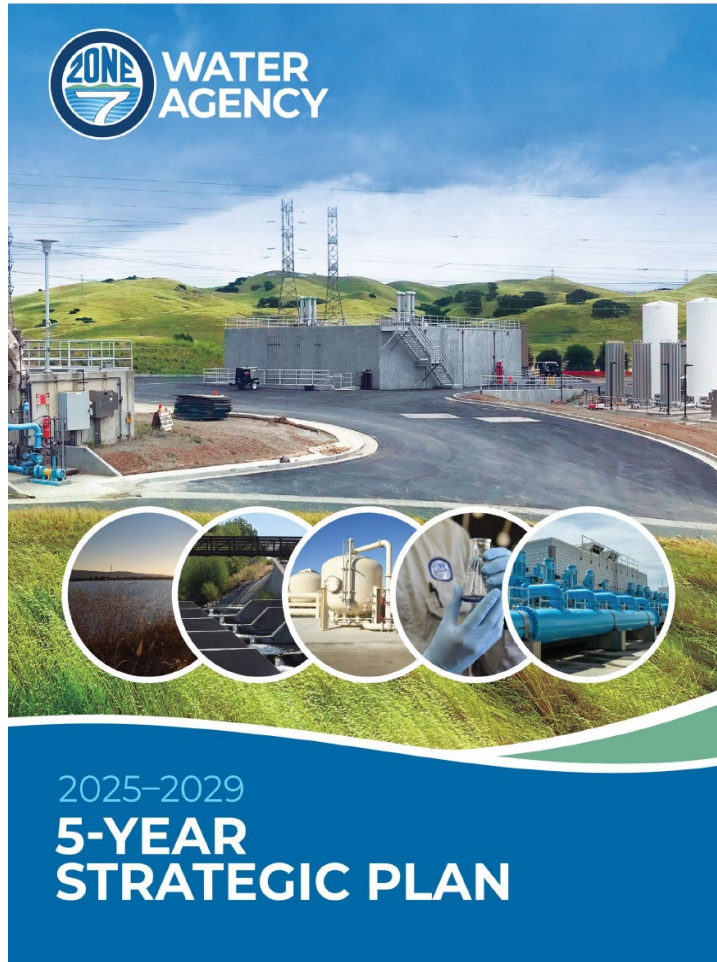




**WATER
AGENCY**

**Calendar Year 2026
Preliminary Untreated Water Rate
September 10, 2025**

Strategic Plan Goals and Initiatives



GOAL H

Fiscal Responsibility

Operate the Agency in a fiscally responsible manner.

Initiative 21

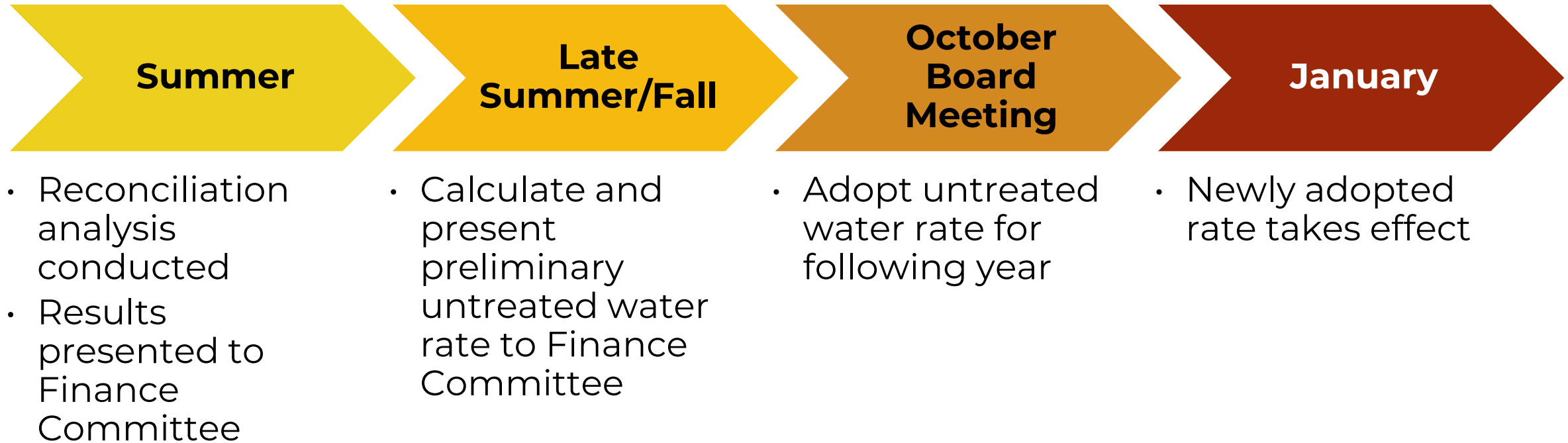
Continue to effectively manage financial resources for the Agency

Revised Results of CY 2024 Reconciliation

Untreated Revenue	Untreated Costs	Reconciliation Amount
<ul style="list-style-type: none">• \$1,235,002• \$263/AF adopted rate• 4,336 AF sold• \$94,634 net revenue from water transfer sale	<ul style="list-style-type: none">• \$867,223• Untreated water program costs only	<ul style="list-style-type: none">• \$367,779• Credit received

Balance as of December 2024 = **(\$740,387)**

Annual Untreated Water Rate Setting Process



Background/Objectives

- Rates based on cost and delivery projections
- Rates set in compliance with Board policy guidelines
- Objectives of untreated rate update:
 - › Financial sufficiency for the untreated water program to meet costs
 - › Maintain fairness and equitability of rates while minimizing customer impact

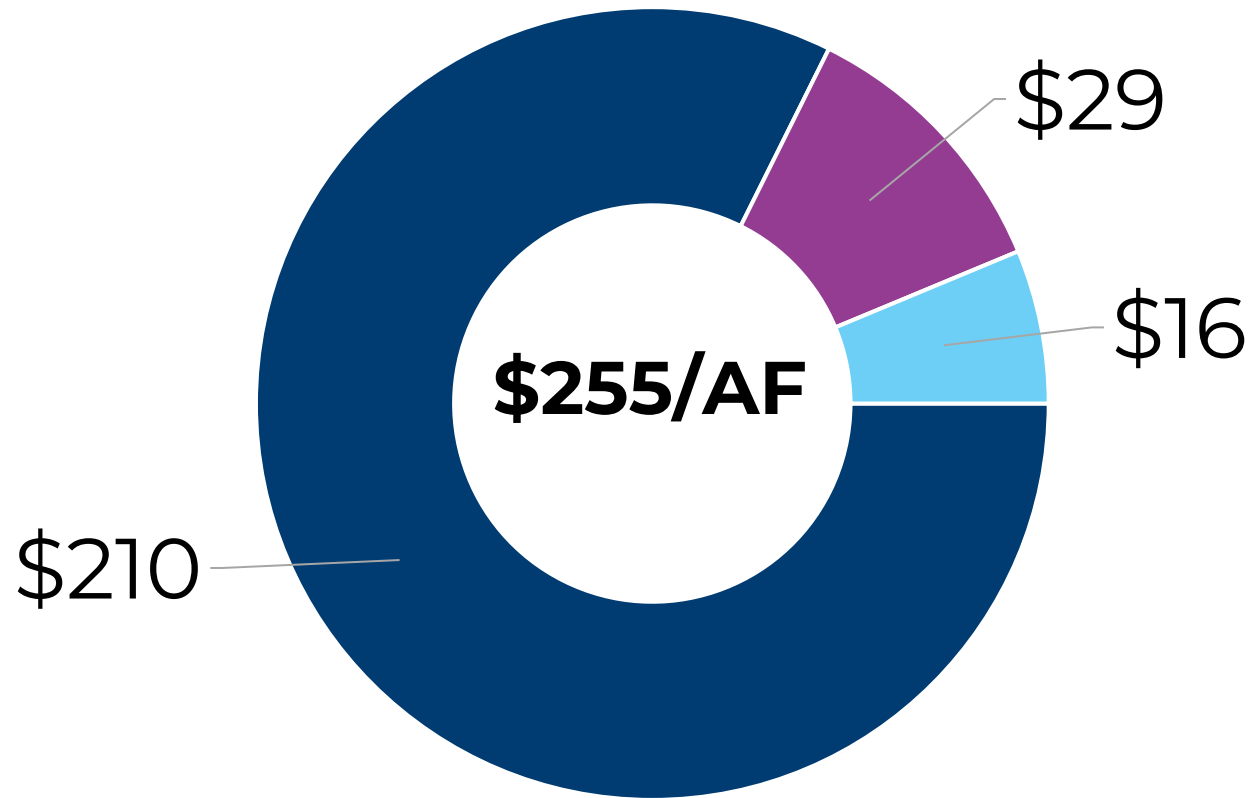


Preliminary Untreated Rate Calculation



Results of CY 2026 Update

CY 2026 Calculated
Untreated Rate



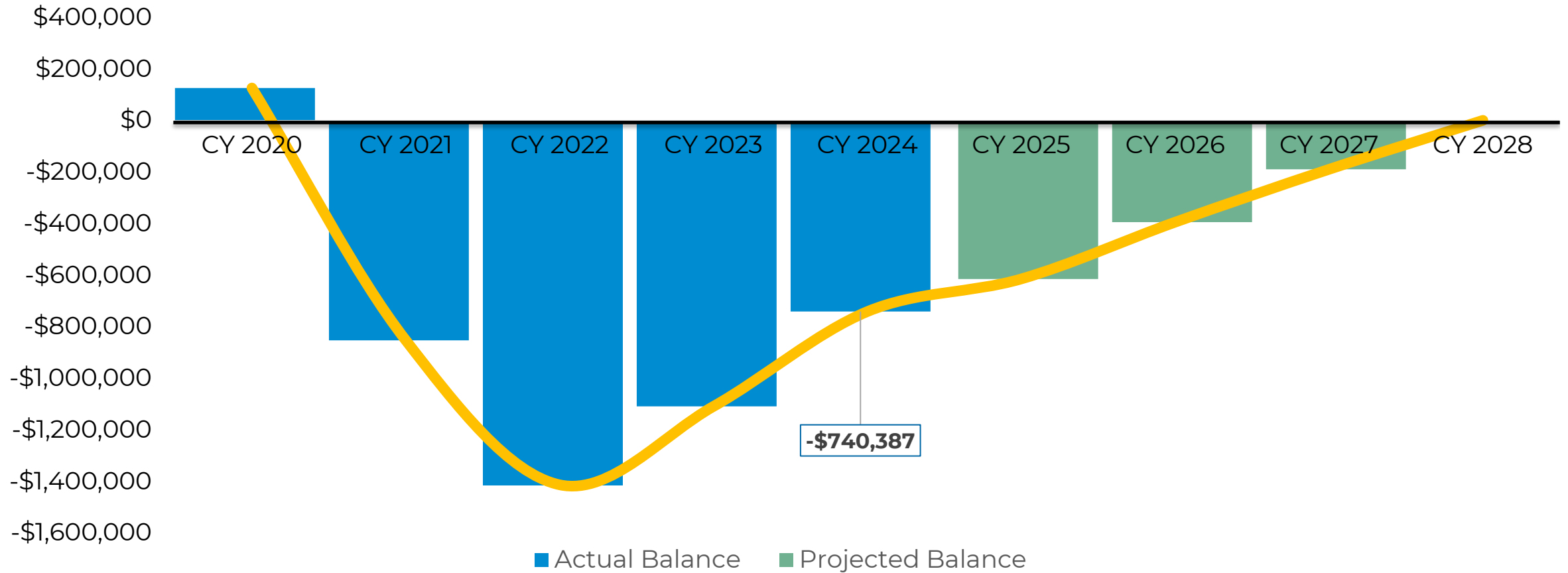
- **Water Supply Costs (82%)**
 - Based on 5-year historical average
- **Water Service Costs (12%)**
 - Agency staff time to manage water supply portfolio
- **Overhead (6%)**
 - Ongoing costs to run Agency (costs not directly tied to water delivery or water service)

5-Year Reconciliation Collection

- **October 2023** – Board approves the five-year implementation schedule via Resolution No. 23-77
- **October 2024** – Board adopts calendar year 2025 untreated water rate with revised reconciliation charge via Resolution No. 24-83

	Year 1 CY 2024	Year 2 CY 2025	Year 3 CY 2026	Year 4 CY 2027	Year 5 CY 2028
Board Approved 5-Year Phase-in	\$43	\$42	\$42	\$41	\$41
Board Revised	-	\$24	\$42	\$41	\$59
Proposed Revised	-	-	\$42	\$41	\$38

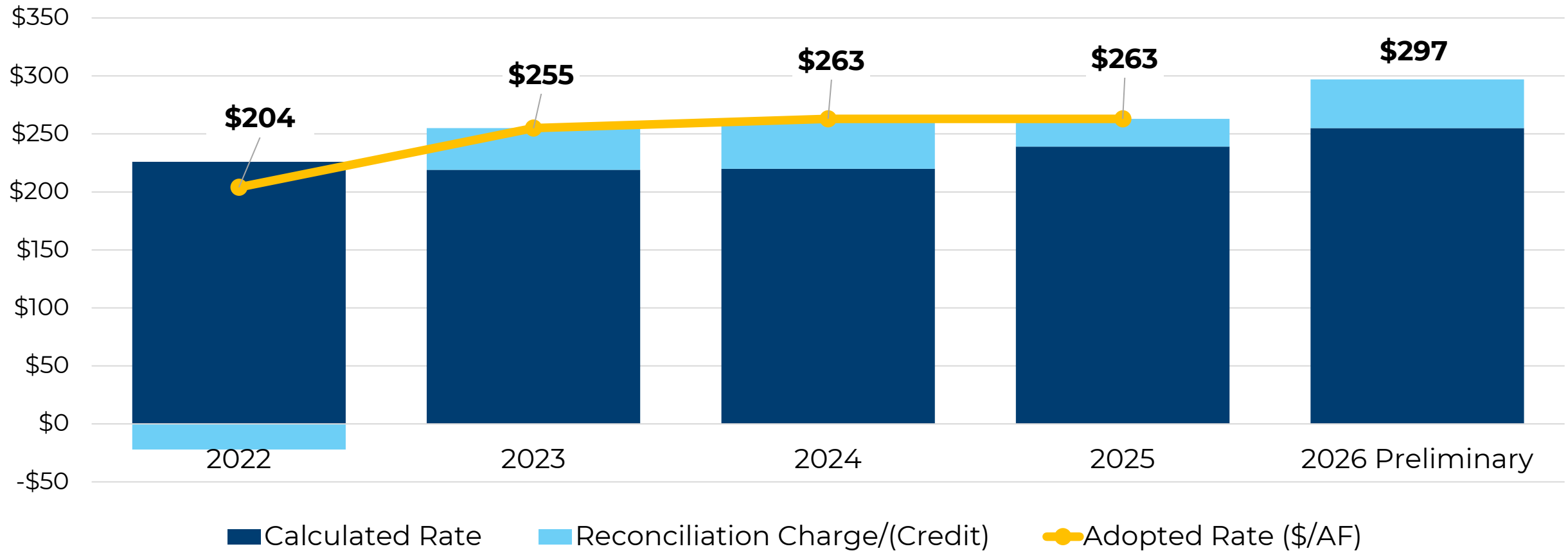
Historical and Projected Reconciliation Balance



CY 2026 Preliminary Untreated Rate

Calendar Year	Calculated Rate	Calculated Rate % Change	Reconciliation Charge	Preliminary Untreated Rate	Preliminary Rate %Change
2025	\$239	6.7%	\$24	\$263	12.9%
2026	\$255		\$42	\$297	

Historical Untreated Water Rates



Recommended Action

- Discuss and provide recommendation for the preliminary CY 2026 untreated water rate
- October 15, 2025, regular Board meeting – Board adoption of CY 2026 untreated water rate



**WATER
AGENCY**

Questions?