CITY COUNCIL OF MONTEREY PARK
THE CITY COUNCIL ACTING ON BEHALF OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY, THE HOUSING AUTHORITY, THE MONTEREY PARK FINANCING AUTHORITY AND THE MONTEREY PARK GEOLOGIC HAZARD ABATEMENT DISTRICT AGENDA

SPECIAL CITY COUNCIL MEETING
MONTEREY PARK CITY HALL COUNCIL CHAMBERS
320 W. NEWMARK AVENUE, MONTEREY PARK, CA 91754

Tuesday
September 26, 2023
7:00 p.m.

MISSION STATEMENT

The mission of the City of Monterey Park is to provide excellent services to enhance the quality of life for our entire community.

LAND ACKNOWLEDGEMENT

We would like to acknowledge that the land we inhabit today was once known as Tovangaar, the home of the Gabrieleño-Tongva people. We show our respect to the Gabrieleño-Tongva people, as well as all Indigenous people, past, present, and future, and honor their labor as original caretakers of this land. We commit to uplifting the Gabrieleño-Tongva people, invite you to acknowledge the history, and join us in caring for this land.

GENERAL INFORMATION

Documents related to an Agenda item are available to the public in the City Clerk's Office located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours and the City's website at www.montereypark.ca.gov/AgendaCenter/City-Council-17.

The public may watch the meeting live on the city's cable channel MPKTV (AT&T U-verse, channel 99 or Charter Communications, channel 182) or by visiting the city's website at http://www.montereypark.ca.gov/133/City-Council-Meeting-Videos.

PUBLIC PARTICIPATION

You may speak up to 5 minutes on Agenda item. You may combine up to 2 minutes of time with another person's speaking. No person may speak more than a total of 10 minutes. The Mayor and City Council may change the amount of time allowed for speakers. Written Communication will be accepted up to 2 hours before the meeting via email to mpclerk@montereypark.ca.gov.

Per the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call City Hall at (626) 307-1359 for reasonable accommodation at least 4 hours before a meeting. Council Chambers are wheelchair accessible.

CALL TO ORDER	**Mayor**
FLAG SALUTE	**Mayor**
ROLL CALL	**Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu**

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS

PUBLIC COMMUNICATIONS:

While all comments are welcome, the Brown Act does not allow the City Council to take action on any item not on the agenda. The Council may briefly respond to comments after Public Communications is closed. Persons may, in addition to any other matter within the City Council's subject-matter jurisdiction, comment on Agenda Items at this time. If you provide public comment on a specific Agenda item at this time, however, you cannot later provide comments at the time the Agenda Item is considered.

[1.] NEW BUSINESS

1-A. RESOLUTION APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE MONTEREY PARK FIREFIGHTERS' ASSOCIATION FOR THE TERM OF JULY 1, 2023 TO JUNE 30, 2025

It is recommended that the City Council consider:

(1) Adopting a Resolution approving a Memorandum of Understanding ("MOU") between the City of Monterey Park and the Monterey Park Firefighters' Association ("MPFFA");

(2) Taking such additional, related, action that may be desirable.

1-B. APPROVE THE NOTICE OF PUBLIC HEARING FOR WATER AND SEWER RATE ADJUSTMENTS AND SET A PUBLIC HEARING DATE ON DECEMBER 6, 2023

It is recommended that the City Council consider:

(1) Receive and file the Water and Sewer Rate Study

(2) Establish proposed water and sewer rates for customer consideration;

(3) Direct the City Manager, or designee, to implement the Proposition 218 protest ballot process (pursuant to Resolution No. 11647) for proposed rate setting;

(4) Set a Public Hearing to consider rate increases; and

(5) Taking such additional, related, action that may be desirable.

ADJOURNED

City Council Staff Report

DATE: September 26, 2023

AGENDA ITEM NO: New Business - 1A

TO:	The Honorable Mayor and City Council
FROM:	Christine Tomikawa, Director of Human Resources and Risk Management
SUBJECT:	Resolution approving the Memorandum of Understanding between the City and the Monterey Park Firefighters' Association for the term of July 1, 2023 to June 30, 2025

RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting a Resolution approving a Memorandum of Understanding ("MOU") between the City of Monterey Park and the Monterey Park Firefighters' Association ("MPFFA");
2. Taking such additional, related, action that may be desirable.

EXECUTIVE SUMMARY:

Representatives of the City of Monterey Park ("City") and MPFFA met and conferred to negotiate the terms and conditions of a new Memorandum of Understanding ("MOU") regarding employment. The parties reached an agreement on an MOU effective July 1, 2023 to June 30, 2025.

BACKGROUND:

MPFFA's current MOU term is valid from July 1, 2022 to June 30, 2023. On August 22, 2023, MPFFA's representatives initially agreed to the following terms and conditions:

- Two year agreement – July 1, 2023 to June 30, 2025
- Equity adjustment in base salary – 2.8% effective August 19, 2023.
- Base salary increase – 6.2% cost of living adjustment to base salary effective August 19, 2023 and 3.8% cost of living adjustment to base salary effective the first full pay period after July 1, 2024.
- MOU language modification:
    - Article 10 – Bereavement Leave
    - Article 16 – Health Insurance: Opt-out and medical language clean up
    - Article 19 – Education Incentive pay: language clean up
    - Article 22 – Salary and Wages: Longevity language clean up

- Article 27 – 401(a) Plan/Deferred Compensation Plan language clean up

FISCAL IMPACT:
The total cost of the MOU is estimated at $425,502 for Fiscal Year 2023-2024 and the estimated amount of $179,656 for Fiscal Year 2024-2025 will be budgeted appropriately. This amount will be paid by the general fund.

Respectfully submitted by:

Christine Tomikawa
Director of Human Resources
and Risk Management

Reviewed by:

Martha Garcia
Director of Finance

Approved by:

Inez Alvarez
Interim City Manager

Reviewed by:

Karl H. Berger
City Attorney

ATTACHMENTS:
1. Monterey Park Firefighters' Association MOU – redline version
2. Proposed MOU Resolution

ATTACHMENT 1

Monterey Park Firefighters' Association (MPFFA) – Redline Version Memorandum of Understanding July 1, 2023 to June 30, 2025

MEMORANDUM OF UNDERSTANDING

Between

THE CITY OF MONTEREY PARK

And

THE MONTEREY PARK FIREFIGHTERS' ASSOCIATION

(JULY 1, 2023~~2022~~ – JUNE 30, 2025~~2023~~)

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MEMORANDUM OF UNDERSTANDING
Between
THE CITY OF MONTEREY PARK
And
THE MONTEREY PARK FIREFIGHTERS' ASSOCIATION
(48 Month Agreement: July 1, 20232022 – June 30, 20252023)

PREAMBLE

This Memorandum has been prepared in accordance with the California Government Code (Section 3500 et seq.). The City of Monterey Park, California, hereinafter referred to as the "City", and the Monterey Park Firefighters' Association, hereinafter referred to as the "Recognized Employee Organization," have reached this Memorandum of Understanding pursuant to meeting and conferring in good faith.

ARTICLE 1 - SCOPE OF REPRESENTATION

A. The wages, hours and working conditions specified in this Memorandum shall constitute the wages, hours and working conditions for the term of this Agreement.

B. This agreement may be expanded further by the addition of provisions involving mandatory subjects of negotiations from 1) the City Personnel Rules and Regulations, 2) the Fire Department Rules and Regulations, and 3) the disciplinary procedures. Representatives of the City and the Recognized Employee Organization will meet as necessary to identify the above provisions and redraft them, if necessary, for incorporation into this Memorandum of Understanding. Upon completion of the committee review process, the negotiating parties will meet and attempt to agree upon the new provisions. Any agreements will be incorporated thereafter by reference into this Memorandum of Understanding. If no agreement is reached, the status quo will be continued, and there will be no incorporation into the M.O.U.

ARTICLE 2 - RECOGNITION

A. The Monterey Park Firefighters' Association is hereby recognized as the exclusive Recognized Employee Organization for those employees occupying the job classifications of Firefighter, Fire Engineer, and Fire Captain.

B. The City acknowledges the Recognized Employee Organization as the representative for employees in the Fire Department for the purpose of meeting and conferring in good faith regarding wages, hours, and other terms and conditions of employment.

C. This Memorandum does not preclude employees in such employment classifications from representing themselves individually in their employment relations with the City.

ARTICLE 3 - CITY RESPONSIBILITIES AND RIGHTS

To ensure that the City is able to carry out its statutory functions and responsibilities, the following matters will not be subject to the terms of this Memorandum, but shall be within the exclusive discretion of the City: to select and determine the number and types of employees required; to assign work to employees in accordance with the requirements determined by the City; to establish and change work schedules and assignments; to hire, transfer and promote or lay off employees for lack of work and for all other legitimate reasons; to suspend, discipline or discharge for just cause; to determine and change methods or operations; to determine and change, at its sole discretion, the number of locations, relocations and types of operation and the processes and materials to be employed.

ARTICLE 4 - EMPLOYER AND/OR EMPLOYEE RELATIONS

A. During the life of this Memorandum, all employees as described above in Article 2, Section A, shall have the right to join the Recognized Employee Organization, or to refuse or refrain from joining said organization.

B. Members of the Recognized Employee Organization may, by any reasonable method, select six (6) representatives who may or may not be City employees to meet and confer with the City Representative Committee or other management officials on subjects within the scope of representation during regular duty or working hours, without loss of time, provided:

1. That no employee representative shall leave duty or workstation or assignment without specific approval by any authorized departmental management official.

2. That any such meeting is subject to scheduling by an authorized departmental management official so as to avoid interference with or interruption of assigned work schedules or work performance.

C. The City will deduct dues and initiation fees from those employees who voluntarily sign and have submitted to the City the necessary authorization card. Deductions as authorized by the employees shall be deducted from earned wages or salaries each pay period. The City shall forward to the Recognized Employee Organization during the succeeding week all dues and/or initiation fees deducted from the employees.

D. The Recognized Employee Organization shall indemnify, defend, and hold the City harmless against any claim and any suit instituted by an employee against the City which shall arise out of any action which shall be taken by the City in accordance with the foregoing provisions as set forth in Section C above.

E. The Recognized Employee Organization representatives, while on City property, shall abide by the City's safety rules and regulations.

F. Such individuals, after being excused from their regularly assigned duties by the

Fire Chief or delegated representative, will be permitted to take reasonable time to discuss terms and conditions as set forth in this Memorandum.

G. Said employee or employees, if on duty, shall be paid for such reasonable time by the City at the employee's regular rate of pay. However, no overtime will be paid by the City for time spent as set forth above, except if and when the employee is working a relief overtime shift.

H. A written list of the Officers of the Recognized Employee Organization and the Employee Representatives shall be furnished to the City immediately after their designation and the Recognized Employee Organization shall notify the City promptly in writing of any changes of such Officers or Representatives.

ARTICLE 5 - COMMUNICATIONS

Space shall be provided on City bulletin boards for the posting of the following notices of immediate concern to the employee group members:

A. Recognized Employee Organization recreational and social activities.

B. Recognized Employee Organization election notices and results.

C. Recognized Employee Organization meetings and events.

D. Such other notices as may be mutually agreed upon by the Recognized Employee Organization and the Fire Chief or representative.

E. No information shall be placed upon a Fire Station bulletin board if it contains personal attacks upon any City employee or representative.

ARTICLE 6 - CONTINUED PERFORMANCE OF CITY SERVICES AND OPERATIONS

A. The Recognized Employee Organization hereby agrees that during the term of this Memorandum, the employees of the City, as set forth in Article 2, Section A, the officers and/or agents of the Recognized Employee Organization shall not engage in, encourage, sanction, support, authorize or suggest any work stoppages, strikes, boycotts, slowdowns, mass resignation, mass absenteeism, picketing, or any other intentional interference of the work of the City.

B. In the event any employee, or employees, participate in any such activities as set forth above, the Recognized Employee Organization shall notify such employee or employees, so engaged to cease and desist from such activities and shall instruct said person, or persons, to return to their normal work assignment and duties.

C. The employee, or employees, participating in such activities as set forth in paragraphs A and B above, shall be subject to disciplinary action by the City, including suspension or discharge in accordance with the City's Personnel Rules and Regulations.

ARTICLE 7 - GRIEVANCE PROCEDURE

A. DEFINITIONS

1. A "grievance" is an allegation by the Association or an Association member that a specific term of the MOU has been violated.

2. Disciplinary action consisting of one work shift suspension or less (or the money equivalent to such action) shall not be subject to arbitration and shall be resolved at Level III. The City Manager appeal shall not be an evidentiary hearing and shall follow the procedures for conducting a Skelly hearing. However, in any case where an employee is subject to two or more 1-work shift suspensions in any twelve consecutive month period, then the second such suspension and any thereafter within a twelve consecutive month period shall be subject to arbitration in the same manner as are other arbitrable disciplinary matters.

3. Except as provided above, a "disciplinary grievance" is a formal written objection or challenge to any disciplinary action as defined by the Personnel Rules and Regulations.

   The grievance procedure shall not be utilized by an employee to contest the content of a performance evaluation, verbal or written reprimands or other documentation regarding the employee's work performance which is not defined as disciplinary action by Rule XV of the City Personnel Rules and Regulations. A disciplinary grievance shall be filed after the written receipt of the City Manager's decision, and shall constitute the sole and exclusive process of appeal. Such appeals shall be processed at Level IV, Arbitration.

4. Disputes regarding jurisdiction (grievability of an issue) shall not be subject to resolution by the grievance procedure and instead, are subject to resolution by the Public Employment Relations Board.

5. A "grievant" is any unit member or Recognized Employee Organization on behalf of specified unit members adversely affected by an alleged violation of the specific provisions of this Memorandum, or a punitive disciplinary action.

6. A "day" is any day in which the administrative offices of the City of Monterey Park are open for regularly scheduled business.

B. GENERAL PROVISIONS

1. Until final disposition of a grievance, the grievant shall comply with the directions of the grievant's immediate supervisor.

2. All documents dealing with the processing of a grievance shall be filed separately from the personnel files of the participants.

3. Time limits for appeal provided at any level of this procedure shall begin

the first day following receipt of the written decision by the grievant and/or the Recognized Employee Organization. Failure of the grievant to adhere to the time deadlines shall mean that the grievant is satisfied with the previous decision and waives the right to further appeal. The grievant and the City may extend any time deadline by mutual agreement.

4. Every effort will be made to schedule meetings for the processing of grievances at times that will not interfere with the regular work schedule of the participants. If any grievance meeting or hearing must be scheduled during duty hours, any employee required by either party to participate as a witness or grievant in such meeting or hearing shall be released from regular duties without loss of pay for a reasonable amount of time.

5. Any unit member may, at any time, present grievances to the City and have such grievances adjusted without the intervention of the Recognized Employee Organization, as long as the adjustment is reached prior to arbitration and the adjustment is not inconsistent with the terms of this Memorandum; provided that the City shall not agree to a resolution of the grievance until the Recognized Employee Organization has received a copy of the grievance and the proposed resolution and has been given the opportunity to file a response within twenty (20) days. Upon request of the grievant, the grievant may be represented at any stage of the grievance procedure by a representative of the Recognized Employee Organization, which may include the attorney of the Recognized Employee Organization.

6. This grievance procedure shall be the sole and exclusive procedure for processing objections or challenges to disciplinary actions as defined in the Personnel Rules and Regulations and shall satisfy all administrative appeal rights and protections.

7. There shall be no reprisals against any Department employee for processing a grievance at any level, or for assisting a grievant in the processing of a grievance.

C. PROCEDURE - Grievances will be processed in accordance with the following procedures:

1. Level I - Informal Resolution

Any unit member who believes he/she has a grievance which is an alleged violation of the specific provisions of this Memorandum of Understanding shall present the grievance orally to the immediate supervisor within fifteen (15) days after the grievant knew, or reasonably should have known, of the circumstances which form the basis for the grievance. Failure to do so will render the grievance null and void. The immediate supervisor shall hold discussions and attempt to resolve the matter within ten (10) days after the presentation of the grievance. It is the intent of this informal meeting that at least one personal conference be held between the aggrieved employee and the immediate supervisor.

2. Level II - Formal Written Grievance

a. If the grievance is not settled during the informal conference and the grievant wishes to press the matter, the grievant shall present the grievance in writing on the appropriate form to the Fire Chief within ten (10) days after the oral decision by the immediate supervisor. The written information shall include: (a) A description of the specific grounds of the grievance, including names, dates, and places necessary for a complete understanding of the grievance; (b) A listing of the provisions of this agreement which are alleged to have been violated; (c) A listing of the reasons why the immediate supervisor's proposed resolution of the problem is unacceptable; and (d) A listing of specific actions requested of the City which will remedy the grievance.

b. The Fire Chief or designated representative shall communicate the decision, in writing, to the grievant within ten (10) days after receiving the grievance.

c. Within the above time limits either party may request a personal conference.

3. Level III - Appeal to the City Manager

a. If the grievant is not satisfied with the decision at Level II, the grievant may, within ten (10) days of the receipt of the decision at Level II, appeal the decision to the City Manager. This statement shall include a copy of the original grievance and appeal, and a clear, concise statement of the reasons for the appeal.

b. The City Manager shall communicate the decision, in writing, to the grievant within ten (10) days. If the City Manager does not respond within the time limits provided, the grievant may appeal to the next level.

4. Level IV - Binding Arbitration

a. If the grievant is not satisfied with the decision at Level III, or if an employee wishes to appeal the disciplinary decision of the City Manager, the grievant/employee may, within ten (10) days of the receipt of the decision, submit a request in writing to the Recognized Employee Organization for arbitration of the dispute. Within twenty (20) days of the grievant's receipt of the decision at Level III, the Recognized Employee Organization shall inform the City, in writing, of its intent to arbitrate. The Recognized Employee Organization and the City shall attempt to agree upon an arbitrator. If no agreement can be reached, they shall request that the State Mediation and Conciliation Service supply a panel of seven (7) names of persons experienced in hearing grievances in cities. Each party shall alternately strike a name until only one remains. The remaining panel member shall be the arbitrator. The order of the

striking shall be determined by lot.

b. The arbitrator shall, within thirty (30) days, unless both parties agree otherwise, hear evidence and render a decision on the issue or issues submitted to him/her. If the parties cannot agree upon a submission agreement, the arbitrator shall determine the issues by referring to the written grievance and the answers thereto at each step.

c. The City and the Recognized Employee Organization agree that the jurisdiction and authority of the arbitrator so selected and the opinions the arbitrator expresses will be confined exclusively to the interpretation of the express provision or provisions of this Agreement at issue between the parties. The arbitrator shall have no authority to add to, subtract from, alter, amend, or modify any provisions of this Agreement or the written ordinances, resolutions, rules, regulations and procedures of the City, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of this Agreement. The arbitrator shall be without powers or authority to make any decision that requires the City or management to do an act prohibited by law.

d. In the event that this grievance procedure is used to challenge disciplinary actions, the arbitrator shall prepare a written decision containing findings of fact, determination of issues, and statement of the precise disciplinary penalty, if any.

e. After a hearing and after both parties has had an opportunity to make written arguments, the arbitrator shall submit in writing to all parties his/her findings and award.

f. The award of the arbitrator shall be final and binding within sixty (60) days of submission. During this sixty (60) day, period either party may request, in writing, a clarification of the decision. A copy of such request must be provided to the other party simultaneously with the sending of the request to the arbitrator.

g. The fees and expenses of the arbitrator shall be shared equally by the City and the Recognized Employee Organization. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. Either party may request a certified court reporter to record the entire arbitration hearing. The cost of the services of such court reporter shall be shared equally by the parties.

h. By filing a grievance and processing it beyond Level III, the grievant expressly waives any right to statutory remedies or to the exercise of any legal process other than as provided by this grievance/arbitration procedure. The processing of a grievance beyond Level III shall constitute an express election on the part of the grievant that the grievance/arbitration procedure is the chosen

forum for resolving the issues contained in the grievance, and that the grievant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the enforcement of any arbitration award in any court of competent jurisdiction.

ARTICLE 8 - VACATIONS AND HOLIDAYS

I. PREAMBLE

It is the intent and purpose of this vacation and holiday leave policy that all employees avail themselves of accrued vacation and holiday time in order to promote a safe and productive working environment. However, the parties do recognize that personal circumstances and/or the staffing requirements of the Fire Department may periodically impact the ability of an employee to utilize any or all of his/her annual vacation and holiday accrual.

A. VACATION PROGRAM

1. The maximum vacation accrual is 312 hours.

2. With the approval of the 2011-12 MOU, employees with existing vacation hours had hours placed in Vacation Bank No. 1. No additional hours accrue to Vacation Bank No. 1.

   At the same time, Vacation Bank No. 2 was established. Vacation accrual from the establishment of Vacation Bank No. 2 was placed in Vacation Bank No. 2 with a maxmimum accrual cap of 312 hours.

3. Once the vacation hours in Bank No. 2 reach 312 hours, additional vacation (above the maximum) shall be automatically cashed out as part of the regular payroll process. Said hours shall be cashed out during the pay period in which they would have been earned.

4. Vacation usage or cash out in accordance with this Article shall first be deducted from Bank No. 2.

5. Effective July 1, 1994, every full time sworn member of the Fire Department shall accrue vacation with pay as follows:

Commencement of Year of Service	Accrual Rate
0 through and including 7	6 shifts per year
8 through and including 9	7 shifts per year
10 through and including 13	9 shifts per year
14 through and including 15	10 shifts per year
16 through and including 17	11 shifts per year
18 through and including 19	12 shifts per year
20 plus	13 shifts per year

6. Sworn Fire Members assigned to a twenty-four hour shift may, annually during any fiscal year, elect to cash out up to 8 shifts (192 hours) of vacation

time. The effective date(s) of any such cash-out to be determined by the employee.

Beginning in December 2022, and each December thereafter, employees may irrevocably choose in writing, on a form available from the Human Resources Department, to cash out up to 8 shifts (192 hours) that are to be accrued and remaining unused in the following calendar year. Vacation balances rolled over from prior calendar years are not eligible for cash out. Regardless of the number of hours irrevocably elected for cash out, the cash out will only be made from hours accrued during the calendar and not otherwise used for time off or otherwise by the employee at the time of the cash out. Cash outs shall be paid in December of each year.

The payment shall be made via payroll with the last paycheck in the following December after receipt of the irrevocable election form.

Employees who do not submit an irrevocable election form by December 15th will be deemed as foregoing participation in the optional annual leave cash-out program for that following calendar year.

In the event an employee has less hours in their leave bank at the time the cash-out is to be paid than they had previously elected to cash-out, the employee shall only be paid for up to the amount that was accrued that calendar year that is remaining in their designated leave bank at the time of the actual cash-out.

If an employee makes an irrevocable election to cash-out leave in the following calendar year and uses leave during that subsequent calendar year, the leave used may come from leave the employee had earned (if any) prior to January 1st of the calendar year the employee had elected to cash-out and/or in the same calendar year. The employee's use of earned, but unused leave accumulated from previous calendar years shall not result in a reduction in the amount of leave hours the employee is eligible to cash-out.

An employee who experiences an unforeseeable emergency may be permitted to make a new irrevocable election and/or to increase the amount of a previous election, subject to the same value that was permitted at the time the annual irrevocable election forms were due.

For these purposes, an "unforeseeable emergency" means a financial hardship to the employee resulting from any of the following:

- Accident, illness, injury or death of the employee or an immediate family member. For this purpose, an "immediate family member" is restricted to a spouse, registered domestic partner, child/legal dependent, or parent; or
- Loss of extensive damage to the employee's property due to casualty; or
- Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant.

Whether an occurrence is an unforeseeable emergency shall be solely determined by the City Manager or designee.

The City shall make a form available for employees to make their irrevocable election.

B. HOLIDAYS

1. Effective upon implementation of the 2004-06 MOU, Association members shall commence accruing twelve (12) holiday hours per month. Any holiday time accrual above twenty-four (24) hours shall be automatically cashed out as part of the first pay period following December 1st of each year.

Use of said holiday time shall be governed by Article 8(c) of this MOU.

C. Approval to use Vacation and Holiday Time remaining in Vacation and/or Holiday banks

1. Unless otherwise approved in writing by the Fire Chief and/or his/her designee, granting of any request to utilize earned vacation and/or holiday time shall be subject to the proviso that in no case shall more than two captains, two engineers, two firefighter/paramedics, and two firefighters assigned to a shift (a total of eight personnel) be authorized to utilize said leave during all or part of the same shift date(s). Where request to utilize said leave exceeds the per shift/classification numbers described in this paragraph, then the request filed earlier shall have priority. In cases where requests are filed simultaneously, priority shall be given to the most senior (in total service) applicant.

ARTICLE 9 - SICK LEAVE

A. Sick Leave with pay shall be granted to every full-time employee who has been continuously employed for a period of time in excess of 30 days. Such sick leave shall be granted by the appointing authority at any time after 30 days of employment, at the rate of twelve hours for each full calendar month of continuous employment with the City, including time served in probationary status.

Effective the pay period that includes January 1, 2019, the hours of sick leave earned by each employee annually will be reduced from one-hundred forty-four (144) hours to ninety-six (96) hours per year to allow forty-eight (48) hours at regular rate of pay to be used for a new Retiree Health Savings Plan (see Article 17, page 16 for the Retiree Health Savings Plan). The forty-eight (48) hour contribution shall be prorated at the rate of four (4) hours per month.

B. Sick leave is paid leave from work that can be used for the following purposes:

1. Diagnosis, care, or treatment of an existing health condition of, or preventative care for, an employee or any of the following of the employee's family members: child of any age or dependency status; parent; parent-in-law; spouse; registered domestic partner; grandparent; grandchildren; or

sibling; or

For an employee who is a victim of domestic violence, sexual assault, or stalking to: i) obtain or attempt to obtain a temporary restraining order or other court assistance to help ensure the health safety or welfare of the employee or his or her child; or ii) obtain medical attention or psychological counseling; services from a shelter; program or crisis center; or participate in safety planning or other actions to increase safety.

For full time employees, one-half of the employee's accrued and available annual sick leave is protected and may be used for any of the purposes stated above.

C. Light Duty Eligibility - Subject to the one exception described herein, light duty (modified duty) shall be made available only to those individuals suffering an industrial injury. The only exception to this rule shall be that non-industrial disabilities related to pregnancy, shall result in the subject employee being eligible for light (modified) duty.

D. In those instances where an employee had accumulated sick hours on or before implementation of the 2011-2012 MOU, the employee was subject to two (2) separate sick leave banks. The first sick leave bank (Bank No. 1) shall consist of the total number of sick hours accrued on or before implementation of the 2011-2012 MOU. The number of sick hours contained within Bank No. 1 shall not increase.

E. Concurrent with creation of Bank No. 1 above, there shall be created a second sick bank (Bank No. 2) that shall have a balance of zero (0) at its inception. Sick hours accumulated on or after implementation of the 2011-2012 MOU shall be deposited in Bank No. 2 but in no case shall said accumulation in Bank 2 exceed 800 hours.

F. Sick usage in accordance with this Article shall first be deducted from Bank No. 2.

G. The employee shall notify the on-duty Division Chief or his/her designee at least one hour before the beginning of the assigned shift, or when the need for leave is forseeable. When absence is for more than three consecutive shifts, the employee may be requested to provide the supervisor with a physician's certificate indicating the need for leave. A supervisor may require an employee to submit a physician's statement of illness regardless of the length of an employee's period of absence, if the supervisor has reason to question the validity of the employee's sick leave request.

H. The City Manager, or designee, may require an employee to submit to a City-paid fitness for duty examination to determine if the employee is able to perform the essential functions of his or her job when there is significant evidence that:

1. The employee’s ability to perform one or more essential functions of his or her job has declined; or

2. Could cause a reasonable person to question whether an employee is still capable of performing one or more of his or her essential job duties, or is

still capable of performing those duties in a manner that does not harm him or herself or others.

I. Refusal of any employee to submit to such medical examination shall constitute insubordination and grounds for disciplinary action.

J. Sick Leave Cash Out

The following sick leave cash out plan shall be implemented:

SICK LEAVE BANK 1:

1. Upon the service or disability retirement of an employee, the City will pay to the employee an amount equal to 33.31% of the individual employee's accumulated sick leave account in Bank 1. Payment will be made at the employee's then current rate of pay.

2. Upon the death of an employee prior to retirement, the City will pay to the employee's designated beneficiary under the City's life insurance program, an amount equal to 33.31% of the employee's accumulated sick leave balance in Bank 1. Payment will be made at the employee's current rate of pay.

SICK LEAVE BANK 2:

Upon the service or disability retirement, an employee with 10 or more year's service may cash out accrued Bank 2 sick leave at the rate of 16 hours for every one year (12 months) of City service.

K. Sick Leave Usage:
Employees absent from a partial day due to sick will use one hour for each hour of sick leave to cover the absence. An employee absent from a full shift shall use twenty-four (24) hours to cover all hours of the shift when they were absent.

ARTICLE 10 - BEREAVEMENT LEAVE

A. Each regular employee may be granted bereavement leave at the discretion of the Fire Chief whenever death occurs to a member of the employee's immediate family. Bereavement leave with pay may not exceed the number of shifts required to provide three calendar days off. However, if travel outside the State of California, or within the State of California but extending beyond a distance of 300 miles from Monterey Park is necessary, bereavement leave may be extended to the number of shifts required to provide a total of five calendar days. If travel of more than 300 miles is not required, the employee may take 2 additional unpaid days off after the three paid days. Shifts of Bereavement Leave are to be charged to an account separate from the employee's sick leave account.

B Immediate family, for the purpose of bereavement leave, shall include: spouse, registered domestic partner, father, father-in-law, mother, mother-in-law, child, stepchild, grandparents, and grandchildren, brother, brother-in-law, sister or sister-in-law or the employee.

ARTICLE 11 - EMERGENCY AND FAMILY SICK LEAVE

A. An employee covered by this Agreement may be granted emergency sick leave or family sick leave at the discretion of the Fire Chief, or as otherwise required by law, whenever serious illness or other illness occurs to a member of the employee's immediate family.

B. Emergency and family sick leave will be charged to sick leave rather than vacation.

C. Immediate family, for the purpose of emergency or family sick leave, shall include: spouse, father, father-in-law, mother, mother-in-law, child, stepchild, grandparents, grandchildren, brother or sister of the employee.

D. Serious illness, for the purpose of emergency sick leave, shall be defined as an emergency situation, in that the family member -- injured or ill -- requires hospitalization and/or immediate medical attention and treatment by a physician. The employee is expected to make suitable arrangements for the care of the injured or ill family member as soon as practicable following the actual emergency.

E. Family illness shall be defined as a situation that requires an employee to take care of a family member who is ill or has a scheduled appointment with a health care professional.

F. Should the need for family leave under the terms of this Article exceed the number of shifts occurring within a seven consecutive calendar day period per occurrence, the employee shall make application for leave under authority of the Family and Medical Leave Act (FMLA) and any continued approval for leave shall be governed by provisions contained therein.

G. In order to receive compensation while absent on family or emergency sick leave the employee shall obtain prior verbal approval from the Fire Chief or his/her authorized representative.

ARTICLE 12 - MILITARY LEAVE

Military Leave of Absence shall be granted in accordance with provisions of the City of Monterey Park's Personnel System Rules and Regulations, Administrative Policy 30-14 and as defined in Section 395 et. seq. of the Military and Veteran's Code of the State of California.

ARTICLE 13 - JURY DUTY

An employee of the City who is required to participate as a juror or required to participate in the jury selection process, shall, each fiscal year, continue to receive full salary and benefits for all shifts the employee is regularly scheduled to work which occur for the ten calendar days from and including the first day the employee is required to report for jury service and is engaged in such activities. Compensation shall extend beyond ten (10) days only upon provision to the City of a certified court document showing that trial counsel and/or the court estimated the trial for which an employee has been selected as a juror, to be of ten (10) or less days in duration.

ARTICLE 14 - LEAVE OF ABSENCE

As defined in Rule XI, Attendance and Leaves, Section 4, Leave of Absence, of the Personnel System Rules and Regulations of the City of Monterey Park, except as modified herein.

A. When an employee maintains a non-paid employment status, the City shall make no premium or other contributions to insurance coverage except as may be required by law as it, from time to time exists. In such case, the employee shall be required to deposit any and all insurance premiums with the City for remittance by the City to their carrier.

B. Subject to the requirements of the law, a leave of absence without pay shall not exceed the cumulative total of 180 calendar days during the entire term of an individual's employment, and any such leave of absence without pay shall be preceded by exhaustion of all accrued paid leaves of absence except as noted in Article 16 – Health Insurance, Section III, Long Term Disability. Absence without pay for a period greater than 50% of a pay period shall result in no leave benefits or seniority accrual for said period of time.

ARTICLE 15 - UNIFORM ALLOWANCE

I. STATION UNIFORMS

A. The uniform allowance shall be eight hundred and six dollars ($806.00). The City shall continue its credit/retail account program with a retail outlet to be determined by the City. Due to the CalPERS monthly reporting requirement change, the uniform allowance benefit amount will be reported 1/12th per month to CalPERS for "classic" employees and the City and employee shall be debited their respective CalPERS contributions. The employee will be required to use the approved City vendor for the purchases of their indentified uniform apparel. The uniform apparel that this uniform allowance represents as follows: Three NFPA approved shirts (with patches) and pants, one NFPA approved jacket (with patches), and one standard belt and buckle.

B. The City shall replace any station uniform damaged or destroyed as a proximate result of performing the duties of a Firefighter, upon prior approval of the Battalion Chief and in accordance with Fire Department procedures.

C. Uniform allowance shall not be credited to the employee that has been absent, for any reason, from active uniformed service for any time in excess of one-half of the fiscal year. Uniform allowance shall be provided on a prorated basis for those employees.

II. SAFETY GEAR

A. The City shall provide and maintain safety items as mandated by CAL/OSHA through procedures established by the City. Included are the following items:

1. Turn-out boots, trousers, and coat

2. Gloves and goggles
3. Helmet
4. Brush jacket
5. Safety Shoes
6. Flashlights
7. Breathing apparatus
8. Infectious disease protective clothing

B. Any Unit employee who negligently damages or loses any provided equipment or uniforms shall be subject to disciplinary action.

C. The City shall enter into a bulk-cleaning contract with a vendor to be selected solely at the discretion of the City.

ARTICLE 16 - HEALTH INSURANCE

A. Medical Insurance for Full-Time Employees

The City's monthly contribution to the Cafeteria plan for active employees is one thousand fourtwo hundred forty-fivefifty dollars ($1,4451250). The Cafeteria plan contribution for active employees includes the PEMHCA minimum for employer contribution as identified annually by CalPERS. The PEMHCA minimum for 20232018 is $151133 per month.

Effective the beginning of the pay period following July 1, 2018, the City's contribution to the Cafeteria plan for active employees will increase by ninety dollars ($90) per month for a total monthly contribution of one thousand three hundred forty dollars ($1340). Effective the beginning of the pay period following July 1, 2019, the City's contribution to the Cafeteria plan for active employees will increase by thirty-five dollars ($35) per month for a total monthly contribution of one thousand three hundred seventy-five dollars ($1375). Effective the beginning of the pay period following July 1, 2020, the City's contribution to the Cafeteria plan for active employees will increase by thirty-five dollars ($35) per month for a total monthly contribution of one thousand four hundred ten dollars. Effective the beginning of the pay period following July 1, 2021, tThe City's contribution to the Cafeteria plan for active employees iswill increase by thirty-five dollars ($35) per month for a total monthly contribution of one thousand four hundred forty-five dollars ($1,445 per month). The Cafeteria plan contribution for active employees includes the PEMHCA minimum employer contribution which will be $151136 per month in 20232019 and will be adjusted thereafter in accordance with the City's contribution amount set by CalPERS.

To the extent permitted by law (and CalPERS) employees may continue to enroll in the Local 1014 plan and use the City contribution toward insurance premiums. Employees will be responsible for paying the amount of the total insurance premium that exceeds the City's contribution via the City's Cafeteria Plan (IRC Section 125 Plan).

1. For employees who elect to waive medical insurance from the City (opt out), the City will pay $300/month in cash to the employee. The employee must provide proof of enrollment in another group health insurance plan

which provides minimum essential coverage. To be eligible, group coverage cannot be obtained through the individual market (whether or not obtained through Covered California) and must be obtained from a previous employer, spouse, registered domestic partner, parent, or due to military/veteran status. An employee must sign an attestation that the employee and each member of the employee's tax family has or will have such minimum essential coverage for the opt-out period. An employee must provide such attestation upon hire, during open enrollment each plan year, or by no later than thirty (3) calendar days after the start of each new plan year.~~In order to receive the opt-out incentive, the employee must certify annually that he/she has coverage through another insurance plan that is not an individual plan or coverage under an Exchange/marketplace, on a form to be provided by the City.~~ This provision does not apply to employees who purchase insurance through the Local 1014 plan.

2. Specific details of this cafeteria plan will be contained in a plan document available for review by employees at the City's Human Resources Department.

B. Retiree Medical Benefits Offered to Those Individuals Hired On or Before December 31, 2015

1. Those individuals who were hired on or before December 31, 2015 will be eligible for medical insurance provided by PEMHCA or the Local 1014 plan and receive a City contribution equal to the MEC under PEMHCA (single party and dependent coverage). The City shall also make a monthly contribution to a retiree Health Reimbursement Account (HRA) for the difference between the MEC and the contribution amount set forth within this section. Retirees are required to coordinate with Medicare, including the purchase of a Medicare supplement.

2. If the employee retired from City employment with less than 20 years of City service, he/she will receive up to $346/month toward the purchase of medical insurance (single party and dependent coverage)

3. If the employee retired from City employment with 20 or more years of City service, he/she will receive up to $411/month toward the purchase of medical insurance (single party and dependent coverage).

C. Retiree Medical Benefits Offered to Those Individuals Hired On or After January 1, 2016

1. Employees who are hired into City service on or after January 1, 2016 will not be eligible for the City contribution set forth in section B above. Instead, these individuals will be eligible for medical insurance provided by PEMHCA or the Local 1014 plan and receive a City contribution equal to the MEC provided under PEMHCA (See Section A above).

D. Group Dental Plan

The City's current contribution to the dental plan for active employees is ninety-

five dollars ($95).

E. Vision Insurance Plan

The City will pay up to $20/month for the employee and qualified dependents. The employee will pay any and all premiums due in excess of the City contribution under the City's Cafeteria Plan. The plan design shall be: Examination every 12 months; Frames and Lenses every 24 months. The deductible shall be $10.00/exam; $20.00/frame and lenses

F. Long Term Disability

The City's contribution is up to twelve dollars ($12.00) per month per employee toward the Fire Association's existing Long Term Disability Plan known as the California Association of Professional Firefighters-Long Term Disability Plan (Plan Identification Number PN 100-101). Any premium cost in excess of $12.00 shall be paid solely by the employee; any premium cost less than $12.00 shall accrue to the City. Approved use of the Long Term Disability Plan shall be preceded by exhaustion of all accrued paid sick leave. The Firefighters' Association will continue to be responsible for the administration of the Plan.

G. Life Insurance

1. The City provides each employee covered by this Agreement a term life insurance policy in the amount of $50,000.

2. Additional supplemental insurance may be purchased by the employee in $10,000 increments up to the lesser of $300,000 or 3 times the employee's gross salary. Any premium costs for the additional supplemental insurance shall be paid solely by the employee.

ARTICLE 17 – RETIREE HEALTH SAVINGS PLAN

A. Beginning January 2019, the City has agreed to provide contributions for full-time Unit employees toward a Retiree Health Savings Plan ("RHSP") as described in this Section.

B. The intent of the RHSP is to help participants pay eligible medical expenses during retirement using tax-deferred funds.

1. Eligible expenses include retiree health plan premiums, Medicare premiums, long-term care premiums and out of pocket health expenses.

C. The City agrees to contribute the dollar equivalent of 48 hours annually of unpaid sick time to the Unit employee's RHSP account. These contributions will be made for each complete calendar month of an employee's active City service. For example, each eligible member will receive 4 hours per month contribution equally

48 hours annually. The employee's annual sick leave accrual will be reduced from 144 hours annually to 96 hours annually (see Article 9, page 9).

D. Contributions to the RHSP are 100% vested.

E. Contributions and earnings on the contributions to the RHSP accumulate on a tax-free basis and are not subject to tax if they are used to pay for eligible medical expenses for participants and their eligible dependent(s).

F. Participants are allowed to self-direct all account assets into one of more of the investment options available within the RHSP.

G. The RHSP shall provide for benefits to be paid to a Unit employee after separation from City service based upon contributions made on behalf of such employee and shall not define a particular benefit to be paid to such employee.

H. Unit employees, whether active or terminated, may not transfer their RSMP account to a similar plan not sponsored by the City.

I. In the event of death, the participants account will transfer ownership to a surviving spouse or tax-qualified dependent. If the participant does not have a spouse or tax-qualified dependent, the unused assets will be forfeited back to the plan and distributed to plan participants on a pro-rata basis.

J. The RHSP will be administered by the authorized plan administrator designated by the City in a manner consistent with this Agreement. Administration fee will be paid by plan participants.

K. The City may change the RHSP at any time during the term of this Agreement, provided that the amount of contributions to the RHSP specified in Section C above do not change. Any change shall not affect any contributions that have vested under Section C above.

ARTICLE 18 - EDUCATIONAL ENROLLMENT COST REIMBURSEMENT

Effective July 1, 2012 educational costs shall be limited to two thousand dollars ($2,000) annually per unit member for eligible reimbursement expenses as defined within this Article. The City agrees to reimburse employees for the cost of enrolling in college-level courses directly related to their employment, or compatible with a career goal with the City. Enrollment cost reimbursement will be paid according to the following schedule:

Tuition fee reimbursement is established at 100% of tuition costs for attendance at a California State University campus not to exceed the cap of $2,000 annually. Enrollment cost reimbursement is subject to approval by both the Fire Chief and the Director of Human Resources/Risk Management. In rendering a reimbursement determination, the Fire Chief and the Director of Human Resources/Risk Management shall consider whether or not the

course(s) for which the reimbursement is sought is related to the employee's then existing principal duties and the availability of funds for reimbursement purposes. No employee shall be entitled to reimbursement unless pre-course enrollment written authorization for reimbursement is received from the Fire Chief and the Director of Human Resources/Risk Management. The reimbursement eligibility determinations described herein are not subject to any administrative or judicial appeal procedure and the decision of the Fire Chief and the Director of Human Resources/Risk Management shall be final. An employee will be reimbursed up to seventy-five dollars ($75.00) for books each semester or equivalent if he/she is enrolled in six (6) or less units; an employee will be reimbursed up to two-hundred dollars ($200.00) for books each semester or equivalent, providing he/she is enrolled in seven (7) or more units. Reimbursement shall only be for books required for the course. All requests for reimbursement shall be accompanied by valid receipts.

ARTICLE 19 - EDUCATIONAL INCENTIVE PAY

The City agrees to maintain an Educational Incentive Pay, which provides additional compensation as follows:

A. Additional compensation per month of 2% of base salary~~$135.00 additional compensation per month~~ for an employee with an Associate of Arts degree or 60 units of college credit from an academic institution accredited by the Western Association of Schools and Colleges or an accrediting organization recognized by the Council of Post Secondary Education in any major.

B. Additional compensation per month of 5% of base salary for an employee~~$275.00 additional compensation per month for an employee~~ with a Bachelor's degree from an accredited academic institution as described above in a major reasonably related to the employee's work or consistent with a career objective with the City.

C. Additional compensation per month of 6% of base salary for~~$325.00 additional compensation per month for~~ an employee with a Master's degree from an accredited academic institution as described above in a major reasonably related to the employee's work or consistent with a career objective with the City.

D. The above amounts shall not be cumulative.

E. In addition, possession of a Company Officers Certification shall allow an employee to be compensated at $60 per month. Only certification issued by the California State Fire Marshal's Office shall be accepted.

F. ~~Effective the beginning of the pay period following June 30, 2017, a~~An employee in possession of a Chief Officer certification will be compensated with $60 per month.

~~G. Beginning with the first day of the pay period in which the Recognized Employee organization ratifies the tentative agreement setting forth the changes in this MOU, sections A, B and C of this Article shall be ineffective and replaced with the following non-cumulative payment amounts:~~

~~1. Additional compensation per month of 2% of base salary for an employee with~~

~~an Associate's degree or 60 units of college credit from an accredited academic institution as described above in any major.~~

~~2. Additional compensation per month of 5% of base salary for an employee with a Bachelor's degree from an accredited academic institution as described above in a major reasonably related to the employee's work or consistent with a career objective with the City.~~

~~3. Additional compensation per month of 6% of base salary for an employee with a Master's degree from an accredited academic institution as described above in a major reasonably related to the employee's work or consistent with a career objective with the City.~~

ARTICLE 20 - TRAVEL REIMBURSEMENT

Mileage is reimbursed for travel in connection with City business. Prior approval must be obtained from the immediate supervisor or Fire Chief. Mileage forms are available in the department and, if travel is required frequently during a month, reimbursement will be made once each month. Completed mileage forms shall be submitted to the Fire Chief.

ARTICLE 21 - RETIREMENT BENEFITS

A. Retirement benefits are provided by the Public Employees' Retirement System (PERS). The 3% @ 55 retirement program for classic employees which includes one year final compensation (single highest year); Level 4 1959 Survivor's Benefit (any resultant CalPERS cost increase designated as constituting employee costs associated with providing Level 4 – Survivor Benefit shall be borne by the employee); Post Retirement Survivor Continuance Benefit; Level 4 – Survivor Benefit; and Military Service Credit as Public Service.

B. The parties hereto agree that the provisions of this Article are not intended to and shall not constitute a waiver of any rights the Recognized Employee Organization or its members may have in accordance with Monterey Park Municipal Code Section 2.40.040.

C. "Classic" employees pay their 9% member contribution. Effective the payroll period following Jauary 1, 2019, all "classic" employees ~~–~~will begin paying an additional 3% (for a total of 12%) as cost-sharing of the employer rate.

D. Employees who are 'New Members' as defined by the California Public Employees' Pension Reform Act of 2013 (PEPRA) (e.g., an employee hired on or after 1/1/2013 who has never been a CalPERS member or member of a reciprocal system or who has had a break in CalPERS service of at least 6 months or more) will constitute a second tier and be subject to all the applicable PEPRA provisions, which include but are not limited to the following retirement benefits:

"New Members" will have the retirement formula 2.7%@57, three year average, final compensation. New members are required to pay one-half the total normal cost as determined annually by CalPERS. As of July 1, 2018, that contribution is

11.5%

Effective the payroll period following January 1, 2019, "New Members" will contribute no less than a total of 12% toward retirement. The contribution will include one-half the total normal cost and any additional amount up to 12% as cost-sharing of the employer rate should one-half of the total normal cost be less than 12%.

For example, in the pay period following January 1, 2019, "new members" will contribute 11.5% (1/2 the total normal cost) and .5% as cost-sharing, for a total employee contribution of 12%. Should the required contribution for "new members" meet or exceed 12%, "new members" would pay the required contribution as indicated by CalPERS.

E. Cost-Sharing

The parties agree to cost-sharing of the employer retirement rate as noted above. The City will pursue a contract amendment with CalPERS for the cost-sharing portion of employee contributions toward retirement. The parties agree to complete the contract amendment process during the first year of this MOU. Cost share will begin as noted above and will continue regardless of the effective date of the contract amendment with CalPERS.

If at some future date, unit members no longer agree to cost sharing, the City will simultaneously reduce the salary range for all Unit members by 3% and reduce any impacted employees' base pay accordingly.

F. The City may pursue applications for industrial disability retirements for unit members as permitted by law.

G. Sick Leave Use In Conjunction with IOD - Government Code Section 21163 provides in pertinent part that the retirement of a PERS member who has been granted or is entitled to leave, shall not become effective until the expiration of sick leave with compensation, unless the member applies for or consents to his or her retirement as of an earlier date, *or unless, with respect to sick leave, the provisions of a local ordinance or resolution or the rules or regulations of the employer provide to the contrary.* In this regard, it is acknowledged that with regard to service and non-industrial disability retirements, it is the rule and regulation of the City that no employee shall be entitled to use or receive cash distribution of sick leave on or after the effective date of said retirements and that any such retirement shall be made effective regardless of the employee having sick leave remaining in the employee's account. Additionally, it is acknowledged that as regards individuals suffering from an industrial disability and/or being granted an industrial disability retirement, that the following sick leave rules and regulations shall apply:

1. In any instance where the local safety member has exhausted eligibility for benefits pursuant to Labor Code Section 4850, but is not eligible for disability retirement at said time, yet remains incapacitated from performance of the essential duties of the employee's position, then the employee shall have the option of electing to receive 50 percent of the sick leave balance existing at the time of exhaustion of the Labor Code Section

4850 benefits, with said amounts to be distributed during each payroll period until said 50 percent amount has been exhausted. In no case shall any such distribution during one pay period exceed the gross salary to which the employee would otherwise be entitled during said pay period.

2. However, if said employee is eligible for an industrial disability retirement prior to exhaustion of benefits under Labor Code Section 4850 or simultaneous with the same, and still has sick leave remaining on account, then the retirement shall still become effective and the safety employee shall be provided a one-time cash distribution equivalent to 50 percent of the employee's sick leave balance as it existed on the effective date of the industrial disability retirement. Further, said employee shall then be paid the cash value of accumulated vacation, holiday, and compensatory time off. Said payment shall, at the City's option, be paid in one lump sum or in pay period installments not exceeding the gross salary to which the employee would otherwise be entitled during said pay period.

ARTICLE 22 - SALARY AND WAGES

Effective August 19, 2023~~Beginning with the first day of the pay period in which the Recognized Employee Organization ratifies the tentative agreement setting forth the changes in this MOU~~, the salary ranges for all classifications in this bargaining unit shall be increased by an equity adjustment of 2.8%, plus a cost of living increase of 6.2%, for a total increase of 9%~~by 2%~~.

Effective the first full pay period after July 1, 2024, salary ranges for all classifications in this bargaining unit will be increased by 3.8%.

~~Essential Worker Premium Pay under ARPA: The City will make a one-time non-PERSable payment of $6,000 per employee who was employed in a classification in this bargaining unit prior to March 31, 2021 and is still employed in a classification in this bargaining unit at the time of distribution of the lump sum payment. The payment shall be distributed with the payroll for the pay period beginning after City Council ratification of this MOU.~~

Longevity:
~~Effective the beginning of the pay period following July 1, 2016, t~~The City will provide a monthly longevity payment for the following non-cumulative amounts:~~of one-hundred dollars ($100) per month upon completion of twenty (20) years of continuous service. The longevity payment will increase to three-hundred fifty dollars ($350) per month upon completion of twenty-five (25) years of continuous service.~~

~~Beginning with the first day of the pay period in which the Recognized Employee Organization ratifies the tentative agreement setting forth the changes in this MOU, longevity pay shall be increased to the following non-cumulative amounts:~~

4.5% of base salary after completion of 20 years of continuous safety service at the City; and
9.0% of base salary after completion of 25 years of continuous safety service at the City.

This payment will continue until there is a break of service or a separation of service between the city and the employee. The parties agree that this is special compensation and shall be reported as such to CalPERS, to the extent legally permissible, pursuant to Title 2 CCR, Section 571(a)(1).

I. WAGE RATES

A. The salary range for Firefighter, Fire Engineer and Fire Captain shall be as shown in Addendum A.

II. SKILL/ASSIGNMENT PREMIUM PAY

A. BILINGUAL PAY. The City shall pay $150 gross per month to each unit member certified by the City examination process as being capable of verbally interpreting and speaking those languages, including Spanish, Chinese, or any other language certified by the City as appropriate.

B. Shift Fire Investigator Premium Pay. Individuals who are regularly assigned as Shift Fire Investigator shall receive $100 per month special assignment pay for each month so assigned. A maximum of six (6) Firefighters may be selected by the Fire Chief to serve in the capacity of Shift Fire Investigator. Individuals assigned as Shift Fire Investigators will be utilized as Cause & Origin Investigators and will be assigned responsibility for initial cause, origin and effect investigations at all fire scenes. Selection of individuals to serve as Shift Fire Investigator shall be at the sole discretion of the Fire Chief. Any such assignment is temporary in nature and the individual so assigned may be transferred out of the assignment at any time without cause, without notice, and without the right to any administrative appeal unless one is provided for consistent with Government Code Section 3250 et. Seq. These assignments are intended to be of limited duration to provide for staff development.

C. Urban Search and Rescue (USAR) Technician Premium Pay. Individuals who are designated as Urban Search and Rescue (USAR) Technician following successful completion of the five required courses, Rescue Systems 1, Rescue Systems 2, Confined Space Operational, Trench Rescue, and Low Angle Rope Rescue Operational or equivalent, and any annual and additional subsequent training requirements, and who are assigned by the Fire Chief to serve as City of Monterey Park designated USAR respondents, shall receive $100.00 per month special assignment pay for each month so assigned. In addition, USAR technicians who receive Task Force Leader and/or Strike Team Leader certification (must have task book issued) and successfully complete the Heavy Equipment and Rigging Specialist course or Technical Search Specialist course will be eligible for an incentive of $200 per month. Currently, up to a maximum of eighteen (18) Fire personnel may be selected by the Fire Chief to serve in the capacity of Urban Search and Rescue (USAR) Technician. Effective following Council approval and signed contract, hereinafter for the duration of this contract, five (5) additional Fire personnel may be selected each year by the Fire Chief to serve in the capacity of USAR Technician for a total of thirty-eight (38) personnel.

D. EMT-D Premium Pay. Following Department of Health Services approval of the Fire Department's AED program, individuals who are in possession of valid certification as Emergency Medical Technician – Defibrillator (EMT-D) shall receive $200.00 per month premium pay. Individuals holding an EMT-P (Paramedic) certification are not eligible for

premium pay under this section.

III. TRUCK COMPANY ASSIGNMENT

The Company Officer assigned to the Truck shall be required to perform any or all "representative duties" in the class specification for Fire Captain. Additionally, the requirement to perform any or all said "representative duties" shall not constitute a change in terms and conditions of employment or in past practices. Any Company Officer assigned to the Truck shall not be eligible for acting or any other premium compensation unless said individual has also been specifically appointed as an Acting Battalion Chief in accord with this MOU.

ARTICLE 23 - WORK SCHEDULE

The basic work schedule for Fire Suppression personnel is eight 24-hour shifts in a 24-day work period, which amounts to an average of 122 work shifts (24 hour) per year. This Article is intended to be an exception to Article 3.

ARTICLE 24 - PARAMEDICS

A. Fire Department employees shall be selected for, and be removed from, the paramedic assignment by the Fire Chief. The Fire Chief may seek the advice of a physician medical advisor, on his/her qualifications as a paramedic.

B. Unless good cause is shown on an individual basis, the City shall continue to sponsor Captains and Engineers for Paramedic Certification.

C. Certified Firefighters assigned to paramedic duties and certified Fire Engineers and Captains shall be paid the following additional increments to base salary each month/or a prorate share thereof providing certification is maintained.

Firefighter	Fire Engineer and Captain
5.0% for the first year certified and assigned to paramedic duties.	2.5% for the first year certified
10.0% for the second year certified and assigned to paramedic duties.	5.0% for the second year certified
15.0% for the third year certified and assigned to paramedic duties.	7.5% for the third year (and thereafter) certified

(For example: a Firefighter, with three years as a paramedic, who is promoted to Fire Engineer, and who continues their paramedic certification, will be eligible for the 7.5% differential for as long as the paramedic certification continues)

D. An individual desiring to resign from the paramedic program must provide a minimum notice of six (6) months in writing, prior to the date of his/her proposed resignation.

The Fire Chief may issue, at his discretion, administrative guidelines setting forth the structure and operation of the paramedic program. The Fire Chief retains the sole right to direct the paramedic program, including the right to assign, reassign, or discipline any paramedic; determine the type of services to be rendered; determine the processes, techniques, methods, and means of performing work; determine selection of employees; determine the size and characteristics of the paramedic program; determine the allocation and assignment of work to paramedics; determine policy affecting the selection of new paramedics; and determine the methods and means by which paramedic operations are to be conducted.

ARTICLE 25 - PHYSICAL EXAMINATIONS

The City agrees to provide employees a complete physical examination, including stress EKG on the following basis:

A. Employees shall be administered a complete physical examination, including stress EKG, or be administered portions of the examination as they may be required, as follows:

1. Employees under forty years of age shall be administered a complete physical examination without the stress EKG every two years. The stress EKG will be administered every four years only.

2. Employees forty years of age or over shall be administered a complete physical examination including stress EKG every two years.

3. A City physical examination will be required each year following a City medical examination that reveals a medical problem or potential problem until that condition is improved or corrected by medical treatment and clearance.

B. Employees shall be given all examinations while on duty status, or if given this examination while off-duty, shall be compensated at straight time. If employee reschedules examination to off duty time, no compensation will be paid.

C. The City agrees such medical examination shall review those factors and standards reasonably required to be met by an employee to substantially comply with his job requirements.

D. The cost of the examination shall be borne by the City.

ARTICLE 26 - PHYSICAL FITNESS INCENTIVE PROGRAM

During the term of this MOU, the City agrees to continue a Physical Fitness Incentive Program as described in Addendum B of the 1999-02 MOU and incorporated herein by this reference.

ARTICLE 27 – 401(a) PLAN/DEFERRED COMPENSATION PLAN

401(a) Plan

The City will amend the 401(a) plan to permit employer contribution on behalf of unit members. ~~The plan amendment will be effective January 1, 2019.~~

A. City Contribution to 401(a) Plan

~~Effective the beginning of the pay period following January 1, 2019, t~~The City will contribute 3% of regular monthly salary to a 401(a) Plan for all members of the bargaining unit. ~~as follows:~~

~~Tier 1: Classic members will receive 3% of regular monthly salary to the 401(a) Plan.~~

~~Tier 2: "New Members" (PEPRA) will receive $185 per month to the 401(a) Plan.~~

~~Beginning with the first day of the pay period in which the Recognized Employee Organization ratifies the tentative agreement setting forth the changes in this MOU, the tiering shall be eliminated and all bargaining unit members (Classic and New Members) will receive the current Tier 1 City contribution of 3% of regular monthly salary to the 401(a) Plan.~~

457 Deferred Compensation Plan

A 457 deferred compensation plan will be available to all members of the bargaining unit. Participation in this deferred compensation plan is at the option of the individual employee and subject to annual plan limits.

B. Deferred Compensation Special Catch-up Provision:

The City of Monterey Park 457(b) Deferred Compensation Plan allows employees nearing retirement the opportunity to make deferrals up to two times the annual IRS limit. These contributions are known as "Special Catch Up" contributions.

Employees must meet the following criteria to be eligible to make a Special Catch Up contribution.

1. Employee must participate in the 457(b) plan;
2. Employee contributed less than the IRS annual maximum in any plan year the employee was eligible to participate;
3. Employee must be within three years of the year prior to their retirement year;
4. Employee must be within three years of the year prior to meeting the Plan's normal retirement age. Normal retirement age for "classic" safety members of PERS is fifty-five (55) years old and fifty-seven (57) years old for "new" members of PERS.
5. Employee must not be utilizing the Age 50+ Catch-Up in any year a Special Catch-Up contribution is made.

The intent of this section is to facilitate association members in the final three (3) years prior to their stated retirement year in converting the hourly rate of accrued

compensable leave to monies into their contribution to the City's deferred compensation plan.

After an employee defers compensable accrued leave, balances of 120 hours must remain or be maintained in both their sick and vacation accrual banks. If an employee defers compensable leave from a bank that has a formula of payout at retirement (i.e. 50% sick leave at retirement) the deferral does not recalculate the remaining balance. All sick leave hours, per MOU provisions, will be on a fifty percent basis (i.e. a conversion of 100 hours will result in the salary equivalent to 50 hours being deposited into the employees deferred compensation account). In the final three (3) years prior to an employee's stated retirement year, they may convert the hourly rate of accrued compensable leave to monies to be included in their contribution to the City's deferred compensation plan per the schedule outlined below:

3-year Catch-up Plan – Subject to IRS 457(b) contribution guidelines and annual limits.

1st year: no more than 20% of compensable accrual time of Sick Leave, Vacation Leave and Holiday Leave.
2nd Year: If a second year is chosen, no more than 35% of compensable leave may be deferred.
3rd Year: If a third year is chosen, no more than 50% of compensable leave may be deferred.

The City is not a party to and accepts no responsibility for the employees obligations under federal law to comply with the IRS and legal requirements of such deferrals allowing 457 participants a one-time catch-up provision to make deferrals to "catch-up" underutilized deferrals from prior years during any or all of the three calendar years ending before the tax year they reach the plans normal retirement age.

ARTICLE 28 - ACTING PAY

A. Employees may be assigned to work in a position/class having a higher rank or salary range in accordance with the following provisions:

1. No acting pay shall be paid for time worked in an acting capacity of less than twenty-four consecutive hours.

2. Employees must be certified by the Fire Chief to work in an acting/temporary assignment capacity in said position/class. Except as otherwise provided for herein, certification for acting and/or temporary assignments shall be at the sole discretion of the Fire Chief. The Fire Chief's determination regarding certification for acting/temporary assignments shall not be grievable or otherwise subject to any administrative appeal or challenge and is final and binding on the parties and their members. "Certification" shall only mean that the Fire Chief has used discretion and determined solely in his/her professional opinion based only on the criteria that the individual is capable of performing the acting or temporary assignment. "Certification" shall not refer to any particular examination, evaluation process, or other qualification standards, and no

such process shall be required for use by the Fire Chief in rendering his/her determination. Acting Division Chief Certification shall be determined by the Fire Chief.

3. To the extent that any "certification" or acting/move-up procedure described herein conflicts with any provisions in the Personnel Rules, Memoranda of Understanding, department rules or any other City promulgated policies, this MOU article shall prevail and be given full force and effect.

4. Employees assigned to work in an acting/move-up capacity shall be paid according to the following criteria:

   a. $60.00 per shift for Acting Fire Engineer
   b. $70.00 per shift for Acting Fire Captain
   c. $80.00 per shift for Acting Fire Division Chief

B. Need for Acting Assignments: To assure the orderly performance and continuance of municipal services, the City may be required to temporarily upgrade employees on an acting basis to positions of a higher classification. For the purposes of this Article, it is understood that acting assignments may be required in order to temporarily fill position classification vacancies, which may exist for any of the following reasons:

1. A position classification is permanently vacant and is scheduled to be filled by a regular full-time employee and a limited period of time is required in order to proceed with and complete the normal appointment procedure.

2. A position classification is temporarily vacant although, permanently filled, because the regular employee is on an approved paid or unpaid leave of absence.

C. It is not the intent of the City to circumvent or avoid the normal employment or promotion process and therefore, the City shall make every reasonable effort, as determined by the City, to fill vacancies in a most expeditious manner and to keep the need for such acting assignments to a minimum.

D. Selection for Acting Assignments. The selection of an employee for acting assignments shall be at the sole discretion of the Fire Chief or his or her designee, taking into consideration the following factors of those employees eligible for the acting assignment: the requirements of the position to be filled, the qualifications, job performance, on an active promotional exam list, and seniority.

E. Acting assignments shall be filled on a move-up basis or on a rank-for-rank basis, depending on the needs of the Fire Department as determined by the sole discretion of the Fire Chief.

F. Status of Employee in Acting Assignment. Time served in an acting assignment shall not be credited towards completion of any probationary test period in the acting position. Time served in an acting position shall not alter the employee's anniversary date. If the acting employee would have been eligible for a merit

increase had the acting appointment not been made, then the employee shall remain eligible for such merit increase with the employee's performance in both the regular and acting positions being considered.

G. Duration of Acting Assignment. No employee shall serve in any acting assignment for more than six (6) consecutive months.

ARTICLE 29 - FAIR LABOR STANDARDS ACT

A. 7k Exemption. The City of Monterey Park has exercised its ability to take a statutory "7K" exemption for sworn fire personnel. The work period for such employees assigned to suppression positions shall be twenty-four (24) days.

B. Overtime (Fire Suppression). Hours worked by fire suppression employees in excess of the standard work period of one hundred and eighty-two (182) hours in a twenty-four (24) day cycle shall be compensated at the overtime rate of time and one-half his/her regular rate of pay.

C. In determing overtime compensation, all hours worked and hours where paid leave is used in lieu of hours worked, except sick leave, shall be counted as total hours worked.

The parties agree that amending the hours worked eligibility for overtime to include paid leave as hours worked, was agreed to with the expectation that the use of sick leave (which does not count as hours worked for overtime eligibility) by unit members would be reduced. This agreement was also made as an alternative to providing a COLA that would have increased PERS costs. By including leave as hours worked for overtime eligibility, the City will increase its overtime costs pursuant to the MOU but those increased costs do not increase reportable pensionable pay to CalPERS. The parties agree that sick leave usage will decrease by 1,000 hours or 20%; off-duty illness or injury that exceeds 6 shifts and/or FMLA designated leave will not be included in the calculation. Sick leave usage will be evaluated during the periods of January 2019 through December 2019, and January 2020 through December 2020. Should the decrease in sick leave usage of 1000 hours (20%) not be achieved during these periods, both parties agree that on July 1, 2021, the FLSA provision will revert to the previous pre-June 30, 2018 contract language (vacation, holiday leave, compensatory leave, jury duty, and bereavement leave, along with sick leave, would be excluded in determining eligibility for overtime compensation). A traditional, one-time COLA of 1.3% would be granted in the same pay period as the leave counting as hours worked ends.

D. All overtime requests must have written authorization of a supervisor prior to the commencement of such overtime work. Where prior written authorization is not feasible, explicit verbal authorization must be obtained. Where verbal authorization is obtained, written authorization must be obtained as soon thereafter as practicable. Dispatched calls beyond the end of duty time are considered as authorized.

E. An employee's failure to obtain prior written approval, or explicit verbal authorization followed by written authorization, will result in the denial of the overtime request.

F. In the event that the hourly figure for premium overtime shall be decreased, increased or stayed by the Department of Labor or a court of competent jurisdiction, the City and Recognized Employee Organization agree to use the revised figure for determining premium overtime eligibility until such time as a final court decision is rendered. Any such adjustment by the City shall not act as estoppel or waiver by either party.

G. Compensatory Time. Employees may elect to cash out CTO accrued in the same calendar year. All compensatory time on the books will be paid down to zero hours each December 31.

H. In lieu of receiving cash payment at the regular rate of pay (Section A) for hours worked in excess of one hundred eighty-two (182) during the twenty-four day work period, an employee may elect the option of accruing compensatory time off. Compensatory time shall be earned at the time and one half rate for each hour worked subject to the provisions of Section C above.

I. Clothes Changing. Employees are not authorized to wear their uniforms or any part thereof that is distinguishable as such unless on-duty. Each employee is provided with a locker for his/her own personal convenience. An employee may or may not utilize the locker for storage and changing purposes at his/her own discretion.

J. Nothing herein prevents an employee from wearing his/her uniform to and/or from his/her residence to work as long as the badge and insignia are covered by a garment such as a windbreaker. Time spent in changing clothes before or after a shift is not considered hours worked and is not compensable in any manner whatsoever.

K. Training Time. Attendance at training schools/facilities (including the academy) that improves the performance of regular tasks and/or prepares for job advancement are not compensable for hours in excess of the employee's normal work shift. Any time spent in excess of the normal work shift will not be counted as working time and is not compensable in any manner whatsoever. Time spent in studying and other personal pursuits are not compensable hours of work, even though the employee may be confined to campus or to barracks 24 hours a day.

L. Travel time to and from the training facility outside of any employee's normal work shift is not compensable hours of work.

M. City Vehicle Use. Employees who are provided with a City vehicle to travel to and from work shall not be compensated in any manner whatsoever for such travel time in the City vehicle. This provision also applies in those situations where the radio must be left on and monitored.

N. This provision does not preclude compensation in those instances where an employee is required to perform emergency fire duties. In such cases, appropriate compensation shall be provided.

O. Gym Facility. The City provides a gym facility for public use which employees may use voluntary during their off duty hours. Time spent off duty by employees

working out at the gym facility is not considered hours worked and will not be compensated in any manner.

P. Call-back Pay. Call back duty occurs when an employee is ordered to return to duty on a non-regular scheduled work shift. Call back does not occur when an employee is held over from his/her prior shift or is working prior to his/her regularly scheduled shift. An employee called back to duty receives the call. An employee shall report to duty within a reasonable period of time not to exceed one hour and shall receive a minimum of two hours credit. Any hours worked in excess of 2 hours shall be credited on an hour for hour basis for actual time worked. Travel time shall not be considered hours worked and shall not be compensated in any manner whatsoever.

This provision is to be distinguished from "Court Standby" pay in Section R, which is to be used when an employee is called back to court.

Q. Court Pay. When an employee is physically called to court, he/she shall be credited on an hour for hour basis for the time actually spent in court. An employee shall be credited with a minimum of two (2) hours for each scheduled court appearance. Only one minimum shall apply per day. Travel time shall not be considered hours worked and shall not be compensated in any manner whatsoever.

R. Court Standby. An employee on court standby status may leave a telephone number where he/she may be reached while on standby. Such time is not considered hours worked under the Fair Labor Standards Act or for determining hours worked for overtime compensation under this memorandum of understanding. However, in recognition of the City's past practice, the employee will continue to receive credit for two (2) hours provided that the employee is not actually required to be present in the court building. If an employee is required to go to court, these two hours is applied to Court Pay, Section Q.

S. Shift Trades. The practice of shift trading shall be voluntary on behalf of each employee involved in the trade. The trade must be due to the employee's desire or need to attend to a personal matter and not due to the department's operations. The employee providing the trades shall not have his/her compensable hours increase as a result of the trade; nor shall the employee receiving the trade have his/her compensable hours decreased as a result of the trade. Any premium pay will be waived for both individuals during the period they work for the other. Any hours worked beyond the normal workday will be credited to the individual actually doing the work.

"Paybacks" of shift trades are the obligation of the two employees involved in the trade. Paybacks are to be completed within one (1) calendar year of the date of the initial shift of the involved employees, and under no circumstances will the department be obligated for any further compensation whatsoever to any of the involved employees. The department is not responsible in any manner for hours owed to employees by other employees that leave the employment of the City or are assigned other duties.

A record of all initial shift trades and "paybacks" shall be maintained by the involved employees on forms provided by the department (Time Exchange Form).

T. Early Relief Policy. The practice of early shift relief shall be voluntary on behalf of each employee involved in the relief. The employee providing the early relief shall not have his/her compensable hours increase as a result of the early relief; nor shall the employee relieved early have his/her compensable hours decrease as a result of the early relief. "Paybacks" of early relief hours are the sole obligation of the two employees involved in the early relief. Any dispute is to be resolved by the involved employees, and under no circumstances will the department be obligated for any further compensation whatsoever to any of the involved employees. The department is not responsible in any manner for hours owed to employees by other employees that leave the employment of the City or are assigned other duties. The employee must receive prior approval from his/her supervisor and log it in prior to the early relief.

ARTICLE 30 – TRANSFER

Any employee in the Department may be transferred from one station house to another or from one job to another at the same pay level. Such transfers shall continue to be at the discretion of the Fire Chief, and shall not be subject to review in the grievance/arbitration mechanism.

ARTICLE 31 - PERSONNEL RULES AND REGULATIONS

During the term of this agreement, both parties agree to meet and confer on the content and implementation of new and/or revised Personnel Rules and Regulations.

ARTICLE 32 - WRITTEN NOTICES TO RECOGNIZED EMPLOYEE ORGANIZATION

Reasonable written notice will be given to the Recognized Employee Organization of any rule, ordinance, resolution or regulation directly relating to matters within the scope of representation proposed to be adopted by the City Council. In cases where the City determines that as a result of an emergency an ordinance, rule, resolution or regulation must be adopted immediately without prior notice or meetings with a Recognized Employee Organization, the City shall provide such notice and opportunity to meet at the earliest practical time following the adoption of such ordinance, rule, resolution or regulation. The Reorganized Employee Organization shall be deemed to have met and conferred and agreed to any matter within thirty days after mailing of the notice by the City regarding said matter if the employee organization fails to deliver to the City Manager a written request for a meeting.

ARTICLE 33 - GENERAL PROVISIONS

A. If any section, subsection, subdivision, sentence, clause or phrase of the Agreement is for any reasons held to be illegal or unconstitutional, such decision shall not affect the validity of the remaining portions of this Agreement.

B. This Memorandum shall not in any way interfere with the obligations of the parties to comply with State and Federal laws, or with any rules, regulations, or order issued by such government authority pertaining to matters covered herein. If any provision, or provisions, of this Memorandum shall be affected by State

or Federal laws, or of any rule, regulations, or order issued by such governmental authority, or if any provision, or provisions should be held invalid by court of record, the remainder of the Memorandum shall not be otherwise affected thereby.

C. The parties acknowledge that during the meeting and conferring in good faith which resulted in this Memorandum, each had the unlimited right and opportunity to make demands and proposals with respect to any and all conferring, and that the understanding and agreement arrived at by the parties after the exercise of that right and opportunity is set forth in this Memorandum. Therefore, the City and the Recognized Employee Organization, for the life of this Memorandum, each voluntarily unqualifiedly waives the right with respect to any subject or matter referred to or convened in this Memorandum even though such subject or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they met and conferred or signed this Memorandum unless otherwise provided for herein.

The parties further acknowledge that they have met and conferred regarding cessation of the practice of allowing represented members to store personal property (i.e. boats, recreational vehicles, etc.) at City owned sites. No individual shall be authorized to utilize City owned property for the storage of personal property.

The parties agree the during the term of this MOU, the parties will meet to review and update the contract language in the MOU for clarity, to delete items referring to the past that are no longer needed/relevant, to be consistent with the law, and to reflect actual current practices. The MOU language review is not intended to result in significant economic impacts to either party.

D. Side Letter:

1. The Parties acknowledge that the provisions of the MOU require a close degree of cooperation and that new information and future events may demonstrate that changes are appropriate with respect to the details of performance of the Parties under this MOU. The Parties desire, therefore, to retain a certain degree of flexibility with respect to the details of performance for those items covered in general terms under this MOU. If and when, from time to time, the Parties find that refinements or adjustments are desirable, such refinements or adjustments will be accomplished through Side Letter or implementation memoranda approved by the Parties which, after execution, will be attached to this MOU as addenda and become a part hereof.

2. Side Letter or implementation memoranda may be executed on behalf of City by the City Manager and the City Attorney. In the event a particular subject requires notice or hearing, such notice or hearing will be appropriately given. Any significant modification to the terms of performance under this MOU will be processed as an amendment of this MOU in accordance with this MOU and must be approved by City Council.

E. It is agreed that neither the Recognized Employee Organization nor the City shall discriminate against any employee because of race, religion, national origin, age, sex, disability, sexual orientation or union membership or activity.

F. It is the shared view of the City and the Association that all employees of the Association will at all times conduct themselves in a professional and lawful manner and adhere to all federal, state and local laws. The Association, and its members, agree that in the event that the conduct of the members does not adhere to this standard that they should be subject to the appropriate level of counseling or discipline commensurate with the corresponding failure in conduct.

ARTICLE 34 - TERM OF MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding shall be in effect for an initial term commencing July 1, 2023~~2022~~ and ending June 30, 2025~~2023~~ and shall continue in effect from year to year thereafter unless or until terminated. Unless specifically described to the contrary herein, all changes in matters within the scope or representation shall be provided prospectively from the date of MOU implementation. The "date of MOU implementation" shall be the date of City Council adoption of the MOU.

ARTICLE 35 - CITY COUNCIL APPROVAL

It is, however, the mutual understanding of all parties hereto that this Memorandum of Understanding is of no force or effect, whatsoever unless or until ratified and approved by minute action and duly adopted by the City Council of the City of Monterey Park.

IN WITNESS HEREOF, the parties hereto have caused this Memorandum of Understanding to be executed this 26th~~2nd~~ day of September 2023~~November 2022~~.

MONTEREY PARY FIREFIGHTERS' ASSOCIATION

By: _____
Daniel Cline, Firefighters' Association President

By: _____
Scott Kelley, Firefighters' Association Lead Negotiator

CITY OF MONTEREY PARK

By: _____
Inez Alvarez~~Ron Bow~~, Interim City Manager

By: _____
Christine Tomikawa, Director of Human Resources & Risk Management~~Inez Alvarez, Assistant City Manager~~

~~By:~~ _____
~~Martha Garcia, Director of Management Services~~

~~By:~~ _____
~~Christine Tomikawa, Director of Human Resources & Risk Management~~

APPROVED BY:

_____
Karl H. Berger, City Attorney

ADDENDUM A

CLASSIFICATION AND BASE SALARY LIST
FIREFIGHTERS' ASSOCIATION

Effective August 19, 2023, the monthly base salary range for represented classifications is as follows:

Classification	Range	1	2	3	4	5
Firefighter	1	$7,234	$7,595	$7,974	$8,373	$8,792
Fire Engineer	2	$8,371	$8,789	$9,228	$9,690	$10,174
Fire Captain	3	$9,752	$10,240	$10,752	$11,289	$11,854

Effective the first full pay period after July 1, 2024, the monthly base salary range for represented classifications is as follows:

Classification	Range	1	2	3	4	5
Firefighter	1	$7,509	$7,884	$8,277	$8,691	$9,126
Fire Engineer	2	$8,689	$9,123	$9,579	$10,058	$10,561
Fire Captain	3	$10,123	$10,629	$11,160	$11,718	$12,304

~~:~~
~~The monthly base salary range for represented classifications is as follows:~~

~~Classification~~	~~Range #~~	~~1~~	~~2~~	~~3~~	~~4~~	~~5~~	~~6~~	~~7~~
~~Fire Captain~~	~~3~~	~~7955~~	~~8354~~	~~8771~~	~~9210~~	~~9670~~	~~10154~~	~~10661~~
~~Fire Engineer~~	~~2~~	~~6829~~	~~7170~~	~~7529~~	~~7905~~	~~8300~~	~~8715~~	~~9151~~
~~Firefighter~~	~~1~~	~~5901~~	~~6196~~	~~6506~~	~~6831~~	~~7172~~	~~7531~~	~~7907~~

~~Beginning with the first day of the pay period in which the Recognized Employee Organization ratifies the tentative agreement setting forth the changes in this MOU, the monthly base salary range for represented classifications is as follows:~~

~~Classification~~	~~Range~~	~~1~~	~~2~~	~~3~~	~~4~~	~~5~~	~~6~~	~~7~~
~~Fire Captain~~	~~3~~	~~8114~~	~~8521~~	~~8946~~	~~9394~~	~~9863~~	~~10356~~	~~10874~~

~~Fire Engineer~~	~~2~~	~~6965~~	~~7313~~	~~7679~~	~~8063~~	~~8466~~	~~8889~~	~~9334~~
~~Firefighter~~	~~1~~	~~6019~~	~~6320~~	~~6636~~	~~6967~~	~~7315~~	~~7681~~	~~8065~~

ADDENDUM B

PHYSICAL FITNESS INCENTIVE PROGRAM

This Addendum B shall implement the following agreement between the parties:

1. Representatives of the City and the Association have agreed to implement a voluntary physical fitness program which provides performance incentives in the form of monetary payment.

2. The parties fully understand and acknowledge that the City has expressed concerns that unless participation in the physical fitness program is deemed voluntary in nature, implementation of the program could have an impact upon the City's exposure to worker's compensation/disability retirement claims in any case where an employee choosing to participate in the program suffers an illness or injury.

3. Accordingly, the parties understand, acknowledge and agree that the City would not have agreed to implement a physical fitness incentive program unless it was acknowledged and agreed by the Association *and each and every one of its members who participate in the program,* that participation in the program is purely voluntary in nature and that injuries or illnesses suffered while training, and/or practicing for the program, shall not be deemed industrial in nature and shall not entitle any participant to benefits pursuant to the Workers' Compensation laws, Labor Code Section 4850, or to industrial disability retirement in accord with the Public Employees Retirement Law.

4. The Association agrees that it will cooperate with the City in assuring compliance with a mutually agreed upon requirement that prior to participating in and/or training for the program, each and every Association member date and sign a form containing the language set forth below in this Addendum evidencing the voluntary nature of participation in and/or training for the physical fitness program.

NOW, THEREFORE, IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

5. Effective January 1, 2000 or as soon thereafter as is practicable, the City shall make available to Association members voluntarily electing to participate therein, the P.O.S.T.-approved physical fitness program as is currently offered to Sworn Police. Participation in the program consists of completing a City-required form(s) displaying a member's informed consent in connection with program participation, a "physical exercise readiness" questionnaire, a RISKO cardiac risk assessment form, body composition testing with skin calipers, measurement of waist to hip ratio, a timed 1.5 mile run or 3 mile walk, flexibility measurement, a mandated volume of push-ups, and a bent knee sit up examination consisting of one minute in length. The composition of the program is subject to unilateral change by the City dependent upon component changes recommended by POST.

6. Program testing shall be administered one time each year at a date, time and location selected by the City, with ninety (90) calendar day's notice of the examination date, time and location being posted on the Association utilized bulletin board located within the Fire Department and with said notice being mailed by first class, United States mail to the Association member(s) designated to receive service of documentation on behalf of the Association. Any claimed failure to receive notice of the examination shall not be contestable through any administrative or civil proceedings, and the results of the testing process and/or the manner in which the testing process is administered, shall likewise not be subject to administrative or civil contest.

7. No Association member shall be permitted to participate in the physical fitness program unless prior to such participation, the member has signed the following general release and certification which shall be made available by the City to all voluntary participants:

"I agree and understand that participation in the physical fitness program described in Addendum B of the 1999-2002 Memorandum of Understanding between the City of Monterey Park and the Monterey Park Firefighters' Association and in training and practice for that participation, is voluntary in nature. Assignment or advancement within the Department is in no manner contingent upon training for or participating in the program.

Accordingly, I understand and agree that any and all injuries suffered while training, and/or practicing for the program shall not be considered compensable worker's compensation injuries, shall not form the basis for an industrial disability retirement, and shall not form the basis for my receipt of benefits pursuant to Labor Code Section 4850.

I further certify that I have not used any tobacco product (i.e. cigarettes, cigars, chewing tobacco, pipe tobacco, etc.) at any time during the six months immediately preceding my participation in the voluntary Physical Fitness Program."

9. The agreed upon Physical Fitness Incentive Program as developed by P.O.S.T. designates various levels of fitness program achievement as being "bronze," " silver," and "gold." The attainment of said levels shall be verified in accord with P.O.S.T. mandated scoring methods.

10. As and for recognition for achievement in the program, those participants attaining the *bronze level,* shall receive a lump sum cash payment of two hundred dollars ($200.00); those participants attaining the silver level, shall receive a lump sum cash payment of three hundred dollars ($300.00) cash payment; and those participants attaining the gold level, shall receive a lump sum cash payment of four hundred dollars ($400.00) cash payment.

s:\Fire negotiations\Fire Department\Physical fitness incentive program

ATTACHMENT 2
MOU Resolution

RESOLUTION NO. ____

A RESOLUTION APPROVING THE MEMORANDUM OF UNDERSTANDING FOR CONTRACT YEAR 2023-2025 BETWEEN THE CITY OF MONTEREY PARK AND THE MONTEREY PARK FIREFIGHTERS' ASSOCIATION ("MPFFA").

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1: City representatives, approved by the City Council, and representatives from the Monterey Park Firefighters' Association ("MPFFA") met and conferred regarding wages, retirement funding, hours and the terms and conditions of employment for contract year 2023-2025.

SECTION 2: Following such negotiations, the representatives drafted a Memorandum of Understanding ("MOU") for fiscal years 2023-2025. A copy of that MOU is attached as Exhibit "A," and is incorporated by reference.

SECTION 3: Following a vote of its membership, the MPFFA informed the City that it accepted the MOU.

SECTION 4: After reviewing the MOU, the City Council finds that it is in the public interest to approve it retroactively effective July 1, 2023. Accordingly, the Interim City Manager is authorized to execute the MOU in a form approved by the City Attorney.

SECTION 5: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 6: *Construction*. This Resolution must be broadly construed to achieve the purposes stated in this Resolution. It is the City Council's intent that the provisions of this Resolution be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Resolution.

SECTION 7: *Effective Date*. This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this ____ day of _____, 20__.

_____
Jose Sanchez, Mayor

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:

_____
Karl H. Berger, City Attorney

City Council Staff Report

DATE: September 26, 2023

AGENDA ITEM NO: New Business - 1B

TO: The Honorable Mayor and City Council

FROM: Marth Garcia, Director of Finance

SUBJECT: Approve the Notice of Public Hearing for Water and Sewer Rate Adjustments and Set a Public Hearing Date on December 6, 2023

RECOMMENDATION:

It is recommended that the City Council consider:

1. Receive and file the Water and Sewer Rate Study;
2. Establish proposed water and sewer rates for customer consideration;
3. Direct the City Manager, or designee, to implement the Proposition 218 protest ballot process (pursuant to Resolution No. 11647) for proposed rate setting;
4. Set a Public Hearing to consider rate increases; and
5. Taking such additional, related, action that may be desirable.

EXECUTIVE SUMMARY:

In 2014, the City Council adopted Ordinance Nos. 2109 and 2110 adjusting the rates for water and sewer. These Ordinance included a 10% to 15% increase in rates for a five-year period beginning September 2014. The ordinances also included an automatic reversal of utility rate charges effective August 2019 back to utility charges exiting in August of 2017. Since that time, several factors have changed: declines in water usage resulting from increased efficiency and an increase operating cost due to inflation. A new comprehensive rate study was desirable.

On June 16, 2021, the Council authorized the City Manager to execute an agreement with HF&H Consultants, LLC (HF&H) for a Utility Rate Fees Study (the Study). The last comprehensive study on the water, wastewater, and refuse rates occurred in 2014.

Since then, most operating costs have changed, water consumption decreased and the City entered into a new franchises for solid waste collection services (and is in the process of considering new franchises). HF&H worked with City staff to develop comprehensive rate analyses for the water, wastewater, and refuse enterprises with recommendations that ensure the rates charged are fair and equitable to the City's users and can adequately fund the City’s operations of these services.

Pursuant to Article XIII D, Section 6 of the California Constitution (added by voters via Proposition 218), before imposing new or increasing existing property-related rates for water, wastewater, or solid waste, the City must provide notice by mail of a public hearing for considering such rates. The notice must be provided at least 45 days before the date of the public hearing on the proposed fees.

In 2014, the City Council adopted Resolution No. 11647 establishing procedures for increasing maximum rates for property-related fees in accordance with the requirements of Proposition 218. These procedures require the City Council to approve the Proposition 218 Notice, which contains the proposed monthly rates for residential and commercial water and wastewater services; and the date in which the rates would become effective if approved.

The Finance Department prepared the attached Proposition 218 Notice, which provides notice of the December 6, 2023, public hearing date; includes proposed Rates; discloses that if the proposed Rates are approved, they will take effect on January 1, 2024; and contains the official ballot for property owners or authorized representatives wishing to protest the proposed Rates. If the attached Proposition 218 Notice is approved, it will be mailed to property owners and tenants who are directly liable for paying the water and wastewater bills.

Property owners (and tenants) have the ability to “protest” the proposed Rates until the close of the public hearing. If a majority of the parcels file written protests with the City before the close of the public hearing, Proposition 218 states that the City cannot implement the proposed fee. If a majority of the parcels do not protest the proposed increase, the Council may implement the proposed rate increase. Only one ballot per parcel is counted during the protest proceedings. Thus, while there may be multiple owners or tenants for one parcel of property, only one vote will be counted from that parcel.

Under Proposition 218, the rates can be established for up to five years. Thereafter, a new Proposition 218 process would be required again.

BACKGROUND:

Water Rate Study

Monterey Park' s current water rates are those in effect for August 2017. Customers are charged a monthly water meter charge based on meter size and a water consumption charge based on actual water usage. Single family residential customers have a three-tier structure and all other customer classes pay a uniform charge. Additionally, all customers pay a 37.5% treatment surcharge that is applied to both the meter charge and consumption charge. This rate structure generates approximately 34% of the Water Enterprise’s revenue from the monthly meter charge. HF&H developed a 10-year financial

plan for the Water Enterprise, performed a cost-of-service analysis, and designed rates in compliance with Proposition 218.

The financial analysis made the following findings:

- The revenue generated from current rates are inadequate to pay for current and ongoing operations of the water system.
- Operating costs will increase approximately 3.0% each year.
- Capital costs average $6.2 million per year through FY 2027-28.
- The Water Enterprise pays approximately $916,967 per year in annual debt service.
- The Water Enterprise has borrowed $4 million from San Gabriel Valley Water at 0% interest for a ten-year payment term.
- Annual revenue needs to increase to pay for ongoing operations, an aggressive capital program, and additional debt service.

The proposed Rates will result in a significant increase in the amount of revenue being generated by the water rates. This revenue will pay for capital projects that are scheduled to be constructed in the next two years. The cost-of-service and rate design analysis support adjusting the water rate structure as follows:

- Residential tier breakpoints should be adjusted with actual customer demand patterns.
- Monthly meter charge should be adjusted to align with the rated capacities of each meter size using recommendations from the American Water Works Association.
- The 37.5% treatment surcharge should be absorbed by the monthly meter charge and consumption charges.
- Approximately 32% of the Water Enterprise's revenue should be generated from the fixed monthly meter charge to maintain revenue stability.

The proposed revenue increases affect each customer and customer class differently. For example, the single-family residential consumption tier 3 rate is increasing due to costs being allocated to customers that cause the system-wide peak use. High water use residential customers will have their bills increase disproportionately to low and average residential customers.

As a matter of information (but not legally relevant), the City's water rates are generally in line with neighboring agencies. The current and proposed rates were compared with neighboring agencies which showed that the proposed rates will remain towards the middle of the selected agencies.

The current and proposed water rates can be found in Attachment 1.

Bond Option

Council may consider the issuance of a bond to help reduce the immediate fiscal impact on customers. Borrowing money to pay for large capital projects is a practice recommended by the Government Finance Officers Association. This option would allow the cost of capital to be spread over many years, which reduces the short-term financial burden and allows for the repayment of the debt over the useful life of the asset.

For demonstration purposes, the Finance Department prepared the table below to show a comparison of projected water rate revenue increases with and without a $15 million loan in FY 2023-24 to pay for a portion of the capital program:

Fiscal Year	Effective Date	Increase without Bond	Increase with Bond
FY 2023-24	1/1/2024	32.0%	27.0%
FY 2024-25	7/1/2024	8.0%	6.0%
FY 2025-26	7/1/2025	8.0%	6.0%
FY 2026-27	7/1/2026	7.0%	6.0%
FY 2027-28	7/1/2027	8.0%	6.0%
FY 2028-29	7/1/2028	3.0%	6.0%
FY 2029-30	7/1/2029	3.0%	5.0%
FY 2030-31	7/1/2030	0.0%	5.0%
FY 2031-32	7/1/2031	0.0%	5.0%
FY 2032-33	7/1/2032	0.0%	5.0%

If a bond is desirable, the City Council may give direction to the City Manager to initiate the process for issuing a bond during 45 days before the December 6th public hearing. At that hearing, the City Council could then adopt rates that were lower than those proposed in the Proposition 218 Notices sent out to property owners.

Sewer Rate Study

Monterey Park' s current wastewater rates are those in effect for August 2017. Customers are charged a monthly sewer meter charge based on water meter size customer class. HF&H developed a 10-year financial plan for the Sewer Enterprise, performed a cost-of-service analysis, and designed rates in compliance with Proposition 218.

The financial analysis made the following findings:

- The revenue generated from current rates are inadequate to pay for current and ongoing operations of the sewer system.

- Operating costs will increase approximately 3.4% each year.
- Capital costs average $3.2 million per year through FY 2027-28.
- The Sewer Enterprise does not have any current debt, nor does the recommendation include debt financing any of the future capital program costs.
- Annual revenue needs to increase to pay for ongoing operations and an aggressive capital program.

The cost-of-service and rate design analysis support adjusting the sewer rate structure as follows:

- All single-family residential accounts should pay the same rate regardless of water meter size. Water meter size is not always indicative of increased indoor water use (i.e., sewered water) due to outdoor irrigation or fire flow needs on each property.
- Multi-family residential customers should also pay on a per dwelling unit basis rather than by water meter size.
- Commercial and Institutional customers should pay the same rates based on meter size that are realigned with the rated capacities of each meter size using recommendations from the American Water Works Association.

The City's sewer rates are generally comparable with neighboring agencies. The current and proposed rates were compared with neighboring agencies which showed that the proposed rates will fall within the middle of the selected agencies.

The current and proposed sewer rates can be found in Attachment 2.

FISCAL IMPACT:

The mailing costs for the noticing required for this item will be approximately $20,000.

Within the water fund, the proposed rate increase will generate approximately $30.1 million in additional water rate revenue over the five-year planning period. The proposed wastewater rate increases will generate approximately $14.5 million in additional rate revenue over the five-year planning period. These additional revenues provide adequate funds to support increased water and sewer operating and capital expenses.

Respectfully submitted by:

Martha Garcia
Director of Finance

Reviewed by:

Shawn Igoe
Director of Public Works

Approved by:

Inez Alvarez
Interim City Manager

Reviewed by:

Karl H. Berger
City Attorney

ATTACHMENT(S):

1. Proposed Water Rates
2. Proposed Sewer Rates
3. Utility Rate Study Report
4. Proposed Water Notice
5. Proposed Wastewater Notice

ATTACHMENT 1
Proposed Water Rates

Attachment 1- Current and Proposed Water Rates

Meter Size	FY 2022-23 Current Rates	FY 2023-24 1/1/2024	FY 2024-25 7/1/2024	FY 2025-26 7/1/2025	FY 2026-27 7/1/2026	FY 2027-28 7/1/2027
5/8" meters	$19.20	$20.16	$21.77	$23.51	$25.16	$27.17
3/4" meters	$19.20	$27.18	$29.36	$31.71	$33.93	$36.64
1" meters	$20.75	$41.23	$44.53	$48.10	$51.46	$55.58
1 1/2" meters	$32.70	$76.36	$82.47	$89.07	$95.30	$102.93
2" meters	$42.15	$118.52	$128.00	$138.24	$147.91	$159.75
3" meters	$84.35	$230.92	$249.40	$269.35	$288.20	$311.26
4" meters	$139.55	$357.38	$385.98	$416.85	$446.03	$481.72
6" meters	$425.95	$708.66	$765.35	$826.58	$884.44	$955.20
8" meters	$1,065.30	$1,130.20	$1,220.61	$1,318.26	$1,410.54	$1,523.38

Monthly Use	FY 2022-23 Current Rates	Monthly Use	FY 2023-24 1/1/2024	FY 2024-25 7/1/2024	FY 2025-26 7/1/2025	FY 2026-27 7/1/2026	FY 2027-28 7/1/2027
Single Family Residential		**Single Family Residential**					
Tier 1 (0-6 hcf)	$2.10	Tier 1 (0 - 10 hcf)	$3.41	$3.69	$3.98	$4.26	$4.60
Tier 2 (7-12 hcf)	$2.29	Tier 2 (11 - 16 hcf)	$4.50	$4.86	$5.24	$5.61	$6.06
Tier 3 (13+ hcf)	$2.45	Tier 3 (17+ hcf)	$8.51	$9.19	$9.92	$10.62	$11.47
All Other		**All Other**					
All Consumption	$2.39	All Consumption	$4.25	$4.59	$4.95	$5.30	$5.73

ATTACHMENT 2
Proposed Sewer Rates

Attachment 2- Current and Proposed Sewer Rates

Customer Class	Current Units	Current FY 2022-23	Proposed Units	FY 2022-23 COS	Proposed FY 2023-24	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28
Single Family			*Rate Adjustment*	*COS*	*+40%*	*+30%*	*+10%*	*+10%*	*+4%*
5/8", 3/4"	*account*	$10.17	*account*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1"	*account*	$12.42	*account*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/2"	*account*	$12.86	*account*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
Multi Family									
3/4"	*account*	$29.01	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1"	*account*	$34.76	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/4"	*account*	$57.25	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/2"	*account*	$84.15	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
2"	*account*	$161.22	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
3"	*account*	$413.02	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
4"	*account*	$534.30	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
Commercial									
3/4"	*account*	$27.09	*account*	$19.55	$27.37	$35.58	$39.14	$43.05	$44.78
1"	*account*	$40.68	*account*	$32.58	$45.61	$59.30	$65.23	$71.75	$74.62
1 1/4"	*account*	$40.68	*account*	$65.16	$91.22	$118.59	$130.45	$143.50	$149.24
1 1/2"	*account*	$78.41	*account*	$104.25	$145.95	$189.74	$208.71	$229.58	$238.76
2"	*account*	$198.97	*account*	$208.51	$291.91	$379.49	$417.44	$459.18	$477.55
3"	*account*	$270.68	*account*	$325.79	$456.11	$592.94	$652.23	$717.45	$746.15
4"	*account*	$386.69	*account*	$651.58	$912.21	$1,185.88	$1,304.46	$1,434.91	$1,492.31
6"	*account*	$1,052.20	*account*	$1,042.53	$1,459.54	$1,897.40	$2,087.15	$2,295.86	$2,387.69
Institutional									
3/4"	*account*	$46.29	*account*	$19.55	$27.37	$35.58	$39.14	$43.05	$44.78
2"	*account*	$68.48	*account*	$208.51	$291.91	$379.49	$417.44	$459.18	$477.55
3"	*account*	$73.29	*account*	$325.79	$456.11	$592.94	$652.23	$717.45	$746.15
4"	*account*	$168.28	*account*	$651.58	$912.21	$1,185.88	$1,304.46	$1,434.91	$1,492.31

ATTACHMENT 3
Utility Rate Study Report

CITY OF MONTEREY PARK

Utility Rate Study

September 15, 2023

CITY OF MONTEREY PARK

320 West Newmark Ave
Monterey Park, CA 91754

UTILITY RATE STUDY

September 15, 2023

HF&H CONSULTANTS, LLC

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September 15, 2023

Martha Garcia
Director of Finance
City of Monterey Park
320 West Newmark Ave
Monterey Park, CA 91754

Subject: Utility Rate Study Report

Martha Garcia:

HF&H is pleased to submit this cost-of-service report to the City of Monterey Park.

HF&H is pleased to submit this cost-of-service rate study to the City of Monterey Park. This study documents our methodology and recommendations. We recommend adopting rate adjustments for the next five years, beginning January 1, 2024, and each July 1 through July 1, 2027.

We greatly appreciate your assistance in developing this cost-of-service analysis.

Sincerely,

HF&H CONSULTANTS, LLC

Rick Simonson
Senior Vice President

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ACKNOWLEDGEMENTS

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LIMITATIONS

This document was prepared solely for the City of Monterey Park in accordance with the contract between the City and HF&H and is not intended for use by any other party for any other purpose.

In preparing this study, we relied on information from the City, which we consider accurate and reliable. Our analysis is based on the best available information at the time of the study.

Rounding differences caused by stored values in electronic models may exist.

This document represents our understanding of relevant laws, regulations, and court decisions but should not be relied upon as legal advice. Questions concerning the interpretation of legal authorities referenced in this document should be referred to a qualified attorney.

UTILITY RATE STUDY

1. EXECUTIVE SUMMARY

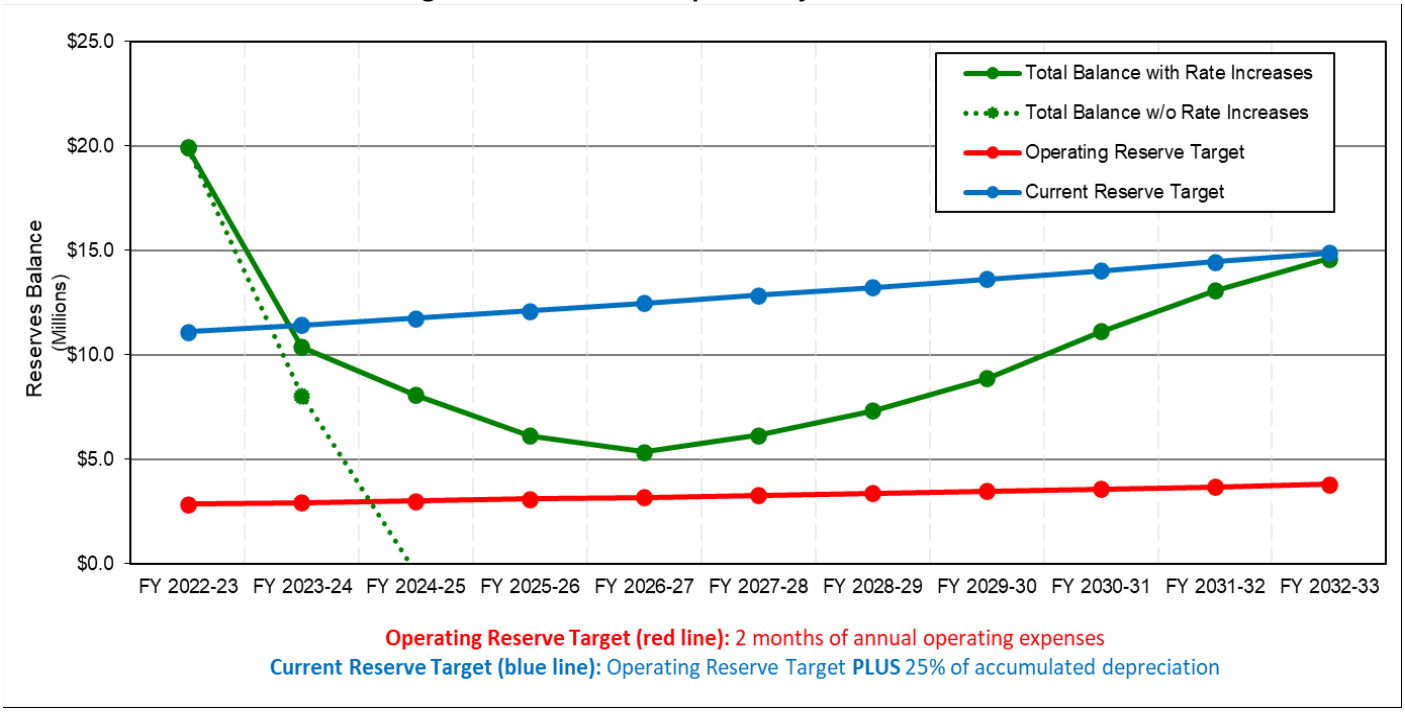
A. BACKGROUND

HF&H Consultants, LLC (HF&H) was retained by the City of Monterey Park (City) to conduct a utility rate study for its Water and Sewer Enterprises. This study documents the process by which our projected water and sewer rates were developed for a ten-year planning period, from FY 2023-24 through FY 2032-33. Though our models looked at a ten-year planning period, Article XIIID, Section 6 of the State Constitution limits the adoption of rates to no more than five years at a time. The proposed rates summarized in this executive summary and explained in more detail in Section 3 (Water Rates) and Section 4 (Sewer Rates), are limited to the next five years (FY 2023-24 through FY 2027-28).

B. WATER RATES

The projected fund balance for the Water Enterprise was updated by first preparing a ten-year projection of operating and capital expenses. The projected increases needed in rate revenue were determined by comparing the expense projections with the revenue generated from current rates. The ten-year Water Enterprise fund balance projections are shown in **Figure 1-1** with and without the proposed rate revenue increases shown in **Figure 1-2**. Without rate increases, the Water Enterprise's fund balance will be depleted before the end of FY 2024-25 (dotted green line). With the proposed revenue increases, the fund balance will always exceed the City's minimum reserve target (i.e., 2 months of annual Water Enterprise operating expenses) and approach the total target reserve by FY 2032-33.

Figure 1-1. Water Enterprise Projected Fund Balance



Operating Reserve Target (red line): 2 months of annual operating expenses
Current Reserve Target (blue line): Operating Reserve Target **PLUS** 25% of accumulated depreciation

Figure 1-2. Projected Water Rate Revenue Increases

Fiscal Year	Effective Date	Revenue Increase
FY 2023-24	1/1/2024	32.0%
FY 2024-25	7/1/2024	8.0%
FY 2025-26	7/1/2025	8.0%
FY 2026-27	7/1/2026	7.0%
FY 2027-28	7/1/2027	8.0%
FY 2028-29	7/1/2028	3.0%
FY 2029-30	7/1/2029	3.0%
FY 2030-31	7/1/2030	0.0%
FY 2031-32	7/1/2031	0.0%
FY 2032-33	7/1/2032	0.0%

The larger rate increase, effective January 1, 2024 are necessary to cover the existing revenue shortfall from the lack of rate increases since 2017 and to meet the City's debt coverage ratio the mimium requirement of 1.2x net revenue, for existing debt. This requirement must be met as a condition of the debt agreement for the outstanding loans of the Water Enterprise. This larger increase will also ensure reserves can be maintained above the minimum target through the duration of the planning period.

Current and Proposed Water Rates

Based on the cost-of-service analysis (discussed in detail in Section 3) and the proposed rate revenue increases shown in **Figure 1-2**, the current and projected rates are shown in **Figure 1-3** and **Figure 1-4.**

Figure 1-3. Proposed Water Monthly Service Charge

Meter Size	FY 2022-23 Current Rates	FY 2023-24 1/1/2024	FY 2024-25 7/1/2024	FY 2025-26 7/1/2025	FY 2026-27 7/1/2026	FY 2027-28 7/1/2027
5/8" meters	$19.20	$20.16	$21.77	$23.51	$25.16	$27.17
3/4" meters	$19.20	$27.18	$29.36	$31.71	$33.93	$36.64
1" meters	$20.75	$41.23	$44.53	$48.10	$51.46	$55.58
1 1/2" meters	$32.70	$76.36	$82.47	$89.07	$95.30	$102.93
2" meters	$42.15	$118.52	$128.00	$138.24	$147.91	$159.75
3" meters	$84.35	$230.92	$249.40	$269.35	$288.20	$311.26
4" meters	$139.55	$357.38	$385.98	$416.85	$446.03	$481.72
6" meters	$425.95	$708.66	$765.35	$826.58	$884.44	$955.20
8" meters	$1,065.30	$1,130.20	$1,220.61	$1,318.26	$1,410.54	$1,523.38

Figure 1-4. Proposed Water Consumption Charge (per hcf)

Monthly Use	FY 2022-23 Current Rates	Monthly Use	FY 2023-24 1/1/2024	FY 2024-25 7/1/2024	FY 2025-26 7/1/2025	FY 2026-27 7/1/2026	FY 2027-28 7/1/2027
Single Family Residential		**Single Family Residential**					
Tier 1 (0-6 hcf)	$2.10	Tier 1 (0 - 10 hcf)	$3.41	$3.69	$3.98	$4.26	$4.60
Tier 2 (7-12 hcf)	$2.29	Tier 2 (11 - 16 hcf)	$4.50	$4.86	$5.24	$5.61	$6.06
Tier 3 (13+ hcf)	$2.45	Tier 3 (17+ hcf)	$8.51	$9.19	$9.92	$10.62	$11.47
All Other		**All Other**					
All Consumption	$2.39	All Consumption	$4.25	$4.59	$4.95	$5.30	$5.73

C. SEWER RATES

Fund Balance Projections

The projected fund balance for the Sewer Enterprise was updated by first preparing a ten-year projection of operating and capital expenses. The projected increases needed in rate revenue were determined by comparing the expense projections with the revenue generated from current rates. The ten-year fund balance projections are shown in **Figure 1-5** (solid green line) with the associated proposed rate revenue increases shown in **Figure 1-5**. In addition, **Figure 1-6** shows the projected annual fund balances without the revenue increases (dotted green line). As shown, without any rate increases, the fund balance will be fully depleted sometime before the end of FY 2024-25.

Figure 1-5. Sewer Enterprise Projected Fund Balance

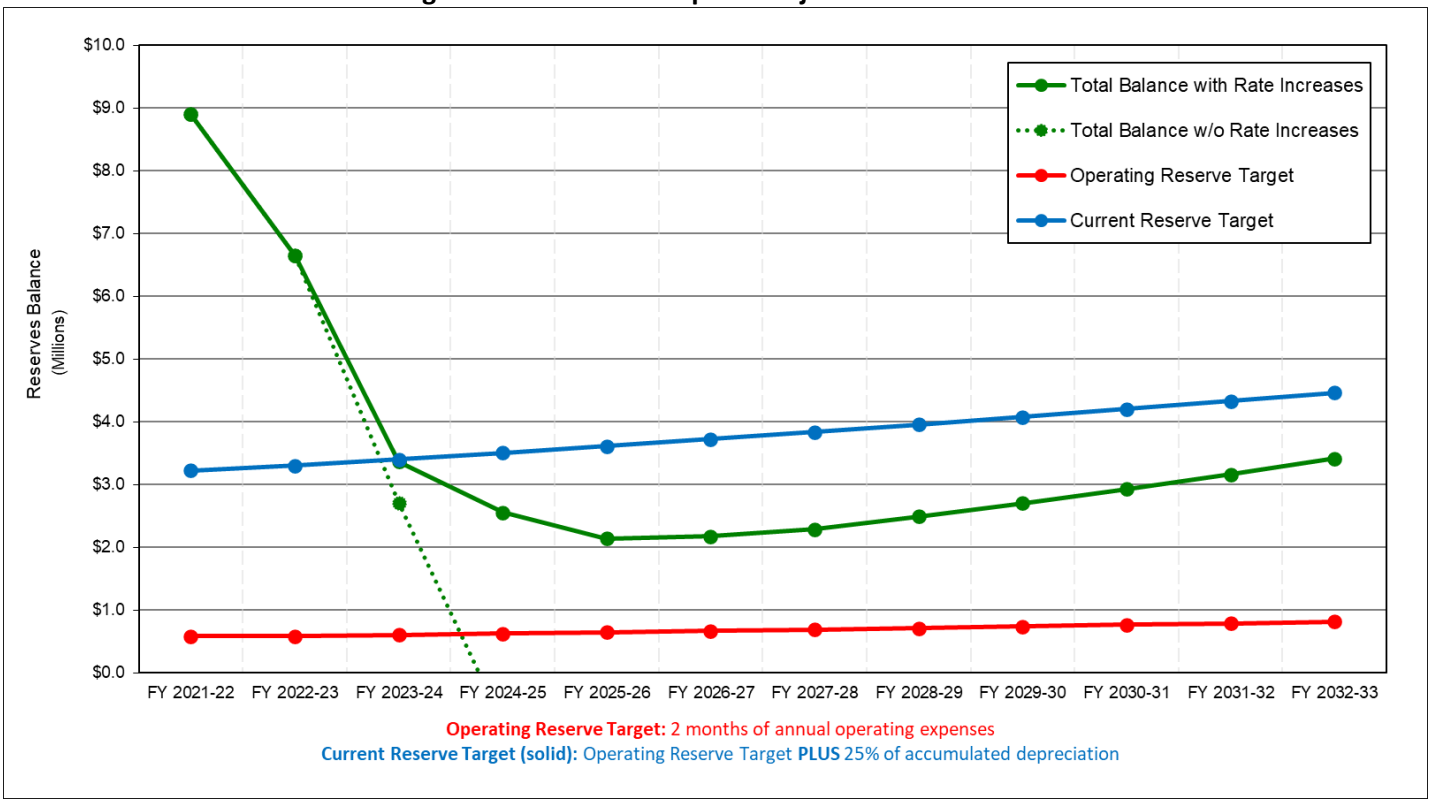


Figure 1-6. Projected Sewer Rate Revenue Increases

Fiscal Year	Effective Date	Overall Rate Revenue Increase
FY 2023-24	1/1/2024	40.0%
FY 2024-25	7/1/2024	30.0%
FY 2025-26	7/1/2025	10.0%
FY 2026-27	7/1/2026	10.0%
FY 2027-28	7/1/2027	4.0%
FY 2028-29	7/1/2028	4.0%
FY 2029-30	7/1/2029	3.0%
FY 2030-31	7/1/2030	3.0%
FY 2031-32	7/1/2031	3.0%
FY 2032-33	7/1/2032	3.0%

The larger rate increase, effective January 1, 2024 are necessary to cover the existing revenue shortfall from the lack of rate increases since 2017, as well as maintaining a reserve balance above the minimum target through the duration of the planning period.

Current and Proposed Sewer Rates

With the modifications and cost recovery calculations described above, the current and proposed rates are shown in **Figure 1-7.**

Figure 1-7. Current and Proposed Monthly Sewer Rates

	Current	Current	Proposed		Proposed				
Customer Class	Units	FY 2022-23	Units	FY 2022-23 COS	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
			Rate Adjustment	COS	+40%	+30%	+10%	+10%	+4%
Single Family									
5/8", 3/4"	account	$10.17	account	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1"	account	$12.42	account	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/2"	account	$12.86	account	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
Multi Family									
3/4"	account	$29.01	dwelling unit	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1"	account	$34.76	dwelling unit	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/4"	account	$57.25	dwelling unit	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/2"	account	$84.15	dwelling unit	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
2"	account	$161.22	dwelling unit	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
3"	account	$413.02	dwelling unit	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
4"	account	$534.30	dwelling unit	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
Commercial									
3/4"	account	$27.09	account	$19.55	$27.37	$35.58	$39.14	$43.05	$44.78
1"	account	$40.68	account	$32.58	$45.61	$59.30	$65.23	$71.75	$74.62
1 1/4"	account	$40.68	account	$65.16	$91.22	$118.59	$130.45	$143.50	$149.24
1 1/2"	account	$78.41	account	$104.25	$145.95	$189.74	$208.71	$229.58	$238.76
2"	account	$198.97	account	$208.51	$291.91	$379.49	$417.44	$459.18	$477.55
3"	account	$270.68	account	$325.79	$456.11	$592.94	$652.23	$717.45	$746.15
4"	account	$386.69	account	$651.58	$912.21	$1,185.88	$1,304.46	$1,434.91	$1,492.31
6"	account	$1,052.20	account	$1,042.53	$1,459.54	$1,897.40	$2,087.15	$2,295.86	$2,387.69
Institutional									
3/4"	account	$46.29	account	$19.55	$27.37	$35.58	$39.14	$43.05	$44.78
2"	account	$68.48	account	$208.51	$291.91	$379.49	$417.44	$459.18	$477.55
3"	account	$73.29	account	$325.79	$456.11	$592.94	$652.23	$717.45	$746.15
4"	account	$168.28	account	$651.58	$912.21	$1,185.88	$1,304.46	$1,434.91	$1,492.31

2. INTRODUCTION

A. STUDY PURPOSE

The purpose of this study is to conduct a cost-of-service analysis that will determine rates that proportionally recover the cost of providing the City's water and sewer services. The cost-of-service analysis is tailored specifically to the City's customer classes and the rate structures that are appropriate for each class. The study identifies the total cost incurred by the City for providing potable water and wastewater services; identifies classes of customers (e.g., residential and commercial); determines the demand created by each class of customer for the potable water and wastewater services; and then calculates the proportionate cost sharing for each customer class to create the rate structure.

B. STUDY PROCESS

The rate study was conducted following industry standards and practices promulgated by the American Water Works Association (AWWA) and the Water Environment Federation (WEF). A comprehensive rate study involves the four steps:

1. Revenue requirements were projected for a ten-year planning period based on operations, maintenance, capital expenses, and contributions to reserves.
2. The cost-of-service analysis allocates the projected expenses among the customer classes in proportion to their use of the systems.
3. Rates are then calculated so that rate payers are charged equitably based upon each customer classes proportionate use.
4. For illustrative purposes, to demonstrate the impact of the proposed rate adjustments on average water use customers for each customer class, we compare bills under the proposed rates with bills under the current rates.

C. REPORT ORGANIZATION

This report describes each of the four rate-making steps for the Water Fund followed by the Sewer Fund. A glossary of technical terms and acronyms is provided following the Table of Contents. An appendix contains a copy of portions of the rate model that are not included in the body of the report text as tables and figures.

3. WATER RATE STUDY

A. REVENUE REQUIREMENTS AND FINANCIAL PROJECTIONS

To determine whether additional water rate revenue is required, projected operating and capital expenses are compared with projected revenue from current rates. Annual surpluses and deficits are then applied to the reserve funds. Rates are then increased so that the expenses are covered and operating and capital reserves are maintained. The following sections summarize the methodology for determining the annual revenue requirements, the necessary annual revenue increases, and the projected impact these results will have on the Sewer Enterprise fund balance.

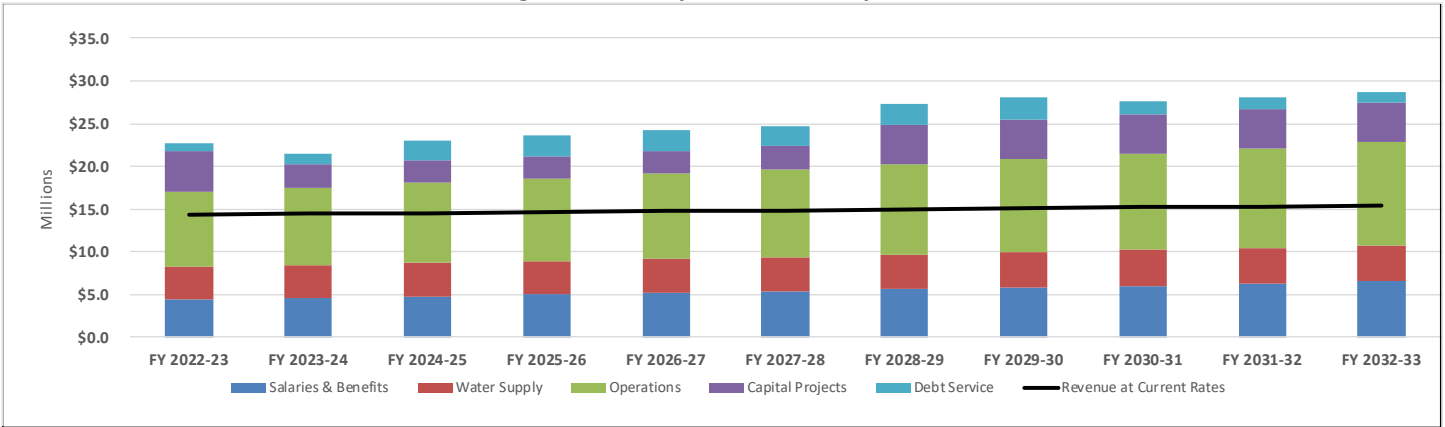
Assumptions

A spreadsheet model was developed to derive revenue requirements for FY 2022-23 through FY 2032-33. The revenue requirements represent the costs that must be covered by revenue from rates and other sources, such as reserves. The City's Council-approved operating and capital budget for FY 2022-23 served as the starting point for projecting the City's expenses and revenues over the ten-year financial planning period. We worked with City staff to project beyond FY 2022-23. The assumptions shown in **Figure 3-1** were used to project operating expenses, capital project costs, account growth, and water demand through FY 2032-33. The application of these assumptions to the O&M and capital expenses are summarized in **Figure 3-2** and are described in more detail below. The revenue from current rates (plus growth) is also shown (dotted black line).

Figure 3-1. Projection Assumptions

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Annual Account Growth Rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Annual Water Demand Increases	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
General Inflation	Budgeted	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Salaries & Wages	Budgeted	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Benefits	Budgeted	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Utilites	Budgeted	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
Construction Cost Inflation	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%
Interest on Fund Balance	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%

Figure 3-2. Projected O&M Expenses



	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Salaries & Benefits	$4,459,996	$4,630,859	$4,808,701	$4,993,824	$5,186,544	$5,387,190	$5,596,109	$5,813,660	$6,040,221	$6,276,186	$6,521,969
Water Supply	$3,800,000	$3,842,000	$3,885,260	$3,929,818	$3,975,712	$4,022,984	$4,071,673	$4,121,823	$4,173,478	$4,226,682	$4,281,483
Operations	$8,799,966	$9,076,375	$9,361,576	$9,655,853	$9,959,499	$10,272,818	$10,596,123	$10,929,736	$11,273,991	$11,629,233	$11,995,818
Capital Projects	$4,735,623	$2,666,212	$2,666,212	$2,666,212	$2,666,212	$2,666,212	$4,621,900	$4,621,900	$4,621,900	$4,621,900	$4,621,900
Debt Service	$873,691	$1,317,343	$2,302,574	$2,339,841	$2,384,051	$2,424,071	$2,465,788	$2,539,465	$1,448,375	$1,340,875	$1,340,250
Non-Op Revenue[1]	($703,000)	($1,606,090)	($1,609,273)	($112,551)	($115,927)	($119,405)	($122,987)	($126,677)	($130,477)	($134,392)	($138,423)
Net Revenue Requirement	**$21,966,277**	**$19,926,699**	**$21,415,050**	**$23,472,997**	**$24,056,091**	**$24,653,870**	**$27,228,605**	**$27,899,907**	**$27,427,487**	**$27,960,485**	**$28,622,996**

[1] Water Non-Operating Revenues include meter installation fees, monies received from a settlement with the Environmental Protection Agency (estimated at $3.6 million to be received from FY 2022-23 through FY 2024-25), and the sale of surplus Water Enterprise property (e.g., vehicles, computers, equipment) which is not longer needed. These non-operating revenues reduce the necessary revenue that needs to come from rates to cover operating and capital costs.

Debt Service. The City's Water Enterprise has three outstanding loans. In addition, the cost-of-service study includes new debt (and the corresponding debt service payments) needed to fund a portion of the

City's capital improvement plan (as discussed below). **Figure 3-3** shows the annual debt service for each loan.

- **Current:** A 15-year lease purchase agreement with Siemens Public, Inc. for the purchase and installation of interior lighting retrofits, exterior lighting retrofits, HVAC equipment replacement at select sites, building automation system and water meter replacements. The Water Enterprise is responsible for 85% of this debt service.

- **Current:** A 10-year loan agreement with the San Gabriel Valley Water Company for $4 million at 0% interest. Debt proceeds are anticipated to be received in FY 2022-23 with payment beginning in FY 2023-24.

Figure 3-3. Annual Debt Service

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Siemens	$761,199	$804,851	$850,949	$888,341	$928,551	$970,446	$1,014,788	$1,091,840	$0	$0	$0
I-Bank Loan	$112,492	$112,492	$0	$0	$0	$0	$0	$0	$0	$0	$0
San Gabriel Valley Water	$0	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000
FY 2024 Bond Issuance	$0	$0	$1,051,625	$1,051,500	$1,055,500	$1,053,625	$1,051,000	$1,047,625	$1,048,375	$940,875	$940,250
Total Debt Service	**$873,691**	**$1,317,343**	**$2,302,574**	**$2,339,841**	**$2,384,051**	**$2,424,071**	**$2,465,788**	**$2,539,465**	**$1,448,375**	**$1,340,875**	**$1,340,250**

Figure 3-4 shows the debt service coverage provided by the revenue increases in **Figure 3-5**. The City aims to maintain a coverage ratio of 1.25. A higher ratio provides a greater margin of safety to bondholders and can enhance the credit rating on bonds. This is particularly true with water utilities whose revenues are vulnerable to periods of conservation. It is projected that the City will be above its party debt coverage target through this ten-year planning period.

Figure 3-4. Debt Coverage

Debt Coverage Calculation	FY 2023-24	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
Funds Available for Debt Service										
Rate revenue - Service Charges	$16,380,442	$19,573,596	$20,903,178	$22,323,308	$23,840,169	$25,460,368	$26,934,443	$28,494,161	$30,144,517	$31,890,794
Non-Rate Revenue Income	$1,606,090	$1,609,273	$112,551	$115,927	$119,405	$122,987	$126,677	$130,477	$134,392	$138,423
Interest income	$73,755	$67,257	$65,522	$57,171	$44,338	$35,334	$29,943	$30,243	$36,886	$48,003
Total Funds Available	$18,060,287	$21,250,126	$21,081,251	$22,496,407	$24,003,913	$25,618,689	$27,091,063	$28,654,881	$30,315,794	$32,077,220
Expenses										
O&M	$17,549,234	$18,055,537	$18,579,495	$19,121,755	$19,682,992	$20,263,905	$20,865,219	$21,487,689	$22,132,101	$22,799,270
Total Expenses	$17,549,234	$18,055,537	$18,579,495	$19,121,755	$19,682,992	$20,263,905	$20,865,219	$21,487,689	$22,132,101	$22,799,270
Net Revenue	$511,053	$3,194,589	$2,501,756	$3,374,651	$4,320,920	$5,354,785	$6,225,844	$7,167,192	$8,183,693	$9,277,950
iBank Loan	$112,492	$0	$0	$0	$0	$0	$0	$0	$0	$0
Potential Debt Service -	$0	$1,051,625	$1,051,500	$1,055,500	$1,053,625	$1,051,000	$1,047,625	$1,048,375	$940,875	$940,250
Issuance **Parity Debt Service**	**$112,492**	**$1,051,625**	**$1,051,500**	**$1,055,500**	**$1,053,625**	**$1,051,000**	**$1,047,625**	**$1,048,375**	**$940,875**	**$940,250**
Parity Debt Coverage Ratio	**4.54**	**3.04**	**2.38**	**3.20**	**4.10**	**5.09**	**5.94**	**6.84**	**8.70**	**9.87**
Net Funds Available	$398,561	$2,142,964	$1,450,256	$2,319,151	$3,267,295	$4,303,785	$5,178,219	$6,118,817	$7,242,818	$8,337,700
Subordinate Debt Service (Siemens, SGVW)	$1,204,851	$1,250,949	$1,288,341	$1,328,551	$1,370,446	$1,414,788	$1,491,840	$400,000	$400,000	$400,000
Subordinate Debt Coverage Ratio	**0.33**	**1.71**	**1.13**	**1.75**	**2.38**	**3.04**	**3.47**	**15.30**	**18.11**	**20.84**

Revenue Projections

Given the projected O&M and capital costs that need to be recovered through rate (shown in **Figure 3-2)**, HF&H developed a rate revenue adjustment scenario that maintains adequate fund balances (see **Figure 3-9**) for the ongoing operations of the Water Enterprise. These rate revenue adjustments are shown in **Figure 3-5**. **Figure 3-6** shows the projected water rate revenue associated with the rate revenue adjustments.

Figure 3-5. Water Rate Revenue Adjustments

Fiscal Year	Effective Date	Revenue Increase
FY 2023-24	1/1/2024	32.0%
FY 2024-25	7/1/2024	8.0%
FY 2025-26	7/1/2025	8.0%
FY 2026-27	7/1/2026	7.0%
FY 2027-28	7/1/2027	8.0%
FY 2028-29	7/1/2028	3.0%
FY 2029-30	7/1/2029	3.0%
FY 2030-31	7/1/2030	0.0%
FY 2031-32	7/1/2031	0.0%
FY 2032-33	7/1/2032	0.0%

Figure 3-6. Projected Water Rate Revenue

	Months Increase In Effect	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Water Rate Revenue		$14,367,574	$14,432,107	$14,539,887	$14,648,625	$14,758,330	$14,869,013	$14,980,683	$15,093,350	$15,207,024	$15,321,715	$15,437,433
Increase in Rate Revenue		0.0%	32.0%	8.0%	8.0%	7.0%	8.0%	3.0%	3.0%	0.0%	0.0%	0.0%
Revenue from Rate Increases												
FY 2023-24 (eff. Jan 1, 2024)	6		$2,309,137	$4,652,764	$4,687,560	$4,722,666	$4,758,084	$4,793,819	$4,829,872	$4,866,248	$4,902,949	$4,939,979
FY 2024-25 (eff. Jul 1, 2024)	12			$1,535,412	$1,546,895	$1,558,480	$1,570,168	$1,581,960	$1,593,858	$1,605,862	$1,617,973	$1,630,193
FY 2025-26 (eff. Jul 1, 2025)	12				$1,670,646	$1,683,158	$1,695,781	$1,708,517	$1,721,366	$1,734,331	$1,747,411	$1,760,608
FY 2026-27 (eff. Jul 1, 2026)	12					$1,590,584	$1,602,513	$1,614,549	$1,626,691	$1,638,942	$1,651,303	$1,663,775
FY 2027-28 (eff. Jul 1, 2027)	12						$1,959,645	$1,974,362	$1,989,211	$2,004,193	$2,019,308	$2,034,559
FY 2028-29 (eff. Jul 1, 2028)	12							$799,617	$805,630	$811,698	$817,820	$823,996
FY 2029-30 (eff. Jul 1, 2029)	12								$829,799	$836,049	$842,354	$848,716
FY 2030-31 (eff. Jul 1, 2030)	12									$0	$0	$0
FY 2031-32 (eff. Jul 1, 2031)	12										$0	$0
FY 2032-33 (eff. Jul 1, 2032)	12											$0
Total Revenue from Rate Increases		$0	$2,309,137	$6,188,176	$7,905,101	$9,554,888	$11,586,191	$12,472,823	$13,396,428	$13,497,322	$13,599,118	$13,701,827
Total Current Revenue		$14,367,574	$14,432,107	$14,539,887	$14,648,625	$14,758,330	$14,869,013	$14,980,683	$15,093,350	$15,207,024	$15,321,715	$15,437,433
Total Revenue with Rate Increases		$14,367,574	$16,741,245	$20,728,063	$22,553,726	$24,313,218	$26,455,205	$27,453,507	$28,489,779	$28,704,346	$28,920,834	$29,139,260
Total Revenue Requirement		$21,966,277	$23,254,061	$22,923,279	$24,867,777	$25,446,871	$26,046,526	$26,290,097	$26,964,774	$26,491,604	$27,019,610	$27,682,746
Transfer to/(from) Reserves		($7,598,702)	($6,512,817)	($2,195,216)	($2,314,051)	($1,133,653)	$408,679	$1,163,410	$1,525,005	$2,212,742	$1,901,224	$1,456,513

Water Reserve Fund Balance Projections

The rate revenue adjustments in **Figure 3-5** were developed by analyzing the City's projected expenses over the course of the planning period against its projected revenues.

In addition to covering annual expenses, water rates need to generate revenue to maintain adequate operations and capital reserves. To determine what constitutes adequate reserve amounts, the City's Water Enterprise fund balance is divided into operating and capital reserves. Recommended target balances are set to fund each reserve. The resulting cash balances with the recommended rate revenue increases (shown in **Figure 3-5),** is represented by the solid green line in **Figure 3-7**. In addition, **Figure 3-7** shows the projected annual fund balances without the revenue increases (dotted green line). As shown, without any rate increase, the fund balance will be fully depleted sometime before the end of FY 2024-25.

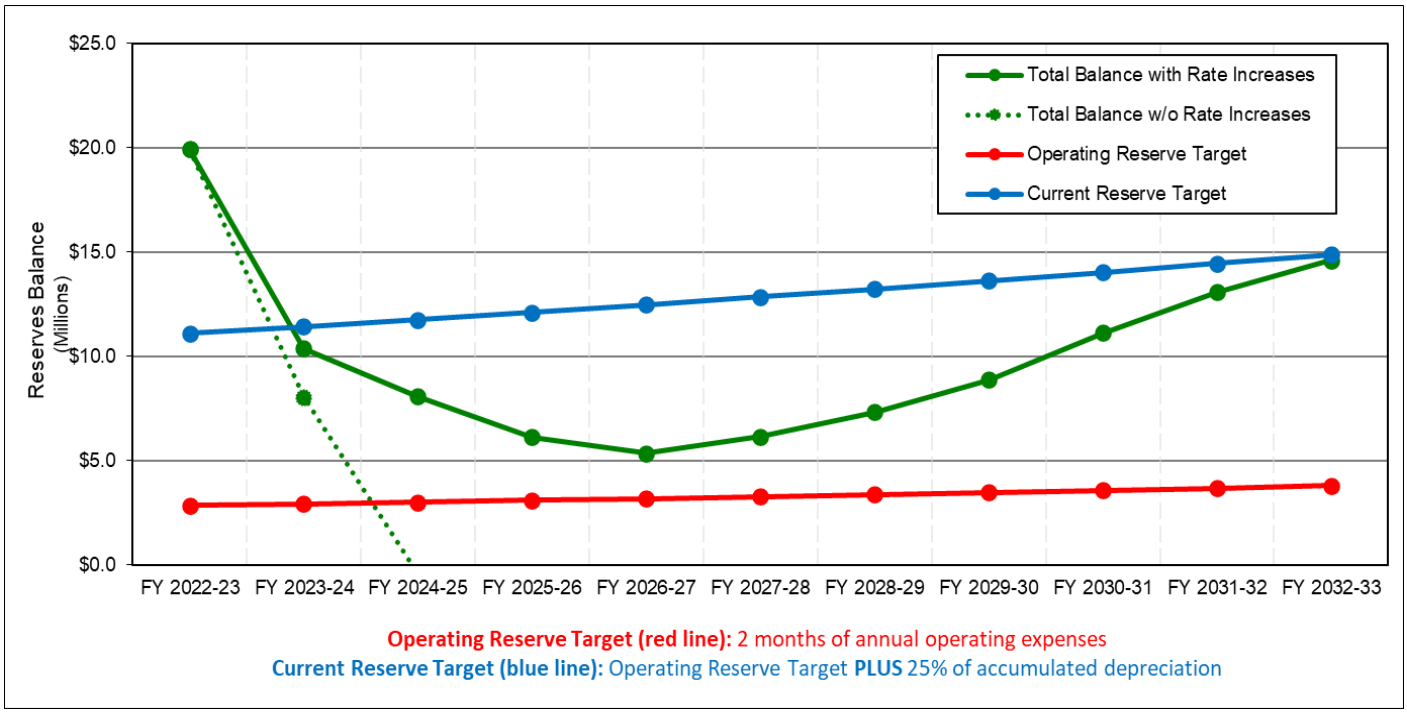
The cash reserve targets used in **Figure 3-7** are as follows:

Operating Reserve. The operating component of the reserves provides working capital for month-to-month O&M expenditures. With sufficient working capital, the City can operate without cash flow constraints. The City's reserve policy is two months of operating expenses. The City's reserves should never drop below this minimum balance. The operating reserve target is represented by the red line in **Figure 3-7**.

Capital Reserve. The capital component of the reserves provides working capital for the City's capital improvement projects. The fund balance needs to be sufficient to at least pay contractors without delays caused by cash flow limitations. The fund balance can be larger so that the City can fund larger construction projects on a pay-as-you-go basis, thereby eliminating financing costs. The City's reserve policy for the capital reserve is 25% of accumulated depreciation of capital assets.

Total Reserve Target. The total reserve target for the City is the sum of the target balances for the operating reserve and capital reserve. The target balance is represented by the blue line in **Figure 3-7**.

Figure 3-7. Water Enterprise Projected Fund Balance



B. COST-OF-SERVICE ANALYSIS

General Approach

The revenue requirement analysis establishes how much revenue is required from rates. The next step in the analysis is determining the cost of service (COS) by customer class. The cost-of-service analysis performed in this study follows a procedure that has been long established by the American Water Works Association (AWWA), which is referred to as the "base/extra capacity method." This method allocates the revenue requirements to the components of the rate structure.

The base/extra capacity method in the AWWA M1 Manual contains three categories: base, maximum day, and maximum hour. Base capacity is determined by the average daily flow during the year. The average daily flow determines how much base capacity is needed to provide that flow. Maximum day capacity is determined by the flow on the maximum day of the year. In other words, the maximum day capacity is greater than the base capacity, including the base capacity plus the additional capacity needed to provide for the maximum day flow of the year. Maximum hour capacity is determined by the flow during the maximum hour on the maximum day. In other words, the maximum hour capacity is greater than the maximum day capacity by the amount of peak hour that occurs during the maximum day flow.

As the name implies, COS is a process of determining how much water service costs to provide capacity to meet customer demands. To provide water service, infrastructure must be constructed, operated, and maintained, which must be paid for from cash or debt. The type and size of infrastructure depends on how much service customers require. Water systems are designed to provide sufficient capacity to meet customer demands for service wherever, whenever, and for as long as demanded.

Although each customer places unique demands on the system, water system design is based on the maximum or peak demand for service placed on the system by all customers during the peak demand period. The size of the infrastructure that is needed will depend on the maximum demand. Higher demands will obviously require larger, more costly infrastructure as well as increased operating and O&M costs. Here, the goal of a COS analysis is to allocate the cost of the capacity to meet the peak demand in proportion to how much of the capacity is required by each customer. The proportions correspond to the maximum amount of capacity provided by the infrastructure. This means that customers that place greater demands on the infrastructure – customers with greater service needs (i.e., higher peak demands) – will be apportioned a greater share of the operating and capital costs of the infrastructure required to meet that demand.

It is important to realize that once the peak demand is used to design the infrastructure, the capacity is available at all times, not just during peak demands. The capacity is available for the potential peak when it occurs. During off-peak demands, the same facilities are being used, but the capital cost of the facilities is determined by the peak demand only, and it is the peak demand that is used to allocate costs. Note that the costs are not allocated only to those who peak. Those who do not peak as much are also using the same facilities. Consequently, they are allocated a share of the costs of the facilities in proportion to their contribution to the peak demand, even though their contribution to peaking may be significantly less.

Allocation Factors

Within the demand service function, allocations are made to varying levels of service ranging from average day demand to the highest level of peak demand for outdoor water use and irrigation during the peak

hour of the peak day. With these allocations, rates can be designed to proportionately charge customers based on their demands.

Average Day Demand: Average day demand represents demand that includes only an average level of peaking. The average day demand was derived for each customer class from the City's customer billing data of actual water use.

Maximum Day Demand: Maximum day demand includes average day demand plus peak day demand in the irrigation season. The City does not directly meter maximum day demand, so this analysis relied on the City's most recent water system master plan which estimated the maximum day demand to be 1.60 times the average day demand.

Maximum Hour Demand: Maximum hour demand represents the maximum hour demand on the maximum day. The City does not directly meter maximum day demand, so this analysis relied on the City's most recent water system master plan which estimated the maximum day demand to be 3.00 times the average day demand.

The flows associated with the demand service levels for each customer class are shown in **Figure 3-11**. The system-wide allocation percentages corresponding to those flows are shown in **Figure 3-12**. Note that costs that are classified as maximum day are allocated across average day and maximum day and not allocated only to maximum day. This is done because the capacity provided by maximum day facilities also provides capacity to meet average day demands. Similarly, maximum hour costs are spread across average day and maximum hour demands.

Figure 3-11. Service Level Demands and Load Factors

		Levels of Demand		
		Base Day	Maximum Day	Maximum Hour
Demand by Customer Category				
Single Family Residential		3,529	5,646	10,586
All Other		4,618	7,388	13,853
	Total	8,146	13,034	24,439
Ratio of Flows to Base Day				
Single Family Residential		1.00	1.60	3.00
All Other		1.00	1.60	3.00
	Total	1.00	1.60	3.00
Level of Service		8,146	13,034	24,439
Base Day Demand		8,146	8,146	8,146
Ratio of Level of Service to Base Day		**1.00**	**1.60**	**3.00**

Base Day: Average of February and March Billed Usage Annualized
Maximum Day: Per 1-5 of 2012 Master Plan
Maximum Hour: Per 1-5 of 2012 Master Plan

Figure 3-12. Demand Related Allocation Percentages

Allocation Basis	Load Factors	Demand Service Levels: Base Day	Maximum Day	Maximum Hour	Totals
Base Day	**1.00**	1.00			1.00
Allocation %		*100%*			*100%*
Maximum Day	**1.60**	1.00	0.60		1.60
Allocation %		*63%*	*38%*		*100%*
Maximum Hour	**3.00**	1.00	0.60	1.40	3.00
Allocation %		*33%*	*20%*	*47%*	*100%*

The allocation factors for costs classified as meter charge are either 100% account or capacity allocations. **Figure 3-13** summarizes the allocation factors for the demand and customer service costs. In addition, it shows the composite allocations. The O&M and Capital composite allocations are based on subtotals of the O&M and Capital costs that were directly allocated to either the demand or customer service categories. The expense composite is based on the combined subtotal of all directly classified costs.

Figure 3-13. Allocation Factors

System-Wide Cost Allocation Factors	Demand Services: Base	Maximum Day	Maximum Hour	Customer Services: Accounts	Capacity	Total
Demand Services						
Base Day	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Max Day	62.5%	37.5%	0.0%	0.0%	0.0%	100.0%
Max Hour	33.3%	20.0%	46.7%	0.0%	0.0%	100.0%
Customer Services						
Capacity	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
Accounts	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Composite Allocations						
O&M Composite	79.7%	6.0%	11.9%	1.9%	0.6%	100.0%
CIP Composite	10.0%	3.2%	2.2%	0.6%	84.0%	100.0%
Exp Composite	64.2%	5.4%	9.8%	1.6%	19.1%	100.0%

Cost Allocations

Figure 3-14 shows the FY 2022-23 revenue requirement allocated into the demand and customer services. Each line item was classified according to the associated function. The allocation factors summarized in **Figure 3-13** allocate costs across the services based on the allocation factor column in **Figure 3-14**.

Figure 3-14. Revenue Requirement Allocations

	FY 2022-23 Revenue Requirement	Allocation Factor	Consumption Charge Base Day	Consumption Charge Maximum Day	Consumption Charge Maximum Hour	Meter Charge Accounts	Meter Charge Capacity
O&M Expenses							
1406 - Revenue Collection	$182,828	Accounts	$0	$0	$0	$182,828	$0
3240 - Code Compliance	$130,511	Accounts	$0	$0	$0	$130,511	$0
4212 - Engineering	$380,287	Max Day	$237,679	$142,608	$0	$0	$0
4221 - Water Commercial	$1,736,604	Base Day	$1,736,604	$0	$0	$0	$0
4222 - Water Production	$4,913,136	Base Day	$4,913,136	$0	$0	$0	$0
4223 - Water Distribution	$4,249,920	Max Hour	$1,416,640	$849,984	$1,983,296	$0	$0
4226 - Well No. 5	$1,277,666	Base Day	$1,277,666	$0	$0	$0	$0
4227 - Well No. 12 Treatment Plant	$1,167,904	Base Day	$1,167,904	$0	$0	$0	$0
4229 - Well No. 1, 3, 10	$1,113,670	Base Day	$1,113,670	$0	$0	$0	$0
4230 - Well 12 Dual Barrier	$814,220	Base Day	$814,220	$0	$0	$0	$0
4231 - Well 15	$598,299	Base Day	$598,299	$0	$0	$0	$0
4202 - Street Maintenance	$101,220	Capacity	$0	$0	$0	$0	$101,220
Total Allocable O&M	$16,666,265		$13,275,818	$992,592	$1,983,296	$313,339	$101,220
O&M Composite			79.7%	6.0%	11.9%	1.9%	0.6%
Capital Expenses (PayGo)	$4,735,623	CIP Composite	$471,365	$153,787	$104,008	$26,634	$3,979,829
Subtotal - O&M and Capital	$21,401,888		$13,747,183	$1,146,378	$2,087,304	$339,974	$4,081,049
		% of Consumption	*81.0%*	*6.8%*	*12.3%*		
		% of total	*64.2%*	*5.4%*	*9.8%*	*1.6%*	*19.1%*
Administrative Costs							
1702 - Building & Safety	$132,198	Accounts	$0	$0	$0	$132,198	$0
4210 - Maintenance	$369,693	Accounts	$0	$0	$0	$369,693	$0
4220 - Water Administration	$568,981	Accounts	$0	$0	$0	$568,981	$0
5102 - Post Employment	$196,516	Accounts	$0	$0	$0	$196,516	$0
Administrative Costs	$1,267,389		$0	$0	$0	$1,267,389	$0
Subtotal O&M, Capital, Non-Operat	$22,669,277		$13,747,183	$1,146,378	$2,087,304	$1,607,362	$4,081,049
Expense Allocation			*60.6%*	*5.1%*	*9.2%*	*7.1%*	*18.0%*
Non-Operating Revenue							
Meter Installation	($100,000)	Accounts	$0	$0	$0	($100,000)	$0
EPA Settlement	($600,000)	Accounts	$0	$0	$0	($600,000)	$0
Sale of Surplus Property	($3,000)	Exp Composite	($1,927)	($161)	($293)	($48)	($572)
Total Non-Operating	($703,000)		($1,927)	($161)	($293)	($700,048)	($572)
Transfers to/(from) Reserves	($7,598,702)	O&M Composite	($6,052,885)	($452,555)	($904,250)	($142,862)	($46,150)
Total Revenue Requirement	$14,367,574		$7,692,370	$693,662	$1,182,761	$764,453	$4,034,328
					$9,568,794	**$764,453**	**$4,034,328**
			% of total revenue requirement		**66.6%**		**33.4%**
					Consumption Charge COS		*Service Charge COS*

The results of the cost-of-service allocations are shown in **Figure 3-15** which compares the revenue produced by the current rates for each of the charges with the cost-of-service allocations, which do not include the proposed rate revenue increase. The allocations slightly shift costs from the meter charges to the consumption charges.

Figure 3-15. Comparison of Current Revenue with Cost-of-Service Allocations

Components of Rate Structure	Revenue at Current Rates FY 2022-23		Cost of Service FY 2022-23		Difference COS Minus Current	
Total						
Consumption Charge Revenue	$9,373,164	65%	$9,568,794	67%	$195,630	2.1%
Meter Charge Revenue	$4,994,411	35%	$4,798,781	33%	($195,630)	-3.9%
Total	$14,367,574	100%	$14,367,574	100%	($0)	0.0%

Consumption Charge Cost Allocation

Figure 3-16 derives the cost-of-service for each of the City's customer classes. The allocation for the potable water classes encompasses each classes' proportionate share of the three demand service levels (i.e., average day, maximum day, and maximum hour) because they share common facilities. Moreover, the allocation of costs to the single family customers needs to be tracked by demand service level for purposes of calculating the single family tiered rates.

Figure 3-16. Variable Charge Cost Allocations by Customer Class

Consumption Charge Cost-of-Service	Base Day	Max Day	Max Hour	Total
Operations & Maintenance	$13,275,818	$992,592	$1,983,296	$16,251,706
Capital Expenses (PayGo)	$471,365	$153,787	$104,008	$729,159
Non-Operating Revenue	($1,927)	($161)	($293)	($2,380)
Transfers to/(from) Reserves	($6,052,885)	($452,555)	($904,250)	($7,409,691)
Total Consumption Charge COS	$7,692,370	$693,662	$1,182,761	$9,568,794
Units of Service (hcf)				
Single Family Residential	3,529	5,646	10,586	
All Other	4,618	7,388	13,853	
	8,146	13,034	24,439	
Proportional Allocation Factors				
Single Family Residential	43.32%	43.32%	43.32%	
All Other	56.68%	56.68%	56.68%	
	100.00%	100.00%	100.00%	
Total COS - Residential	$3,332,147	$300,478	$512,343	$4,144,968
Total COS - All Other	$4,360,223	$393,185	$670,418	$5,423,826
Grand Total Consumption Charge COS	**$7,692,370**	**$693,662**	**$1,182,761**	**$9,568,794**

Summary of Allocations by Customer Class

The allocations by customer class are summarized in **Figure 3-17**. Both the single family class and all other classes (non-single family) will only see a slight shift from the revenue being generated at current rates compared with the cost-of-service.

Figure 3-17. Customer Class Allocations

Components of Rate Structure	Revenue at Current Rates FY 2022-23		Cost of Service FY 2022-23		Difference COS Minus Current	
Single Family Residential						
Consumption Charge Revenue	$3,834,482	52%	$4,144,968	57%	$310,486	8.1%
Meter Charge Revenue	$3,570,143	48%	$3,094,356	43%	($475,787)	-13.3%
Subtotal - SFR	$7,404,625	100%	$7,239,324	100%	($165,301)	-2.2%
All Other						
Consumption Charge Revenue	$5,538,682	80%	$5,423,826	76%	($114,856)	-2.1%
Meter Charge Revenue	$1,424,268	20%	$1,704,424	24%	$280,157	19.7%
Subtotal - All Other	$6,962,950	100%	$7,128,250	100%	$165,301	2.4%
Total						
Consumption Charge Revenue	$9,373,164	65%	$9,568,794	67%	$195,630	2.1%
Meter Charge Revenue	$4,994,411	35%	$4,798,781	33%	($195,630)	-3.9%
Total	$14,367,574	100%	$14,367,574	100%	($0)	0.0%

C. RATE DESIGN

The City charges water customers the sum of a fixed monthly meter charge and a consumption charge that varies based on monthly water use. This section explains the derivation of the rates that determine each customer's charges. These rates are based on the results of the cost-of-service analysis in the preceding chapter.

Water Meter Charge Rates

Meter charges are fixed rates charged per account that are billed each billing period to recover the cost of the customer service function. The meter charges are graduated in proportion to the maximum capacity (i.e., maximum flow through a meter) serving a property. Meter charges are also independent of customer classes because the capacity of a service does not change depending on what class of customer that is connected to the water system.

The cost-of-service analysis determined how much of the revenue requirement is attributable to the customer service function. The function has two components – customer accounts (e.g., customer service staffing, billing) and customer capacity (e.g., capital and operating costs associated with maintaining the water transmission and distribution system)– each of which is itemized in the cost-of-service analysis in **Figure 3-14**. Costs attributable to customer accounts are allocated to customers in proportion to the number of accounts. As such, all customers pay the same for these costs which do not vary based on flow. Costs attributable to customer capacity are allocated to customers in proportion to the capacity of their services. As such, customer pay a graduated rate based on their meter size, as larger meters provide more capacity to the customer. The sum of the two components equals the meter charge per connection.

Figure 3-18 lists the units of service corresponding to each of the cost components. The 13,770 accounts are used for apportioning the customer accounts cost component.

Capacity costs associated with the distribution system are apportioned among the connections in proportion to the capacity associated with each connection in accordance with the American Water Works Association's recommended rated capacities. Accounts are converted to Equivalent Meter Units (EMUs) to apportion the customer capacity cost component. An EMU represents the number of ¾-inch meters to which a larger meter is equivalent. For example, a 1-inch meter provides 1.67 times as much capacity as a ¾-inch meter. The capacity multipliers are based on the nominal capacity of the City's meters. The 2,445 1-inch meters equal 4,075 EMUs. There are 21,055 total EMUs. In effect, the 13,770 services of assorted sizes have the equivalent capacity as 21,055 ¾-inch meters.

Figure 3-18 also derives the unit costs for the customer accounts and customer capacity cost components. Each account is allocated $4.63 for the customer account cost component. That amount represents the costs the City incurs to maintain an account regardless of the capacity of the service. Each account is also allocated $15.97 per EMU. That amount represents a portion of the cost of providing distribution system capacity for each account, and increases based on the capacity of the meter.

Figure 3-18. Service Charge Units of Service

Service Size	# of Accounts	Meter Ratings (gpm)	Capacity Multiplier	EMUs
	a	b	c = b ÷ 30	a * c
5/8"	1	20	0.67	1
3/4"	9,571	30	1.00	9,571
1"	2,445	50	1.67	4,075
1.5"	1,254	100	3.33	4,180
2"	450	160	5.33	2,400
3"	18	320	10.67	192
4"	25	500	16.67	417
6"	5	1000	33.33	167
8"	1	1600	53.33	53
Total Accounts	**13,770**		**Total EMUs**	**21,055**
Units Costs (from Figure 3-14)	**$764,453**			**$4,034,328**
# of Accounts	**13,770**		# of EMUs	**21,055**
Monthly Cost per Account	**$4.63**		**Monthly Cost per EMU**	**$15.97**

Based on AWWA gpm ratings

Figure 3-19 combines the customer service and capacity components into a single Service Charge for each size service and compares proposed rates to the current rates.

Figure 3-19. Proposed Monthly Service Charge Rates – FY 2023-24

Service Size	% of Meters	Account Component ($/mo.)	Capacity Component $/EMU	Capacity Multiplier	Capacity Total	COS Service Charges ($/mo.)	FY 2023-24 Increase	Proposed Service Charges ($/mo.)
		a	b	c	d = b * c	e = a + d	f	g = e * (1 + f)
5/8" meters	0.0%	$4.63	$15.97	0.67	$10.64	**$15.27**	**32.0%**	**$20.16**
3/4" meters	69.5%	$4.63	$15.97	1.00	$15.97	**$20.59**	**32.0%**	**$27.18**
1" meters	17.8%	$4.63	$15.97	1.67	$26.61	**$31.24**	**32.0%**	**$41.23**
1 1/2" meters	9.1%	$4.63	$15.97	3.33	$53.22	**$57.85**	**32.0%**	**$76.36**
2" meters	3.3%	$4.63	$15.97		$85.16	**$89.78**	**32.0%**	**$118.52**
3" meters	0.1%	$4.63	$15.97	10.67	$170.32	**$174.94**	**32.0%**	**$230.92**
4" meters	0.2%	$4.63	$15.97	16.67	$266.12	**$270.75**	**32.0%**	**$357.38**
6" meters	0.0%	$4.63	$15.97	33.33	$532.24	**$536.87**	**32.0%**	**$708.66**
8" meters	0.0%	$4.63	$15.97	53.33	$851.58	**$856.21**	**32.0%**	**$1,130.20**

Figure 3-20 shows the proposed five-year schedule of meter charges.

Figure 3-20. Current and Proposed Monthly Service Charge Rates

Meter Size	FY 2022-23 Current Rates	FY 2023-24 1/1/2024	FY 2024-25 7/1/2024	FY 2025-26 7/1/2025	FY 2026-27 7/1/2026	FY 2027-28 7/1/2027
5/8" meters	$19.20	$20.16	$21.77	$23.51	$25.16	$27.17
3/4" meters	$19.20	$27.18	$29.36	$31.71	$33.93	$36.64
1" meters	$20.75	$41.23	$44.53	$48.10	$51.46	$55.58
1 1/2" meters	$32.70	$76.36	$82.47	$89.07	$95.30	$102.93
2" meters	$42.15	$118.52	$128.00	$138.24	$147.91	$159.75
3" meters	$84.35	$230.92	$249.40	$269.35	$288.20	$311.26
4" meters	$139.55	$357.38	$385.98	$416.85	$446.03	$481.72
6" meters	$425.95	$708.66	$765.35	$826.58	$884.44	$955.20
8" meters	$1,065.30	$1,130.20	$1,220.61	$1,318.26	$1,410.54	$1,523.38

Consumption Charge Design

Single Family Residential Consumption Charge

Tiered rate structures are well suited to single-family residential quantity charges because of the wide variation in peak demand patterns. The use of three tiers has been in place for the City's single-family residential customers and continues to be appropriate based on an analysis of actual water use patterns of single-family customers, conducted for this study. With three tiers, we size tiers corresponding average day demand, maximum day demand, and maximum hour peak demand. The size of the tiers is based on the demand pattern for single-family customers using water meter data collected by the City. The proposed breakpoints align the cost associated with each level of demand with the demand in each tier.

The rates for each tier cannot exceed the proportional cost of service for each tier. In the City's case, a three-tier structure aligns well with the three demand service levels where Tier 1, Tier 2, and Tier 3 correspond with average day, maximum day, and maximum hour demands. Given a three-tier structure, the following describes how the size of the tiers and rate per tier were derived.

It is not the case that all the water is billed at only the rate for the highest block. All metered water use is at least billed the Tier 1 rate. Water use beyond Tier 1 is only billed the Tier 2 rate for the volume of water allocated to Tier 2, and water use beyond the volume of water allocated to Tier 2 is billed at the Tier 3 rate.

The base/extra capacity cost-of-service analysis leads to three distinct levels of demand that are defined by the functions performed by facilities that are designed to provide the service levels. Each service has an average flow that can be used as the divider (i.e., "breakpoint") between each service level. Based on single family billing data, the breakpoints were calculated as shown in **Figure 3-21**.

Figure 3-21. Single Family Residential Tier Breakpoint Locations

Flow per Customer (hcf per month)	Base Day	Maximum Day	Maximum Hour
Single Family			
hcf per day	3,529	5,646	10,586
hcf per month	105,864	169,383	
# of Accounts	10,768	10,768	
Average flow per Acct (hcf/mo)	**10.0**	**16.0**	**17+**

The breakpoints create the following tiers, which apply to monthly water use:

- Tier 1: 0-10 hcf per month
- Tier 2: 11-16 hcf per month
- Tier 3: 17+ hcf per month

With breakpoints that correspond to the service levels in the cost-of-service analysis, it is possible to calculate the rate per tier by dividing the cost-of-service per tier by the water demand in each tier. The resulting rates represent the unit cost of service for each tier.

Figure 3-22 shows the calculations of the incremental cost per tier. Using the base day service function as an example, $3,33,147 of the revenue requirement is recovered from Tier 1. All of the water sold, including water in Tiers 2 and 3, benefits from the Tier 1 costs and shares in paying them. Dividing the base day costs by the total demand of 1,288,016 HCF in **Figure 3-22** yields a Tier 1 rate of $2.59 per HCF.

Demand that does not exceed the 10 hcf Tier 1 breakpoint is only charged the Tier 1 rate. Demand that does not exceed Tier 1 is not responsible for the additional costs of peaking that were allocated to the higher service levels. Bills that exceed Tier 1 pay additional rate increments. The next increment of demand is responsible for the costs allocated to average day service, $300,478 in **Figure 3-22**. This increment of cost is divided by the demand that exceeds Tier 1, 367,086 hcf, resulting in an incremental Tier 2 rate of $0.82 per hcf. This incremental increase gets added to the Tier 1 rate to determine the total Tier 2 rate, as shown in **Figure 3-22**.

The calculation of the Tier 3 rate increment proceeds similarly in **Figure 3-22**. It can be seen that the incremental rate for Tier 3 Tier 2. The $512,343 allocated to the maximum hour service level is only slightly higher, but it is only the highest 168,562 hcf that create the need for this increment of peak capacity, which results in an incremental Tier 3 rate of $4.61 per hcf. This incremental increase gets added to the Tier 1 and Tier 2 rates to determine the total Tier 3 rate, as shown in **Figure 3-22**.

The incremental rates are additive. In other words, demand in Tier 1 only pays the base day rate. Demand in Tier 2 pays the base day rate plus the average day increment, and so forth. Adding the increments yields the rates per tier. These rates per tier plus a 46% overall rate revenue increase in FY 2023-24 results in the proposed rates per tier in **Figure 3-22**.

Figure 3-22. Incremental Unit Cost – Single Family Residential

Single Family COS per Unit	Base Day	Maximum Day	Maximum Hour
	Tier 1	Tier 2	Tier 3
Single Family COS - Consumption	**$3,332,147**	**$300,478**	**$512,343**
Demand Per Tier			
Tier 1 (0 - 10 hcf)	920,930		
Tier 2 (11 - 16 hcf)	198,524	198,524	
Tier 3 (17+ hcf)	168,562	168,562	168,562
Total hcf per Tier	**1,288,016**	**367,086**	**168,562**
Cost-of-Service per Unit (hcf)	$2.59	$0.82	$3.04
Tier 1 (0 - 10 hcf)	$2.59	$2.59	$2.59
Tier 2 (11 - 16 hcf)		$0.82	$0.82
Tier 3 (17+ hcf)			$3.04
Unit Cost per hcf (by Tier)	**$2.59**	**$3.41**	**$6.45**
FY 2023-24 Rate Increase	*32.0%*	*32.0%*	*32.0%*
Proposed FY 2023-24 Rates	$3.41	$4.50	$8.51

All Other Customers Consumption Charges

It is recommended that the City continue with the same uniform rate structure for all other customers (non-single family residential). The proposed adjustment is intended to increase the uniform rate to re-align with the cost-of-service for this customer class. The uniform rate is derived by dividing this class's share of the FY 2022-23 revenue requirement by the class's projected annual demand.

Figure 3-23. Calculation All Other Uniform Consumption Charges

All Other Revenue Requirement	$5,423,826
Projected Demand (hcf)	1,685,411
Uniform Consumption Charge per hcf	$3.22
FY 2023-24 Rate Increase	*32.0%*
Proposed FY 2023-24 Rate	**$4.25**

Consumption Charge Summary

The five-year schedule of proposed Volume Charge rates for Residential and Non-Residential customers is shown in **Figure 3-24.**

Figure 3-24. Proposed Consumption Charges

Monthly Use	FY 2022-23 Current Rates	Monthly Use	FY 2023-24 1/1/2024	FY 2024-25 7/1/2024	FY 2025-26 7/1/2025	FY 2026-27 7/1/2026	FY 2027-28 7/1/2027
Single Family Residential		**Single Family Residential**					
Tier 1 (0-6 hcf)	$2.10	Tier 1 (0 - 10 hcf)	$3.41	$3.69	$3.98	$4.26	$4.60
Tier 2 (7-12 hcf)	$2.29	Tier 2 (11 - 16 hcf)	$4.50	$4.86	$5.24	$5.61	$6.06
Tier 3 (13+ hcf)	$2.45	Tier 3 (17+ hcf)	$8.51	$9.19	$9.92	$10.62	$11.47
All Other		**All Other**					
All Consumption	$2.39	All Consumption	$4.25	$4.59	$4.95	$5.30	$5.73

4. SEWER RATE STUDY

A. REVENUE REQUIREMENTS AND FINANCIAL PROJECTIONS

To determine whether additional sewer rate revenue is required, projected operating and capital expenses are compared with projected revenue from current rates. Annual surpluses and deficits are then applied to the reserve funds. Rates are then increased so that the expenses are covered and operating and capital reserves are maintained. The following sections summarize the methodology for determining the annual revenue requirements, the necessary annual revenue increases, and the projected impact these results will have on the Sewer Enterprise fund balance.

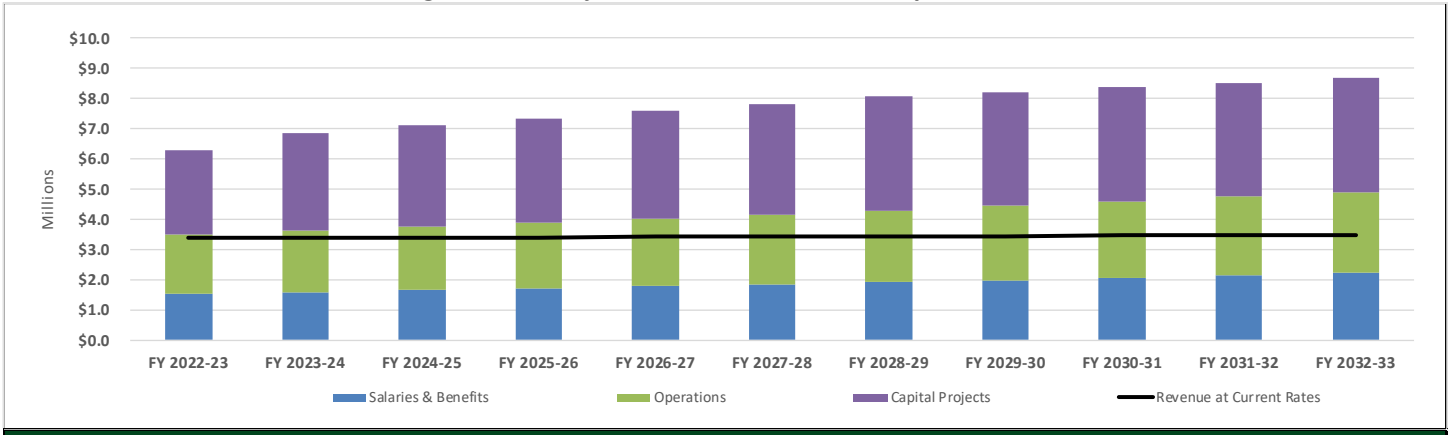
Assumptions

A spreadsheet model was developed to derive revenue requirements for FY 2022-23 through FY 2032-33. The revenue requirements represent the costs that must be covered by revenue from rates and other sources, such as reserves. The City's Council-approved operating and capital budget for FY 2022-23 served as the starting point for projecting the City's expenses and revenues over the ten-year financial planning period. We worked with City staff to project beyond FY 2022-23. The assumptions shown in **Figure 4-1** were used to project expenses, account growth, and water demand through FY 2032-33. The application of these assumptions to the O&M and capital expenses are summarized in **Figure 4-2** and are described in more detail below. The revenue from current rates (plus growth) is also shown (dotted black line).

Figure 4-1. Projection Assumptions

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Annual Account Growth Rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Annual Water Demand Increases	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
General Inflation	Budgeted	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Salaries & Wages	Budgeted	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Benefits	Budgeted	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Utilites	Budgeted	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
Construction Cost Inflation	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%
Interest on Fund Balance	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%

Figure 4-2. Projected Annual Revenue Requirements



	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Salaries & Benefits	$1,531,169	$1,589,876	$1,650,984	$1,714,595	$1,780,819	$1,849,768	$1,921,562	$1,996,326	$2,074,188	$2,155,284	$2,239,757
Operations	$1,987,412	$2,047,042	$2,108,460	$2,171,722	$2,236,881	$2,303,996	$2,373,124	$2,444,326	$2,517,665	$2,593,205	$2,671,011
Capital Projects	$2,781,278	$3,220,893	$3,368,838	$3,467,208	$3,568,450	$3,672,649	$3,779,890	$3,779,890	$3,779,890	$3,779,890	$3,779,890
Non-Op Revenue[1]	($101,300)	($104,339)	($107,469)	($110,693)	($114,014)	($117,434)	($120,957)	($124,586)	($128,324)	($132,174)	($136,139)
Net Revenue Requirement	**$6,198,560**	**$6,753,472**	**$7,020,812**	**$7,242,831**	**$7,472,136**	**$7,708,978**	**$7,953,619**	**$8,095,956**	**$8,243,419**	**$8,396,206**	**$8,554,519**

[1] Sewer Non-Operating Revenues include sewer reconstruction fees and the sale of surplus Sewer Enterprise property (e.g., vehicles, computers, equipment) which is not longer needed. These non-operating revenues reduce the necessary revenue that needs to come from rates to cover operating and capital costs.

Revenue Projections

Given the projected O&M and capital costs in **Figure 4-2**, HF&H developed a rate revenue adjustment scenario that maintains adequate fund balances for the ongoing operations of the Sewer Enterprise. These rate revenue adjustments are shown in **Figure 4-3**. **Figure 4-4** shows the projected sewer rate revenue associated with the proposed rate revenue adjustments.

Figure 4-3. Sewer Rate Revenue Adjustments

Fiscal Year	Effective Date	Overall Rate Revenue Increase
FY 2023-24	1/1/2024	40.0%
FY 2024-25	7/1/2024	30.0%
FY 2025-26	7/1/2025	10.0%
FY 2026-27	7/1/2026	10.0%
FY 2027-28	7/1/2027	4.0%
FY 2028-29	7/1/2028	4.0%
FY 2029-30	7/1/2029	3.0%
FY 2030-31	7/1/2030	3.0%
FY 2031-32	7/1/2031	3.0%
FY 2032-33	7/1/2032	3.0%

Figure 4-4. Projected Sewer Rate Revenue

	Months Increase In Effect	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Sewer Rate Revenue at Current Rates (including growth)		$3,270,000	$3,278,175	$3,286,370	$3,294,586	$3,302,822	$3,311,079	$3,319,357	$3,327,655	$3,335,974	$3,344,314	$3,352,675
Increase in Rate Revenue		0.0%	40.0%	30.0%	10.0%	10.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenue from Rate Increases												
FY 2023-24 (eff. Jan 1, 2024)	6		$655,635	$1,314,548	$1,317,834	$1,321,129	$1,324,432	$1,327,743	$1,331,062	$1,334,390	$1,337,726	$1,341,070
FY 2024-25 (eff. Jul 1, 2024)	12			$1,380,275	$1,383,726	$1,387,185	$1,390,653	$1,394,130	$1,397,615	$1,401,109	$1,404,612	$1,408,124
FY 2025-26 (eff. Jul 1, 2025)	12				$599,615	$601,114	$602,616	$604,123	$605,633	$607,147	$608,665	$610,187
FY 2026-27 (eff. Jul 1, 2026)	12					$661,225	$662,878	$664,535	$666,197	$667,862	$669,532	$671,206
FY 2027-28 (eff. Jul 1, 2027)	12						$364,583	$365,494	$366,408	$367,324	$368,242	$369,163
FY 2028-29 (eff. Jul 1, 2028)	12							$230,261	$230,837	$231,414	$231,993	$232,573
FY 2029-30 (eff. Jul 1, 2029)	12								$237,762	$238,357	$238,953	$239,550
FY 2030-31 (eff. Jul 1, 2030)	12									$245,507	$246,121	$246,736
FY 2031-32 (eff. Jul 1, 2031)	12										$253,505	$254,138
FY 2032-33 (eff. Jul 1, 2032)	12											$261,763
al Revenue from Rate Increases		$0	$655,635	$2,694,823	$3,301,175	$3,970,653	$4,345,162	$4,586,287	$4,835,514	$5,093,110	$5,359,348	$5,634,509
Total Current Revenue		$3,270,000	$3,278,175	$3,286,370	$3,294,586	$3,302,822	$3,311,079	$3,319,357	$3,327,655	$3,335,974	$3,344,314	$3,352,675
Total Revenue with Rate Increases		$3,270,000	$3,933,810	$5,981,193	$6,595,761	$7,273,475	$7,656,241	$7,905,644	$8,163,169	$8,429,084	$8,703,662	$8,987,184
Total Revenue Requirement		$6,198,560	$6,753,472	$7,020,812	$7,242,831	$7,472,136	$7,708,978	$7,953,619	$8,095,956	$8,243,419	$8,396,206	$8,554,519
Transfer to/(from) Reserves		($2,928,560)	($2,819,662)	($1,039,619)	($647,070)	($198,661)	($52,737)	($47,975)	$67,213	$185,665	$307,456	$432,665

Sewer Reserve Fund Balance Projections

The rate adjustments in **Figure 4-2** were developed by analyzing the City's projected expenses over the course of the planning period against its projected revenues.

In addition to covering annual expenses, sewer service charges need to generate revenue to maintain adequate operations and capital reserves. To determine what constitutes adequate reserve amounts, the City's Sewer Enterprise fund balance is divided into operating and capital reserves. Recommended target balances are set to fund each reserve. The resulting cash balances with the recommended revenue increase shown in **Figure 4-2,** is represented by the solid green line in **Figure 4-5**. In addition, **Figure 4-5** shows the projected annual fund balances without the revenue increases (dotted green line). As shown, without any rate increase, the fund balance will be fully depleted sometime before the end of FY 2024-25.

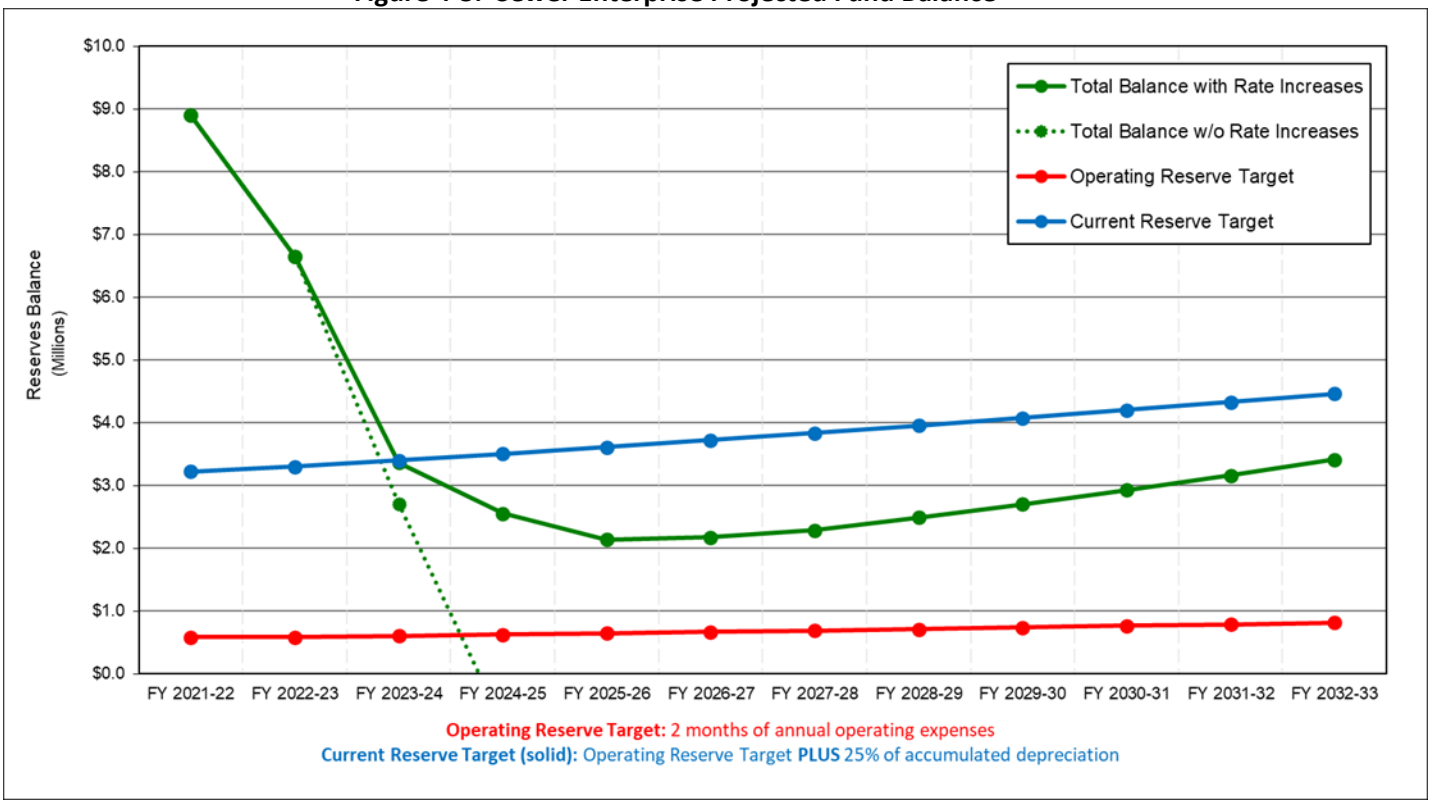
The cash reserve targets used in **Figure 4-5** are as follows:

Operating Reserve. The operating component of the reserves provides working capital for month-to-month O&M expenditures. With sufficient working capital, the City can operate without cash flow constraints. The City's reserve policy is two months of operating expenses. The City's reserves should never drop below this minimum balance. The operating reserve target is represented by the red line in **Figure 4-5**.

Capital Reserve. The capital component of the reserves provides working capital for the City's capital improvement projects. The fund balance needs to be sufficient to at least pay contractors without delays caused by cash flow limitations. The fund balance can be larger so that the City can fund larger construction projects on a pay-as-you-go basis, thereby eliminating financing costs. The City's reserve policy for the capital reserve is 25% of accumulated depreciation of capital assets.

Total Reserve Target. The total reserve target for the City is the sum of the target balances for the operating reserve and capital reserve. The target balance is represented by the blue line in **Figure 4-5**.

Figure 4-5. Sewer Enterprise Projected Fund Balance



B. COST-OF-SERVICE ANALYSIS

The total revenue requirement for FY 2022-23 of $6,198,560, as shown in **Figure 4-2,** was used as the starting point for the cost-of-service and rate design analysisTo reduce rate impacts to consumers, our analysis assumes the use of reserves to partially offset the rate increases to be effective January 1, 2024. The need for additional rate increases to cover operating and capital cost increases, and rebuild reserves, will be spread over the five-year planning period, as shown in **Figure 4-3**.

Analytical Approach

The sewer cost-of-service analysis differs from the water cost-of-service analysis because providing wastewater collection services should only account for the consideration of account versus flow, which is different from providing water service where peak demands and capacity are a primary consideration. The cost-of-service analysis in this report follows wastewater rate-making techniques promulgated by the Water Environment Federation, which is the wastewater industry's equivalent to the American Water Works Association.

The analytical procedure contains the following steps:

1. **Service function cost classification** – The City's budget is summarized into service function cost categories, which is needed for allocating costs that will be used for calculating rates.
2. **Demand service function allocation percentages** – Account and conveyance allocation factors are needed to apportion costs related to the demand service functions and to customer classes.
3. **Service function allocations** – Costs from Step 1 are allocated to the account and conveyance service functions from Step 2.
4. **Customer class allocations** – The costs allocated to the demand service function in Step 3 are further apportioned between three customer classes.

This sequence of steps is further explained below. The steps constitute the cost-of-service analysis, which converts the revenue requirement for FY 2022-23 in into the eventual cost-of-service for sewer service charges.

Allocation Factors

Conveyance Services: Collection system O&M and capital costs including lift stations sewer mains.

Customer Accounts: Billing, accounting, customer service, and other costs related to the operations of the sewer system that aren't directly attributable to conveyance/flow.

Composite Services: Indirect allocations for costs that are not directly related to specific service functions: personnel, overhead, non-operating revenue.

The allocation factors that apply to the three different cost categories are summarized in **Figure 4-6**. With these allocations factors, rates can be designed to proportionately charge customers based on their demands.

Figure 4-6. Allocation Factors

Cost Allocation Factors	Accounts	Flow
Conveyance	0%	100%
Accounts	100%	0%
Rev. Req. Composite	15%	85%

Cost Allocations

Figure 4-7 shows the FY 2022-23 net revenue requirement allocated into flow and customer services. Each line item was classified according to the associated function. The allocation factors that are summarized in **Figure 4-6** allocate the costs across the services based on the allocation factor column in **Figure 4-7**.

Figure 4-7. Net Revenue Requirement Allocations

Revenue Requirement Allocation	Rev Req't FY 2022-23	Allocation Type	Cost Allocation Accounts	Cost Allocation Flow	Total
Operations & Maintenance					
Revenue Collection	$186,696	*Accounts*	$186,696	$0	$186,696
Building & Safety	$213,808	*Accounts*	$213,808	$0	$213,808
Sanitary Sewer Maintenance	$2,465,532	*Conveyance*	$0	$2,465,532	$2,465,532
Maintenance	$86,025	*Accounts*	$86,025	$0	$86,025
Engineering	$474,969	*Accounts*	$474,969	$0	$474,969
Post Employment	$66,929	*Accounts*	$66,929	$0	$66,929
Storm Drain Maintenance	$24,622	*Conveyance*	$0	$24,622	$24,622
Non Operating Revenue	($101,300)	*Accounts*	($101,300)	$0	($101,300)
Total O&M	**$3,417,281**		**$927,128**	**$2,490,153**	**$3,417,281**
O&M Composite	*100%*		*27%*	*73%*	*100%*
Capital Improvements	**$2,781,278**	*Conveyance*	**$0**	**$2,781,278**	**$2,781,278**
Total Revenue Requirement	**$6,198,560**		**$927,128**	**$5,271,432**	**$6,198,560**
Rev. Req. Composite	*100%*		*15%*	*85%*	*100%*
Transfer from Operating Reserves	**($2,928,560)**	*Rev. Req. Composite*	**($438,029)**	**($2,490,531)**	**($2,928,560)**
Net Revenue Requirement	**$3,270,000**		**$489,099**	**$2,780,901**	**$3,270,000**

Cost of Service by Customer Class

The results of the cost-of-service allocations are shown in **Figure 4-8.** Additionally, **Figure 4-8** calculates the unit costs of the sewer system on a per account and per hundred cubic feet (HCF; which is 748.052 gallons) of flow basis. The units of service for flow are based on winter water use of each customer class. The unit costs multiplied by the units of service for each customer class results in the revenue that needs to be generated by each customer class.

Figure 4-8. Cost-of-Service Allocation to Customer Classes

				Total
Units of Service by Customer Class		**Accounts**	**Flow (HCF)**	
Single Family (accounts/flow)	a	10,615	1,142,472	
Multi Family (dwelling units/flow)	b	8,630	928,998	
Commercial & Institutional (accounts/flow)	c	907	641,766	
	d = a+b+c	20,152	2,713,236	
Functional Costs [1]				
Operations & Maintenance		$927,128	$2,490,153	$3,417,281
Capital Improvements		$0	$2,781,278	$2,781,278
Transfers		($438,029)	($2,490,531)	($2,928,560)
	e	$489,099	$2,780,901	$3,270,000
Unit Cost Calculations				
Units of Service Total	f = d	20,152	2,713,236	
Unit Cost of Service	g = e ÷ f	**$24.27**	**$1.02**	
		per account/ dwelling unit	per HCF	
Cost of Service by Customer Class				
Single Family	h = a * g	$257,631	$1,170,964	$1,428,595
Multi Family	i = b * g	$209,454	$952,166	$1,161,620
Commercial & Institutional	j = c * g	$22,013	$657,771	$679,784
		$489,099	**$2,780,901**	**$3,270,000**
		15%	*85%*	*100%*

1. Source: Figure 4-7

C. RATE DESIGN

The City's sewer customers currently pay a fixed monthly sewer rate based on water meter size and customer class.

- **Single Family.** Water meter sizes for single family customers range from 5/8" to 1.5". The current monthly sewer service rate increases as the water meter size increases. The size of a customer's water meter is not necessarily indicative of how much water is discharged into the City's sewer collection system. Typically, single family customers only "size up" their water meters for fire protection requirements or for increased flow for outdoor irrigation purposes, neither of which contributes to an increase in wastewater volume. Therefore, we recommend charging single family customers based on a fixed monthly sewer rate regardless of meter size.

- **Multi Family.** Water meter sizes for multi family customers range from 3/4" to 4". The current monthly sewer service rate increases as the water meter size increases. The size of a customer's water meter is not necessarily indicative of how much water is discharged into the City's sewer collection system. Like single family customers, multi family customers may "size up" their water meters for non-wastewater purposes (e.g., irrigation and fire flow) but also to meet the water demands for each dwelling unit. Therefore, we recommend charging multi family customers based on a fixed monthly sewer rate based on the number of dwelling units regardless of meter size.

- **Commercial & Institutional.** Water meter sizes for commercial and institutional (C&I) customers range from 3/4" to 6". The current monthly sewer service rate increases as the water meter size increases. Unlike residential customers, typically C&I customers have separate irrigation and fire flow meters. As such, the City's current rate structure for C&I customers is appropriate. Therefore, we recommend that C&I customers maintain their current rate structure based on meter size.

Fixed and Variable Costs

Since the proposed sewer rates will be a fixed amount per month and not based on the flows of each customer, since sewered water use is not metered, the "flow" portion of the cost-of-service needs to be reallocated to the fixed portion. **Figure 4-9** shows the annual per unit cost for each customer class after the variable costs have been reallocated to be recovered by the fixed monthly charge for each customer class.

Figure 4-9. Unit Costs by Customer Class

Unit Cost by Customer Class	
Customer Class	**Total Costs[1]**
Single Family	$1,428,595
Multi Family	$1,161,620
C&I	$679,784
Total	**$3,270,000**

Customer Class	Units
Single Family (accounts)	10,615
Multi Family (dwelling units)	8,630
C&I (EMUs)	2,898

Unit Costs	Annual Cost per Unit
Single Family	$134.58
Multi Family	$134.60
C&I	$234.57

[1] Source: **Figure 4-8**

Residential Rate Design

Figure 4-9 calculated the annual per unit rate for each the single family and multi family customer classes. The single family customers will be charged on a per account basis and the multi family customers will be charged on a per dwelling unit basis. **Figure 4-10** shows the derivation for the monthly per unit rates for FY 2023-24.

Figure 4-10. Derivation of Monthly Residential Rates

Customer Type	FY 2023-24 Annual Cost per Unit[1]	FY 2022-23 Cost per Month	Rate Revenue Increase[2]	FY 2023-24 Proposed Rate
Single Family	$134.58	$11.22	40.0%	$15.70
Multi Family	$134.60	$11.22	40.0%	$15.70

[1] Source: **Figure 4-9**
[2] Source: **Figure 4-3**

Commercial and Institutional Rate Design

Figure 4-9 calculated the annual per unit rate for each the commercial and institutional customer class. This class will be charged on a per EMU basis. Meter size can be used a proxy for water use and therefore wastewater volume. The capacity multipliers are the same multipliers used in the water rates. **Figure 4-11** shows the derivation for the monthly per unit rates for FY 2023-24.

Figure 4-11. C&I Monthly Rate Calculation

C&I Meter Size	Capacity Multiplier	Rate per EMU[1]	FY 2022-23 Annual Cost	FY 2022-23 Cost per Month	Rate Revenue Increase[2]	FY 2023-24 Proposed Rate
3/4" Meters	1.00	$234.57	$234.57	$19.55	40.0%	$27.37
1" Meters	1.67	$234.57	$390.95	$32.58	40.0%	$45.61
1.5" Meters	3.33	$234.57	$781.90	$65.16	40.0%	$91.22
2" Meters	5.33	$234.57	$1,251.04	$104.25	40.0%	$145.95
3" Meters	10.67	$234.57	$2,502.08	$208.51	40.0%	$291.91
4" Meters	16.67	$234.57	$3,909.50	$325.79	40.0%	$456.11
6" Meters	33.33	$234.57	$7,819.01	$651.58	40.0%	$912.21
8" Meters	53.33	$234.57	$12,510.41	$1,042.53	40.0%	$1,459.54

[1] Source: **Figure 4-9**
[2] Source: **Figure 4-3**

Proposed Rates

Figure 4-12 shows the summary of the proposed sewer rates through FY 2027-28.

Figure 4-12. Proposed Sewer Rates

Customer Class	Current Units	Current FY 2022-23	Proposed Units	FY 2022-23 COS	Proposed FY 2023-24	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28
Single Family			*Rate Adjustment*	*COS*	*+40%*	*+30%*	*+10%*	*+10%*	*+4%*
5/8", 3/4"	*account*	$10.17	*account*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1"	*account*	$12.42	*account*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/2"	*account*	$12.86	*account*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
Multi Family									
3/4"	*account*	$29.01	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1"	*account*	$34.76	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/4"	*account*	$57.25	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/2"	*account*	$84.15	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
2"	*account*	$161.22	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
3"	*account*	$413.02	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
4"	*account*	$534.30	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
Commercial									
3/4"	*account*	$27.09	*account*	$19.55	$27.37	$35.58	$39.14	$43.05	$44.78
1"	*account*	$40.68	*account*	$32.58	$45.61	$59.30	$65.23	$71.75	$74.62
1 1/4"	*account*	$40.68	*account*	$65.16	$91.22	$118.59	$130.45	$143.50	$149.24
1 1/2"	*account*	$78.41	*account*	$104.25	$145.95	$189.74	$208.71	$229.58	$238.76
2"	*account*	$198.97	*account*	$208.51	$291.91	$379.49	$417.44	$459.18	$477.55
3"	*account*	$270.68	*account*	$325.79	$456.11	$592.94	$652.23	$717.45	$746.15
4"	*account*	$386.69	*account*	$651.58	$912.21	$1,185.88	$1,304.46	$1,434.91	$1,492.31
6"	*account*	$1,052.20	*account*	$1,042.53	$1,459.54	$1,897.40	$2,087.15	$2,295.86	$2,387.69
Institutional									
3/4"	*account*	$46.29	*account*	$19.55	$27.37	$35.58	$39.14	$43.05	$44.78
2"	*account*	$68.48	*account*	$208.51	$291.91	$379.49	$417.44	$459.18	$477.55
3"	*account*	$73.29	*account*	$325.79	$456.11	$592.94	$652.23	$717.45	$746.15
4"	*account*	$168.28	*account*	$651.58	$912.21	$1,185.88	$1,304.46	$1,434.91	$1,492.31

5. CUSTOMER BILL IMPACTS

Note: The following monthly bill comparisons are based on "typical" customers or customers that are most representative of a group of customers. The typical customer is based on the most common meter sizes for the class and the average water use for customers of that type. Customer bills for customers using more or less water than average will see different results.

BILL COMPARISONS

Figure 5-1 shows the comparison of a sample single family residential customer bill (including both water and sewer charges) with a ¾" meter and using 10 hcf per month, which is the average water use by single family customers.

Figure 5-1. Single Family Residential Combined Monthly Bill Impact

	Current	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Assumptions						
Meter Size	3/4" meter	3/4" meter				
Water Consumption	10	10				
Water						
Fixed Service Charge	$19.20	$25.74	$27.29	$28.92	$30.66	$32.50
Consumption Charge	$21.76	$32.34	$34.28	$36.33	$38.52	$40.83
37.5% Surcharge	$15.36	n/a	n/a	n/a	n/a	n/a
Total	$56.32	$58.08	$61.56	$65.26	$69.17	$73.32
Increase/(Decrease)		$1.76	$3.48	$3.69	$3.92	$4.15
Sewer						
Charge per account	$10.17	$15.71	$20.42	$22.46	$24.71	$25.70
Total	$10.17	$15.71	$20.42	$22.46	$24.71	$25.70
Increase/(Decrease)		$5.54	$4.71	$2.04	$2.25	$0.99
Total Monthly Bill	**$66.49**	**$73.79**	**$81.99**	**$87.72**	**$93.88**	**$99.02**
Increase/(Decrease)		$7.30	$8.20	$5.74	$6.16	$5.14

Figure 5-2 shows the comparison of a sample 10-unit multi family residential customer with a 2" meter and using 90 hcf per month.

Figure 5-2. Multi Family Residential Combined Monthly Bill Impact

	Current	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Assumptions						
Meter Size	2" meter	2" meter				
Water Consumption	90	90				
Dwelling Units	10	10				
Water						
Fixed Service Charge	$42.15	$112.23	$118.96	$126.10	$133.67	$141.69
Consumption Charge	$215.10	$362.04	$383.76	$406.78	$431.19	$457.06
37.5% Surcharge	$96.47	n/a	n/a	n/a	n/a	n/a
Total	$353.72	$474.27	$502.72	$532.89	$564.86	$598.75
Increase/(Decrease)		$120.55	$28.46	$30.16	$31.97	$33.89
Sewer						
Charge per account	$161.22	$157.08	$204.20	$224.62	$247.09	$256.97
Total	$161.22	$157.08	$204.20	$224.62	$247.09	$256.97
Increase/(Decrease)		($4.14)	$47.12	$20.42	$22.46	$9.88
Total Monthly Bill	**$514.94**	**$631.35**	**$706.93**	**$757.51**	**$811.95**	**$855.72**
Total Increase/(Decrease)		$116.41	$75.58	$50.58	$54.44	$43.78
Increase/Decrease per DU		$11.64	$7.56	$5.06	$5.44	$4.38

Figure 5-3 shows the comparison of a sample commercial or institutional customer with a 1" meter and using 53 hcf per month.

Figure 5-3. Commercial and Institutional Combined Monthly Bill Impact

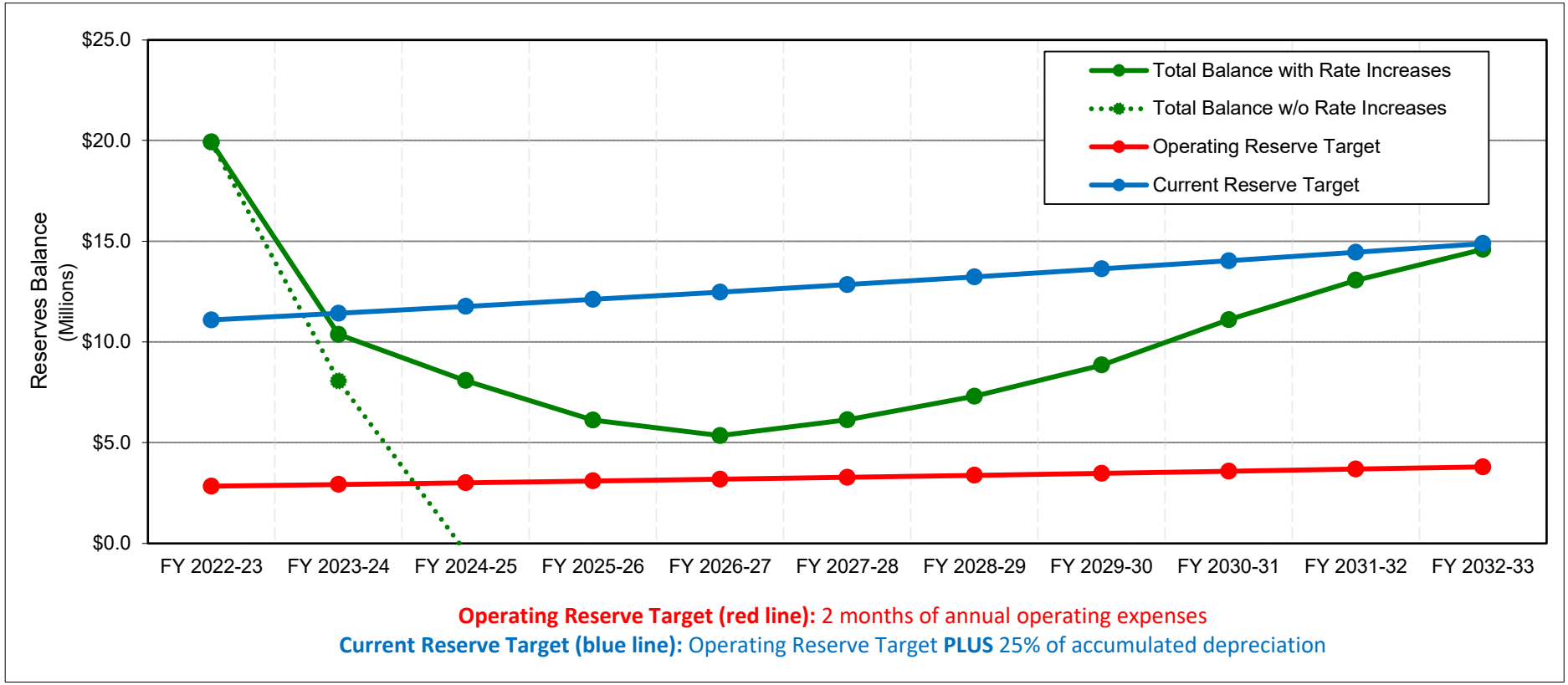
	Current	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Assumptions						
Meter Size	1" meter	1" meter				
Water Consumption	53	53				
Sewered Flow	53	53				
Water						
Fixed Service Charge	$20.75	$39.05	$41.39	$43.87	$46.51	$49.30
Consumption Charge	$126.67	$213.20	$225.99	$239.55	$253.92	$269.16
37.5% Surcharge	$55.28	n/a	n/a	n/a	n/a	n/a
Total	$202.70	$252.25	$267.38	$283.42	$300.43	$318.46
Increase/(Decrease)		$49.54	$15.13	$16.04	$17.01	$18.03
Sewer						
Charge per account	$40.68	$45.61	$59.30	$65.23	$71.75	$74.62
Total	$40.68	$45.61	$59.30	$65.23	$71.75	$74.62
Increase/(Decrease)		$4.93	$13.68	$5.93	$6.52	$2.87
Total Monthly Bill	**$243.38**	**$297.86**	**$326.68**	**$348.65**	**$372.18**	**$393.07**
Increase/(Decrease)		$54.48	$28.82	$21.97	$23.53	$20.90

UTILITY RATE STUDY

Appendix A. Water Rate Model
Appendix B. Sewer Rate Model

City of Monterey Park
Water Rate Model
1A - Summary

Fiscal year	FY 2023-24	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
Eff. Date	*1/1/2024*	*7/1/2024*	*7/1/2025*	*7/1/2026*	*7/1/2027*	*7/1/2028*	*7/1/2029*	*7/1/2030*	*7/1/2031*	*7/1/2032*
Annual Rate Revenue Increases	**32.0%**	**8.0%**	**8.0%**	**7.0%**	**8.0%**	**3.0%**	**3.0%**	**0.0%**	**0.0%**	**0.0%**
Cumulative Revenue Increases	*32.0%*	*42.6%*	*54.0%*	*64.7%*	*77.9%*	*83.3%*	*88.8%*	*88.8%*	*88.8%*	*88.8%*
Parity Debt Coverage	7.63	38.39	36.59	47.44	61.50	65.24	69.19	65.67	N/A debt paid off	N/A



Operating Reserve Target (red line): 2 months of annual operating expenses
Current Reserve Target (blue line): Operating Reserve Target **PLUS** 25% of accumulated depreciation

City of Monterey Park
Water Rate Model
1B - Assumptions

		Budget FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	Notes
a	Annual Account Growth Rate		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	Estimate; To Tabs 3, 4, 7
b	Annual Water Demand Increases		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
c	General Inflation	Budgeted	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
d	Salaries & Wages	Budgeted	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
e	Benefits	Budgeted	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
f	Utilites	Budgeted	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	
g	Construction Cost Inflation	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	ENR CCI Index LA Average annual change 2013 - 2022
h	Interest on Fund Balance	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	To Tab 4
i	Annual SFR conservation reduction	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	To Tab 3
n													

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	**City of Monterey Park**													
2	**Water Rate Model**													
3	**2 - Rev Reqmts**													
4		**Inflation**	**Budgeted**											
5	**Object Description**	**Factor**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**	**FY 2032-33**	**Notes**
6	**Salaries & Benefits**													
7	PERMANENT SALARIES	d	$2,357,744	$2,428,476	$2,501,331	$2,576,371	$2,653,662	$2,733,272	$2,815,270	$2,899,728	$2,986,720	$3,076,321	$3,168,611	
8	PART TIME SALARIES	d	$163,399	$168,301	$173,350	$178,550	$183,907	$189,424	$195,107	$200,960	$206,989	$213,198	$219,594	
9	OVERTIME SALARIES	d	$85,707	$88,278	$90,926	$93,654	$96,464	$99,357	$102,338	$105,408	$108,571	$111,828	$115,183	
10	MEDICARE INSURANCE	e	$36,631	$38,462	$40,385	$42,405	$44,525	$46,751	$49,089	$51,543	$54,120	$56,826	$59,668	
11	MEDICAL INSURANCE	e	$447,323	$469,690	$493,174	$517,833	$543,724	$570,911	$599,456	$629,429	$660,900	$693,945	$728,643	
12	MEDICAL INS RETIREES	e	$190,260	$199,773	$209,762	$220,250	$231,262	$242,825	$254,967	$267,715	$281,101	$295,156	$309,913	
13	DENTAL INSURANCE	e	$34,372	$36,090	$37,895	$39,790	$41,779	$43,868	$46,061	$48,365	$50,783	$53,322	$55,988	
14	VISION PLAN	e	$11,715	$12,301	$12,916	$13,562	$14,240	$14,952	$15,700	$16,485	$17,309	$18,174	$19,083	
15	LONG TERM DISABILITY	e	$13,504	$14,180	$14,889	$15,633	$16,415	$17,235	$18,097	$19,002	$19,952	$20,950	$21,997	
16	LIFE INSURANCE	e	$9,191	$9,650	$10,133	$10,639	$11,171	$11,730	$12,316	$12,932	$13,579	$14,258	$14,970	
17	RETIREMENT	e	$255,212	$267,972	$281,371	$295,439	$310,211	$325,722	$342,008	$359,108	$377,064	$395,917	$415,713	
18	PART TIME RETIREMENT	e	$3,371	$3,539	$3,716	$3,902	$4,097	$4,302	$4,517	$4,743	$4,980	$5,229	$5,491	
19	401 DEFERRED COMP	e	$53,122	$55,778	$58,567	$61,495	$64,570	$67,798	$71,188	$74,747	$78,485	$82,409	$86,529	
20	SEPARATION BENEFIT	e	$85,730	$90,016	$94,517	$99,243	$104,205	$109,415	$114,886	$120,630	$126,662	$132,995	$139,645	
21	PENSION CHARGES	e	$330,177	$346,686	$364,020	$382,221	$401,332	$421,398	$442,468	$464,592	$487,821	$512,212	$537,823	
22	OPEB CHARGES	e	$82,734	$86,871	$91,214	$95,775	$100,564	$105,592	$110,872	$116,415	$122,236	$128,348	$134,765	
23	WORKERS COMPENSATION	e	$299,806	$314,796	$330,536	$347,063	$364,416	$382,637	$401,769	$421,857	$442,950	$465,098	$488,353	
24	Subtotal		$4,459,996	$4,630,859	$4,808,701	$4,993,824	$5,186,544	$5,387,190	$5,596,109	$5,813,660	$6,040,221	$6,276,186	$6,521,969	
25														
26	**Operations**													
27	OTHER GOVT AGENCIES	c	$73,000	$75,190	$77,446	$79,769	$82,162	$84,627	$87,166	$89,781	$92,474	$95,248	$98,106	
28	DUES MEMBERSHIPS	c	$12,800	$13,184	$13,580	$13,987	$14,407	$14,839	$15,284	$15,742	$16,215	$16,701	$17,202	
29	WEBSITE MAINTENANCE	c	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
30	OTHER PROFESSIONAL SERVICES	c	$1,157,300	$1,192,019	$1,227,780	$1,264,613	$1,302,551	$1,341,628	$1,381,877	$1,423,333	$1,466,033	$1,510,014	$1,555,314	
31	DATA PROCESSING	c	$80,454	$82,868	$85,354	$87,914	$90,552	$93,268	$96,066	$98,948	$101,917	$104,974	$108,123	
32	SAFETY EDUCATION	c	$5,700	$5,871	$6,047	$6,229	$6,415	$6,608	$6,806	$7,010	$7,221	$7,437	$7,660	
33	METER INSTALLATION	c	$110,000	$113,300	$116,699	$120,200	$123,806	$127,520	$131,346	$135,286	$139,345	$143,525	$147,831	
34	WATER ASSESSMENT CHARGES	c	$2,400,000	$2,400,000	$2,400,000	$2,400,000	$2,400,000	$2,400,000	$2,400,000	$2,400,000	$2,400,000	$2,400,000	$2,400,000	
35	LEGAL FEES	c	$7,500	$7,725	$7,957	$8,195	$8,441	$8,695	$8,955	$9,224	$9,501	$9,786	$10,079	
36	REPAIR AND MAINT GROUNDS	c	$60,200	$62,006	$63,866	$65,782	$67,756	$69,788	$71,882	$74,038	$76,260	$78,547	$80,904	
37	REPAIR AND MAINT BUILDING	c	$116,239	$119,727	$123,318	$127,018	$130,829	$134,753	$138,796	$142,960	$147,249	$151,666	$156,216	
38	REPAIR AND MAINT OTHER	c	$20,000	$20,600	$21,218	$21,855	$22,510	$23,185	$23,881	$24,597	$25,335	$26,095	$26,878	
39	REPAIR AND MAINT MACHINERY	c	$221,500	$228,145	$234,989	$242,039	$249,300	$256,779	$264,483	$272,417	$280,590	$289,007	$297,677	
40	REPAIR AND MAINT SEMPRA	c	$15,000	$15,450	$15,914	$16,391	$16,883	$17,389	$17,911	$18,448	$19,002	$19,572	$20,159	
41	DUPLICATING EQUIPMENT RENTAL	c	$6,750	$6,953	$7,161	$7,376	$7,597	$7,825	$8,060	$8,302	$8,551	$8,807	$9,071	
42	MTCE EQUIP RENTAL	c	$4,000	$4,120	$4,244	$4,371	$4,502	$4,637	$4,776	$4,919	$5,067	$5,219	$5,376	
43	EDUCATION TRAINING	c	$5,000	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149	$6,334	$6,524	$6,720	
44	CONFERENCES	c	$1,000	$1,030	$1,061	$1,093	$1,126	$1,159	$1,194	$1,230	$1,267	$1,305	$1,344	
45	ELECTRICITY	f	$1,196,200	$1,244,407	$1,294,556	$1,346,727	$1,401,000	$1,457,460	$1,516,196	$1,577,299	$1,640,864	$1,706,991	$1,775,783	
46	GAS SERVICE	f	$8,600	$8,947	$9,307	$9,682	$10,072	$10,478	$10,901	$11,340	$11,797	$12,272	$12,767	
47	WATER SERVICE	c	$45,000	$46,350	$47,741	$49,173	$50,648	$52,167	$53,732	$55,344	$57,005	$58,715	$60,476	
48	TELEPHONE	c	$17,787	$18,321	$18,870	$19,436	$20,019	$20,620	$21,239	$21,876	$22,532	$23,208	$23,904	
49	SOFTWARE HARDWARE	c	$15,250	$15,708	$16,179	$16,664	$17,164	$17,679	$18,209	$18,756	$19,318	$19,898	$20,495	
50	SMALL TOOLS	c	$22,000	$22,660	$23,340	$24,040	$24,761	$25,504	$26,269	$27,057	$27,869	$28,705	$29,566	
51	POSTAGE	c	$77,130	$79,444	$81,827	$84,282	$86,810	$89,415	$92,097	$94,860	$97,706	$100,637	$103,656	
52	OFFICE PAPER PRODUCTS	c	$4,750	$4,893	$5,039	$5,190	$5,346	$5,507	$5,672	$5,842	$6,017	$6,198	$6,384	
53	OTHER OFFICE SUPPLIES	c	$4,900	$5,047	$5,198	$5,354	$5,515	$5,680	$5,851	$6,026	$6,207	$6,393	$6,585	
54	CLEANING SUPPLIES	c	$700	$721	$743	$765	$788	$811	$836	$861	$887	$913	$941	
55	OTHER OPERATING SUPPLIES	c	$8,300	$8,549	$8,805	$9,070	$9,342	$9,622	$9,911	$10,208	$10,514	$10,830	$11,155	
56	UNIFORM	c	$8,100	$8,343	$8,593	$8,851	$9,117	$9,390	$9,672	$9,962	$10,261	$10,569	$10,886	
57	ENGINEERING SUPPLIES	c	$1,000	$1,030	$1,061	$1,093	$1,126	$1,159	$1,194	$1,230	$1,267	$1,305	$1,344	
58	TRAFFIC SUPPLIES	c	$7,100	$7,313	$7,532	$7,758	$7,991	$8,231	$8,478	$8,732	$8,994	$9,264	$9,542	
59	PAINT SUPPLLIES	c	$2,800	$2,884	$2,971	$3,060	$3,151	$3,246	$3,343	$3,444	$3,547	$3,653	$3,763	
60	OTHER REPAIR MAINT SUPPLIES	c	$6,300	$6,489	$6,684	$6,884	$7,091	$7,303	$7,523	$7,748	$7,981	$8,220	$8,467	
61	ROAD REPAIR SUPPLIES	c	$2,000	$2,060	$2,122	$2,185	$2,251	$2,319	$2,388	$2,460	$2,534	$2,610	$2,688	
62	EQUIPMENT SUPPLIES	c	$106,100	$109,283	$112,561	$115,938	$119,416	$122,999	$126,689	$130,490	$134,404	$138,436	$142,590	
63	ELECTRICAL SUPPLIES	c	$50,300	$51,809	$53,363	$54,964	$56,613	$58,311	$60,061	$61,863	$63,719	$65,630	$67,599	
64	WATER SUPPLIES	c	$1,400,000	$1,442,000	$1,485,260	$1,529,818	$1,575,712	$1,622,984	$1,671,673	$1,721,823	$1,773,478	$1,826,682	$1,881,483	
65	LANDSCAPING	c	$2,000	$2,060	$2,122	$2,185	$2,251	$2,319	$2,388	$2,460	$2,534	$2,610	$2,688	
66	BLUEPRINTS	c	$500	$515	$530	$546	$563	$580	$597	$615	$633	$652	$672	
67	PRINTING	c	$12,600	$12,978	$13,367	$13,768	$14,181	$14,607	$15,045	$15,496	$15,961	$16,440	$16,933	
68	BOOKS AND SUBSCRIPTIONS	c	$500	$515	$530	$546	$563	$580	$597	$615	$633	$652	$672	
69	BROCHURES	c	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
70	UNIFORM	c	$22,500	$23,175	$23,870	$24,586	$25,324	$26,084	$26,866	$27,672	$28,502	$29,357	$30,238	
71	ADMINISTRATIVE OVERHEAD	c	$727,337	$749,157	$771,632	$794,781	$818,624	$843,183	$868,478	$894,533	$921,369	$949,010	$977,480	
72	TECHNOLOGY CHARGES	c	$86,251	$88,839	$91,504	$94,249	$97,076	$99,989	$102,988	$106,078	$109,260	$112,538	$115,914	
73	MOTOR POOL CHARGES	c	$665,741	$685,714	$706,285	$727,474	$749,298	$771,777	$794,930	$818,778	$843,341	$868,642	$894,701	
74	GENERAL LIABILITY	c	$2,074,844	$2,137,089	$2,201,202	$2,267,238	$2,335,255	$2,405,313	$2,477,472	$2,551,796	$2,628,350	$2,707,200	$2,788,417	
75	OTHER PAYMENTS	c	$1,726,933	$1,778,741	$1,832,103	$1,887,066	$1,943,678	$2,001,989	$2,062,048	$2,123,910	$2,187,627	$2,253,256	$2,320,854	
76	Subtotal		$12,599,966	$12,918,375	$13,246,836	$13,585,671	$13,935,212	$14,295,802	$14,667,796	$15,051,559	$15,447,469	$15,855,915	$16,277,301	
77														
78	**Total Operations & Maintenance**		**$17,059,963**	**$17,549,234**	**$18,055,537**	**$18,579,495**	**$19,121,755**	**$19,682,992**	**$20,263,905**	**$20,865,219**	**$21,487,689**	**$22,132,101**	**$22,799,270**	
79														
80	**Non-Rate Revenue**													
81	Meter Installation	c	($100,000)	($103,000)	($106,090)	($109,273)	($112,551)	($115,927)	($119,405)	($122,987)	($126,677)	($130,477)	($134,392)	
82	EPA Settlement Revenue		($600,000)	($1,500,000)	($1,500,000)									
83	Sale of Surplus Property	c	($3,000)	($3,090)	($3,183)	($3,278)	($3,377)	($3,478)	($3,582)	($3,690)	($3,800)	($3,914)	($4,032)	
84	Total Non-Rate Revenue		($703,000)	($1,606,090)	($1,609,273)	($112,551)	($115,927)	($119,405)	($122,987)	($126,677)	($130,477)	($134,392)	($138,423)	
85														
86	**Subtotal**		$16,356,963	$15,943,144	$16,446,264	$18,466,944	$19,005,828	$19,563,587	$20,140,917	$20,738,542	$21,357,212	$21,997,710	$22,660,846	
87														
88	**Debt Service**													
89	Siemens		$761,199	$804,851	$850,949	$888,341	$928,551	$970,446	$1,014,788	$1,091,840	$0	$0	$0	From Tab 6
90	Water Production (IBank)		$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$0	From Tab 6
91	New Debt Service - San Gabriel Valley Water		$0	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	
92	New Debt Service - None		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
93	**Total Debt Service**		$873,691	$1,317,343	$1,363,441	$1,400,833	$1,441,043	$1,482,938	$1,527,280	$1,604,332	$512,492	$400,000	$400,000	
94														
95	**Transfers to/(from):**													
96	Operating Reserves		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	From Tab 4
97	Capital Reserves		$4,735,623	$5,993,574	$5,113,574	$5,000,000	$5,000,000	$5,000,000	$4,621,900	$4,621,900	$4,621,900	$4,621,900	$4,621,900	From Tab 4
98	**Total Transfers**		$4,735,623	$5,993,574	$5,113,574	$5,000,000	$5,000,000	$5,000,000	$4,621,900	$4,621,900	$4,621,900	$4,621,900	$4,621,900	
99														
100	**Net Revenue Requirement**		**$21,966,277**	**$23,254,061**	**$22,923,279**	**$24,867,777**	**$25,446,871**	**$26,046,526**	**$26,290,097**	**$26,964,774**	**$26,491,604**	**$27,019,610**	**$27,682,746**	To Tab 3
101	*Annual Change*			*5.9%*	*-1.4%*	*8.5%*	*2.3%*	*2.4%*	*0.9%*	*2.6%*	*-1.8%*	*2.0%*	*2.5%*	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	**City of Monterey Park**													
2	**Water Rate Model**													
3	**3A - Rev Increases**													
4														
5		**Months Increase**												
6														
7		**In Effect**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**	**FY 2032-33**	**Notes**
9	**Water Rate Revenue**		$14,367,574	$14,432,107	$14,539,887	$14,648,625	$14,758,330	$14,869,013	$14,980,683	$15,093,350	$15,207,024	$15,321,715	$15,437,433	
11														
12	**Increase in Rate Revenue**		**0.0%**	**32.0%**	**8.0%**	**8.0%**	**7.0%**	**8.0%**	**3.0%**	**3.0%**	**0.0%**	**0.0%**	**0.0%**	From Tab 1B
16														
17	**Revenue from Rate Increases**													
19	FY 2023-24 (eff. Jan 1, 2024)	6		$2,309,137	$4,652,764	$4,687,560	$4,722,666	$4,758,084	$4,793,819	$4,829,872	$4,866,248	$4,902,949	$4,939,979	
20	FY 2024-25 (eff. Jul 1, 2024)	12			$1,535,412	$1,546,895	$1,558,480	$1,570,168	$1,581,960	$1,593,858	$1,605,862	$1,617,973	$1,630,193	
21	FY 2025-26 (eff. Jul 1, 2025)	12				$1,670,646	$1,683,158	$1,695,781	$1,708,517	$1,721,366	$1,734,331	$1,747,411	$1,760,608	
22	FY 2026-27 (eff. Jul 1, 2026)	12					$1,590,584	$1,602,513	$1,614,549	$1,626,691	$1,638,942	$1,651,303	$1,663,775	
23	FY 2027-28 (eff. Jul 1, 2027)	12						$1,959,645	$1,974,362	$1,989,211	$2,004,193	$2,019,308	$2,034,559	
24	FY 2028-29 (eff. Jul 1, 2028)	12							$799,617	$805,630	$811,698	$817,820	$823,996	
25	FY 2029-30 (eff. Jul 1, 2029)	12								$829,799	$836,049	$842,354	$848,716	
26	FY 2030-31 (eff. Jul 1, 2030)	12									$0	$0	$0	
27	FY 2031-32 (eff. Jul 1, 2031)	12										$0	$0	
28	FY 2032-33 (eff. Jul 1, 2032)	12											$0	
29	**Total Revenue from Rate Increases**		$0	$2,309,137	$6,188,176	$7,905,101	$9,554,888	$11,586,191	$12,472,823	$13,396,428	$13,497,322	$13,599,118	$13,701,827	
30	**Total Current Revenue**		$14,367,574	$14,432,107	$14,539,887	$14,648,625	$14,758,330	$14,869,013	$14,980,683	$15,093,350	$15,207,024	$15,321,715	$15,437,433	From above
31	**Total Revenue with Rate Increases**		$14,367,574	$16,741,245	$20,728,063	$22,553,726	$24,313,218	$26,455,205	$27,453,507	$28,489,779	$28,704,346	$28,920,834	$29,139,260	To Tab 6
32	Total Revenue Requirement		$21,966,277	$23,254,061	$22,923,279	$24,867,777	$25,446,871	$26,046,526	$26,290,097	$26,964,774	$26,491,604	$27,019,610	$27,682,746	
33	Transfer to/(from) Reserves		($7,598,702)	($6,512,817)	($2,195,216)	($2,314,051)	($1,133,653)	$408,679	$1,163,410	$1,525,005	$2,212,742	$1,901,224	$1,456,513	To Tab 4

City of Monterey Park
Water Rate Model
3B - Rev at Current Rates

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Water Meter Charge Revenue at Current Rates											
Meter Count by Size											
5/8" meters	1	1	1	1	1	1	1	1	1	1	1
3/4" meters	9,571	9,595	9,619	9,643	9,667	9,691	9,715	9,739	9,763	9,787	9,811
1" meters	2,445	2,451	2,457	2,463	2,469	2,475	2,481	2,487	2,493	2,499	2,505
1 1/2" meters	1,254	1,257	1,260	1,263	1,266	1,269	1,272	1,275	1,278	1,281	1,284
2" meters	450	451	452	453	454	455	456	457	458	459	460
3" meters	18	18	18	18	18	18	18	18	18	18	18
4" meters	25	25	25	25	25	25	25	25	25	25	25
6" meters	5	5	5	5	5	5	5	5	5	5	5
8" meters	1	1	1	1	1	1	1	1	1	1	1
	13,770	13,804	13,838	13,872	13,906	13,940	13,974	14,008	14,042	14,076	14,110
Monthly Rate											
5/8" meters	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20
3/4" meters	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20	$19.20
1" meters	$20.75	$20.75	$20.75	$20.75	$20.75	$20.75	$20.75	$20.75	$20.75	$20.75	$20.75
1 1/2" meters	$32.70	$32.70	$32.70	$32.70	$32.70	$32.70	$32.70	$32.70	$32.70	$32.70	$32.70
2" meters	$42.15	$42.15	$42.15	$42.15	$42.15	$42.15	$42.15	$42.15	$42.15	$42.15	$42.15
3" meters	$84.35	$84.35	$84.35	$84.35	$84.35	$84.35	$84.35	$84.35	$84.35	$84.35	$84.35
4" meters	$139.55	$139.55	$139.55	$139.55	$139.55	$139.55	$139.55	$139.55	$139.55	$139.55	$139.55
6" meters	$425.95	$425.95	$425.95	$425.95	$425.95	$425.95	$425.95	$425.95	$425.95	$425.95	$425.95
8" meters	$1,065.30	$1,065.30	$1,065.30	$1,065.30	$1,065.30	$1,065.30	$1,065.30	$1,065.30	$1,065.30	$1,065.30	$1,065.30
Annual Revenue											
5/8" meters	$230	$230	$230	$230	$230	$230	$230	$230	$230	$230	$230
3/4" meters	$2,205,158	$2,210,688	$2,216,218	$2,221,747	$2,227,277	$2,232,806	$2,238,336	$2,243,866	$2,249,395	$2,254,925	$2,260,454
1" meters	$608,805	$610,299	$611,793	$613,287	$614,781	$616,275	$617,769	$619,263	$620,757	$622,251	$623,745
1 1/2" meters	$492,070	$493,247	$494,424	$495,601	$496,778	$497,956	$499,133	$500,310	$501,487	$502,664	$503,842
2" meters	$227,610	$228,116	$228,622	$229,127	$229,633	$230,139	$230,645	$231,151	$231,656	$232,162	$232,668
3" meters	$18,220	$18,220	$18,220	$18,220	$18,220	$18,220	$18,220	$18,220	$18,220	$18,220	$18,220
4" meters	$41,865	$41,865	$41,865	$41,865	$41,865	$41,865	$41,865	$41,865	$41,865	$41,865	$41,865
6" meters	$25,557	$25,557	$25,557	$25,557	$25,557	$25,557	$25,557	$25,557	$25,557	$25,557	$25,557
8" meters	$12,784	$12,784	$12,784	$12,784	$12,784	$12,784	$12,784	$12,784	$12,784	$12,784	$12,784
Total Service Charge Revenue	$3,632,299	$3,641,005	$3,649,712	$3,658,418	$3,667,125	$3,675,832	$3,684,538	$3,693,245	$3,701,951	$3,710,658	$3,719,365
Total Water Meter Charge Revenue	$3,632,299	$3,641,005	$3,649,712	$3,658,418	$3,667,125	$3,675,832	$3,684,538	$3,693,245	$3,701,951	$3,710,658	$3,719,365

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Water Consumption Charge Revenue at Current Rates											
Single Family											
Tier 1 Usage	650,257	656,760	663,327	669,960	676,660	683,427	690,261	697,164	704,135	711,177	718,288
Tier 2 Usage	358,139	361,720	365,338	368,991	372,681	376,408	380,172	383,973	387,813	391,691	395,608
Tier 3 Usage	279,620	282,416	285,240	288,093	290,974	293,883	296,822	299,790	302,788	305,816	308,874
Tier 1 Rate	$2.10	$2.10	$2.10	$2.10	$2.10	$2.10	$2.10	$2.10	$2.10	$2.10	$2.10
Tier 2 Rate	$2.29	$2.29	$2.29	$2.29	$2.29	$2.29	$2.29	$2.29	$2.29	$2.29	$2.29
Tier 3 Rate	$2.45	$2.45	$2.45	$2.45	$2.45	$2.45	$2.45	$2.45	$2.45	$2.45	$2.45
Tier 1 Revenue	$1,365,540	$1,379,195	$1,392,987	$1,406,917	$1,420,986	$1,435,196	$1,449,548	$1,464,043	$1,478,684	$1,493,471	$1,508,405
Tier 2 Revenue	$820,138	$828,340	$836,623	$844,989	$853,439	$861,974	$870,593	$879,299	$888,092	$896,973	$905,943
Tier 3 Revenue	$685,069	$691,920	$698,839	$705,827	$712,886	$720,014	$727,215	$734,487	$741,832	$749,250	$756,742
Residential Consumption Charge Revenue	$2,870,747	$2,899,454	$2,928,449	$2,957,734	$2,987,311	$3,017,184	$3,047,356	$3,077,829	$3,108,608	$3,139,694	$3,171,091
Non SFR											
Total Usage	1,685,411	1,702,265	1,719,288	1,736,481	1,753,845	1,771,384	1,789,098	1,806,989	1,825,059	1,843,309	1,861,742
Uniform Rate	$2.39	$2.39	$2.39	$2.39	$2.39	$2.39	$2.39	$2.39	$2.39	$2.39	$2.39
Institutional Consumption Charge Revenue	$4,028,132	$4,068,414	$4,109,098	$4,150,189	$4,191,691	$4,233,608	$4,275,944	$4,318,703	$4,361,890	$4,405,509	$4,449,564
Life Line Customer Discount											
Customer Discount	$12.60	$12.60	$12.60	$12.60	$12.60	$12.60	$12.60	$12.60	$12.60	$12.60	$12.60
Number of Customers	746	746	746	746	746	746	746	746	746	746	746
	$112,795	$112,795	$112,795	$112,795	$112,795	$112,795	$112,795	$112,795	$112,795	$112,795	$112,795

Revenue Recap	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Meter Charge Revenue	$3,632,299	$3,641,005	$3,649,712	$3,658,418	$3,667,125	$3,675,832	$3,684,538	$3,693,245	$3,701,951	$3,710,658	$3,719,365
Consumption Revenue - Single Family	$2,870,747	$2,899,454	$2,928,449	$2,957,734	$2,987,311	$3,017,184	$3,047,356	$3,077,829	$3,108,608	$3,139,694	$3,171,091
Consumption Revenue - Non SFR	$4,028,132	$4,068,414	$4,109,098	$4,150,189	$4,191,691	$4,233,608	$4,275,944	$4,318,703	$4,361,890	$4,405,509	$4,449,564
Life Line Customer Discount	($112,795)	($112,795)	($112,795)	($112,795)	($112,795)	($112,795)	($112,795)	($112,795)	($112,795)	($112,795)	($112,795)
Water Treatment Charge Revenue - 37.5%	$3,949,192	$3,936,029	$3,965,424	$3,995,080	$4,024,999	$4,055,185	$4,085,641	$4,116,368	$4,147,370	$4,178,650	$4,210,209
	$14,367,574	$14,432,107	$14,539,887	$14,648,625	$14,758,330	$14,869,013	$14,980,683	$15,093,350	$15,207,024	$15,321,715	$15,437,433
Annual Change		$64,533	$107,780	$108,738	$109,706	$110,683	$111,670	$112,667	$113,674	$114,691	$115,718
du to growth		0.4%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%

City of Monterey Park
Water Rate Model
3C - Rev at Proposed Rates

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Water Meter Charge Revenue at Current Rates											
Meter Count by Size											
5/8" meters	1	1	1	1	1	1	1	1	1	1	1
3/4" meters	9,571	9,595	9,619	9,643	9,667	9,691	9,715	9,739	9,763	9,787	9,811
1" meters	2,445	2,451	2,457	2,463	2,469	2,475	2,481	2,487	2,493	2,499	2,505
1 1/2" meters	1,254	1,257	1,260	1,263	1,266	1,269	1,272	1,275	1,278	1,281	1,284
2" meters	450	451	452	453	454	455	456	457	458	459	460
3" meters	18	18	18	18	18	18	18	18	18	18	18
4" meters	25	25	25	25	25	25	25	25	25	25	25
6" meters	5	5	5	5	5	5	5	5	5	5	5
8" meters	1	1	1	1	1	1	1	1	1	1	1
	13,770	13,804	13,838	13,872	13,906	13,940	13,974	14,008	14,042	14,076	14,110
Monthly Rate											
5/8" meters	$15.27	$20.16	$21.77	$23.51	$25.16	$27.17	$27.99	$28.83	$28.83	$28.83	$28.83
3/4" meters	$20.59	$27.18	$29.36	$31.71	$33.93	$36.64	$37.74	$38.87	$38.87	$38.87	$38.87
1" meters	$31.24	$41.23	$44.53	$48.10	$51.46	$55.58	$57.25	$58.96	$58.96	$58.96	$58.96
1 1/2" meters	$57.85	$76.36	$82.47	$89.07	$95.30	$102.93	$106.02	$109.20	$109.20	$109.20	$109.20
2" meters	$89.78	$118.52	$128.00	$138.24	$147.91	$159.75	$164.54	$169.47	$169.47	$169.47	$169.47
3" meters	$174.94	$230.92	$249.40	$269.35	$288.20	$311.26	$320.60	$330.22	$330.22	$330.22	$330.22
4" meters	$270.75	$357.38	$385.98	$416.85	$446.03	$481.72	$496.17	$511.05	$511.05	$511.05	$511.05
6" meters	$536.87	$708.66	$765.35	$826.58	$884.44	$955.20	$983.86	$1,013.37	$1,013.37	$1,013.37	$1,013.37
8" meters	$856.21	$1,130.20	$1,220.61	$1,318.26	$1,410.54	$1,523.38	$1,569.08	$1,616.15	$1,616.15	$1,616.15	$1,616.15
Annual Revenue											
5/8" meters	$183	$242	$261	$282	$302	$326	$336	$346	$346	$346	$346
3/4" meters	$2,365,203	$3,129,896	$3,388,743	$3,668,974	$3,935,573	$4,260,971	$4,399,670	$4,542,855	$4,554,050	$4,565,245	$4,576,440
1" meters	$916,531	$1,212,789	$1,313,019	$1,421,523	$1,524,735	$1,650,716	$1,704,359	$1,759,735	$1,763,980	$1,768,226	$1,772,471
1 1/2" meters	$870,530	$1,151,848	$1,246,965	$1,349,929	$1,447,855	$1,567,389	$1,618,227	$1,670,705	$1,674,636	$1,678,567	$1,682,498
2" meters	$484,836	$641,406	$694,255	$751,454	$805,831	$872,214	$900,355	$929,399	$931,433	$933,467	$935,500
3" meters	$37,788	$49,880	$53,870	$58,180	$62,252	$67,232	$69,249	$71,327	$71,327	$71,327	$71,327
4" meters	$81,224	$107,215	$115,793	$125,056	$133,810	$144,515	$148,850	$153,316	$153,316	$153,316	$153,316
6" meters	$32,212	$42,520	$45,921	$49,595	$53,067	$57,312	$59,031	$60,802	$60,802	$60,802	$60,802
8" meters	$10,275	$13,562	$14,647	$15,819	$16,926	$18,281	$18,829	$19,394	$19,394	$19,394	$19,394
Total Service Charge Revenue	$4,798,781	$6,349,359	$6,873,474	$7,440,812	$7,980,351	$8,638,956	$8,918,906	$9,207,878	$9,229,284	$9,250,689	$9,272,094
Total Water Meter Charge Revenue	$4,798,781	$6,349,359	$6,873,474	$7,440,812	$7,980,351	$8,638,956	$8,918,906	$9,207,878	$9,229,284	$9,250,689	$9,272,094

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Water Consumption Charge Revenue at Current Rates											
Single Family											
Tier 1 Usage	920,930	930,139	939,441	948,835	958,323	967,907	977,586	987,362	997,235	1,007,208	1,017,280
Tier 2 Usage	198,524	200,509	202,514	204,539	206,585	208,651	210,737	212,845	214,973	217,123	219,294
Tier 3 Usage	168,562	170,248	171,950	173,670	175,406	177,160	178,932	180,721	182,528	184,354	186,197
Tier 1 Rate	$2.59	$3.41	$3.69	$3.98	$4.26	$4.60	$4.74	$4.88	$4.88	$4.88	$4.88
Tier 2 Rate	$3.41	$4.50	$4.86	$5.24	$5.61	$6.06	$6.24	$6.43	$6.43	$6.43	$6.43
Tier 3 Rate	$6.45	$8.51	$9.19	$9.92	$10.62	$11.47	$11.81	$12.17	$12.17	$12.17	$12.17
Tier 1 Revenue	$2,382,481	$3,176,324	$3,464,735	$3,779,332	$4,084,325	$4,455,181	$4,634,725	$4,821,504	$4,869,720	$4,918,417	$4,967,601
Tier 2 Revenue	$676,091	$901,364	$983,208	$1,072,483	$1,159,033	$1,264,273	$1,315,223	$1,368,227	$1,381,909	$1,395,728	$1,409,685
Tier 3 Revenue	$1,086,396	$1,448,383	$1,579,896	$1,723,351	$1,862,425	$2,031,533	$2,113,404	$2,198,574	$2,220,560	$2,242,765	$2,265,193
Residential Consumption Charge Revenue	$4,144,968	$5,526,071	$6,027,839	$6,575,166	$7,105,782	$7,750,987	$8,063,352	$8,388,305	$8,472,188	$8,556,910	$8,642,479
Non SFR											
Total Usage	1,685,411	1,702,265	1,719,288	1,736,481	1,753,845	1,771,384	1,789,098	1,806,989	1,825,059	1,843,309	1,861,742
Uniform Rate	$3.22	$4.25	$4.59	$4.95	$5.30	$5.73	$5.90	$6.07	$6.07	$6.07	$6.07
Institutional Consumption Charge Revenue	$5,423,826	$7,231,045	$7,887,624	$8,603,820	$9,298,148	$10,142,420	$10,551,159	$10,976,371	$11,086,135	$11,196,996	$11,308,966

Revenue Recap	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Meter Charge Revenue	$4,798,781	$6,349,359	$6,873,474	$7,440,812	$7,980,351	$8,638,956	$8,918,906	$9,207,878	$9,229,284	$9,250,689	$9,272,094
Consumption Revenue - Single Family	$4,144,968	$5,526,071	$6,027,839	$6,575,166	$7,105,782	$7,750,987	$8,063,352	$8,388,305	$8,472,188	$8,556,910	$8,642,479
Consumption Revenue - Non SFR	$5,423,826	$7,231,045	$7,887,624	$8,603,820	$9,298,148	$10,142,420	$10,551,159	$10,976,371	$11,086,135	$11,196,996	$11,308,966
	$14,367,574	$19,106,475	$20,788,937	$22,619,798	$24,384,281	$26,532,363	$27,533,417	$28,572,555	$28,787,607	$29,004,595	$29,223,539
Annual Change		$4,738,901	$1,682,461	$1,830,862	$1,764,483	$2,148,081	$1,001,055	$1,039,137	$215,052	$216,988	$218,944
		33.0%	8.8%	8.8%	7.8%	8.8%	3.8%	3.8%	0.8%	0.8%	0.8%

City of Monterey Park
Water Rate Model
4 - Reserves

Fiscal Year	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	Notes
Operating Reserve													
Beginning Balance		$17,029,145	$9,483,362	$2,995,453	$807,828	($1,506,223)	($1,389,875)	($481,196)	$2,987,216	$6,030,220	$7,670,308	$8,002,815	
Transfers													
(to/from) Operations		($7,598,702)	($6,512,817)	($2,195,216)	($2,314,051)	($1,133,653)	$408,679	$1,163,410	$1,525,005	$2,212,742	$1,901,224	$1,456,513	From Tab 3
(to/from) Rev. Requirements													To Tab 2
(to/from) Capital Reserve						$1,250,000	$500,000	$2,300,000	$1,500,000	($600,000)	($1,600,000)	($2,600,000)	To below
Fund Subtotal		$9,430,443	$2,970,545	$800,237	($1,506,223)	($1,389,875)	($481,196)	$2,982,214	$6,012,221	$7,642,961	$7,971,531	$6,859,328	
Estimated Interest Earnings		$52,919	$24,908	$7,591	$0	$0	$0	$5,002	$17,999	$27,346	$31,284	$29,724	Avg. Bal. * Tab 1A assumption f.
Ending Balance with Rate Increase	**$17,029,145**	**$9,483,362**	**$2,995,453**	**$807,828**	**($1,506,223)**	**($1,389,875)**	**($481,196)**	**$2,987,216**	**$6,030,220**	**$7,670,308**	**$8,002,815**	**$6,889,053**	
Target Balance	*$2,843,327*	*$2,843,327*	*$2,924,872*	*$3,009,256*	*$3,096,582*	*$3,186,959*	*$3,280,499*	*$3,377,317*	*$3,477,536*	*$3,581,282*	*$3,688,684*	*$3,799,878*	2 months annual operating expenses
Fund Balance Compared to Target		*334%*	*102%*	*27%*	*-49%*	*-44%*	*-15%*	*88%*	*173%*	*214%*	*217%*	*181%*	
Capital Reserve													
Beginning Balance		$10,100,000	$10,441,000	$7,378,914	$7,271,659	$7,628,490	$6,743,831	$6,616,996	$4,317,349	$2,820,551	$3,432,719	$5,060,403	
Revenues													
(to/from) Rev. Requirements		$4,735,623	$5,993,574	$5,113,574	$5,000,000	$5,000,000	$5,000,000	$4,621,900	$4,621,900	$4,621,900	$4,621,900	$4,621,900	rolling five year average
(to/from) Operating Fund		$0	$0	$0	$0	($1,250,000)	($500,000)	($2,300,000)	($1,500,000)	$600,000	$1,600,000	$2,600,000	
PAYGo Funded CIP Expenditures		($4,735,623)	($9,400,000)	($5,567,871)	($5,000,000)	($5,000,000)	($5,000,000)	($5,000,000)	($5,000,000)	($5,000,000)	($5,000,000)	($5,000,000)	From Tab 5
Development Impact Fees		$150,000	$154,386	$158,899	$163,545	$168,327	$173,248	$178,314	$183,527	$188,893	$194,416	$200,100	
Capital Fees		$150,000	$154,386	$158,899	$163,545	$168,327	$173,248	$178,314	$183,527	$188,893	$194,416	$200,100	
Net PAYGo Funded CIP		($4,435,623)	($9,091,229)	($5,250,072)	($4,672,909)	($4,663,346)	($4,653,503)	($4,643,373)	($4,632,946)	($4,622,214)	($4,611,168)	($4,599,800)	
Fund Subtotal		$10,400,000	$7,343,345	$7,242,416	$7,598,749	$6,715,144	$6,590,328	$4,295,524	$2,806,303	$3,420,237	$5,043,450	$7,682,503	
Estimated Interest Earnings		$41,000	$35,569	$29,243	$29,741	$28,687	$26,668	$21,825	$14,247	$12,482	$16,952	$25,486	Avg. Bal. * Tab 1A assumption f.
Ending Balance	**$10,100,000**	**$10,441,000**	**$7,378,914**	**$7,271,659**	**$7,628,490**	**$6,743,831**	**$6,616,996**	**$4,317,349**	**$2,820,551**	**$3,432,719**	**$5,060,403**	**$7,707,989**	
Target Balance	*$8,009,261*	*$8,249,539*	*$8,497,025*	*$8,751,936*	*$9,014,494*	*$9,284,929*	*$9,563,476*	*$9,850,381*	*$10,145,892*	*$10,450,269*	*$10,763,777*	*$11,086,690*	25% of accumulated depreciation
Fund Balance Compared to Target		*127%*	*87%*	*83%*	*85%*	*73%*	*69%*	*44%*	*28%*	*33%*	*47%*	*70%*	
Operating Fund w/o Rate Increases													
Beginning Balance		$17,029,145	$9,483,362	$681,698	($7,701,695)	($17,920,847)	($27,359,387)	($38,036,899)	($47,046,313)	($57,417,736)	($69,302,316)	($82,600,211)	
Transfers													
(to/from) Operations		($7,598,702)	($8,821,954)	($8,383,392)	($10,219,152)	($10,688,540)	($11,177,512)	($11,309,414)	($11,871,423)	($11,284,580)	($11,697,895)	($12,245,313)	
(to/from) Rev. Requirements		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
(to/from) Capital Reserve		$0	$0	$0	$0	$1,250,000	$500,000	$2,300,000	$1,500,000	($600,000)	($1,600,000)	($2,600,000)	
Fund Subtotal		$9,430,443	$661,408	($7,701,695)	($17,920,847)	($27,359,387)	($38,036,899)	($47,046,313)	($57,417,736)	($69,302,316)	($82,600,211)	($97,445,525)	
Estimated Interest Earnings		$52,919	$20,290	$0	$0	$0	$0	$0	$0	$0	$0	$0	
Ending Balance with Rate Increase	**$17,029,145**	**$9,483,362**	**$681,698**	**($7,701,695)**	**($17,920,847)**	**($27,359,387)**	**($38,036,899)**	**($47,046,313)**	**($57,417,736)**	**($69,302,316)**	**($82,600,211)**	**($97,445,525)**	
Target Balance	*$2,843,327*	*$2,843,327*	*$2,924,872*	*$3,009,256*	*$3,096,582*	*$3,186,959*	*$3,280,499*	*$3,377,317*	*$3,477,536*	*$3,581,282*	*$3,688,684*	*$3,799,878*	
Fund Balance Compared to Target		*334%*	*23%*	*-256%*	*-579%*	*-858%*	*-1159%*	*-1393%*	*-1651%*	*-1935%*	*-2239%*	*-2564%*	
Reserve Funds Summary													
Total Balance with Rate Increases	$27,129,145	$19,924,362	$10,374,367	$8,079,487	$6,122,268	$5,353,956	$6,135,800	$7,304,565	$8,850,770	$11,103,026	$13,063,218	$14,597,041	To Tab 1B Graph
Total Balance w/o Rate Increases	$27,129,145	$19,924,362	$8,060,612	($430,036)	($10,292,356)	($20,615,556)	($31,419,903)	($42,728,964)	($54,597,185)	($65,869,598)	($77,539,809)	($89,737,536)	
Operating Reserve Target	$2,843,327	$2,843,327	$2,924,872	$3,009,256	$3,096,582	$3,186,959	$3,280,499	$3,377,317	$3,477,536	$3,581,282	$3,688,684	$3,799,878	To Tab 1B Graph
Capital Reserve Target	$8,009,261	$8,249,539	$8,497,025	$8,751,936	$9,014,494	$9,284,929	$9,563,476	$9,850,381	$10,145,892	$10,450,269	$10,763,777	$11,086,690	From Tab 5 - avg annual cash-funded CIP
Current Reserve Target	$10,852,588	$11,092,866	$11,421,897	$11,761,192	$12,111,076	$12,471,888	$12,843,975	$13,227,698	$13,623,429	$14,031,550	$14,452,461	$14,886,569	To Tab 1B Graph

City of Monterey Park
Water Rate Model
5 - CIP

Project Description	Budgeted FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	Project Costs
Water Master Plan	$286,810	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$286,810
Groundwater Treatment System	$105,541	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$105,541
Groundwater Treatment System	$2,140,237	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,140,237
Water Main Replacement - Northeast Phase 2	$446,550	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$446,550
Mira Valle Water Project	$0	$1,080,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,080,000
Mpk Golf Course Water Main Extension	$0	$1,260,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,260,000
Russell Street Reservoir	$0	$2,400,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,400,000
N. Atlantic Water Improvement	$1,668,753	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,668,753
Plc Upgrade	$387,341	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$387,341
Water Main Replacement - Northeast	$112,491	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$112,491
Water Main Replacement - Northeast	$2,437,305	$2,400,000	$2,700,000	$0	$0	$0	$0	$0	$0	$0	$0	$7,537,305
Water Meter Replacements	$1,000,000	$7,000,000	$1,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$9,000,000
Monterey Pass Rd Water Main Improvements	$6,500,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,500,000
Public Works Vehicle (Water)	$70,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$70,000
Miscellaneous Projects	$0	$0	$3,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$43,000,000
Subtotal, Projects	$15,155,029	$14,140,000	$6,700,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$75,995,029
(Less) deferred projects	($10,419,406)	($4,740,000)	($1,132,129)	$0	$0	$0						($16,291,535)
Net Projects to be funded	$4,735,623	$9,400,000	$5,567,871	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$59,703,494
Debt Funded Projects												$0
PAYGo Funded Project Costs	$4,735,623	$9,400,000	$5,567,871	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$59,703,494

[1] *Deferred projects will be completed in subsequent years and are included in the Miscellaneous projects line item in future years. The timing of which projects will be deferred is not yet known.*

PAYGo Project Description	Project Costs	Allocation Factor	Base Day	Maximum Day	Maximum Hour	Accounts	Customer Capacity
Water Master Plan	$286,810	Accounts	$0	$0	$0	$286,810	$0
Groundwater Treatment System	$105,541	Base Day	$105,541	$0	$0	$0	$0
Groundwater Treatment System	$2,140,237	Base Day	$2,140,237	$0	$0	$0	$0
Water Main Replacement - Northeast Phase 2	$446,550	Capacity	$0	$0	$0	$0	$446,550
Mira Valle Water Project	$1,080,000	Max Day	$675,000	$405,000	$0	$0	$0
Mpk Golf Course Water Main Extension	$1,260,000	Capacity	$0	$0	$0	$0	$1,260,000
Russell Street Reservoir	$2,400,000	Max Hour	$800,000	$480,000	$1,120,000	$0	$0
N. Atlantic Water Improvement	$1,668,753	Max Day	$1,042,971	$625,783	$0	$0	$0
Plc Upgrade	$387,341	Max Day	$242,088	$145,253	$0	$0	$0
Water Main Replacement - Northeast	$112,491	Capacity	$0	$0	$0	$0	$112,491
Water Main Replacement - Northeast	$7,537,305	Capacity	$0	$0	$0	$0	$7,537,305
Water Meter Replacements	$9,000,000	Capacity	$0	$0	$0	$0	$9,000,000
Monterey Pass Rd Water Main Improvements	$6,500,000	Capacity	$0	$0	$0	$0	$6,500,000
Public Works Vehicle (Water)	$70,000	Base Day	$70,000	$0	$0	$0	$0
Miscellaneous Projects	$18,000,000	Capacity	$0	$0	$0	$0	$18,000,000
	$50,995,029		$5,075,837	$1,656,035	$1,120,000	$286,810	$42,856,346
			10.0%	3.2%	2.2%	0.6%	84.0%

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	**City of Monterey Park**												
2	**Water Rate Model**												
3	**6 - Debt**												
4													
5		**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**	**FY 2032-33**	**Notes**
6	**Siemens (85% to Water Enterprise)**												
7	Principal	$585,792	$646,403	$711,354	$769,269	$831,670	$897,540	$967,745	$1,073,151	$0	$0	$0	
8	Interest	$175,407	$158,448	$139,595	$119,072	$96,881	$72,907	$47,043	$18,689	$0	$0	$0	
9	Total	$761,199	$804,851	$850,949	$888,341	$928,551	$970,446	$1,014,788	$1,091,840	$0	$0	$0	
10													
11	**Water Production - IBank**												
12	Principal	$77,933	$77,933	$77,933	$77,933	$77,933	$77,933	$77,933	$77,933	$77,933			
13	Interest	$32,078	$32,078	$32,078	$32,078	$32,078	$32,078	$32,078	$32,078	$32,078			
14	Annual Fee	$2,481	$2,481	$2,481	$2,481	$2,481	$2,481	$2,481	$2,481	$2,481			
15	Total	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$0	$0	
16													
17	New Debt Service - San Gabriel Valley Water	$0	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	
18	New Debt Service - FY 2024 Issuance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
19													
20	**Total Debt Service**	**$873,691**	**$1,317,343**	**$1,363,441**	**$1,400,833**	**$1,441,043**	**$1,482,938**	**$1,527,280**	**$1,604,332**	**$512,492**	**$400,000**	**$400,000**	
21													
22	**Debt Coverage Calculation**												
23	Funds Available for Debt Service												
24	Rate revenue - Service Charges	$14,367,574	$16,741,245	$20,728,063	$22,553,726	$24,313,218	$26,455,205	$27,453,507	$28,489,779	$28,704,346	$28,920,834	$29,139,260	From Tab 3
25	Non-Rate Revenue Income	$703,000	$1,606,090	$1,609,273	$112,551	$115,927	$119,405	$122,987	$126,677	$130,477	$134,392	$138,423	From Tab 2
26	Interest income	$93,919	$60,477	$36,834	$29,741	$28,687	$26,668	$26,827	$32,246	$39,828	$48,236	$55,210	From Tab 4
27	Total Funds Available	$15,164,494	$18,407,811	$22,374,170	$22,696,018	$24,457,833	$26,601,278	$27,603,321	$28,648,702	$28,874,651	$29,103,461	$29,332,893	To below
28													
29	Expenses												
30	O&M	$17,059,963	$17,549,234	$18,055,537	$18,579,495	$19,121,755	$19,682,992	$20,263,905	$20,865,219	$21,487,689	$22,132,101	$22,799,270	From Tab 2
31	Total Expenses	$17,059,963	$17,549,234	$18,055,537	$18,579,495	$19,121,755	$19,682,992	$20,263,905	$20,865,219	$21,487,689	$22,132,101	$22,799,270	
32													
33	Net Revenue	($1,895,469)	$858,577	$4,318,633	$4,116,523	$5,336,078	$6,918,286	$7,339,416	$7,783,483	$7,386,962	$6,971,360	$6,533,624	Funds Available less Expenses
34													
35	New Debt Service -iBank Loan	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$0	$0	From Row 15 above
36	New Debt Service - FY 2024 Issuance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	From Tab 6
37	**Parity Debt Service**	**$112,492**	**$112,492**	**$112,492**	**$112,492**	**$112,492**	**$112,492**	**$112,492**	**$112,492**	**$112,492**	**$0**	**$0**	
38													
39	**Parity Debt Coverage Ratio**	**(16.85)**	**7.63**	**38.39**	**36.59**	**47.44**	**61.50**	**65.24**	**69.19**	**65.67**	**N/A**	**N/A**	
40													
41	Net Funds Available	($2,007,961)	$746,085	$4,206,141	$4,004,031	$5,223,586	$6,805,794	$7,226,924	$7,670,991	$7,274,470	$6,971,360	$6,533,624	
42	Subordinate Debt Service (Siemens, San Gabriel)	$761,199	$1,204,851	$1,250,949	$1,288,341	$1,328,551	$1,370,446	$1,414,788	$1,491,840	$400,000	$400,000	$400,000	
43													
44	**Subordinate Debt Coverage Ratio**	**(2.64)**	**0.62**	**3.36**	**3.11**	**3.93**	**4.97**	**5.11**	**5.14**	**18.19**	**17.43**	**16.33**	
45													
46													
47		**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**	**FY 2032-33**	
48	Siemens	$761,199	$804,851	$850,949	$888,341	$928,551	$970,446	$1,014,788	$1,091,840	$0	$0	$0	
49	I-Bank Loan	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$112,492	$0	$0	
50	San Gabriel Valley Water	$0	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	
51		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
52	**Total Debt Service**	**$873,691**	**$1,317,343**	**$1,363,441**	**$1,400,833**	**$1,441,043**	**$1,482,938**	**$1,527,280**	**$1,604,332**	**$512,492**	**$400,000**	**$400,000**	
53													

City of Monterey Park
Water Rate Model
7 - Load Factors

Water Use (HCF)

Month		Single Family	Non SFR	Total
July	7	111,263	101,220	212,483
August	8	100,092	165,673	265,765
September	9	123,960	114,947	238,907
October	10	109,491	188,910	298,401
November	11	121,901	121,769	243,670
December	12	98,760	172,122	270,882
January	1	124,475	113,299	237,774
February	2	86,707	156,439	243,146
March	3	103,705	115,329	219,034
April	4	96,273	157,128	253,401
May	5	118,702	112,633	231,335
June	6	92,687	165,942	258,629
Total		**1,288,016**	**1,685,411**	**2,973,427**

		Levels of Demand		
		Base Day	Maximum Day	Maximum Hour
Demand by Customer Category				
Single Family Residential		3,529	5,646	10,586
All Other		4,618	7,388	13,853
	Total	8,146	13,034	24,439
Ratio of Flows to Base Day				
Single Family Residential		1.00	1.60	3.00
All Other		1.00	1.60	3.00
	Total	1.00	1.60	3.00
Level of Service		8,146	13,034	24,439
Base Day Demand		8,146	8,146	8,146
Ratio of Level of Service to Base Day		**1.00**	**1.60**	**3.00**

Base Day: Average of February and March Billed Usage Annualized
Maximum Day: Per 1-5 of 2012 Master Plan
Maximum Hour: Per 1-5 of 2012 Master Plan

		Demand Service Levels			
Allocation Basis	Load Factors	Base Day	Maximum Day	Maximum Hour	Totals
Base Day	**1.00**	1.00			1.00
Allocation %		*100%*			*100%*
Maximum Day	**1.60**	1.00	0.60		1.60
Allocation %		*63%*	*38%*		*100%*
Maximum Hour	**3.00**	1.00	0.60	1.40	3.00
Allocation %		*33%*	*20%*	*47%*	*100%*

Flow per Customer (hcf per month)	Base Day	Maximum Day	Maximum Hour	
Single Family				
hcf per day	3,529	5,646	10,586	
hcf per month	105,864	169,383		x 30 days
# of Accounts	10,768	10,768		
Average flow per Acct (hcf/mo)	**10.0**	**16.0**	**17+**	hcf per month ÷ Monthly bills
All Other				
hcf per day	4,618	7,388	13,853	
hcf per month	138,527	221,643		
# of Accounts	3,002	3,002		
Average flow per Acct (hcf/mo)	**46.0**	**74.0**	**74+**	
Combined				
hcf per day	8,146	13,034	24,439	
hcf per month	244,391	391,026		
# of Accounts	13,770	13,770		
Average flow per Acct (hcf/mo)	**18.0**	**28.0**	**28+**	

City of Monterey Park
Water Rate Model
8 - Allocations

System-Wide Cost Allocation Factors	Demand Services: Base	Demand Services: Maximum Day	Demand Services: Maximum Hour	Customer Services: Accounts	Customer Services: Capacity	Total
Demand Services						
Base Day	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Max Day	62.5%	37.5%	0.0%	0.0%	0.0%	100.0%
Max Hour	33.3%	20.0%	46.7%	0.0%	0.0%	100.0%
Customer Services						
Capacity	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
Accounts	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Composite Allocations						
O&M Composite	79.7%	6.0%	11.9%	1.9%	0.6%	100.0%
CIP Composite	10.0%	3.2%	2.2%	0.6%	84.0%	100.0%
Exp Composite	64.2%	5.4%	9.8%	1.6%	19.1%	100.0%

	FY 2022-23 Revenue Requirement	Allocation Factor	Consumption Charge: Base Day	Consumption Charge: Maximum Day	Consumption Charge: Maximum Hour	Meter Charge: Accounts	Meter Charge: Capacity
O&M Expenses							
1406 - Revenue Collection	$182,828	Accounts	$0	$0	$0	$182,828	$0
3240 - Code Compliance	$130,511	Accounts	$0	$0	$0	$130,511	$0
4212 - Engineering	$380,287	Max Day	$237,679	$142,608	$0	$0	$0
4221 - Water Commercial	$1,736,604	Base Day	$1,736,604	$0	$0	$0	$0
4222 - Water Production	$4,913,136	Base Day	$4,913,136	$0	$0	$0	$0
4223 - Water Distribution	$4,249,920	Max Hour	$1,416,640	$849,984	$1,983,296	$0	$0
4226 - Well No. 5	$1,277,666	Base Day	$1,277,666	$0	$0	$0	$0
4227 - Well No. 12 Treatment Plant	$1,167,904	Base Day	$1,167,904	$0	$0	$0	$0
4229 - Well No. 1, 3, 10	$1,113,670	Base Day	$1,113,670	$0	$0	$0	$0
4230 - Well 12 Dual Barrier	$814,220	Base Day	$814,220	$0	$0	$0	$0
4231 - Well 15	$598,299	Base Day	$598,299	$0	$0	$0	$0
4202 - Street Maintenance	$101,220	Capacity	$0	$0	$0	$0	$101,220
Total Allocable O&M	$16,666,265		$13,275,818	$992,592	$1,983,296	$313,339	$101,220
O&M Composite			79.7%	6.0%	11.9%	1.9%	0.6%
Capital Expenses (PayGo)	$4,735,623	CIP Composite	$471,365	$153,787	$104,008	$26,634	$3,979,829
Subtotal - O&M and Capital	$21,401,888		$13,747,183	$1,146,378	$2,087,304	$339,974	$4,081,049
		% of Consumption	*81.0%*	*6.8%*	*12.3%*		
		% of total	*64.2%*	*5.4%*	*9.8%*	*1.6%*	*19.1%*
Administrative Costs							
1702 - Building & Safety	$132,198	Accounts	$0	$0	$0	$132,198	$0
4210 - Building Maintenance	$369,693	Accounts	$0	$0	$0	$369,693	$0
4220 - Water Administration	$568,981	Accounts	$0	$0	$0	$568,981	$0
5102 - Post Employment	$196,516	Accounts	$0	$0	$0	$196,516	$0
Administrative Costs	$1,267,389		$0	$0	$0	$1,267,389	$0
Subtotal O&M, Capital, Non-Operating	$22,669,277		$13,747,183	$1,146,378	$2,087,304	$1,607,362	$4,081,049
Expense Allocation			*60.6%*	*5.1%*	*9.2%*	*7.1%*	*18.0%*
Non-Operating Revenue							
Meter Installation	($100,000)	Accounts	$0	$0	$0	($100,000)	$0
EPA Settlement	($600,000)	Accounts	$0	$0	$0	($600,000)	$0
Sale of Surplus Property	($3,000)	Exp Composite	($1,927)	($161)	($293)	($48)	($572)
Total Non-Operating	($703,000)		($1,927)	($161)	($293)	($700,048)	($572)
Transfers to/(from) Reserves	($7,598,702)	O&M Composite	($6,052,885)	($452,555)	($904,250)	($142,862)	($46,150)
Total Revenue Requirement	$14,367,574		$7,692,370	$693,662	$1,182,761	$764,453	$4,034,328
					$9,568,794	**$764,453**	**$4,034,328**
			% of total revenue requirement		**66.6%**		**33.4%**
					Consumption Charge COS		*Service Charge COS*

City of Monterey Park
Water Rate Model
9 - Consumption Charges

Consumption Charge Cost-of-Service	Base Day	Max Day	Max Hour	Total
Operations & Maintenance	$13,275,818	$992,592	$1,983,296	$16,251,706
Capital Expenses (PayGo)	$471,365	$153,787	$104,008	$729,159
Non-Operating Revenue	($1,927)	($161)	($293)	($2,380)
Transfers to/(from) Reserves	($6,052,885)	($452,555)	($904,250)	($7,409,691)
Total Consumption Charge COS	$7,692,370	$693,662	$1,182,761	$9,568,794
Units of Service (hcf)				
Single Family Residential	3,529	5,646	10,586	
All Other	4,618	7,388	13,853	
	8,146	13,034	24,439	
Proportional Allocation Factors				
Single Family Residential	43.32%	43.32%	43.32%	
All Other	56.68%	56.68%	56.68%	
	100.00%	100.00%	100.00%	
Total COS - Residential	$3,332,147	$300,478	$512,343	$4,144,968
Total COS - All Other	$4,360,223	$393,185	$670,418	$5,423,826
Grand Total Consumption Charge COS	**$7,692,370**	**$693,662**	**$1,182,761**	**$9,568,794**
	$0.00	**$0.00**	**$0.00**	**$0.00**

Components of Rate Structure	Revenue at Current Rates FY 2022-23		Cost of Service FY 2022-23		Difference COS Minus Current	
Single Family Residential						
Consumption Charge Revenue	$3,834,482	52%	$4,144,968	57%	$310,486	8.1%
Meter Charge Revenue	$3,570,143	48%	$3,094,356	43%	($475,787)	-13.3%
Subtotal - SFR	$7,404,625	100%	$7,239,324	100%	($165,301)	-2.2%
All Other						
Consumption Charge Revenue	$5,538,682	80%	$5,423,826	76%	($114,856)	-2.1%
Meter Charge Revenue	$1,424,268	20%	$1,704,424	24%	$280,157	19.7%
Subtotal - All Other	$6,962,950	100%	$7,128,250	100%	$165,301	2.4%
Total						
Consumption Charge Revenue	$9,373,164	65%	$9,568,794	67%	$195,630	2.1%
Meter Charge Revenue	$4,994,411	35%	$4,798,781	33%	($195,630)	-3.9%
Total	$14,367,574	100%	$14,367,574	100%	($0)	0.0%

Residential ONLY Tiered Consumption Rates	Tier 1	Tier 2	Tier 3	Total
Demand Condition	Base Day	Max Day	Max Hour	
Tier Structure				
Volume per tier (hcf)	0 - 10 hcf	11 - 16 hcf	17+ hcf	
hcf by Tier	920,930	198,524	168,562	1,288,016
Cost of Service by Tier	$3,332,147	$300,478	$512,343	$4,144,968

Single Family COS per Unit	Base Day	Maximum Day	Maximum Hour	
	Tier 1	Tier 2	Tier 3	
Single Family COS - Consumption	**$3,332,147**	**$300,478**	**$512,343**	**$4,144,968**
Demand Per Tier				
Tier 1 (0 - 10 hcf)	920,930			
Tier 2 (11 - 16 hcf)	198,524	198,524		
Tier 3 (17+ hcf)	168,562	168,562	168,562	
Total hcf per Tier	**1,288,016**	**367,086**	**168,562**	
Cost-of-Service per Unit (hcf)	$2.59	$0.82	$3.04	
Tier 1 (0 - 10 hcf)	$2.59	$2.59	$2.59	
Tier 2 (11 - 16 hcf)		$0.82	$0.82	
Tier 3 (17+ hcf)			$3.04	
Unit Cost per hcf (by Tier)	**$2.59**	**$3.41**	**$6.45**	
FY 2023-24 Rate Increase	*32.0%*	*32.0%*	*32.0%*	
Proposed FY 2023-24 Rates	$3.41	$4.50	$8.51	

City of Monterey Park
Water Rate Model
10 - Fixed Monthly Charges

Account and EMU Summary

Service Size	# of Accounts	Meter Ratings (gpm)	Capacity Multiplier	EMUs	
	a	b	c = b ÷ 30	a * c	
5/8"	1	20	0.67	1	Displacement Type
3/4"	9,571	30	1.00	9,571	Displacement Type
1"	2,445	50	1.67	4,075	Displacement Type
1.5"	1,254	100	3.33	4,180	Displacement Type
2"	450	160	5.33	2,400	Displacement Type
3"	18	320	10.67	192	Singlejet Type
4"	25	500	16.67	417	Singlejet Type
6"	5	1000	33.33	167	Singlejet Type
8"	1	1600	53.33	53	Compound Type, Class I
Total Accounts	**13,770**		**Total EMUs**	**21,055**	
Units Costs (from Figure 3-14)	**$764,453**			**$4,034,328**	
# of Accounts	**13,770**		# of EMUs	**21,055**	
Monthly Cost per Account	**$4.63**		**Monthly Cost per EMU**	**$15.97**	

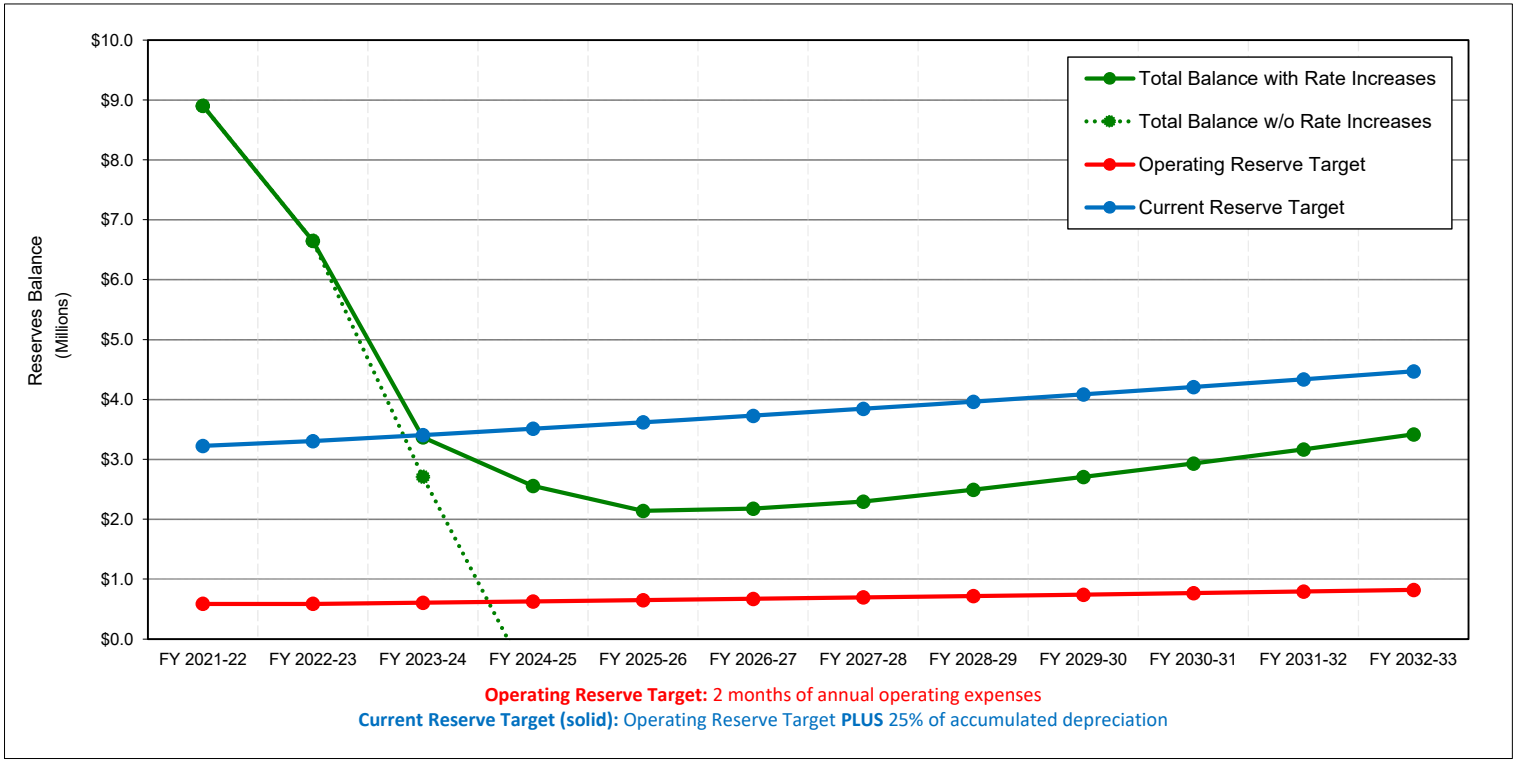
Based on AWWA gpm ratings

Service Charge Component Calculation

Service Size	% of Meters	Account Component ($/mo.)	Capacity Component $/EMU	Capacity Multiplier	Capacity Total	COS Service Charges ($/mo.)	FY 2023-24 Increase	Proposed Service Charges ($/mo.)	Total Current Charge	$ Difference
		a	b	c	d = b * c	e = a + d	f	g = e * (1 + f)	h	i = e - h
5/8" meters	0.0%	$4.63	$15.97	0.67	$10.64	**$15.27**	**32.0%**	**$20.16**	$19.20	($3.93)
3/4" meters	69.5%	$4.63	$15.97	1.00	$15.97	**$20.59**	**32.0%**	**$27.18**	$19.20	$1.39
1" meters	17.8%	$4.63	$15.97	1.67	$26.61	**$31.24**	**32.0%**	**$41.23**	$20.75	$10.49
1 1/2" meters	9.1%	$4.63	$15.97	3.33	$53.22	**$57.85**	**32.0%**	**$76.36**	$32.70	$25.15
2" meters	3.3%	$4.63	$15.97	5.33	$85.16	**$89.78**	**32.0%**	**$118.52**	$42.15	$47.63
3" meters	0.1%	$4.63	$15.97	10.67	$170.32	**$174.94**	**32.0%**	**$230.92**	$84.35	$90.59
4" meters	0.2%	$4.63	$15.97	16.67	$266.12	**$270.75**	**32.0%**	**$357.38**	$139.55	$131.20
6" meters	0.0%	$4.63	$15.97	33.33	$532.24	**$536.87**	**32.0%**	**$708.66**	$425.95	$110.92
8" meters	0.0%	$4.63	$15.97	53.33	$851.58	**$856.21**	**32.0%**	**$1,130.20**	$1,065.30	($209.09)

City of Monterey Park
Sewer Rate Model
1A - Summary

Fiscal year	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	Notes
Eff. Date	*7/1/2022*	*7/1/2023*	*7/1/2024*	*7/1/2025*	*7/1/2026*	*7/1/2027*	*7/1/2028*	*7/1/2029*	*7/1/2030*	*7/1/2031*	*7/1/2032*	
Annual Rate Revenue Increases	**0.0%**	**40.0%**	**30.0%**	**10.0%**	**10.0%**	**4.0%**	**4.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	To Tables 3, 4, 6
Cumulative Revenue Increases		*40.0%*	*82.0%*	*100.2%*	*120.2%*	*129.0%*	*138.2%*	*145.3%*	*152.7%*	*160.3%*	*168.1%*	



Operating Reserve Target: 2 months of annual operating expenses
Current Reserve Target (solid): Operating Reserve Target **PLUS** 25% of accumulated depreciation

City of Monterey Park
Sewer Rate Model
1B - Assumptions

		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	Notes
a	Annual Account Growth Rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	Estimate; To Tables 3, 4, 7
b	Annual Water Demand Increases	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
c	General Inflation	Budgeted	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
d	Salaries & Wages	Budgeted	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
e	Benefits	Budgeted	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
f	Utilites	Budgeted	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%	
g	Construction Cost Inflation	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	2.92%	ENR CCI Index Los Angeles Average 20-year average
h	Interest on Fund Balance	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	To Table 4
i													

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	**City of Monterey Park**													
2	**Sewer Rate Model**													
3	**2 - Rev Reqmts**													
4		**Inflation**	**Budgeted**											
5	**Object Description**	**Factor**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**	**FY 2032-33**	**Notes**
6	**Salaries & Benefits**													
7	PERMANENT SALARIES	d	$844,174	$869,500	$895,585	$922,452	$950,126	$978,629	$1,007,988	$1,038,228	$1,069,375	$1,101,456	$1,134,500	
8	PART TIME SALARIES	d	$36,295	$37,384	$38,505	$39,660	$40,850	$42,076	$43,338	$44,638	$45,977	$47,356	$48,777	
9	OVERTIME SALARIES	d	$12,075	$12,437	$12,810	$13,195	$13,591	$13,998	$14,418	$14,851	$15,296	$15,755	$16,228	
10	SEPARATION BENEFITS	e	$29,847	$31,339	$32,906	$34,552	$36,279	$38,093	$39,998	$41,998	$44,098	$46,303	$48,618	
11	Medicare Insurance	e	$11,845	$12,437	$13,059	$13,712	$14,398	$15,117	$15,873	$16,667	$17,500	$18,375	$19,294	
12	MEDICAL INSURANCE	e	$166,162	$174,470	$183,193	$192,353	$201,971	$212,069	$222,673	$233,806	$245,497	$257,772	$270,660	
13	MEDICAL INS_RETIREES	e	$58,800	$61,740	$64,827	$68,068	$71,472	$75,045	$78,798	$82,738	$86,874	$91,218	$95,779	
14	DENTAL INSURANCE	e	$14,090	$14,794	$15,534	$16,311	$17,126	$17,983	$18,882	$19,826	$20,817	$21,858	$22,951	
15	VISION PLAN	e	$4,227	$4,438	$4,660	$4,893	$5,138	$5,395	$5,665	$5,948	$6,245	$6,557	$6,885	
16	LONG TERM DISABILITY	e	$4,675	$4,908	$5,154	$5,411	$5,682	$5,966	$6,264	$6,578	$6,906	$7,252	$7,614	
17	LIFE INSURANCE	e	$3,778	$3,967	$4,165	$4,374	$4,592	$4,822	$5,063	$5,316	$5,582	$5,861	$6,154	
18	RETIREMENT	e	$85,272	$89,536	$94,013	$98,713	$103,649	$108,831	$114,273	$119,986	$125,986	$132,285	$138,899	
19	PART TIME RETIREMENT	e	$311	$327	$343	$360	$378	$397	$417	$438	$460	$483	$507	
20	CITY 401k Plan	e	$11,483	$12,057	$12,660	$13,293	$13,958	$14,656	$15,388	$16,158	$16,966	$17,814	$18,705	
21	OPEB CHARGES	e	$28,804	$30,244	$31,757	$33,344	$35,012	$36,762	$38,600	$40,530	$42,557	$44,685	$46,919	
22	PENSION CHARGES	e	$114,952	$120,700	$126,735	$133,072	$139,725	$146,711	$154,047	$161,749	$169,837	$178,329	$187,245	
23	Worker's COMPENSATION CHARGES	e	$104,379	$109,598	$115,077	$120,831	$126,873	$133,217	$139,877	$146,871	$154,215	$161,926	$170,022	
24			$1,531,169	$1,589,876	$1,650,984	$1,714,595	$1,780,819	$1,849,768	$1,921,562	$1,996,326	$2,074,188	$2,155,284	$2,239,757	
25														
26														
27	OTHER PROFESSIONAL SERVICES	c	$132,000	$135,960	$140,039	$144,240	$148,567	$153,024	$157,615	$162,343	$167,214	$172,230	$177,397	
28	DATA PROCESSING	c	$21,141	$21,775	$22,428	$23,101	$23,794	$24,508	$25,243	$26,001	$26,781	$27,584	$28,412	
29	REPAIR AND MAINT MACHINERY	c	$5,100	$5,253	$5,411	$5,573	$5,740	$5,912	$6,090	$6,272	$6,461	$6,654	$6,854	
30	EDUCATION_TRAINING COSTS	c	$750	$773	$796	$820	$844	$869	$896	$922	$950	$979	$1,008	
31	TELEPHONE	f	$675	$702	$731	$760	$791	$822	$856	$890	$926	$963	$1,002	
32	BARRICADES LIGHTS SIGNS	c	$6,000	$6,180	$6,365	$6,556	$6,753	$6,956	$7,164	$7,379	$7,601	$7,829	$8,063	
33	EQUIPMENT SUPPLIES	c	$18,000	$18,540	$19,096	$19,669	$20,259	$20,867	$21,493	$22,138	$22,802	$23,486	$24,190	
34	ADMIN OVERHEAD	c	$419,080	$431,652	$444,601	$457,939	$471,678	$485,828	$500,403	$515,415	$530,877	$546,804	$563,208	
35	TECHNOLOGY CHARGES	c	$29,645	$30,534	$31,450	$32,394	$33,366	$34,367	$35,398	$36,460	$37,553	$38,680	$39,840	
36	MOTOR POOL CHARGES	c	$144,966	$149,315	$153,794	$158,408	$163,160	$168,055	$173,097	$178,289	$183,638	$189,147	$194,822	
37	GENERAL LIABILITY	c	$878,906	$905,273	$932,432	$960,405	$989,217	$1,018,893	$1,049,460	$1,080,944	$1,113,372	$1,146,773	$1,181,177	
38	OTHER PAYMENTS	c	$331,150	$341,085	$351,317	$361,857	$372,712	$383,894	$395,410	$407,273	$419,491	$432,076	$445,038	
39	Subtotal		$1,987,412	$2,047,042	$2,108,460	$2,171,722	$2,236,881	$2,303,996	$2,373,124	$2,444,326	$2,517,665	$2,593,205	$2,671,011	
40														
41	**Total Operations & Maintenance**		**$3,518,581**	**$3,636,918**	**$3,759,444**	**$3,886,316**	**$4,017,700**	**$4,153,764**	**$4,294,686**	**$4,440,652**	**$4,591,853**	**$4,748,489**	**$4,910,768**	
42				*3.36%*	*3.37%*	*3.37%*	*3.38%*	*3.39%*	*3.39%*	*3.40%*	*3.40%*	*3.41%*	*3.42%*	
43	**Non-Operating Revenue**													
44	SEWER RECONSTRUCTION FEE	c	($1,300)	($1,339)	($1,379)	($1,421)	($1,463)	($1,507)	($1,552)	($1,599)	($1,647)	($1,696)	($1,747)	
45	SALE OF SURPLUS PROPERTY	c	($100,000)	($103,000)	($106,090)	($109,273)	($112,551)	($115,927)	($119,405)	($122,987)	($126,677)	($130,477)	($134,392)	
46	Total Non-Rate Revenue		($101,300)	($104,339)	($107,469)	($110,693)	($114,014)	($117,434)	($120,957)	($124,586)	($128,324)	($132,174)	($136,139)	
47														
48	**Subtotal**		$3,417,281	$3,532,579	$3,651,975	$3,775,623	$3,903,686	$4,036,329	$4,173,729	$4,316,066	$4,463,529	$4,616,315	$4,774,629	
49	**Debt Service**													
50	Interfund Loan		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
51	**Total Debt Service**		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
52	**Transfers to/(from):**													
53	Operating Reserves		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	From Table 4
54	Capital Reserves		$2,781,278	$3,220,893	$3,368,838	$3,467,208	$3,568,450	$3,672,649	$3,779,890	$3,779,890	$3,779,890	$3,779,890	$3,779,890	From Table 4
55	**Total Transfers**		$2,781,278	$3,220,893	$3,368,838	$3,467,208	$3,568,450	$3,672,649	$3,779,890	$3,779,890	$3,779,890	$3,779,890	$3,779,890	
56														
57	**Total Revenue Requirement**		**$6,198,560**	**$6,753,472**	**$7,020,812**	**$7,242,831**	**$7,472,136**	**$7,708,978**	**$7,953,619**	**$8,095,956**	**$8,243,419**	**$8,396,206**	**$8,554,519**	To Table 3
58	*Annual Change*		*0.0%*	*9.0%*	*4.0%*	*3.2%*	*3.2%*	*3.2%*	*3.2%*	*1.8%*	*1.8%*	*1.9%*	*1.9%*	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	**City of Monterey Park**													
2	**Sewer Rate Model**													
3	**3A - Rev Increases**													
4														
5		**Months Increase**												
6														
7		**In Effect**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**	**FY 2032-33**	**Notes**
9	**Sewer Rate Revenue at Current Rates**		$3,270,000	$3,278,175	$3,286,370	$3,294,586	$3,302,822	$3,311,079	$3,319,357	$3,327,655	$3,335,974	$3,344,314	$3,352,675	From Table 3b
11	(including growth)													
12														
13	**Increase in Rate Revenue**		**0.0%**	**40.0%**	**30.0%**	**10.0%**	**10.0%**	**4.0%**	**4.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	From Table 1B
17														
18	**Revenue from Rate Increases**													
20	FY 2023-24 (eff. Jan 1, 2024)	6		$655,635	$1,314,548	$1,317,834	$1,321,129	$1,324,432	$1,327,743	$1,331,062	$1,334,390	$1,337,726	$1,341,070	
21	FY 2024-25 (eff. Jul 1, 2024)	12			$1,380,275	$1,383,726	$1,387,185	$1,390,653	$1,394,130	$1,397,615	$1,401,109	$1,404,612	$1,408,124	
22	FY 2025-26 (eff. Jul 1, 2025)	12				$599,615	$601,114	$602,616	$604,123	$605,633	$607,147	$608,665	$610,187	
23	FY 2026-27 (eff. Jul 1, 2026)	12					$661,225	$662,878	$664,535	$666,197	$667,862	$669,532	$671,206	
24	FY 2027-28 (eff. Jul 1, 2027)	12						$291,666	$292,396	$293,126	$293,859	$294,594	$295,330	
25	FY 2028-29 (eff. Jul 1, 2028)	12							$304,091	$304,852	$305,614	$306,378	$307,144	
26	FY 2029-30 (eff. Jul 1, 2029)	12								$237,784	$238,379	$238,975	$239,572	
27	FY 2030-31 (eff. Jul 1, 2030)	12									$245,530	$246,144	$246,759	
28	FY 2031-32 (eff. Jul 1, 2031)	12										$253,528	$254,162	
29	FY 2032-33 (eff. Jul 1, 2032)	12											$261,787	
30	**tal Revenue from Rate Increases**		$0	$655,635	$2,694,823	$3,301,175	$3,970,653	$4,272,246	$4,587,018	$4,836,269	$5,093,890	$5,360,152	$5,635,340	
31	**Total Current Revenue**		$3,270,000	$3,278,175	$3,286,370	$3,294,586	$3,302,822	$3,311,079	$3,319,357	$3,327,655	$3,335,974	$3,344,314	$3,352,675	From above
32	**Total Revenue with Rate Increases**		$3,270,000	$3,933,810	$5,981,193	$6,595,761	$7,273,475	$7,583,325	$7,906,375	$8,163,924	$8,429,864	$8,704,466	$8,988,015	To Table 6
33	Total Revenue Requirement		$6,198,560	$6,753,472	$7,020,812	$7,242,831	$7,472,136	$7,708,978	$7,953,619	$8,095,956	$8,243,419	$8,396,206	$8,554,519	From Table 2
34	Transfer to/(from) Reserves		($2,928,560)	($2,819,662)	($1,039,619)	($647,070)	($198,661)	($125,654)	($47,244)	$67,968	$186,444	$308,261	$433,496	To Table 4
35														
36	Transfer to/(from) Reserves w/o rate increas		($2,928,560)	($3,475,297)	($3,734,442)	($3,948,245)	($4,169,314)	($4,397,899)	($4,634,262)	($4,768,301)	($4,907,445)	($5,051,892)	($5,201,844)	To Table 4

City of Monterey Park
Sewer Rate Model
3B - Rev at Current Rates

Sewer Service Charge Revenue at Current Rates	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Meter Count by Size												
City Meter												
W- 3/4"	17	17	17	17	17	17	17	17	17	17	17	17
W- 1 1/2"	9	9	9	9	9	9	9	9	9	9	9	9
W- 1"	13	13	13	13	13	13	13	13	13	13	13	13
W- 2"	32	32	32	32	32	32	32	33	33	33	33	33
W- 3"	2	2	2	2	2	2	2	2	2	2	2	2
W-City Meters	4	4	4	4	4	4	4	4	4	4	4	4
W- 4"	4	4	4	4	4	4	4	4	4	4	4	4
Commercial												
F-2" Line	21	21	21	21	21	21	21	21	21	21	22	22
F-4" Line	72	72	72	73	73	73	73	73	73	74	74	74
F-6" Line	64	64	64	64	65	65	65	65	65	65	66	66
F-8" Line	39	39	39	39	39	39	40	40	40	40	40	40
W- 3/4" (categorized as Single-Family)	81	81	81	82	82	82	82	82	83	83	83	83
W- 3/4"	254	255	255	256	257	257	258	258	259	260	260	261
W- 1 1/2"	180	180	181	181	182	182	183	183	184	184	185	185
W- 1.5" Combo Meter (categorized as single-famil	1	1	1	1	1	1	1	1	1	1	1	1
W- 1"	212	213	213	214	214	215	215	216	216	217	217	218
W- 1" Combo Meter	3	3	3	3	3	3	3	3	3	3	3	3
W- 1" (categorized as single-family)	24	24	24	24	24	24	24	24	24	25	25	25
W- 1" Combo Meter (categorized as single-family)	16	16	16	16	16	16	16	16	16	16	16	16
W- 2"	155	155	156	156	157	157	157	158	158	159	159	159
W- 2" Combo Meter	1	1	1	1	1	1	1	1	1	1	1	1
W- 2" Combo Meter (categorized as single-family)	1	1	1	1	1	1	1	1	1	1	1	1
W- 3"	11	11	11	11	11	11	11	11	11	11	11	11
W- 4"	9	9	9	9	9	9	9	9	9	9	9	9
W- 6"	7	7	7	7	7	7	7	7	7	7	7	7
W-City Meters	1	1	1	1	1	1	1	1	1	1	1	1
xW- 1 1/4"	4	4	4	4	4	4	4	4	4	4	4	4
Institutional												
F-8" Line	1	1	1	1	1	1	1	1	1	1	1	1
W- 1 1/2"	1	1	1	1	1	1	1	1	1	1	1	1
W- 2"	3	3	3	3	3	3	3	3	3	3	3	3
W- 4"	3	3	3	3	3	3	3	3	3	3	3	3
W- 8"	1	1	1	1	1	1	1	1	1	1	1	1
Life Line												
F-2" Line	2	2	2	2	2	2	2	2	2	2	2	2
W- 3/4"	4	4	4	4	4	4	4	4	4	4	4	4
W- 3/4" SF	11	11	11	11	11	11	11	11	11	11	11	11
W-Lifeline 1"	25	25	25	25	25	25	25	25	26	26	26	26
W-Lifeline 1.5"	2	2	2	2	2	2	2	2	2	2	2	2
W-Lifeline 1.5" Combo	3	3	3	3	3	3	3	3	3	3	3	3
W-Lifeline 3/4"	414	415	416	417	418	419	420	421	422	423	424	426
W-Lifeline 1" (categorized as single-family)	2	2	2	2	2	2	2	2	2	2	2	2
W-Lifeline 3/4" (categorized as single-family)	20	20	20	20	20	20	20	20	20	20	21	21
Multi-Family W/O Trash												
W- 3/4"	2	2	2	2	2	2	2	2	2	2	2	2

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
56		W- 1"	16	16	16	16	16	16	16	16	16	16	16	16
57		W- 2"	1	1	1	1	1	1	1	1	1	1	1	1
58		**Multiple Family**												
59		F-2" Line	148	148	149	149	149	150	150	151	151	151	152	152
60		F-4" Line	28	28	28	28	28	28	28	28	29	29	29	29
61		F-6" Line	5	5	5	5	5	5	5	5	5	5	5	5
62		F-8" Line	3	3	3	3	3	3	3	3	3	3	3	3
63		W- 3/4"	380	381	382	383	384	385	386	387	388	389	390	391
64		W- 5/8"	1	1	1	1	1	1	1	1	1	1	1	1
65		W- 1 1/2"	396	397	398	399	400	401	402	403	404	405	406	407
66		W- 1"	523	524	526	527	528	530	531	532	534	535	536	538
67		W- 1" Combo Meter	1	1	1	1	1	1	1	1	1	1	1	1
68		W- 2"	147	147	148	148	148	149	149	150	150	150	151	151
69		W- 2" Combo Meter	1	1	1	1	1	1	1	1	1	1	1	1
70		W- 3"	2	2	2	2	2	2	2	2	2	2	2	2
71		W- 4"	10	10	10	10	10	10	10	10	10	10	10	10
72		xW- 1 1/4"	8	8	8	8	8	8	8	8	8	8	8	8
73		**O-Business**												
74		F-2" Line	1	1	1	1	1	1	1	1	1	1	1	1
75		F-4" Line	1	1	1	1	1	1	1	1	1	1	1	1
76		W- 2"	3	3	3	3	3	3	3	3	3	3	3	3
77		**Single Family**												
78		F-2" Line	24	24	24	24	24	24	24	24	24	25	25	25
79		F-4" Line	1	1	1	1	1	1	1	1	1	1	1	1
80		Sewer- SF 3/4"	2	2	2	2	2	2	2	2	2	2	2	2
81		W- 3/4" SF	8,129	8,149	8,170	8,190	8,211	8,231	8,252	8,272	8,293	8,314	8,335	8,355
82		W- 3/4" SF (Commercial)	1	1	1	1	1	1	1	1	1	1	1	1
83		W- 5/8" SF	14	14	14	14	14	14	14	14	14	14	14	14
84		W- 1 1/2"	5	5	5	5	5	5	5	5	5	5	5	5
85		W- 1 1/2" SF	60	60	60	60	61	61	61	61	61	61	62	62
86		W- 1" Combo Meter SF	428	429	430	431	432	433	434	436	437	438	439	440
87		W- 1" SF	1,329	1,332	1,336	1,339	1,342	1,346	1,349	1,352	1,356	1,359	1,363	1,366
88		W- 1.5" Combo Meter SF	7	7	7	7	7	7	7	7	7	7	7	7
89		W- 2" SF	9	9	9	9	9	9	9	9	9	9	9	9
90		W- 2" Combo Meter SF	26	26	26	26	26	26	26	26	27	27	27	27
91			13,441	13,475	13,508	13,542	13,576	13,610	13,644	13,678	13,712	13,746	13,781	13,815
92														
93			**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**	**FY 2032-33**
94		**Monthly Rate**												
95		**City Meter**												
96		W- 3/4"	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09
97		W- 1 1/2"	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41
98		W- 1"	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68
99		W- 2"	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97
100		W- 3"	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68
101		W-City Meters	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
102		W- 4"	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69
103		**Commercial**												
104		F-2" Line	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
105		F-4" Line	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
106		F-6" Line	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
107		F-8" Line												
108		W- 3/4" (Single-Family)	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09
109		W- 3/4"	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09	$27.09
110		W- 1 1/2"	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
111		W- 1.5" Combo Meter (single-family)	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41	$78.41
112		W- 1"	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68
113		W- 1" Combo Meter	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68
114		W- 1" (single-family)	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68
115		W- 1" Combo Meter (single-family)	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68
116		W- 2"	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97
117		W- 2" Combo Meter	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97
118		W- 2" Combo Meter (single-family)	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97
119		W- 3"	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68	$270.68
120		W- 4"	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69	$386.69
121		W- 6"	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20
122		W-City Meters		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
123		xW- 1 1/4"	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68	$40.68
124		**Institutional**												
125		F-8" Line	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
126		W- 1 1/2"	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48
127		W- 2"	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48	$68.48
128		W- 4"	$168.28	$168.28	$168.28	$168.28	$168.28	$168.28	$168.28	$168.28	$168.28	$168.28	$168.28	$168.28
129		W- 8"	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20	$1,052.20
130		**Life Line**												
131		F-2" Line	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
132		W- 3/4"	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
133		W- 3/4" SF		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
134		W-Lifeline 1"	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
135		W-Lifeline 1.5"	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
136		W-Lifeline 1.5" Combo	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
137		W-Lifeline 3/4"		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
138		W-Lifeline 1" (single-family)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
139		W-Lifeline 3/4" (single-family)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
140		**Multi-Family W/O Trash**												
141		W- 3/4"	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01
142		W- 1"	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76
143		W- 2"	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22
144		**Multiple Family**												
145		F-2" Line		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
146		F-4" Line		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
147		F-6" Line		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
148		F-8" Line		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
149		W- 3/4"	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01
150		W- 5/8"	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01	$29.01
151		W- 1 1/2"	$84.15	$84.15	$84.15	$84.15	$84.15	$84.15	$84.15	$84.15	$84.15	$84.15	$84.15	$84.15
152		W- 1"	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76
153		W- 1" Combo Meter	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76	$34.76
154		W- 2"	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22
155		W- 2" Combo Meter	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22	$161.22
156		W- 3"	$413.02	$413.02	$413.02	$413.02	$413.02	$413.02	$413.02	$413.02	$413.02	$413.02	$413.02	$413.02
157		W- 4"	$534.30	$534.30	$534.30	$534.30	$534.30	$534.30	$534.30	$534.30	$534.30	$534.30	$534.30	$534.30
158		xW- 1 1/4"	$57.25	$57.25	$57.25	$57.25	$57.25	$57.25	$57.25	$57.25	$57.25	$57.25	$57.25	$57.25
159		**O-Business**												
160		F-2" Line		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
161		F-4" Line		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
162		W- 2"	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97	$198.97
163		**Single Family**												
164		F-2" Line		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
165		F-4" Line		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
166		Sewer- SF 3/4"	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17
167		W- 3/4" SF	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17
168		W- 3/4" SF (Commercial)	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17
169		W- 5/8" SF	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17	$10.17
170		W- 1 1/2"	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86
171		W- 1 1/2" SF	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86
172		W- 1" Combo Meter SF	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42
173		W- 1" SF	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42	$12.42
174		W- 1.5" Combo Meter SF	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86
175		W- 2" SF	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86
176		W- 2" Combo Meter SF	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86	$12.86
177														
178		Number of Bills Annually	12											
179														
180			**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**	**FY 2032-33**
181		**Annual Revenue**												
182		**City Meter**												
183		W- 3/4"	$5,526	$5,540	$5,554	$5,568	$5,582	$5,596	$5,610	$5,624	$5,638	$5,652	$5,666	$5,680
184		W- 1 1/2"	$8,468	$8,489	$8,511	$8,532	$8,553	$8,575	$8,596	$8,618	$8,639	$8,661	$8,682	$8,704
185		W- 1"	$6,346	$6,362	$6,378	$6,394	$6,410	$6,426	$6,442	$6,458	$6,474	$6,490	$6,507	$6,523
186		W- 2"	$76,404	$76,595	$76,787	$76,979	$77,171	$77,364	$77,558	$77,752	$77,946	$78,141	$78,336	$78,532
187		W- 3"	$6,496	$6,513	$6,529	$6,545	$6,562	$6,578	$6,594	$6,611	$6,627	$6,644	$6,661	$6,677
188		W-City Meters	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
189		W- 4"	$18,561	$18,608	$18,654	$18,701	$18,747	$18,794	$18,841	$18,888	$18,936	$18,983	$19,030	$19,078
190		**Commercial**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
191		F-2" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
192		F-4" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
193		F-6" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
194		F-8" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
195		W- 3/4" (Single-Family)	$26,331	$26,397	$26,463	$26,529	$26,596	$26,662	$26,729	$26,796	$26,863	$26,930	$26,997	$27,065
196		W- 3/4"	$82,570	$82,777	$82,984	$83,191	$83,399	$83,608	$83,817	$84,026	$84,236	$84,447	$84,658	$84,870
197		W- 1 1/2"	$169,366	$169,789	$170,213	$170,639	$171,066	$171,493	$171,922	$172,352	$172,783	$173,215	$173,648	$174,082
198		W- 1.5" Combo Meter (single-family)	$941	$943	$946	$948	$950	$953	$955	$958	$960	$962	$965	$967
199		W- 1"	$103,490	$103,749	$104,008	$104,268	$104,529	$104,790	$105,052	$105,315	$105,578	$105,842	$106,106	$106,372
200		W- 1" Combo Meter	$1,464	$1,468	$1,472	$1,475	$1,479	$1,483	$1,487	$1,490	$1,494	$1,498	$1,502	$1,505
201		W- 1" (single-family)	$11,716	$11,745	$11,774	$11,804	$11,833	$11,863	$11,893	$11,922	$11,952	$11,982	$12,012	$12,042
202		W- 1" Combo Meter (single-family)	$7,811	$7,830	$7,850	$7,869	$7,889	$7,909	$7,928	$7,948	$7,968	$7,988	$8,008	$8,028
203		W- 2"	$370,084	$371,009	$371,937	$372,867	$373,799	$374,733	$375,670	$376,609	$377,551	$378,495	$379,441	$380,390
204		W- 2" Combo Meter	$2,388	$2,394	$2,400	$2,406	$2,412	$2,418	$2,424	$2,430	$2,436	$2,442	$2,448	$2,454
205		W- 2" Combo Meter (single-family)	$2,388	$2,394	$2,400	$2,406	$2,412	$2,418	$2,424	$2,430	$2,436	$2,442	$2,448	$2,454
206		W- 3"	$35,730	$35,819	$35,909	$35,998	$36,088	$36,179	$36,269	$36,360	$36,451	$36,542	$36,633	$36,725
207		W- 4"	$41,763	$41,867	$41,972	$42,077	$42,182	$42,287	$42,393	$42,499	$42,605	$42,712	$42,818	$42,925
208		W- 6"	$88,385	$88,606	$88,827	$89,049	$89,272	$89,495	$89,719	$89,943	$90,168	$90,393	$90,619	$90,846
209		W-City Meters	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
210		xW- 1 1/4"	$1,953	$1,958	$1,962	$1,967	$1,972	$1,977	$1,982	$1,987	$1,992	$1,997	$2,002	$2,007
211		**Institutional**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
212		F-8" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
213		W- 1 1/2"	$822	$824	$826	$828	$830	$832	$834	$836	$838	$840	$843	$845
214		W- 2"	$2,465	$2,471	$2,478	$2,484	$2,490	$2,496	$2,502	$2,509	$2,515	$2,521	$2,528	$2,534
215		W- 4"	$6,058	$6,073	$6,088	$6,104	$6,119	$6,134	$6,150	$6,165	$6,180	$6,196	$6,211	$6,227
216		W- 8"	$12,626	$12,658	$12,690	$12,721	$12,753	$12,785	$12,817	$12,849	$12,881	$12,913	$12,946	$12,978
217		**Life Line**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
218		F-2" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
219		W- 3/4"	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
220		W- 3/4" SF	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
221		W-Lifeline 1"	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
222		W-Lifeline 1.5"	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
223		W-Lifeline 1.5" Combo	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
224		W-Lifeline 3/4"	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
225		W-Lifeline 1" (single-family)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
226		W-Lifeline 3/4" (single-family)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
227		**Multi-Family W/O Trash**												
228		W- 3/4"	$696	$698	$700	$701	$703	$705	$707	$709	$710	$712	$714	$716
229		W- 1"	$6,674	$6,691	$6,707	$6,724	$6,741	$6,758	$6,775	$6,792	$6,809	$6,826	$6,843	$6,860
230		W- 2"	$1,935	$1,939	$1,944	$1,949	$1,954	$1,959	$1,964	$1,969	$1,974	$1,979	$1,984	$1,989
231		**Multiple Family**												
232		F-2" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
233		F-4" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
234		F-6" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
235		F-8" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
236		W- 3/4"	$132,286	$132,616	$132,948	$133,280	$133,613	$133,947	$134,282	$134,618	$134,955	$135,292	$135,630	$135,969
237		W- 5/8"	$348	$349	$350	$351	$352	$352	$353	$354	$355	$356	$357	$358
238		W- 1 1/2"	$399,881	$400,881	$401,883	$402,887	$403,895	$404,904	$405,917	$406,931	$407,949	$408,969	$409,991	$411,016
239		W- 1"	$218,154	$218,699	$219,246	$219,794	$220,343	$220,894	$221,447	$222,000	$222,555	$223,112	$223,669	$224,229
240		W- 1" Combo Meter	$417	$418	$419	$420	$421	$422	$423	$424	$426	$427	$428	$429
241		W- 2"	$284,392	$285,103	$285,816	$286,530	$287,247	$287,965	$288,685	$289,406	$290,130	$290,855	$291,582	$292,311
242		W- 2" Combo Meter	$1,935	$1,939	$1,944	$1,949	$1,954	$1,959	$1,964	$1,969	$1,974	$1,979	$1,984	$1,989
243		W- 3"	$9,912	$9,937	$9,962	$9,987	$10,012	$10,037	$10,062	$10,087	$10,112	$10,138	$10,163	$10,189
244		W- 4"	$64,116	$64,276	$64,437	$64,598	$64,760	$64,921	$65,084	$65,246	$65,410	$65,573	$65,737	$65,901
245		xW- 1 1/4"	$5,496	$5,510	$5,524	$5,537	$5,551	$5,565	$5,579	$5,593	$5,607	$5,621	$5,635	$5,649
246		**O-Business**												
247		F-2" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
248		F-4" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
249		W- 2"	$7,163	$7,181	$7,199	$7,217	$7,235	$7,253	$7,271	$7,289	$7,307	$7,326	$7,344	$7,362
250		**Single Family**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
251		F-2" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
252		F-4" Line	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
253		Sewer- SF 3/4"	$244	$245	$245	$246	$247	$247	$248	$248	$249	$250	$250	$251
254		W- 3/4" SF	$992,063	$994,543	$997,030	$999,522	$1,002,021	$1,004,526	$1,007,037	$1,009,555	$1,012,079	$1,014,609	$1,017,146	$1,019,688
255		W- 3/4" SF (Commercial)	$122	$122	$123	$123	$123	$124	$124	$124	$125	$125	$125	$125
256		W- 5/8" SF	$1,709	$1,713	$1,717	$1,721	$1,726	$1,730	$1,734	$1,739	$1,743	$1,747	$1,752	$1,756
257		W- 1 1/2"	$772	$774	$775	$777	$779	$781	$783	$785	$787	$789	$791	$793
258		W- 1 1/2" SF	$9,259	$9,282	$9,306	$9,329	$9,352	$9,376	$9,399	$9,422	$9,446	$9,470	$9,493	$9,517
259		W- 1" Combo Meter SF	$63,789	$63,949	$64,108	$64,269	$64,429	$64,590	$64,752	$64,914	$65,076	$65,239	$65,402	$65,565
260		W- 1" SF	$198,074	$198,569	$199,066	$199,563	$200,062	$200,562	$201,064	$201,567	$202,070	$202,576	$203,082	$203,590
261		W- 1.5" Combo Meter SF	$1,080	$1,083	$1,086	$1,088	$1,091	$1,094	$1,097	$1,099	$1,102	$1,105	$1,108	$1,110
262		W- 2" SF	$1,389	$1,392	$1,396	$1,399	$1,403	$1,406	$1,410	$1,413	$1,417	$1,420	$1,424	$1,428
263		W- 2" Combo Meter SF	$4,012	$4,022	$4,032	$4,042	$4,053	$4,063	$4,073	$4,083	$4,093	$4,104	$4,114	$4,124
264		**Total Revenue**	**$3,496,070**	**$3,504,810**	**$3,513,572**	**$3,522,356**	**$3,531,162**	**$3,539,990**	**$3,548,840**	**$3,557,712**	**$3,566,606**	**$3,575,523**	**$3,584,462**	**$3,593,423**

City of Monterey Park
Sewer Rate Model
4 - Reserves

Fiscal Year	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	Notes
Operating Reserve													
Beginning Balance		$6,905,697	$3,998,903	$1,189,598	$653,658	$709,309	$713,488	$690,637	$746,261	$817,350	$807,036	$818,542	
Transfers													
(to/from) Operations		($2,928,560)	($2,819,662)	($1,039,619)	($647,070)	($198,661)	($125,654)	($47,244)	$67,968	$186,444	$308,261	$433,496	From Table 3
(to/from) Rev. Requirements													To Table 2
(to/from) Capital Reserve				$500,000	$700,000	$200,000	$100,000	$100,000		($200,000)	($300,000)	($400,000)	To below
Fund Subtotal		$3,977,138	$1,179,242	$649,979	$706,588	$710,648	$687,834	$743,393	$814,229	$803,794	$815,297	$852,037	
Estimated Interest Earnings		$21,766	$10,356	$3,679	$2,720	$2,840	$2,803	$2,868	$3,121	$3,242	$3,245	$3,341	Avg. Bal. * Table 1A assumption **f.**
Ending Balance with Rate Increase	**$6,905,697**	**$3,998,903**	**$1,189,598**	**$653,658**	**$709,309**	**$713,488**	**$690,637**	**$746,261**	**$817,350**	**$807,036**	**$818,542**	**$855,379**	Page 1 of FY 2021-22 Budget
Target Balance	*$586,430*	*$586,430*	*$606,153*	*$626,574*	*$647,719*	*$669,617*	*$692,294*	*$715,781*	*$740,109*	*$765,309*	*$791,415*	*$818,461*	2 months annual operating expenses
Fund Balance Compared to Target		*682%*	*196%*	*104%*	*110%*	*107%*	*100%*	*104%*	*110%*	*105%*	*103%*	*105%*	
Capital Reserve													
Beginning Balance		$2,000,000	$2,649,318	$2,179,101	$1,902,328	$1,429,637	$1,461,810	$1,600,234	$1,745,306	$1,886,838	$2,121,969	$2,347,738	
(less) Capital Carryover		($898,975)	($898,975)										
Revenues													
(to)/from Rev. Requirements		$2,781,278	$3,220,893	$3,368,838	$3,467,208	$3,568,450	$3,672,649	$3,779,890	$3,779,890	$3,779,890	$3,779,890	$3,779,890	
(to)/from Operating Fund		$0	$0	($500,000)	($700,000)	($200,000)	($100,000)	($100,000)	$0	$200,000	$300,000	$400,000	
Development Impact Fees		$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	
Cash Funded CIP Expenditures		($1,266,266)	($2,825,772)	($3,177,758)	($3,270,548)	($3,366,048)	($3,464,337)	($3,565,496)	($3,669,608)	($3,776,761)	($3,887,042)	($4,000,544)	From Table 5
Interfund Loan/(Payments)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
Fund Subtotal		$2,640,038	$2,169,464	$1,894,181	$1,422,987	$1,456,039	$1,594,122	$1,738,628	$1,879,588	$2,113,967	$2,338,817	$2,551,085	
Estimated Interest Earnings		$9,280	$9,638	$8,147	$6,651	$5,771	$6,112	$6,678	$7,250	$8,002	$8,922	$9,798	Avg. Bal. * Table 1A assumption **f.**
Ending Balance	**$2,000,000**	**$2,649,318**	**$2,179,101**	**$1,902,328**	**$1,429,637**	**$1,461,810**	**$1,600,234**	**$1,745,306**	**$1,886,838**	**$2,121,969**	**$2,347,738**	**$2,560,882**	Page 1 of FY 2021-22 Budget
Target Balance	*$2,637,460*	$2,716,584	$2,798,082	$2,882,024	$2,968,485	$3,057,539	$3,149,265	$3,243,743	$3,341,056	$3,441,287	$3,544,526	$3,650,862	25% of accumulated depreciation
Fund Balance Compared to Target	*76%*	*98%*	*78%*	*66%*	*48%*	*48%*	*51%*	*54%*	*56%*	*62%*	*66%*	*70%*	
Operating Fund w/o Rate Increases													
Beginning Balance		$6,905,697	$3,998,903	$532,652	($2,701,791)	($5,950,036)	($9,919,349)	($14,217,248)	($18,751,510)	($23,519,811)	($28,627,257)	($33,979,148)	
Transfers													
(to/from) Operations		($2,928,560)	($3,475,297)	($3,734,442)	($3,948,245)	($4,169,314)	($4,397,899)	($4,634,262)	($4,768,301)	($4,907,445)	($5,051,892)	($5,201,844)	
(to/from) Rev. Requirements		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
(to/from) Capital Reserve		$0	$0	$500,000	$700,000	$200,000	$100,000	$100,000	$0	($200,000)	($300,000)	($400,000)	
Fund Subtotal		$3,977,138	$523,607	($2,701,791)	($5,950,036)	($9,919,349)	($14,217,248)	($18,751,510)	($23,519,811)	($28,627,257)	($33,979,148)	($39,580,993)	
Estimated Interest Earnings		$21,766	$9,045	$0	$0	$0	$0	$0	$0	$0	$0	$0	
Ending Balance without Rate Increase	**$6,905,697**	**$3,998,903**	**$532,652**	**($2,701,791)**	**($5,950,036)**	**($9,919,349)**	**($14,217,248)**	**($18,751,510)**	**($23,519,811)**	**($28,627,257)**	**($33,979,148)**	**($39,580,993)**	
Target Balance	*$586,430*	*$586,430*	*$606,153*	*$626,574*	*$647,719*	*$669,617*	*$692,294*	*$715,781*	*$740,109*	*$765,309*	*$791,415*	*$818,461*	
Fund Balance Compared to Target	*1178%*	*682%*	*88%*	*-431%*	*-919%*	*-1481%*	*-2054%*	*-2620%*	*-3178%*	*-3741%*	*-4293%*	*-4836%*	
Reserve Funds Summary													
Total Balance with Rate Increases	$8,905,697	$6,648,221	$3,368,699	$2,555,986	$2,138,946	$2,175,298	$2,290,871	$2,491,567	$2,704,187	$2,929,005	$3,166,280	$3,416,261	To Table 1B Graph
Total Balance w/o Rate Increases	$8,905,697	$6,648,221	$2,711,753	($799,463)	($4,520,398)	($8,457,539)	($12,617,014)	($17,006,204)	($21,632,974)	($26,505,288)	($31,631,410)	($37,020,111)	
Operating Reserve Target	$586,430	$586,430	$606,153	$626,574	$647,719	$669,617	$692,294	$715,781	$740,109	$765,309	$791,415	$818,461	To Table 1B Graph
Capital Reserve Target	$2,637,460	$2,716,584	$2,798,082	$2,882,024	$2,968,485	$3,057,539	$3,149,265	$3,243,743	$3,341,056	$3,441,287	$3,544,526	$3,650,862	25% of accumulated depreciation
Current Reserve Target	$3,223,890	$3,303,014	$3,404,235	$3,508,598	$3,616,204	$3,727,156	$3,841,559	$3,959,524	$4,081,164	$4,206,596	$4,335,941	$4,469,323	To Table 1B Graph

City of Monterey Park
Sewer Rate Model
5 - CIP

	Project Description	Budgeted FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	6-Year Project Costs FY 2023 through FY 2028
1	Update Emergency Overflow Response Plan	$50,000	$0	$0	$0	$0	$0	$50,000
2	Allowance for Regular Hot Spot Maintenance	$230,000	$230,000	$230,000	$230,000	$230,000	$230,000	$1,380,000
3	Pipe Replacement - Grandridge from alley E/O Isabella to Arlight	$0	$333,600	$0	$0	$0	$0	$333,600
4	Upgrade Field Equipment(CCTV)	$38,168	$0	$0	$0	$0	$0	$38,168
5	Staff Training	$11,500	$11,500	$11,500	$11,500	$11,500	$11,500	$69,000
6	Annual Allowance for Pipeline Repairs found by CCTV work	$400,000	$620,000	$1,100,000	$1,200,000	$1,200,000	$1,200,000	$5,720,000
7	Pipeline Replacement - Easement from Cipriano to Alley West of El Mercado, Alley from Easement to El Portal	$0	$0	$0	$247,900	$0	$0	$247,900
8	Geographic Positioning Survey to Inventory Sewer System	$0	$0	$0	$115,000	$0	$0	$115,000
9	Pipeline Replacement - Briarcliff Way	$0	$67,000	$0	$0	$0	$0	$67,000
10	Pipeline Replacement - Alpine Terrace	$0	$96,700	$0	$0	$0	$0	$96,700
11	Annual CCTV Videotaping	$221,800	$221,800	$221,800	$221,800	$221,800	$221,800	$1,330,800
12	Cured-in-Place Pipe Relining - Various Locations	$887,000	$600,000	$950,000	$1,200,000	$1,200,000	$1,200,000	$6,037,000
13	Pipeline Replacement - Chandler from Harding to 300' north	$160,000	$0	$0	$0	$0	$0	$160,000
14	Utility Rate Study	$0	$0	$0	$0	$0	$0	$0
15	Pipeline Replacement - Gladys from Emersone to End	$310,000	$0	$0	$0	$0	$0	$310,000
16	Spot Repairs - Various Locations	$1,282,000	$450,000	$500,000	$300,000	$300,000	$300,000	$3,132,000
17	Develop Sewer Atlas Map Book	$0	$115,000	$0	$0	$0	$0	$115,000
18	Emerson Ave Parallel Pipeline	$615,000	$0	$0	$0	$0	$0	$615,000
19	Emerson Ave Pipeline Relining	$245,000	$0	$0	$0	$0	$0	$245,000
20	Vac Truck purchase	$555,000	$0	$0	$0	$0	$0	$555,000
21	Sewer Master Plan (Fund 411 and 419)	$221,177	$0	$0	$0	$0	$0	$221,177
22	N. Atlantic Sewer Improvement	$538,533	$0	$0	$0	$0	$0	$538,533
23	Sewer Repairs and Pipe Relining	$609,325	$0	$0	$0	$0	$0	$609,325
24	Miscellaneous Projects	$0	$0	$0	$0	$0	$0	$0
25	Subtotal, Projects	$6,374,503	$2,745,600	$3,013,300	$3,526,200	$3,163,300	$3,163,300	$21,986,203
26	(Less) deferred projects[1]	($5,108,237)	$0	($13,300)	($526,200)	($163,300)	($163,300)	($5,974,337)
	Total Projects	$1,266,266	$2,745,600	$3,000,000	$3,000,000	$3,000,000	$3,000,000	$16,011,866
	ENR Multiplier	1.000	1.029	1.059	1.090	1.122	1.155	
	Project Costs Escalated	**$1,266,266**	**$2,825,772**	**$3,177,758**	**$3,270,548**	**$3,366,048**	**$3,464,337**	**$36,270,180**

[1] *Deferred projects will be completed in subsequent years and are included in the Miscellaneous projects line item in future years. The timing of which projects will be deferred is not yet known.*

City of Monterey Park
Sewer Rate Model
7 - Customer Data

Customer Class	Accounts
Single Family	10,615
Multi Family	1,487
Commercial	828
Institutional	79
Not Sewered	109
	13,118

Customer Class Consumption	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	FY 2020-21 Total	% ot Total	Winter Water Use	Annualized
Single Family	111,263	100,092	123,960	109,491	121,901	98,760	124,475	86,707	103,705	96,273	118,702	92,687	1,288,016	43.3%	190,412	1,142,472
Multi Family	70,203	78,804	77,483	88,813	82,654	81,421	77,746	79,540	75,293	76,231	74,575	71,401	934,164	31.4%	154,833	928,998
Commercial	20,882	69,026	25,782	80,125	28,620	69,930	26,292	60,990	25,064	66,253	29,052	72,421	574,437	19.3%	86,054	516,324
Institutional	6,910	5,682	7,364	6,136	6,343	9,279	6,145	7,790	13,117	6,698	6,442	11,175	93,081	3.1%	20,907	125,442
Not Sewered	3,225	12,161	4,318	13,836	4,152	11,492	3,116	8,119	1,855	7,946	2,564	10,945	83,729	2.8%	9,974	59,844
Total	**212,483**	**265,765**	**238,907**	**298,401**	**243,670**	**270,882**	**237,774**	**243,146**	**219,034**	**253,401**	**231,335**	**258,629**	**2,973,427**	**100.0%**	**462,180**	**2,773,080**

City of Monterey Park
Sewer Rate Model
8 - COS - Allocations

Revenue Requirement Allocation	Rev Req't FY 2022-23	Allocation Type	Cost Allocation Accounts	Cost Allocation Flow	Total
Operations & Maintenance					
Revenue Collection	$186,696	*Accounts*	$186,696	$0	$186,696
Building & Safety	$213,808	*Accounts*	$213,808	$0	$213,808
Sanitary Sewer Maintenance	$2,465,532	*Conveyance*	$0	$2,465,532	$2,465,532
Maintenance	$86,025	*Accounts*	$86,025	$0	$86,025
Engineering	$474,969	*Accounts*	$474,969	$0	$474,969
Post Employment	$66,929	*Accounts*	$66,929	$0	$66,929
Storm Drain Maintenance	$24,622	*Conveyance*	$0	$24,622	$24,622
Non Operating Revenue	($101,300)	*Accounts*	($101,300)	$0	($101,300)
Total O&M	**$3,417,281**		**$927,128**	**$2,490,153**	**$3,417,281**
O&M Composite	*100%*		*27%*	*73%*	*100%*
Capital Improvements	**$2,781,278**	*Conveyance*	**$0**	**$2,781,278**	**$2,781,278**
Total Revenue Requirement	**$6,198,560**		**$927,128**	**$5,271,432**	**$6,198,560**
Rev. Req. Composite	*100%*		*15%*	*85%*	*100%*
Transfer from Operating Reserves	**($2,928,560)**	*Rev. Req. Composite*	**($438,029)**	**($2,490,531)**	**($2,928,560)**
Net Revenue Requirement	**$3,270,000**		**$489,099**	**$2,780,901**	**$3,270,000**

Cost Allocation Factors	Total	Accounts	Flow	Total
Conveyance	100%	0%	100%	100%
Accounts	100%	100%	0%	100%
Rev. Req. Composite	100%	15%	85%	100%

City of Monterey Park
Sewer Rate Model
9 - COS - Rate Calcs

				Total
Units of Service by Customer Class		**Accounts**	**Flow (HCF)**	
Single Family (accounts/flow)	a	10,615	1,142,472	
Multi Family (dwelling units/flow)	b	8,630	928,998	
Commercial & Institutional (accounts/flow)	c	907	641,766	
	d = a+b+c	20,152	2,713,236	
Functional Costs [1]				
Operations & Maintenance		$927,128	$2,490,153	$3,417,281
Capital Improvements		$0	$2,781,278	$2,781,278
Transfers		($438,029)	($2,490,531)	($2,928,560)
	e	$489,099	$2,780,901	$3,270,000
Unit Cost Calculations				
Units of Service Total	f = d	20,152	2,713,236	
Unit Cost of Service	g = e ÷ f	**$24.27**	**$1.02**	
		per account/ dwelling unit	per HCF	
Cost of Service by Customer Class				
Single Family	h = a * g	$257,631	$1,170,964	$1,428,595
Multi Family	i = b * g	$209,454	$952,166	$1,161,620
Commercial & Institutional	j = c * g	$22,013	$657,771	$679,784
		$489,099	**$2,780,901**	**$3,270,000**
		15%	*85%*	*100%*

$4,578,000

Reallocation between Fixed/Variable			
Single Family		$1,428,595	$1,428,595
Multi Family		$1,161,620	$1,161,620
C&I		$679,784	$679,784
	Total	**$3,270,000**	**$3,270,000**

Percent Allocation	Fixed Portion	Variable Portion
Single Family	100%	0%
Multi Family	100%	0%
C&I	100%	0%

Reallocated Costs	Fixed Cost	Variable Cost
Single Family	$1,428,595	$0
Multi Family	$1,161,620	$0
C&I	$679,784	$0
	$3,270,000	**$0**

Unit Cost by Customer Class		
Customer Class	Total Costs[1]	Variable Costs
Single Family	$1,428,595	$0
Multi Family	$1,161,620	$0
C&I	$679,784	$0
Total	**$3,270,000**	**$0**

Customer Class	Units	HCF
Single Family (accounts)	10,615	1,142,472
Multi Family (dwelling units)	8,630	928,998
C&I (EMUs)	2,898	641,766

Unit Costs	Annual Cost per U	per HCF
Single Family	$134.58	$0.00
Multi Family	$134.60	$0.00
C&I	$234.57	$0.00

Commercial & Industrial by Meter Size

C&I Meter Size	Capacity Multiplier	Rate per EMU[1]	FY 2022-23 Annual Cost	FY 2022-23 Cost per Month	Rate Revenue Increase[2]	FY 2023-24 Proposed Rate
3/4" Meters	1.00	$234.57	$234.57	$19.55	40.0%	$27.37
1" Meters	1.67	$234.57	$390.95	$32.58	40.0%	$45.61
1.5" Meters	3.33	$234.57	$781.90	$65.16	40.0%	$91.22
2" Meters	5.33	$234.57	$1,251.04	$104.25	40.0%	$145.95
3" Meters	10.67	$234.57	$2,502.08	$208.51	40.0%	$291.91
4" Meters	16.67	$234.57	$3,909.50	$325.79	40.0%	$456.11
6" Meters	33.33	$234.57	$7,819.01	$651.58	40.0%	$912.21
8" Meters	53.33	$234.57	$12,510.41	$1,042.53	40.0%	$1,459.54

Customer Type	FY 2023-24 Annual Cost per Unit[1]	FY 2022-23 Cost per Month	Rate Revenue Increase[2]	FY 2023-24 Proposed Rate
Single Family	$134.58	$11.22	40.0%	$15.70
Multi Family	$134.60	$11.22	40.0%	$15.70

ATTACHMENT 4
Proposed Water Notice

NOTICE OF PUBLIC HEARING – PROPOSED WATER RATE ADJUSTMENTS

The City of Monterey Park (City) is proposing an adjustment to the water rates. The proposal will be presented to the City Council for approval at a Public Hearing on December 6, 2023. If approved, the proposed rates, outlined in the charts included in this notice, would become effective January 1, 2024. Article XIII D, Section 6 of the California Constitution (Proposition 218) requires that the City mail notice of these proposed rate changes to all impacted property owners and water customers at least 45 days prior to a public hearing. Proposition 218 also establishes a protest process for the public to follow if they wish to oppose the proposed rates.

DATE, TIME, AND LOCATION OF THE PUBLIC HEARING

The Public Hearing will be held on December 6, 2023, at 6:30 p.m. in the Council Chambers of Monterey Park City Hall, 320 West Newmark Avenue, Monterey Park, California.

PROTEST PROCEDURE

At the December 6, 2023, public hearing, any person may be heard regarding the proposed rate adjustments. If you wish to oppose the proposed rate adjustments, you are requested to submit a written protest by mail in or hand delivered in advance of the hearing to the following address:

City of Monterey Park, Office of the City Clerk
320 West Newmark Ave, Monterey Park, CA 91754

In addition, written protests may be submitted in person prior to or at the hearing. The City will count all properly filled out written protests received prior to the conclusion of the public hearing. If a majority of affected property owners and water customers submit a written protest, the proposed new rates will not take effect. The City will not count written protest received after the conclusion of the public hearing. Verbal protests unaccompanied by a written protest will not be counted.

Protests should contain the following information: 1) the property's Assessor's Parcel Number, if known, and/or address; 2) your water account number; 3) whether you are the owner or a tenant that is billed directly by the City; 4) a statement that you are protesting the water rate adjustments; and 5) your printed name, date, and original signature.

Only one protest per property will be counted. If you own multiple properties affected by the proposed adjustments, you should submit separate protests for each affected parcel, as the protest threshold is based upon a majority of the total number of parcels. Once opened, protests are disclosable public records.

OFFICIAL BALLOT ENCLOSED

Protest Form: Property owners or an authorized representative may complete this form and deliver it to the City of Monterey Park, Office of the City Clerk, 320 West Newmark Ave, Monterey Park, CA 91754. This ballot must be received before the close of the City Council public hearing set for Wednesday, December 6, 2023.

Assessor's Parcel Number (☐☐☐☐-☐☐☐-☐☐☐) Parcel Address:

☐ I Protest the proposed water rate increases I am ☐ Owner ☐ Tenant

Print Name: _____ Sign Name: _____

BASIS FOR PROPOSED WATER RATE ADJUSTMENTS

The City is committed to providing the highest quality services at the lowest possible rates to our customers. The City provides demand services and customer services to water customers. Demand services include the costs related to meeting average and peak levels of demand. Customer services include the costs related to customer accounts and the capacity that customers require. The cost-of-service analysis performed in the study follows a procedure that has been long established by the American Water Works Association (AWWA), which is referred to as the "base/extra capacity method." Within the demand service function, allocations are made to varying levels of service ranging from average day demand to the highest level of peak demand for outdoor water use and irrigation during the peak hour of the peak day. With these allocations, rates can be designed to proportionately charge customers based on their demands. Factors include average day demand, maximum day demand, and maximum hour demand.

For questions regarding this notice, please contact the City of Monterey, Finance Department at (626) 307-1342.

PROPOSED WATER RATES

Meter Size	FY 2022-23 Current Rates	FY 2023-24 1/1/2024	FY 2024-25 7/1/2024	FY 2025-26 7/1/2025	FY 2026-27 7/1/2026	FY 2027-28 7/1/2027
5/8" meters	$19.20	$20.16	$21.77	$23.51	$25.16	$27.17
3/4" meters	$19.20	$27.18	$29.36	$31.71	$33.93	$36.64
1" meters	$20.75	$41.23	$44.53	$48.10	$51.46	$55.58
1 1/2" meters	$32.70	$76.36	$82.47	$89.07	$95.30	$102.93
2" meters	$42.15	$118.52	$128.00	$138.24	$147.91	$159.75
3" meters	$84.35	$230.92	$249.40	$269.35	$288.20	$311.26
4" meters	$139.55	$357.38	$385.98	$416.85	$446.03	$481.72
6" meters	$425.95	$708.66	$765.35	$826.58	$884.44	$955.20
8" meters	$1,065.30	$1,130.20	$1,220.61	$1,318.26	$1,410.54	$1,523.38

Monthly Use	FY 2022-23 Current Rates	Monthly Use	FY 2023-24 1/1/2024	FY 2024-25 7/1/2024	FY 2025-26 7/1/2025	FY 2026-27 7/1/2026	FY 2027-28 7/1/2027
Single Family Residential		**Single Family Residential**					
Tier 1 (0-6 hcf)	$2.10	Tier 1 (0 - 10 hcf)	$3.41	$3.69	$3.98	$4.26	$4.60
Tier 2 (7-12 hcf)	$2.29	Tier 2 (11 - 16 hcf)	$4.50	$4.86	$5.24	$5.61	$6.06
Tier 3 (13+ hcf)	$2.45	Tier 3 (17+ hcf)	$8.51	$9.19	$9.92	$10.62	$11.47
All Other		**All Other**					
All Consumption	$2.39	All Consumption	$4.25	$4.59	$4.95	$5.30	$5.73

ATTACHMENT 5
Proposed Wastewater Notice

NOTICE OF PUBLIC HEARING – PROPOSED SEWER RATE ADJUSTMENTS

The City of Monterey Park (City) is proposing an adjustment to the sewer rates. The proposal will be presented to the City Council for approval at a Public Hearing on December 6, 2023. If approved, the proposed rates, outlined in the charts included in this notice, would become effective January 1, 2024. Article XIII D, Section 6 of the California Constitution (Proposition 218) requires that the City mail notice of these proposed rate changes to all impacted property owners and sewer customers at least 45 days prior to a public hearing. Proposition 218 also establishes a protest process for the public to follow if they wish to oppose the proposed rates.

DATE, TIME, AND LOCATION OF THE PUBLIC HEARING

The Public Hearing will be held on December 6, 2023, at 6:30 p.m. in the Council Chambers of Monterey Park City Hall, 320 West Newmark Avenue, Monterey Park, California.

PROTEST PROCEDURE

At the December 6, 2023, public hearing, any person may be heard regarding the proposed rate adjustments. If you wish to oppose the proposed rate adjustments, you are requested to submit a written protest by mail in or hand delivered in advance of the hearing to the following address:

City of Monterey Park, Office of the City Clerk
320 West Newmark Ave, Monterey Park, CA 91754

In addition, written protests may be submitted in person prior to or at the hearing. The City will count all properly filled out written protests received prior to the conclusion of the public hearing. If a majority of affected property owners and sewer customers submit a written protest, the proposed new rates will not take effect. The City will not count written protest received after the conclusion of the public hearing. Verbal protests unaccompanied by a written protest will not be counted.

Protests should contain the following information: 1) the property's Assessor's Parcel Number, if known, and/or address; 2) your sewer account number; 3) whether you are the owner or a tenant that is billed directly by the City; 4) a statement that you are protesting the sewer rate adjustments; and 5) your printed name, date, and original signature.

Only one protest per property will be counted. If you own multiple properties affected by the proposed adjustments, you should submit separate protests for each affected parcel, as the protest threshold is based upon a majority of the total number of parcels. Once opened, protests are disclosable public records.

OFFICIAL BALLOT ENCLOSED

Protest Form: Property owners or an authorized representative may complete this form and deliver it to the City of Monterey Park, Office of the City Clerk, 320 West Newmark Ave, Monterey Park, CA 91754. This ballot must be received before the close of the City Council public hearing set for Wednesday, December 6, 2023.

Assessor's Parcel Number (☐☐☐-☐☐☐-☐☐☐) Parcel Address:

☐ I Protest the proposed sewer rate increases I am ☐ Owner ☐ Tenant

Print Name: _____ Sign Name: _____

BASIS FOR PROPOSED SEWER RATE ADJUSTMENTS

The City is committed to providing the highest quality services at the lowest possible rates to our customers. The sewer cost-of-service analysis follows sewer rate-making techniques promulgated by the Water Environment Federation, which is the sewer industry's equivalent to the American Water Works Association. The allocation factors include:

- **Conveyance Services:** Collection system O&M and capital costs including lift stations sewer mains.
- **Customer Accounts:** Billing, accounting, customer service, and other costs related to the operations of the sewer system that aren't directly attributable to conveyance/flow.
- **Composite Services:** Indirect allocations for costs that are not directly related to specific service functions: personnel, overhead, non-operating revenue.

For questions regarding this notice, please contact the City of Monterey, Finance Department at (626) 307-1342.

PROPOSED SEWER RATES

	Current	Current	Proposed		Proposed				
Customer Class	Units	FY 2022-23	Units	FY 2022-23 COS	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
			Rate Adjustment	*COS*	*+40%*	*+30%*	*+10%*	*+10%*	*+4%*
Single Family									
5/8", 3/4"	*account*	$10.17	*account*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1"	*account*	$12.42	*account*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/2"	*account*	$12.86	*account*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
Multi Family									
3/4"	*account*	$29.01	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1"	*account*	$34.76	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/4"	*account*	$57.25	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
1 1/2"	*account*	$84.15	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
2"	*account*	$161.22	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
3"	*account*	$413.02	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
4"	*account*	$534.30	*dwelling unit*	$11.22	$15.71	$20.42	$22.46	$24.71	$25.70
Commercial									
3/4"	*account*	$27.09	*account*	$19.55	$27.37	$35.58	$39.14	$43.05	$44.78
1"	*account*	$40.68	*account*	$32.58	$45.61	$59.30	$65.23	$71.75	$74.62
1 1/4"	*account*	$40.68	*account*	$65.16	$91.22	$118.59	$130.45	$143.50	$149.24
1 1/2"	*account*	$78.41	*account*	$104.25	$145.95	$189.74	$208.71	$229.58	$238.76
2"	*account*	$198.97	*account*	$208.51	$291.91	$379.49	$417.44	$459.18	$477.55
3"	*account*	$270.68	*account*	$325.79	$456.11	$592.94	$652.23	$717.45	$746.15
4"	*account*	$386.69	*account*	$651.58	$912.21	$1,185.88	$1,304.46	$1,434.91	$1,492.31
6"	*account*	$1,052.20	*account*	$1,042.53	$1,459.54	$1,897.40	$2,087.15	$2,295.86	$2,387.69
Institutional									
3/4"	*account*	$46.29	*account*	$19.55	$27.37	$35.58	$39.14	$43.05	$44.78
2"	*account*	$68.48	*account*	$208.51	$291.91	$379.49	$417.44	$459.18	$477.55
3"	*account*	$73.29	*account*	$325.79	$456.11	$592.94	$652.23	$717.45	$746.15
4"	*account*	$168.28	*account*	$651.58	$912.21	$1,185.88	$1,304.46	$1,434.91	$1,492.31