



**Mayor: Mario Garza**  
**Mayor Pro-Tem: Jesus "Jesse" Ramirez**  
**Commissioners: Mario Cantu**  
**Gilbert Garza**  
**Marco "Markie" Villegas**

The City of San Juan does not discriminate on the basis of disability in the admission of, access to, treatment of, or employment in its programs, activities, or public meetings. Any individual with a disability in need of an accommodation is encouraged to contact the Office of the City Secretary at 956-223-2200 at least 24 hours prior to the scheduled meeting to make proper arrangements.

### **SAN JUAN CITY COMMISSION**

**Location:** San Juan Memoria Library  
Multipurpose Meeting Room  
1010 S. Standard St.  
San Juan, Texas 78589  
**Thursday, January 8, 2026**

### **WORK SESSION AGENDA**

**6:00 PM**

**I. CALL TO ORDER**

**II. PRESENTATIONS**

- A.** Presentation by Willdan Group, Inc. on the Proposed Cost of Service, Water and Wastewater Rate, and Debt Capacity Study.

**III. ADJOURNMENT**

### **CERTIFICATION**

I certify that the above notice of the Work Session Agenda of the City of San Juan is true and correct; and that I posted such notice on the bulletin board. A place convenient and readily accessible to the public on the 2nd day of January 2026 at 5:00 p.m. in accordance with the Texas Open Meetings Act (Tex. Gov't. Code §551-041 - §551.050).

**BRENDA ESCALANTE**  
**CITY SECRETARY**  
**CITY OF SAN JUAN, TEXAS**

**CERTIFICATION OF REMOVAL**

I certify that the agenda of items to be considered by the City Commission was removed by the City Secretary's Office from the San Juan City Hall bulletin area on the \_\_\_\_\_ of \_\_\_\_\_, 2026.

\_\_\_\_\_  
OFFICE OF THE CITY SECRETARY



**Mayor: Mario Garza**  
**Mayor Pro-Tem: Jesus "Jesse" Ramirez**  
**Commissioners: Mario Cantu**  
**Gilbert Garza**  
**Marco "Markie" Villegas**

## **MEMORANDUM**

**TO:** Ruben Guajardo, City Manager

**FROM:** Brenda Escalante, City Secretary

**DATE:** 01/02/2026

**SUBJECT:** Presentation by Willdan Group, Inc. on the Proposed Cost of Service, Water and Wastewater Rate, and Debt Capacity Study.

---

The City's last rate increase was in 2009. The average utility has been increasing rates from five (5) to six dollars (6) per year and the trend is expected to continue.

The study will result in a healthy financial utility that has the ability to fund operations and capital needs. It will ensure that taxpayers are paying only what it costs to provide water and wastewater service. It will enable the utility to operate on a stand-alone basis and independent of general fund assistance. It will allow capital investment into the system to improve quality and provide a well-functioning system for future generations.



# 2025-26 Water and Wastewater Rate Study | Initial Council Presentation

*Preliminary and subject to change*

January 8, 2026



# AGENDA

1. Background on Rates
2. Customers and Volumes
3. Current and Forecast Cost of Service
4. Rate Plan Scenarios
5. Summary



A blue-tinted photograph of a water treatment plant. The image shows various pieces of industrial machinery, including large pipes, tanks, and pumps, arranged in a room with windows in the background. The overall scene is industrial and technical.

# **BACKGROUND ON WATER & WASTEWATER RATES**

# 21<sup>st</sup> CENTURY WATER & WASTERWATER RATE FACTS



- Average utility has been increasing rates 5-6% per year, a trend that is expected to continue
- American Water Works Association (AWWA) forecasts that water and wastewater rates across the U.S. will **triple** over the next 15 years
- Rate adjustments are primarily due to reasons beyond a utility's direct control – inflation, necessary Capital Improvement Plans, wholesale costs, other indirect expenses
- 30-40% of utilities charge rates that **do not cover their costs**



# RATE BACKGROUND | WATER & WASTEWATER



- Current water and wastewater rates were adopted by the City in 2009
- San Juan has one of the lowest rates in the state and RGV region
- Inflation is driving up utility operating and capital costs
- Existing infrastructure requires modernization and improvements to ensure system optimal performance; new infrastructure is needed to support continued growth and meet current and future demands
- Together, these factors are driving the need to implement a new long-term rate plan



# CURRENT RATE STRUCTURE | WATER & WASTEWATER



## WATER RATE STRUCTURE<sup>3</sup>

Base Charge by Meter Size <sup>1</sup>	RES	COM/IND
3/4" and RES	\$12.05	\$27.95
1"		33.28
2"		46.59
3"		56.00
4"		166.38
6"		332.75

Volume Rate per 1k GAL	RES	COM/IND
2,000 to 10,999	\$1.65	\$1.90
11,000 to 15,999	2.00	1.90
16,000 to 25,999	2.35	1.90
26,000 to Above	3.10	1.90

## WASTEWATER RATE STRUCTURE<sup>3</sup>

Base Charge by Meter Size <sup>2</sup>	RES	COM/IND
All Meters	\$11.00	\$25.00

Volume Rate per 1k GAL	RES	COM/IND
0 to 10,999	\$1.52	\$1.40
11,000 to 15,999	1.52	1.40
16,000 to 25,999	1.88	1.40
26,000 to Above	2.48	1.40

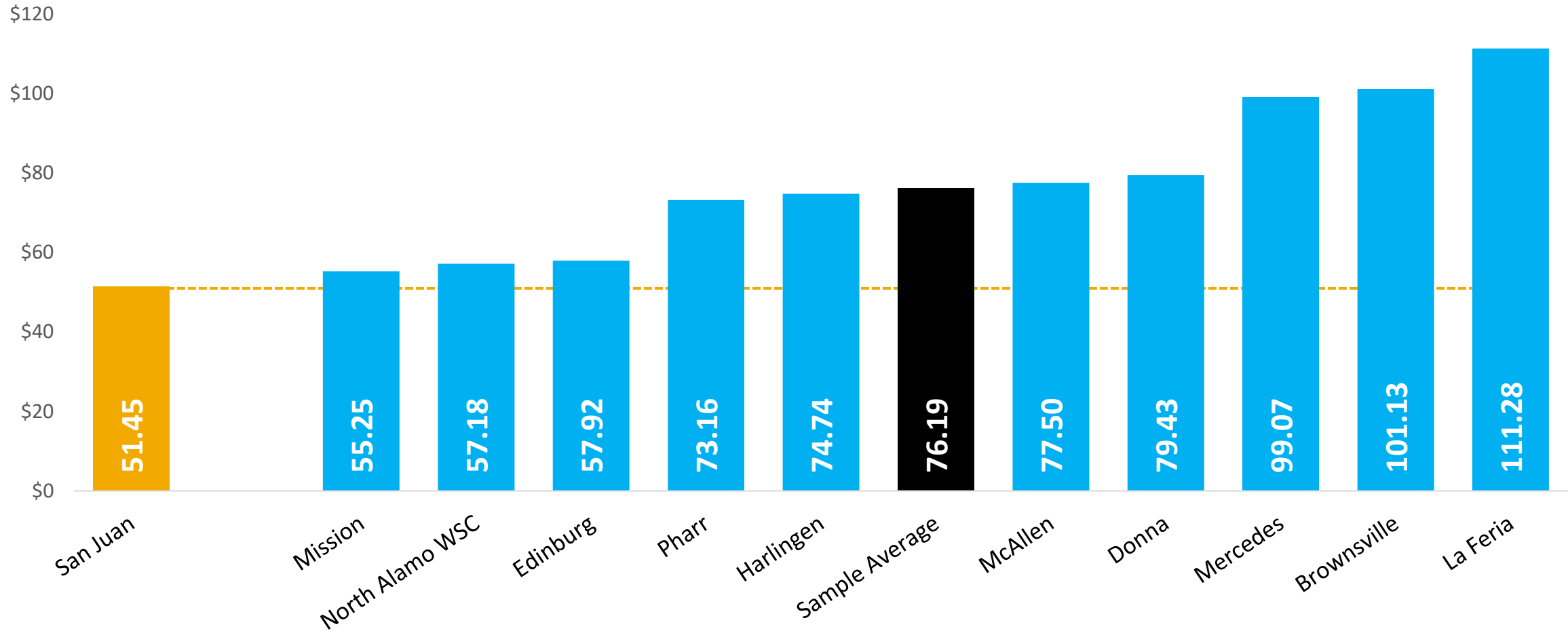
### Notes on Rate Structure:

<sup>1</sup>Water Base Charge includes 2,000 gallons for ALL customers

<sup>2</sup>Wastewater Base Charge includes 0 gallons for ALL customers

<sup>3</sup>OCL premium: 50% premium on Base Rates and Volume Rates for both Water and Wastewater

# CURRENT MONTHLY CHARGES | 10K GAL WATER & 10K GAL WW



Published rates as of 10/2025

A blue-tinted photograph of a water treatment plant. The image shows various pieces of industrial machinery, including large pipes, tanks, and pumps, arranged in a room with windows in the background. The overall scene is industrial and technical.

# **WATER & WASTEWATER CUSTOMERS & VOLUMES**

# TEST YEAR ACCOUNTS | WATER & WASTEWATER

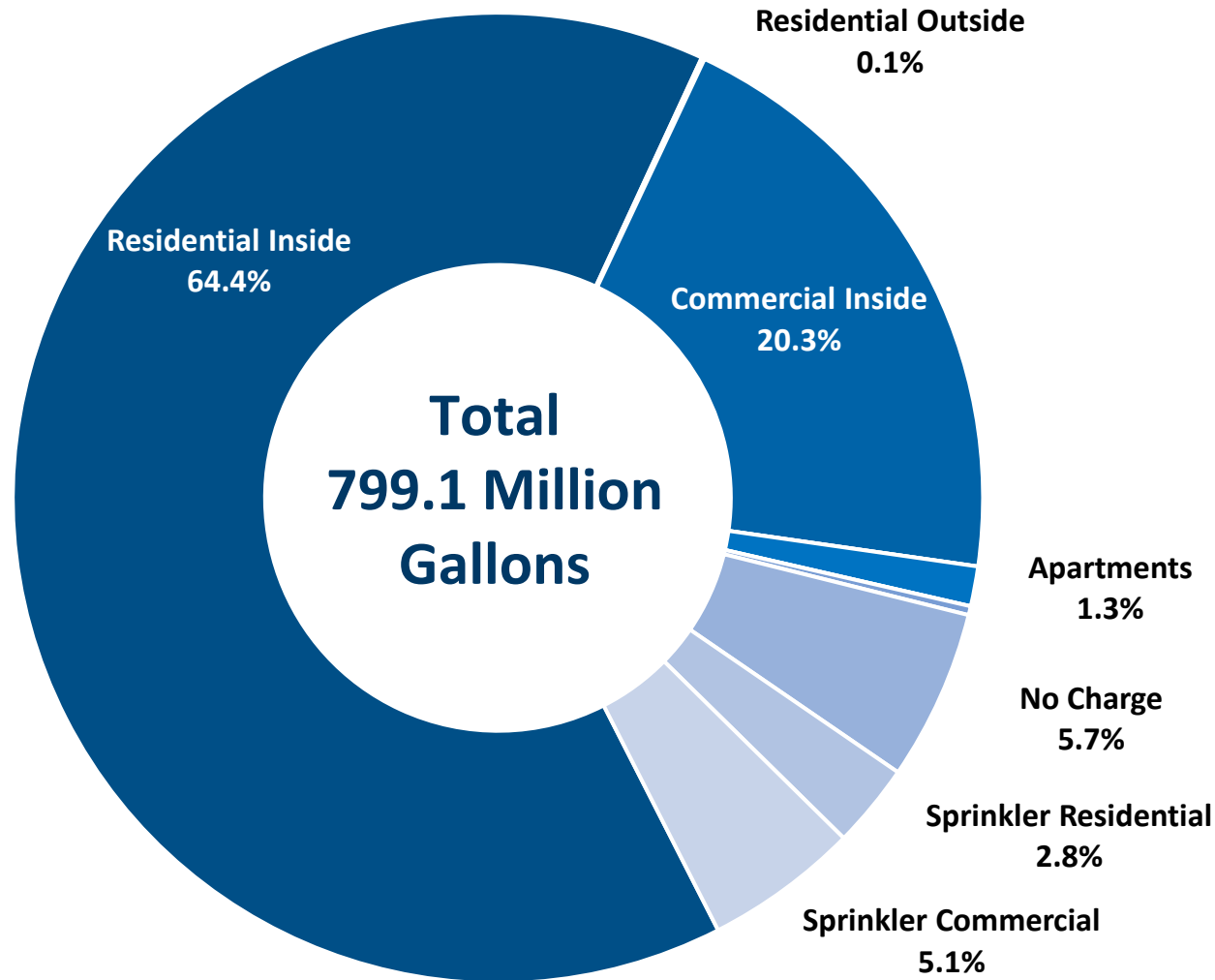


WATER CUSTOMER ACCOUNTS	
Residential Inside	6,778
Residential Outside	7
Commercial Inside	533
Commercial Outside	-
Apartments <sup>1</sup>	161
Fire Hydrants	4
No Charge	3
Sprinkler Residential	146
Sprinkler Commercial	76
<b>Total</b>	<b>7,708</b>

WASTEWATER CUSTOMER ACCOUNTS	
Residential Inside	6,614
Residential Outside	-
Commercial Inside	446
Commercial Outside	-
Apartments <sup>1</sup>	150
Standby Fee	7
<b>Total</b>	<b>7,217</b>

<sup>1</sup>Includes # of units

# TEST YEAR | WATER CONSUMPTION BY CUSTOMER CLASS



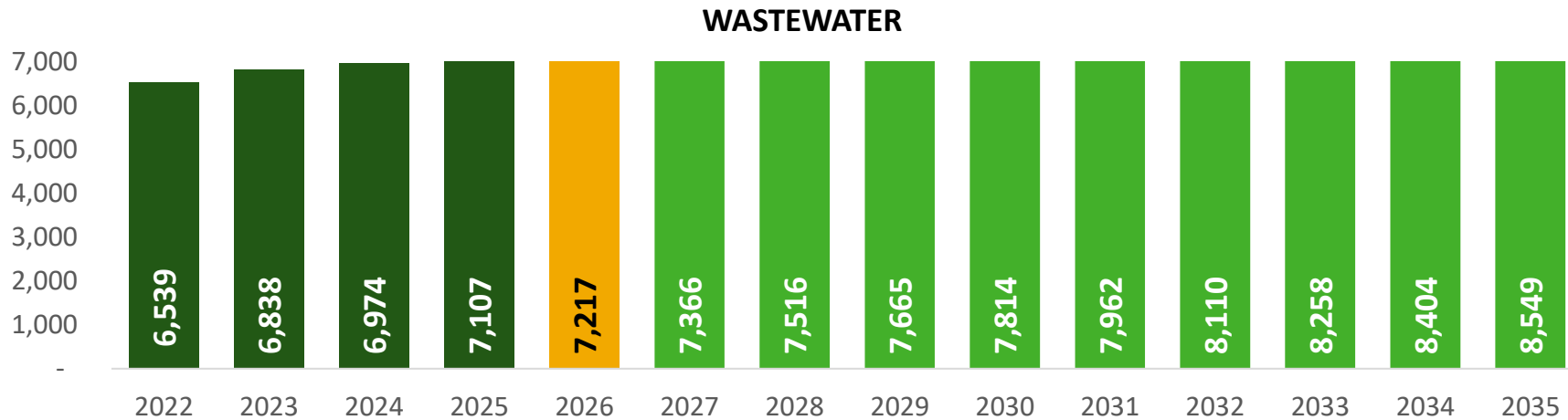
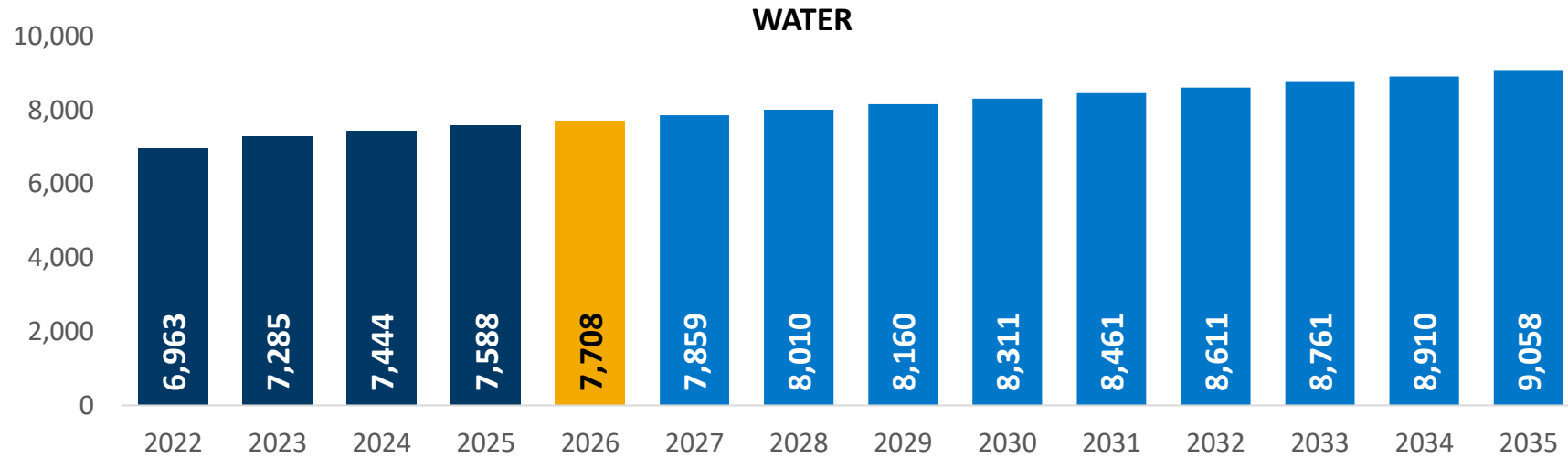
**INSIDE** water use constitutes 99.9% of overall water consumption

The project team is not forecasting any significant change to the consumption by class makeup

Average residential use/month = 6.2kGal

Average commercial use/month = 25kGal

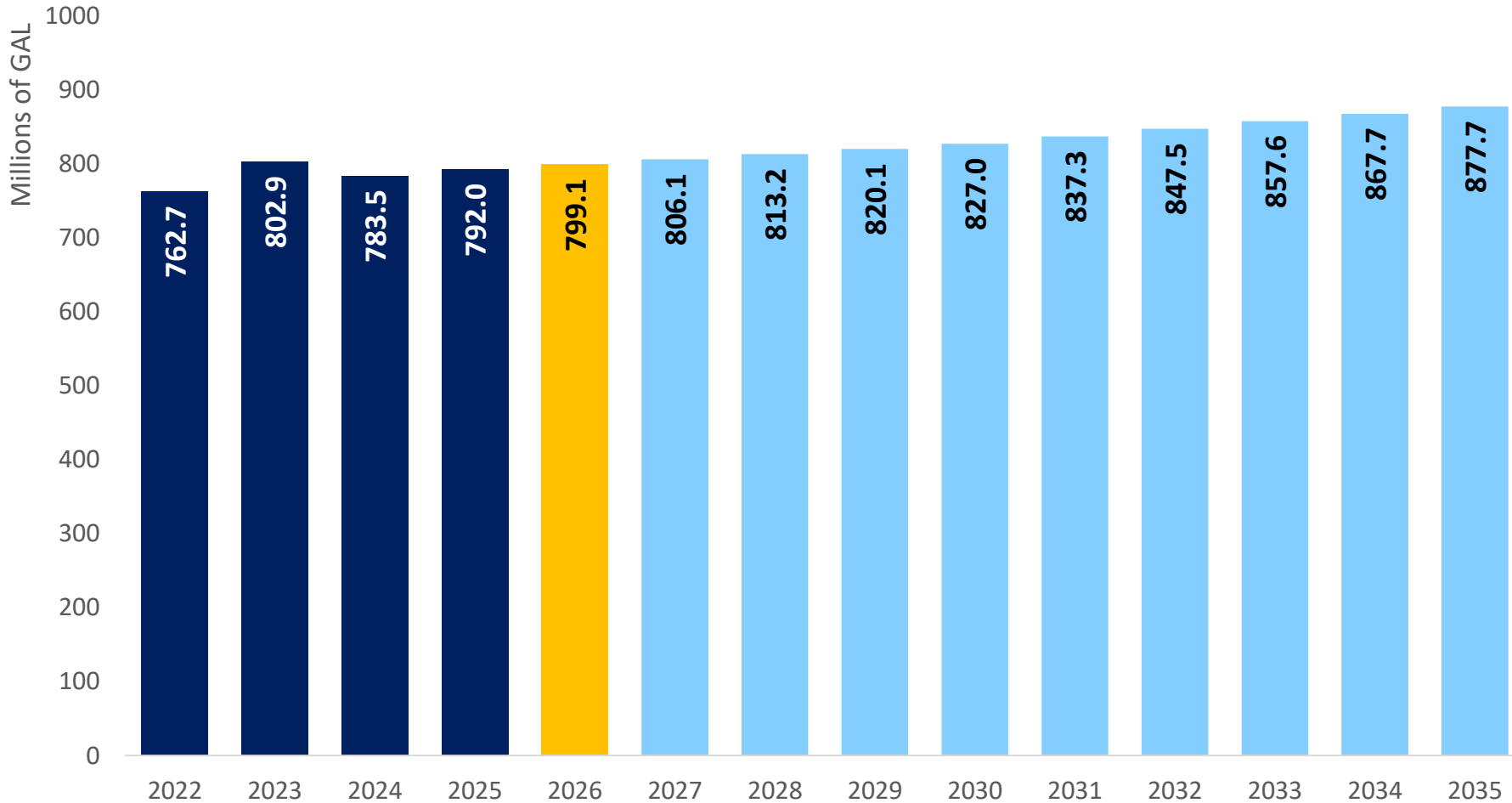
# ACCOUNT FORECAST | WATER & WASTEWATER



Project team estimates that on average 150 new water and 148 new wastewater accounts will be added each year to the system over the next decade.

This represents an average annual account growth of 1.8% for water and 1.9% for wastewater

# BILLED VOLUME FORECAST | WATER



The project team forecasts that water consumption will increase by 1.0% annually (on average)

Water usage varies considerably with weather patterns; the model is based on the overall trend. Annual results may vary significantly.

The background of the slide is a blue-tinted photograph of a water treatment plant. It shows various pieces of industrial machinery, including large pipes, valves, and what appears to be a large cylindrical tank or filter. The scene is brightly lit, suggesting an indoor facility with large windows.

# **WATER & WASTEWATER CURRENT AND FORECAST COST OF SERVICE**

# RATE PLAN KEY ASSUMPTIONS | WATER & WASTEWATER



- Most personnel and operating expenses will increase 3% - 4% per year
- Certain expenses will increase faster, and some will increase with volume and customer growth (i.e. electricity, chemicals, health insurance)
- Water Master plan outlines **\$61.99M** in CIP projects in 2026-2035
- Wastewater Master Plan lists CIP projects totaling **\$34.95M**
- Total cost of identified CIP projects: **\$96.94M**
- 2 initial scenarios were evaluated by the project team based on the amount of debt to be issued:
  - SCENARIO I:** 100% debt – assumes that all CIP will be debt funded (**\$97.0M**)
  - SCENARIO II:** 50% debt – assumes issuance of **\$50.6M** in new debt

# CIP PROJECTS (2026 - 2035)



## WATER PROJECTS

### Water Treatment

WTP No. 1	Raw Water Pump Station (Pump No. 3)	\$ 656,250
	Flocculation Basin Rehabilitation	1,012,500
	Filter Rehabilitation	847,500
	High Service Pump Station Improvements	539,063
WTP No. 2	Repair Raw Water Reservoir (Liner, Fencing,	425,625
	Raw Water Pump Station Improvements (Pu	487,500
	Solids Contact Clarifier Sludge Line Investigat	262,500
	Dual Media Filter Media Loss Invesgitaion a	225,000
	Transfer Pump Station Air Release and Civil	487,500
	High Service Pump Station VFD's and Pump	637,500
	Backwash Pump Station Media Loss Investi	225,000
	Electrical, Instrumentation, and Controls Imp	1,237,500
	Expand Plant 1.5-mgd	25,875,000

### Water Distribution

Sgt Leonel Trevino Elevated Storage Tank	10,734,158
FM 1426 Raul Longoria Utility Relocation	5,850,499
Cesar Chavez Utility Relocation	770,701
Moore's Subdivision -- Repalce AC main	532,476
High School East Subdivision -- Replace AC	1,978,460
Clark Terrace Subdivision -- Raplace AC ma	940,528
Lincoln Heights and San Juan Heights Subd	1,207,506
Kansas Ave -- Replace AC main	392,024
Standard Ave -- Replace AC main	397,817
FM 495 -- Capacity	445,027
Pecan Estates Subdivision -- Capacity	1,740,197
Salazar Sub, Hazel Sub & Granada Sub -- C	1,613,444
Lincoln Ave -- Capacity	1,045,434

**Total Water Projects \$ 61,991,708**

## WASTEWATER PROJECTS

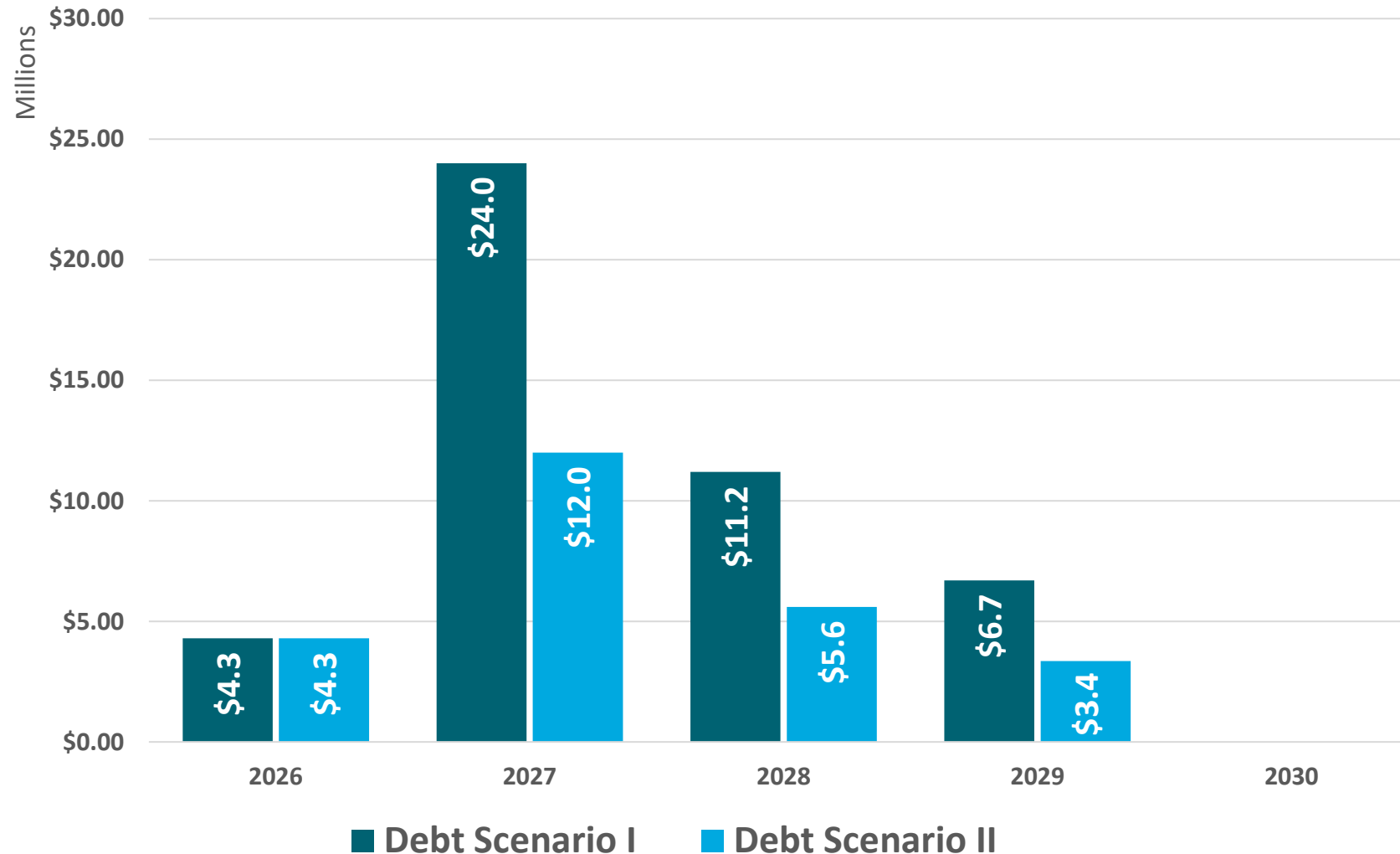
### Wastewater Collection

FM 1426 Raul Longoria Utility RelocationNo	\$ 3,387,948
Raul Longoria Interceptor Lift Station No. 10	3,536,181
495 Gravity Sewer Extension – Lift Station 9	915,481
4 Cesar Chavez Gravity Sewer Extension – I	1,982,508
Sgt. Leonel Trevino Gravity Sewer Extensior	692,708
495 & I Road (San Juan Café) Sanitary Sew	295,631
Lift Station 19 Rehabilitation ProjectNot	4,908,200
Hall Acres Sanitary Sewer Capacity Improve	2,840,684
Moore's Subdivision	393,986
Original Townsite Subdivision	535,540
High School East Subdivision	2,317,822
Clark Terrace Subdivision	966,397
Lincoln Ave. & State St.	618,522
Lincoln Ave.	1,820,904
Second Street	739,371
Cougar St.	3,438,839
El Cahon	1,354,436
Tierra Del Sol & Calle Del Sol	818,518
Coil Drive	1,693,139
Shufford Street and King Road	1,418,571
Plan Process Study and Coordination with T	275,000

**Total Wastewater Projects \$ 34,950,384**

**Total Water and Wastewater Projects \$ 96,942,092**

# FORECAST DEBT ISSUANCES (2026 - 2030)



**Total Debt to be issued  
in the next 5 years  
under Scenario I:  
\$46.20M**

**Under Scenario II:  
\$25.25M**

**Bonds are assumed to  
have a 30-year term  
and 4% interest rate**

# FORECAST COST OF SERVICE TABLE | WATER & WASTEWATER



## SCENARIO I

	Operating Expenses	Capital Outlays	Debt Service	Transfers & Contingencies	Cost of Service
<b>TOTAL Revenue Requirement</b>					
2026	\$ 5,292,550	\$ 347,000	\$ 1,597,811	\$ 407,820	<b>\$ 7,645,181</b>
2027	5,514,259	357,410	1,859,133	420,055	<b>8,150,857</b>
2028	5,742,020	368,132	2,927,520	432,656	<b>9,470,328</b>
2029	5,980,681	379,176	3,591,286	445,636	<b>10,396,780</b>
2030	6,228,341	390,552	3,993,206	459,005	<b>11,071,104</b>
2031	6,474,888	402,268	3,989,827	472,775	<b>11,339,758</b>
2032	6,733,097	414,336	3,981,445	486,958	<b>11,615,837</b>
2033	7,003,639	426,766	4,794,872	501,567	<b>12,726,845</b>
2034	7,287,230	439,569	4,275,932	516,614	<b>12,519,345</b>
2035	7,584,633	452,756	4,116,394	532,113	<b>12,685,896</b>

## SCENARIO II

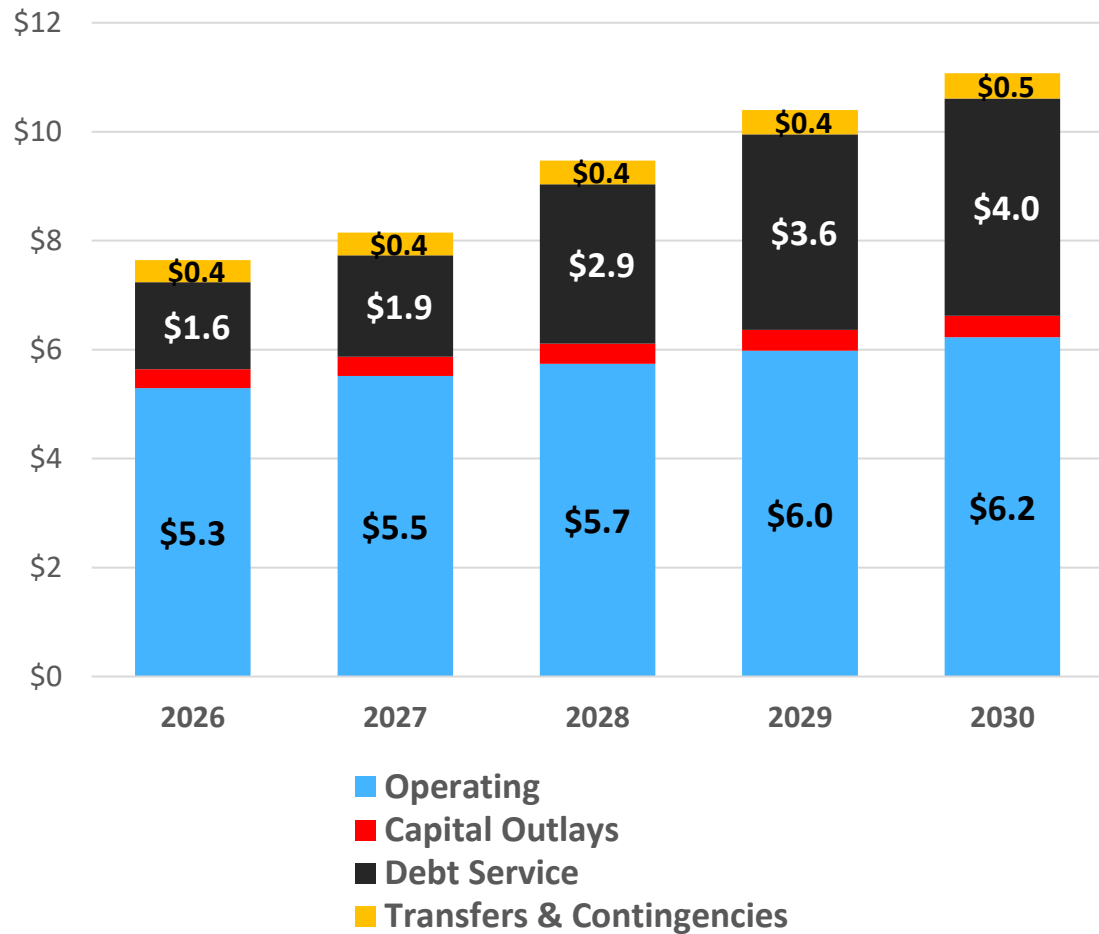
	Operating Expenses	Capital Outlays	Debt Service	Transfers & Contingencies	Cost of Service
<b>TOTAL Revenue Requirement</b>					
2026	\$ 5,292,550	\$ 347,000	\$ 1,597,811	\$ 407,820	<b>\$ 7,645,181</b>
2027	5,514,259	357,410	1,859,133	420,055	<b>8,150,857</b>
2028	5,742,020	368,132	2,219,679	432,656	<b>8,762,488</b>
2029	5,980,681	379,176	2,553,121	445,636	<b>9,358,614</b>
2030	6,228,341	390,552	2,757,435	459,005	<b>9,835,333</b>
2031	6,474,888	402,268	2,754,055	472,775	<b>10,103,987</b>
2032	6,733,097	414,336	2,745,674	486,958	<b>10,380,066</b>
2033	7,003,639	426,766	3,155,042	501,567	<b>11,087,014</b>
2034	7,287,230	439,569	2,636,102	516,614	<b>10,879,515</b>
2035	7,584,633	452,756	2,476,564	532,113	<b>11,046,066</b>

*Cost of Service assumptions are identical for both scenarios except for the amount of debt service*

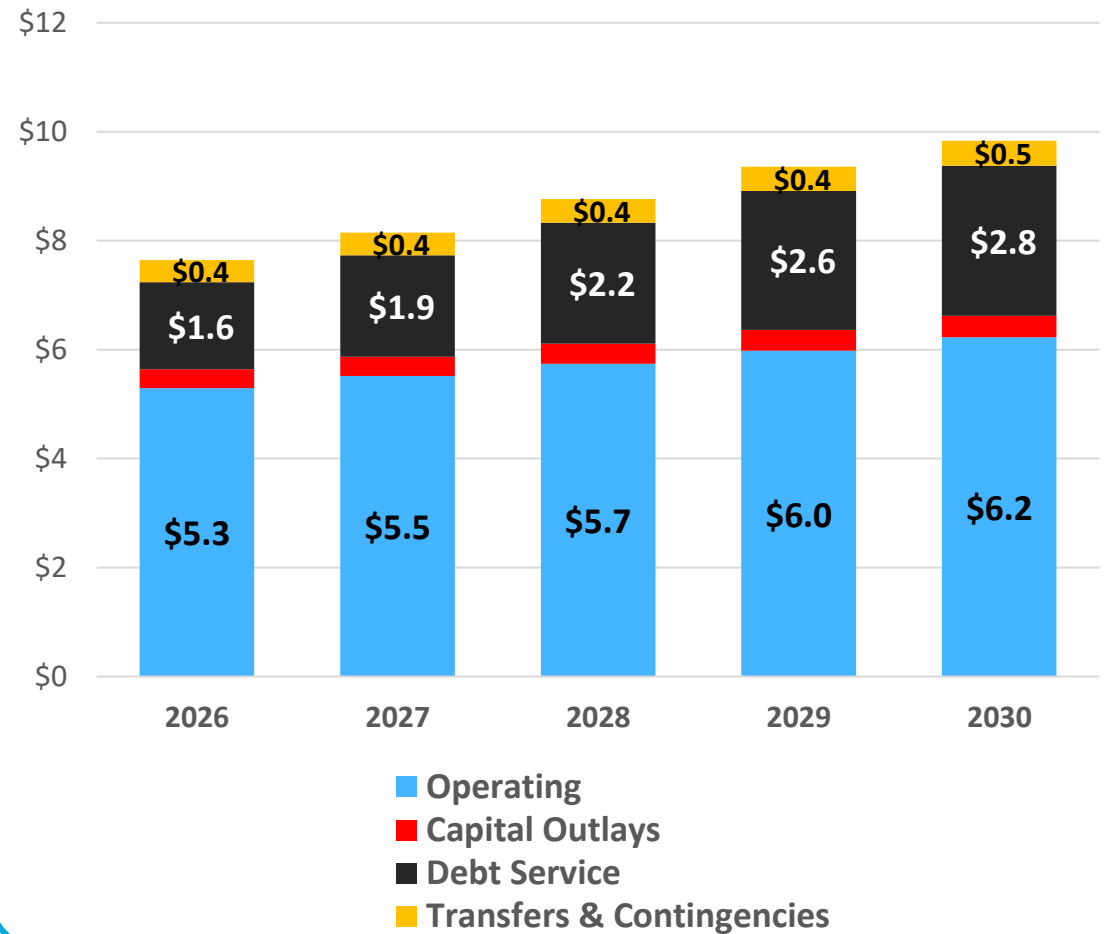
# FORECAST COST OF SERVICE CHART | WATER & WASTEWATER



## SCENARIO I



## SCENARIO II



# WATER & WASTEWATER PROPOSED RATE PLAN

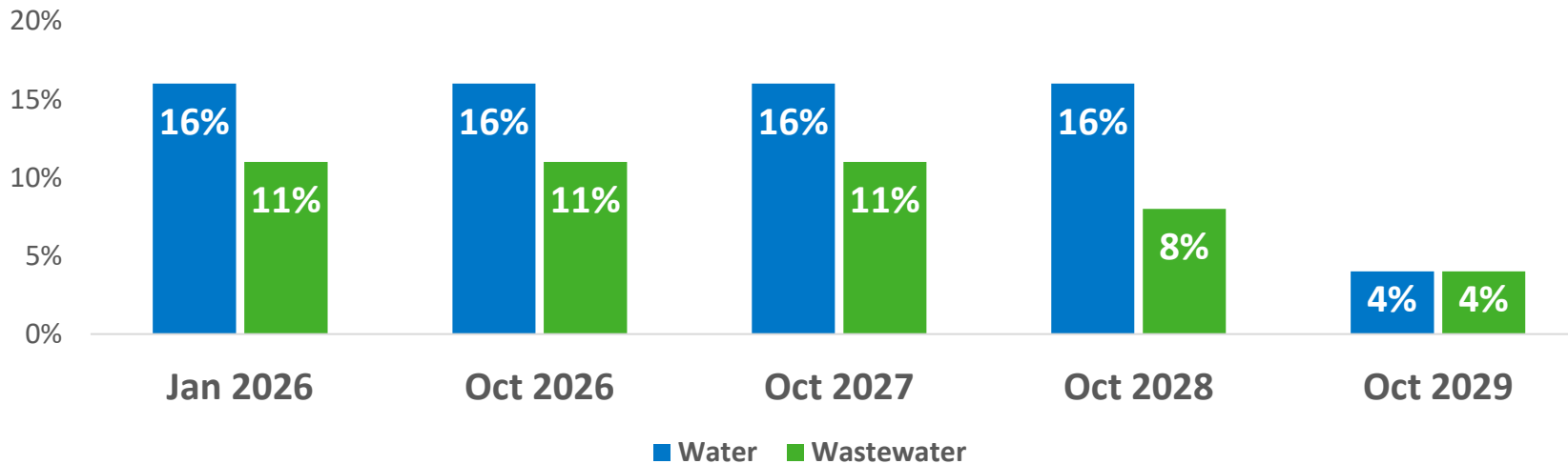
# WATER & WASTEWATER SCENARIO I | 100% DEBT

# SCENARIO I | OVERVIEW



## Proposed rate adjustments for the next 5 years:

- No change in fundamental water and wastewater rate structure
- Uniform percentage adjustments for base and volume charges
- Uniform percent adjustment for all customer classes
- Initial rate adjustment occurs in January 2026, all subsequent adjustments are scheduled for October
- Requires approx. \$400k fund balance drawdown in FY2026



**Under this rate plan, up to \$97.0M in debt may be issued over the next 10 years**

**The Scenario I rate plan is designed to minimize impact on ratepayers while supporting system's growth and maintaining integrity of the utility**

# SCENARIO I | RATE PLAN



The rate plan fully funds all aspects of the water utility based on the existing market conditions and assumptions.

Scenario I enables the City to fully fund its capital improvements.

	Current	Proposed Jan-26	Proposed Oct-26	Proposed Oct-27	Proposed Oct-28	Proposed Oct-29
<b>Water Rates -- Residential</b>						
<u>Minimum Charge -- 1st 2,000 Gal</u>						
Base Charge	\$ 12.05	\$ 13.98	\$ 16.21	\$ 18.81	\$ 21.82	\$ 22.69
<u>Volume Rate Per 1,000 Gal</u>						
2,001 10,999	1.65	1.91	2.22	2.58	2.99	3.11
11,000 15,999	2.00	2.32	2.69	3.12	3.62	3.77
16,000 25,999	2.35	2.73	3.16	3.67	4.26	4.43
26,000 Above	3.10	3.60	4.17	4.84	5.61	5.84
<b>Commercial Inside</b>						
<u>Minimum Charge -- 1st 2,000 Gal</u>						
3/4"	\$ 27.95	\$ 32.42	\$ 37.61	\$ 43.63	\$ 50.61	\$ 52.63
1"	33.28	38.60	44.78	51.95	60.26	62.67
2"	46.59	54.04	62.69	72.72	84.36	87.73
3"	56.00	64.96	75.35	87.41	101.40	105.45
4"	166.38	193.00	223.88	259.70	301.25	313.30
6"	332.75	385.99	447.75	519.39	602.49	626.59
<u>Volume Rate Per 1,000 Gal</u>						
Volume Rate/1,000 Gal	1.90	2.20	2.56	2.97	3.44	3.58
<b>Wastewater Rates - Residential</b>						
<u>Minimum Charge</u>						
Total	\$ 11.00	\$ 12.21	\$ 13.55	\$ 15.04	\$ 16.25	\$ 16.90
<u>Volume Rate/1,000 Gal</u>						
- 10,999	1.52	1.69	1.87	2.08	2.25	2.33
11,000 15,999	1.52	1.69	1.87	2.08	2.25	2.33
16,000 25,999	1.88	2.09	2.32	2.57	2.78	2.89
26,000 Above	2.48	2.75	3.06	3.39	3.66	3.81
<b>Commercial Inside</b>						
<u>Minimum Charge</u>						
Total	\$ 25.00	\$ 27.75	\$ 30.80	\$ 34.19	\$ 36.93	\$ 38.40
<u>Volume Rate/1,000 Gal</u>						
Volume Rate/1,000 Gal	1.40	1.55	1.72	1.91	2.07	2.15

# SCENARIO I | BILL IMPACT ANALYSIS



		Current	Proposed Jan-26	Proposed Oct-26	Proposed Oct-27	Proposed Oct-28	Proposed Oct-29
<b>Residential Monthly Charges -- 3/4"</b>							
5,000 Water	5,000 WW	\$ 35.60	\$ 40.37	\$ 45.79	\$ 51.97	\$ 58.25	\$ 60.58
	Increase -- \$		<b>4.77</b>	<b>5.43</b>	<b>6.18</b>	<b>6.28</b>	<b>2.33</b>
	Increase -- %		13.4%	13.4%	13.5%	12.1%	4.0%
10,000 Water	10,000 WW	\$ 51.45	\$ 58.37	\$ 66.26	\$ 75.24	\$ 84.42	\$ 87.79
	Increase -- \$		<b>6.92</b>	<b>7.89</b>	<b>8.99</b>	<b>9.17</b>	<b>3.38</b>
	Increase -- %		13.5%	13.5%	13.6%	12.2%	4.0%
20,000 Water	20,000 WW	\$ 89.14	\$ 101.26	\$ 115.08	\$ 130.86	\$ 147.11	\$ 152.99
	Increase -- \$		<b>12.12</b>	<b>13.82</b>	<b>15.77</b>	<b>16.25</b>	<b>5.88</b>
	Increase -- %		13.6%	13.7%	13.7%	12.4%	4.0%
<b>Commercial Monthly Charges -- 2"</b>							
30,000 Water	30,000 WW	166.79	190.13	216.83	247.39	279.65	290.83
	Increase -- \$		<b>23.34</b>	<b>26.70</b>	<b>30.56</b>	<b>32.25</b>	<b>11.19</b>
	Increase -- %		14.0%	14.0%	14.1%	13.0%	4.0%
60,000 Water	60,000 WW	265.79	302.87	345.28	393.80	444.89	462.68
	Increase -- \$		<b>37.08</b>	<b>42.41</b>	<b>48.53</b>	<b>51.08</b>	<b>17.80</b>
	Increase -- %		13.9%	14.0%	14.1%	13.0%	4.0%

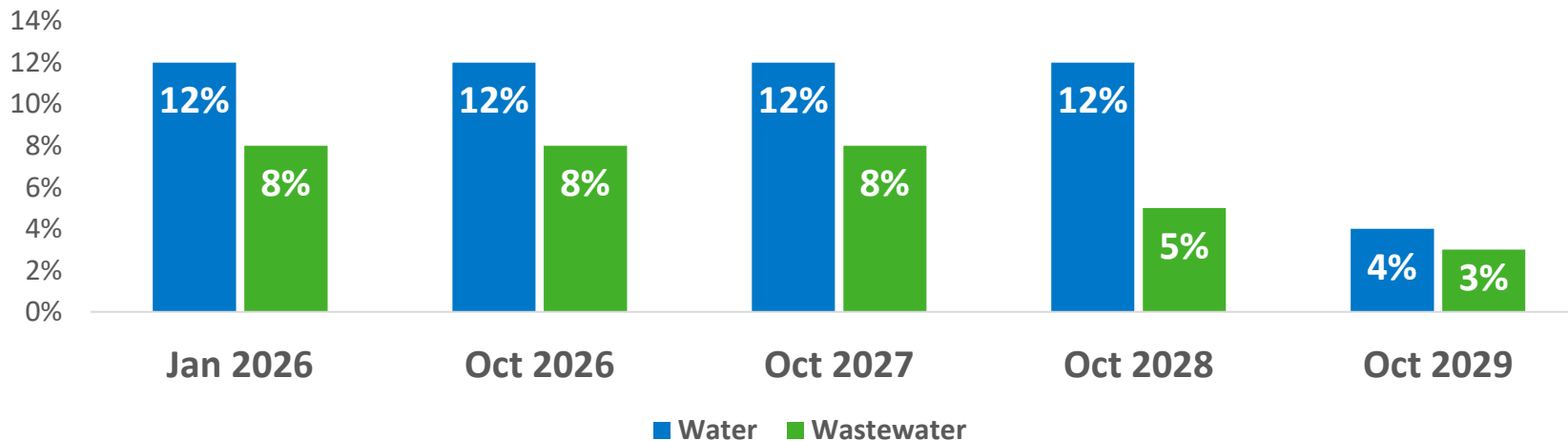
# WATER & WASTEWATER SCENARIO II | 50% DEBT

# SCENARIO II | OVERVIEW



## Proposed rate adjustments for the next 5 years:

- Uses same assumptions as Scenario I except for debt service
- Initial rate adjustment occurs in January 2026, all subsequent adjustments are scheduled for October
- Requires approx. \$700k fund balance drawdown in FY2026-FY2027
- Offers lower rate increases that Scenario I



Under this rate plan , up to \$50.65M in debt may be issued over the next 10 years

The proposed rate plan is designed to minimize impact on ratepayers while supporting some of the system’s growth and maintaining integrity of the utility

# SCENARIO II | RATE PLAN



The rate plan fully funds all operations & maintenance aspects of the water utility based on the existing market conditions and assumptions.

Scenario II enables the City to fund roughly 50% of its capital improvements.

To fund additional capital improvements, the City would need grants.

		Current	Proposed Jan-26	Proposed Oct-26	Proposed Oct-27	Proposed Oct-28	Proposed Oct-29
<b>Water Rates -- Residential</b>			12.0%	12.0%	12.0%	12.0%	4.0%
<u>Minimum Charge -- 1st 2,000 Gal</u>							
	Base Charge	\$ 12.05	\$ 13.50	\$ 15.12	\$ 16.93	\$ 18.96	\$ 19.72
<u>Volume Rate Per 1,000 Gal</u>							
	2,001 - 10,999	1.65	1.85	2.07	2.32	2.60	2.70
	11,000 - 15,999	2.00	2.24	2.51	2.81	3.15	3.27
	16,000 - 25,999	2.35	2.63	2.95	3.30	3.70	3.85
	26,000 - Above	3.10	3.47	3.89	4.36	4.88	5.07
<b>Commercial Inside</b>							
<u>Minimum Charge -- 1st 2,000 Gal</u>							
	3/4"	\$ 27.95	\$ 31.30	\$ 35.06	\$ 39.27	\$ 43.98	\$ 45.74
	1"	33.28	37.27	41.75	46.76	52.37	54.46
	2"	46.59	52.18	58.44	65.46	73.31	76.24
	3"	56.00	62.72	70.25	78.68	88.12	91.64
	4"	166.38	186.35	208.71	233.75	261.80	272.27
	6"	332.75	372.68	417.40	467.49	523.59	544.53
<u>Volume Rate Per 1,000 Gal</u>							
	Volume Rate/1,000 Gal	1.90	2.13	2.38	2.67	2.99	3.11
<b>Wastewater Rates - Residential</b>			8.0%	8.0%	8.0%	5.0%	3.0%
<u>Minimum Charge</u>							
	Total	\$ 11.00	\$ 11.88	\$ 12.83	\$ 13.86	\$ 14.55	\$ 14.99
<u>Volume Rate/1,000 Gal</u>							
	- 10,999	1.52	1.64	1.77	1.91	2.01	2.07
	11,000 - 15,999	1.52	1.64	1.77	1.91	2.01	2.07
	16,000 - 25,999	1.88	2.03	2.19	2.37	2.49	2.56
	26,000 - Above	2.48	2.68	2.89	3.12	3.28	3.38
<b>Commercial Inside</b>							
<u>Minimum Charge</u>							
	Total	\$ 25.00	\$ 27.00	\$ 29.16	\$ 31.49	\$ 33.07	\$ 34.06
<u>Volume Rate/1,000 Gal</u>							
	Volume Rate/1,000 Gal	1.40	1.51	1.63	1.76	1.85	1.91

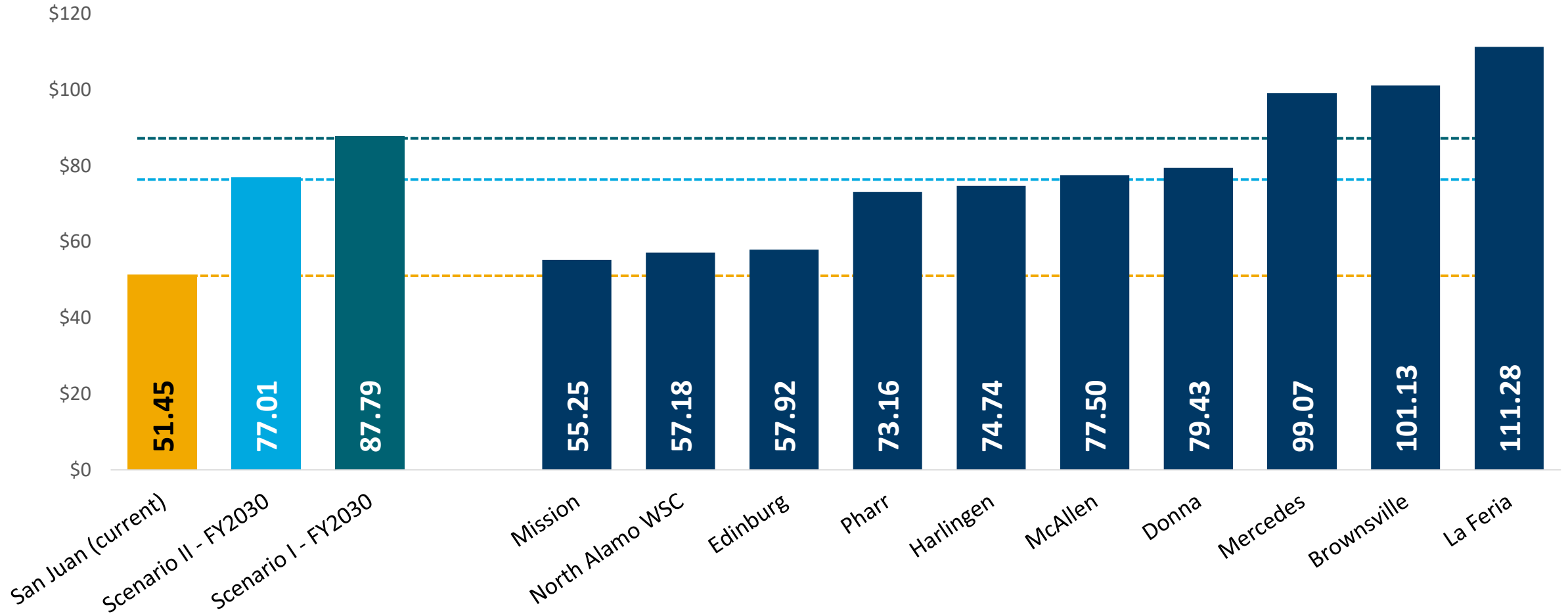
# SCENARIO II | BILL IMPACT ANALYSIS



		Current	Proposed Jan-26	Proposed Oct-26	Proposed Oct-27	Proposed Oct-28	Proposed Oct-29
<b>Residential Monthly Charges -- 3/4"</b>							
5,000 Water	5,000 WW	\$ 35.60	\$ 39.13	\$ 43.02	\$ 47.31	\$ 51.35	\$ 53.16
	Increase -- \$		<b>3.53</b>	<b>3.89</b>	<b>4.29</b>	<b>4.04</b>	<b>1.81</b>
	Increase -- %		9.9%	9.9%	10.0%	8.5%	3.5%
10,000 Water	10,000 WW	\$ 51.45	\$ 56.58	\$ 62.23	\$ 68.48	\$ 74.39	\$ 77.01
	Increase -- \$		<b>5.13</b>	<b>5.66</b>	<b>6.25</b>	<b>5.91</b>	<b>2.63</b>
	Increase -- %		10.0%	10.0%	10.0%	8.6%	3.5%
20,000 Water	20,000 WW	\$ 89.14	\$ 98.12	\$ 108.05	\$ 119.01	\$ 129.52	\$ 134.13
	Increase -- \$		<b>8.98</b>	<b>9.92</b>	<b>10.97</b>	<b>10.50</b>	<b>4.61</b>
	Increase -- %		10.1%	10.1%	10.2%	8.8%	3.6%
<b>Commercial Monthly Charges -- 2"</b>							
30,000 Water	30,000 WW	166.79	184.12	203.33	224.60	245.64	254.58
	Increase -- \$		<b>17.33</b>	<b>19.20</b>	<b>21.27</b>	<b>21.04</b>	<b>8.94</b>
	Increase -- %		10.4%	10.4%	10.5%	9.4%	3.6%
60,000 Water	60,000 WW	265.79	293.32	323.81	357.59	390.89	405.08
	Increase -- \$		<b>27.53</b>	<b>30.49</b>	<b>33.77</b>	<b>33.30</b>	<b>14.19</b>
	Increase -- %		10.4%	10.4%	10.4%	9.3%	3.6%

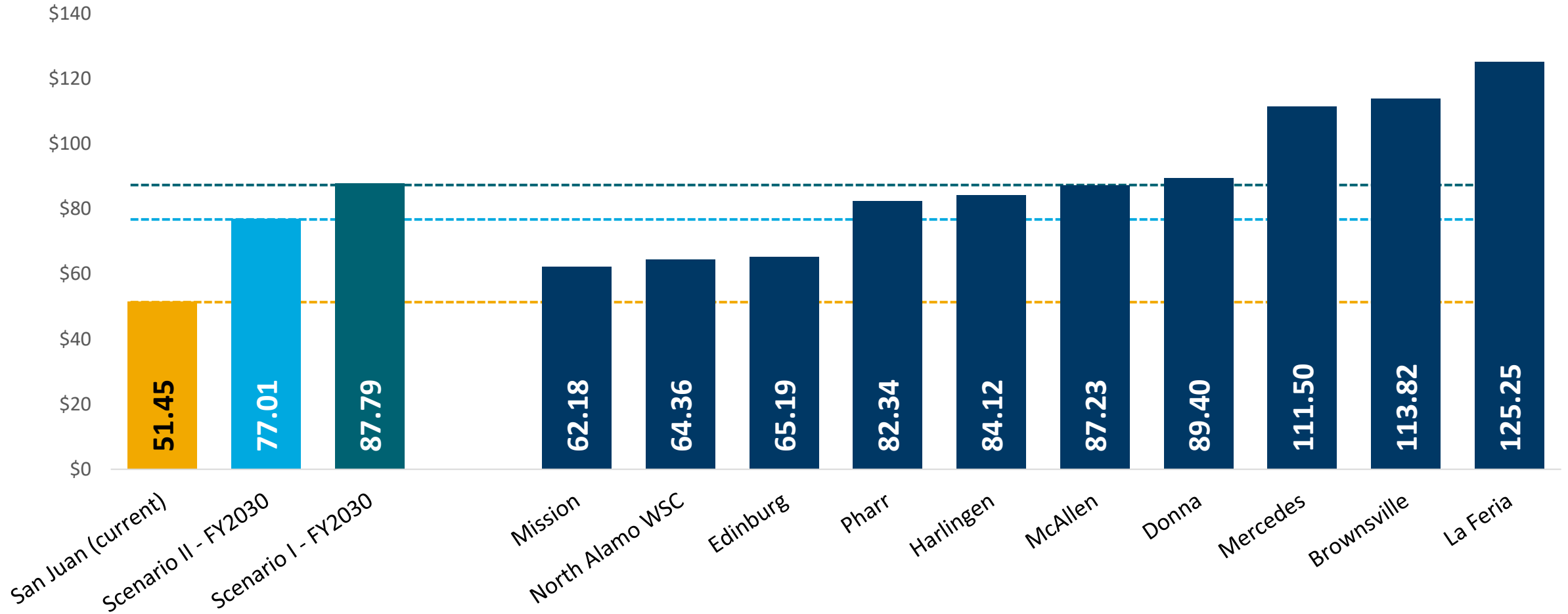
# SCENARIO COMPARISONS

# MONTHLY CHARGES | 10K GAL WATER & WW



*FY2030 rates for Scenarios I & II compared to comparable utilities **current** rates.*

# FORECAST<sup>1</sup> FY2030 MONTHLY CHARGES | 10K GAL WATER & WW



<sup>1</sup>Forecast **FY2030** rates assuming **3%** annual increases for all other utilities.



# SUMMARY

## PRESENTATION SUMMARY – NEXT STEPS



- Receive City Council feedback on scenarios
- Prepare alternative rate plans if required
- Schedule final City Council review and consideration for adoption





# QUESTIONS & DISCUSSION

# Disclosure



*Willdan Financial Services ("Willdan") is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has made available on its website ([www.msrb.org](http://www.msrb.org)) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority. As part of its SEC registration Willdan is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Willdan. Pursuant to MSRB Rule G-42, Willdan is required to disclose any legal or disciplinary event that is material to Client's evaluation of Willdan or the integrity of its management or advisory personnel. Willdan has determined that no such event exists. Copies of Willdan's filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at: <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Willdan Financial Services or for our CIK number which is 0001782739.*

*For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the municipality with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the municipality, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the municipality, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, unless formally engaged to provide such information.*