



Casitas Municipal Water District



Water Rate Study

DRAFT August 2025



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Casitas Municipal Water District

Water Rate Study

August 2025

Prepared by:



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August 14th, 2025

Michael Flood
General Manager
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RE: Casitas Municipal Water District Water Rate Study Update

Bartle Wells Associates is pleased to submit the attached Water Rate Study Update for Casitas Municipal Water District. This report updates the District's long-term financial plan and develops water rates designed to equitably recover the cost of providing service while maintaining the financial stability of the water enterprise.

The proposed rates build on the framework established in the District's 2023 rate study and reflect updated usage, cost, and capital funding assumptions. Notably, the current study assumes a long-term average annual water demand of 9,800 acre-feet—closer to recent historical usage than the previous 13,000 AF assumption—and incorporates the District's updated capital improvement plan, inflationary cost trends, and reserve targets. The updated rates are designed to fund operations, restore reserves, and support critical projects including the Ventura–Santa Barbara Counties Intertie and other infrastructure upgrades.

The study proposes five annual rate increases, beginning January 1, 2026, and continuing through January 1, 2030. The phased approach helps smooth rate impacts to customers while providing sufficient revenues to meet ongoing service demands and future obligations.

In addition to the five-year rate recommendations, the study includes a one-time update to the adjudication charge to reflect increased legal expenses associated with the Ventura River Watershed litigation. This update follows the same methodology used in the District's 2020 adjudication charge study, with revised costs and usage data, and ensures continued proportional cost recovery from all customer classes.

We appreciate the opportunity to assist the District with this important assignment and thank District staff for their ongoing collaboration and support. Please feel free to contact us if you have any questions about the report or would like further assistance.

Sincerely,

BARTLE WELLS ASSOCIATES

Michael DeGroot
Principal/Vice President

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1. Executive Summary

Purpose

Casitas Municipal Water District (“District”) retained Bartle Wells Associates (“BWA”) to update its financial plan and cost-of-service analysis for water rates to ensure the long-term financial stability of the water enterprise. This study builds on the District’s 2023 rate plan and extends the financial planning horizon through fiscal year 2029/30. It incorporates revised water demand projections, updated cost estimates, and capital funding needs. The analysis also includes a one-time update to the District’s adjudication charge to reflect increased legal costs related to the Ventura River Watershed litigation.

The District provides water treatment and distribution services to a broad region of western Ventura County, including the City of Ojai, Upper Ojai, the Ventura River Valley, areas of the City of Ventura to Mills Road, and the coastal communities of Solimar, La Conchita, and Rincon through to the Santa Barbara County line. While the District also operates the Lake Casitas Recreation Area, this rate study focuses solely on the water utility; recreation-related costs and revenues are excluded from this analysis.

Proposition 218

Proposition 218, the “Right to Vote on Taxes Act”, was approved by California voters in November 1996 and is codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 establishes requirements for imposing any new or increasing any existing property-related fees and charges.

The District must follow the procedural requirements of Proposition 218 for all water rate increases. These requirements include:

- 1. Noticing Requirement:** The District must mail a notice of the proposed rate increases to all affected property owners. The notice must specify the amount of the fee, the basis upon which it was calculated, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.
- 2. Public Hearing:** The District must hold a public hearing prior to adopting the proposed rate increases. The hearing must be held not less than 45 days after the required notices are mailed.
- 3. Rate Increases Subject to Majority Protest:** At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners submit written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established several substantive requirements that apply to water rates and charges, including:

1. **Cost of Service:** Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service.” Agencies may carry a prudent level of reserves and save cash for future projects or emergencies.
2. **Intended Purpose:** Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery:** The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service:** No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.
5. **General Government Services:** No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for water, wastewater, and refuse collection are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to procedural requirements of Proposition 218.

2. Current Water Rates

Table 1 shows a summary of the current Casitas Municipal Water District monthly water rates. The District's last water rate increase went into effect January 1, 2025. Residential and Ag Domestic are billed at a flat rate by meter size plus a volumetric rate per hundred cubic feet (hcf) based on a three tier structure. Commercial, Agriculture, Resale, and Other are also billed at a flat rate by meter size plus a uniform volumetric rate per hcf. The volumetric rate varies depending on whether the customer receives pumped water service or gravity-fed water service.

Table 1
Casitas Municipal Water District
Current Water Rates

Monthly Service Charge (1/1/2025)

Meter Size	Residential ¹	Commercial/Industrial	Agriculture	Ag Domestic ¹	Other ²	Resale
5/8"-3/4"	\$38.38	\$34.31			\$32.43	\$35.98
1"	\$67.44	\$60.28	\$64.10	\$57.45	\$57.01	\$63.23
1-1/2"	\$118.67	\$106.08	\$112.79	\$101.12	\$100.32	\$111.27
2"	\$306.27	\$273.75	\$291.09	\$260.94	\$258.89	\$287.15
3"	\$850.40	\$760.16	\$808.29	\$724.60	\$718.87	\$797.36
4"	\$1,889.69	\$1,689.14	\$1,796.09	\$1,610.12	\$1,597.38	\$1,771.81
6"*		\$2,871.47	\$3,053.29	\$2,737.13	\$2,715.53	\$3,011.99
Kingston*						\$21,493.30
Olive and Ramona*						\$29,304.60

*City of Ventura subject to minimum take of 2,400 acre feet by agreement and pays \$1.90 per hcf.

Volumetric Rates - per HCF* (1/1/2025)

Monthly Tiers (per HCF)	Residential ¹ Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic ¹ Pumped	Other ² Pumped	Resale Pumped
All Use		\$2.98	\$2.23		\$2.98	\$2.98
Tier 1 (0-10)	\$2.10			\$2.10		
Tier 2 (11-50)	\$2.91			\$2.91		
Tier 3 (51+)	\$4.20			\$2.23		
Monthly Tiers (per HCF)	Residential ¹ Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic ¹ Gravity	Other ² Gravity	Resale Gravity
All Use		\$2.16	\$1.40		\$2.16	\$2.16
Tier 1 (0-10)	\$1.25			\$1.25		
Tier 2 (11-50)	\$2.09			\$2.09		
Tier 3 (51+)	\$3.39			\$1.40		

*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

3. Water Financial Plan

BWA developed a 10-year financial plan for the District’s water enterprise designed to fund operating and capital needs and maintain adequate fund reserves. The financial plan serves as a roadmap for funding operating and capital programs and maintaining long-term financial health and determines the revenue requirement for the water rates.

Cash Fund Reserves

Table 2 shows the District’s current and projected cash reserves. As of July 1, 2024, the District’s unrestricted fund balance is approximately \$13.3 million. In recent years, reserves have been drawn down due to the financial impacts of prolonged drought conditions, fire, storm damage, pandemic, higher-than-expected inflation, and reduced water sales—particularly in FY 2022/23 and FY 2023/24. To maintain service and operational continuity, the District also deferred planned capital improvements and used reserves to cover funding gaps. This rate study incorporates a long-term strategy to rebuild reserves while meeting ongoing operational and capital obligations. The updated financial plan targets an unrestricted fund balance of \$18.2 million by the end of FY 2029/30 (Year 5 of the rate schedule) and \$22.2 million by FY 2034/35, which represents a prudent reserve level aligned with best practices for financial sustainability. These targets are intended to ensure the District is financially prepared to respond to future emergencies, maintain stable rate structures, and support capital reinvestment over time.

Table 2
Casitas Municipal Water District
Cash Reserves (July 1, 2024)

Restricted	
Capital Facilities	\$433,297
CFD 2013-1 Improvement Fund	133,776
Adjudication Fund	966,914
<u>OPEB</u>	<u>1,255,474</u>
Total Restricted	\$2,789,461
Un-Restricted (designated funds)	
Operating Reserve	\$4,634,281
Storm Damage	0
Variation in Water Sales	2,083,406
Capital Replacement	1,985,040
Conservation Penalty	3,610,069
<u>Alternate Water Supply</u>	<u>974,523</u>
Total Un-Restricted (designated funds)	\$13,287,318
Total Cash Reserves	\$16,076,779

Operating Expenses

Table 3 shows the District’s projected operating expenses. The District’s operating costs are projected to increase by 5% per year for most items based on projected cost inflation and a return to normal operations after difficult cost-cutting measures were implemented in response to a significant decline in revenue from reduced water use. BWA projects that the District will begin to incur operating costs for intertie wheeling in FY 2030/31. The intertie wheeling costs are estimated based on 1,500 Acre Feet (AF) of water annually at an estimated cost of \$1,968 per AF.

Table 3
Casitas Municipal Water District
Water Enterprise Operating Expenses

Category*	Amended Budget		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	FY 2034/35
	FY 2024/25	Escalation %										
District Maintenance	\$795,477	5.0%	\$835,000	\$877,000	\$921,000	\$967,000	\$1,015,000	\$1,066,000	\$1,119,000	\$1,175,000	\$1,234,000	\$1,296,000
Engineering	1,384,137	5.0%	1,453,000	1,526,000	1,602,000	1,682,000	1,766,000	1,854,000	1,947,000	2,044,000	2,146,000	2,253,000
Garage	239,750	5.0%	252,000	265,000	278,000	292,000	307,000	322,000	338,000	355,000	373,000	392,000
Information Technology	520,474	5.0%	546,000	573,000	602,000	632,000	664,000	697,000	732,000	769,000	807,000	847,000
Board of Directors	158,312	5.0%	166,000	174,000	183,000	192,000	202,000	212,000	223,000	234,000	246,000	258,000
Electrical & Mechanical	3,314,890	5.0%	3,481,000	3,655,000	3,838,000	4,030,000	4,232,000	4,444,000	4,666,000	4,899,000	5,144,000	5,401,000
Administration	1,351,427	5.0%	1,419,000	1,490,000	1,565,000	1,643,000	1,725,000	1,811,000	1,902,000	1,997,000	2,097,000	2,202,000
Fisheries	757,283	5.0%	795,000	835,000	877,000	921,000	967,000	1,015,000	1,066,000	1,119,000	1,175,000	1,234,000
Human Resources	649,520	5.0%	682,000	716,000	752,000	790,000	830,000	872,000	916,000	962,000	1,010,000	1,061,000
Management	1,181,335	5.0%	1,240,000	1,302,000	1,367,000	1,435,000	1,507,000	1,582,000	1,661,000	1,744,000	1,831,000	1,923,000
Safety	197,753	5.0%	208,000	218,000	229,000	240,000	252,000	265,000	278,000	292,000	307,000	322,000
Pipeline	2,074,665	5.0%	2,178,000	2,287,000	2,401,000	2,521,000	2,647,000	2,779,000	2,918,000	3,064,000	3,217,000	3,378,000
Retiree	363,708	5.0%	382,000	401,000	421,000	442,000	464,000	487,000	511,000	537,000	564,000	592,000
Water Quality	1,014,821	5.0%	1,066,000	1,119,000	1,175,000	1,234,000	1,296,000	1,361,000	1,429,000	1,500,000	1,575,000	1,654,000
Water Treatment	2,798,184	5.0%	2,938,000	3,085,000	3,239,000	3,401,000	3,571,000	3,750,000	3,938,000	4,135,000	4,342,000	4,559,000
Conservation	672,939	5.0%	707,000	742,000	779,000	818,000	859,000	902,000	947,000	994,000	1,044,000	1,096,000
Utilities Maintenance	1,048,683	5.0%	1,101,000	1,156,000	1,214,000	1,275,000	1,339,000	1,406,000	1,476,000	1,550,000	1,628,000	1,709,000
General O&M	770,627	5.0%	809,000	849,000	891,000	936,000	983,000	1,032,000	1,084,000	1,138,000	1,195,000	1,255,000
Intertie Wheeling Costs	0	5.0%	0	0	0	0	0	2,952,000	3,100,000	3,255,000	3,417,000	3,588,000
State Water Expense	1,277,767	0%	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000
Adjudication	572,857	0%	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000
Total Operating Budget:	\$21,144,606		\$22,259,000	\$23,271,000	\$24,335,000	\$25,452,000	\$26,627,000	\$30,810,000	\$32,252,000	\$33,764,000	\$35,353,000	\$37,021,000
<i>Overall Escalation</i>			5.3%	4.5%	4.6%	4.6%	4.6%	15.7%	4.7%	4.7%	4.7%	4.7%
<i>*Excludes recreation</i>												

Existing Debt Service

Table 4 summarizes the District’s current long-term debt obligations. The District’s only debt service obligation supported by water rate revenues is the Safety of the Dam loan, a Bureau of Reclamation loan with annual payments of approximately \$77,228 through February 2052. The original loan amount was \$3.01 million, and annual payments are funded by the District’s water enterprise.

Table 4
Casitas Municipal Water District
Water Enterprise Existing Debt

Debt Issuance	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	FY 2034/35
Casitas Dam Seismic Safety of Dam	\$77,228	\$77,228	\$77,228	\$77,228	\$77,228	\$77,228	\$77,228	\$77,228	\$77,228	\$77,228	\$77,228

Capital Improvement Program

Table 5 presents the capital improvement spending plan incorporated into the financial model. The plan includes approximately \$75.7 million in capital improvement expenditures over the next five years (FY 2025/26 – FY 2029/30) and a total of \$132.3 million through FY 2034/35. The District’s planned investments address a wide range of infrastructure needs across its water system. Key projects include pipeline and valve replacements, pump station upgrades, tank rehabilitation, SCADA improvements, and the District’s share of the Ventura–Santa Barbara Counties Intertie Project, a regional reliability project. In addition to large-scale capital improvements, the plan includes recurring reinvestment in core system assets to maintain service reliability and regulatory compliance.

Table 5
Casitas Municipal Water District
Water Enterprise Capital Improvement Program (5/13/2025)

Fiscal Year	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	Total 10 Year
Capital Improvements	5,261,069	16,291,483	23,400,143	16,712,556	14,013,066	10,220,055	10,972,439	16,276,069	6,866,132	12,300,376	132,313,386

Funding Sources

Capital improvements are expected to be funded through a mix of:

- Water rate revenue
- Grant and loan proceeds totaling \$28.75 million over 10 years
- Long-term debt totaling approximately \$70 million over 10 years, modeled using a 30-year term, 5.00% interest rate, and 1.66% issuance cost

The District has secured favorable financing for major projects, including the Ventura–Santa Barbara Counties Intertie, which is supported by a combination of grants, partial loan forgiveness, and a zero-interest loan. The Intertie alone accounts for approximately \$18.75 million in external funding, while the OWS Integration with Casitas Legacy System is projected to receive \$10 million in state support.

The timing of capital project implementation and financing has been structured to allow essential infrastructure investments to proceed while maintaining adequate reserves and meeting key financial metrics, including debt service coverage. A full list of planned projects and funding sources by year is included in Appendix A.

Non Rate Revenue

Table 6 shows the District’s non-rate revenue. Major sources of revenue include property taxes and operating revenues, which include state water project (SWP) water sales.

Table 6
Casitas Municipal Water District
Water Enterprise Non Rate Revenue

Category	FY 2024/25	Escalation	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	FY 2034/35
Non Rate Revenue												
Operating Revenue	\$181,263	Flat	\$181,263	\$181,263	\$181,263	\$181,263	\$181,263	\$181,263	\$181,263	\$181,263	\$181,263	\$181,263
SWP - Sale of Water*	1,000,000	Varies	1,125,000	350,000	350,000	350,000	350,000	0	0	0	0	0
Fire Charges	31,999	5%	34,000	36,000	38,000	40,000	42,000	44,000	46,000	48,000	50,000	53,000
Interest Earnings	142,960	1.3% of Funds	197,000	195,000	200,000	212,000	229,000	236,000	222,000	213,000	237,000	251,000
Capital Facility Charge	108,885	Flat	108,885	108,885	108,885	108,885	108,885	108,885	108,885	108,885	108,885	108,885
SWP Property Tax	1,277,767	Flat	1,277,767	1,277,767	1,277,767	1,277,767	1,277,767	1,277,767	1,277,767	1,277,767	1,277,767	1,277,767
Property Tax (1% & other)	2,970,549	2.5% Growth	3,044,813	3,120,933	3,198,956	3,278,930	3,360,904	3,444,926	3,531,049	3,619,326	3,709,809	3,802,554
RDA - Pass Through	342,373	Flat	342,373	342,373	342,373	342,373	342,373	342,373	342,373	342,373	342,373	342,373
Adjudication Fee	572,857	Varies	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000
Grants / Loan Revenue	900,000	Varies	2,500,000	8,000,000	15,000,000	3,250,000	0	0	0	0	0	0
Total Other Revenue	\$7,528,653		\$9,534,101	\$14,335,221	\$21,420,244	\$9,764,218	\$6,615,192	\$6,358,214	\$6,432,337	\$6,513,614	\$6,630,097	\$6,739,842

*Estimated to end in FY 2029/30

Water Rate Revenue

Table 7 shows the projected full year of rate revenue based on each rate increase. Water rate revenue is the primary funding source for the District’s water enterprise operations and a significant contributor to capital improvements and reserve targets. The financial plan incorporates a series of five annual 11% rate increases, beginning January 1, 2026, and continuing each January 1 through 2030. Because the District budgets on a fiscal year basis (July 1 – June 30), Table 7 prorates the annual rate increases to estimate fiscal year rate revenue for each year of the financial plan. This approach ensures that revenue projections align with the timing of budgeted expenses, reserves, and capital investments.

Table 7
Casitas Municipal Water District
Projected Water Rate Revenue (9,800 Acre Feet)

	5- Year Projection						Extended Projection				
	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034	1/1/2035
% Rate Revenue Increase		11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	7.00%	7.00%	7.00%
Calendar Year Rate Revenue	\$17,219,950	\$19,114,144	\$21,216,700	\$23,550,537	\$26,141,097	\$29,016,617	\$32,208,445	\$35,751,374	\$38,253,970	\$40,931,748	\$43,796,970
<u>Fiscal Year Rate Revenue (Prorated)*</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>	<u>2030/31</u>	<u>2031/32</u>	<u>2032/33</u>	<u>2033/34</u>	<u>2034/35</u>
Rate Revenue	\$16,441,105	\$17,996,570	\$19,976,192	\$22,173,574	\$24,612,667	\$27,320,060	\$30,325,267	\$33,661,046	\$36,777,438	\$39,351,859	\$42,106,489
% Rate Revenue Increase		9.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	9.3%	7.0%	7.0%

*Assumes 59% of first CY revenue & 41% of second CY revenue to factor in more usage July - December

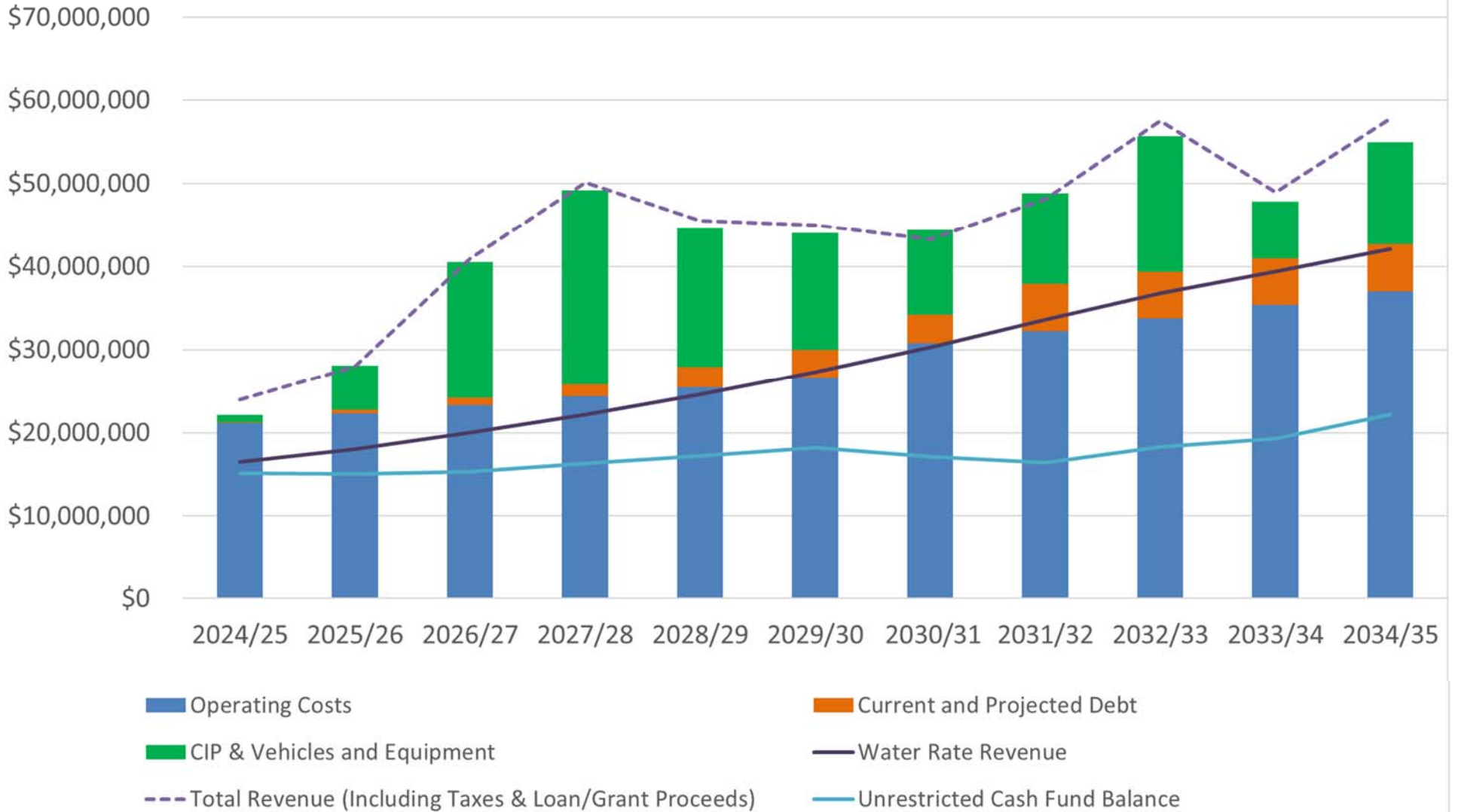
Water Cash Flow Projection

Table 8 shows the water cash flow projection based on the calendar year phase in and water usage of 9,800 acre feet throughout the projection period. Projections are designed to build up District unrestricted reserves to \$18.2 MM by FY 2029/30 and to maintain an adequate debt service coverage ratio (net revenues divided by annual debt service) of at least 1.4 times debt service. The minimum required debt service coverage for a typical revenue bond is at least 1.25 times annual debt service. Chart A shows the 10-year financial plan graphically.

Table 8
Casitas Municipal Water District
Water Enterprise Financial Projections

	Current	5- Year Projection					Extended Projection				
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Beginning Unrestricted Fund Balance	\$13,287,318	\$15,135,589	\$14,998,551	\$15,354,755	\$16,277,003	\$17,230,911	\$18,191,779	\$17,085,853	\$16,362,397	\$18,246,332	\$19,316,689
% CY Rate Revenue Increase (Beg 1/1/2026)		11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	7.00%	7.00%	7.00%
Growth - %		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>Assumes 9,800 AF of water usage throughout.</i>											
REVENUES											
Operating Revenue											
Est. Fiscal Year Water Rate Revenue	\$16,441,105	\$17,996,570	\$19,976,192	\$22,173,574	\$24,612,667	\$27,320,060	\$30,325,267	\$33,661,046	\$36,777,438	\$39,351,859	\$42,106,489
Other Revenue											
Operating Revenue	\$1,181,000	\$1,306,000	\$531,000	\$531,000	\$531,000	\$531,000	\$181,000	\$181,000	\$181,000	\$181,000	\$181,000
Fire Charges	32,000	34,000	36,000	38,000	40,000	42,000	44,000	46,000	48,000	50,000	53,000
Interest Earnings	143,000	197,000	195,000	200,000	212,000	229,000	236,000	222,000	213,000	237,000	251,000
Capital Facility Charge	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000
SWP Property Tax	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000
Property Tax (1% & other)	3,313,000	3,387,000	3,463,000	3,541,000	3,621,000	3,703,000	3,787,000	3,873,000	3,962,000	4,052,000	4,145,000
Allocation Penalty	0	0	0	0	0	0	0	0	0	0	0
Stand-By Fee	0	0	0	0	0	0	0	0	0	0	0
Adjudication Fee	573,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000
Grants / Loan Revenue	900,000	682,570	4,365,141	7,730,281	2,341,285	0	0	0	0	0	0
CFD Funds Transfer In	0	0	0	0	0	0	0	0	0	0	0
Intertie Loan	0	1,817,430	3,634,859	7,269,719	908,715	0	0	0	0	0	0
Bonding	0	375,000	6,575,000	6,520,000	11,150,000	11,025,000	6,600,000	8,025,000	14,250,000	2,925,000	8,950,000
Subtotal Non-Rate Revenues	\$7,529,000	\$9,909,000	\$20,910,000	\$27,940,000	\$20,914,000	\$17,640,000	\$12,958,000	\$14,457,000	\$20,764,000	\$9,555,000	\$15,690,000
Total Revenues	\$23,970,105	\$27,905,570	\$40,886,192	\$50,113,574	\$45,526,667	\$44,960,060	\$43,283,267	\$48,118,046	\$57,541,438	\$48,906,859	\$57,796,489
EXPENSES											
Operating Expenses											
District Maintenance	\$795,477	\$835,000	\$877,000	\$921,000	\$967,000	\$1,015,000	\$1,066,000	\$1,119,000	\$1,175,000	\$1,234,000	\$1,296,000
Engineering	1,384,137	1,453,000	1,526,000	1,602,000	1,682,000	1,766,000	1,854,000	1,947,000	2,044,000	2,146,000	2,253,000
Garage	239,750	252,000	265,000	278,000	292,000	307,000	322,000	338,000	355,000	373,000	392,000
Information Technology	520,474	546,000	573,000	602,000	632,000	664,000	697,000	732,000	769,000	807,000	847,000
Board of Directors	158,312	166,000	174,000	183,000	192,000	202,000	212,000	223,000	234,000	246,000	258,000
Electrical & Mechanical	3,314,890	3,481,000	3,655,000	3,838,000	4,030,000	4,232,000	4,444,000	4,666,000	4,899,000	5,144,000	5,401,000
Administration	1,351,427	1,419,000	1,490,000	1,565,000	1,643,000	1,725,000	1,811,000	1,902,000	1,997,000	2,097,000	2,202,000
Fisheries	757,283	795,000	835,000	877,000	921,000	967,000	1,015,000	1,066,000	1,119,000	1,175,000	1,234,000
Human Resources	649,520	682,000	716,000	752,000	790,000	830,000	872,000	916,000	962,000	1,010,000	1,061,000
Management	1,181,335	1,240,000	1,302,000	1,367,000	1,435,000	1,507,000	1,582,000	1,661,000	1,744,000	1,831,000	1,923,000
Safety	197,753	208,000	218,000	229,000	240,000	252,000	265,000	278,000	292,000	307,000	322,000
Pipeline	2,074,665	2,178,000	2,287,000	2,401,000	2,521,000	2,647,000	2,779,000	2,918,000	3,064,000	3,217,000	3,378,000
Retiree	363,708	382,000	401,000	421,000	442,000	464,000	487,000	511,000	537,000	564,000	592,000
Water Quality	1,014,821	1,066,000	1,119,000	1,175,000	1,234,000	1,296,000	1,361,000	1,429,000	1,500,000	1,575,000	1,654,000
Water Treatment	2,798,184	2,938,000	3,085,000	3,239,000	3,401,000	3,571,000	3,750,000	3,938,000	4,135,000	4,342,000	4,559,000
Conservation	672,939	707,000	742,000	779,000	818,000	859,000	902,000	947,000	994,000	1,044,000	1,096,000
Utilities Maintenance	1,048,683	1,101,000	1,156,000	1,214,000	1,275,000	1,339,000	1,406,000	1,476,000	1,550,000	1,628,000	1,709,000
General O&M	770,627	809,000	849,000	891,000	936,000	983,000	1,032,000	1,084,000	1,138,000	1,195,000	1,255,000
Intertie Wheeling Costs	0	0	0	0	0	0	2,952,000	3,100,000	3,255,000	3,417,000	3,588,000
State Water Expense	1,277,767	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000	1,278,000
Adjudication	572,857	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000	723,000
Total Operating Expenses	\$21,144,606	\$22,259,000	\$23,271,000	\$24,335,000	\$25,452,000	\$26,627,000	\$30,810,000	\$32,252,000	\$33,764,000	\$35,353,000	\$37,021,000
Net Revenues	\$2,825,499	\$5,646,570	\$17,615,192	\$25,778,574	\$20,074,667	\$18,333,060	\$12,473,267	\$15,866,046	\$23,777,438	\$13,553,859	\$20,775,489
Non Operating Expenses											
CIP	\$900,000	\$5,261,000	\$16,291,000	\$23,400,000	\$16,713,000	\$14,013,000	\$10,220,000	\$10,972,000	\$16,276,000	\$6,866,000	\$12,300,000
Existing Debt	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228	77,228
Santa Barbara Loan	0	0	0	488,338	488,338	488,338	488,338	488,338	488,338	488,338	488,338
Proposed Bonds (5% 30 Yr, 1.66% Fees)	0	445,380	890,760	890,760	1,842,193	2,793,626	2,793,626	5,051,937	5,051,937	5,051,937	5,051,937
Total Non Operating Expenses	\$977,228	\$5,783,608	\$17,258,988	\$24,856,326	\$19,120,759	\$17,372,192	\$13,579,192	\$16,589,503	\$21,893,503	\$12,483,503	\$17,917,503
Net Income	\$1,848,271	(\$137,038)	\$356,205	\$922,248	\$953,908	\$960,868	(\$1,105,925)	(\$723,457)	\$1,883,936	\$1,070,356	\$2,857,987
Ending Fund Balance	\$15,135,589	\$14,998,551	\$15,354,755	\$16,277,003	\$17,230,911	\$18,191,779	\$17,085,853	\$16,362,397	\$18,246,332	\$19,316,689	\$22,174,675
Days O&M (Minimum >90 Days)	258	243	238	241	244	246	200	183	195	197	216
Debt Service Coverage (Min 1.25x)	-	5.30	3.14	2.92	2.36	2.18	1.75	1.40	1.70	1.89	2.11

Chart A: Casitas MWD: 10-Year Financial Plan



4. Cost Allocation

Water Enterprise Functional Cost Allocation

The functional cost allocation was calculated based on the fiscal year cash flow data from Table 8 and includes an adjustment for implementation on the calendar year to achieve the fiscal year rate revenue target. Table 9 and Table 10 show the water enterprise functional cost allocation. BWA allocated the various categories of projected water enterprise costs in the final year of the rate study projection (FY 2029/30) to cost recovery components including:

- Customer Service: Costs related to billing customers and handling account specific issues.
- Readiness-to-Serve: Costs related to maintaining system readiness to deliver water.
- Pumping: Additional costs related to delivering pumped water versus gravity fed water.
- Source of Supply: Costs associated with water production and acquiring new sources of water supply.
- Treatment: Costs associated with water treatment.
- Conservation: Costs associated with the District's conservation program.
- Affordability: Tier 1 water usage subsidy.
- Separate Funding: The cost of the State Water Project (SWP) receives separate funding from property taxes and is not funded from water rates.

Non rate revenue sources are allocated to the various components to offset rate revenue requirements. Property taxes are allocated to offset the costs of water treatment for agricultural customers, reduce the cost of water supply for all customers, and reduce the cost of tier 1 water usage. Both capital facility charges and fire charges are allocated to offset the meter charge because capital facilities charges help offset the cost of projects associated with maintaining readiness-to-serve, while fire charges recover a portion of administrative costs associated with maintaining readiness-to-serve. The remaining non-rate revenue and use of reserves is allocated to each category based on a weighting of the category to the total expenditures.

Table 9
Casitas Municipal Water District
Water Enterprise Functional Cost Allocation (Percentage Allocation)

Budget Line Items	FY 2029/30 Budget	Percent Allocation to Revenue Recovery Components							Separate Funding
		<u>Per Account Charge</u>	<u>Meter Charge</u>	<u>Water Usage Charge</u>					
		Customer Service	Readiness-to-Serve	Pumping	Source of Supply	Treatment	Conservation	Affordability	
DEPARTMENT OPERATING COSTS									
District Maintenance	\$1,015,000		80%		20%				
State Water Expense	\$1,278,000								100%
Engineering	\$1,766,000		80%		10%	10%			
Garage	\$307,000				50%	50%			
Information Technology	\$664,000				75%	25%			
Board of Directors	\$202,000				100%				
Electrical & Mechanical	\$4,232,000		10%	70%	10%	10%			
Administration	\$1,725,000	30%	70%						
Fisheries	\$967,000				100%				
Human Resources	\$830,000		100%						
Management	\$1,507,000				100%				
Safety	\$252,000				100%				
Pipeline	\$2,647,000		60%	15%	15%	10%			
Retiree	\$464,000		100%						
Water Quality	\$1,296,000				75%	25%			
Water Treatment	\$3,571,000					100%			
Conservation	\$859,000						100%		
Utilities Maintenance	\$1,339,000	50%	50%						
General O&M	\$983,000		70%	10%	10%	10%			
Intertie Water Wheeling	\$0				100%				
NON-OPERATING COSTS									
Debt Service	\$3,359,192		70%		30%				
Cash-Funded Capital Spending	\$2,988,000		70%	10%	20%				
SOURCES									
SWP Property Tax	(\$1,278,000)								100%
Property Tax (1% & other)	(\$3,703,000)				29%	49%		22%	
Capital Facility Charge	(\$109,000)		100%						
Fire Charges	(\$42,000)		100%						
Non-Rate Revenue	(\$760,000)	4%	42%	12%	25%	17%			
Use of Reserves	\$960,868	4%	42%	12%	25%	17%			
CY Adjustment	\$1,696,557	4%	42%	12%	25%	17%			
Totals:	\$29,016,617								

Table 10
Casitas Municipal Water District
Water Enterprise Functional Cost Allocation (Revenue Recovery Components)

Budget Line Items	FY 2029/30 Budget	Cost Allocation to Revenue Recovery Components							Separate Funding	
		<u>Per Account Charge</u>	<u>Meter Charge</u>	<u>Water Usage (Volumetric Rate)</u>						
		Customer Service	Readiness-to-Serve	Pumping	Source of Supply	Treatment	Conservation	Affordability		
DEPARTMENT OPERATING COSTS										
District Maintenance	\$1,015,000		\$812,000		\$203,000					
State Water Expense	\$1,278,000									\$1,278,000
Engineering	\$1,766,000		\$1,412,800		\$176,600	\$176,600				
Garage	\$307,000				\$153,500	\$153,500				
Information Technology	\$664,000				\$498,000	\$166,000				
Board of Directors	\$202,000				\$202,000					
Electrical & Mechanical	\$4,232,000		\$423,200		\$2,962,400	\$423,200	\$423,200			
Administration	\$1,725,000	\$517,500	\$1,207,500							
Fisheries	\$967,000				\$967,000					
Human Resources	\$830,000		\$830,000							
Management	\$1,507,000					\$1,507,000				
Safety	\$252,000					\$252,000				
Pipeline	\$2,647,000		\$1,588,200		\$397,050	\$397,050	\$264,700			
Retiree	\$464,000		\$464,000							
Water Quality	\$1,296,000					\$972,000	\$324,000			
Water Treatment	\$3,571,000						\$3,571,000			
Conservation	\$859,000							\$859,000		
Utilities Maintenance	\$1,339,000	\$669,500	\$669,500							
General O&M	\$983,000		\$688,100		\$98,300	\$98,300	\$98,300			
Intertie Water Wheeling	\$0					\$0				
NON-OPERATING COSTS										
Debt Service	\$3,359,192		\$2,351,434			\$1,007,758				
Cash-Funded Capital Spending	\$2,988,000		\$2,091,600		\$298,800	\$597,600				
SOURCES										
SWP Property Tax	(\$1,278,000)									(\$1,278,000)
Property Tax (1% & other)	(\$3,703,000)					(\$1,088,520)	(\$1,799,820)		(\$814,660)	
Capital Facility Charge	(\$109,000)		(\$109,000)							
Fire Charges	(\$42,000)		(\$42,000)							
Non-Rate Revenue	(\$760,000)	(\$29,957)	(\$316,433)		(\$94,805)	(\$188,144)	(\$130,661)			
Use of Reserves	\$960,868	\$37,874	\$400,067		\$119,862	\$237,870	\$165,195			
CY Adjustment	\$1,696,557	\$66,873	\$706,378		\$211,634	\$419,996	\$291,676			
Totals:	\$29,016,617	\$1,261,790	\$13,177,346		\$3,993,241	\$6,836,210	\$3,703,690	\$859,000	(\$814,660)	\$0

Volumetric Rate Calculation

Table 11 shows a calculation of the rate components which compose the proposed volumetric rates, while Table 12 shows an allocation of the rate components to each usage rate category. The total volumetric revenue requirement amounts to \$14,577,481 in FY 2029/30.

The projected District water usage during the rate study period is 9,800 AF annually. The projection includes 2,000 AF annually for Ventura deliveries, consistent with historical memorandums and agreements, and an across-the-board 31.39% rebound for all other classes from FY 2023/24 actual usage. The recent decline in water usage to 6,991 AF in FY 2023/24 was primarily due to wet year conditions, which reduced demand from major users such as agricultural customers and the City of Ventura, both of which typically rely on Casitas as a backup supply. The rebound to 9,800 AF is considered a reasonable and conservative planning assumption, especially considering the 10,000 AF average usage observed from FY 2018/19 through FY 2023/24. During that period, annual usage exceeded 11,000 AF and reached a peak of over 13,000 AF in FY 2020/21, before declining during recent wet years. This usage forecast reflects the District's unique operational role in the region as a reliable backup source during dry periods and a supplementary provider in normal years. The projected rebound supports financial planning and rate setting while avoiding dependence on overly optimistic demand assumptions.

Costs from the functional cost allocation (Table 10) that are factored into the volumetric rate include: pumping, source of supply, treatment, conservation, and affordability.

- Pumping: These costs are allocated to pumped water.
- Source of Supply: Water supply costs are divided by all units of water.
- Treatment: Water treatment costs are divided by all units of water except for agricultural use, whose treatment cost is subsidized by a portion of property taxes.
- Conservation: Conservation costs are allocated based on the percentage of total water usage between tiered customers and uniform customers. Conservation costs are recovered by Tier 3 for tiered customers and all units of water for uniform customers.
- Tier 1 Subsidy (Affordability): Tier 1 water usage cost is subsidized by a portion of property taxes.

Conservation Program Cost Allocation Justification

The District's conservation program supports compliance with California's long-term water use efficiency requirements under SB 606, AB 1668, and SB 1157, which mandate a residential indoor use standard of 47 gallons per capita per day (GPCD) by 2025, declining to 42 GPCD in 2030. Program elements include customer outreach, water use surveys, leak detection, efficiency rebates, and irrigation improvements.

These costs are treated as a distinct functional category and are allocated to customer groups that drive the need for conservation or have substantial discretionary water use that the program is designed to reduce. Accordingly, conservation costs are assigned to:

- Tier 3 (usage above 50 CCF), which generally reflects non-essential, outdoor, or inefficient demand.
- Uniform-Rate Customer Classes (e.g., commercial, irrigation, institutional), which often have high-volume and landscape-related demands.

Costs are distributed proportionally based on total usage within these classes, reflecting both their contribution to system-wide demand and their role in conservation outcomes. While Tier 1 and Tier 2 customers participate through indoor efficiency rebates and education, the need for the conservation program is driven by high-volume, non-essential usage in Tier 3. Savings from lower-tier customers help offset required reductions in Tier 3, but these volumes are not the primary contributors to the demand management challenge. Allocating program costs to Tier 3 ensures that recovery reflects both cost causation and the proportional opportunity for demand reduction, consistent with cost-of-service principles.

Table 11
Casitas Municipal Water District
Volumetric Rate Components

Projected Water Usage (hcf) - Estimated Based on 9,800 Acre Feet

Usage By Category		Usage Subtotals For Rate Calculations	
Gravity Tier 1	10,868	Uniform Sales	3,000,116
Gravity Tier 2	5,791	Tiered Water Sales	
Gravity Tier 3	579	Tier 1 Sales	662,847
Pumped Tier 1	651,979	Tier 2 Sales	460,460
Pumped Tier 2	454,669	Tier 3 Sales	145,457
Pumped Tier 3	144,877	Total Tiered Water Sales	1,268,764
Gravity Uniform	922,808	Non-Ag Water Sales	2,784,860
Pumped Uniform	593,288	Pumped Water	3,224,004
Gravity Ag	104,829		
Pumped Ag	1,379,191		
Total Usage	4,268,880		

Category	Pumping	Source of Supply	Treatment	Conservation*		Tier 1 Subsidy
				Tiered Rates	Uniform Rates	
Units of Service	3,224,004 HCF Pumped Water	4,268,880 HCF All Water	2,784,860 HCF Non-Ag Water	145,457 HCF Tier 3 Water	3,000,116 HCF Uniform Water	662,847 HCF Tier 1 Water
Revenue Requirement	\$3,993,241	\$6,836,210	\$3,703,690	\$255,305	\$603,695	-\$814,660
Unit Costs	\$1.24 per HCF	\$1.60 per HCF	\$1.33 per HCF	\$1.76 per HCF	\$0.20 per HCF	-\$1.23 per HCF

*Conservation costs allocated based on the percentage of total water usage between tiered customers and uniform customers.

Table 12
Casitas Municipal Water District
Volumetric Rates Calculation

<i>Proposed Water Use Rate (\$/HCF)</i>				
	Rate (\$/HCF)	Usage HCF (Rounded)	Annual Revenue	Note
Pumped Tier 1	\$2.94	651,979	\$1,917,412	Pumping + Supply + Treatment - Tier 1 Subsidy
Pumped Tier 2	\$4.17	454,669	\$1,895,940	Pumping + Supply + Treatment
Pumped Tier 3	\$5.93	144,877	\$858,419	Pumping + Supply + Treatment + Conservation (Tier)
Gravity Tier 1	\$1.70	10,868	\$18,501	Supply + Treatment - Tier 1 Subsidy
Gravity Tier 2	\$2.93	5,791	\$16,977	Supply + Treatment
Gravity Tier 3	\$4.69	579	\$2,715	Supply + Treatment + Conservation (Tier)
Pumped Uniform	\$4.37	593,288	\$2,593,359	Pumping + Supply + Treatment + Conservation (Uniform)
Gravity Uniform	\$3.13	922,808	\$2,890,759	Supply + Treatment + Conservation (Uniform)
Pumped Ag	\$3.04	1,379,191	\$4,194,432	Pumping + Supply + Conservation (Uniform)
Gravity Ag	\$1.80	104,829	\$188,967	Supply + Conservation (Uniform)
Totals		4,268,880	\$14,577,481	

Current and Proposed Meter Ratios

Table 13 presents the District’s current meter equivalent ratios alongside a proposed update based on July 2024 meter counts and a three-year average of customer water usage from FY 2021/22 to FY 2023/24. The District’s current meter equivalents are based on FY 2021/22 usage, which was utilized as a typical representative year in the prior rate study. The updated recommendation incorporates a rolling three-year average to capture the most recent usage trends while smoothing out short-term fluctuations due to weather or operational changes.

The 2023 Rate Study marked a shift away from the District’s earlier methodology, which relied on maximum safe operating capacities (in gallons per minute) to determine meter ratios. While these ratios aligned reasonably well with actual usage for smaller meters (1.5” and below), they significantly underestimated proportional usage for larger meters. For instance, a 2” meter has approximately 5.3 times the hydraulic capacity of a ¾” meter, but on average, it is used to deliver 13 to 15 times more water than a ¾” meter customer. To address this disparity, the adopted and proposed meter ratios are based on actual usage data rather than theoretical capacity (refer to Section 5). This change better reflects the disproportionate demand that larger meters place on the water system. The revised ratios ensure that fixed charges more accurately represent each customer’s share of the District’s readiness-to-serve costs and infrastructure capacity needs.

Table 13
Casitas Municipal Water District
Meter Ratio Calculation

<u>Meter Size</u>	<u>Current Meter Equivalents</u>	<u>Avg. Consumption</u>		<u>Average HCF Per</u>		<u>Proposed Meter Ratios</u>
		<u>(AF/YR)*</u>	<u>Count**</u>	<u>Day by Meter Size</u>	<u>Ratio (HCF/Day)</u>	
3/4***	1.00	472	1,375	0.41	1.00	1.00
1	2.10	792	1,114	0.85	2.07	2.07
1.5	3.41	92	74	1.48	3.61	3.61
2	15.11	1,678	363	5.52	13.46	13.46
3	53.99	1,352	74	21.80	53.19	53.19
4	148.61	1,897	49	46.21	112.74	112.74
6	208.24	487	8	72.67	177.32	177.32
12 Inch & Above	2,487.46	1,528	2	911.74	2,224.62	2224.62

*3 Year Average (FY 2021/22 to FY 2023/24)

**Count based on July 2024

***The District's readiness-to-serve charges are based on a minimum capacity of a 3/4" meter for all service connections. This follows American Water Works Association (AWWA) practice of using 3/4" capacity as the baseline for meters 3/4" and smaller and reflects the California Plumbing Code which requires a minimum 3/4" nominal service pipe for any building supply

Fixed Rate Calculation

Table 14 shows a calculation of the rate components which compose the fixed rates, while Table 15 shows an allocation of the rate components to each meter size category based on projected meters. The total customer service charge revenue requirement in FY 2029/30 amounts to \$1,261,790, while the meter charge revenue requirement amounts to \$13,177,346. The District has a total of 6,080 accounts and 27,183 ¾" meter equivalents based on the proposed meter ratios. Costs from the functional cost allocation (Table 10) that are factored into the fixed rate include: customer service and readiness-to-serve (meter).

- Customer Service: These costs are allocated as a fixed charge per account.
- Readiness-to-Serve (Meter): These costs are allocated as a fixed cost based on meter size. Larger meters use more water on average, and therefore pay proportionally more of the costs associated with maintaining readiness to provide water.

Table 14
Casitas Municipal Water District
Fixed Rate Components

Category	Customer Service	Meter
Units of Service	6,080 Accounts	27,183 Equivalent 3/4" Meters
Revenue Requirement	\$1,261,790	\$13,177,346
Unit Costs	\$17.29 per account per month	\$40.40 per 3/4" equivalent meter per month

Table 15
Casitas Municipal Water District
Meter Rates Calculation

Number of Customers By Meter Size	5/8" - 3/4"	1"	1 1/2"	2"	3"	4"	6"	12"	18"	Total
Residential	3,973	932	31	88	2	2	-	-	-	5,028
Residential Multi	151	70	22	23	1	5	-	-	-	272
Commercial	233	73	11	53	9	4	2	-	-	385
Industrial	2	4	1	2	2	4	-	-	-	15
Ag	-	4	-	35	19	5	1	-	-	64
Ag Domestic	-	14	2	120	31	15	-	-	-	182
Multi Ag Domestic	-	-	-	3	1	1	-	-	-	5
Other	31	15	6	30	2	3	-	-	-	87
Interdepartmental	6	1	-	3	6	3	-	-	-	19
Resale	-	1	1	6	1	7	5	1	1	23
Total Accounts	4,396	1,114	74	363	74	49	8	1	1	6,080
Proposed Meter Factors	1.00	2.07	3.61	13.46	53.19	112.74	177.32	2,224.62	2,224.62	
3/4" Equivalent Meters	4,396	2,306	267	4,886	3,936	5,524	1,419	2,225	2,225	27,183
Monthly Service Charge										
Meter Charge	\$40.40	\$83.62	\$145.83	\$543.74	\$2,148.70	\$4,554.32	\$7,163.14	\$89,867.29	\$89,867.29	
Customer Service Charge	\$17.29	\$17.29	\$17.29	\$17.29	\$17.29	\$17.29	\$17.29	\$17.29	\$17.29	
Total	\$57.69	\$100.92	\$163.13	\$561.03	\$2,165.99	\$4,571.62	\$7,180.44	\$89,884.58	\$89,884.58	
Customer Service Charge Revenue	\$912,307	\$231,190	\$15,357	\$75,334	\$15,357	\$10,169	\$1,660	\$208	\$208	\$1,261,790
Meter Charge Revenue	\$2,131,006	\$1,117,848	\$129,499	\$2,368,529	\$1,908,046	\$2,677,942	\$687,662	\$1,078,407	\$1,078,407	\$13,177,346

Proposed Water Rates

Table 16 shows the proposed rates in the final year of the rate study. The final proposed rates transition to a fixed rate structure that is consistent for meter sizes across all customer classes and maintain the current structure for the volumetric rates. The proposed cost of service changes by rate class are shown in Appendix B. The rate structure change is designed to increase the percentage of fixed versus volumetric revenue from 40% fixed to 50% fixed based on the usage assumptions. This change aligns rates with the largely fixed nature of District’s costs and helps maintain revenue stability during periods of drought.

Table 16
Casitas Municipal Water District
Proposed Water Rates - Year 5

Proposed Monthly Service Charge (1/1/2030)

Meter Size	All Customers
5/8"-3/4"	\$57.69
1"	\$100.92
1-1/2"	\$163.13
2"	\$561.03
3"	\$2,165.99
4"	\$4,571.62
6"	\$7,180.44
12"	\$89,884.58
18"	\$89,884.58

Proposed Volumetric Rates - per HCF* (1/1/2030)

Monthly Tiers (per HCF)	Residential ¹ Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic ¹ Pumped	Other ² Pumped	Resale Pumped
All Use		\$4.37	\$3.04		\$4.37	\$4.37
Tier 1 (0-10)	\$2.94			\$2.94		
Tier 2 (11-50)	\$4.17			\$4.17		
Tier 3 (51+)	\$5.93			\$3.04		

Monthly Tiers (per HCF)	Residential ¹ Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic ¹ Gravity	Other ² Gravity	Resale Gravity
All Use		\$3.13	\$1.80		\$3.13	\$3.13
Tier 1 (0-10)	\$1.70			\$1.70		
Tier 2 (11-50)	\$2.93			\$2.93		
Tier 3 (51+)	\$4.69			\$1.80		

*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

5. Basis for Rate Methodology

Yolo Ratepayers for Affordable Public Utility Services [YRAPUS] v. City of Davis, California, 2014

Consumption based fixed charges have legal precedent in California. The City of Davis proposed a rate structure which assessed fixed costs based on actual metered use of the system. A local organization representing taxpayers filed a lawsuit claiming that the City of Davis rates go against Proposition 218, which requires charges to be proportional. However, the Yolo County Superior Court heard the case and rejected the critique. They found that the method of assessing charges based on actual metered usage, rather than the capacity of the meter size, is constitutional, fair, and in compliance with Proposition 218.

Examples of Agencies that Base Fixed Charges on Metered Usage

In 2023, Marin Municipal Water District adopted base charges that reflect usage rather than capacity in their most recent rate study. Within this study, the meter equivalent unit ratios for the single-family and duplex classes were calculated based on a three-year average of the maximum bi-monthly billing period usage for each meter size relative to the maximum bi-monthly billing period usage of a 5/8" meter. The decision to base single-family and duplex meter equivalent unit ratios on actual water usage was to align their respective meter equivalent unit ratios more closely with their proportion of system capacity.

The Metropolitan Water District of Southern California (MWD) supplies water to numerous agencies within the region of Southern California. In their most recent water rate study, MWD implemented a consumption-based fixed rate for its readiness-to-serve charge – a fixed charge meant to recover the cost of the portion of system that is available to provide emergency service and available capacity during outages and hydrologic variability. This rate is allocated to member agencies based on each agency's share of a ten-year rolling average of all firm demands. MWD found that this rate design provides a better matching of costs and benefits through recovering and allocating the costs in a more efficient manner.

6. Proposed Water Rate Phase-In Schedule

Rate Phase-In Methodology

Table 17 shows the proposed five step phase-in schedule of the water rates based on the first increase on January 1st, 2026. The final proposed water rates shown in Table 16 are recommended to be phased in five steps to mitigate impacts to customers.

BWA calculated the phase in based on 11% rate revenue increases in each step. BWA escalated each rate based on the compound annual growth rate required to escalate each rate to the final rate over five periods. BWA then calculated the overall percentage shortfall between the revenue generated from the rates in each period and the rate revenue requirement in each period and applied the percentage difference to all rates proportionately in each period.

Proposed Fire Meter Rates

The cost basis for the District's private fire protection charges is primarily tied to backflow prevention assemblies and the annual testing and maintenance required to ensure their reliability. These systems must be regularly inspected and tested to comply with health and safety regulations, and their associated administrative and field costs are ongoing regardless of actual water use. Larger fire services generally require more complex assemblies and more frequent oversight, which is reflected in the scaling of fire protection charges by meter size. The proposed fire charges were escalated by 5% for operating cost inflation each fiscal year.

**Table 17
Casitas Municipal Water District
Proposed Water Rates Phase In Schedule**

Existing Monthly Service Charge (CY 2025)

Meter Size	Residential¹	Commercial/Industrial	Agriculture	Ag Domestic¹	Other²	Resale
5/8"-3/4"	\$38.38	\$34.31			\$32.43	\$35.98
1"	\$67.44	\$60.28	\$64.10	\$57.45	\$57.01	\$63.23
1-1/2"	\$118.67	\$106.08	\$112.79	\$101.12	\$100.32	\$111.27
2"	\$306.27	\$273.75	\$291.09	\$260.94	\$258.89	\$287.15
3"	\$850.40	\$760.16	\$808.29	\$724.60	\$718.87	\$797.36
4"	\$1,889.69	\$1,689.14	\$1,796.09	\$1,610.12	\$1,597.38	\$1,771.81
6"		\$2,871.47	\$3,053.29	\$2,737.13	\$2,715.53	\$3,011.99
Kingston*						\$21,493.30
Olive and Ramona*						\$29,304.60

*City of Ventura subject to minimum take of 2,400 acre feet by agreement and pays \$1.90 per hcf.

Existing Volumetric Rates - per HCF* (CY 2025)

Monthly Tiers (per HCF)	Residential¹ Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic¹ Pumped	Other² Pumped	Resale Pumped
All Use		\$2.98	\$2.23		\$2.98	\$2.98
Tier 1 (0-10)	\$2.10			\$2.10		
Tier 2 (11-50)	\$2.91			\$2.91		
Tier 3 (51+)	\$4.20			\$2.23		
Monthly Tiers (per HCF)	Residential¹ Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic¹ Gravity	Other² Gravity	Resale Gravity
All Use		\$2.16	\$1.40		\$2.16	\$2.16
Tier 1 (0-10)	\$1.25			\$1.25		
Tier 2 (11-50)	\$2.09			\$2.09		
Tier 3 (51+)	\$3.39			\$1.40		

*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

Proposed Monthly Service Charge (1/1/2026)

Meter Size	Residential ¹	Commercial/Industrial	Agriculture	Ag Domestic ¹	Other ²	Resale
5/8"-3/4"	\$42.12	\$38.51			\$36.81	\$40.00
1"	\$73.94	\$67.59	\$71.00	\$65.04	\$64.64	\$70.23
1-1/2"	\$127.92	\$116.94	\$122.83	\$112.55	\$111.84	\$121.50
2"	\$349.66	\$319.63	\$335.73	\$307.61	\$305.67	\$332.09
3"	\$1,037.04	\$948.03	\$995.75	\$912.38	\$906.61	\$984.97
4"	\$2,280.83	\$2,085.03	\$2,190.00	\$2,006.63	\$1,993.92	\$2,166.28
6"		\$3,488.83	\$3,664.47	\$3,357.63	\$3,336.42	\$3,624.76
Kingston*						\$25,388.20
Olive and Ramona*						\$31,216.71

*City of Ventura subject to minimum take of 2,600 acre feet by agreement and pays \$2.02 per hcf.

Proposed Volumetric Rates - per HCF* (1/1/2026)

Monthly Tiers (per HCF)	Residential ¹ Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic ¹ Pumped	Other ² Pumped	Resale Pumped
All Use		\$3.25	\$2.40		\$3.25	\$3.25
Tier 1 (0-10)	\$2.27			\$2.27		
Tier 2 (11-50)	\$3.16			\$3.16		
Tier 3 (51+)	\$4.55			\$2.40		
Monthly Tiers (per HCF)	Residential ¹ Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic ¹ Gravity	Other ² Gravity	Resale Gravity
All Use		\$2.35	\$1.49		\$2.35	\$2.35
Tier 1 (0-10)	\$1.34			\$1.34		
Tier 2 (11-50)	\$2.26			\$2.26		
Tier 3 (51+)	\$3.66			\$1.49		

*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

Proposed Monthly Service Charge (1/1/2027)

Meter Size	Residential ¹	Commercial/Industrial	Agriculture	Ag Domestic ¹	Other ²	Resale
5/8"-3/4"	\$45.80	\$42.82			\$41.40	\$44.06
1"	\$80.34	\$75.11	\$77.93	\$72.97	\$72.63	\$77.29
1-1/2"	\$136.65	\$127.75	\$132.54	\$124.14	\$123.55	\$131.47
2"	\$395.59	\$369.82	\$383.71	\$359.34	\$357.64	\$380.58
3"	\$1,253.21	\$1,171.64	\$1,215.60	\$1,138.44	\$1,133.03	\$1,205.71
4"	\$2,728.03	\$2,550.43	\$2,646.13	\$2,478.16	\$2,466.38	\$2,624.61
6"		\$4,200.58	\$4,358.20	\$4,081.54	\$4,062.18	\$4,322.74
Kingston						\$38,622.68
Olive and Ramona						\$46,518.11

Proposed Volumetric Rates - per HCF* (1/1/2027)

Monthly Tiers (per HCF)	Residential ¹ Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic ¹ Pumped	Other ² Pumped	Resale Pumped
All Use		\$3.52	\$2.56		\$3.52	\$3.52
Tier 1 (0-10)	\$2.44			\$2.44		
Tier 2 (11-50)	\$3.41			\$3.41		
Tier 3 (51+)	\$4.89			\$2.56		
Monthly Tiers (per HCF)	Residential ¹ Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic ¹ Gravity	Other ² Gravity	Resale Gravity
All Use		\$2.54	\$1.57		\$2.54	\$2.54
Tier 1 (0-10)	\$1.43			\$1.43		
Tier 2 (11-50)	\$2.43			\$2.43		
Tier 3 (51+)	\$3.91			\$1.57		

*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

Proposed Monthly Service Charge (1/1/2028)

Meter Size	Residential ¹	Commercial/Industrial	Agriculture	Ag Domestic ¹	Other ²	Resale
5/8"-3/4"	\$49.65	\$47.47			\$46.41	\$48.38
1"	\$87.00	\$83.18	\$85.25	\$81.60	\$81.35	\$84.79
1-1/2"	\$145.49	\$139.11	\$142.56	\$136.47	\$136.04	\$141.79
2"	\$446.09	\$426.50	\$437.11	\$418.40	\$417.08	\$434.73
3"	\$1,509.48	\$1,443.24	\$1,479.12	\$1,415.85	\$1,411.36	\$1,471.09
4"	\$3,252.23	\$3,109.50	\$3,186.81	\$3,050.48	\$3,040.80	\$3,169.51
6"		\$5,040.98	\$5,166.31	\$4,945.29	\$4,929.64	\$5,138.25
Kingston						\$51,370.69
Olive and Ramona						\$58,152.51

Proposed Volumetric Rates - per HCF* (1/1/2028)

Monthly Tiers (per HCF)	Residential ¹ Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic ¹ Pumped	Other ² Pumped	Resale Pumped
All Use		\$3.80	\$2.72		\$3.80	\$3.80
Tier 1 (0-10)	\$2.60			\$2.60		
Tier 2 (11-50)	\$3.66			\$3.66		
Tier 3 (51+)	\$5.23			\$2.72		
Monthly Tiers (per HCF)	Residential ¹ Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic ¹ Gravity	Other ² Gravity	Resale Gravity
All Use		\$2.73	\$1.65		\$2.73	\$2.73
Tier 1 (0-10)	\$1.52			\$1.52		
Tier 2 (11-50)	\$2.59			\$2.59		
Tier 3 (51+)	\$4.17			\$1.65		

*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

Proposed Monthly Service Charge (1/1/2029)

Meter Size	Residential ¹	Commercial/Industrial	Agriculture	Ag Domestic ¹	Other ²	Resale
5/8"-3/4"	\$53.62	\$52.43			\$51.84	\$52.93
1"	\$93.88	\$91.80	\$92.93	\$90.92	\$90.78	\$92.68
1-1/2"	\$154.35	\$150.93	\$152.79	\$149.49	\$149.25	\$152.38
2"	\$501.24	\$490.11	\$496.17	\$485.43	\$484.67	\$494.82
3"	\$1,811.68	\$1,771.48	\$1,793.37	\$1,754.59	\$1,751.81	\$1,788.49
4"	\$3,863.36	\$3,777.63	\$3,824.30	\$3,741.61	\$3,735.67	\$3,813.91
6"		\$6,027.98	\$6,102.46	\$5,970.50	\$5,961.04	\$6,085.86
Kingston						\$68,083.11
Olive and Ramona						\$72,437.92

Proposed Volumetric Rates - per HCF* (1/1/2029)

Monthly Tiers (per HCF)	Residential ¹ Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic ¹ Pumped	Other ² Pumped	Resale Pumped
All Use		\$4.08	\$2.88		\$4.08	\$4.08
Tier 1 (0-10)	\$2.77			\$2.77		
Tier 2 (11-50)	\$3.91			\$3.91		
Tier 3 (51+)	\$5.58			\$2.88		
Monthly Tiers (per HCF)	Residential ¹ Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic ¹ Gravity	Other ² Gravity	Resale Gravity
All Use		\$2.93	\$1.73		\$2.93	\$2.93
Tier 1 (0-10)	\$1.61			\$1.61		
Tier 2 (11-50)	\$2.76			\$2.76		
Tier 3 (51+)	\$4.43			\$1.73		

*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

Proposed Monthly Service Charge (1/1/2030)

Meter Size	Residential ¹	Commercial/Industrial	Agriculture	Ag Domestic ¹	Other ²	Resale
5/8"-3/4"	\$57.69	\$57.69			\$57.69	\$57.69
1"	\$100.92	\$100.92	\$100.92	\$100.92	\$100.92	\$100.92
1-1/2"	\$163.13	\$163.13	\$163.13	\$163.13	\$163.13	\$163.13
2"	\$561.03	\$561.03	\$561.03	\$561.03	\$561.03	\$561.03
3"	\$2,165.99	\$2,165.99	\$2,165.99	\$2,165.99	\$2,165.99	\$2,165.99
4"	\$4,571.62	\$4,571.62	\$4,571.62	\$4,571.62	\$4,571.62	\$4,571.62
6"		\$7,180.44	\$7,180.44	\$7,180.44	\$7,180.44	\$7,180.44
Kingston						\$89,884.58
Olive and Ramona						\$89,884.58

Proposed Volumetric Rates - per HCF* (1/1/2030)

Monthly Tiers (per HCF)	Residential ¹ Pumped	Commercial/Industrial Pumped	Agriculture Pumped	Ag Domestic ¹ Pumped	Other ² Pumped	Resale Pumped
All Use		\$4.37	\$3.04		\$4.37	\$4.37
Tier 1 (0-10)	\$2.94			\$2.94		
Tier 2 (11-50)	\$4.17			\$4.17		
Tier 3 (51+)	\$5.93			\$3.04		
Monthly Tiers (per HCF)	Residential ¹ Gravity	Commercial/Industrial Gravity	Agriculture Gravity	Ag Domestic ¹ Gravity	Other ² Gravity	Resale Gravity
All Use		\$3.13	\$1.80		\$3.13	\$3.13
Tier 1 (0-10)	\$1.70			\$1.70		
Tier 2 (11-50)	\$2.93			\$2.93		
Tier 3 (51+)	\$4.69			\$1.80		

*HCF = hundred cubic foot or approximately 748 gallons

1 - Residential and Ag Domestic include single family and multi-family residential uses.

2 - Other includes Institutional and Interdepartmental uses.

Proposed Monthly Fire Meter Rates

<u>Meter Size (Inches)</u>	<u>Current</u>	<u>1/1/2026</u>	<u>1/1/2027</u>	<u>1/1/2028</u>	<u>1/1/2029</u>	<u>1/1/2030</u>
2	\$5.30	\$5.56	\$5.84	\$6.13	\$6.44	\$6.76
3	\$11.59	\$12.17	\$12.78	\$13.42	\$14.09	\$14.79
4	\$20.86	\$21.91	\$23.00	\$24.15	\$25.36	\$26.63
6	\$43.05	\$45.20	\$47.47	\$49.84	\$52.33	\$54.95
8	\$52.99	\$55.64	\$58.42	\$61.34	\$64.41	\$67.63
10	\$76.17	\$79.98	\$83.98	\$88.18	\$92.58	\$97.21

Water Bill Impacts

Appendix C shows the bill impacts for various customers. As shown in Appendix C, Chart A, the bills for a typical single family residential customer with pumping using 12 HCF per month with a $\frac{3}{4}$ " meter would compare on the low side with other regional agencies. Appendix C, Chart B through Chart G, show the bill impacts graphically for several typical sample customers.

7. Water Adjudication Charge

Background

Casitas Municipal Water District (“District”) continues to defend and protect its customers’ access to water through its metered water system in the ongoing case of Santa Barbara Channelkeeper v. SWRCB; City of San Buenaventura v. Duncan Abbott, et al. The litigation remains active, and the associated legal costs have continued to rise since the implementation of the original adjudication charge in 2020.

In 2020, the District retained Hildebrand Consulting, LLC to calculate a fixed monthly “City of Ventura Adjudication Impact Charge” to fund these legal efforts. The methodology from the original 2020 study remains legally compliant and aligned with industry best practices, and the District has elected to update the charge using the same cost-of-service allocation approach with updated data.

Purpose of Study Update

The purpose of this 2025 update is to revise the adjudication impact charge to reflect increased litigation costs and updated water usage data. The methodology and structure of the charge remain unchanged from the 2020 analysis to ensure consistency, fairness, and compliance with Proposition 218 and the California Constitution.

Methodology Summary

This update follows the same methodology as the 2020 Hildebrand study:

- Revenue Requirement Determination: The original charge recovers approximately \$574,000 per year. Due to ongoing litigation and increased legal activity, annual legal costs are now projected at \$722,500.
- Cost Allocation by Customer Class: As in 2020, costs are allocated based on each customer class’s share of total historical water use. Data from November 2017 to February 2025 is used to capture the available usage data dating back to the acquisition of the Ojai Water System. Table 18 shows the result of the cost allocation.
- Charge Allocation by Meter Size: Within each class, costs are distributed among customers based on meter size using an updated meter equivalency schedule. This approach reflects each customer’s demand on the system while ensuring revenue stability. Table 19 shows the calculation of the number of American Water Works Association (AWWA) equivalent meters served by the District.

Table 18
Casitas Municipal Water District
Adjudication Updated Water Usage by Class

<u>Total District Historical Usage by Class*</u>	<u>Usage, Acre Feet</u>	<u>% of Total Usage</u>	<u>Allocated Cost</u>
Ag-Domestic	19,184	25.52%	\$184,378
Ag	12,142	16.15%	116,700
Commercial	5,578	7.42%	53,612
Interdepartmental	977	1.30%	9,386
Industrial	138	0.18%	1,322
Other	1,472	1.96%	14,150
Residential	16,514	21.97%	158,716
Resale	<u>19,169</u>	<u>25.50%</u>	<u>184,235</u>
	75,175	100.00%	\$722,500

**From November 2017 to February 2025*

Table 19
Casitas Municipal Water District
Count of Meters and Sum of Equivalent Meters by Class

<u>Meter Size</u>	Agriculture		Commercial	Inter- departmental	Industrial	Other	Resale	AWWA Meter Equivs
	Residential	Domestic						
5/8" - 3/4"	4,124		233	6	2	31		1.0
1"	1,002	14	4	73	1	4	15	1.7
1 1/2"	53	2		11		1	6	3.3
2"	111	123	35	53	3	2	30	5.3
3"	3	32	19	9	6	2	2	11.7
4"	7	16	5	4	3	4	3	21.0
6"			1	2				43.3
12"							5	256.0
18"							1	475.9
Total Meters	5,300	187	64	385	19	15	87	6,080
Total AWWA Equivalents	6,745	1,395	563	950	157	130	322	11,406

Summary of Current and Proposed Charges

The proposed monthly adjudication charges are designed to collect \$722,500 annually, allocated proportionately across customer classes and scaled by meter size. Charges will continue to be assessed as a separate fixed monthly line item in addition to the District's volumetric rates and monthly service charges. Table 20 shows the current monthly adjudication charges and the proposed monthly adjudication charges based on dividing the allocated cost in each class by the number of meter equivalents in each class.

Table 20
Casitas Municipal Water District
Current and Proposed Monthly Adjudication Charge by Meter Size and Customer Class

<u>Current Monthly Adjudication Rates</u>								
Meter Size	Agriculture			Inter-			Other	Resale
	Residential	Domestic	Agriculture	Commercial	departmental	Industrial		
5/8" - 3/4"	\$1.51			\$3.81	\$2.92	\$0.77	\$2.89	\$9.44
1"	\$2.52	\$15.79	\$25.17	\$6.36	\$4.87	\$1.29	\$4.81	\$15.73
1 1/2"	\$5.04	\$31.59	\$50.35	\$12.71	\$9.75	\$2.58	\$9.62	\$31.47
2"	\$8.07	\$50.54	\$80.55	\$20.34	\$15.60	\$4.13	\$15.39	\$50.35
3"	\$17.65	\$110.55	\$176.21	\$44.49	\$34.12	\$9.04	\$33.66	\$110.13
4"	\$31.77	\$199.00	\$317.17	\$80.09	\$61.41	\$16.27	\$60.59	\$198.24
6"		\$410.63	\$654.49	\$165.25	\$126.72	\$33.58	\$125.03	\$409.07
12"								\$2,416.65
18"								\$4,492.52

Est. Annual Revenue: **\$573,994**

<u>Proposed Monthly Adjudication Rates</u>								
Meter Size	Agriculture			Inter-			Other	Resale
	Residential	Domestic	Agriculture	Commercial	departmental	Industrial		
5/8" - 3/4"	\$1.96			\$4.70	\$4.99	\$0.85	\$3.66	\$13.42
1"	\$3.27	\$18.35	\$28.77	\$7.84	\$8.32	\$1.41	\$6.10	\$22.36
1 1/2"	\$6.54	\$36.71	\$57.54	\$15.68	\$16.64	\$2.82	\$12.19	\$44.73
2"	\$10.46	\$58.73	\$92.07	\$25.09	\$26.63	\$4.52	\$19.51	\$71.56
3"	\$22.88	\$128.47	\$201.41	\$54.89	\$58.25	\$9.89	\$42.68	\$156.54
4"	\$41.18	\$231.24	\$362.53	\$98.79	\$104.84	\$17.80	\$76.82	\$281.77
6"		\$477.17	\$748.08	\$203.86	\$216.35	\$36.72	\$158.53	\$581.43
12"								\$3,434.93
18"								\$6,385.47

Est. Annual Revenue: **\$722,500**

Conclusion

This update to the adjudication impact charge uses the same methodology as the original 2020 study and updates only the input data (cost and usage). The result is a charge structure that:

- Continues to recover the full cost of defending the District’s water rights
- Allocates costs fairly among customer classes and individual customers
- Complies with applicable California law and Proposition 218 requirements
- Maintains consistency with prior Board direction and public communications

The revised charges are proposed to take effect January 1, 2026. Table 21 shows the monthly impact of the proposed adjudication charge.

Table 21
Casitas Municipal Water District
Monthly Adjudication Bill Impacts

Meter Size	Residential	Agriculture Domestic	Agriculture	Commercial	Inter-departmental	Industrial	Other	Resale
5/8" - 3/4"	\$0.45			\$0.89	\$2.07	\$0.08	\$0.77	\$3.98
1"	\$0.75	\$2.56	\$3.60	\$1.48	\$3.45	\$0.12	\$1.29	\$6.63
1 1/2"	\$1.50	\$5.12	\$7.19	\$2.97	\$6.89	\$0.24	\$2.57	\$13.26
2"	\$2.39	\$8.19	\$11.52	\$4.75	\$11.03	\$0.39	\$4.12	\$21.21
3"	\$5.23	\$17.92	\$25.20	\$10.40	\$24.13	\$0.85	\$9.02	\$46.41
4"	\$9.41	\$32.24	\$45.36	\$18.70	\$43.43	\$1.53	\$16.23	\$83.53
6"		\$66.54	\$93.59	\$38.61	\$89.63	\$3.14	\$33.50	\$172.36
12"								\$1,018.28
18"								\$1,892.95

Appendix A – Capital Improvement Program

Table 1
Casitas Municipal Water District
Water Enterprise Capital Improvement Program (5/13/2025)

	Fiscal Year	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	Total 10 Year
4M Reservoir #1 Recoating		-	-	-	-	-	1,500,000	-	-	-	-	1,500,000
4M Reservoir #2 Recoating		-	-	-	-	-	-	-	1,500,000	-	-	1,500,000
Camp Chafee System - Pipeline/Pump Station		-	-	-	-	-	-	150,000	2,350,000	-	-	2,500,000
Casitas Dam Inlet & Outlet Work assessment		75,000	100,000	-	-	750,000	750,000	-	-	-	-	1,675,000
District Office Maintenance - Replace Admin Bldg. Roof		-	500,000	-	-	-	-	-	-	-	-	500,000
Fairview #1 Reservoir Recoating		-	-	-	-	1,500,000	-	-	-	-	-	1,500,000
Fairview #2 Reservoir Recoating		-	-	-	-	-	-	1,500,000	-	-	-	1,500,000
Faria Beach Main Relocation		-	-	750,000	750,000	-	-	-	-	-	-	1,500,000
Fortress Pump Plant		-	-	-	-	250,000	-	-	-	-	-	250,000
Gardens System Improvements		150,000	-	-	-	-	-	-	-	-	-	150,000
Heidelberger Pump Plant Retaining Walls		-	100,000	-	-	-	-	-	-	-	-	100,000
MWTP Piping Improvement/Replacement		-	-	-	300,000	325,000	350,000	375,000	400,000	425,000	450,000	2,625,000
Mira Monte Well Replacement		-	-	100,000	500,000	500,000	-	-	-	-	-	1,100,000
Oak View Reservoir #1 Recoating		-	-	-	2,500,000	-	-	-	-	-	-	2,500,000
Oak View Reservoir #2 Recoating		-	-	-	-	-	2,500,000	-	-	-	-	2,500,000
Oak View Mainline Valve Insertion		-	225,000	-	-	-	-	-	-	-	-	225,000
Ojai Valley Mainline Valve Insertion		-	150,000	-	-	-	-	-	-	-	-	150,000
Ojai Valley Pump Station		-	-	420,000	-	-	-	-	-	-	-	420,000
Rincon 2M Pipeline Replacement		-	-	-	100,000	200,000	-	4,500,000	4,500,000	-	-	9,300,000
Rincon Balancing Reservoir #1 Recoating		-	-	-	1,500,000	-	-	-	-	-	-	1,500,000
Rincon Balancing Reservoir #2 Recoating		-	-	-	-	1,500,000	-	-	-	-	-	1,500,000
Rincon Control Reservoir Replacement		-	-	800,000	-	-	-	-	-	-	-	800,000
Rincon Pipeline Vent Structure		-	250,000	-	-	-	-	-	-	-	-	250,000
Robles Diversion Cleanout & Cutoff Wall Rehab		-	2,000,000	-	-	2,000,000	-	-	2,000,000	-	-	6,000,000
Signal Booster Zone Hydraulic Improvements		-	-	200,000	3,000,000	1,500,000	-	-	-	-	-	4,700,000
Transmission & Distribution Pipeline Replacements		-	500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	12,500,000
Upper Ojai & 3M Reservoir Recoating		-	-	-	-	-	-	-	2,000,000	1,000,000	-	3,000,000
Upper Rincon Lateral Replacement		-	750,000	750,000	-	-	-	-	-	-	-	1,500,000
Villanova Mainline Valve Insertion		150,000	-	-	-	-	-	-	-	-	-	150,000
Villanova Reservoir Recoating		-	-	-	-	-	-	-	-	-	7,000,000	7,000,000
Sub total Bonding		375,000	4,575,000	4,520,000	10,150,000	10,025,000	6,600,000	8,025,000	14,250,000	2,925,000	8,950,000	70,395,000
Admin Data Servers		-	-	-	20,000	-	-	-	-	-	-	20,000
Anodes Replacement - Casitas Dam Inlet Structure		-	-	-	-	-	-	225,000	-	-	-	225,000
Ave#1/2 Pump #4 Rehabilitation		325,000	-	-	280,000	-	-	-	-	-	-	605,000
Backwash Surge Tank "B" Coating and Restoration		-	160,000	-	-	-	-	-	-	-	-	160,000
Casitas Dam Hollow Jet Valve Replacement/Modification		-	250,000	250,000	-	-	-	-	-	-	-	500,000

Casitas Dam Spillway Erosion Control	-	350,000	-	-	-	-	-	-	-	-	-	350,000
Chemical Dosing Equipment Replacement	40,000	25,000	35,000	35,000	-	-	-	-	-	-	-	135,000
Dam Intake Gate & Screen Rehab	30,000	30,000	-	-	-	-	-	-	-	-	-	60,000
Dam Spillway Drainage System / Stilling Basin Cleanout / Drainag	-	-	-	0	150,000	1,200,000	-	-	-	-	-	1,350,000
Distribution System Vault Rehabilitation	60,000	63,000	66,000	69,000	72,000	75,000	78,000	81,000	85,000	89,000	-	738,000
District Fleet Vehicle Replacement	268,069	556,425	520,406	276,689	507,079	365,809	552,534	370,534	383,309	355,809	-	4,156,663
District Office Maintenance - Replace Admin Bldg. Roof	-	-	-	-	-	-	-	-	-	-	-	-
Filter Media & Rehab Cleaning Filter	125,000	131,000	138,000	145,000	152,000	160,000	168,000	176,000	185,000	194,000	-	1,574,000
Fortress Reservoir Site Stability Improvements	19,000	250,000	-	-	-	-	-	-	-	-	-	269,000
Fortress Pump Plant Electrical & Instrumentation Upgrade	24,000	-	-	-	-	-	-	-	-	-	-	24,000
Lake Water Quality Department Vessel	50,500	87,000	-	-	-	-	-	-	-	-	-	137,500
Large Valve Replacement - Distribution System	-	164,000	171,000	179,000	187,000	195,000	204,000	213,000	222,000	232,000	-	1,767,000
Marion Walker Treatment Plant Facility Painting	-	-	-	-	200,000	170,000	-	-	-	-	-	370,000
Marion Walker Treatment Plant Drain Down Pumps & Piping Rest	30,000	-	-	-	-	-	-	-	-	-	-	30,000
Meter & MXU Battery Replacements	306,100	329,058	353,737	380,267	408,787	439,446	472,405	507,835	545,923	586,867	-	4,330,423
Mira monte Distribution Vault Rehab	45,000	-	-	-	-	-	-	-	-	-	-	45,000
New Accounting System	255,000	-	-	0	-	-	-	-	-	-	-	255,000
Ojai System Well Replacement	-	-	-	0	-	-	-	-	1,000,000	1,000,000	-	2,000,000
Ojai Valley Pump Plant Improvements	-	350,000	-	-	-	-	-	-	-	-	-	350,000
Paving- Casitas Facilities	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
Paving- Public Right of Way	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
Pipeline Shop Roof Replacement	36,000	-	-	-	-	-	-	-	-	-	-	36,000
Pump Plant Valve Replacement	10,000	10,500	11,000	11,600	12,200	12,800	13,500	14,200	14,900	15,700	-	126,400
Pump Plant Motor Awning Overhead Protection	42,400	58,000	60,000	62,000	64,000	66,000	68,000	70,500	-	-	-	490,900
Pump Plant Manifold Coating & Restoration	18,000	32,000	45,000	80,000	95,000	40,000	60,000	30,000	35,000	-	-	435,000
Pump Rebuild and Mechanical Seal Installs	56,000	59,000	62,000	65,000	68,000	71,000	75,000	79,000	83,000	87,000	-	705,000
Reclaim System Coating & Restoration	-	-	-	-	175,000	-	-	-	-	-	-	175,000
Reservoir Cleaning and Inspections	-	-	-	-	250,000	-	-	-	-	-	300,000	550,000
Reservoir Mixers	28,000	29,500	-	-	-	-	-	-	-	-	-	57,500
Reservoir Seismic Upgrades	-	-	350,000	-	350,000	-	350,000	-	350,000	-	-	1,400,000
Pump Plant Motor Rehab	23,000	56,000	58,000	61,000	64,000	67,000	70,000	73,000	76,000	79,000	-	627,000
Rincon Regulator vault improvements	25,000	-	-	-	-	-	-	-	-	-	-	25,000
Robles Canal Access Road Paving	-	-	830,000	830,000	830,000	-	-	-	-	-	-	2,490,000
Robles Diversion Canal Panel Replacement & Sealing	150,000	160,000	180,000	-	-	-	200,000	-	200,000	-	-	890,000
Robles Diversion Fish Passage Improvements	-	-	-	300,000	-	-	-	-	-	-	-	300,000
Robles Forebay Restoration - Staff Executed Cleanouts	-	-	350,000	-	-	350,000	-	-	350,000	-	-	1,050,000
San Antonio Booster Station Improvements (VFD's)	-	150,000	-	-	-	-	-	-	-	-	-	150,000
San Antonio Filter Upgrade	-	-	-	115,000	-	-	-	-	-	-	-	115,000
Sacda Server & Network upgrades	25,000	-	-	-	-	-	-	-	-	-	-	25,000
Small Tank Recoating - Various Sites	-	-	-	-	-	-	-	-	-	-	-	-
Turnout Piping Improvements	20,000	20,000	20,000	23,000	23,000	23,000	26,000	26,000	26,000	26,000	-	233,000
Upgrade Panel view on VFD at Rincon Pump Plant	-	21,000	-	-	-	-	-	-	-	-	-	21,000
Valve and Actuator Replacements (Marion Walker Treatment Pla	25,000	25,000	30,000	30,000	30,000	35,000	35,000	35,000	35,000	35,000	-	315,000
Sub total CMWD (Reserves or Rates)	2,386,069	3,716,483	3,880,143	3,312,556	3,988,066	3,620,055	2,947,439	2,026,069	3,941,132	3,350,376	-	33,168,386
Ventura-Santa Barbara Counties Intertie	2,500,000	5,000,000	10,000,000	1,250,000	-	-	-	-	-	-	-	18,750,000
OWS Integration with Casitas Legacy System	-	3,000,000	5,000,000	2,000,000	-	-	-	-	-	-	-	10,000,000
Sub total FEMA, Grant, and Loans	2,500,000	8,000,000	15,000,000	3,250,000	-	-	-	-	-	-	-	28,750,000
Capital Improvements	5,261,069	16,291,483	23,400,143	16,712,556	14,013,066	10,220,055	10,972,439	16,276,069	6,866,132	12,300,376	-	132,313,386

Appendix B – Cost of Service Comparisons

Table 1
Casitas Municipal Water District
Cost of Service Comparison - Revenue by Customer Class

Customer Class	Current		Total	Proposed CY 2030			5- Year Change	Annualized Rate
	Fixed	Usage		Fixed	Usage	Total		
Residential	\$3,383,022	\$3,070,452	\$6,453,475	\$5,381,454	\$4,342,110	\$9,723,565	50.7%	8.5%
Commercial / Industrial	\$888,672	\$1,418,067	\$2,306,738	\$2,016,729	\$2,079,725	\$4,096,454	77.6%	12.2%
Ag	\$454,030	\$1,263,166	\$1,717,196	\$1,094,787	\$1,718,774	\$2,813,561	63.8%	10.4%
Ag Domestic	\$984,615	\$2,217,118	\$3,201,733	\$2,558,447	\$3,032,479	\$5,590,926	74.6%	11.8%
Other	\$121,603	\$219,035	\$340,638	\$346,092	\$321,253	\$667,345	95.9%	14.4%
Resale*	\$971,463	\$2,228,707	\$3,200,170	\$3,041,627	\$3,083,139	\$6,124,766	91.4%	13.9%
Total	\$6,803,406	\$10,416,544	\$17,219,950	\$14,439,136	\$14,577,481	\$29,016,617	68.5%	11.00%

*Factors water purchases under take or pay contracts to be usage revenue

Table 2
Casitas Municipal Water District
Cost of Service Comparison - % of Fixed Revenue by Customer Class

Customer Class	CURRENT (Based on 9,800 AF Projected Use)			PROPOSED (Based on 9,800 AF Projected Use)						
	Fixed	Volumetric	Total	Fixed	Volumetric	Fixed	Volumetric	Total	Fixed	Volumetric
Residential	\$3,383,022	\$3,070,452	\$6,453,475	52%	48%	\$5,381,454	\$4,342,110	\$9,723,565	55%	45%
Commercial / Industrial	\$888,672	\$1,418,067	\$2,306,738	39%	61%	\$2,016,729	\$2,079,725	\$4,096,454	49%	51%
Ag	\$454,030	\$1,263,166	\$1,717,196	26%	74%	\$1,094,787	\$1,718,774	\$2,813,561	39%	61%
Ag Domestic	\$984,615	\$2,217,118	\$3,201,733	31%	69%	\$2,558,447	\$3,032,479	\$5,590,926	46%	54%
Other	\$121,603	\$219,035	\$340,638	36%	64%	\$346,092	\$321,253	\$667,345	52%	48%
Resale*	\$971,463	\$2,228,707	\$3,200,170	30%	70%	\$3,041,627	\$3,083,139	\$6,124,766	50%	50%
Total	\$6,803,406	\$10,416,544	\$17,219,950	40%	60%	\$14,439,136	\$14,577,481	\$29,016,617	50%	50%

*Factors water purchases under take or pay contracts to be usage revenue

Appendix C – Water Bill Impacts

Chart A shows the regional water rate survey for a typical gravity single family user with a 3/4" meter using 12 HCF per month.

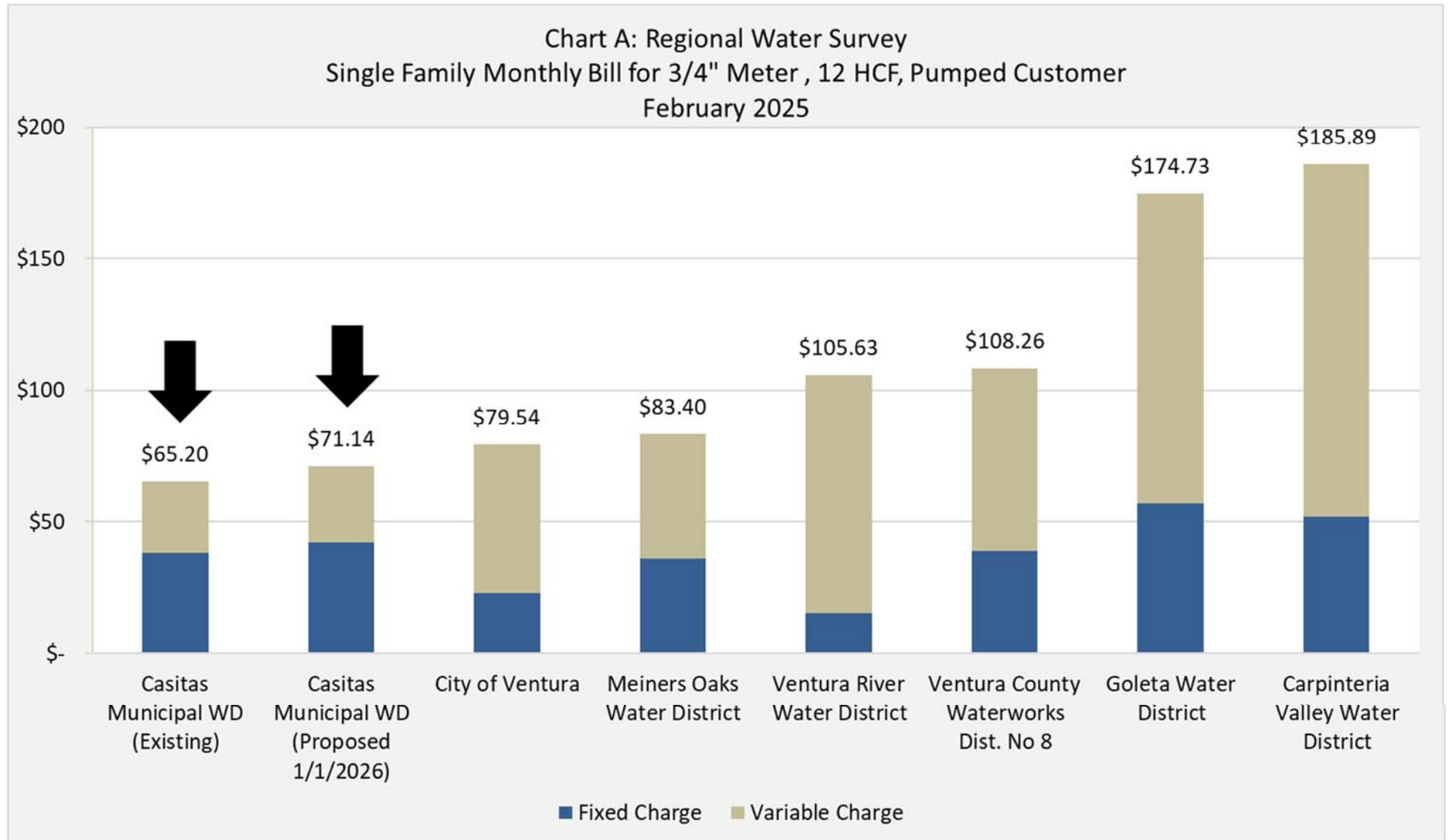


Chart B and Chart C show bill impacts for typical single family users with a 3/4" meter using 12 HCF per month.

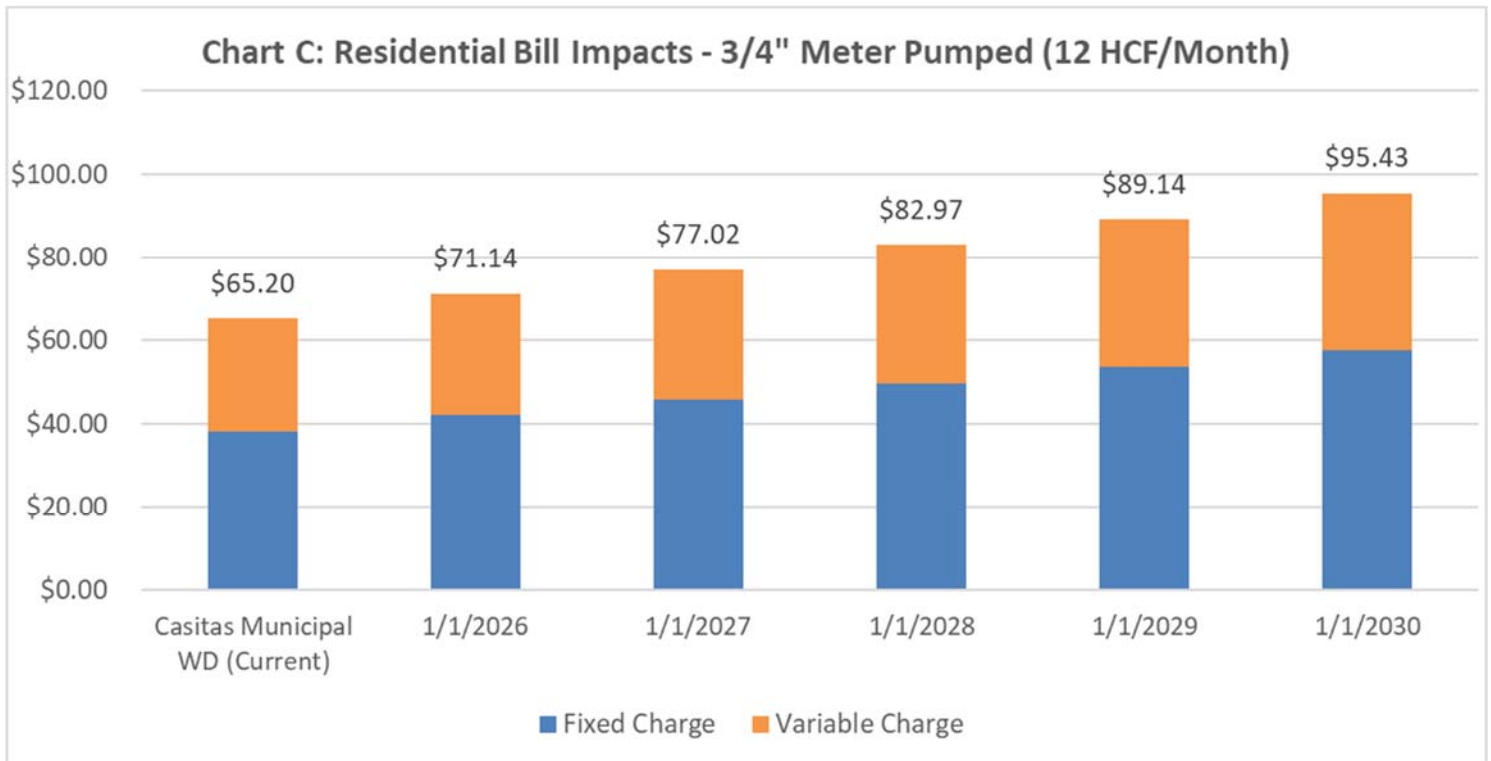
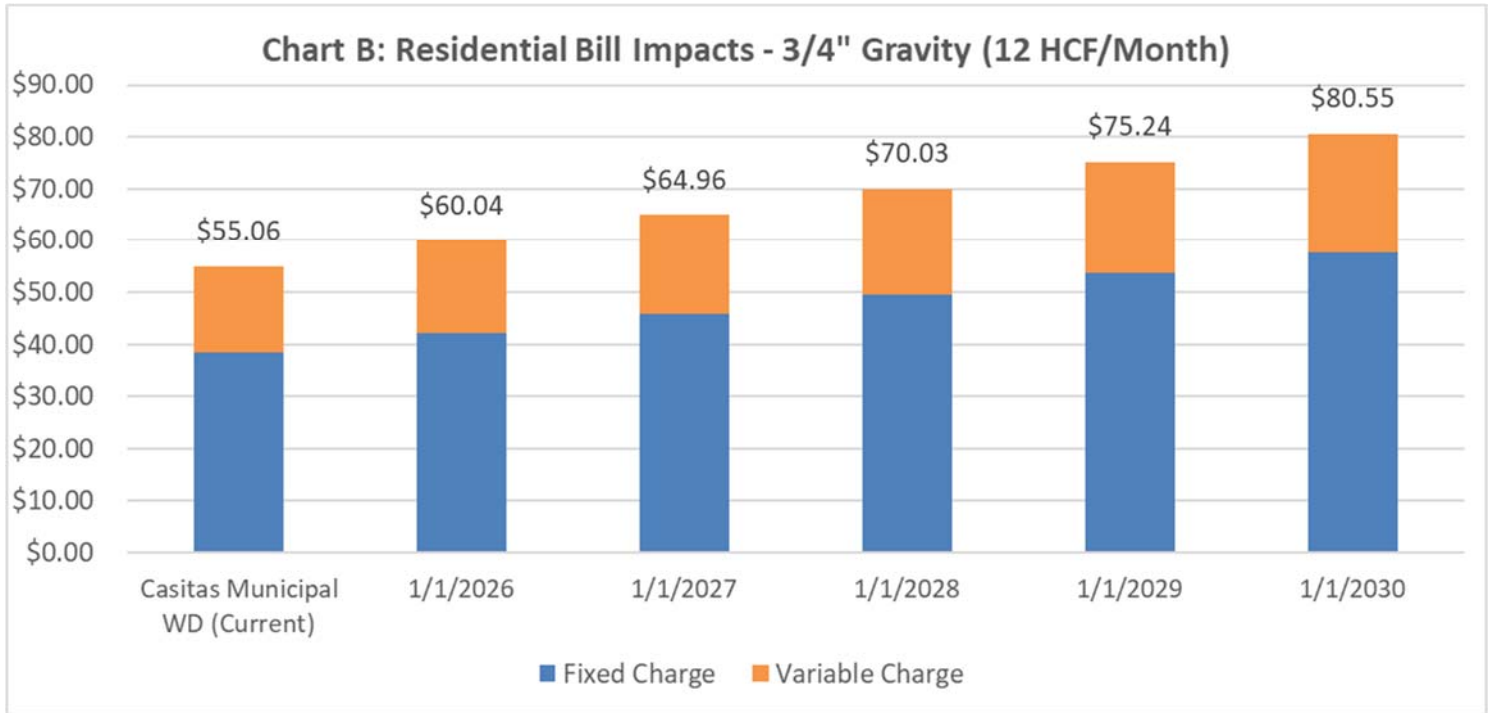


Chart D and Chart E show bill impacts for typical single family users with a 3/4" meter using 50 HCF per month.

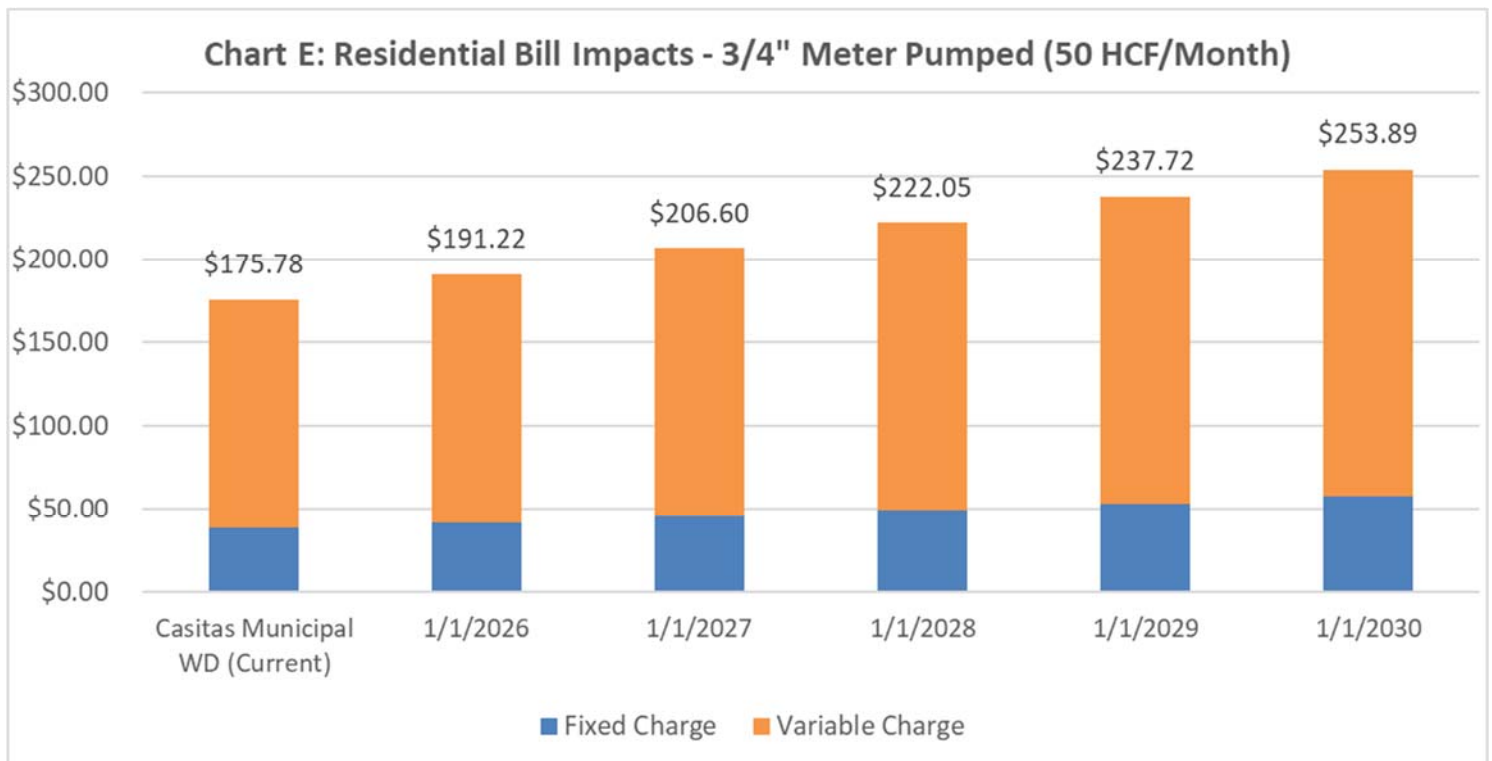
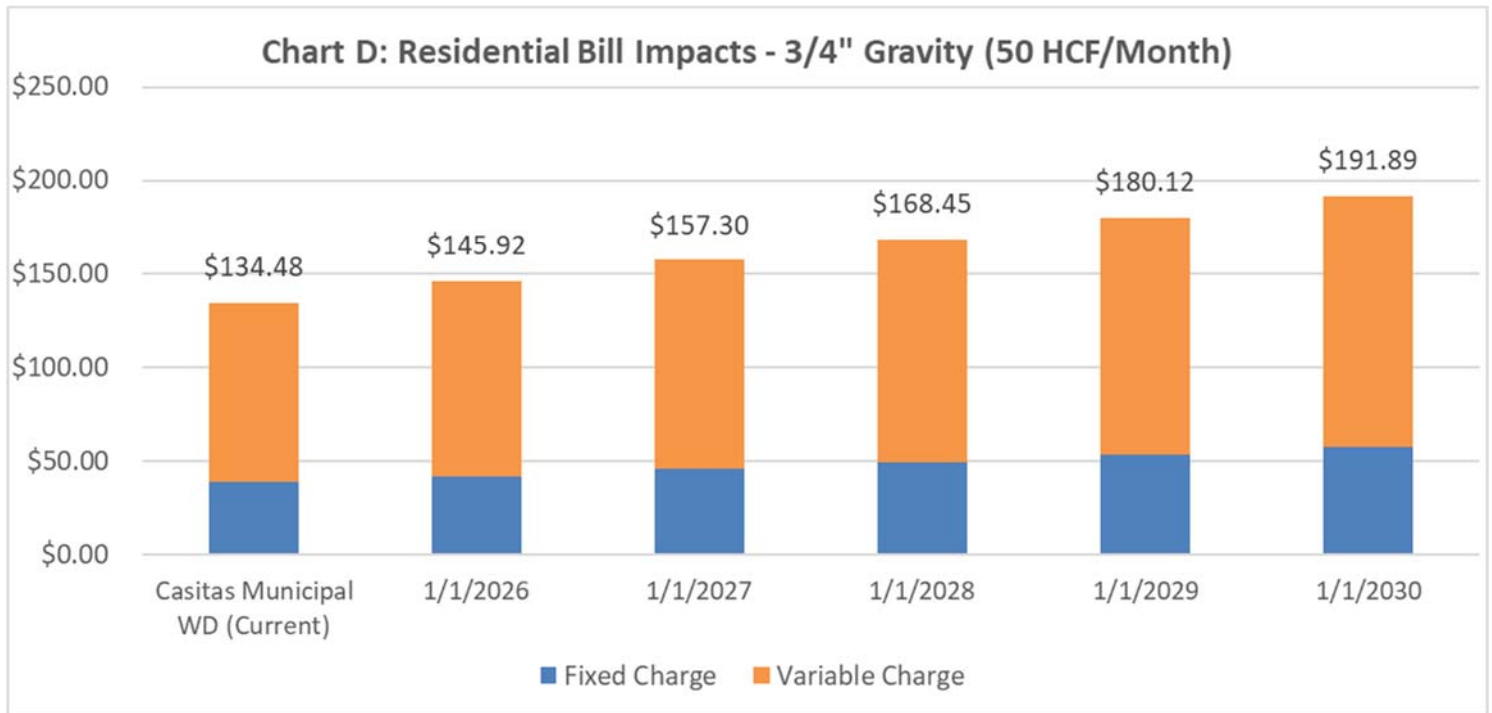


Chart F and Chart G show bill impacts for typical agricultural users with a 2" meter using 605 HCF per month.

