this study include the following:

- **Meter:** directly corresponds to the Meter Maintenance functional category
- **Customer:** directly corresponds to the Customer Service functional category
- **Backflow:** directly corresponds to the Backflow Maintenance functional category
- **Water Supply:** directly corresponds to the Water Supply functional category
- **Base:** costs associated with delivering water to customers during average water demand conditions
- **Max Day:** costs associated with delivering water to customers during maximum day demand conditions
- **Conservation Outreach:** directly corresponds to the Conservation Outreach functional category
- **General:** directly corresponds to the General functional category
- **Revenue Offset:** directly corresponds to the Revenue Offset functional category

SYSTEM-WIDE CAPACITY FACTORS

System-wide capacity factors for the District’s water system, shown in **Table 3-4** are used to allocate costs associated within the Pumping, Treatment, Storage, and T&D functional categories to the Base and Max Day cost components. Capacity factors represent the ratio of maximum to average water demand over the course of one year for the entire system. This provides a basis to identify costs incurred to provide water

**Purissima Hills Water District
2026 Water Rate Study**

service during average demand conditions and to provide additional capacity during higher demand conditions.

The percentage allocations to the Base and Max Day cost components based on the average and maximum demand capacity factors are calculated as follows:

- Average day demand is allocated entirely to Base
- Max day demand is allocated proportionately to Base³² and Max Day³³

Table 3-4: System-Wide Capacity Allocation

Line	System-Wide Capacity	Capacity Factor	Base	Max Day	Total
1	Average Day Demand	1.00	100.0%	0.0%	100.0%
2	Max Day Demand	1.63 ³⁴	61.3%	38.7%	100.0%

³² $1.00/1.63 = 61.3\%$.

³³ $(1.63-1.00)/1.63 = 38.7\%$.

³⁴ Based on historical monthly consumption data ratio of system-wide maximum month usage (August) to average month usage in absence of available daily consumption data.

COST COMPONENT ALLOCATION FACTORS

Table 3-5 shows the factors used to allocate the functionalized costs to the cost components. For the cost components that directly correlate to a functional category (Meter, Customer, Backflow, Water Supply, Conservation Outreach, General, and Revenue Offset), the functionalized costs are allocated entirely to the matching cost component. Pumping, Treatment, Storage, and T&D are sized based on maximum day demand; the associated functions (Lines 5-8) are therefore allocated based on the Max Day capacity factor (from **Table 3-4**, Line 2).

Table 3-5: System Function Allocation to Cost Components

Line	Cost Function	Meter	Customer	Backflow	Water Supply	Base	Max Day	Conser- vation Outreach	General	Revenue Offset	Total
1	Meter Maintenance	100.0%									100.0%
2	Customer Service		100.0%								100.0%
3	Backflow Maintenance			100.0%							100.0%
4	Water Supply				100.0%						100.0%
5	Pumping					61.3%	38.7%				100.0%
6	Treatment					61.3%	38.7%				100.0%
7	Storage					61.3%	38.7%				100.0%
8	T&D					61.3%	38.7%				100.0%
9	Conservation Outreach							100.0%			100.0%
10	General								100.0%		100.0%
11	Revenue Offset									100.0%	100.0%

Purissima Hills Water District
2026 Water Rate Study

OPERATING COST COMPONENT ALLOCATION

Table 3-6 shows the operating cost allocation by cost component. The functionalized operating expenses from **Table 3-2** are allocated based on the cost component allocation factors in **Table 3-5**. The operating allocation (Line 13) is derived from the total operating expenses by cost component (Line 12) and represents the proportion of the Operating revenue requirement that will be allocated to each cost component.

Table 3-6: Operating Allocation by Cost Component

Line	Operating Expenses	Meter	Customer	Backflow	Water Supply	Base	Max Day	Conser- vation Outreach	General	Revenue Offset	Total
1	Meter Maintenance	\$148,956	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$148,956
2	Customer Service	\$0	\$479,674	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$479,674
3	Backflow Maintenance	\$0	\$0	\$163,332	\$0	\$0	\$0	\$0	\$0	\$0	\$163,332
4	Water Supply	\$0	\$0	\$0	\$4,206,000	\$0	\$0	\$0	\$0	\$0	\$4,206,000
5	Pumping	\$0	\$0	\$0	\$0	\$419,198	\$265,171	\$0	\$0	\$0	\$684,369
6	Treatment	\$0	\$0	\$0	\$0	\$14,701	\$9,299	\$0	\$0	\$0	\$24,000
7	Storage	\$0	\$0	\$0	\$0	\$114,050	\$72,144	\$0	\$0	\$0	\$186,194
8	T&D	\$0	\$0	\$0	\$0	\$772,499	\$488,658	\$0	\$0	\$0	\$1,261,157
9	Conservation Outreach	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$25,000
10	General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,725,618	\$0	\$1,725,618
11	Revenue Offset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Total	\$148,956	\$479,674	\$163,332	\$4,206,000	\$1,320,448	\$835,273	\$25,000	\$1,725,618	\$0	\$8,904,300
13	Operating Cost Allocation	1.7%	5.4%	1.8%	47.2%	14.8%	9.4%	0.3%	19.4%	0.0%	100.0%

Purissima Hills Water District
2026 Water Rate Study

CAPITAL COST COMPONENT ALLOCATION

Table 3-7 shows the capital cost allocation by cost component. The functionalized capital assets from **Table 3-3** are allocated based on the cost component allocation factors in **Table 3-5**. The capital allocation (Line 13) is derived from the total capital asset value by cost component (Line 12) and represents the proportion of the Capital revenue requirement that will be allocated to each cost component.

Table 3-7: Capital Allocation by Cost Component

Line	Capital Assets (RCLD)	Meter	Customer	Backflow	Water Supply	Base	Max Day	Conservation Outreach	General	Revenue Offset	Total
1	Meter Maintenance	\$419,784	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$419,784
2	Customer Service	\$0	\$33,626	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,626
3	Backflow Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Water Supply	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Pumping	\$0	\$0	\$0	\$0	\$851,909	\$538,890	\$0	\$0	\$0	\$1,390,800
6	Treatment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Storage	\$0	\$0	\$0	\$0	\$3,426,849	\$2,167,714	\$0	\$0	\$0	\$5,594,563
8	T&D	\$0	\$0	\$0	\$0	\$23,988,014	\$15,174,046	\$0	\$0	\$0	\$39,162,060
9	Conservation Outreach	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,797,254	\$0	\$2,797,254
11	Revenue Offset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Total	\$419,784	\$33,626	\$0	\$0	\$28,266,771	\$17,880,651	\$0	\$2,797,254	\$0	\$49,398,086
13	Capital Cost Allocation	0.8%	0.1%	0.0%	0.0%	57.2%	36.2%	0.0%	5.7%	0.0%	100.0%

PRELIMINARY COST-OF-SERVICE ALLOCATION

Table 3-8 shows the preliminary cost-of-service allocation prior to any adjustments. The Operating costs are equal to the total Operating revenue requirements (**Table 3-1**, Line 21) allocated to each cost component based on the Operating allocation (**Table 3-6**, Line 13). The Capital costs are equal to the total Capital revenue requirements (**Table 3-1**, Line 21) allocated to each cost component based on the Capital allocation (**Table 3-7**, Line 13). The Revenue Offsets are equal to the total Revenue Offset requirements (**Table 3-1**, Line 21). Note that the total cost-of-service (Line 10) is equal to the total rate revenue requirement for FY 2026 (**Table 3-1**, Line 21).

Table 3-8: Preliminary Cost-of-Service Allocation by Cost Component

Line	Revenue Requirement	Operating Costs	Capital Costs	Revenue Offsets	Total
1	Meter	\$152,292	\$29,712	\$0	\$182,005
2	Customer	\$490,419	\$2,380	\$0	\$492,799
3	Backflow	\$166,991	\$0	\$0	\$166,991
4	Water Supply	\$4,300,216	\$0	\$0	\$4,300,216
5	Base	\$1,350,026	\$2,000,722	\$0	\$3,350,749
6	Max Day	\$853,983	\$1,265,593	\$0	\$2,119,576
7	Conservation Outreach	\$25,560	\$0	\$0	\$25,560
8	General	\$1,764,272	\$197,990	\$0	\$1,962,262
9	Revenue Offset	\$0	\$0	(\$2,072,000)	(\$2,072,000)
10	Total	\$9,103,760	\$3,496,397	(\$2,072,000)	\$10,528,157

GENERAL REALLOCATION

General costs are not attributable to specific system functions and are therefore proportionally reallocated to all other cost components. **Table 3-9** shows the reallocation of General costs (Line 8) in proportion to the preliminary allocation to each cost component (except Water Supply and Revenue Offset, which are restricted to specific costs only). The total revenue requirement (Line 10) remains unchanged after the General cost reallocation.

Table 3-9: General Cost Reallocation

Line	Revenue Requirement	Preliminary Allocation	General Reallocation	Total
1	Meter	\$182,005	\$56,352	\$238,357
2	Customer	\$492,799	\$152,580	\$645,379
3	Backflow	\$166,991	\$51,703	\$218,694
4	Water Supply	\$4,300,216	\$0	\$4,300,216
5	Base	\$3,350,749	\$1,037,453	\$4,388,202
6	Max Day	\$2,119,576	\$656,260	\$2,775,836
7	Conservation Outreach	\$25,560	\$7,914	\$33,474
8	General	\$1,962,262	(\$1,962,262)	\$0
9	Revenue Offset	(\$2,072,000)	\$0	(\$2,072,000)
10	Total	\$10,528,157	\$0	\$10,528,157

CAPACITY REALLOCATION

Table 3-10 shows the reallocation of 17% of Max Day costs (Line 6) to the Meter component. This reallocation is necessary to increase the percentage of fixed revenue³⁵ recovery from 13% to 15% fixed revenues based on direction from the Board to increase revenue stability for the District. Most of the District costs (approximately 68% based on the FY 2026 budget including O&M, CIP, and debt expenses) are fixed, however the District recovers most of its costs through variable revenues dependent on water consumption. Increasing fixed revenue recovery better aligns the District’s revenue structure with its cost structure and increases revenue stability for the District during periods of decreased water consumption.

Table 3-10: Capacity Reallocation

Line	Revenue Requirement	Revenue Recovery Type	General Revised Allocation	Capacity Reallocation	Total
1	Meter	Fixed	\$238,357	\$471,892	\$710,249
2	Customer	Fixed	\$645,379	\$0	\$645,379
3	Backflow	Fixed	\$218,694	\$0	\$218,694
4	Water Supply	Variable	\$4,300,216	\$0	\$4,300,216
5	Base	Variable	\$4,388,202	\$0	\$4,388,202
6	Max Day	Variable	\$2,775,836	(\$471,892)	\$2,303,944
7	Conservation Outreach	Variable	\$33,474	\$0	\$33,474
8	General	Variable	\$0	\$0	\$0
9	Revenue Offset	Variable	(\$2,072,000)	\$0	(\$2,072,000)
10	Total		\$10,528,157	\$0	\$10,528,157

BACKFLOW REALLOCATION

Table 3-11 shows the reallocation of Backflow costs (Line 3) into their Backflow Labor (Line 4) and Backflow Assembly (Line 5) components. Approximately 92.8% of total Backflow costs (Line 3) are allocated to Backflow Labor (Line 4) based on staff provided allocation of salaries and benefit costs to backflow maintenance. The remainder of Backflow costs (7.2%) are allocated to Backflow Assembly (Line 5). The total revenue requirement (Line 12) remains unchanged after the Backflow cost reallocation.

³⁵ Fixed revenue consists of monthly minimum (RTS) charge revenue and proposed monthly cross connection charge revenue.

Table 3-11: Backflow Reallocation

Line	Revenue Requirement	Capacity Revised Allocation	Backflow Reallocation	Total
1	Meter	\$710,249	\$710,249	\$710,249
2	Customer	\$645,379	\$645,379	\$645,379
3	Backflow	\$218,694	(\$218,694)	(\$218,694)
4	Backflow Labor	\$0	\$202,927	\$202,927
5	Backflow Assembly	\$0	\$15,767	\$15,767
6	Water Supply	\$4,300,216	\$4,300,216	\$4,300,216
7	Base	\$4,388,202	\$4,388,202	\$4,388,202
8	Max Day	\$2,303,944	\$2,303,944	\$2,303,944
9	Conservation Outreach	\$33,474	\$33,474	\$33,474
10	General	\$0	\$0	\$0
11	Revenue Offset	(\$2,072,000)	(\$2,072,000)	(\$2,072,000)
12	Total	\$10,528,157	\$10,528,157	\$10,528,157

FINAL COST-OF-SERVICE ALLOCATION

Table 3-12 shows the final cost-of-service allocation based on the adjustments for General, Capacity, and Backflow from the prior report tables.

Table 3-12: Final Cost-of-Service Allocation by Cost Component

Line	Revenue Requirement	Total
1	Meter	\$710,249
2	Customer	\$645,379
3	Backflow Labor	\$202,927
4	Backflow Assembly	\$15,767
5	Water Supply	\$4,300,216
6	Base	\$4,388,202
7	Max Day	\$2,303,944
8	Conservation Outreach	\$33,474
9	Revenue Offset	(\$2,072,000)
10	Total	\$10,528,157

3.5 UNIT COST CALCULATION

CUSTOMER DEMAND CAPACITY

Table 3-13 shows the current and proposed Residential tier allotments for the three tier alternative developed based on feedback and direction from District staff and Board. WRE recommends reducing the number of tiers for Residential customers from four to three tiers (shown below) or alternatively implementing a single uniform rate for all Residential customers. Both recommended changes will result in a rate structure more closely aligned with evolving interpretations of Proposition 218 legal requirements. No changes are recommended to the Institutional customer uniform rate structure. The proposed three tier allotments are based on historical customer usage characteristics as shown below.

Table 3-13: Current and Proposed Residential Tier Allotments (Three Tier)

Line	Customer Class	Current Monthly Tiers (ccf)	Proposed Monthly Tiers (ccf)	Proposed Tier Rationale
1	Residential			
2	Tier 1	0-10	0-11	Average winter usage from January - March
3	Tier 2	11-29	12-40	Average summer usage from August - October
4	Tier 3	30-58	41+	Above average summer usage
5	Tier 4	59+	N/A	

Max Day cost components are further allocated by customer class and tier as shown in **Table 3-14**. Annual usage for each customer class and tier is based on historical monthly consumption data provided by staff, applying the proposed monthly tiers shown in **Table 3-13**. The daily use is equal to the annual usage divided by 365 days. The capacity factors are based on historical monthly consumption data ratio of system-wide maximum month usage (August) to average month usage which is used as a proxy for the max day capacity factor in absence of available daily consumption data. Max day demand is calculated by multiplying the daily use in ccf by the capacity factor for each customer class and tier. Max day extra capacity is equal to max day demand less daily use. The total max day extra capacity (Line 6) represents the capacity required to meet customer demand. Max day extra capacity will be used in a later section of the report to differentiate consumption charges by customer class and tier.

Table 3-14: Customer Demand Capacity

Line	Customer Class	Annual Use (ccf)	Daily Use	Max Day Capacity Factor	Max Day Demand	Max Day Extra Capacity
1	Residential	650,569	1,782	1.65	2,937	1,154
2	Tier 1 (0-11 ccf)	211,530	580	1.13	657	78
3	Tier 2 (12-40 ccf)	251,407	689	1.60	1,099	411
4	Tier 3 (41+ ccf)	187,632	514	2.29	1,180	666
5	Institutional	35,701	98	1.31	128	30
6	Total	686,270			3,065	1,184

EQUIVALENT METER UNITS

Costs related to meter capacity increase based on meter size. Therefore, equivalent meter units are calculated to provide a basis from which to allocate costs in proportion to meter size. Equivalent meter calculations are shown in **Table 3-15**.

Equivalent meters are calculated based on meter capacity ratios, which represent the safe operating capacity of a water meter relative to the base meter size. For this study, the base meter size is a 3/4” meter, which is the most common meter size in the District’s system. Capacity in gallons per minute (gpm) is derived from the *AWWA M1 Manual* for each meter size. The meter ratio for a 1.5” meter is 3.33, which means that the capacity of a 1.5” meter is more than three times that of a 3/4” meter.

The number of meters in each meter size are from **Table 2-8**. Equivalent meters are calculated by multiplying the meter counts by the meter ratio in each size.

Table 3-15: Equivalent Meter Units

Line	Meter Size	Safe Operating Capacity (gpm)	Meter Ratio	Total Meters	Total Equivalent Meters
1	3/4"	30	1.00	1,352	1,352
2	1"	50	1.67	587	978
3	1.5"	100	3.33	101	336
4	2"	160	5.33	47	249
5	3"	350	11.67	0	0
6	4"	630	21.00	2	42
7	6"	1,300	43.33	6	260
8	8"	2,800	93.33	1	93
9	Total			2,096	3,311

EQUIVALENT BACKFLOW UNITS

WRE recommends adding a new monthly cross connection charge for Residential meters with backflow devices to collect costs for installation, inspection, repair, replacement, etc. Costs related to backflow labor and assembly also increase based on device size. Therefore, equivalent device units for labor and assembly are calculated to provide a basis from which to allocate costs in proportion to device size. Equivalent labor and assembly backflow calculations are shown in **Table 3-16**.

Equivalent labor backflow devices are calculated based on labor cost ratios, which represent the cost of labor to replace a backflow device relative to the base device size (In this case the base device size includes devices 2” and under). Similarly, equivalent assembly backflow devices are calculated based on assembly cost ratios, which represent the cost of assembling a backflow device relative to the base device size (In this case the base device size is a 2” device). The number of backflow devices, labor costs, and assembly costs for each device size were provided by staff.

Equivalent labor and assembly backflow devices are calculated by multiplying the number of backflow devices by the labor cost ratio and assembly cost ratio in each size, respectively.

Table 3-16: Equivalent Backflow Units

Line	Backflow Device Size	Total Backflow Devices	Backflow Labor Cost	Labor Cost Ratio	Backflow Equivalent Devices (Labor)	Backflow Assembly Cost	Assembly Cost Ratio	Backflow Equivalent Devices (Assembly)
1	3/4"	31	\$780	1.00	31	\$791	0.21	7
2	1"	86	\$780	1.00	86	\$1,256	0.34	29
3	1.5"	124	\$780	1.00	124	\$2,766	0.74	92
4	2"	389	\$780	1.00	389	\$3,722	1.00	389
5	3"	2	\$1,560	2.00	4	\$4,146	1.11	2
6	4"	11	\$1,560	2.00	22	\$7,143	1.92	21
7	6"	21	\$2,340	3.00	63	\$10,197	2.74	58
8	8"	6	\$2,340	3.00	18	\$19,374	5.21	31
9	10"	1	\$2,340	3.00	3	\$24,071	6.47	6
10	Total	671			740			635

UNITS OF SERVICE DEFINITIONS

The appropriate units of service are then established for each cost component based on cost causation, which is shown in **Table 3-17**. Cost components to be recovered by the fixed charges are assigned units of service based on the number of equivalent meters (**Table 3-15**), backflow devices (**Table 3-16**), and customers (sum of meter counts from **Table 3-15**). Cost components to be recovered by the consumption charges are assigned units based on annual usage in ccf (**Table 3-14**) and max day extra capacity usage in ccf per day (**Table 3-14**). Note that the Revenue Offset cost component includes only Residential annual consumption (**Table 3-14**, Line 1).

Table 3-17: Units of Service Definitions

Line	Cost Component	Units of Service Definition	Units of Service	Units
1	Meter	Equivalent meters x 12 mo.	39,730	equiv. meter
2	Customer	Meter counts x 12 mo.	25,148	bills
3	Backflow Labor	Equivalent devices x 12 mo.	8,880	equiv. device
4	Backflow Assembly	Equivalent devices x 12 mo.	7,624	equiv. device
5	Water Supply	Annual usage in ccf	686,270	ccf per year
6	Base	Annual usage in ccf	686,270	ccf per year
7	Max Day	ccf per day	1,184	ccf per day
8	Conservation Outreach	Annual usage in ccf	686,270	ccf per year
9	Revenue Offset	Annual usage in ccf	650,569	ccf per year

UNIT COST BY COST COMPONENT

Table 3-18 shows the calculation of unit costs by each cost component. The final cost-of-service allocation (**Table 3-12**) is divided by the units of service (**Table 3-17**) for each cost component to derive the unit cost. These unit costs will determine the cost-of-service by customer class.

Table 3-18: Unit Cost by Cost Component

Line	Cost Component	Final Cost Allocation	Units of Service	Unit Cost
1	Meter	\$710,249	39,730	\$17.88
2	Customer	\$645,379	25,148	\$25.66
3	Backflow Labor	\$202,927	8,880	\$22.85
4	Backflow Assembly	\$15,767	7,624	\$2.07
5	Water Supply	\$4,300,216	686,270	\$6.27
6	Base	\$4,388,202	686,270	\$6.39
7	Max Day	\$2,303,944	1,184	\$1,945.28
8	Conservation Outreach	\$33,474	686,270	\$0.05
9	Revenue Offset	(\$2,072,000)	650,569	(\$3.18)
10	Total	\$10,528,157		

3.6 COST-OF-SERVICE BY CUSTOMER CLASS AND TIER

The final step in the cost-of-service analysis is to determine the cost to serve each customer class and tier based on the cost components which is shown in **Table 3-19**. The unit cost by cost component (**Table 3-18**) is multiplied by the units of service (**Table 3-14**, **Table 3-15**, and **Table 3-16**) to determine the cost to serve each customer class and tier. Note that the total cost of-service is equal to the total rate revenue requirement for FY 2026 (**Table 3-1**, Line 21).

Table 3-19: Cost-of-Service Allocation by Customer Class and Tier

Line	Cost of Service by Class	Meter	Customer	Backflow	Water Supply	Base	Max Day	Conser- vation Outreach	Revenue Offset	Total
1	Residential	\$602,980	\$631,854	\$218,694	\$4,076,511	\$4,159,920	\$2,245,458	\$31,732	(\$2,072,000)	\$3,489,773
2	Tier 1 (0-11 ccf)					\$1,352,585	\$151,538			\$1,504,123
3	Tier 2 (12-40 ccf)					\$1,607,565	\$798,937			\$2,406,502
4	Tier 3 (41+ ccf)					\$1,199,770	\$1,294,983			\$2,494,753
5	Institutional	\$107,268	\$13,525		\$223,705	\$228,282	\$58,485	\$1,741		\$633,006
6	Total	\$710,249	\$645,379	\$218,694	\$4,300,216	\$4,388,202	\$2,303,944	\$33,474	(\$2,072,000)	\$10,528,157

4. WATER RATES

4.1 RATE DESIGN METHODOLOGY

A proposed five-year water rate schedule was developed based on the results of the proposed financial plan and cost-of-service analysis. The key steps in developing the proposed rate schedule are outlined below:

- **Rate structure evaluation:** The existing rate structure is evaluated, and any proposed changes are identified. Proposed rate structure changes are typically intended to address specific policy objectives or to improve legal defensibility.
- **Test year rate development:** Rates are calculated for the proposed rate structure for the cost-of-service test year (FY 2026). Rate calculations directly incorporate the unit costs developed in the cost-of-service analysis. Although total rate revenues in the first year of adjustments (FY 2027) are designed to increase by the proposed revenue adjustment percentage (10.5% in FY 2027), the proposed percentage increase to each rate/charge varies due to the updated cost-of-service allocations.
- **Five-year rate schedule development:** Proposed rates for the full five-year period are calculated by increasing the test year rates by the proposed annual revenue adjustment percentages from the proposed financial plan.

4.2 PROPOSED CHANGES TO RATE STRUCTURE

The District's current rate structure includes monthly RTS charges by meter size, a consumption charge based on units of water in ccf, and a SFPUC wholesale pass-through rate based on units of water in ccf. Residential customers have a four-tiered consumption charge; Institutional customers have a uniform consumption charge. WRE worked with District staff and the Board to evaluate the current rate structure and propose the following recommendations:

- **Introduction of monthly cross connection charges:** The District's current monthly RTS charges collect for meter maintenance and customer service costs. However, the District has additional maintenance and replacement costs for some Residential meters with backflow devices not currently accounted for. To account for these additional costs, WRE recommends adding a monthly cross connection charge for meters with backflow devices to collect costs for installation, inspection, repair, replacement, etc.
- **SFPUC pass-through implementation:** The current and proposed rate schedule assumes a full pass-through of SFPUC variable costs on SFPUC wholesale pass-through rates. Based on discussions with District staff and Board, WRE recommends updating the pass-through implementation methodology. Currently the District projects SFPUC variable costs from year to year and implements a pass-through based on the difference between projected SFPUC variable unit costs and actual unit costs. For example, the current SFPUC wholesale pass-through rate of \$0.43 effective on July 1, 2025 represents the difference between the projected SFPUC variable unit cost of \$5.37 from the 2022 water rate study report and the actual SFPUC variable unit cost of \$5.80. This methodology has resulted in variability in pass-through charges from year to year due to differences between projected and actual SFPUC variable costs. To limit variability from year to year, better align rates with actual costs, and improve customer understanding and transparency,

WRE recommends aligning the SFPUC wholesale pass-through rate with the actual SFPUC variable unit cost. Under this methodology, no changes to the current SFPUC variable unit cost of \$5.80 effective on July 1, 2025 are projected in the financial plan scenarios and future-pass throughs are subject to change based on the actual rate adopted by SFPUC. Subsequent to completion of the study analysis, SFPUC adopted an updated variable wholesale water rate of \$6.23 per ccf effective July 1, 2026. Consistent with the proposed pass-through methodology, the proposed rate schedules and customer bill impacts presented in this report reflect the updated \$6.23 per ccf rate beginning October 1, 2026.

- Reduced tiers for Residential consumption charges:** Recent court cases have highlighted potential legal risks associated with tiered rate structures for different customer classes, particularly when tier definitions are not clearly cost-justified or specific to agency customer use characteristics. As part of this rate study process, WRE worked with the Board and District staff to evaluate alternative rate structures. These alternatives include reducing the number of tiers for the Residential consumption charge from four to three tiers, or alternatively, implementing a uniform rate for all Residential customers. Both alternatives simplify the rate structure and can strengthen the defensibility of the District’s rate structure; however, each option presents different considerations related to administrative implementation, legal complexity, and customer bill impacts. This report presents both alternatives: 1) a three tier Residential consumption charge with a uniform Institutional consumption charge and 2) uniform consumption charges for both Residential and Institutional.

4.3 PROPOSED MONTHLY MINIMUM (RTS) CHARGES

SFPUC FIXED COST

Table 4-1 shows the calculation of SFPUC fixed unit cost. SFPUC monthly service charges are billed to the District regardless of imported water purchases. Based on input from District staff and Board the District will shift from collecting 0% of SFPUC fixed costs on monthly minimum (RTS) charges to collecting 100% of SFPUC fixed costs. This will enhance revenue stability for the District and reduce the District’s financial risk related to SFPUC water supply in case of decreased future water consumption.

The total supply charge (Line 1) is equal to the final Water Supply cost-of-service allocation (**Table 3-12**, Line 5) and the portion of Water Supply allocated to the variable charge (Line 2) is based on the calculated SFPUC variable supply cost in FY 2026 (**Table 2-14**, Line 15). The portion of Water Supply to be recovered by fixed charges (Line 3) is equal to the total supply charge (Line 1) less the portion allocated to the variable charge (Line 2). The unit cost (Line 5) is calculated by dividing the net supply fixed cost (Line 3) by the units of service for meters (Line 4; from **Table 3-17**, Line 1).

Table 4-1: SFPUC Fixed Charge

Line	SFPUC Fixed Charge	Value
1	Total Supply Cost	\$4,300,216 ³⁶
2	Less Allocated to Variable Charge	\$4,257,076
3	Net Supply Fixed Cost	\$43,140
4	Equivalent Meters	39,730
5	Unit Cost (\$/ equiv. meter)	\$1.09

³⁶ Including both SFPUC and BAWSCA budgeted supply costs in FY 2026.

REVENUE NEUTRAL RATES

Table 4-2 shows the revenue neutral monthly minimum (RTS) charge calculations. The Meter and Customer unit costs are from **Table 3-18** (Lines 1-2). The SFPUC Fixed Charge unit cost is from **Table 4-1** (Line 5). Meter and SFPUC Fixed Charge unit costs are multiplied by the meter capacity ratio (from **Table 3-15**); Customer costs do not vary based on meter size and thus are the same for all meter sizes. The revenue neutral rate represents the cost-of-service analysis for FY 2026 but does not include the proposed revenue adjustments for the first year of rates in FY 2027.

Table 4-2: Revenue Neutral Monthly Minimum (RTS) Charges

Line	Meter Size	Meter Ratio	Meter Charge	Customer Charge	SFPUC Fixed Charge	Revenue Neutral Rate
1	3/4"	1.00	\$17.88	\$25.66	\$1.09	\$44.63
2	1"	1.67	\$29.80	\$25.66	\$1.81	\$57.27
3	1.5"	3.33	\$59.59	\$25.66	\$3.62	\$88.87
4	2"	5.33	\$95.34	\$25.66	\$5.79	\$126.80
5	3"	11.67	\$208.57	\$25.66	\$12.67	\$246.90
6	4"	21.00	\$375.42	\$25.66	\$22.80	\$423.88
7	6"	43.33	\$774.67	\$25.66	\$47.05	\$847.39
8	8"	93.33	\$1,668.52	\$25.66	\$101.35	\$1,795.53

PROPOSED RATES WITH ADJUSTMENT

Table 4-3 shows the proposed monthly minimum (RTS) charges for FY 2026 based on the revenue neutral rate (**Table 4-2**) adjusted by the proposed revenue adjustment of 10.5% in the first year (**Table 2-26**) and rounded up to the nearest cent. Note that the District currently charges the same monthly minimum (RTS) charge to all meters 4" and greater, however WRE recommends updating the fee for 6" and 8" meters to reflect the increased capacity required to serve 6" and 8" meters.

Table 4-3: Proposed Monthly Minimum (RTS) Charges after Adjustment

Line	Meter Size	Revenue Neutral Rate	Proposed Rate (w/ 10.5% Adj.)	Current Rate	Difference (\$)	Difference (%)
1	3/4"	\$44.63	\$49.32	\$45.42	\$3.90	8.6%
2	1"	\$57.27	\$63.29	\$59.26	\$4.03	6.8%
3	1.5"	\$88.87	\$98.22	\$93.86	\$4.36	4.6%
4	2"	\$126.80	\$140.12	\$135.38	\$4.74	3.5%
5	3"	\$246.90	\$272.83	\$232.36	\$40.47	17.4%
6	4"	\$423.88	\$468.40	\$370.66	\$97.74	26.4%
7	6"	\$847.39	\$936.37	\$370.66	\$565.71	152.6%
8	8"	\$1,795.53	\$1,984.08	\$370.66	\$1,613.42	435.3%

4.4 PROPOSED MONTHLY CROSS CONNECTION CHARGES REVENUE NEUTRAL RATES

Table 4-4 shows the revenue neutral monthly cross connection charge calculations. The Backflow Labor and Backflow Assembly unit costs are from **Table 3-18** (Lines 3-4). Backflow Labor and Backflow Assembly fixed charge unit costs are multiplied by the labor cost ratio and assembly cost ratio, respectively (from **Table 3-16**). The revenue neutral rate represents the cost-of-service analysis for FY 2026 but does not include the proposed revenue adjustments for the first year of rates in FY 2027.

Table 4-4: Revenue Neutral Monthly Cross Connection Charges

Line	Backflow Device Size	Labor Cost Ratio	Assembly Cost Ratio	Backflow Labor Charge	Backflow Assembly Charge	Revenue Neutral Rate
1	3/4"	1.00	0.21	\$22.85	\$0.44	\$23.29
2	1"	1.00	0.34	\$22.85	\$0.70	\$23.55
3	1.5"	1.00	0.74	\$22.85	\$1.54	\$24.39
4	2"	1.00	1.00	\$22.85	\$2.07	\$24.92
5	3"	2.00	1.11	\$45.70	\$2.30	\$48.01
6	4"	2.00	1.92	\$45.70	\$3.97	\$49.67
7	6"	3.00	2.74	\$68.56	\$5.67	\$74.22
8	8"	3.00	5.21	\$68.56	\$10.77	\$79.32
9	10"	3.00	6.47	\$68.56	\$13.38	\$81.93

PROPOSED RATES WITH ADJUSTMENT

Table 4-5 shows the proposed monthly cross connection charges for FY 2026 based on the revenue neutral rate (**Table 4-4**) adjusted by the proposed revenue adjustment of 10.5% in the first year (**Table 2-26**) and rounded up to the nearest cent.

Table 4-5: Proposed Cross Connection Charges after Adjustment

Line	Backflow Device Size	Revenue Neutral Rate	Proposed Rate (w/ 10.5% Adj.)	Current Rate	Difference (\$)	Difference (%)
1	3/4"	\$23.29	\$25.74	N/A	N/A	N/A
2	1"	\$23.55	\$26.03	N/A	N/A	N/A
3	1.5"	\$24.39	\$26.95	N/A	N/A	N/A
4	2"	\$24.92	\$27.54	N/A	N/A	N/A
5	3"	\$48.01	\$53.05	N/A	N/A	N/A
6	4"	\$49.67	\$54.89	N/A	N/A	N/A
7	6"	\$74.22	\$82.02	N/A	N/A	N/A
8	8"	\$79.32	\$87.66	N/A	N/A	N/A
9	10"	\$81.93	\$90.54	N/A	N/A	N/A

4.5 PROPOSED CONSUMPTION CHARGES

The consumption charge calculations include the SFPUC Wholesale Pass-Through Rate, Base, Capacity, Conservation Outreach, and Revenue Offset components, which are detailed in this section.

SFPUC VARIABLE COST AND BASE COST ADJUSTMENT

Table 4-6 shows the calculation of SFPUC variable unit cost and base cost adjustment. The total SFPUC variable cost (Line 1) is from **Table 4-1** (Line 2), total consumption in ccf (Line 2) is from **Table 3-14** (Line 6), and the SFPUC unit cost (Line 3) is based on the FY 2026 SFPUC variable unit cost³⁷ effective on July, 1, 2025 (from **Table 2-14**, Line 7). This unit cost is charged to all customers equally.

The District assumes an annual system water loss of 6.5% (from **Table 2-14**, Line 2), meaning that District will purchase more water from SFPUC than is ultimately consumed to account for water losses such as main leakage and reservoir overflows. The water loss cost (Line 4) is calculated by subtracting the cost attributable to billed consumption (Line 2 multiplied by Line 3) from the total SFPUC variable cost (including water loss) (Line 1). The base cost adjustment unit cost (Line 5) is calculated by dividing the water loss cost (Line 4) by total consumption (Line 2). This adjustment is charged to all customers equally.

Table 4-6: SFPUC Variable Unit Cost and Base Charge Adjustment

Line	SFPUC Wholesale Pass-Through Rate (\$/ ccf)	Value
1	Total SFPUC Variable Cost (Including Water Loss)	\$4,257,076
2	Total Consumption (ccf)	686,270
3	SFPUC Unit Cost (\$/ ccf)	\$5.80
4	Remaining for Water Loss	\$276,710 ³⁸
5	Increase to Base Charge (\$ /ccf)	\$0.40

BASE COST

The Base unit cost adjustment (**Table 4-6**, Line 5) is added to the Base unit cost of \$6.39 from **Table 3-18** (Line 6) to arrive at the total Base unit cost of \$6.80, rounded up to the nearest cent and charged to all customers equally.

CAPACITY COST

Table 4-7 shows the Capacity unit cost by customer class and tier for the three Residential tier alternative (Lines 1-5) and the uniform alternative (Lines 7-8). Annual usage in ccf is from **Table 3-14** and Max Day costs by customer class and tier are from **Table 3-19**. The Capacity unit cost is calculated by dividing the Max Day cost by the annual usage for each customer class and tier.

³⁷ Subsequent to completion of the study analysis, SFPUC adopted an updated variable wholesale water rate of \$6.23 per ccf effective July 1, 2026. The cost-of-service analysis and rate calculations are based on the \$5.80 per ccf rate that was in effect during the rate study analysis, while the proposed rate schedules and customer bill impacts reflect the updated \$6.23 per ccf rate in accordance with the proposed pass-through methodology.

³⁸ \$276,710 water loss cost = \$4,257,076 (total SFPUC variable cost, accounting for water loss) – (686,270 ccf total consumption x \$5.80 SFPUC unit cost).

Table 4-7: Capacity Unit Cost by Customer Class and Tier

Line	Customer Class	Usage (ccf)	Max Day	Capacity Unit Cost
1	Residential			
2	Tier 1 (0-11 ccf)	211,530	\$151,538	\$0.72
3	Tier 2 (12-40 ccf)	251,407	\$798,937	\$3.18
4	Tier 3 (41+ ccf)	187,632	\$1,294,983	\$6.90
5	Institutional	35,701	\$58,485	\$1.64
6				
7	Residential	650,569	\$2,245,458	\$3.45
8	Institutional	35,701	\$58,485	\$1.64

CONSERVATION OUTREACH COST

Table 4-8 shows the Conservation Outreach unit cost by customer class and tier for the three Residential tier alternative (Lines 1-5) and the uniform alternative (Lines 7-8). In the three Residential tier alternative, Conservation Outreach costs for Residential customers are allocated entirely to Tier 3, which represents the usage tier that the District’s Conservation Outreach program targets. The Conservation Outreach costs for Institutional customers are allocated to all usage. In the uniform alternative, Conservation Outreach costs are allocated to all usage. Conservation Outreach costs for each customer class are from **Table 3-19**. Conservation Outreach Unit Costs are calculated by dividing Conservation Outreach costs by annual usage in each customer class and applicable usage tier.

Table 4-8: Conservation Outreach Unit Cost by Customer Class and Tier

Line	Customer Class	Usage (ccf)	Allocated to Conservation Outreach	Allocated Usage (ccf)	Conservation Outreach	Conservation Outreach Unit Cost
1	Residential			187,632	\$31,732	\$0.17
2	Tier 1 (0-11 ccf)	211,530	0%	0	\$0	\$0.00
3	Tier 2 (12-40 ccf)	251,407	0%	0	\$0	\$0.00
4	Tier 3 (41+ ccf)	187,632	100%	187,632	\$31,732	\$0.17
5	Institutional	35,701	100%	35,701	\$1,741	\$0.05
6						
7	Residential	650,569	100%	650,569	\$31,732	\$0.05
8	Institutional	35,701	100%	35,701	\$1,741	\$0.05

REVENUE OFFSET

Table 4-9 shows the Revenue Offset³⁹ unit cost by customer class and tier for the three Residential tier alternative (Lines 1-5) and the uniform alternative (Lines 7-8). The District has discretion to use these revenues to offset the cost of water, and the District has elected to allocate Revenue Offsets to Residential customers to lower the cost of water for essential indoor water use for basic health and safety. Lower volume Residential customers typically have limited ability to reduce water usage, as a larger share of their

³⁹ Note that Revenue Offsets include revenue from property taxes and antenna leases identified in **Table 3-1** (Lines 9 and 10).

**Purissima Hills Water District
2026 Water Rate Study**

demand consists of essential indoor usage. Therefore, the District allocates 75% of Revenue Offsets to Tier 1 and the remainder to Tier 2 in the three Residential tier alternative, where most consumers fall, to moderate rate impacts on essential water usage. In the uniform alternative all Revenue Offsets are allocated to the Residential customer class. Revenue Offset costs for each customer class are from **Table 3-19**. Revenue Offset unit costs are calculated by dividing the Revenue Offset costs by annual usage in each customer class and applicable usage tier.

Table 4-9: Revenue Offset Unit Cost by Customer Class and Tier

Line	Customer Class	Usage (ccf)	Allocated to Revenue Offset	Allocated Usage (ccf)	Revenue Offset	Revenue Offset Unit Cost
1	Residential			221,500	(\$2,072,000)	(\$9.35)
2	Tier 1 (0-11 ccf)	211,530	75%	158,648	(\$1,554,000)	(\$7.02)
3	Tier 2 (12-40 ccf)	251,407	25%	62,852	(\$518,000)	(\$2.34)
4	Tier 3 (41+ ccf)	187,632	0%	0	\$0	\$0.00
5	Institutional	35,701	0%	0	\$0	\$0.00
6						
7	Residential	650,569	100%	650,569	(\$2,072,000)	(\$3.18)
8	Institutional	35,701	0%	0	\$0	\$0.00

REVENUE NEUTRAL RATES

Table 4-10 shows the revenue neutral consumption charges for the Residential three tier alternative (Lines 1-5) and the uniform alternative (Lines 7-8), based on the Base, Capacity, Conservation Outreach, Revenue Offset, and SFPUC Wholesale Pass-Through Rate unit costs. The revenue neutral rate represents the cost-of-service analysis for FY 2026 but does not include the proposed revenue adjustments for the first year of rates in FY 2027.

Table 4-10: Revenue Neutral Consumption Charges

Line	Customer Class	Base	Capacity	Conservation Outreach	Revenue Offset	SFPUC Wholesale Pass-Through Rate	Revenue Neutral Rate
1	Residential						
2	Tier 1 (0-11 ccf)	\$6.80	\$0.72	\$0.00	(\$7.02)	\$5.80	\$6.30
3	Tier 2 (12-40 ccf)	\$6.80	\$3.18	\$0.00	(\$2.34)	\$5.80	\$13.44
4	Tier 3 (41+ ccf)	\$6.80	\$6.90	\$0.17	\$0.00	\$5.80	\$19.67
5	Institutional	\$6.80	\$1.64	\$0.05	\$0.00	\$5.80	\$14.28
6							
7	Residential	\$6.80	\$3.45	\$0.05	(\$3.18)	\$5.80	\$12.91
8	Institutional	\$6.80	\$1.64	\$0.05	\$0.00	\$5.80	\$14.28

PROPOSED RATES WITH ADJUSTMENT

Table 4-11 shows the proposed consumption charges for FY 2027 based on the revenue neutral rate (**Table 4-10**) adjusted by the proposed revenue adjustment of 10.5% in the first year (**Table 2-26**) and rounded up to the nearest cent. Note that because the proposed rate structure alternatives involve consolidating and removing tiers, the comparison to current Residential rates is approximate and not directly equivalent.

Table 4-11: Proposed Consumption Charges after Adjustment

Line	Customer Class	Revenue Neutral Rate	Proposed Rate (w/ 10.5% Adj.)	Current Rate	Difference (\$)	Difference (%)
1	Residential					
2	Tier 1 (0-11 ccf)	\$6.30	\$6.97	\$8.47 ⁴⁰	(\$1.50)	-17.7%
3	Tier 2 (12-40 ccf)	\$13.44	\$14.86	\$13.54 ⁴¹	\$1.33	9.8%
4	Tier 3 (41+ ccf)	\$19.67	\$21.74	\$20.40 ⁴²	\$1.34	6.6%
5	Institutional	\$14.28	\$15.80	\$18.25	(\$2.45)	-13.4%
6						
7	Residential	\$12.91	\$14.28	\$13.99 ⁴³	\$1.34	6.6%
8	Institutional	\$14.28	\$15.80	\$18.25	(\$2.45)	-13.4%

4.6 PROPOSED WATER RATE SCHEDULE

PROPOSED FIVE-YEAR REVENUE ADJUSTMENTS

Table 4-12 shows the revenue adjustments for the five-year period and their effective date based on the proposed financial plan (**Table 2-26**).

The first year of water rates will be effective in October 2026, with the following years effective in July 2027 through July 2030. The District is transitioning from a January implementation schedule to a July implementation schedule to ease administration of the District’s rate structure. The July implementation schedule aligns the rate schedule with the District’s current fiscal year budget cycle and SFPUC’s rate implementation schedule. Note that all rates are effective in October 2026 except for proposed monthly cross connection charges which are effective in January 2027 based on District staff’s current implementation plan for Board consideration.

⁴⁰ Current Residential Tier 1 rate (1-10 ccf).

⁴¹ Average of current Residential Tier 2 (11-29 ccf) and Tier 3 (30-58 ccf) rate.

⁴² Current Residential Tier 4 rate (59+ ccf).

⁴³ Average of current Residential Tier 1 (1-10 ccf), Tier 2 (11-29 ccf), Tier 3 (30-58 ccf), and Tier 4 (59+ ccf) rates.

Table 4-12: Proposed Revenue Adjustments

Line	Fiscal Year	Revenue Adjustments	Effective Date
1	FY 2027	10.5%	10/1/2026
2	FY 2028	10.5%	7/1/2027
3	FY 2029	10.5%	7/1/2028
4	FY 2030	10.5%	7/1/2029
5	FY 2031	10.5%	7/1/2030

PROPOSED FIVE-YEAR WATER RATE SCHEDULE

The proposed five-year water rate schedules are based on the proposed rate methodology changes, the updated cost-of-service analysis, and the proposed revenue adjustments (**Table 4-12**) in the five-year period. The proposed rates for FY 2028, FY 2029, FY 2030, and FY 2031 were calculated by increasing the FY 2027 rates by the revenue adjustments, rounded up to the nearest cent.

Table 4-13 and **Table 4-14** show the proposed monthly minimum (RTS) charges and cross connection charges. Note that monthly cross connection charges only apply to Residential meters with backflow devices.

Table 4-13: Proposed Monthly Minimum (RTS) Charges

Line	Connection Size	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	3/4"	\$49.32	\$54.50	\$60.23	\$66.56	\$73.55
2	1"	\$63.29	\$69.94	\$77.29	\$85.41	\$94.38
3	1.5"	\$98.22	\$108.54	\$119.94	\$132.54	\$146.46
4	2"	\$140.12	\$154.84	\$171.10	\$189.07	\$208.93
5	3"	\$272.83	\$301.48	\$333.14	\$368.12	\$406.78
6	4"	\$468.40	\$517.59	\$571.94	\$632.00	\$698.36
7	6"	\$936.37	\$1,034.69	\$1,143.34	\$1,263.40	\$1,396.06
8	8"	\$1,984.08	\$2,192.41	\$2,422.62	\$2,677.00	\$2,958.09

Table 4-14: Proposed Monthly Cross Connection Charges

Line	Connection Size	Effective 1/1/2027	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	3/4"	\$25.74	\$28.45	\$31.44	\$34.75	\$38.40
2	1"	\$26.03	\$28.77	\$31.80	\$35.14	\$38.83
3	1.5"	\$26.95	\$29.78	\$32.91	\$36.37	\$40.19
4	2"	\$27.54	\$30.44	\$33.64	\$37.18	\$41.09
5	3"	\$53.05	\$58.63	\$64.79	\$71.60	\$79.12
6	4"	\$54.89	\$60.66	\$67.03	\$74.07	\$81.85
7	6"	\$82.02	\$90.64	\$100.16	\$110.68	\$122.31
8	8"	\$87.66	\$96.87	\$107.05	\$118.30	\$130.73
9	10"	\$90.54	\$100.05	\$110.56	\$122.17	\$135.00

**Purissima Hills Water District
2026 Water Rate Study**

Table 4-15 and **Table 4-16** show the proposed combined consumption charges for the three-tier Residential and uniform Residential alternatives, respectively. Proposed combined consumption charges include the SFPUC wholesale pass-through rate. The financial plan, cost-of-service analysis, and rate design were developed using the best available information at the time of the study, including the SFPUC variable wholesale water rate of \$5.80 per ccf effective July 1, 2025. Subsequent to completion of the analysis, SFPUC adopted an updated variable wholesale water rate of \$6.23 per ccf. Consistent with the proposed pass-through methodology, the combined consumption charges shown below reflect the actual SFPUC adopted variable wholesale water rate of \$6.23 per ccf beginning October 1, 2026. Future SFPUC wholesale pass-through rates effective July 1, 2027 and beyond will be based on actual SFPUC variable unit costs and may differ from the charges shown in the tables below.

Table 4-15: Proposed Combined Consumption Charges (Three Tier)

Line	Combined Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential					
2	Tier 1 (0-11 ccf)	\$7.40	\$8.14	\$8.95	\$9.85	\$10.84
3	Tier 2 (12-40 ccf)	\$15.29	\$16.86	\$18.59	\$20.50	\$22.61
4	Tier 3 (41+ ccf)	\$22.17	\$24.46	\$26.99	\$29.78	\$32.87
5	Institutional	\$16.23	\$17.89	\$19.73	\$21.76	\$24.00

Table 4-16: Proposed Combined Consumption Charges (Uniform)

Line	Combined Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential	\$14.71	\$16.21	\$17.87	\$19.71	\$21.74
2	Institutional	\$16.23	\$17.89	\$19.73	\$21.76	\$24.00

Table 4-17 and **Table 4-18** show the proposed consumption charges (**Table 4-15** and **Table 4-16**) broken out by their District and SFPUC charge components for the three Residential tier alternative and the uniform alternative, respectively. The total consumption charge for each customer class and tier is equal to the sum of PHWD charges and SFPUC wholesale pass-through rates. After rates are adopted, SFPUC charges will be broken down on PHWD customer bills. Note that proposed SFPUC wholesale pass-through rates are based on current SFPUC variable costs. Future charges will be based on actual SFPUC variable costs and may vary from the charges shown in the tables below.

Table 4-17: Proposed PHWD and SFPUC Consumption Charges (Three Tier)

Line	PHWD and SFPUC Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential					
2	Tier 1 (0-11 ccf)	\$1.17	\$1.91	\$2.72	\$3.62	\$4.61
3	Tier 2 (12-40 ccf)	\$9.06	\$10.63	\$12.36	\$14.27	\$16.38
4	Tier 3 (41+ ccf)	\$15.94	\$18.23	\$20.76	\$23.55	\$26.64
5	Institutional	\$10.00	\$11.66	\$13.50	\$15.53	\$17.77
6	SFPUC Wholesale Pass-Through Rate	\$6.23	\$6.23	\$6.23	\$6.23	\$6.23

Table 4-18: Proposed PHWD and SFPUC Consumption Charges (Uniform)

Line	PHWD + SFPUC Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential	\$8.48	\$9.98	\$11.64	\$13.48	\$15.51
2	Institutional	\$10.00	\$11.66	\$13.50	\$15.53	\$17.77
3	SFPUC Wholesale Pass-Through Rate	\$6.23	\$6.23	\$6.23	\$6.23	\$6.23

4.7 THREE TIER ALTERNATIVE CUSTOMER IMPACTS

The following impacts are for the three Residential tier alternative (**Table 4-15**) in the first year of effective rates (FY 2027). The impacts below reflect the cost-of-service analysis and 10.5% revenue adjustment applied to FY 2027. Note that differential impacts to different customer classes and tiers will only occur during the first year of effective rates in FY 2027. For future effective rates after FY 2027, the 10.5% revenue adjustment will apply to all customer classes and tiers.

RESIDENTIAL MONTHLY CUSTOMER IMPACTS (THREE TIER)

Table 4-19 shows the proposed impacts for a Residential customer with a 3/4” meter (the most common meter size within this class) at various levels of monthly consumption. For the average Residential customer in winter (defined as January through March) that consumes 11 ccf of water monthly, the monthly impact will be a reduction of \$10.66 or 7.5%.

Table 4-19: Proposed Winter Monthly Residential Customer Impacts (Three Tier)

Line	Winter Usage Level	Consumption (ccf)	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
1	Very Low Usage (10th percentile)	2	\$62.36	\$64.12	\$1.76	2.8%
2	Low Usage (30th percentile)	4	\$79.30	\$78.92	(\$0.38)	-0.5%
3	Median Usage (50th percentile)	7	\$104.71	\$101.12	(\$3.59)	-3.4%
4	Average Usage	11	\$141.38	\$130.72	(\$10.66)	-7.5%
5	High Usage (75th percentile)	13	\$163.90	\$161.30	(\$2.60)	-1.6%
6	Very High Usage (95th percentile)	33	\$407.30	\$467.10	\$59.80	14.7%

Table 4-20 show the proposed impacts for a Residential customer with a 3/4” meter (the most common meter size within this class) at various levels of monthly consumption. For the average Residential customer in summer (defined as August through October) that consumes 40 ccf of water monthly, the monthly impact will be an increase of \$56.16 or 10.8%.

Table 4-20: Proposed Summer Monthly Residential Customer Impacts (Three Tier)

Line	Summer Usage Level	Consumption (ccf)	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
1	Very Low Usage (10th percentile)	4	\$79.30	\$78.92	(\$0.38)	-0.5%
2	Low Usage (30th percentile)	13	\$163.90	\$161.30	(\$2.60)	-1.6%
3	Median Usage (50th percentile)	27	\$321.54	\$375.36	\$53.82	16.7%
4	Average Usage	40	\$517.97	\$574.13	\$56.16	10.8%
5	High Usage (75th percentile)	54	\$739.31	\$884.51	\$145.20	19.6%
6	Very High Usage (95th percentile)	118	\$2,026.55	\$2,303.39	\$276.84	13.7%

ANNUAL CUSTOMER IMPACTS (THREE TIER)

Figure 4-1 shows the proposed annual dollar impacts for Residential and Institutional customers based on current account level meter size and consumption data provided by staff relative to estimated current bills. For most Institutional customers (63%) the annual impact will be \$0 or lower. For Residential customers the annual impact is more varied due to the new tier structure with 19% experiencing an impact equal to \$0 or lower, reflecting indoor essential water usage in Tier 1. Additionally, 19% will experience an impact between \$200 and \$500 and 21% will experience an impact over \$1,000, reflecting water usage in higher tiers.

Figure 4-1: Proposed Annual Customer Impacts (\$) (Three Tier)

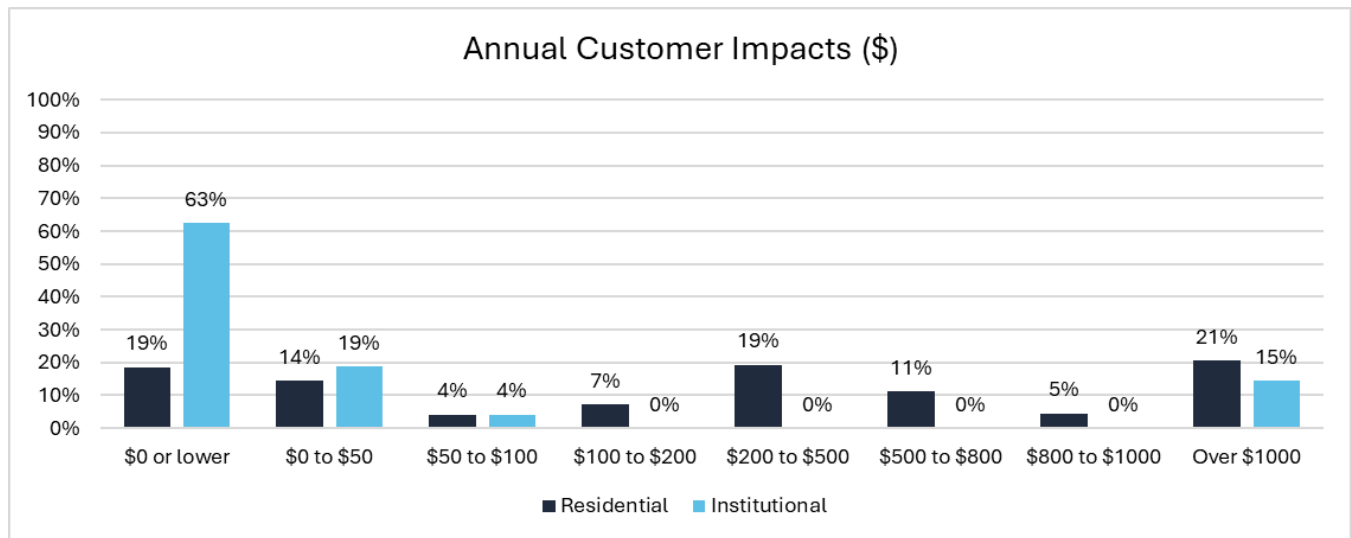
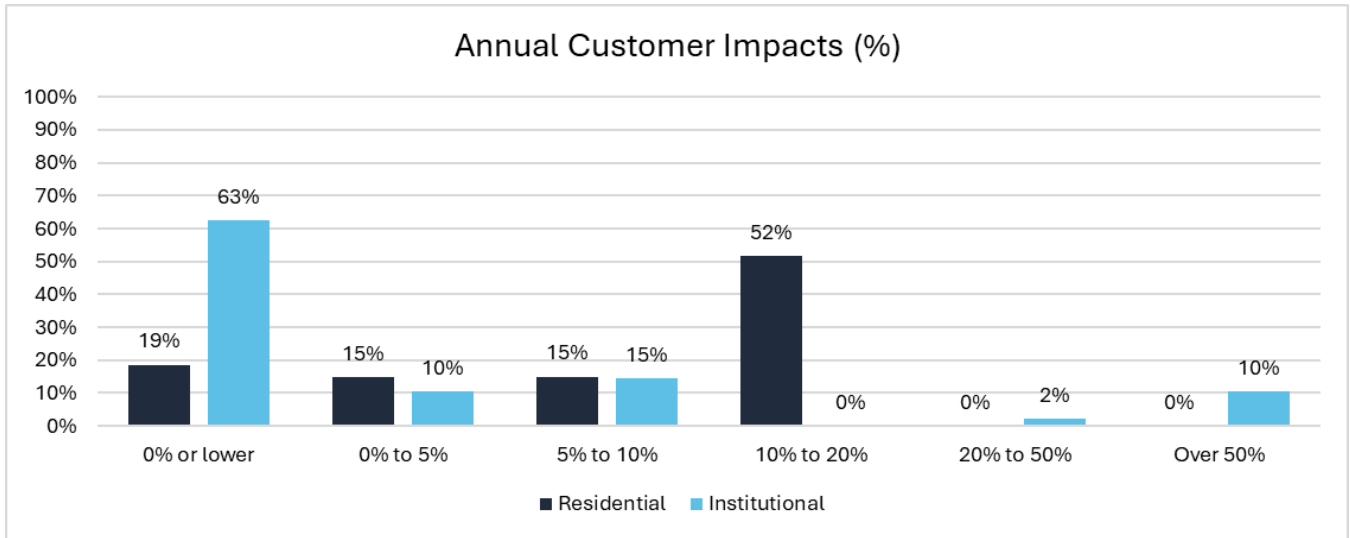


Figure 4-2 shows the proposed annual percentage impacts for Residential and Institutional customers based on the same information used in Figure 4-1. For most Institutional customers (63%) the annual impact will be 0% or less. For approximately half Residential customers (48%) the annual impact will be 10% or lower, with the remaining customers (52%) annual impact falling between 10% to 20%

Figure 4-2: Proposed Annual Customer Impacts (%) (Three Tier)



RATE SURVEY (THREE TIER)

WRE compared the current and proposed water bills for Residential customers at average winter and summer usage relative to the current bills of nearby agencies.

Figure 4-3 shows the current and proposed monthly bills for a Residential customer with a 3/4” meter at average winter usage (11 ccf) by their fixed and variable components relative to the bills of other nearby agencies. Currently PHWD bills at average winter usage are below the average and, with the proposed changes, PHWD bills at average winter usage remain below the average amongst all agencies surveyed.

Figure 4-3: Monthly Residential Water Bill at Average Winter Usage Comparison (Three Tier)

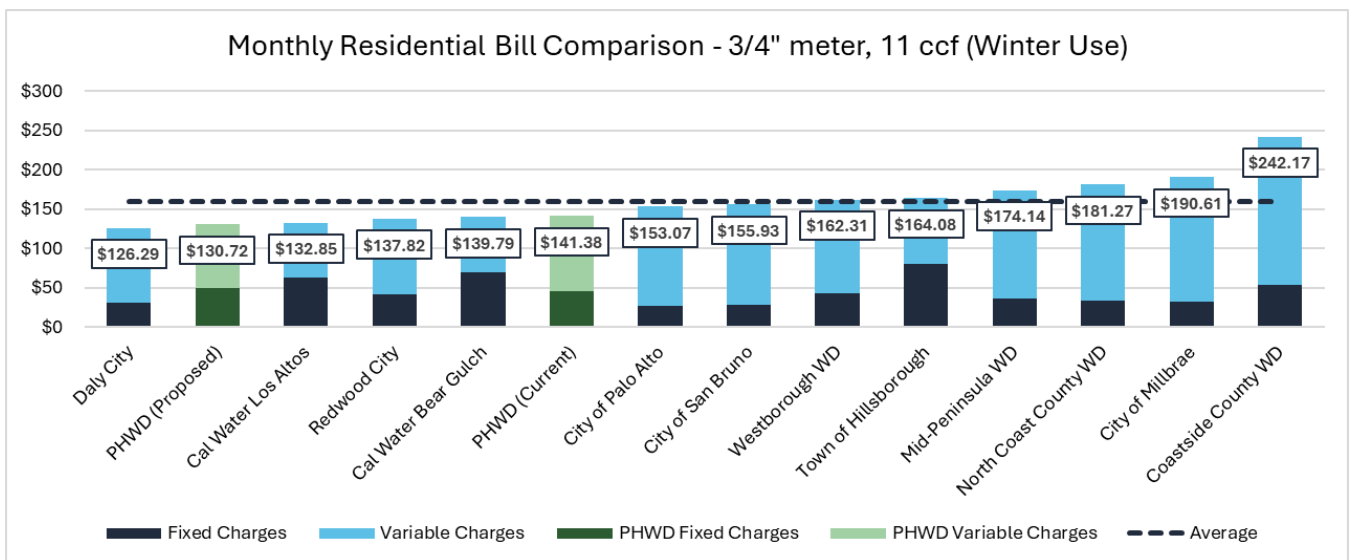
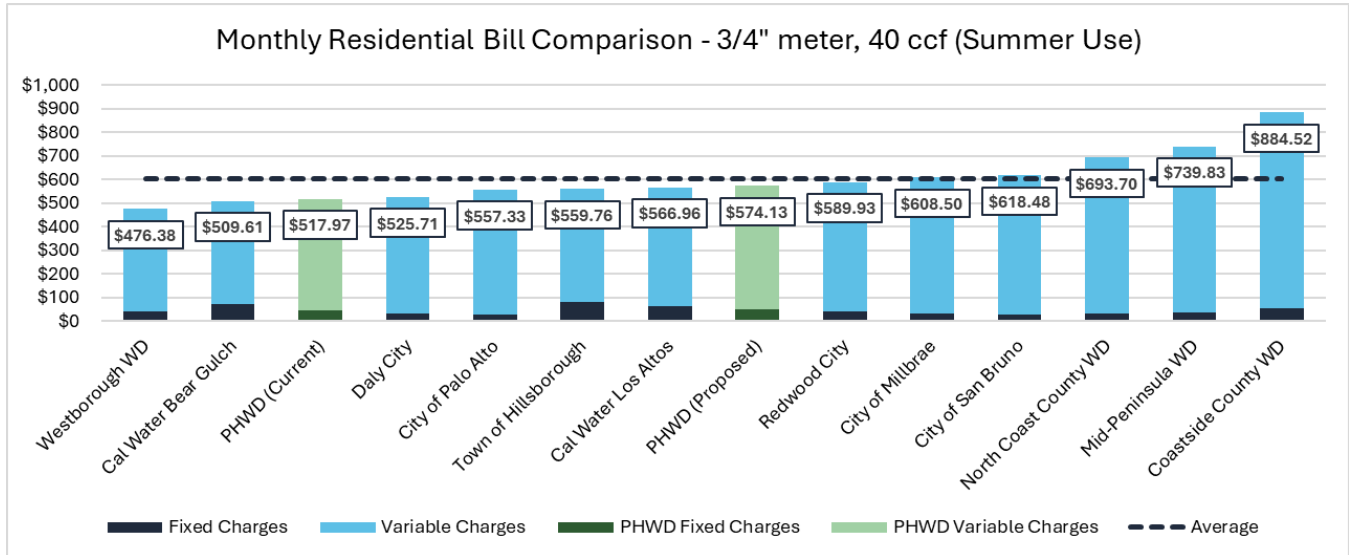


Figure 4-4 shows the current and proposed monthly bills for a Residential customer with a 3/4” meter at average summer usage (40 ccf) by their fixed and variable components relative to the bills of other nearby

agencies. Currently PHWD bills at average summer usage are below the average and, with the proposed changes, PHWD bills at average summer usage remain below the average.

Figure 4-4: Monthly Residential Water Bill at Average Summer Usage Comparison (Three Tier)



4.8 UNIFORM ALTERNATIVE CUSTOMER IMPACTS

The following impacts are for the uniform Residential tier alternative (**Table 4-16**) in the first year of effective rates (FY 2027). The impacts below reflect the cost-of-service analysis and 10.5% revenue adjustment applied to FY 2027. Note that differential impacts to different customer classes and tiers will only occur during the first year of effective rates in FY 2027. For future effective rates after FY 2027, the 10.5% revenue adjustment will apply to all customer classes and tiers.

RESIDENTIAL MONTHLY CUSTOMER IMPACTS (UNIFORM)

Table 4-21 shows the proposed impacts for a Residential customer with a 3/4" meter (the most common meter size within this class) at various levels of monthly consumption. For the average Residential customer in winter (defined as January through March) that consumes 11 ccf of water monthly, the monthly impact will be an increase of \$69.75 or 49.3%.

Table 4-21: Proposed Winter Monthly Residential Customer Impacts (Uniform)

Line	Winter Usage Level	Consumption (ccf)	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
1	Very Low Usage (10th percentile)	2	\$62.36	\$78.74	\$16.38	26.3%
2	Low Usage (30th percentile)	4	\$79.30	\$108.16	\$28.86	36.4%
3	Median Usage (50th percentile)	7	\$104.71	\$152.29	\$47.58	45.4%
4	Average Usage	11	\$141.38	\$211.13	\$69.75	49.3%
5	High Usage (75th percentile)	13	\$163.90	\$240.55	\$76.65	46.8%
6	Very High Usage (95th percentile)	33	\$407.30	\$534.75	\$127.45	31.3%

Table 4-22 shows the proposed impacts for a Residential customer with a 3/4” meter (the most common meter size within this class) at various levels of monthly consumption. For the average Residential customer in summer (defined as August through October) that consumes 40 ccf of water monthly, the monthly impact will be an increase of \$119.75 or 23.1%.

Table 4-22: Proposed Summer Monthly Residential Customer Impacts (Uniform)

Line	Summer Usage Level	Consumption (ccf)	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
1	Very Low Usage (10th percentile)	4	\$79.30	\$108.16	\$28.86	36.4%
2	Low Usage (30th percentile)	13	\$163.90	\$240.55	\$76.65	46.8%
3	Median Usage (50th percentile)	27	\$321.54	\$446.49	\$124.95	38.9%
4	Average Usage	40	\$517.97	\$637.72	\$119.75	23.1%
5	High Usage (75th percentile)	54	\$739.31	\$843.66	\$104.35	14.1%
6	Very High Usage (95th percentile)	118	\$2,026.55	\$1,785.10	(\$241.45)	-11.9%

ANNUAL CUSTOMER IMPACTS (UNIFORM)

Figure 4-5 shows the proposed annual dollar impacts for Residential and Institutional customers based on current account level meter size and consumption data provided by staff relative to estimated current bills. For Institutional customers the annual impacts are the same as in the three tier alternative. For Residential customers the annual impact is between \$200 and \$1,000 for most customers (57%), with the remainder experiencing more minimal impacts under \$200 (17%) and more substantial impacts above \$1,000 (26%).

Figure 4-5: Proposed Annual Customer Impacts (\$) (Uniform)

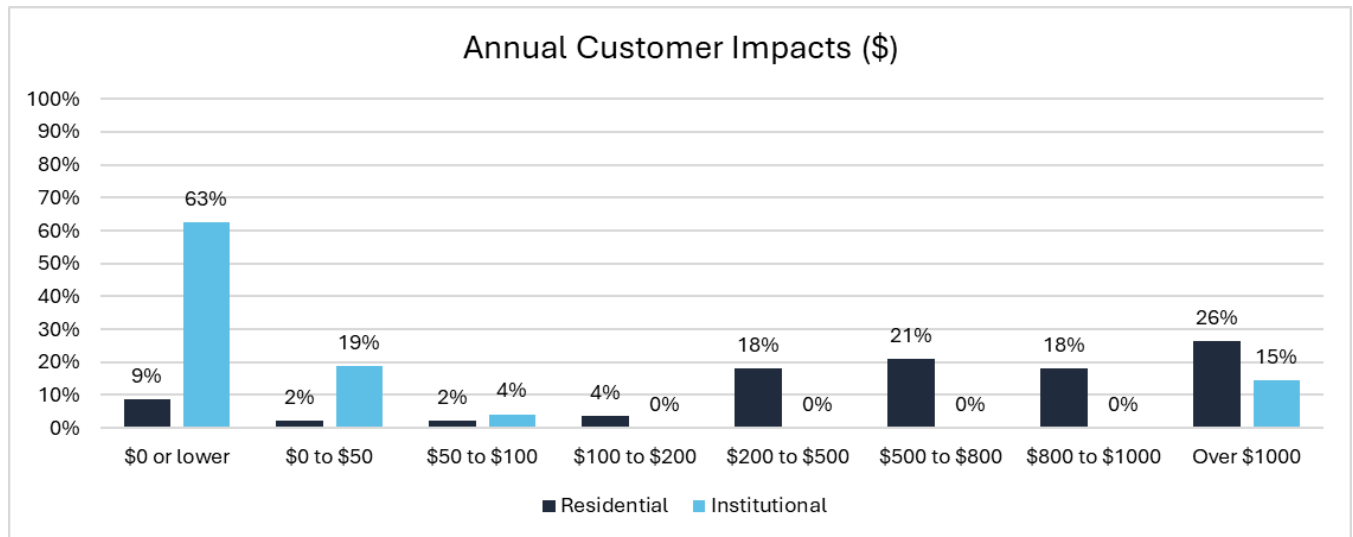
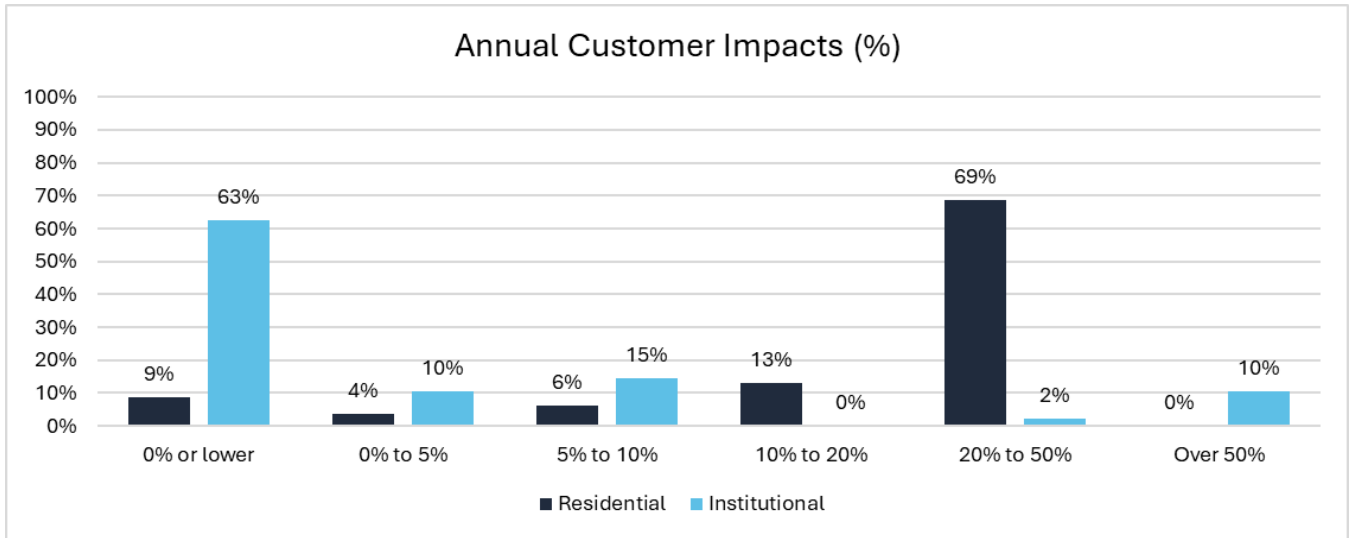


Figure 4-6 shows the proposed annual percentage impacts for Residential and Institutional customers based on the same information used in **Figure 4-5**. For Institutional customers the annual impacts are the same as in the three tier alternative. For most Residential customers (69%) the annual impact is between 20% and 50%, with the remainder (32%) experiencing more minimal impacts under 20%.

Figure 4-6: Proposed Annual Customer Impacts (%) (Uniform)



RATE SURVEY (UNIFORM)

WRE compared the current and proposed water bills for Residential customers at average winter and summer usage relative to the current bills of nearby agencies.

Figure 4-7 shows the current and proposed monthly bills for a Residential customer with a 3/4” meter at average winter usage (11 ccf) by their fixed and variable components relative to the bills of other nearby agencies. Currently PHWD bills at average winter usage are below the average and, with the proposed changes, PHWD bills at average winter usage are above the average.

Figure 4-7: Monthly Residential Water Bill at Average Winter Usage Comparison (Uniform)

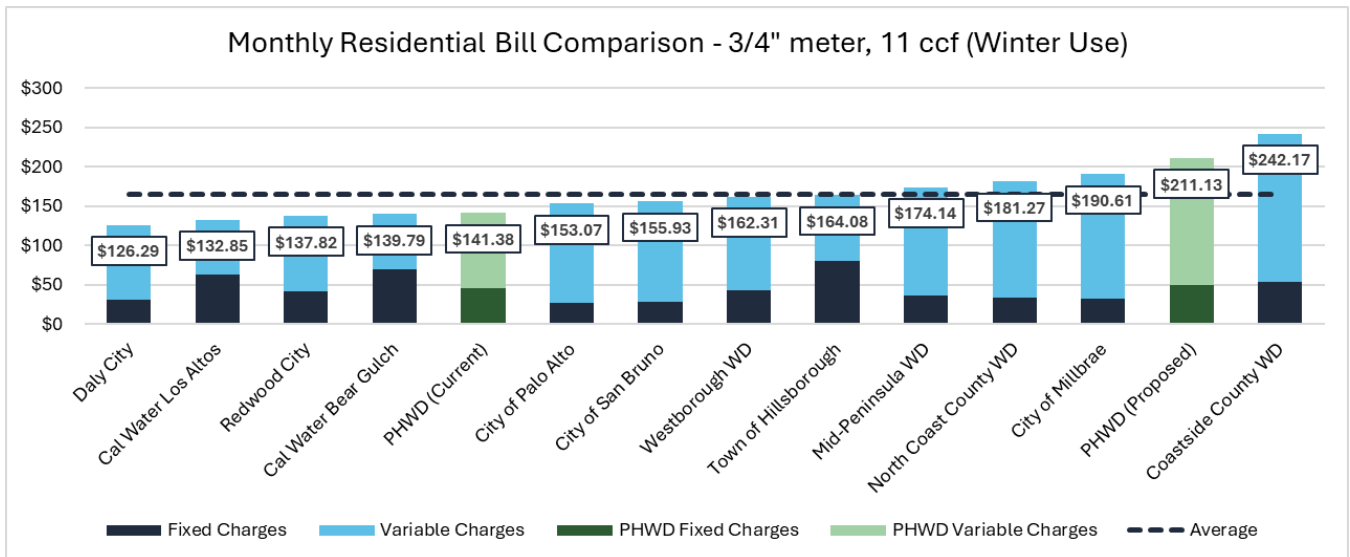
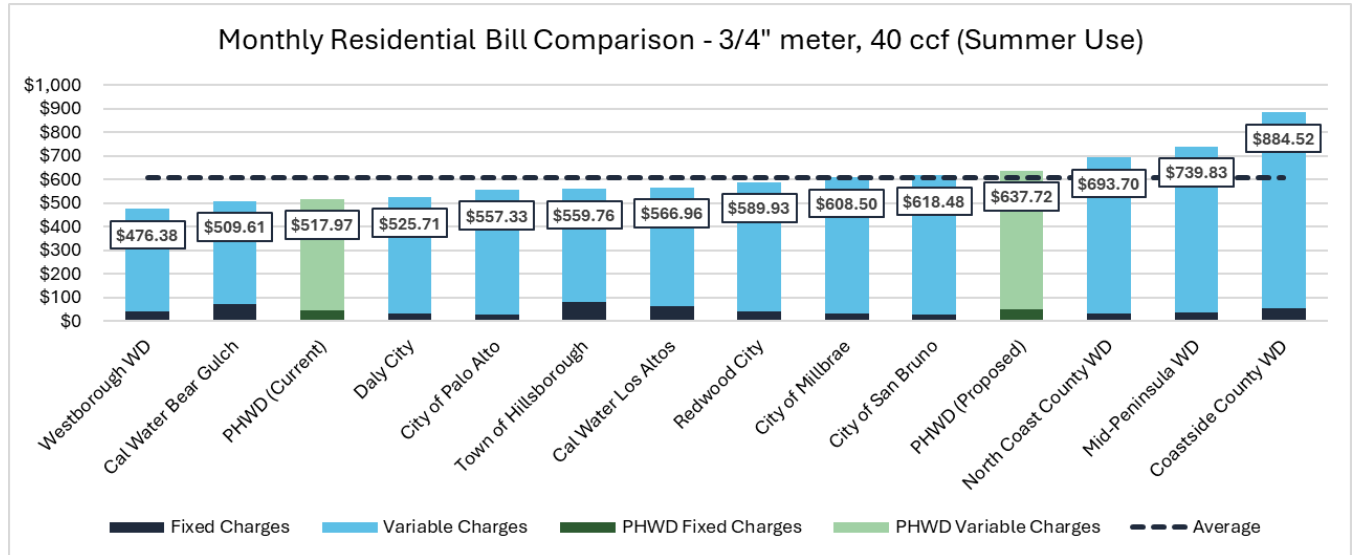


Figure 4-8 shows the current and proposed monthly bills for a Residential customer with a 3/4” meter at average summer usage (40 ccf) by their fixed and variable components relative to the bills of other nearby

**Purissima Hills Water District
2026 Water Rate Study**

agencies. Currently PHWD bills at average summer usage are below the average and, with the proposed changes, PHWD bills at average summer usage are slightly above the average.

Figure 4-8: Monthly Residential Water Bill At Average Summer Usage Comparison (Uniform)



5. WATER SHORTAGE RATES

5.1 WATER SHORTAGE RATE DESIGN METHODOLOGY

In addition to the base water rates developed in the prior section of the report, water shortage rates were developed to be implemented during water shortage emergencies. The key steps in determining the water shortage rates are as follows:

- **Evaluate financial risks:** the District faces different risks based on water shortage emergencies when government-mandated usage cutbacks reduce the District's consumption charge revenues.
- **Determine cost impact:** the cost impact is dependent upon the water shortage condition. Drought emergencies result in lost revenues from consumption charges when customers use less water and supply cost reductions when the District is purchasing less imported water.
- **Calculate water shortage rates:** the resulting cost impact is then used to calculate water shortage rates, to be implemented during shortage emergencies and which vary based on stages.

5.2 RISKS RELATED TO WATER SHORTAGES

WATER SHORTAGE EMERGENCIES

The District's Water Shortage Contingency Plan⁴⁴ includes six stages of water shortages, which all require a different level of usage reduction from the District's customers. When customers reduce their usage in each stage, the District's rate revenues from consumption charges are directly impacted. When water shortage emergencies occur, especially during more severe stages, the amount of lost revenue can significantly impact the District's ability to meet its operating, capital, and reserve requirements.

Water shortage rates are a tool for the District to effectively respond to water shortage emergencies while maintaining financial sufficiency and operational reliability. Water shortage rates are designed to recover the costs of water shortages, which include loss of variable revenues and cost differences (savings) from purchased water supply changes.

⁴⁴ Draft Water Shortage Contingency Plan, prepared by Woodard & Curran (January 2024).

5.3 PROPOSED WATER SHORTAGE RATES
USAGE REDUCTIONS BY WATER SHORTAGE STAGE

Table 5-1 shows the projected water usage reductions in each water shortage stage by customer class and tier (Lines 3-9). The Baseline usage represents total projected usage in FY 2027 without shortage (**Table 3-14**, assuming no demand changes after FY 2026). The total usage reduction (Line 1) for each stage is based on staff input. The total usage reduction in each stage is applied to the total usage for each customer class equally. For example, in Stage 1, Residential and Institutional are expected to reduce their class usage by 10%. Within the Residential customer class, usage reductions are assumed to occur at the highest tiers first starting at Tier 3. Residential customers using Tier 3 water have more capacity to conserve water during a water shortage compared to lower water users such as those in Tier 1 where a greater portion of water usage is comprised of essential indoor needs. By Stage 3, Residential Tier 3 usage reduces to 0 with the remaining reductions for future stages falling to Tier 2.

Table 5-1: Water Usage Reductions by Customer Class and Tier

Line	Water Shortage Stages	Baseline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
1	Total Usage Reduction	0%	10%	20%	30%	40%	50%	60%
2								
3	Water Usage Reduction							
4	Residential	650,569	585,512	520,455	455,398	390,341	325,285	260,228
5	Tier 1 (0-11 ccf)	211,530	211,530	211,530	211,530	211,530	211,530	211,530
6	Tier 2 (12-40 ccf)	251,407	251,407	251,407	243,868	178,811	113,754	48,697
7	Tier 3 (41+ ccf)	187,632	122,575	57,518	0	0	0	0
8	Institutional	35,701	32,131	28,561	24,991	21,421	17,851	14,280
9	Total	686,270	617,643	549,016	480,389	411,762	343,135	274,508

CONSUMPTION CHARGE REVENUE LOSS

Table 5-2 shows the estimated consumption charge revenue loss by stage based on the proposed consumption charges for FY 2027 for the three Residential tier alternative and uniform alternative (**Table 4-15** and **Table 4-16**). The proposed FY 2027 consumption charges (Lines 1-9) are multiplied by the estimated usage in each stage (**Table 5-1**). The consumption charge revenue loss (Lines 19 and 26) represents impacts of the usage reductions in each stage.

Table 5-2: Consumption Charge Revenue Loss by Stage

Line	Consumption Charge Revenue Loss	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Consumption Charges							
2	Residential							
3	Tier 1 (0-11 ccf)	\$7.40	\$7.40	\$7.40	\$7.40	\$7.40	\$7.40	\$7.40
4	Tier 2 (12-40 ccf)	\$15.29	\$15.29	\$15.29	\$15.29	\$15.29	\$15.29	\$15.29
5	Tier 3 (41+ ccf)	\$22.17	\$22.17	\$22.17	\$22.17	\$22.17	\$22.17	\$22.17
6	Institutional	\$16.23	\$16.23	\$16.23	\$16.23	\$16.23	\$16.23	\$16.23
7								
8	Residential	\$14.71	\$14.71	\$14.71	\$14.71	\$14.71	\$14.71	\$14.71
9	Institutional	\$16.23	\$16.23	\$16.23	\$16.23	\$16.23	\$16.23	\$16.23
10								
11	Consumption Charge Revenues							
12	Residential							
13	Tier 1 (0-11 ccf)	\$1,565,325	\$1,565,325	\$1,565,325	\$1,565,325	\$1,565,325	\$1,565,325	\$1,565,325
14	Tier 2 (12-40 ccf)	\$3,844,009	\$3,844,009	\$3,844,009	\$3,728,739	\$2,734,019	\$1,739,299	\$744,579
15	Tier 3 (41+ ccf)	\$4,159,797	\$2,717,485	\$1,275,174	\$0	\$0	\$0	\$0
16	Institutional	\$579,427	\$521,485	\$463,542	\$405,599	\$347,656	\$289,714	\$231,771
17	Total	\$10,148,559	\$8,648,304	\$7,148,050	\$5,699,664	\$4,647,001	\$3,594,338	\$2,541,676
18								
19	Consumption Charge Revenue Loss (Three Tier)	\$0	\$1,500,254	\$3,000,508	\$4,448,895	\$5,501,558	\$6,554,220	\$7,606,883
20								
21	Consumption Charge Revenues							
22	Residential	\$9,569,870	\$8,612,883	\$7,655,896	\$6,698,909	\$5,741,922	\$4,784,935	\$3,827,948
23	Institutional	\$579,427	\$521,485	\$463,542	\$405,599	\$347,656	\$289,714	\$231,771
24	Total	\$10,149,297	\$9,134,367	\$8,119,438	\$7,104,508	\$6,089,578	\$5,074,649	\$4,059,719
25								
26	Consumption Charge Revenue Loss (Uniform)	\$0	\$1,014,930	\$2,029,859	\$3,044,789	\$4,059,719	\$5,074,649	\$6,089,578

WATER SUPPLY COST DIFFERENCES

Table 5-3 shows the calculation of water supply costs for each stage.

The total consumption in each stage (Line 1) is from **Table 5-1** (Line 9). A water loss percentage of 6.5% (Line 2; from **Table 2-14**, Line 2) is applied to the total consumption (Line 1) to determine the total amount of water purchased from SFPUC (Line 3), assuming that SFPUC represents 100% of the District’s water supply. The SFPUC unit cost (Line 4; from **Table 2-14**, Line 7) is the projected FY 2027 rate. The SFPUC variable cost (Line 5) is calculated by multiplying the SFPUC purchases (Line 3) by the SFPUC variable unit cost⁴⁵ (Line 4). Note that the water supply cost differences do not assume any change to SFPUC variable costs; water shortage rates are designed to recover the costs of each stage, with all other costs being equal.

The supply cost difference (Line 7) represents the impacts of the usage reductions in each stage. The District will see cost savings in each stage since SFPUC represents 100% of the District’s water supply.

Table 5-3: Water Supply Cost Differences by Stage

Line	Water Supply Savings	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Total Consumption	686,270	617,643	549,016	480,389	411,762	343,135	274,508
2	Water Loss	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
3	Total Imported Water	733,979	660,581	587,183	513,785	440,387	366,989	293,591
4	SFPUC Variable Unit Cost	\$5.80	\$5.80	\$5.80	\$5.80	\$5.80	\$5.80	\$5.80
5	SFPUC Variable Cost	\$4,257,076	\$3,831,368	\$3,405,661	\$2,979,953	\$2,554,246	\$2,128,538	\$1,702,830
6								
7	Water Supply Savings	\$0	(\$425,708)	(\$851,415)	(\$1,277,123)	(\$1,702,830)	(\$2,128,538)	(\$2,554,246)

⁴⁵ Subsequent to completion of the study analysis, SFPUC adopted an updated variable wholesale water rate of \$6.23 per ccf effective July 1, 2026. The water shortage rate calculation is based on the \$5.80 per ccf rate that was in effect during the rate study analysis, while the proposed rate schedules and customer bill impacts reflect the updated \$6.23 per ccf rate in accordance with the proposed pass-through methodology.

SHORTAGE COSTS

Table 5-4 shows the water shortage costs by stage, which includes the consumption charge revenue loss (**Table 5-2**, Lines 19 and 26) and supply cost differences (**Table 5-3**, Line 7), for the three tier and uniform alternatives. The total cost of each water shortage stage (Lines 4 and 11) represents the costs that the proposed water shortage rates are designed to recover. The percentage changes from revenues (Lines 6 and 13) are calculated by dividing the cost in each stage (Lines 4 and 11) by the consumption revenues in that stage (**Table 5-2**, Lines 17 and 24).

Table 5-4: Shortage Costs by Stage

Line	Water Shortage Costs	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Three Tier							
2	Consumption Charge Revenue Loss	\$0	\$1,500,254	\$3,000,508	\$4,448,895	\$5,501,558	\$6,554,220	\$7,606,883
3	Water Supply Savings	\$0	(\$425,708)	(\$851,415)	(\$1,277,123)	(\$1,702,830)	(\$2,128,538)	(\$2,554,246)
4	Total Costs	\$0	\$1,074,547	\$2,149,093	\$3,171,772	\$3,798,727	\$4,425,682	\$5,052,638
5								
6	% Change from Revenues	0%	12%	30%	56%	82%	123%	199%
7								
8	Uniform							
9	Consumption Charge Revenue Loss	\$0	\$1,014,930	\$2,029,859	\$3,044,789	\$4,059,719	\$5,074,649	\$6,089,578
10	Water Supply Savings	\$0	(\$425,708)	(\$851,415)	(\$1,277,123)	(\$1,702,830)	(\$2,128,538)	(\$2,554,246)
11	Total Costs	\$0	\$589,222	\$1,178,444	\$1,767,666	\$2,356,889	\$2,946,111	\$3,535,333
12								
13	% Change from Revenues	0%	6%	15%	25%	39%	58%	87%

PROPOSED WATER SHORTAGE RATES

Table 5-5 shows the proposed water shortage rates by stage for FY 2027 for the three tier and uniform alternatives. The Baseline consumption charges are equal to the first year of consumption rates (**Table 4-15** and **Table 4-16**). For each subsequent stage the increase to consumption charges (Lines 2-7, 17-19) is calculated by applying the percentage increase (**Table 5-4**, Lines 6 and 13) for each stage to the baseline consumption charges.

The difference between the combined rates in each stage and the Baseline consumption charges represents the incremental water shortage rate by stage (Lines 9-14, 21-23).

Table 5-5: Proposed Water Shortage Rates (FY 2027)

Line	Shortage Rates (\$/ ccf)	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Three Tiers							
2	Increase to Consumption Charges							
3	Residential							
4	Tier 1 (0-11 ccf)	\$7.40	\$8.32	\$9.62	\$11.52	\$13.45	\$16.51	\$22.11
5	Tier 2 (12-40 ccf)	\$15.29	\$17.19	\$19.89	\$23.80	\$27.79	\$34.12	\$45.69
6	Tier 3 (41+ ccf)	\$22.17	\$24.92	\$28.84	\$34.51	\$40.29	\$49.47	\$66.24
7	Institutional	\$16.23	\$18.25	\$21.11	\$25.26	\$29.50	\$36.21	\$48.49
8								
9	Water Shortage Rates							
10	Residential							
11	Tier 1 (0-11 ccf)	\$0.00	\$0.92	\$2.22	\$4.12	\$6.05	\$9.11	\$14.71
12	Tier 2 (12-40 ccf)	\$0.00	\$1.90	\$4.60	\$8.51	\$12.50	\$18.83	\$30.40
13	Tier 3 (41+ ccf)	\$0.00	\$2.75	\$6.67	\$12.34	\$18.12	\$27.30	\$44.07
14	Institutional	\$0.00	\$2.02	\$4.88	\$9.03	\$13.27	\$19.98	\$32.26
15								
16	Uniform							
17	Increase to Consumption Charges							
18	Residential	\$14.71	\$15.66	\$16.84	\$18.37	\$20.40	\$23.25	\$27.52
19	Institutional	\$16.23	\$17.28	\$18.59	\$20.27	\$22.51	\$25.65	\$30.36
20								
21	Water Shortage Rates							
22	Residential	\$0.00	\$0.95	\$2.13	\$3.66	\$5.69	\$8.54	\$12.81
23	Institutional	\$0.00	\$1.05	\$2.36	\$4.04	\$6.28	\$9.42	\$14.13

5.4 PROPOSED WATER SHORTAGE RATE SCHEDULE

PROPOSED FIVE-YEAR REVENUE ADJUSTMENTS

Table 5-6 shows the revenue adjustments for the five-year period and their effective date based on the proposed financial plan (**Table 2-26**).

Table 5-6: Proposed Revenue Adjustments

Line	Fiscal Year	Revenue Adjustments	Effective Date
1	FY 2027	10.5%	10/1/2026
2	FY 2028	10.5%	7/1/2027
3	FY 2029	10.5%	7/1/2028
4	FY 2030	10.5%	7/1/2029
5	FY 2031	10.5%	7/1/2030

PROPOSED FIVE-YEAR WATER SHORTAGE RATE SCHEDULE

Table 5-7 and **Table 5-8** shows the proposed water shortage rates in each stage for the five-year period, which are incremental charges in addition to the consumption charges shown in **Table 4-15** and **Table 4-16** for the three Residential tier and uniform alternatives, respectively. The proposed rates for FY 2028, FY 2029, FY 2030, and FY 2031 were calculated by increasing the FY 2027 rates by the revenue adjustments. All rates are rounded up to the nearest cent.

Table 5-7: Proposed Water Shortage Rates (Three Tier)

Line	Water Shortage Rates (\$/ ccf)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026						
2	Residential						
3	Tier 1 (0-11 ccf)	\$0.92	\$2.23	\$4.12	\$6.05	\$9.12	\$14.72
4	Tier 2 (12-40 ccf)	\$1.90	\$4.60	\$8.51	\$12.50	\$18.83	\$30.40
5	Tier 3 (41+ ccf)	\$2.76	\$6.67	\$12.34	\$18.13	\$27.30	\$44.08
6	Institutional	\$2.02	\$4.88	\$9.04	\$13.27	\$19.99	\$32.27
7							
8	Effective 7/1/2027						
9	Residential						
10	Tier 1 (0-11 ccf)	\$1.02	\$2.47	\$4.56	\$6.69	\$10.08	\$16.27
11	Tier 2 (12-40 ccf)	\$2.10	\$5.09	\$9.41	\$13.82	\$20.81	\$33.60
12	Tier 3 (41+ ccf)	\$3.05	\$7.38	\$13.64	\$20.04	\$30.17	\$48.71
13	Institutional	\$2.24	\$5.40	\$9.99	\$14.67	\$22.09	\$35.66
14							
15	Effective 7/1/2028						
16	Residential						
17	Tier 1 (0-11 ccf)	\$1.13	\$2.73	\$5.04	\$7.40	\$11.14	\$17.98
18	Tier 2 (12-40 ccf)	\$2.33	\$5.63	\$10.40	\$15.28	\$23.00	\$37.13
19	Tier 3 (41+ ccf)	\$3.38	\$8.16	\$15.08	\$22.15	\$33.34	\$53.83
20	Institutional	\$2.48	\$5.97	\$11.04	\$16.22	\$24.41	\$39.41
21							
22	Effective 7/1/2029						
23	Residential						
24	Tier 1 (0-11 ccf)	\$1.25	\$3.02	\$5.57	\$8.18	\$12.31	\$19.87
25	Tier 2 (12-40 ccf)	\$2.58	\$6.23	\$11.50	\$16.89	\$25.42	\$41.03

Purissima Hills Water District
2026 Water Rate Study

Line	Water Shortage Rates (\$/ ccf)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
26	Tier 3 (41+ ccf)	\$3.74	\$9.02	\$16.67	\$24.48	\$36.85	\$59.49
27	Institutional	\$2.75	\$6.60	\$12.20	\$17.93	\$26.98	\$43.55
28							
29	Effective 7/1/2030						
30	Residential						
31	Tier 1 (0-11 ccf)	\$1.39	\$3.34	\$6.16	\$9.04	\$13.61	\$21.96
32	Tier 2 (12-40 ccf)	\$2.86	\$6.89	\$12.71	\$18.67	\$28.09	\$45.34
33	Tier 3 (41+ ccf)	\$4.14	\$9.97	\$18.43	\$27.06	\$40.72	\$65.74
34	Institutional	\$3.04	\$7.30	\$13.49	\$19.82	\$29.82	\$48.13

Table 5-8: Proposed Water Shortage Rates (Uniform)

Line	Water Shortage Rates (\$/ ccf)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026						
2	Residential	\$0.95	\$2.14	\$3.66	\$5.70	\$8.54	\$12.81
3	Institutional	\$1.05	\$2.36	\$4.04	\$6.29	\$9.43	\$14.14
4							
5	Effective 7/1/2027						
6	Residential	\$1.05	\$2.37	\$4.05	\$6.30	\$9.44	\$14.16
7	Institutional	\$1.17	\$2.61	\$4.47	\$6.96	\$10.43	\$15.63
8							
9	Effective 7/1/2028						
10	Residential	\$1.17	\$2.62	\$4.48	\$6.97	\$10.44	\$15.65
11	Institutional	\$1.30	\$2.89	\$4.94	\$7.70	\$11.53	\$17.28
12							
13	Effective 7/1/2029						
14	Residential	\$1.30	\$2.90	\$4.96	\$7.71	\$11.54	\$17.30
15	Institutional	\$1.44	\$3.20	\$5.46	\$8.51	\$12.75	\$19.10
16							
17	Effective 7/1/2030						
18	Residential	\$1.44	\$3.21	\$5.49	\$8.52	\$12.76	\$19.12
19	Institutional	\$1.60	\$3.54	\$6.04	\$9.41	\$14.09	\$21.11

Table 5-9 and **Table 5-10** show the proposed combined consumption charges and water shortage rates in each stage for the five-year period for the three Residential tier and uniform alternatives, respectively. The variable charges in **Table 4-15** and **Table 4-16** are added to the incremental water shortage rates in **Table 5-7** and **Table 5-8** to calculate the combined charges.

Purissima Hills Water District
2026 Water Rate Study

Table 5-9: Proposed Combined Consumption Charges and Water Shortage Rates (Three Tier)

Line	Combined Water Shortage Rates (\$/ ccf)	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026							
2	Residential							
3	Tier 1 (0-11 ccf)	\$7.40	\$8.32	\$9.63	\$11.52	\$13.45	\$16.52	\$22.12
4	Tier 2 (12-40 ccf)	\$15.29	\$17.19	\$19.89	\$23.80	\$27.79	\$34.12	\$45.69
5	Tier 3 (41+ ccf)	\$22.17	\$24.93	\$28.84	\$34.51	\$40.30	\$49.47	\$66.25
6	Institutional	\$16.23	\$18.25	\$21.11	\$25.27	\$29.50	\$36.22	\$48.50
7								
8	Effective 7/1/2027							
9	Residential							
10	Tier 1 (0-11 ccf)	\$8.14	\$9.16	\$10.61	\$12.70	\$14.83	\$18.22	\$24.41
11	Tier 2 (12-40 ccf)	\$16.86	\$18.96	\$21.95	\$26.27	\$30.68	\$37.67	\$50.46
12	Tier 3 (41+ ccf)	\$24.46	\$27.51	\$31.84	\$38.10	\$44.50	\$54.63	\$73.17
13	Institutional	\$17.89	\$20.13	\$23.29	\$27.88	\$32.56	\$39.98	\$53.55
14								
15	Effective 7/1/2028							
16	Residential							
17	Tier 1 (0-11 ccf)	\$8.95	\$10.08	\$11.68	\$13.99	\$16.35	\$20.09	\$26.93
18	Tier 2 (12-40 ccf)	\$18.59	\$20.92	\$24.22	\$28.99	\$33.87	\$41.59	\$55.72
19	Tier 3 (41+ ccf)	\$26.99	\$30.37	\$35.15	\$42.07	\$49.14	\$60.33	\$80.82
20	Institutional	\$19.73	\$22.21	\$25.70	\$30.77	\$35.95	\$44.14	\$59.14
21								
22	Effective 7/1/2029							
23	Residential							
24	Tier 1 (0-11 ccf)	\$9.85	\$11.10	\$12.87	\$15.42	\$18.03	\$22.16	\$29.72
25	Tier 2 (12-40 ccf)	\$20.50	\$23.08	\$26.73	\$32.00	\$37.39	\$45.92	\$61.53
26	Tier 3 (41+ ccf)	\$29.78	\$33.52	\$38.80	\$46.45	\$54.26	\$66.63	\$89.27
27	Institutional	\$21.76	\$24.51	\$28.36	\$33.96	\$39.69	\$48.74	\$65.31
28								
29	Effective 7/1/2030							
30	Residential							
31	Tier 1 (0-11 ccf)	\$10.84	\$12.23	\$14.18	\$17.00	\$19.88	\$24.45	\$32.80
32	Tier 2 (12-40 ccf)	\$22.61	\$25.47	\$29.50	\$35.32	\$41.28	\$50.70	\$67.95
33	Tier 3 (41+ ccf)	\$32.87	\$37.01	\$42.84	\$51.30	\$59.93	\$73.59	\$98.61
34	Institutional	\$24.00	\$27.04	\$31.30	\$37.49	\$43.82	\$53.82	\$72.13

Table 5-10: Proposed Combined Consumption Charges and Water Shortage Rates (Uniform)

Line	Combined Water Shortage Rates (\$/ ccf)	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026							
2	Residential	\$14.71	\$15.66	\$16.85	\$18.37	\$20.41	\$23.25	\$27.52
3	Institutional	\$16.23	\$17.28	\$18.59	\$20.27	\$22.52	\$25.66	\$30.37
4								
5	Effective 7/1/2027							
6	Residential	\$16.21	\$17.26	\$18.58	\$20.26	\$22.51	\$25.65	\$30.37
7	Institutional	\$17.89	\$19.06	\$20.50	\$22.36	\$24.85	\$28.32	\$33.52
8								
9	Effective 7/1/2028							
10	Residential	\$17.87	\$19.04	\$20.49	\$22.35	\$24.84	\$28.31	\$33.52
11	Institutional	\$19.73	\$21.03	\$22.62	\$24.67	\$27.43	\$31.26	\$37.01
12								
13	Effective 7/1/2029							
14	Residential	\$19.71	\$21.01	\$22.61	\$24.67	\$27.42	\$31.25	\$37.01
15	Institutional	\$21.76	\$23.20	\$24.96	\$27.22	\$30.27	\$34.51	\$40.86
16								
17	Effective 7/1/2030							
18	Residential	\$21.74	\$23.18	\$24.95	\$27.23	\$30.26	\$34.50	\$40.86
19	Institutional	\$24.00	\$25.60	\$27.54	\$30.04	\$33.41	\$38.09	\$45.11

5.5 THREE TIER ALTERNATIVE CUSTOMER IMPACTS

WRE evaluated the customer impacts for Residential customers for Stages 1-6 based on the proposed water shortage rates for the three tier alternative. The customer impacts are based on the first year of water shortage rates (FY 2027).

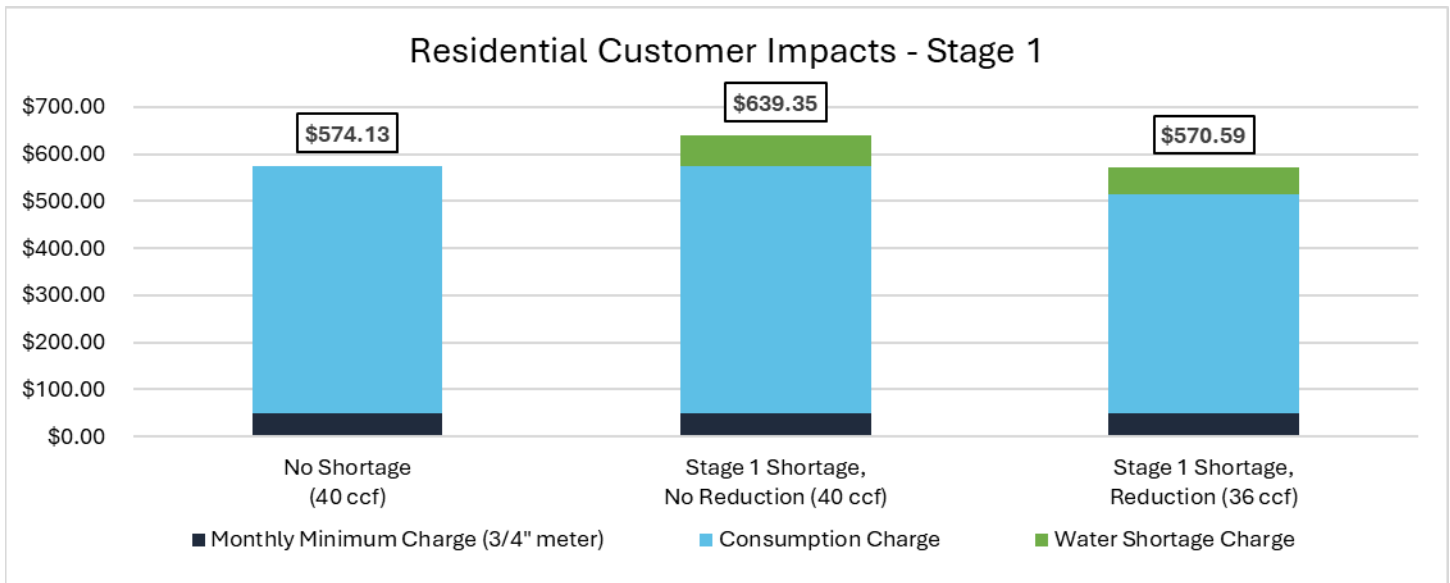
RESIDENTIAL CUSTOMER IMPACTS (STAGE 1)

Table 5-11 and **Figure 5-1** show the proposed Stage 1 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 1 water shortage, this customer will pay \$65.22 more every month if they do not reduce their usage according to Stage 1, which corresponds to a 10% reduction. However, if this customer reduces their usage by 10% and uses 36 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-11: Proposed Residential Customer Impacts (Stage 1 Shortage) (Three Tier)

Line	Residential Customer Impacts - Stage 1	No Shortage (40 ccf)	Stage 1 Shortage, No Reduction (40 ccf)	Stage 1 Shortage, Reduction (36 ccf)
1	Monthly Usage (ccf)	40	40	36
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$524.81	\$524.81	\$463.65
5	Water Shortage Charge	\$0.00	\$65.22	\$57.62
6	Total Monthly Bill	\$574.13	\$639.35	\$570.59

Figure 5-1: Proposed Residential Customer Impacts (Stage 1 Shortage) (Three Tier)



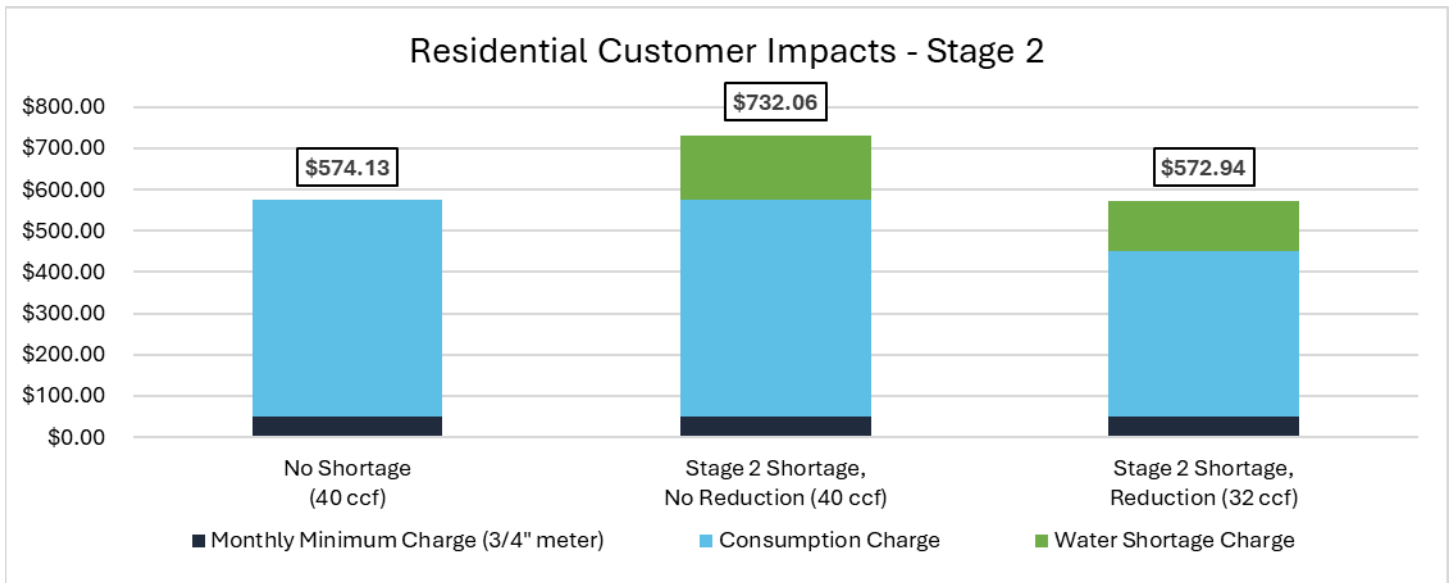
RESIDENTIAL CUSTOMER IMPACTS (STAGE 2)

Table 5-12 and Figure 5-2 show the proposed Stage 2 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 2 water shortage, this customer will pay \$157.93 more every month if they do not reduce their usage according to Stage 2, which corresponds to a 20% reduction. However, if this customer reduces their usage by 20% and uses 32 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-12: Proposed Residential Customer Impacts (Stage 2 Shortage) (Three Tier)

Line	Residential Customer Impacts - Stage 2	No Shortage (40 ccf)	Stage 2 Shortage, No Reduction (40 ccf)	Stage 2 Shortage, Reduction (32 ccf)
1	Monthly Usage (ccf)	40	40	32
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$524.81	\$524.81	\$402.49
5	Water Shortage Charge	\$0.00	\$157.93	\$121.13
6	Total Monthly Bill	\$574.13	\$732.06	\$572.94

Figure 5-2: Proposed Residential Customer Impacts (Stage 2 Shortage) (Three Tier)



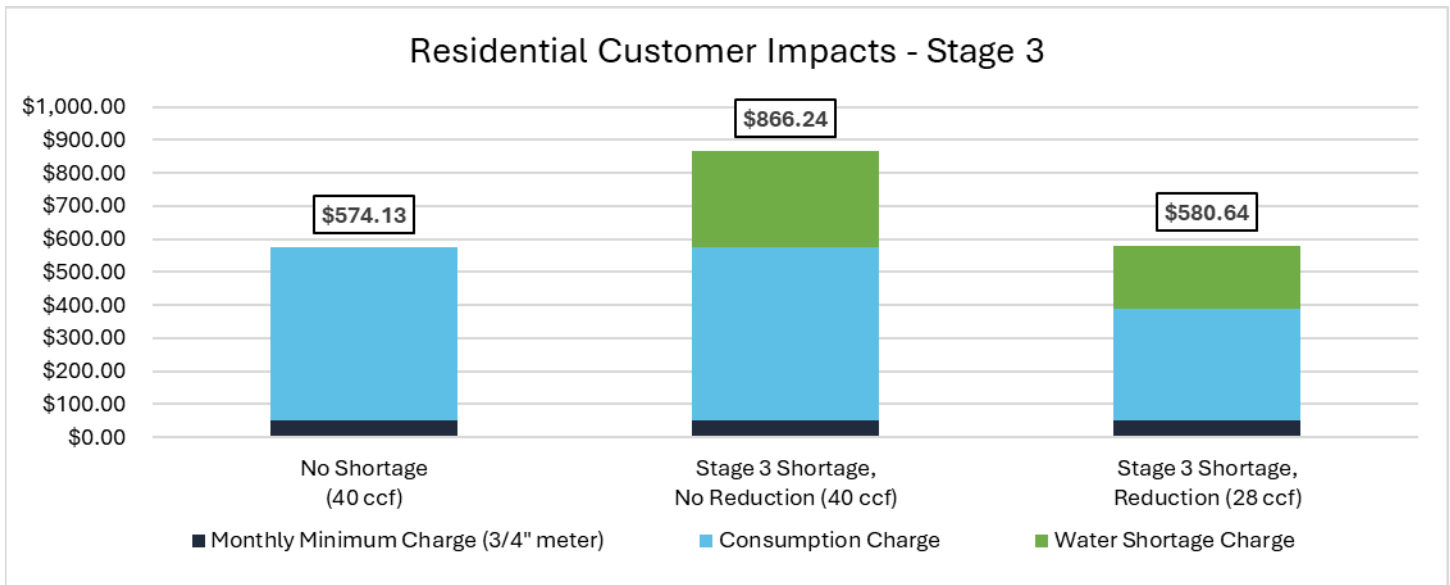
RESIDENTIAL CUSTOMER IMPACTS (STAGE 3)

Table 5-13 and Figure 5-3 show the proposed Stage 3 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 3 water shortage, this customer will pay \$292.11 more every month if they do not reduce their usage according to Stage 3, which corresponds to a 30% reduction. However, if this customer reduces their usage by 30% and uses 28 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-13: Proposed Residential Customer Impacts (Stage 3 Shortage) (Three Tier)

Line	Residential Customer Impacts - Stage 3	No Shortage (40 ccf)	Stage 3 Shortage, No Reduction (40 ccf)	Stage 3 Shortage, Reduction (28 ccf)
1	Monthly Usage (ccf)	40	40	28
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$524.81	\$524.81	\$341.33
5	Water Shortage Charge	\$0.00	\$292.11	\$189.99
6	Total Monthly Bill	\$574.13	\$866.24	\$580.64

Figure 5-3: Proposed Residential Customer Impacts (Stage 3 Shortage) (Three Tier)



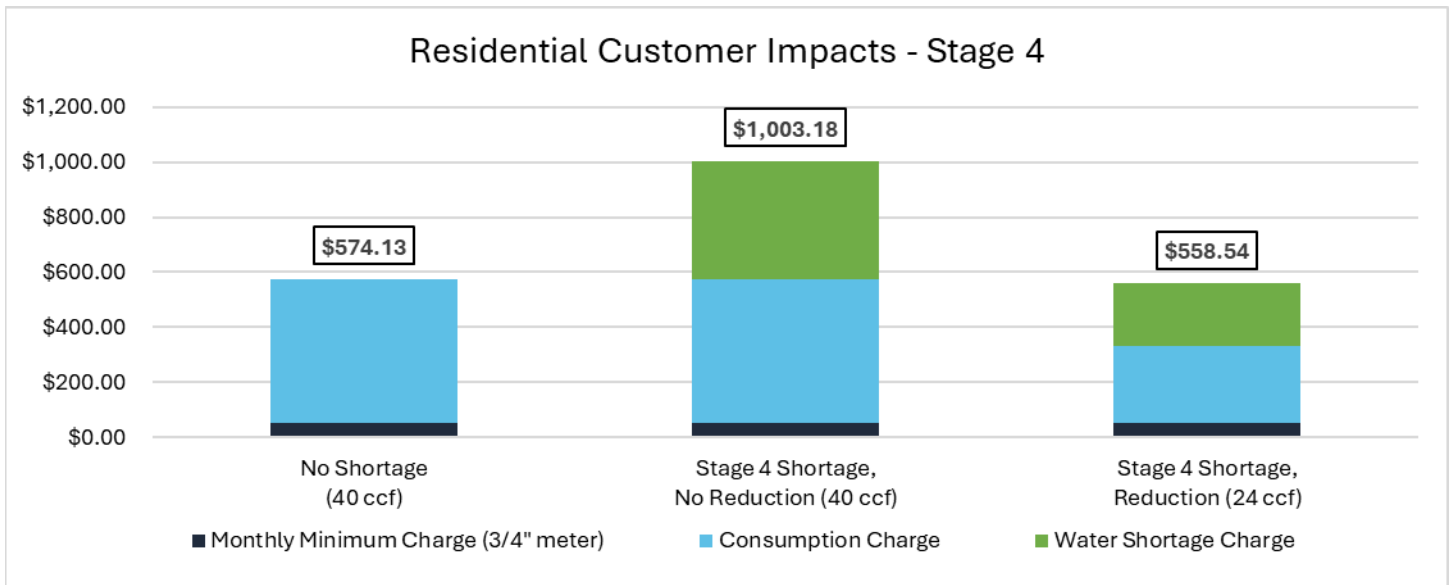
RESIDENTIAL CUSTOMER IMPACTS (STAGE 4)

Table 5-14 and Figure 5-4 show the proposed Stage 4 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 4 water shortage, this customer will pay \$429.05 more every month if they do not reduce their usage according to Stage 4, which corresponds to a 40% reduction. However, if this customer reduces their usage by 40% and uses 24 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-14: Proposed Residential Customer Impacts (Stage 4 Shortage) (Three Tier)

Line	Residential Customer Impacts - Stage 4	No Shortage (40 ccf)	Stage 4 Shortage, No Reduction (40 ccf)	Stage 4 Shortage, Reduction (24 ccf)
1	Monthly Usage (ccf)	40	40	24
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$524.81	\$524.81	\$280.17
5	Water Shortage Charge	\$0.00	\$429.05	\$229.05
6	Total Monthly Bill	\$574.13	\$1,003.18	\$558.54

Figure 5-4: Proposed Residential Customer Impacts (Stage 4 Shortage) (Three Tier)



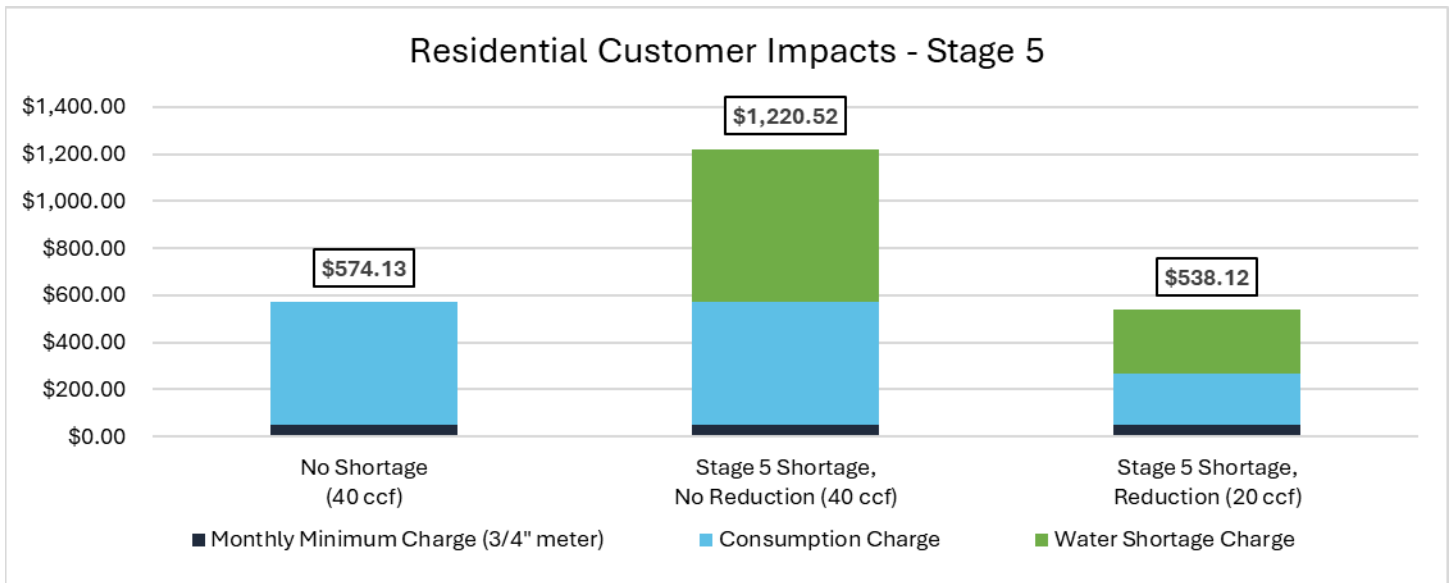
RESIDENTIAL CUSTOMER IMPACTS (STAGE 5)

Table 5-15 and Figure 5-5 show the proposed Stage 5 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 5 water shortage, this customer will pay \$646.39 more every month if they do not reduce their usage according to Stage 5, which corresponds to a 50% reduction. However, if this customer reduces their usage by 50% and uses 20 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-15: Proposed Residential Customer Impacts (Stage 5 Shortage) (Three Tier)

Line	Residential Customer Impacts - Stage 5	No Shortage (40 ccf)	Stage 5 Shortage, No Reduction (40 ccf)	Stage 5 Shortage, Reduction (20 ccf)
1	Monthly Usage (ccf)	40	40	20
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$524.81	\$524.81	\$219.01
5	Water Shortage Charge	\$0.00	\$646.39	\$269.79
6	Total Monthly Bill	\$574.13	\$1,220.52	\$538.12

Figure 5-5: Proposed Residential Customer Impacts (Stage 5 Shortage) (Three Tier)



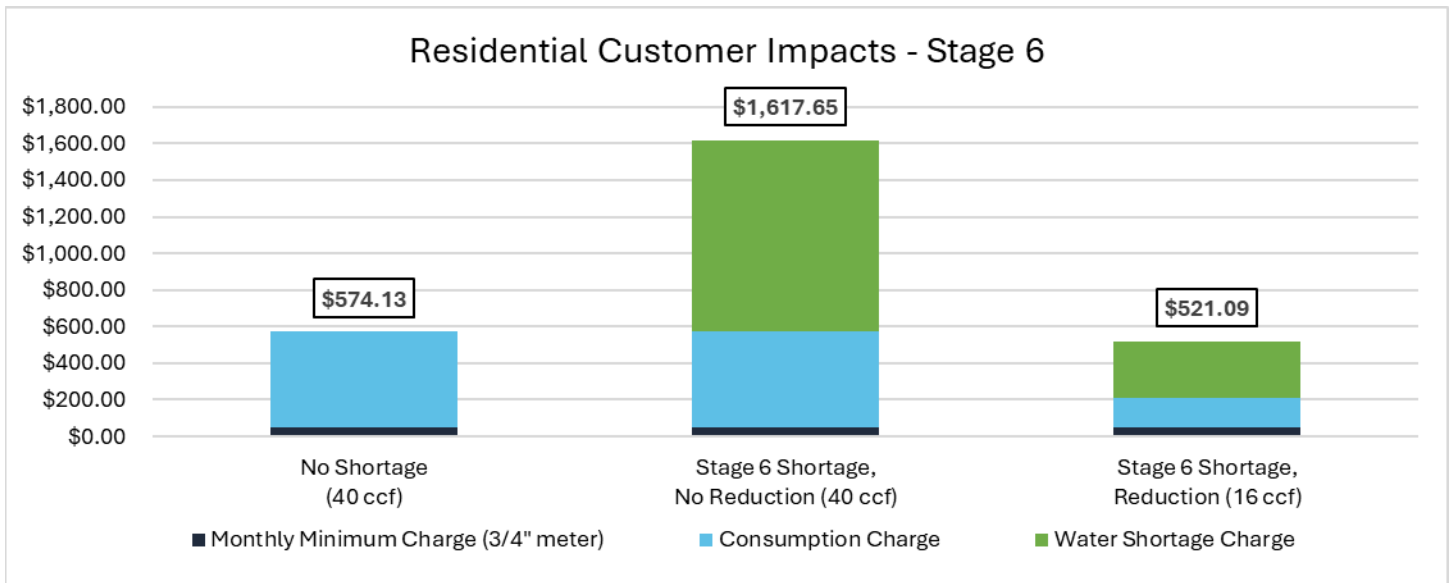
RESIDENTIAL CUSTOMER IMPACTS (STAGE 6)

Table 5-16 and **Figure 5-6** show the proposed Stage 6 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 6 water shortage, this customer will pay \$1,043.52 more every month if they do not reduce their usage according to Stage 6, which corresponds to a 60% reduction. However, if this customer reduces their usage by 60% and uses 16 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-16: Proposed Residential Customer Impacts (Stage 6 Shortage) (Three Tier)

Line	Residential Customer Impacts - Stage 6	No Shortage (40 ccf)	Stage 6 Shortage, No Reduction (40 ccf)	Stage 6 Shortage, Reduction (16 ccf)
1	Monthly Usage (ccf)	40	40	16
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$524.81	\$524.81	\$157.85
5	Water Shortage Charge	\$0.00	\$1,043.52	\$313.92
6	Total Monthly Bill	\$574.13	\$1,617.65	\$521.09

Figure 5-6: Proposed Residential Customer Impacts (Stage 6 Shortage) (Three Tier)



5.6 UNIFORM ALTERNATIVE CUSTOMER IMPACTS

WRE evaluated the customer impacts for Residential customers for Stages 1-6 based on the proposed water shortage rates for the uniform alternative. The customer impacts are based on the first year of water shortage rates (FY 2027).

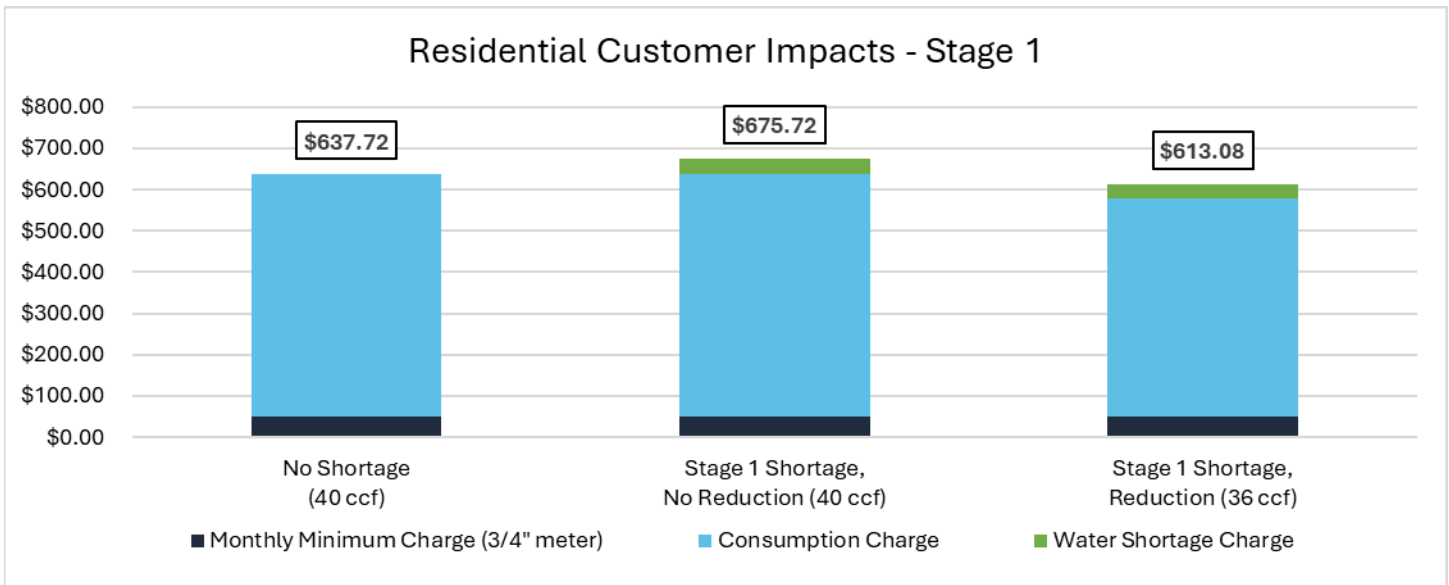
RESIDENTIAL CUSTOMER IMPACTS (STAGE 1)

Table 5-17 and **Figure 5-7** show the proposed Stage 1 impacts for a Residential customer with a 3/4" meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 1 water shortage, this customer will pay \$38.00 more every month if they do not reduce their usage according to Stage 1, which corresponds to a 10% reduction. However, if this customer reduces their usage by 10% and uses 36 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-17: Proposed Residential Customer Impacts (Stage 1 Shortage) (Uniform)

Line	Residential Customer Impacts - Stage 1	No Shortage (40 ccf)	Stage 1 Shortage, No Reduction (40 ccf)	Stage 1 Shortage, Reduction (36 ccf)
1	Monthly Usage (ccf)	40	40	36
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$588.40	\$588.40	\$529.56
5	Water Shortage Charge	\$0.00	\$38.00	\$34.20
6	Total Monthly Bill	\$637.72	\$675.72	\$613.08

Figure 5-7: Proposed Residential Customer Impacts (Stage 1 Shortage) (Uniform)



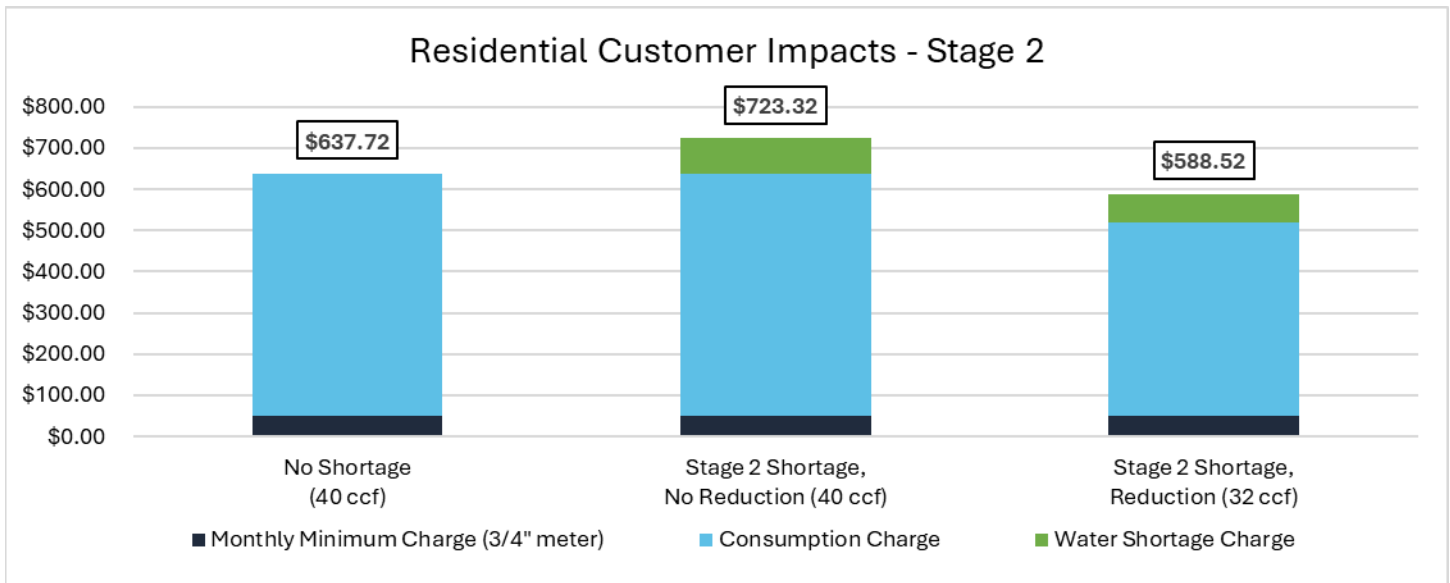
RESIDENTIAL CUSTOMER IMPACTS (STAGE 2)

Table 5-18 and **Figure 5-8** show the proposed Stage 2 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 2 water shortage, this customer will pay \$85.60 more every month if they do not reduce their usage according to Stage 2, which corresponds to a 20% reduction. However, if this customer reduces their usage by 20% and uses 32 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-18: Proposed Residential Customer Impacts (Stage 2 Shortage) (Uniform)

Line	Residential Customer Impacts - Stage 2	No Shortage (40 ccf)	Stage 2 Shortage, No Reduction (40 ccf)	Stage 2 Shortage, Reduction (32 ccf)
1	Monthly Usage (ccf)	40	40	32
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$588.40	\$588.40	\$470.72
5	Water Shortage Charge	\$0.00	\$85.60	\$68.48
6	Total Monthly Bill	\$637.72	\$723.32	\$588.52

Figure 5-8: Proposed Residential Customer Impacts (Stage 2 Shortage) (Uniform)



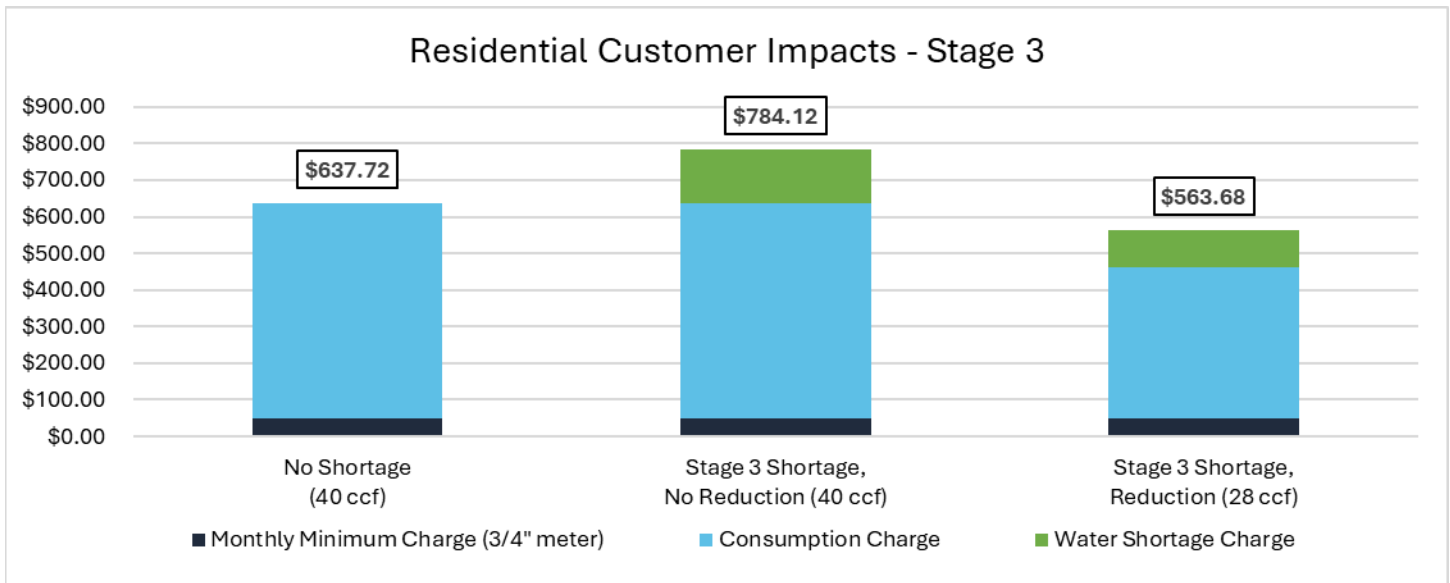
RESIDENTIAL CUSTOMER IMPACTS (STAGE 3)

Table 5-19 and Figure 5-9 show the proposed Stage 3 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 3 water shortage, this customer will pay \$146.40 more every month if they do not reduce their usage according to Stage 3, which corresponds to a 30% reduction. However, if this customer reduces their usage by 30% and uses 28 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-19: Proposed Residential Customer Impacts (Stage 3 Shortage) (Uniform)

Line	Residential Customer Impacts - Stage 3	No Shortage (40 ccf)	Stage 3 Shortage, No Reduction (40 ccf)	Stage 3 Shortage, Reduction (28 ccf)
1	Monthly Usage (ccf)	40	40	28
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$588.40	\$588.40	\$411.88
5	Water Shortage Charge	\$0.00	\$146.40	\$102.48
6	Total Monthly Bill	\$637.72	\$784.12	\$563.68

Figure 5-9: Proposed Residential Customer Impacts (Stage 3 Shortage) (Uniform)



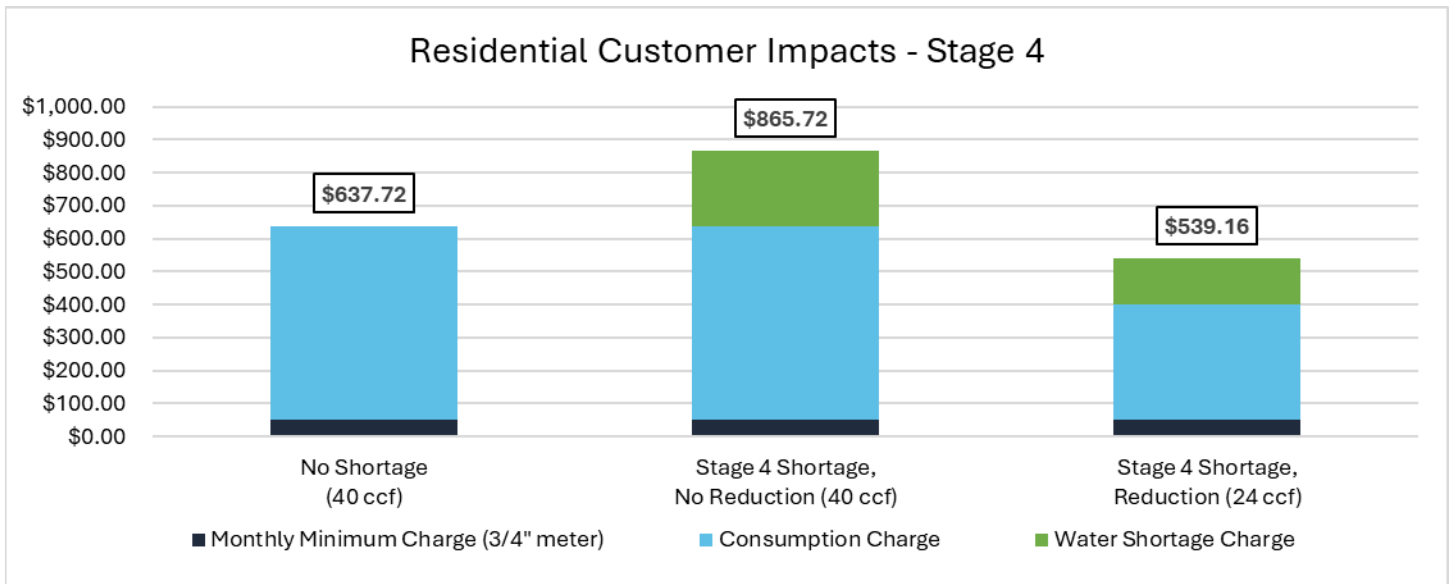
RESIDENTIAL CUSTOMER IMPACTS (STAGE 4)

Table 5-20 and **Figure 5-10** show the proposed Stage 4 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 4 water shortage, this customer will pay \$228.00 more every month if they do not reduce their usage according to Stage 4, which corresponds to a 40% reduction. However, if this customer reduces their usage by 40% and uses 24 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-20: Proposed Residential Customer Impacts (Stage 4 Shortage) (Uniform)

Line	Residential Customer Impacts - Stage 4	No Shortage (40 ccf)	Stage 4 Shortage, No Reduction (40 ccf)	Stage 4 Shortage, Reduction (24 ccf)
1	Monthly Usage (ccf)	40	40	24
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$588.40	\$588.40	\$353.04
5	Water Shortage Charge	\$0.00	\$228.00	\$136.80
6	Total Monthly Bill	\$637.72	\$865.72	\$539.16

Figure 5-10: Proposed Residential Customer Impacts (Stage 4 Shortage) (Uniform)



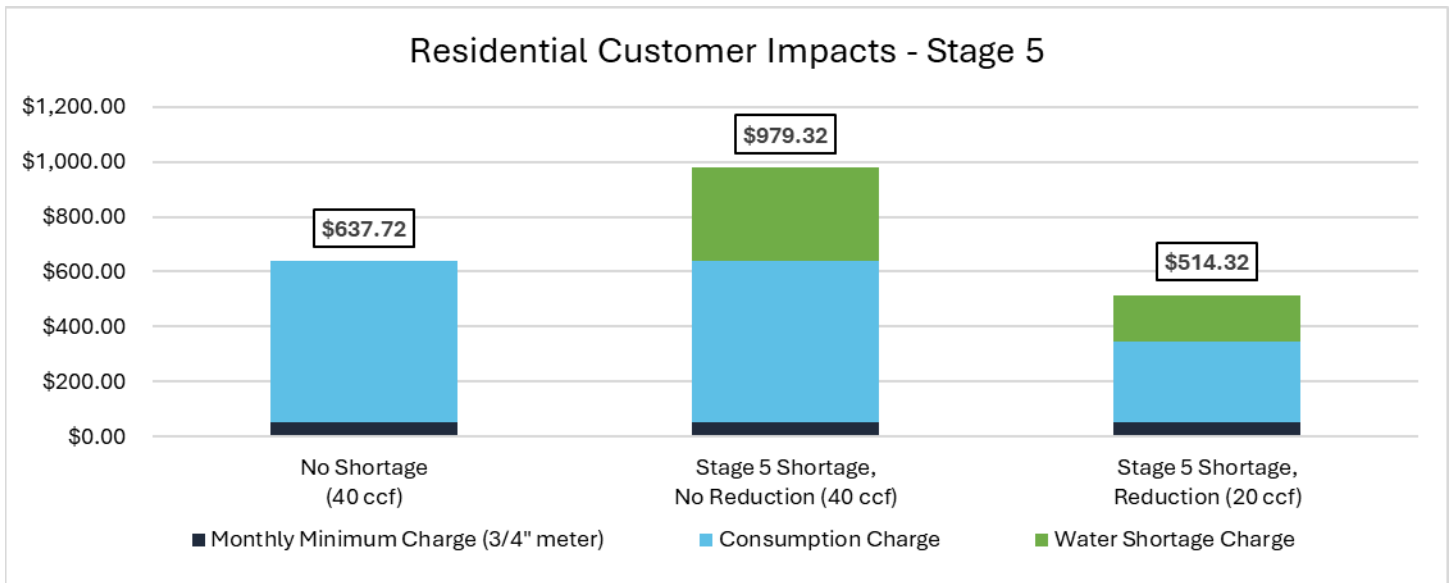
RESIDENTIAL CUSTOMER IMPACTS (STAGE 5)

Table 5-21 and **Figure 5-11** show the proposed Stage 5 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 5 water shortage, this customer will pay \$341.60 more every month if they do not reduce their usage according to Stage 5, which corresponds to a 50% reduction. However, if this customer reduces their usage by 50% and uses 20 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-21: Proposed Residential Customer Impacts (Stage 5 Shortage) (Uniform)

Line	Residential Customer Impacts - Stage 5	No Shortage (40 ccf)	Stage 5 Shortage, No Reduction (40 ccf)	Stage 5 Shortage, Reduction (20 ccf)
1	Monthly Usage (ccf)	40	40	20
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$588.40	\$588.40	\$294.20
5	Water Shortage Charge	\$0.00	\$341.60	\$170.80
6	Total Monthly Bill	\$637.72	\$979.32	\$514.32

Figure 5-11: Proposed Residential Customer Impacts (Stage 5 Shortage) (Uniform)



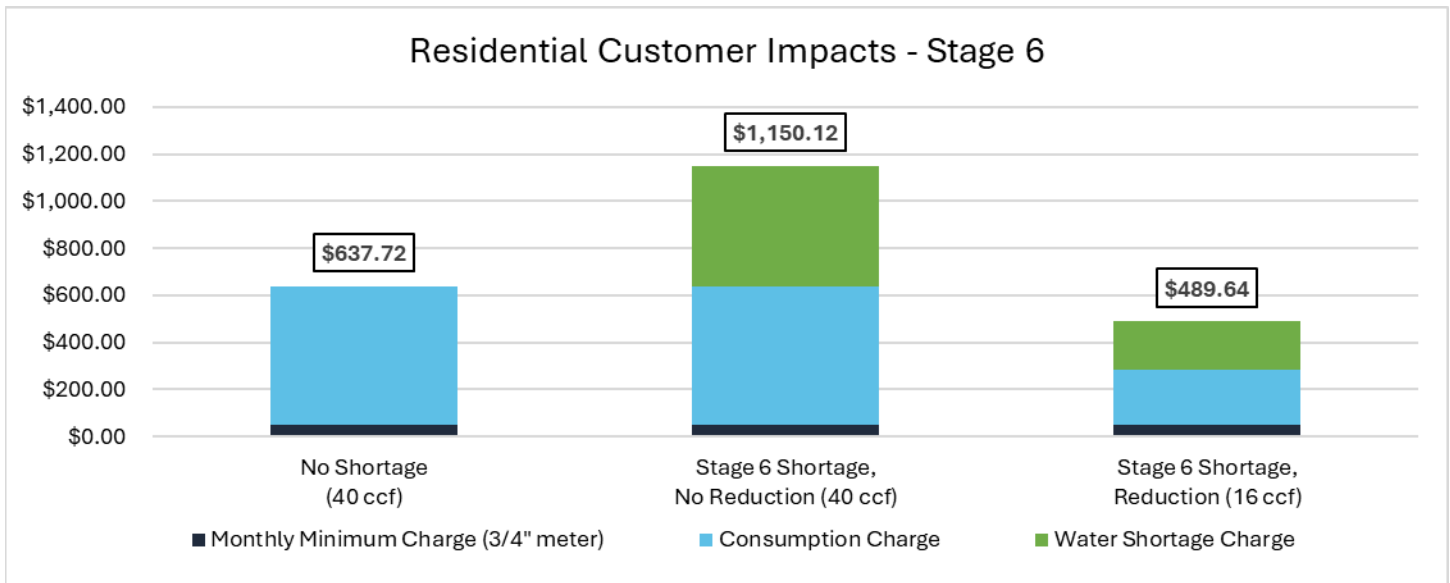
RESIDENTIAL CUSTOMER IMPACTS (STAGE 6)

Table 5-22 and **Figure 5-12** show the proposed Stage 6 impacts for a Residential customer with a 3/4” meter using 40 ccf of usage every month (average summer usage) prior to any usage reductions mandated by each stage. During a Stage 6 water shortage, this customer will pay \$512.40 more every month if they do not reduce their usage according to Stage 6, which corresponds to a 60% reduction. However, if this customer reduces their usage by 60% and uses 16 ccf every month instead, their monthly bill would be approximately the same as it would be under normal, non-shortage conditions.

Table 5-22: Proposed Residential Customer Impacts (Stage 6 Shortage) (Uniform)

Line	Residential Customer Impacts - Stage 6	No Shortage (40 ccf)	Stage 6 Shortage, No Reduction (40 ccf)	Stage 6 Shortage, Reduction (16 ccf)
1	Monthly Usage (ccf)	40	40	16
2				
3	Monthly Minimum Charge (3/4" meter)	\$49.32	\$49.32	\$49.32
4	Consumption Charge	\$588.40	\$588.40	\$235.36
5	Water Shortage Charge	\$0.00	\$512.40	\$204.96
6	Total Monthly Bill	\$637.72	\$1,150.12	\$489.64

Figure 5-12: Proposed Residential Customer Impacts (Stage 6 Shortage) (Uniform)



6. WATER CAPACITY FEES

6.1 CAPACITY FEE OVERVIEW

New customer connections to the District’s water system are subject to a water capacity fee, which is necessary to ensure that existing users are not unfairly burdened by costs incurred to provide capacity for new users. The overall purpose of a capacity fee is to equitably recover capital costs incurred by the agency to provide system capacity to new users. Water capacity fees in California are typically developed based on one of three common methodologies outlined by the AWWA in its *M1 Manual*.

Many different terminologies are used to refer to water capacity fees, including but not limited to connection fees, facility charges, development fees, etc. Currently the District’s fees are referred to as facility charges, including storage and transmission fee components. The storage component covers costs associated with storing water such as reservoir maintenance and the transmission component covers all other costs associated with transporting water from storage facilities to end users such as pipeline replacement. WRE recommends updating the name from facility charges to capacity fees, which is more commonly used. Additionally, WRE recommends consolidating the storage and transmission fee components into one combined capacity fee to simplify administration of the fees.

The three methodologies include:

1. **Buy-In Method:** The Buy-In Method establishes capacity fees based on the value of the system’s existing capital assets and is typically most appropriate when a system’s current capacity is sufficient to serve both short-term and long-term projected demands. The rationale underlying the Buy-In Method is that new customers should pay to “buy-in” to existing system capacity funded by past and current users.
2. **Incremental Cost Method:** The Incremental Cost Method establishes capacity fees based on the cost of planned capital expenditures required to expand system capacity and is typically most appropriate when a system’s current capacity is already fully utilized by existing users. The rationale underlying the Incremental Cost Method is that new users should fund planned capital projects that are necessary to accommodate growth.
3. **Hybrid Method:** The Hybrid Method⁴⁶ establishes capacity fees based on a combination of the Buy-In Method and the Incremental Cost Method. The Hybrid Method is typically most appropriate when some existing capacity is available to new users, but capacity expansion is still necessary to accommodate long-term demands.

WRE recommends the Buy-In Method for the District’s water capacity fees as the existing system has remaining capacity to serve new customers.

6.2 BUY-IN COMPONENT

The Buy-In component, shown in **Table 6-1**, calculates the value of the existing water system and its remaining capacity. The existing system value is determined based on the value of fixed assets (Line 1), cash balances (Line 2), and subtracting outstanding debt principal (Line 3).

⁴⁶ The Hybrid Method is referred to by the AWWA as the “Combined Cost Approach.”

**Purissima Hills Water District
2026 Water Rate Study**

The fixed asset value is based on data received from District staff regarding water system assets, original cost, accumulated depreciation, acquisition date, and net book value. WRE converted all asset values from original cost into RCLD using the ENR CCI (Engineering News-Record’s Construction Cost Index (20-City Average) to adjust for annual cost inflation. WRE recommends using the RCLD asset valuation methodology because it accounts for both inflation and depreciation and is often considered the most equitable approach. The detailed asset list is included in the **Appendix (Table 7-5)**.

The cash balances are equal to the beginning fund balance for FY 2026 (**Table 2-28**, Line 1) provided by staff. The outstanding debt principal is based on the remaining balance on the District’s existing debt service as of FY 2026.

Table 6-1: System Value (Buy-In Component)

Line	Buy-In Component	System Value
1	Asset Value (RCLD)	\$49,398,086
2	Plus Cash Balances	\$5,846,027
3	Less Outstanding Debt Principal	(\$5,456,000)
4	Total	\$49,788,113

6.3 PROPOSED WATER CAPACITY FEES

Table 6-2 shows the water capacity fee calculation based on the Buy-In Method. The existing system value (Line 1; from **Table 6-1**, Line 4) is divided by existing EMUs (Line 2; from **Table 3-15**, Line 9) to arrive at the Buy-In unit cost per EMU (Line 3). One EMU is based off a 3/4” meter, which is the most common meter size in the District’s water system.

Table 6-2: Water Capacity Fee Calculation

Line	Capacity Fee Calculation	Buy-In
1	Existing System Value	\$49,788,113
2	Existing Units (EMUs)	3,311
3	Buy-In Unit Cost	\$15,039

Table 6-3 shows the current and proposed capacity fees. The Buy-In unit cost (**Table 6-2**, Line 3) is multiplied by the meter ratio (**Table 3-15**) to arrive at the capacity fee for each meter size. EMU ratios were updated to match the meter ratios used in the rate study. Additionally, WRE recommends adding a fee for 3/4”, 6”, and 8” meters. Though most new connections to the system require 1” meters, 3/4” meters remain most common within the legacy system and therefore meter capacity should be allocated accordingly. The District currently charges the same fee for meters 4” and greater, however WRE recommends updating the fee for 6” and 8” meters to reflect the increased capacity required to serve 6” and 8” meters.

Proposed water capacity fees will be effective starting July 1, 2026 and are increased based on CPI for each subsequent year.

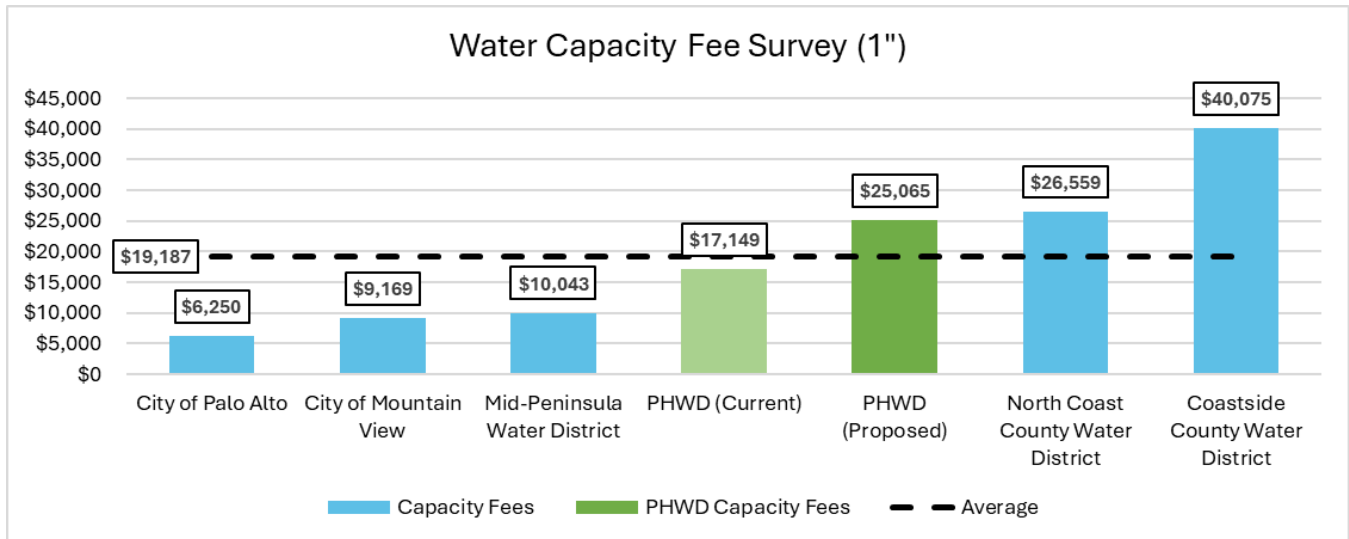
Table 6-3: Current and Proposed Capacity Fees

Line	Meter Size	Meter Ratio	Proposed Fee	Current Fee ⁴⁷	Difference (\$)	Difference (%)
1	3/4"	1.00	\$15,039	N/A	N/A	N/A
2	1"	1.67	\$25,065	\$17,149	\$7,916	46.2%
3	1.5"	3.33	\$50,130	\$34,299	\$15,831	46.2%
4	2"	5.33	\$80,208	\$54,878	\$25,330	46.2%
5	3"	11.67	\$175,455	\$109,755	\$65,700	59.9%
6	4"	21.00	\$315,819	\$171,492	\$144,327	84.2%
7	6"	43.33	\$651,690	\$171,492	\$480,198	280.0%
8	8"	93.33	\$1,403,640	\$171,492	\$1,232,148	718.5%

6.4 CAPACITY FEE SURVEY

Figure 6-1 shows the current and proposed water capacity fee for a 1” meter (the most common meter size for new connections) relative to the capacity fees of other nearby agencies. Currently the District’s capacity fee is below the average of other agencies surveyed, and after the proposed changes, the District’s capacity fee is above average.

Figure 6-1: Water Capacity Fee Survey



⁴⁷ Current fees represent the sum of storage and transmission fees which are charged together for all new connections to the system.

7. APPENDICES

7.1 FINANCIAL PLAN APPENDICES

Table 7-1: Revenues (Detail)

Line	Revenues (Detailed)	Account Number	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Source			Budget	Projected	Projected	Projected	Projected	Projected
2	Operating Revenues								
3	Residential Water	4010	Rate Revenues	\$8,080,211	\$8,492,794	\$8,492,794	\$8,492,794	\$8,492,794	\$8,492,794
4	Residential Service Charge	4011	Rate Revenues	\$1,253,413	\$1,307,375	\$1,307,375	\$1,307,375	\$1,307,375	\$1,307,375
5	Institutional Water	4015	Rate Revenues	\$621,783	\$651,543	\$651,543	\$651,543	\$651,543	\$651,543
6	Institutional Service Charge	4016	Rate Revenues	\$73,290	\$76,445	\$76,445	\$76,445	\$76,445	\$76,445
7	Main Install/ Rep	4520	Non-Inflated	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
8	Serv Install/ Rep	4530	Non-Inflated	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
9	Backflow Install/ Rep	4535	Non-Inflated	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
10	Meter Install/ Rep	4540	Non-Inflated	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
11	Miscellaneous	4750	Non-Inflated	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
12	Backflow Testing	4536	Non-Recurring	\$170,000	\$0	\$0	\$0	\$0	\$0
13	Fire Flow/DSA Fees	4537	Non-Inflated	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
14	Subtotal			\$10,328,697	\$10,658,157	\$10,658,157	\$10,658,157	\$10,658,157	\$10,658,157
15									
16	Non-Operating Revenues								
17	Antenna Rentals	6010	Antenna Lease	\$222,000	\$227,550	\$233,239	\$239,070	\$245,046	\$251,173
18	Property Taxes	6020	Property Tax	\$1,850,000	\$1,942,500	\$2,039,625	\$2,141,606	\$2,248,687	\$2,361,121
19	Int Income-Other	6030	Interest Income	\$180,000	\$307,202	\$99,343	\$120,479	\$163,340	\$221,382
20	Gain on Sale of Asset	6090	Non-Recurring	\$25,000	\$0	\$0	\$0	\$0	\$0
21	Storage Fac Charges	7010	Non-Inflated	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000
22	Trans Fac Charges	7120	Non-Inflated	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000
23	Subtotal			\$2,370,000	\$2,570,252	\$2,465,207	\$2,594,155	\$2,750,073	\$2,926,676
24									
25	Total			\$12,698,697	\$13,228,409	\$13,123,364	\$13,252,312	\$13,408,230	\$13,584,833

Purissima Hills Water District
2026 Water Rate Study

Table 7-2: Expenses (Detail)

Line	Expenses (Detailed)	Account Number	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Source			Budget	Projected	Projected	Projected	Projected	Projected
2	Water Source of Supply								
3	SFPUC Water Purch	5111	Water Supply	\$3,991,000	\$4,305,343	\$4,306,887	\$4,308,780	\$4,312,399	\$4,313,893
4	BAWSCA Bond Sur	5113	Water Supply	\$215,000	\$219,171	\$227,938	\$237,055	\$246,537	\$256,399
5	Electricity - Pumping	5110	Electricity	\$523,000	\$549,150	\$576,608	\$605,438	\$635,710	\$667,495
6	Water Treatment	5121	Treatment	\$24,000	\$25,200	\$26,460	\$27,783	\$29,172	\$30,631
7	Subtotal			\$4,753,000	\$5,098,863	\$5,137,892	\$5,179,056	\$5,223,819	\$5,268,418
8									
9	Pumps & Tanks O&M								
10	Pumping Structure Maint	5411	General						
11	Pump/Motor/Valve/Pipe	5412	General	\$65,000	\$67,600	\$70,304	\$73,116	\$76,041	\$79,082
12	Reservoir Maint	5413	General	\$15,000	\$15,600	\$16,224	\$16,873	\$17,548	\$18,250
13	Grounds Maintenance	5414	General	\$10,000	\$10,400	\$10,816	\$11,249	\$11,699	\$12,167
14	Telemetry/SCADA	5415	General	\$50,000	\$52,000	\$54,080	\$56,243	\$58,493	\$60,833
15	Subtotal			\$140,000	\$145,600	\$151,424	\$157,481	\$163,780	\$170,331
16									
17	Transmission & Distribution O&M								
18	O&M Supplies	5520	General	\$65,000	\$67,600	\$70,304	\$73,116	\$76,041	\$79,082
19	O&M Services	5530	General	\$150,000	\$156,000	\$162,240	\$168,730	\$175,479	\$182,498
20	Backflow Maint	5535	Backflow	\$10,000	\$30,000	\$33,000	\$36,300	\$39,930	\$43,923
21	Meter Maint	5540	General	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749
22	Meter Replacement Program	5541	General	\$15,000	\$15,600	\$16,224	\$16,873	\$17,548	\$18,250
23	Uniforms	5571	General	\$50,000	\$52,000	\$54,080	\$56,243	\$58,493	\$60,833
24	District Engineer Services	5573	General	\$205,000	\$213,200	\$221,728	\$230,597	\$239,821	\$249,414
25	Permitting	5500	General	\$38,000	\$39,520	\$41,101	\$42,745	\$44,455	\$46,233
26	Subtotal			\$578,000	\$620,720	\$647,349	\$675,223	\$704,410	\$734,982
27									
28	Fuel								
29	Fuel-Gasoline	5610	General	\$1,500	\$1,560	\$1,622	\$1,687	\$1,755	\$1,825
30	Fuel-Diesel	5615	General	\$35,000	\$36,400	\$37,856	\$39,370	\$40,945	\$42,583
31	Subtotal			\$36,500	\$37,960	\$39,478	\$41,058	\$42,700	\$44,408
32									

Purissima Hills Water District
2026 Water Rate Study

Line	Expenses (Detailed)	Account Number	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
33	General Maintenance								
34	Misc Tools & Supplies	5660	General	\$25,000	\$26,000	\$27,040	\$28,122	\$29,246	\$30,416
35	Safety & Security	5670	General	\$15,000	\$15,600	\$16,224	\$16,873	\$17,548	\$18,250
36	Subtotal			\$40,000	\$41,600	\$43,264	\$44,995	\$46,794	\$48,666
37									
38	Customer Account								
39	Billing Expense	5720	General	\$26,000	\$27,040	\$28,122	\$29,246	\$30,416	\$31,633
40	Postage	5730	General	\$21,000	\$21,840	\$22,714	\$23,622	\$24,567	\$25,550
41	Uncollectible A/R	5740	General	\$5,000	\$5,200	\$5,408	\$5,624	\$5,849	\$6,083
42	Uncollectible Services A/R	5741	General	\$12,000	\$12,480	\$12,979	\$13,498	\$14,038	\$14,600
43	Subtotal			\$64,000	\$66,560	\$69,222	\$71,991	\$74,871	\$77,866
44									
45	Conservation Programs								
46	Conservation Programs	5116	General	\$25,000	\$26,000	\$27,040	\$28,122	\$29,246	\$30,416
47	Subtotal			\$25,000	\$26,000	\$27,040	\$28,122	\$29,246	\$30,416
48									
49	Salaries and Wages								
50	Salaries & Vacation	Various	Salaries / Benefits	\$1,351,000	\$1,459,080	\$1,575,806	\$1,701,871	\$1,838,021	\$1,985,062
51	Subtotal			\$1,351,000	\$1,459,080	\$1,575,806	\$1,701,871	\$1,838,021	\$1,985,062
52									
53	Payroll Taxes and Benefits								
54	Taxes/Pensions/Insur	Various	General	\$490,000	\$509,600	\$529,984	\$551,183	\$573,231	\$596,160
55	Subtotal			\$490,000	\$509,600	\$529,984	\$551,183	\$573,231	\$596,160
56									
57	General & Administrative								
58	Communications Services	5560	General	\$50,000	\$52,000	\$54,080	\$56,243	\$58,493	\$60,833
59	Office Supplies	5815	General	\$32,000	\$33,280	\$34,611	\$35,996	\$37,435	\$38,933
60	Computer Network	5816	General	\$49,000	\$50,960	\$52,998	\$55,118	\$57,323	\$59,616
61	Office Utilities	5817	General	\$41,000	\$42,640	\$44,346	\$46,119	\$47,964	\$49,883
62	Printing	5818	General	\$5,000	\$5,200	\$5,408	\$5,624	\$5,849	\$6,083
63	Insurance	5845	General	\$85,000	\$88,400	\$91,936	\$95,613	\$99,438	\$103,415
64	Admin Bldg Maint/Landscaping	5850	General	\$22,000	\$22,880	\$23,795	\$24,747	\$25,737	\$26,766
65	District Counsel	5865	General	\$100,000	\$104,000	\$108,160	\$112,486	\$116,986	\$121,665

Purissima Hills Water District
2026 Water Rate Study

Line	Expenses (Detailed)	Account Number	Escalation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
66	Director Compensation	5860	General	\$12,000	\$12,480	\$12,979	\$13,498	\$14,038	\$14,600
67	BOD Travel & Training	5865	General	\$7,000	\$7,280	\$7,571	\$7,874	\$8,189	\$8,517
68	Employee Travel & Trng	5866	General	\$70,000	\$72,800	\$75,712	\$78,740	\$81,890	\$85,166
69	Auditing & Accounting	5870	General	\$96,000	\$99,840	\$103,834	\$107,987	\$112,306	\$116,799
70	Payroll Service Fees	5877	General	\$7,500	\$7,800	\$8,112	\$8,436	\$8,774	\$9,125
71	Bank Fees	5879	General	\$9,000	\$9,360	\$9,734	\$10,124	\$10,529	\$10,950
72	Office Building Rent	5880	General	\$37,000	\$38,480	\$40,019	\$41,620	\$43,285	\$45,016
73	Refunds Expense	5881	General	\$10,000	\$10,400	\$10,816	\$11,249	\$11,699	\$12,167
74	Misc. General Expense	5887	General	\$20,000	\$20,800	\$21,632	\$22,497	\$23,397	\$24,333
75	BAWSCA Assesments	5893	General	\$88,000	\$91,520	\$95,181	\$98,988	\$102,948	\$107,065
76	Membership Dues	5895	General	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749
77	Computer Supplies	5899	General	\$6,000	\$6,240	\$6,490	\$6,749	\$7,019	\$7,300
78	Subtotal			\$791,500	\$823,160	\$856,086	\$890,330	\$925,943	\$962,981
79									
80	Non-Operating Expenses								
81	UAL		General	\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496
82	Subtotal			\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496
83									
84	Other Expenses								
85	Vehicle Maintenance	5620	General	\$13,000	\$13,520	\$14,061	\$14,623	\$15,208	\$15,816
86	Heavy Equipment Maintenance	5630	General	\$38,000	\$39,520	\$41,101	\$42,745	\$44,455	\$46,233
87	Software Subscriptions	5581	General	\$48,000	\$49,920	\$51,917	\$53,993	\$56,153	\$58,399
88	Professional Services	5876	General	\$266,300	\$276,952	\$288,030	\$299,551	\$311,533	\$323,995
89	Subtotal			\$365,300	\$379,912	\$395,108	\$410,913	\$427,349	\$444,443
90									
91	Total			\$8,904,300	\$9,489,855	\$9,764,687	\$10,055,935	\$10,366,025	\$10,692,230

Table 7-3: Capital Projects (Detailed)

Line	Capital Projects (Detailed)	Project Number	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	McCann Operation Center	14-01	\$5,000,000	\$15,974,780	\$0	\$0	\$0	\$0
2	I-280 & Liddicoat Dr Resiliency Project (Wrap Up Construction)	13-01	\$50,000	\$0	\$0	\$0	\$0	\$0
3	Christopher Ln Water Main Improvements (Wrap Up Construction)	13-02	\$0	\$0	\$0	\$0	\$0	\$0
4	West Fremont Rd Water Main Improvements	19-01	\$3,870,751	\$0	\$0	\$0	\$0	\$0
5	Palo Alto / Gerth Ln Interconnection Project	13-10	\$100,000	\$3,395,600	\$0	\$0	\$0	\$0
6	Page Mill Rd Water Main Improvements	13-06	\$0	\$0	\$0	\$0	\$0	\$0
7	La Cresta Tank CC / Anacapa Dr Water Main Improvements	13-08	\$0	\$0	\$0	\$0	\$0	\$0
8	Nearby Tank No. 1 Recoating	25-06	\$0	\$200,000	\$2,379,520	\$0	\$0	\$0
9	La Cresta Tanks No.1 & 2 Recoating	25-07	\$0	\$0	\$0	\$0	\$0	\$0
10	McCann Tanks No.1 & 2 Recoating	25-08	\$0	\$0	\$0	\$0	\$0	\$0
11	Altamont Tank No. 2 Recoating & Seismic Improvements	25-05	\$0	\$0	\$1,081,600	\$2,315,420	\$0	\$0
12	Elena Tank Recoating & Seismic Improvements	13-03	\$0	\$0	\$0	\$0	\$0	\$0
13	Altamont Tank No. 1 Replacement	13-05	\$0	\$0	\$0	\$1,012,378	\$3,641,328	\$0
14	Sherlock Rd Water Main Improvements	19-05	\$0	\$0	\$0	\$0	\$584,929	\$4,933,614
15	Buena Vista Dr Cross Country Water Main Improvements	14-02	\$0	\$0	\$0	\$0	\$0	\$0
16	Julietta Ln & Deer Springs Way Water Main Improvements	09-01	\$0	\$0	\$0	\$0	\$0	\$0
17	Fremont Rd Phase 2 Water Main Improvements	20-01	\$0	\$0	\$0	\$0	\$0	\$0
18	Altamont Rd Zone 4 Water Main Improvements	09-03	\$0	\$0	\$0	\$0	\$0	\$0
19	Total		\$9,020,751	\$19,570,380	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614

7.2 COST-OF-SERVICE APPENDICES

Table 7-4: O&M Expense Allocation (Detailed)

Line	Water Operating Budget	FY 2026	Meter ⁴⁸	Customer Service	Backflow ⁴⁹	Water Supply	Pumping	Treatment	Storage	T&D	Conservation Outreach	General	Revenue Offset	Total
1	Water Source of Supply													
2	SFPUC Water Purch	\$3,991,000	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	100%
3	BAWSCA Bond Sur	\$215,000	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	100%
4	Electricity - Pumping	\$523,000	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
5	Water Treatment	\$24,000	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%
6	Subtotal	\$4,753,000	\$0	\$0	\$0	\$4,206,000	\$523,000	\$24,000	\$0	\$0	\$0	\$0	\$0	\$4,753,000
7														
8	Pumps & Tanks													
9	Pump/Motor/Valve/Pipe	\$65,000	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	100%
10	Reservoir Maint	\$15,000	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
11	Grounds Maintenance	\$10,000	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
12	Telemetry/SCADA	\$50,000	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
13	Subtotal	\$140,000	\$0	\$0	\$0	\$0	\$65,000	\$0	\$75,000	\$0	\$0	\$0	\$0	\$140,000
14														
15	Transmission & Distribution													
16	O&M Supplies	\$65,000	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
17	O&M Services	\$150,000	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
18	Backflow Maint	\$10,000	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
19	Meter Maint	\$45,000	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
20	Meter Replacement Program	\$15,000	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
21	Uniforms	\$50,000	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
22	District Engineer Services	\$205,000	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%

⁴⁸ Refers to Meter Maintenance system function.

⁴⁹ Refers to Backflow Maintenance system function.

Purissima Hills Water District
2026 Water Rate Study

Line	Water Operating Budget	FY 2026	Meter ⁴⁸	Customer Service	Backflow ⁴⁹	Water Supply	Pumping	Treatment	Storage	T&D	Conservation Outreach	General	Revenue Offset	Total
23	Permitting	\$38,000	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
24	Subtotal	\$578,000	\$60,000	\$0	\$10,000	\$0	\$0	\$0	\$0	\$508,000	\$0	\$0	\$0	\$578,000
25														
26	Fuel													
27	Fuel-Gasoline	\$1,500	8%	0%	1%	0%	9%	0%	10%	71%	0%	0%	0%	100%
28	Fuel-Diesel	\$35,000	8%	0%	1%	0%	9%	0%	10%	71%	0%	0%	0%	100%
29	Subtotal	\$36,500	\$3,050	\$0	\$508	\$0	\$3,304	\$0	\$3,813	\$25,825	\$0	\$0	\$0	\$36,500
30														
31	General Maintenance													
32	Misc Tools & Supplies	\$25,000	8%	0%	1%	0%	9%	0%	10%	71%	0%	0%	0%	100%
33	Safety & Security	\$15,000	8%	0%	1%	0%	9%	0%	10%	71%	0%	0%	0%	100%
34	Subtotal	\$40,000	\$3,343	\$0	\$557	\$0	\$3,621	\$0	\$4,178	\$28,301	\$0	\$0	\$0	\$40,000
35														
36	Customer Account													
37	Billing Expense	\$26,000	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
38	Postage	\$21,000	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
39	Uncollectible A/R	\$5,000	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
40	Uncollectible Services A/R	\$12,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
41	Subtotal	\$64,000	\$0	\$52,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000	\$0	\$64,000
42														
43	Outreach Programs													
44	Conservation Programs	\$25,000	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%
45	Subtotal	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$25,000
46														
47	Salaries and Wages													
48	Salaries & Vacation	\$1,351,000	4%	23%	8%	0%	5%	0%	5%	36%	0%	18%	0%	100%
49	Subtotal	\$1,351,000	\$57,460	\$313,844	\$111,218	\$0	\$62,249	\$0	\$71,826	\$486,498	\$0	\$247,904	\$0	\$1,351,000
50														
51	Payroll Taxes and Benefits													

Purissima Hills Water District
2026 Water Rate Study

Line	Water Operating Budget	FY 2026	Meter ⁴⁸	Customer Service	Backflow ⁴⁹	Water Supply	Pumping	Treatment	Storage	T&D	Conser- vation Outreach	General	Revenue Offset	Total
52	Taxes/Pensions/Insur	\$490,000	4%	23%	8%	0%	5%	0%	5%	36%	0%	18%	0%	100%
53	Subtotal	\$490,000	\$20,841	\$113,830	\$40,338	\$0	\$22,577	\$0	\$26,051	\$176,450	\$0	\$89,913	\$0	\$490,000
54														
55	General & Administrative													
56	Communications Services	\$50,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
57	Office Supplies	\$32,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
58	Computer Network	\$49,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
59	Office Utilities	\$41,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
60	Printing	\$5,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
61	Insurance	\$85,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
62	Admin Bldf Maint/Landscaping	\$22,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
63	District Counsel	\$100,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
64	Director Compensation	\$12,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
65	BOD Travel & Training	\$7,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
66	Employee Travel & Trng	\$70,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
67	Auditing & Accounting	\$96,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
68	Payroll Service Fees	\$7,500	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
69	Bank Fees	\$9,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
70	Office Building Rent	\$37,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
71	Refunds Expense	\$10,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
72	Misc. General Expense	\$20,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
73	BAWSCA Assessments	\$88,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
74	Membership Dues	\$45,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
75	Computer Supplies	\$6,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
76	Subtotal	\$791,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$791,500	\$0	\$791,500
77														
78	Non-Operating Expenses													
79	UAL	\$270,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
80	Subtotal	\$270,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$270,000	\$0	\$270,000

Purissima Hills Water District
2026 Water Rate Study

Line	Water Operating Budget	FY 2026	Meter ⁴⁸	Customer Service	Backflow ⁴⁹	Water Supply	Pumping	Treatment	Storage	T&D	Conservation Outreach	General	Revenue Offset	Total
81														
82	Other Expenses													
83	Vehicle Maintenance	\$13,000	8%	0%	1%	0%	9%	0%	10%	71%	0%	0%	0%	100%
84	Heavy Equipment Maintenance	\$38,000	8%	0%	1%	0%	9%	0%	10%	71%	0%	0%	0%	100%
85	Software Subscriptions	\$48,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
86	Professional Services	\$266,300	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%
87	Subtotal	\$365,300	\$4,262	\$0	\$710	\$0	\$4,617	\$0	\$5,327	\$36,084	\$0	\$314,300	\$0	\$365,300
88														
89	Total	\$8,904,300	\$148,956	\$479,674	\$163,332	\$4,206,000	\$684,369	\$24,000	\$186,194	\$1,261,157	\$25,000	\$1,725,618	\$0	\$8,904,300

Table 7-5: Asset Allocation (Detailed)

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
1	FYE1960-Land	10142	6/30/1960	\$27,047	\$0	1687%	\$456,289	General
2	FYE1963-Additions	10155	6/30/1963	\$270	\$0	1543%	\$4,166	General
3	FYE1965-Additions	10161	6/30/1965	\$2,588	\$0	1432%	\$37,050	General
4	FYE1966-Additions	10162	6/30/1966	\$10,188	\$0	1364%	\$138,983	General
5	FYE1967-Additions	10163	6/30/1967	\$1,700	\$0	1294%	\$22,004	General
6	FYE1970-Additions	10164	6/30/1970	\$987	\$0	1007%	\$9,935	General
7	FYE1973-Additions	10165	6/30/1973	\$3,669	\$0	734%	\$26,915	General
8	FYE1975-Additions	10166	6/30/1975	\$28,315	\$0	628%	\$177,942	General
9	FYE1977-Additions	10167	6/30/1977	\$50,001	\$0	540%	\$269,824	General
10	FYE1980-Additions	10168	6/30/1980	\$20,000	\$0	429%	\$85,889	General
11	FYE1985-Additions	10169	6/30/1985	\$18,932	\$0	331%	\$62,735	General
12	FYE1986-Additions	10170	6/30/1986	\$4,351	\$0	324%	\$14,082	General
13	FYE1992-Additions	10171	6/30/1992	\$1,567	\$0	279%	\$4,370	General
14	FYE1976-Additions	10172	6/30/1976	\$10,484	\$0	579%	\$60,699	General
15	1708-01- Chloramine Conversion	10234	6/30/2006	\$80,526	\$80,526	179%	\$0	T&D
16	1708-02- Water Supply & Conserva	10235	6/30/2008	\$155,034	\$155,034	167%	\$0	T&D
17	1711-07 Elena Gate	10654	6/30/2023	\$9,354	\$312	104%	\$9,410	T&D

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
18	FYE1996- Improvements	10114	6/30/1996	\$9,732	\$9,408	247%	\$802	Pumping
19	1711-02 Neary Tank Retaining Wal	10262	6/30/2004	\$143,975	\$100,782	195%	\$84,388	Pumping
20	FYE1985- Opening Balance	10263	6/30/1985	\$253,587	\$253,587	331%	\$0	Pumping
21	Matadero Building Improvements	10264	6/30/1994	\$18,995	\$18,995	257%	\$0	Pumping
22	Altamont Pump Building	10265	6/30/1994	\$126,462	\$126,462	257%	\$0	Pumping
23	1711-04 Hungry Horse Drain	10266	6/30/2002	\$21,664	\$16,609	213%	\$10,748	Pumping
24	1711-03 Toyon Fence Replacement	10267	6/30/2002	\$15,683	\$15,683	213%	\$0	Pumping
25	1711-05 Elena Pump Builing Impro	10571	6/30/2019	\$7,677	\$3,839	123%	\$4,730	Pumping
26	FYE1996-Improvements	10115	6/30/1996	\$10,901	\$9,580	247%	\$3,268	Pumping
27	1712-02 Electrical Meters	10121	6/30/2001	\$5,231	\$5,231	219%	\$0	Pumping
28	1712-03- Elena Pumping Equipmen	10238	6/30/2003	\$49,098	\$49,098	208%	\$0	Pumping
29	1712-04- SCADA Installation	10239	6/30/2007	\$165,079	\$165,079	175%	\$0	Pumping
30	1712-06 Deer Creek Generator & P	10241	6/30/2010	\$631,611	\$631,611	158%	\$0	Pumping
31	1712-09 Altamont Generator	10242	6/30/2010	\$253,571	\$253,571	158%	\$0	Pumping
32	1712-11 Matadero Pump Improvem	10243	6/30/2011	\$51,141	\$44,322	153%	\$10,451	Pumping
33	1712-12 Altamont Flow Meter	10379	6/30/2012	\$21,683	\$17,346	149%	\$6,476	Pumping
34	1712-06 Deer Creek Gen & Improv	10400	6/30/2013	\$10,452	\$7,665	146%	\$4,058	Pumping
35	1712-10 McCann PS Improvements	10401	6/30/2013	\$617,885	\$135,935	146%	\$701,752	Pumping
36	1712-13 Deer Creek P2 PCV	10402	6/30/2013	\$15,714	\$11,523	146%	\$6,101	Pumping
37	1712-10 McCann PS Improvements	10474	6/30/2015	\$33,692	\$6,065	139%	\$38,271	Pumping
38	1712-13 Deer Creek Pump Control	10475	6/30/2015	\$23,067	\$4,152	139%	\$26,203	Pumping
39	1712-14 Pump Sta Dechlorination P	10479	6/30/2016	\$30,654	\$16,349	134%	\$19,236	Pumping
40	1712-16 Altamont Pump Control V	10480	6/30/2016	\$14,061	\$7,499	134%	\$8,823	Pumping
41	1712-09 Altamont Electrical Impro	10515	6/30/2016	\$19,481	\$3,117	134%	\$22,004	Pumping
42	1712-18 Elena PS breaker replacem	10517	6/30/2017	\$16,046	\$5,616	129%	\$13,504	Pumping
43	1712-19 McCann Electrical Improv	10596	6/30/2020	\$66,251	\$53,001	121%	\$16,065	Pumping
44	1712-20 TeleDesign SCADA Radio	10597	6/30/2020	\$12,170	\$9,736	121%	\$2,951	Pumping
45	1712-21 Altamont Surge Valve	10598	6/30/2020	\$15,480	\$12,384	121%	\$3,754	Pumping
46	1712-17 Matadero PS Improvement	10632	6/30/2022	\$397,115	\$26,474	107%	\$396,122	Pumping
47	1551 Backup Power Solar/Battery	10672	6/30/2024	\$10,830	\$0	102%	\$11,093	Pumping
48	1722-01-Tank Improvement Project	10123	6/30/1997	\$26,837	\$15,028	239%	\$28,175	Storage
49	1722-03 Tank Seismic Upgrades -1	10124	6/30/1997	\$67,601	\$37,856	239%	\$70,972	Storage
50	1722-01-Tank Improvement Project	10125	6/30/1997	\$148,019	\$83,503	239%	\$153,937	Storage
51	FYE1970-Storage Facilities	10173	6/30/1965	\$426,113	\$426,113	1432%	\$0	Storage

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
52	FYE1975-Additions	10175	6/30/1975	\$102,169	\$102,169	628%	\$0	Storage
53	FYE1976-Additions	10176	6/30/1976	\$400,686	\$392,672	579%	\$46,398	Storage
54	FYE1977-Additions	10177	6/30/1977	\$45,960	\$44,122	540%	\$9,920	Storage
55	FYE1978-Additions	10178	6/30/1978	\$18,412	\$17,307	501%	\$5,532	Storage
56	FYE1982-Additions	10180	6/30/1982	\$706,463	\$607,559	363%	\$359,445	Storage
57	FYE1986-Additions	10181	6/30/1986	\$20,833	\$16,250	324%	\$14,832	Storage
58	FYE1995-Additions	10183	6/30/1995	\$32,986	\$19,792	254%	\$33,524	Storage
59	1722-03-Tank Seismic Upgrades -1	10186	6/30/1999	\$88,807	\$46,180	229%	\$97,799	Storage
60	1722-03-Tank Seismic Upgrades -1	10188	6/30/1999	\$7,849	\$4,082	229%	\$8,644	Storage
61	1722-08-Hungry Horse Drain Line	10189	6/30/1999	\$19,457	\$10,118	229%	\$21,427	Storage
62	1722-11 Tank Cathodic Protection	10190	6/30/2001	\$29,964	\$14,383	219%	\$34,147	Storage
63	1722-02-Tank Painting	10191	6/30/2001	\$820,008	\$820,008	219%	\$0	Storage
64	1722-02-Tank Painting	10192	6/30/2002	\$517,481	\$517,481	213%	\$0	Storage
65	1722-12- Neary Tank Vents	10193	6/30/2002	\$33,100	\$15,226	213%	\$38,004	Storage
66	1722-14- Elena Tank Inlet/Outlet	10195	6/30/2003	\$7,420	\$3,116	208%	\$8,937	Storage
67	1722-14 Hunry Horse Inlet/Outlet	10196	6/30/2004	\$75,427	\$31,679	195%	\$85,473	Storage
68	1722-18 Solarbee Tank Mixer	10200	6/30/2009	\$62,218	\$62,218	162%	\$0	Storage
69	1722-19 La Cresta Recoating Projec	10399	6/30/2013	\$379,935	\$83,586	146%	\$431,504	Storage
70	1722-20 LaCresta Tank Piping Imp	10403	6/30/2013	\$181,367	\$39,901	146%	\$205,984	Storage
71	1722-03 Tank Seismic Upgrades -2	10404	6/30/2013	\$562,074	\$123,656	146%	\$638,365	Storage
72	1722-17 La Cresta Security Gate	10405	6/30/2013	\$19,341	\$4,255	146%	\$21,966	Storage
73	1722-19 La Cresta Recoating Projec	10422	6/30/2014	\$6,524	\$3,262	142%	\$4,624	Storage
74	1722-20 a Cresta Tank Imprvmnt	10423	6/30/2014	\$42,411	\$8,482	142%	\$48,097	Storage
75	1722-21 Hungry Horse Driveway I	10424	6/30/2014	\$22,806	\$22,806	142%	\$0	Storage
76	1722-23 Neary Tank Improvements	10476	6/30/2015	\$95,734	\$17,232	139%	\$108,745	Storage
77	1722-03 Tank Seismic Upgrades -2	10482	6/30/2016	\$390,127	\$62,420	134%	\$440,653	Storage
78	1722-22 Page Mill Tank Seismic Im	10483	6/30/2016	\$492,373	\$78,780	134%	\$556,141	Storage
79	Altamont Tank 1 Liner	10484	6/30/2016	\$60,208	\$48,167	134%	\$16,192	Storage
80	Elena Tank Improvements	10485	6/30/2016	\$13,671	\$7,291	134%	\$8,579	Storage
81	Neary Tank Improvements	10486	6/30/2016	\$71,329	\$28,532	134%	\$57,548	Storage
82	Altamont Tank Improveme	10487	6/30/2016	\$106,711	\$17,074	134%	\$120,531	Storage
83	Hungry Horse Tank Impro	10488	6/30/2016	\$70,946	\$37,838	134%	\$44,519	Storage
84	Tank Seismic Upgrades - 2	10518	6/30/2017	\$63,888	\$8,944	129%	\$71,135	Storage
85	Page Mill Electrical Servic	10520	6/30/2017	\$40,098	\$5,614	129%	\$44,647	Storage

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
86	La Cresta Tank Improve	10521	6/30/2017	\$75,482	\$10,567	129%	\$84,044	Storage
87	Page Mill Tank Improvem	10522	6/30/2017	\$19,129	\$2,678	129%	\$21,299	Storage
88	Neary Tank Improvements	10523	6/30/2017	\$61,795	\$8,651	129%	\$68,805	Storage
89	Altamont Tank Improve	10524	6/30/2017	\$119,155	\$16,682	129%	\$132,671	Storage
90	Elena Tank Improvements	10525	6/30/2017	\$72,391	\$10,135	129%	\$80,602	Storage
91	McCann Tank Improve	10526	6/30/2017	\$126,516	\$17,712	129%	\$140,867	Storage
92	La Cresta Recoating Projec	10551	6/30/2018	\$5,999	\$1,800	126%	\$5,277	Storage
93	Tank Improvement Project	10552	6/30/2018	\$33,373	\$4,005	126%	\$36,906	Storage
94	Page Mill Tank Improvem	10553	6/30/2018	\$7,014	\$842	126%	\$7,757	Storage
95	Altamont Tank Improve	10554	6/30/2018	\$8,691	\$1,043	126%	\$9,611	Storage
96	McCann Tank Improve	10556	6/30/2018	\$49,498	\$5,940	126%	\$54,737	Storage
97	Tank Air Mixer	10655	6/30/2023	\$10,503	\$1,050	104%	\$9,837	Storage
98	La Cresta Tank Improve	10660	6/30/2023	\$21,602	\$432	104%	\$22,031	Storage
99	Altamont Tank Improve	10661	6/30/2023	\$17,524	\$350	104%	\$17,872	Storage
100	Hungry Horse Tank Impro	10662	6/30/2023	\$12,587	\$252	104%	\$12,836	Storage
101	McCann Tank Improve	10663	6/30/2023	\$21,602	\$432	104%	\$22,031	Storage
102	Neary Tank CL2 Boost Sta	10664	6/30/2023	\$232,224	\$4,644	104%	\$236,831	Storage
103	Toyon Yard Improvement	10665	6/30/2023	\$87,155	\$1,743	104%	\$88,884	Storage
104	1723-01-La Cresta-Page Mill Mains	10126	6/30/1997	\$929,408	\$520,468	239%	\$975,746	T&D
105	1723-02-Stonebrook Priscilla Main	10127	6/30/1997	\$10,643	\$5,960	239%	\$11,174	T&D
106	1723-07 Zone 4 Interconnections	10129	6/30/1997	\$9,851	\$5,516	239%	\$10,343	T&D
107	1723-05 Page Mill -Arastradero Ma	10268	6/30/1999	\$249,766	\$129,878	229%	\$275,056	T&D
108	1723-06 Neary Tank 16" Main	10269	6/30/1999	\$22,549	\$11,725	229%	\$24,832	T&D
109	1723-09 Quail Ln 8" Main	10270	6/30/1999	\$17,677	\$9,192	229%	\$19,467	T&D
110	1723-12 Fremont/La Paloma Main	10272	6/30/1999	\$9,607	\$4,996	229%	\$10,580	T&D
111	1723-14 Robleda 8" Main	10273	6/30/2000	\$13,644	\$6,822	223%	\$15,244	T&D
112	1723-23 Stonebrook Ct	10274	6/30/2001	\$33,578	\$16,789	219%	\$36,794	T&D
113	1723-18 Elena Rd	10275	6/30/2001	\$105,461	\$50,622	219%	\$120,185	T&D
114	1723-28 Altamont Zone 3 Separatio	10276	6/30/2001	\$13,406	\$6,435	219%	\$15,278	T&D
115	1723-19 Neary Dr 12"	10277	6/30/2002	\$66,088	\$30,400	213%	\$75,878	T&D
116	1723-20 Oneonta Dr Main	10278	6/30/2002	\$108,678	\$49,992	213%	\$124,779	T&D
117	1723-30 Adobe- Priscilla Loop	10279	6/30/2002	\$158,566	\$72,941	213%	\$182,057	T&D
118	1723-35 Briones PRV	10280	6/30/2002	\$11,195	\$5,150	213%	\$12,854	T&D
119	1723-38 Purissima-Viscaino 8"	10281	6/30/2002	\$74,986	\$34,494	213%	\$86,095	T&D

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
120	1723-39 Abandon Paseo Roble Ck	10282	6/30/2002	\$22,991	\$10,576	213%	\$26,398	T&D
121	1723-36 Main @12200 El Monte (10283	6/30/2002	\$6,856	\$3,154	213%	\$7,872	T&D
122	1723-29 Melody Ln	10285	6/30/2002	\$50,853	\$23,392	213%	\$58,386	T&D
123	1723-27 Kingsley Main	10286	6/30/2002	\$67,128	\$30,879	213%	\$77,072	T&D
124	1723-26 Viscaino Ct Main	10287	6/30/2002	\$57,126	\$26,278	213%	\$65,589	T&D
125	1723-25 Elena Tank Main	10288	6/30/2002	\$99,036	\$45,557	213%	\$113,708	T&D
126	1723-22 Simon Ln Main	10289	6/30/2002	\$57,850	\$26,611	213%	\$66,420	T&D
127	1723-21 La Loma Ct	10290	6/30/2002	\$47,130	\$21,680	213%	\$54,112	T&D
128	1723-16 Joint Fire District	10291	6/30/2002	\$345,149	\$158,769	213%	\$396,282	T&D
129	1723-13 Altamont- La Loma	10292	6/30/2002	\$1,224,818	\$563,416	213%	\$1,406,269	T&D
130	1723-40 Tracy Ct Main	10293	6/30/2003	\$10,203	\$4,694	208%	\$11,442	T&D
131	1723-30 Adobe Priscilla Loop	10296	6/30/2004	\$649,221	\$272,673	195%	\$735,688	T&D
132	1723-41 Canario Willow Pond Foot	10297	6/30/2004	\$71,659	\$30,097	195%	\$81,202	T&D
133	1723-42 Mains Project 2005	10300	6/30/2007	\$1,143,460	\$411,645	175%	\$1,277,052	T&D
134	1723-03 GIS	10301	6/30/2007	\$47,673	\$17,162	175%	\$53,243	T&D
135	1723-45 Arastradero & Lupine Mai	10302	6/30/2008	\$116,538	\$39,623	167%	\$128,664	T&D
136	1723-47 Berry Hill Main	10303	6/30/2008	\$79,137	\$26,906	167%	\$87,371	T&D
137	1723-43 Emergency Interconnectio	10306	6/30/2009	\$782,771	\$250,487	162%	\$863,398	T&D
138	1723-48 La Cresta? Elena Z2.5	10309	6/30/2011	\$2,842,135	\$738,955	153%	\$3,223,421	T&D
139	FYE1987 Supply mains	10310	6/30/1987	\$18,364	\$13,957	316%	\$13,905	T&D
140	FYE 1994 Additions	10311	6/30/1994	\$152,210	\$94,371	257%	\$148,675	T&D
141	1723-999 Service Installations FYE	10380	6/30/2012	\$45,634	\$10,952	149%	\$51,796	T&D
142	1723-48 La Cresta-ElenaZ2.5 Ph 2	10381	6/30/2012	\$10,445	\$2,507	149%	\$11,856	T&D
143	1723-49 Palo Hills main replaceme	10382	6/30/2012	\$44,748	\$10,739	149%	\$50,790	T&D
144	1723-51 Fremont Rd 10" Main Imp	10386	6/30/2013	\$34,004	\$7,481	146%	\$38,619	T&D
145	1723-52 Concepcion Rd 8" Main I	10387	6/30/2013	\$67,458	\$14,841	146%	\$76,614	T&D
146	1723-53 Elena Rd 8" Main Improve	10388	6/30/2013	\$23,830	\$5,243	146%	\$27,064	T&D
147	1723-54 Ascension to Fremont Aba	10389	6/30/2013	\$12,222	\$2,689	146%	\$13,881	T&D
148	1723-55 Lupine Rd 8" Main Improv	10390	6/30/2013	\$14,191	\$3,122	146%	\$16,117	T&D
149	1723-56 Page Mill 8" Main Improv	10391	6/30/2013	\$25,789	\$5,674	146%	\$29,290	T&D
150	1723-57 Foothill Ln 8" Main Impro	10392	6/30/2013	\$16,849	\$3,707	146%	\$19,136	T&D
151	1723-58 Laurel Ln B/O Valve Impr	10393	6/30/2013	\$15,420	\$3,392	146%	\$17,513	T&D
152	1723-60 Moody Rd Page Mill 3 val	10394	6/30/2013	\$15,246	\$3,354	146%	\$17,315	T&D
153	1723-61 Fremont Rd @ St Francis 1	10395	6/30/2013	\$11,555	\$2,542	146%	\$13,124	T&D

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
154	1723-999 Service Installations FYE	10396	6/30/2013	\$61,828	\$13,602	146%	\$70,220	T&D
155	1723-59 Christophers Ln Main Rep	10406	6/30/2014	\$119,391	\$23,878	142%	\$135,399	T&D
156	1723-60 Moody /Page Mill Rd 3 va	10407	6/30/2014	\$8,400	\$1,680	142%	\$9,526	T&D
157	1723-63 Abandon Newbridge B/O	10408	6/30/2014	\$5,127	\$1,025	142%	\$5,815	T&D
158	1723-64 Sunrise Farm 3 valve set	10409	6/30/2014	\$23,435	\$4,687	142%	\$26,577	T&D
159	1723-65 Todd Ln 3 valve set	10410	6/30/2014	\$16,863	\$3,373	142%	\$19,124	T&D
160	1723-66 28037 Arastradero 8" Main	10411	6/30/2014	\$8,671	\$1,734	142%	\$9,833	T&D
161	1723-67 Taaffe Ln Main Imprvmt	10412	6/30/2014	\$7,146	\$1,429	142%	\$8,104	T&D
162	1723-68 Fremont Rd 8" DIP Main I	10413	6/30/2014	\$20,737	\$4,147	142%	\$23,518	T&D
163	1723-69 Altamont Rd Main Imprvm	10414	6/30/2014	\$34,528	\$6,906	142%	\$39,157	T&D
164	1723-70 Taaffe Rd 8" Main Imprvm	10415	6/30/2014	\$19,629	\$3,926	142%	\$22,261	T&D
165	1723-71 Arastradero 10" GV Install	10416	6/30/2014	\$67,522	\$13,504	142%	\$76,576	T&D
166	1723-73 Taaffe Rd 3 Valve Set	10418	6/30/2014	\$23,728	\$4,746	142%	\$26,910	T&D
167	1723-74 Natoma Rd 3 Valve Set	10419	6/30/2014	\$16,832	\$3,367	142%	\$19,089	T&D
168	1723-76 Page Mill Air Release	10420	6/30/2014	\$13,578	\$2,716	142%	\$15,398	T&D
169	1723-78 Roble Alto Main Imprvmn	10421	6/30/2014	\$13,068	\$2,614	142%	\$14,820	T&D
170	1723-999 Service Installations FYE	10426	6/30/2014	\$39,758	\$7,952	142%	\$45,089	T&D
171	1723-66 28037 Arastradero 8" DIP	10429	6/30/2015	\$10,891	\$1,307	139%	\$13,277	T&D
172	1723-62 Elena Rd-Josefa main	10430	6/30/2015	\$53,045	\$9,548	139%	\$60,254	T&D
173	1723-50 Neary Tank Utilization Pro	10431	6/30/2015	\$1,250,716	\$225,129	139%	\$1,420,703	T&D
174	1723-72 Moody Rd-Moody Springs	10432	6/30/2015	\$22,826	\$4,109	139%	\$25,928	T&D
175	1723-75 Buena Vista-Sherlock Mai	10433	6/30/2015	\$95,912	\$17,264	139%	\$108,947	T&D
176	1723-77 Lupine Main	10434	6/30/2015	\$301,648	\$54,297	139%	\$342,646	T&D
177	1723-79 Rhus Ridge/La Loma Main	10435	6/30/2015	\$39,694	\$7,145	139%	\$45,089	T&D
178	1723-80 Seton Main imprvmt	10436	6/30/2015	\$22,995	\$4,139	139%	\$26,120	T&D
179	1723-81 Vinedo Main	10437	6/30/2015	\$8,415	\$1,515	139%	\$9,559	T&D
180	1723-84 Page Mill/Linda Ln Main	10438	6/30/2015	\$58,262	\$10,487	139%	\$66,180	T&D
181	1723-85 Stonebrook Ct Main	10439	6/30/2015	\$75,716	\$13,629	139%	\$86,007	T&D
182	1723-86 Liddicoat 3 valve set	10440	6/30/2015	\$19,054	\$3,430	139%	\$21,643	T&D
183	1797100 Tripoli B/O	10442	6/30/2015	\$15,403	\$2,772	139%	\$17,496	T&D
184	1797101 Cortez B/O	10443	6/30/2015	\$16,389	\$2,950	139%	\$18,616	T&D
185	1798105 Saddle Mtn/Elena CC AR	10451	6/30/2015	\$8,739	\$1,573	139%	\$9,926	T&D
186	1799100 26493 Weston Service	10460	6/30/2015	\$9,132	\$1,644	139%	\$10,373	T&D
187	1799101 25600 Elena service	10461	6/30/2015	\$12,790	\$2,302	139%	\$14,529	T&D

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
188	1799102 26850 St Francis service	10462	6/30/2015	\$11,631	\$2,094	139%	\$13,212	T&D
189	1799103 27665 Via Cerro Gordo se	10463	6/30/2015	\$8,872	\$1,597	139%	\$10,078	T&D
190	1799104 28060 Story Hill service	10464	6/30/2015	\$11,439	\$2,059	139%	\$12,994	T&D
191	1799105 26560 Anacapa service	10465	6/30/2015	\$16,098	\$2,898	139%	\$18,286	T&D
192	1799109 26970 Orchard Hill servic	10469	6/30/2015	\$5,949	\$1,071	139%	\$6,758	T&D
193	1799111 26225 Dori Ln service	10471	6/30/2015	\$6,519	\$1,173	139%	\$7,405	T&D
194	1799113 27300 Ursula Service	10473	6/30/2015	\$7,321	\$1,318	139%	\$8,317	T&D
195	1723-999 Service Installations FYE	10478	6/30/2015	\$32,247	\$5,804	139%	\$36,630	T&D
196	1723-50 Neary Tank Utilization Pro	10489	6/30/2016	\$22,748	\$3,640	134%	\$25,694	T&D
197	1723-52 Concepcion Rd 8" Main I	10490	6/30/2016	\$7,299	\$1,168	134%	\$8,244	T&D
198	1723-87 Altamont PS- Moody Main	10492	6/30/2016	\$94,378	\$15,100	134%	\$106,601	T&D
199	1723-88 Foothill Ln- Vogue Main I	10493	6/30/2016	\$24,655	\$3,945	134%	\$27,849	T&D
200	1723-91 Black Mtn/ Natoma Main	10496	6/30/2016	\$86,018	\$13,763	134%	\$97,159	T&D
201	1723-92 Purissima Rd/Elena Rd Ma	10497	6/30/2016	\$10,823	\$1,732	134%	\$12,225	T&D
202	1723-93 Fremont 10" Main Improv	10498	6/30/2016	\$19,458	\$3,113	134%	\$21,978	T&D
203	1723-94 Concepcion/Westwind Mai	10499	6/30/2016	\$73,258	\$11,721	134%	\$82,746	T&D
204	1723-98 Christophers Ln Main Imp	10500	6/30/2016	\$17,298	\$2,768	134%	\$19,539	T&D
205	1723-97 Fremont/Ohlone Main Imp	10501	6/30/2016	\$13,794	\$2,207	134%	\$15,580	T&D
206	1723-99 Vista Del Valle Main Impr	10502	6/30/2016	\$21,046	\$3,367	134%	\$23,772	T&D
207	1723-100 Elena/La Barrance Main	10503	6/30/2016	\$34,699	\$5,552	134%	\$39,193	T&D
208	1799116 27772 Lupine Service Up	10505	6/30/2016	\$17,472	\$2,795	134%	\$19,734	T&D
209	1799117 2210 Gerth Ln Service Up	10506	6/30/2016	\$14,709	\$2,354	134%	\$16,614	T&D
210	1799122 13686 Page Mill Service	10508	6/30/2016	\$20,394	\$3,263	134%	\$23,036	T&D
211	1799126 27391 Altamont Service U	10509	6/30/2016	\$18,423	\$2,948	134%	\$20,809	T&D
212	1799127 26240 Fremont Service U	10510	6/30/2016	\$36,201	\$5,792	134%	\$40,890	T&D
213	1723-999 Service Installations FYE	10511	6/30/2016	\$14,909	\$2,385	134%	\$16,840	T&D
214	1723-74 Natoma 3valve set @ Luce	10527	6/30/2017	\$24,489	\$3,428	129%	\$27,267	T&D
215	1723-88 FoothillLn/Vogue Mainn	10528	6/30/2017	\$22,900	\$3,206	129%	\$25,497	T&D
216	1723-91 Black Mountain/Natoma M	10529	6/30/2017	\$10,058	\$1,408	129%	\$11,199	T&D
217	1723-94 Concepcion/Westwind Mai	10531	6/30/2017	\$11,913	\$1,668	129%	\$13,264	T&D
218	1723-96 Fremont/Arastradero Main	10532	6/30/2017	\$60,474	\$8,466	129%	\$67,333	T&D
219	1723-101 La Cresta/St Francis Main	10534	6/30/2017	\$21,660	\$3,032	129%	\$24,117	T&D
220	1723-102 Fremont/Concepcion Val	10535	6/30/2017	\$64,783	\$9,070	129%	\$72,132	T&D
221	1723-103 Moody Rd 6">2" Service	10536	6/30/2017	\$62,930	\$8,810	129%	\$70,068	T&D

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
222	1723-104 Elena Tank Main Improv	10537	6/30/2017	\$16,674	\$2,334	129%	\$18,566	T&D
223	1799121 12030 Elsie Service	10541	6/30/2017	\$22,193	\$3,107	129%	\$24,711	T&D
224	1723-999 Service Installations FYE	10543	6/30/2017	\$24,059	\$3,368	129%	\$26,788	T&D
225	1723-91 Black Mountain/Natoma M	10548	6/30/2017	\$23,864	\$3,341	129%	\$26,571	T&D
226	1723-104 Elena Tank Main Imprve	10549	6/30/2017	\$19,283	\$2,700	129%	\$21,470	T&D
227	1723-105 AltamontRd Main Impro	10550	6/30/2017	\$29,816	\$4,174	129%	\$33,198	T&D
228	1723-50 Neary Tank Utilization Pro	10557	6/30/2018	\$21,199	\$2,544	126%	\$23,443	T&D
229	1723-107 Vinedo Main Relplaceme	10558	6/30/2018	\$323,680	\$38,842	126%	\$357,942	T&D
230	1723-108 Ascension Main Improve	10559	6/30/2018	\$16,005	\$1,921	126%	\$17,699	T&D
231	1723-109 Purissima Service Aband	10560	6/30/2018	\$15,027	\$4,508	126%	\$13,219	T&D
232	1723-110 Red Rock Corp Replacem	10561	6/30/2018	\$11,258	\$1,351	126%	\$12,449	T&D
233	1723-111 14975 Page Mill Main Im	10562	6/30/2018	\$9,360	\$1,123	126%	\$10,350	T&D
234	1723-112 13100 Byrd Ln Main Imp	10563	6/30/2018	\$10,095	\$1,211	126%	\$11,164	T&D
235	1723-113 Christopher's Main Impro	10564	6/30/2018	\$9,209	\$1,105	126%	\$10,183	T&D
236	1723-999 Service Installations FYE	10565	6/30/2018	\$50,337	\$6,040	126%	\$55,665	T&D
237	1723-66 28037 Arastradero 8"DIP I	10572	6/30/2019	\$19,606	\$1,961	123%	\$21,744	T&D
238	1723-72 Moody Rd @ Moody Spri	10573	6/30/2019	\$290,599	\$29,060	123%	\$322,283	T&D
239	1723-94 Concepcion @ Westwind	10574	6/30/2019	\$36,300	\$3,630	123%	\$40,258	T&D
240	1723115 Purissima Rd Improvemen	10576	6/30/2019	\$821,745	\$82,175	123%	\$911,339	T&D
241	1723116 Arastradero Main Improve	10577	6/30/2019	\$37,803	\$3,780	123%	\$41,925	T&D
242	1723117 Anacapa Main Improveme	10578	6/30/2019	\$35,280	\$3,528	123%	\$39,127	T&D
243	1723118 Altamont Rd Blow-off Ab	10579	6/30/2019	\$60,444	\$6,044	123%	\$67,034	T&D
244	1723119 13300 Country Way Svc	10580	6/30/2019	\$8,137	\$814	123%	\$9,024	T&D
245	1723120 25879 Fremont Rd Svc Im	10581	6/30/2019	\$10,514	\$1,051	123%	\$11,660	T&D
246	1723121 27370 Julietta Service Imp	10582	6/30/2019	\$14,296	\$1,430	123%	\$15,854	T&D
247	1723122 13100 Avila Main Improv	10583	6/30/2019	\$25,511	\$2,551	123%	\$28,293	T&D
248	1723123 25076 Altadena Main Imp	10584	6/30/2019	\$61,656	\$6,166	123%	\$68,378	T&D
249	1723124 Moody Ct Main Improvem	10585	6/30/2019	\$36,017	\$3,602	123%	\$39,944	T&D
250	1723125 Willow Pond Main Impro	10586	6/30/2019	\$37,865	\$3,787	123%	\$41,994	T&D
251	1723126 Seton Main Improvemnt	10587	6/30/2019	\$27,742	\$2,774	123%	\$30,767	T&D
252	1723127 Page Mill-Lupine Valve I	10588	6/30/2019	\$71,808	\$7,181	123%	\$79,637	T&D
253	1723128 Broken Gate Valve Replc	10589	6/30/2019	\$14,326	\$1,433	123%	\$15,888	T&D
254	1723129 12200 El Monte Main Re	10590	6/30/2019	\$17,818	\$1,782	123%	\$19,761	T&D
255	1723130 Corte Madera Valve Replc	10591	6/30/2019	\$62,995	\$6,299	123%	\$69,863	T&D

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
256	1723999 Service Installations	10592	6/30/2019	\$33,084	\$3,308	123%	\$36,691	T&D
257	1799124 13335 Wildcrest service in	10593	6/30/2019	\$39,118	\$3,912	123%	\$43,383	T&D
258	1723-50 Neary Tank Utilization Pro	10599	6/30/2020	\$20,087	\$8,035	121%	\$14,612	T&D
259	1723-62 Elena Rd-Josefa Main Imp	10600	6/30/2020	\$320,656	\$25,652	121%	\$357,664	T&D
260	1723-71 Arastradero 10" Improvem	10601	6/30/2020	\$31,761	\$2,541	121%	\$35,427	T&D
261	1723-72 Moody Rd @ Moody Spri	10602	6/30/2020	\$50,023	\$4,002	121%	\$55,797	T&D
262	1723106 26600 Elena Rd Improvem	10603	6/30/2020	\$42,262	\$3,381	121%	\$47,139	T&D
263	1723131 Page Mill @Via Feliz	10604	6/30/2020	\$13,194	\$1,056	121%	\$14,717	T&D
264	1723134 La Cresta CC Main Impro	10606	6/30/2020	\$8,124	\$650	121%	\$9,061	T&D
265	1723135 Arastradero at 280 Main I	10607	6/30/2020	\$14,085	\$1,127	121%	\$15,711	T&D
266	1723137 La Loma Summitwood Im	10608	6/30/2020	\$19,887	\$1,591	121%	\$22,182	T&D
267	1723140 Page Mill @ Baleri Ranch	10609	6/30/2020	\$14,625	\$1,170	121%	\$16,313	T&D
268	1723-72 Moody Rd @Moody Sprin	10634	6/30/2022	\$21,172	\$847	107%	\$21,722	T&D
269	1723133 Echologics Leak Detectio	10635	6/30/2022	\$4,634,954	\$185,398	107%	\$4,755,462	T&D
270	1723141 Zone 1/2 Inner Tie Upgrad	10636	6/30/2022	\$16,576	\$663	107%	\$17,007	T&D
271	1723144 Moody Rd Imprvnt @ 262	10638	6/30/2022	\$7,720	\$309	107%	\$7,921	T&D
272	1723145 26335 Esperanza Service I	10639	6/30/2022	\$7,508	\$300	107%	\$7,703	T&D
273	1723146 Briones Crt Water Main I	10640	6/30/2022	\$9,883	\$395	107%	\$10,140	T&D
274	1723147 Altamont Rd/Eschner Ct W	10641	6/30/2022	\$18,382	\$735	107%	\$18,860	T&D
275	1723148 Water Service Improveme	10643	6/30/2023	\$16,921	\$338	104%	\$17,257	T&D
276	1723150 Stonebrook/Prospect Impr	10644	6/30/2023	\$11,203	\$224	104%	\$11,425	T&D
277	1723151 W Fremont/Arastradero Im	10645	6/30/2023	\$51,890	\$1,038	104%	\$52,919	T&D
278	1723-90 Taaffe Rd Main Replacem	10656	6/30/2023	\$30,600	\$612	104%	\$31,207	T&D
279	1723136 Concep Fremont Main Re	10657	6/30/2023	\$2,569,432	\$51,389	104%	\$2,620,403	T&D
280	1723997 Blow-Off Replacement Pr	10666	6/30/2023	\$13,168	\$878	104%	\$12,790	T&D
281	Altamont Impr	10674	6/30/2022	\$15,792	\$1,053	107%	\$15,753	T&D
282	FYE1997- Meters	10251	6/30/1997	\$43,917	\$43,917	239%	\$0	Meter Maintenance
283	FYE1997- Meters	10252	6/30/1998	\$42,921	\$42,921	235%	\$0	Meter Maintenance
284	FYE1999- Meters	10253	6/30/1999	\$33,266	\$33,266	229%	\$0	Meter Maintenance
285	FYE2000- Meters	10254	6/30/2000	\$26,293	\$26,293	223%	\$0	Meter Maintenance
286	FYE2001- Meters	10255	6/30/2001	\$5,530	\$5,530	219%	\$0	Meter Maintenance
287	FYE2002- Meters	10256	6/30/2002	\$5,062	\$5,062	213%	\$0	Meter Maintenance
288	FYE2007- Meters	10258	6/30/2007	\$18,056	\$18,056	175%	\$0	Meter Maintenance
289	FYE2008- Meters	10259	6/30/2008	\$9,548	\$9,548	167%	\$0	Meter Maintenance

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
290	1724-01 Foothill Meter	10383	6/30/2012	\$12,941	\$3,106	149%	\$14,688	Meter Maintenance
291	1724-04 Fremont Wharf Head Mete	10397	6/30/2013	\$13,721	\$3,019	146%	\$15,583	Meter Maintenance
292	1724-999 Meter Installations FYE 2	10398	6/30/2013	\$15,029	\$15,029	146%	\$0	Meter Maintenance
293	1724-999 Meter Installations FYE 2	10477	6/30/2015	\$102,068	\$61,241	139%	\$56,556	Meter Maintenance
294	1724-999 Meter Installations FYE 2	10512	6/30/2016	\$66,508	\$26,603	134%	\$53,658	Meter Maintenance
295	1724-999 Meter Installations FYE 2	10544	6/30/2017	\$104,285	\$14,600	129%	\$116,114	Meter Maintenance
296	1724-999 Meter Installations FYE 2	10566	6/30/2018	\$58,925	\$17,678	126%	\$51,834	Meter Maintenance
297	1724-999 Meters FYE 2019	10594	6/30/2019	\$130,077	\$43,359	123%	\$106,858	Meter Maintenance
298	1724 Meter Installations	10667	6/30/2023	\$4,624	\$308	104%	\$4,492	Meter Maintenance
299	FYE1962-Additions	10151	6/30/1962	\$68,000	\$68,000	1594%	\$0	T&D
300	FYE1963-Additions	10154	6/30/1963	\$328,602	\$328,602	1543%	\$0	T&D
301	1725-131 Evershine main	10304	6/30/2008	\$13,063	\$4,442	167%	\$14,423	T&D
302	1725-138 Blue Oaks Subdivision	10305	6/30/2008	\$14,144	\$4,809	167%	\$15,616	T&D
303	1712-06 Fire District Portion of DC	10313	6/30/2008	\$250,000	\$250,000	167%	\$0	T&D
304	1525- FD Z2.5 Phase 1	10314	6/30/2008	\$1,598,458	\$543,476	167%	\$1,764,786	T&D
305	1525138 Blue Oaks	10315	6/30/2008	\$579,489	\$197,026	167%	\$639,788	T&D
306	1725-131 Evershine	10316	6/30/2008	\$237,945	\$80,901	167%	\$262,705	T&D
307	1525 Foothill College Loop	10317	6/30/2008	\$624,318	\$224,754	167%	\$668,394	T&D
308	FD Chapparral Phase I	10318	6/30/2007	\$274,400	\$98,784	175%	\$306,459	T&D
309	Gheyri Main	10319	6/30/2006	\$110,000	\$41,800	179%	\$122,314	T&D
310	Maleksalehi Subdivision	10320	6/30/2006	\$60,000	\$22,800	179%	\$66,716	T&D
311	FD Chaparral Phase II	10321	6/30/2005	\$140,536	\$56,214	187%	\$157,421	T&D
312	FD Moody & Altamont Main	10322	6/30/2005	\$62,500	\$25,000	187%	\$70,009	T&D
313	Moody Rd Phase II	10323	6/30/2005	\$142,141	\$56,856	187%	\$159,219	T&D
314	Twin Oaks	10324	6/30/2005	\$39,409	\$15,764	187%	\$44,144	T&D
315	FD Mains Project	10325	6/30/2004	\$260,373	\$109,357	195%	\$295,051	T&D
316	Mendez Subdivision	10326	6/30/2003	\$16,000	\$7,040	208%	\$18,607	T&D
317	1725-141 26030 Elena Main	10327	6/30/2004	\$53,000	\$22,260	195%	\$60,059	T&D
318	Quarry Hills Subdivision	10328	6/30/2000	\$381,888	\$160,393	223%	\$494,939	T&D
319	Yanez- Charles Ln	10329	6/30/2002	\$25,024	\$10,510	213%	\$30,859	T&D
320	Dori Lane	10330	6/30/2002	\$30,455	\$14,009	213%	\$34,967	T&D
321	Lefevre Subdivision	10331	6/30/2000	\$97,500	\$27,300	223%	\$156,865	T&D
322	Patmore Main Extension	10332	6/30/2000	\$32,875	\$16,438	223%	\$36,730	T&D
323	Quarry Hills	10333	6/30/1998	\$62,822	\$31,411	235%	\$73,757	T&D

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
324	Woodbridge Estates	10334	6/30/1997	\$37,794	\$21,165	239%	\$39,678	T&D
325	Wythe Vitu	10335	6/30/1997	\$62,110	\$34,782	239%	\$65,207	T&D
326	Samuel Lane	10336	6/30/1997	\$17,920	\$10,035	239%	\$18,813	T&D
327	Merrill Main Extension	10337	6/30/1989	\$30,000	\$21,600	301%	\$25,302	T&D
328	Foothill Main Extension	10338	6/30/1996	\$18,050	\$10,469	247%	\$18,752	T&D
329	Sanders Main Extension	10340	6/30/1996	\$15,900	\$9,222	247%	\$16,518	T&D
330	Hidden Springs Main Extension	10342	6/30/1996	\$46,200	\$26,796	247%	\$47,996	T&D
331	Adobe Creek Lodge Rd	10343	6/30/1996	\$38,920	\$22,574	247%	\$40,433	T&D
332	Francemont Estates	10344	6/30/1996	\$50,000	\$29,000	247%	\$51,943	T&D
333	Finn Lane	10345	6/30/1990	\$24,250	\$16,975	294%	\$21,372	T&D
334	Accola Main Relocate	10346	6/30/1987	\$21,675	\$16,473	316%	\$16,412	T&D
335	Riley Main Extension	10347	6/30/1988	\$11,250	\$8,325	308%	\$8,998	T&D
336	Zappatini Ct	10348	6/30/1990	\$23,265	\$16,286	294%	\$20,503	T&D
337	Kava (Stonebrook & Prospect)	10349	6/30/1985	\$7,325	\$5,860	331%	\$4,855	T&D
338	Fowle (Old Trace Main Extension)	10350	6/30/1985	\$17,188	\$13,750	331%	\$11,391	T&D
339	Arastra (Tracy Ct)	10351	6/30/1979	\$6,530	\$6,008	463%	\$2,418	T&D
340	Altamont Ct	10352	6/30/1990	\$12,000	\$8,400	294%	\$10,576	T&D
341	FYE1960 Opening Balance	10354	6/30/1960	\$130,891	\$130,891	1687%	\$0	Excluded
342	FYE1964-Additions	10355	6/30/1964	\$15,758	\$15,758	1485%	\$0	T&D
343	FYE1966-Additions	10356	6/30/1966	\$135,626	\$135,626	1364%	\$0	T&D
344	FYE1967-Additions	10357	6/30/1967	\$26,477	\$26,477	1294%	\$0	T&D
345	FYE1968-Additions	10358	6/30/1968	\$58,874	\$58,874	1204%	\$0	T&D
346	FYE1969-Additions	10359	6/30/1969	\$36,743	\$36,743	1095%	\$0	T&D
347	FYE1973- Additions	10360	6/30/1973	\$198,576	\$198,576	734%	\$0	T&D
348	FYE1974-Additions	10361	6/30/1974	\$118,793	\$118,793	688%	\$0	T&D
349	FYE1975-Additions	10362	6/30/1975	\$10,285	\$10,285	628%	\$0	T&D
350	FYE1976-Additions	10363	6/30/1976	\$25,905	\$25,387	579%	\$3,000	T&D
351	FYE1977-Additions	10364	6/30/1977	\$196,197	\$188,349	540%	\$42,350	T&D
352	FYE1978-Additions	10365	6/30/1978	\$102,175	\$96,045	501%	\$30,699	T&D
353	FYE1979-Additions	10366	6/30/1979	\$272,728	\$250,571	463%	\$102,568	T&D
354	FYE1980-Additions	10367	6/30/1980	\$78,565	\$70,709	429%	\$33,739	T&D
355	FYE1981-Additions	10368	6/30/1981	\$95,889	\$84,382	393%	\$45,249	T&D
356	FYE1982-Additions	10369	6/30/1982	\$109,095	\$93,822	363%	\$55,507	T&D
357	FYE1986-Additions	10370	6/30/1986	\$96,457	\$75,236	324%	\$68,682	T&D

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
358	FYE1987-Additions	10371	6/30/1987	\$33,199	\$25,231	316%	\$25,139	T&D
359	FYE1988-Additions	10372	6/30/1988	\$57,620	\$42,639	308%	\$46,084	T&D
360	Campo Vista Main	10373	6/30/2002	\$77,544	\$35,670	213%	\$89,032	T&D
361	Askari Main Extension	10374	6/30/2002	\$16,605	\$7,639	213%	\$19,065	T&D
362	FYE1983-Additions	10375	6/30/1983	\$60,000	\$50,400	342%	\$32,821	T&D
363	FYE1984-Additions	10376	6/30/1984	\$61,061	\$50,070	335%	\$36,851	T&D
364	FYE2000-Additions	10377	6/30/2000	\$49,580	\$24,790	223%	\$55,394	T&D
365	FYE2002-Additions	10378	6/30/2002	\$14,450	\$6,647	213%	\$16,591	T&D
366	Morrison Subdivision	10384	6/30/2012	\$119,300	\$28,632	149%	\$135,408	T&D
367	Palomino Ct 6" Main	10385	6/30/2012	\$45,000	\$10,800	149%	\$51,076	T&D
368	1723-50 Contributed portion of NT	10427	6/30/2014	\$2,400,000	\$480,000	142%	\$2,721,807	T&D
369	1722-22 Page Mill Tank Seismic Up	10481	6/30/2016	\$624,404	\$99,905	134%	\$705,272	Storage
370	1526- Opening Balance	10312	6/30/1972	\$2,132,256	\$2,132,256	793%	\$0	Excluded
371	1731-01- Gas Tank Improvements	10244	6/30/1997	\$30,926	\$30,926	239%	\$0	General
372	1731-03 Operations Center	10246	6/30/2007	\$1,382,705	\$829,623	175%	\$965,155	General
373	1731-08 Operations Center	10247	6/30/2008	\$27,770	\$15,736	167%	\$20,130	General
374	1731-04 Radio System Tower	10248	6/30/2009	\$46,492	\$24,796	162%	\$35,192	General
375	1731-01 Gas Tank improvements	10249	6/30/2010	\$8,300	\$8,280	158%	\$32	General
376	1731-01 Gas Tank Improvements	10250	6/30/2006	\$11,727	\$11,727	179%	\$0	General
377	FYE1995- Opening Balance	10260	6/30/1983	\$136,783	\$136,783	342%	\$0	Excluded
378	1731-06 Corp Yard Garage Doors	10513	6/30/2016	\$22,383	\$8,953	134%	\$18,059	General
379	1731-06 Corp Yard Garage Door I	10610	6/30/2020	\$9,865	\$7,892	121%	\$2,392	General
380	1731-07 Operations Center Patio Im	10611	6/30/2020	\$13,050	\$5,220	121%	\$9,493	General
381	1731-08 Operations Center Asphalt	10659	6/30/2023	\$5,499	\$550	104%	\$5,151	General
382	Samsung Copier	10001	1/25/2010	\$6,413	\$6,413	158%	\$0	General
383	Pitney Bowes Inserter/Folder	10002	3/26/2008	\$11,174	\$11,174	167%	\$0	General
384	Filing Cabinets	10006	9/17/2007	\$5,831	\$5,831	175%	\$0	General
385	Pitney Bowes Postage Machine	10009	6/30/2002	\$6,542	\$6,542	213%	\$0	General
386	Filing Cabinets	10229	6/30/2008	\$5,832	\$5,832	167%	\$0	General
387	2002 GMC Sierra 1500	10104	8/31/2002	\$21,685	\$21,685	213%	\$0	General
388	2002 FORD 550 Dump	10105	4/14/2008	\$33,000	\$33,000	167%	\$0	General
389	2001 FORD 450 Utility Truck	10106	4/14/2008	\$23,000	\$23,000	167%	\$0	General
390	2008 FORD 350 Utility Truck	10108	6/30/2008	\$54,261	\$54,261	167%	\$0	General
391	2006 Ford 450	10425	6/30/2014	\$29,500	\$29,500	142%	\$0	General

Purissima Hills Water District
2026 Water Rate Study

Line	Description	Asset Number	Acquisition Date	Acquisition Cost	Accumulated Depreciation	ENR CCI Adjustment	RCLD	System Function
392	2017 Ford Truck F-250 P1	10567	6/30/2018	\$52,771	\$52,771	126%	\$0	General
393	2017 Ford Truck F-250 P4	10568	6/30/2018	\$53,599	\$53,599	126%	\$0	General
394	2022 Ford F350	10669	6/30/2023	\$66,830	\$13,366	104%	\$55,638	General
395	2024 Ford F650	10670	6/30/2023	\$123,142	\$24,628	104%	\$102,518	General
396	2023 Ford F350	10671	6/30/2023	\$84,584	\$16,917	104%	\$70,418	General
397	2005 John Deere Backhoe 410G	10113	6/30/2005	\$75,221	\$75,221	187%	\$0	General
398	Bob Cat 873 w/attachments	10224	6/30/2008	\$30,000	\$30,000	167%	\$0	General
399	Tilt Deck Trailer	10225	6/30/2008	\$5,000	\$5,000	167%	\$0	General
400	Steel Plates (5 ea)	10516	6/30/2016	\$9,166	\$7,333	134%	\$2,465	General
401	Hose Reel & hose	10218	6/30/2008	\$25,407	\$25,407	167%	\$0	General
402	Tapping Machine & Acc	10219	6/30/2007	\$8,825	\$8,825	175%	\$0	General
403	Towable Light Towers	10220	6/30/2002	\$7,679	\$7,679	213%	\$0	General
404	2- Generators 2500W	10222	6/30/2003	\$5,627	\$5,627	208%	\$0	General
405	1738.02 CUSI Billing Software	10202	6/30/2011	\$29,500	\$29,500	153%	\$0	Customer Service
406	1748-05 Leak Detection Loggers	10514	6/30/2016	\$15,626	\$15,626	134%	\$0	General
407	1748-02 Billing Software Upgrade	10545	6/30/2017	\$30,200	\$4,228	129%	\$33,626	Customer Service
408	1748-04 Server Upgrade	10546	6/30/2017	\$38,818	\$5,435	129%	\$43,221	General
409	Samsung Copier	10547	6/30/2017	\$7,341	\$5,138	129%	\$2,851	General
410	Pitney Bowes Postage Machine	10569	6/30/2018	\$10,898	\$6,539	126%	\$5,478	General
411	Pitney Bowes Envelope Inserter	10570	6/30/2018	\$11,741	\$7,044	126%	\$5,902	General
412	1748 Computer Equipment	10613	6/30/2020	\$101,542	\$81,234	121%	\$24,622	General
413	1748-03 Work Flow Software -City	10658	6/30/2023	\$53,093	\$10,619	104%	\$44,201	General
414	1548 Server	10673	6/30/2024	\$6,558	\$0	102%	\$6,717	General
415	1562 Security Cameras	10668	6/30/2023	\$8,092	\$1,618	104%	\$6,736	General
416	CGLA Water Main Replacements	TBD	8/13/2025	\$3,635,726	\$0	100%	\$3,635,726	T&D
417	Total			\$55,017,622	\$20,682,790		\$49,398,086	

8. STUDY RESOURCE DOCUMENTS

Table 8-1: Proposed Six-Year Cashflow Projections

Line	Cash Flow Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Revenues						
2	Rate Revenues at Existing Rates	\$10,028,697	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157
3	Revenue Adjustments	\$0	\$829,092	\$2,326,986	\$3,676,776	\$5,168,294	\$6,816,421
4	Interest Income	\$180,000	\$307,202	\$99,343	\$120,479	\$163,340	\$221,382
5	Property Taxes	\$1,850,000	\$1,942,500	\$2,039,625	\$2,141,606	\$2,248,687	\$2,361,121
6	Antenna Leases	\$222,000	\$227,550	\$233,239	\$239,070	\$245,046	\$251,173
7	Capacity Fees ⁵⁰	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000
8	Miscellaneous Operating Revenue	\$300,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
9	Miscellaneous Non-Operating Revenue	\$25,000	\$0	\$0	\$0	\$0	\$0
10	Total	\$12,698,697	\$14,057,502	\$15,450,350	\$16,929,088	\$18,576,524	\$20,401,254
11							
12	Expenses						
13	Water Supply Costs	\$4,206,000	\$4,524,513	\$4,534,825	\$4,545,835	\$4,558,937	\$4,570,292
14	Other Water Source of Supply Costs	\$547,000	\$574,350	\$603,068	\$633,221	\$664,882	\$698,126
15	Pumps & Tanks O&M	\$140,000	\$145,600	\$151,424	\$157,481	\$163,780	\$170,331
16	Transmission & Distribution O&M	\$578,000	\$620,720	\$647,349	\$675,223	\$704,410	\$734,982
17	Fuel	\$36,500	\$37,960	\$39,478	\$41,058	\$42,700	\$44,408
18	General Maintenance	\$40,000	\$41,600	\$43,264	\$44,995	\$46,794	\$48,666
19	Customer Account	\$64,000	\$66,560	\$69,222	\$71,991	\$74,871	\$77,866
20	Conservation Programs	\$25,000	\$26,000	\$27,040	\$28,122	\$29,246	\$30,416
21	Salaries and Wages	\$1,351,000	\$1,459,080	\$1,575,806	\$1,701,871	\$1,838,021	\$1,985,062
22	Payroll Taxes and Benefits	\$490,000	\$509,600	\$529,984	\$551,183	\$573,231	\$596,160
23	General & Administrative	\$791,500	\$823,160	\$856,086	\$890,330	\$925,943	\$962,981
24	Non-Operating Expenses	\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496
25	Other Expenses	\$365,300	\$379,912	\$395,108	\$410,913	\$427,349	\$444,443

⁵⁰ Capacity fees include both storage and transmission components.

Purissima Hills Water District
2026 Water Rate Study

Line	Cash Flow Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
26	Total	\$8,904,300	\$9,489,855	\$9,764,687	\$10,055,935	\$10,366,025	\$10,692,230
27							
28	Net Revenue	\$3,794,397	\$4,567,646	\$5,685,663	\$6,873,153	\$8,210,499	\$9,709,024
29							
30	Debt Service						
31	Existing Debt	\$636,632	\$637,238	\$636,601	\$636,710	\$636,560	\$637,135
32	Proposed Debt	\$0	\$1,392,285	\$1,392,285	\$1,392,285	\$1,392,285	\$1,392,285
33	Total	\$636,632	\$2,029,523	\$2,028,886	\$2,028,996	\$2,028,846	\$2,029,420
34							
35	Net Revenue Less Debt	\$3,157,765	\$2,538,123	\$3,656,776	\$4,844,157	\$6,181,653	\$7,679,604
36							
37	CIP						
38	Rate Funded	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
39	Total	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
40							
41	Net Cash Flow	(\$862,986)	(\$1,057,477)	\$195,656	\$1,516,359	\$1,955,396	\$2,745,990

Table 8-2: Six-Year Fund Balance Projections

Line	Fund Balance Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Beginning Fund Balance	\$5,846,027	\$20,957,821	\$3,925,564	\$4,121,220	\$5,637,579	\$7,592,975
2							
3	Sources of Funds						
4	Rate Revenues at Existing Rates	\$10,028,697	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157	\$10,528,157
5	Revenue Adjustments	\$0	\$829,092	\$2,326,986	\$3,676,776	\$5,168,294	\$6,816,421
6	Interest Income	\$180,000	\$307,202	\$99,343	\$120,479	\$163,340	\$221,382
7	Property Taxes	\$1,850,000	\$1,942,500	\$2,039,625	\$2,141,606	\$2,248,687	\$2,361,121
8	Antenna Leases	\$222,000	\$227,550	\$233,239	\$239,070	\$245,046	\$251,173
9	Capacity Fees ⁵¹	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000	\$93,000
10	Miscellaneous Operating Revenue	\$300,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000

⁵¹ Capacity fees include both storage and transmission components.

Purissima Hills Water District
2026 Water Rate Study

Line	Fund Balance Projections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
11	Miscellaneous Non-Operating Revenue	\$25,000	\$0	\$0	\$0	\$0	\$0
12	Debt Proceeds	\$20,974,780	\$0	\$0	\$0	\$0	\$0
13	Total	\$33,673,477	\$14,057,502	\$15,450,350	\$16,929,088	\$18,576,524	\$20,401,254
14							
15	Uses of Funds						
16	Expenses	\$8,904,300	\$9,489,855	\$9,764,687	\$10,055,935	\$10,366,025	\$10,692,230
17	Debt Service	\$636,632	\$2,029,523	\$2,028,886	\$2,028,996	\$2,028,846	\$2,029,420
18	Debt Funded	\$5,000,000	\$15,974,780	\$0	\$0	\$0	\$0
19	Rate Funded	\$4,020,751	\$3,595,600	\$3,461,120	\$3,327,798	\$4,226,257	\$4,933,614
20	Total	\$18,561,683	\$31,089,759	\$15,254,694	\$15,412,729	\$16,621,128	\$17,655,264
21							
22	Ending Fund Balance	\$20,957,821	\$3,925,564	\$4,121,220	\$5,637,579	\$7,592,975	\$10,338,965

Table 8-3: Six-Year Financial Performance Projections

Line	Financial Performance	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1	Current Financial Policies						
2	Operating Reserve	\$2,226,075	\$2,372,464	\$2,441,172	\$2,513,984	\$2,591,506	\$2,673,057
3	Operating Reserve Alternative	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
4	Capital Reserve	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
5	Combined Reserve Target	\$3,726,075	\$3,872,464	\$3,941,172	\$4,013,984	\$4,091,506	\$4,173,057
6	Combined Reserves	\$20,957,821	\$3,925,564	\$4,121,220	\$5,637,579	\$7,592,975	\$10,338,965
7	Meets Target?	Yes	Yes	Yes	Yes	Yes	Yes
8							
9	Proposed Financial Policies						
10	Operating Reserve	\$2,226,075	\$2,372,464	\$2,441,172	\$2,513,984	\$2,591,506	\$2,673,057
11	Capital Reserve	\$4,000,000	\$4,160,000	\$4,326,400	\$4,499,456	\$4,679,434	\$4,866,612
12	Emergency Reserve	\$0	\$0	\$0	\$0	\$0	\$0
13	Rate Stabilization Reserve	\$0	\$0	\$0	\$0	\$0	\$0
14	Combined Reserve Target	\$6,226,075	\$6,532,464	\$6,767,572	\$7,013,440	\$7,270,941	\$7,539,669
15	Combined Reserves	\$20,957,821	\$3,925,564	\$4,121,220	\$5,637,579	\$7,592,975	\$10,338,965
16	Meets Target?	Yes	No	No	No	Yes	Yes

Purissima Hills Water District
2026 Water Rate Study

Line	Financial Performance	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
17							
18	Debt Service Coverage						
19	Required Debt Coverage	125%	125%	125%	125%	125%	125%
20	Target Debt Coverage	150%	150%	150%	150%	150%	150%
21	Calculated Debt Coverage	596%	225%	280%	339%	405%	478%
22	Meets Required Coverage?	Yes	Yes	Yes	Yes	Yes	Yes
23	Meets Target Coverage?	Yes	Yes	Yes	Yes	Yes	Yes

Table 8-4: Proposed Five-Year Monthly Minimum (RTS) Charges

Line	Monthly Minimum (RTS) Charges	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	3/4"	\$49.32	\$54.50	\$60.23	\$66.56	\$73.55
2	1"	\$63.29	\$69.94	\$77.29	\$85.41	\$94.38
3	1.5"	\$98.22	\$108.54	\$119.94	\$132.54	\$146.46
4	2"	\$140.12	\$154.84	\$171.10	\$189.07	\$208.93
5	3"	\$272.83	\$301.48	\$333.14	\$368.12	\$406.78
6	4"	\$468.40	\$517.59	\$571.94	\$632.00	\$698.36
7	6"	\$936.37	\$1,034.69	\$1,143.34	\$1,263.40	\$1,396.06
8	8"	\$1,984.08	\$2,192.41	\$2,422.62	\$2,677.00	\$2,958.09

Table 8-5: Proposed Five-Year Monthly Cross Connection Charges

Line	Monthly Cross Connection Charges	Effective 1/1/2027	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	3/4"	\$25.74	\$28.45	\$31.44	\$34.75	\$38.40
2	1"	\$26.03	\$28.77	\$31.80	\$35.14	\$38.83
3	1.5"	\$26.95	\$29.78	\$32.91	\$36.37	\$40.19
4	2"	\$27.54	\$30.44	\$33.64	\$37.18	\$41.09
5	3"	\$53.05	\$58.63	\$64.79	\$71.60	\$79.12
6	4"	\$54.89	\$60.66	\$67.03	\$74.07	\$81.85
7	6"	\$82.02	\$90.64	\$100.16	\$110.68	\$122.31
8	8"	\$87.66	\$96.87	\$107.05	\$118.30	\$130.73
9	10"	\$90.54	\$100.05	\$110.56	\$122.17	\$135.00

Table 8-6: Proposed Five-Year Combined Consumption Charges (Three Tier)

Line	Combined Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential					
2	Tier 1 (0-11 ccf)	\$7.40	\$8.14	\$8.95	\$9.85	\$10.84
3	Tier 2 (12-40 ccf)	\$15.29	\$16.86	\$18.59	\$20.50	\$22.61
4	Tier 3 (41+ ccf)	\$22.17	\$24.46	\$26.99	\$29.78	\$32.87
5	Institutional	\$16.23	\$17.89	\$19.73	\$21.76	\$24.00

Table 8-7: Proposed Five-Year Combined Consumption Charges (Uniform)

Line	Combined Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential	\$14.71	\$16.21	\$17.87	\$19.71	\$21.74
2	Institutional	\$16.23	\$17.89	\$19.73	\$21.76	\$24.00

Table 8-8: Proposed Five-Year PHWD and SFPUC Consumption Charges (Three Tier)

Line	PHWD and SFPUC Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential					
2	Tier 1 (0-11 ccf)	\$1.17	\$1.91	\$2.72	\$3.62	\$4.61
3	Tier 2 (12-40 ccf)	\$9.06	\$10.63	\$12.36	\$14.27	\$16.38
4	Tier 3 (41+ ccf)	\$15.94	\$18.23	\$20.76	\$23.55	\$26.64
5	Institutional	\$10.00	\$11.66	\$13.50	\$15.53	\$17.77
6	SFPUC Wholesale Pass-Through Rate	\$6.23	\$6.23	\$6.23	\$6.23	\$6.23

Table 8-9: Proposed Five-Year PHWD and SFPUC Consumption Charges (Uniform)

Line	PHWD + SFPUC Consumption Charges (\$/ ccf)	Effective 10/1/2026	Effective 7/1/2027	Effective 7/1/2028	Effective 7/1/2029	Effective 7/1/2030
1	Residential	\$8.48	\$9.98	\$11.64	\$13.48	\$15.51
2	Institutional	\$10.00	\$11.66	\$13.50	\$15.53	\$17.77
3	SFPUC Wholesale Pass-Through Rate	\$6.23	\$6.23	\$6.23	\$6.23	\$6.23

Table 8-10: Proposed Five-Year Water Shortage Rates (Three Tier)

Line	Water Shortage Rates (\$/ ccf)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026						
2	Residential						
3	Tier 1 (0-11 ccf)	\$0.92	\$2.23	\$4.12	\$6.05	\$9.12	\$14.72
4	Tier 2 (12-40 ccf)	\$1.90	\$4.60	\$8.51	\$12.50	\$18.83	\$30.40
5	Tier 3 (41+ ccf)	\$2.76	\$6.67	\$12.34	\$18.13	\$27.30	\$44.08
6	Institutional	\$2.02	\$4.88	\$9.04	\$13.27	\$19.99	\$32.27
7							
8	Effective 7/1/2027						
9	Residential						
10	Tier 1 (0-11 ccf)	\$1.02	\$2.47	\$4.56	\$6.69	\$10.08	\$16.27
11	Tier 2 (12-40 ccf)	\$2.10	\$5.09	\$9.41	\$13.82	\$20.81	\$33.60
12	Tier 3 (41+ ccf)	\$3.05	\$7.38	\$13.64	\$20.04	\$30.17	\$48.71
13	Institutional	\$2.24	\$5.40	\$9.99	\$14.67	\$22.09	\$35.66
14							
15	Effective 7/1/2028						
16	Residential						
17	Tier 1 (0-11 ccf)	\$1.13	\$2.73	\$5.04	\$7.40	\$11.14	\$17.98
18	Tier 2 (12-40 ccf)	\$2.33	\$5.63	\$10.40	\$15.28	\$23.00	\$37.13
19	Tier 3 (41+ ccf)	\$3.38	\$8.16	\$15.08	\$22.15	\$33.34	\$53.83
20	Institutional	\$2.48	\$5.97	\$11.04	\$16.22	\$24.41	\$39.41
21							
22	Effective 7/1/2029						
23	Residential						
24	Tier 1 (0-11 ccf)	\$1.25	\$3.02	\$5.57	\$8.18	\$12.31	\$19.87
25	Tier 2 (12-40 ccf)	\$2.58	\$6.23	\$11.50	\$16.89	\$25.42	\$41.03
26	Tier 3 (41+ ccf)	\$3.74	\$9.02	\$16.67	\$24.48	\$36.85	\$59.49
27	Institutional	\$2.75	\$6.60	\$12.20	\$17.93	\$26.98	\$43.55
28							
29	Effective 7/1/2030						

Purissima Hills Water District
2026 Water Rate Study

Line	Water Shortage Rates (\$/ ccf)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
30	Residential						
31	Tier 1 (0-11 ccf)	\$1.39	\$3.34	\$6.16	\$9.04	\$13.61	\$21.96
32	Tier 2 (12-40 ccf)	\$2.86	\$6.89	\$12.71	\$18.67	\$28.09	\$45.34
33	Tier 3 (41+ ccf)	\$4.14	\$9.97	\$18.43	\$27.06	\$40.72	\$65.74
34	Institutional	\$3.04	\$7.30	\$13.49	\$19.82	\$29.82	\$48.13

Table 8-11: Proposed Five-Year Water Shortage Rates (Uniform)

Line	Water Shortage Rates (\$/ ccf)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026						
2	Residential	\$0.95	\$2.14	\$3.66	\$5.70	\$8.54	\$12.81
3	Institutional	\$1.05	\$2.36	\$4.04	\$6.29	\$9.43	\$14.14
4							
5	Effective 7/1/2027						
6	Residential	\$1.05	\$2.37	\$4.05	\$6.30	\$9.44	\$14.16
7	Institutional	\$1.17	\$2.61	\$4.47	\$6.96	\$10.43	\$15.63
8							
9	Effective 7/1/2028						
10	Residential	\$1.17	\$2.62	\$4.48	\$6.97	\$10.44	\$15.65
11	Institutional	\$1.30	\$2.89	\$4.94	\$7.70	\$11.53	\$17.28
12							
13	Effective 7/1/2029						
14	Residential	\$1.30	\$2.90	\$4.96	\$7.71	\$11.54	\$17.30
15	Institutional	\$1.44	\$3.20	\$5.46	\$8.51	\$12.75	\$19.10
16							
17	Effective 7/1/2030						
18	Residential	\$1.44	\$3.21	\$5.49	\$8.52	\$12.76	\$19.12
19	Institutional	\$1.60	\$3.54	\$6.04	\$9.41	\$14.09	\$21.11

Purissima Hills Water District
2026 Water Rate Study

Table 8-12: Proposed Five-Year Combined Consumption Charges and Water Shortage Rates (Three Tier)

Line	Combined Water Shortage Rates (\$/ ccf)	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026							
2	Residential							
3	Tier 1 (0-11 ccf)	\$7.40	\$8.32	\$9.63	\$11.52	\$13.45	\$16.52	\$22.12
4	Tier 2 (12-40 ccf)	\$15.29	\$17.19	\$19.89	\$23.80	\$27.79	\$34.12	\$45.69
5	Tier 3 (41+ ccf)	\$22.17	\$24.93	\$28.84	\$34.51	\$40.30	\$49.47	\$66.25
6	Institutional	\$16.23	\$18.25	\$21.11	\$25.27	\$29.50	\$36.22	\$48.50
7								
8	Effective 7/1/2027							
9	Residential							
10	Tier 1 (0-11 ccf)	\$8.14	\$9.16	\$10.61	\$12.70	\$14.83	\$18.22	\$24.41
11	Tier 2 (12-40 ccf)	\$16.86	\$18.96	\$21.95	\$26.27	\$30.68	\$37.67	\$50.46
12	Tier 3 (41+ ccf)	\$24.46	\$27.51	\$31.84	\$38.10	\$44.50	\$54.63	\$73.17
13	Institutional	\$17.89	\$20.13	\$23.29	\$27.88	\$32.56	\$39.98	\$53.55
14								
15	Effective 7/1/2028							
16	Residential							
17	Tier 1 (0-11 ccf)	\$8.95	\$10.08	\$11.68	\$13.99	\$16.35	\$20.09	\$26.93
18	Tier 2 (12-40 ccf)	\$18.59	\$20.92	\$24.22	\$28.99	\$33.87	\$41.59	\$55.72
19	Tier 3 (41+ ccf)	\$26.99	\$30.37	\$35.15	\$42.07	\$49.14	\$60.33	\$80.82
20	Institutional	\$19.73	\$22.21	\$25.70	\$30.77	\$35.95	\$44.14	\$59.14
21								
22	Effective 7/1/2029							
23	Residential							
24	Tier 1 (0-11 ccf)	\$9.85	\$11.10	\$12.87	\$15.42	\$18.03	\$22.16	\$29.72
25	Tier 2 (12-40 ccf)	\$20.50	\$23.08	\$26.73	\$32.00	\$37.39	\$45.92	\$61.53
26	Tier 3 (41+ ccf)	\$29.78	\$33.52	\$38.80	\$46.45	\$54.26	\$66.63	\$89.27
27	Institutional	\$21.76	\$24.51	\$28.36	\$33.96	\$39.69	\$48.74	\$65.31
28								
29	Effective 7/1/2030							

Purissima Hills Water District
2026 Water Rate Study

Line	Combined Water Shortage Rates (\$/ ccf)	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
30	Residential							
31	Tier 1 (0-11 ccf)	\$10.84	\$12.23	\$14.18	\$17.00	\$19.88	\$24.45	\$32.80
32	Tier 2 (12-40 ccf)	\$22.61	\$25.47	\$29.50	\$35.32	\$41.28	\$50.70	\$67.95
33	Tier 3 (41+ ccf)	\$32.87	\$37.01	\$42.84	\$51.30	\$59.93	\$73.59	\$98.61
34	Institutional	\$24.00	\$27.04	\$31.30	\$37.49	\$43.82	\$53.82	\$72.13

Table 8-13: Proposed Five-Year Combined Consumption Charges and Water Shortage Rates (Uniform)

Line	Combined Water Shortage Rates (\$/ ccf)	Baseline (0%)	Stage 1 (10%)	Stage 2 (20%)	Stage 3 (30%)	Stage 4 (40%)	Stage 5 (50%)	Stage 6 (60%)
1	Effective 10/1/2026							
2	Residential	\$14.71	\$15.66	\$16.85	\$18.37	\$20.41	\$23.25	\$27.52
3	Institutional	\$16.23	\$17.28	\$18.59	\$20.27	\$22.52	\$25.66	\$30.37
4								
5	Effective 7/1/2027							
6	Residential	\$16.21	\$17.26	\$18.58	\$20.26	\$22.51	\$25.65	\$30.37
7	Institutional	\$17.89	\$19.06	\$20.50	\$22.36	\$24.85	\$28.32	\$33.52
8								
9	Effective 7/1/2028							
10	Residential	\$17.87	\$19.04	\$20.49	\$22.35	\$24.84	\$28.31	\$33.52
11	Institutional	\$19.73	\$21.03	\$22.62	\$24.67	\$27.43	\$31.26	\$37.01
12								
13	Effective 7/1/2029							
14	Residential	\$19.71	\$21.01	\$22.61	\$24.67	\$27.42	\$31.25	\$37.01
15	Institutional	\$21.76	\$23.20	\$24.96	\$27.22	\$30.27	\$34.51	\$40.86
16								
17	Effective 7/1/2030							
18	Residential	\$21.74	\$23.18	\$24.95	\$27.23	\$30.26	\$34.50	\$40.86
19	Institutional	\$24.00	\$25.60	\$27.54	\$30.04	\$33.41	\$38.09	\$45.11

Purissima Hills Water District
2026 Water Rate Study

Table 8-14: Proposed Water Capacity Fees (Effective 7/1/2026, to be Increased by CPI for Future Years)

Line	Meter Size	Meter Ratio	Proposed Fee	Current Fee ⁵²	Difference (\$)	Difference (%)
1	3/4"	1.00	\$15,039	N/A	N/A	N/A
2	1"	1.67	\$25,065	\$17,149	\$7,916	46.2%
3	1.5"	3.33	\$50,130	\$34,299	\$15,831	46.2%
4	2"	5.33	\$80,208	\$54,878	\$25,330	46.2%
5	3"	11.67	\$175,455	\$109,755	\$65,700	59.9%
6	4"	21.00	\$315,819	\$171,492	\$144,327	84.2%
7	6"	43.33	\$651,690	\$171,492	\$480,198	280.0%
8	8"	93.33	\$1,403,640	\$171,492	\$1,232,148	718.5%

⁵² Current fees represent the sum of storage and transmission fees which are charged together for all new connections to the system.

This page intentionally left blank