

Stockton East Water District

Water Rate Study – Phase One

Agriculture Operations Committee Meeting
March 23, 2026



Agenda



Financial plan recap



Rate structure alternatives



Bill impacts



February Meetings Recap



Study Goals and Objectives



Rate revenues sufficient to meet annual operating expenses and capital expenditures



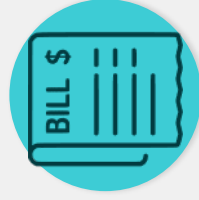
Plan maintenance proactively to keep rates low and avoid expensive emergency repairs



Maintain a healthy agriculture fund that contributes to targeted reserve levels

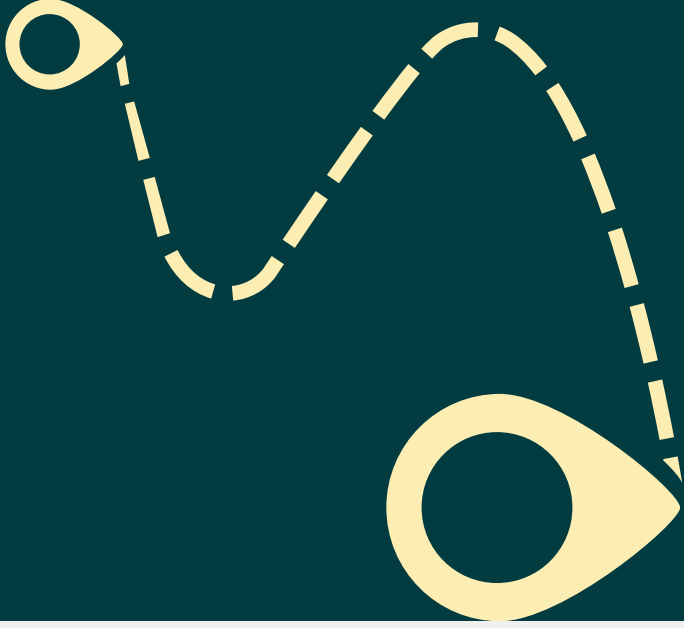


Rates that equitably recover the cost to provide service to agriculture customers



Minimize customer bill impacts

Rate Study Process



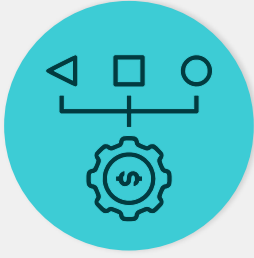
Financial Plan – Phase 1

What amount of revenue is needed each year?



Revenue Requirements – Phase 2

What are the revenue requirements for the test year of the study period?



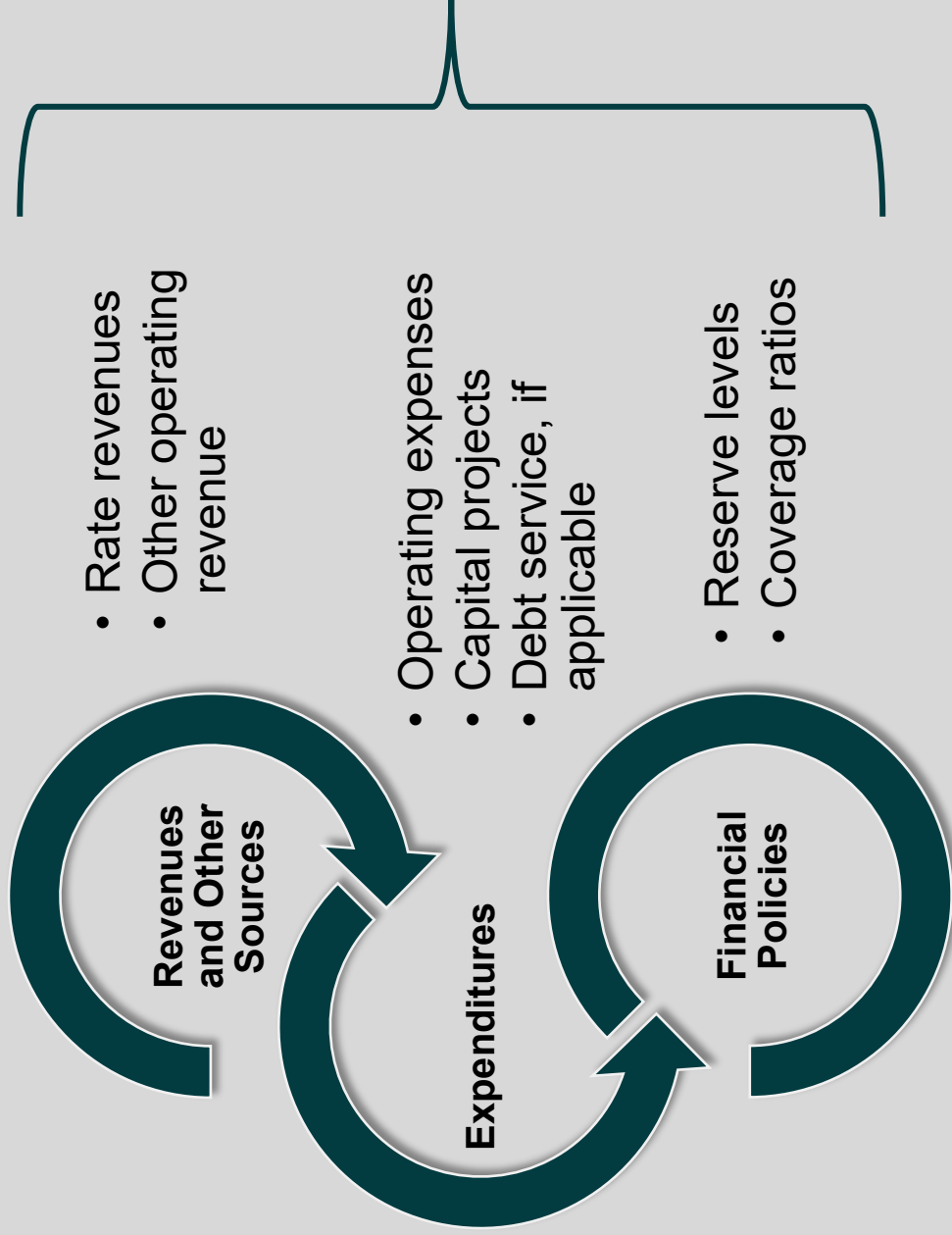
Cost of Service – Phase 2

Is each class bearing their proportionate share of costs?



Financial Planning Process

What is the revenue required to meet expenditures?



Multi-Year Financial Plan

Capital Improvement Program Summary

Capital Improvement Plan	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Water Master Plan 20- Year CIP					
Bellota Diversion Facility Improvements (Bellota Weir)	\$39,124,752	\$0	\$0	\$0	\$0
Peters Pipeline Sliplining	\$12,937,500	\$21,424,500	\$0	\$0	\$0
Other HCP Projects	\$1,364,389	\$4,154,261	\$2,113,529	\$29,079	\$0
5-Year CIP Projects	\$4,371,857	\$1,322,432	\$1,188,296	\$1,039,003	\$770,150
Direct Recharge Projects	\$0	\$1,200,099	\$4,041,717	\$5,701,206	\$11,628,848
Planning Studies	\$0	\$2,435,521	\$452,053	\$130,449	\$0
Water Treatment Master Plan 10-Year CIP	\$88,858,114	\$61,736,737	\$20,405,639	\$53,462,447	\$33,854,370
Total CIP	\$146,656,611	\$92,273,550	\$28,201,234	\$60,362,185	\$46,253,368
Agriculture Share of CIP	\$5,588,376	\$2,638,054	\$2,151,945	\$2,396,623	\$4,067,777
Average Annual Agriculture CIP	\$3,368,555	\$3,368,555	\$3,368,555	\$3,368,555	\$3,368,555



Financial Plan – Debt Funding Belotta

Agricultural Division Financial Plan		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues						
Rate Revenue		\$1,724,952	\$1,724,952	\$1,724,952	\$1,724,952	\$1,724,952
Revenue Adjustments	% Adj.					
FY 2027	5.0%	\$86,248	\$86,248	\$86,248	\$86,248	\$86,248
FY 2028	5.0%	\$90,560	\$90,560	\$90,560	\$90,560	\$90,560
FY 2029	5.0%	\$95,088	\$95,088	\$95,088	\$95,088	\$95,088
FY 2030	5.0%	\$99,842	\$99,842	\$99,842	\$99,842	\$99,842
FY 2031	5.0%	\$104,834	\$104,834	\$104,834	\$104,834	\$104,834
Total Revenue Adjustments		\$86,248	\$176,808	\$271,895	\$371,738	\$476,572
Non-Rate Revenue		\$3,802,209	\$3,685,209	\$3,685,719	\$3,686,239	\$3,686,770
Total - Revenues		\$5,613,408	\$5,586,968	\$5,682,566	\$5,782,929	\$5,888,294
O&M Expenses						
NM Exepenses		\$336,665	\$346,765	\$357,168	\$367,883	\$378,919
NH Expenses		\$723,844	\$745,559	\$767,926	\$790,964	\$814,693
Other Ag Expenses		\$1,107,291	\$1,140,510	\$1,174,725	\$1,209,967	\$1,246,266
Total - O&M		\$2,167,800	\$2,232,834	\$2,299,819	\$2,368,814	\$2,439,878
Net Operating Revenue		\$3,445,608	\$3,354,134	\$3,382,747	\$3,414,115	\$3,448,415
Proposed Debt Service		\$211,683	\$211,683	\$211,683	\$211,683	\$211,683
Rate Funded CIP - Ag		\$142,819	\$3,040,899	\$3,040,899	\$3,040,899	\$3,040,899
Net Cash Flow		\$3,091,106	\$101,551	\$130,164	\$161,532	\$195,833

\$3.4M was removed from the O&M because it is included in the CIP schedule.



Financial Plan – Grant Funding Belotta

Agricultural Division Financial Plan		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues						
Rate Revenue		\$1,724,952	\$1,724,952	\$1,724,952	\$1,724,952	\$1,724,952
Revenue Adjustments	% Adj.					
FY 2027	5.0%	\$86,248	\$86,248	\$86,248	\$86,248	\$86,248
FY 2028	5.0%	\$90,560	\$90,560	\$90,560	\$90,560	\$90,560
FY 2029	5.0%	\$95,088	\$95,088	\$95,088	\$95,088	\$95,088
FY 2030	5.0%	\$99,842	\$99,842	\$99,842	\$99,842	\$99,842
FY 2031	5.0%	\$104,834	\$104,834	\$104,834	\$104,834	\$104,834
Total Revenue Adjustments		\$86,248	\$176,808	\$271,895	\$371,738	\$476,572
Non-Rate Revenue		\$3,802,209	\$3,685,209	\$3,685,719	\$3,686,239	\$3,686,770
Total - Revenues		\$5,613,408	\$5,586,968	\$5,682,566	\$5,782,929	\$5,888,294
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Other Ag Expenses		\$1,107,291	\$1,140,510	\$1,174,725	\$1,209,967	\$1,246,266
Total - O&M		\$2,167,800	\$2,232,834	\$2,299,819	\$2,368,814	\$2,439,878
Net Operating Revenue		\$3,445,608	\$3,354,134	\$3,382,747	\$3,414,115	\$3,448,415
Proposed Debt Service		\$105,477	\$105,477	\$105,477	\$105,477	\$105,477
Rate Funded CIP - Ag		\$1,322,799	\$3,040,899	\$3,040,899	\$3,040,899	\$3,040,899
Net Cash Flow		\$2,017,332	\$207,758	\$236,371	\$267,738	\$302,039

\$3.4M was removed from the O&M because it is included in the CIP schedule.

Proposed Agriculture Rates

Proposed Rates	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Agricultural Groundwater Assessment (\$/AF)	\$6.56	\$6.89	\$7.23	\$7.59	\$7.97	\$8.37
Domestic Groundwater Assessment (\$/Unit)	\$55.00	\$57.75	\$60.64	\$63.67	\$66.85	\$70.19
Stream-Delivered Water (\$/AF)						
New Hogan Surface Water	\$24.00	\$24.00	\$25.20	\$26.46	\$27.78	\$29.17
New Melones Surface Water	\$24.00	\$26.86	\$28.21	\$29.62	\$31.10	\$32.66

The weighted average of water demand and costs for NH and NM surface water shows that customers using NM water could be charged up to the maximum allowable rate. Thus, the NH rate was maintained, and NM was increased accordingly for the Test Year (FY 2027).



Bill Impacts

Average Groundwater Example Bill Projection

Sample Ground Water User Bill Projections	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Agricultural Groundwater Assessment (\$/AF)	\$459.20	\$482.30	\$506.10	\$531.30	\$557.90	\$585.90
Domestic Groundwater Assessment (\$/Unit)	\$55.00	\$57.75	\$60.64	\$63.67	\$66.85	\$70.19
Total Sample Bill	\$514.20	\$540.05	\$566.74	\$594.97	\$624.75	\$656.09

Average Surface Water Example Bill Projection

Sample Surface Water User Bill Projections	Current	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
New Hogan						
Stream-Delivered Water (\$/AF)	\$1,920.00	\$1,920.00	\$2,016.00	\$2,116.80	\$2,222.40	\$2,333.60
Domestic Groundwater Assessment (\$/Unit)	\$55.00	\$57.75	\$60.64	\$63.67	\$66.85	\$70.19
Total Sample Bill	\$1,975.00	\$1,977.75	\$2,076.64	\$2,180.47	\$2,289.25	\$2,403.79
New Melones						
Stream-Delivered Water (\$/AF)	\$1,920.00	\$2,149.03	\$2,256.80	\$2,369.60	\$2,488.00	\$2,612.80
Domestic Groundwater Assessment (\$/Unit)	\$55.00	\$57.75	\$60.64	\$63.67	\$66.85	\$70.19
Total Sample Bill	\$1,975.00	\$2,206.78	\$2,317.44	\$2,433.27	\$2,554.85	\$2,682.99

Thank You





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