



**WATER
AGENCY**

Calendar Year 2023

Untreated Water Rate Reconciliation

August 8, 2024

Strategic Plan

Goal G

Fiscal Responsibility:
Operate the Agency in a
fiscally responsible manner

Initiative 24

Continue to effectively
manage financial resources
for the Agency

Takeaways

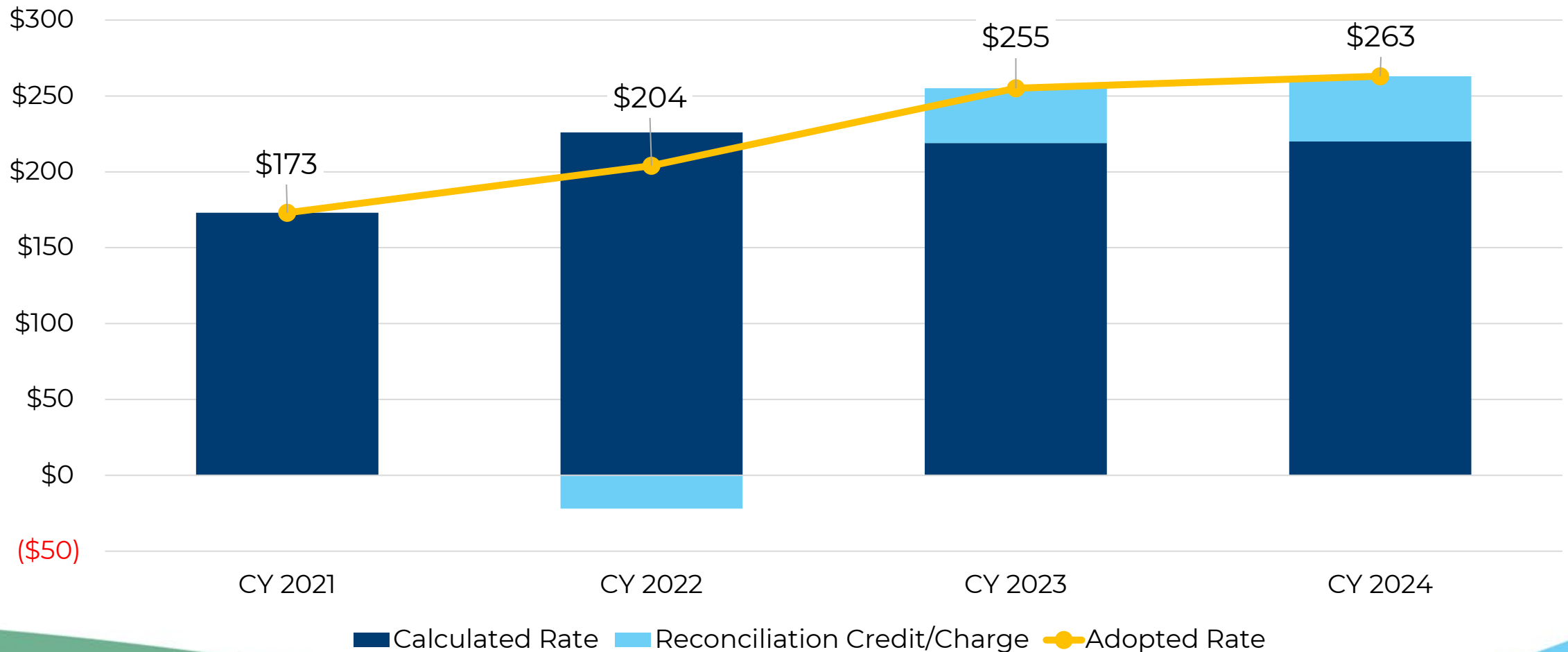
1. Annual reconciliation process is in place to ensure equitability between the untreated and treated customers.
2. **Progress has been made on the Untreated Water Program's outstanding reconciliation balance.**
3. Board approved a five-year phase-in to continue progress towards goal of collecting outstanding balance within in a reasonable timeframe.

Background/Objectives

- Agency implemented annual reconciliation process for the following reasons:
 - › Rates are set annually and based on cost and delivery projections
 - › Untreated Water Program does not have a designated fund balance
- Objectives of the annual reconciliation include:
 - › Sufficient revenues are collected to meet costs
 - › Establish equity between treated and untreated water customers



Historical Reconciliation Charges/Credits



Results of CY 2023 Reconciliation

- Reconciliation calculated using cash flow analysis

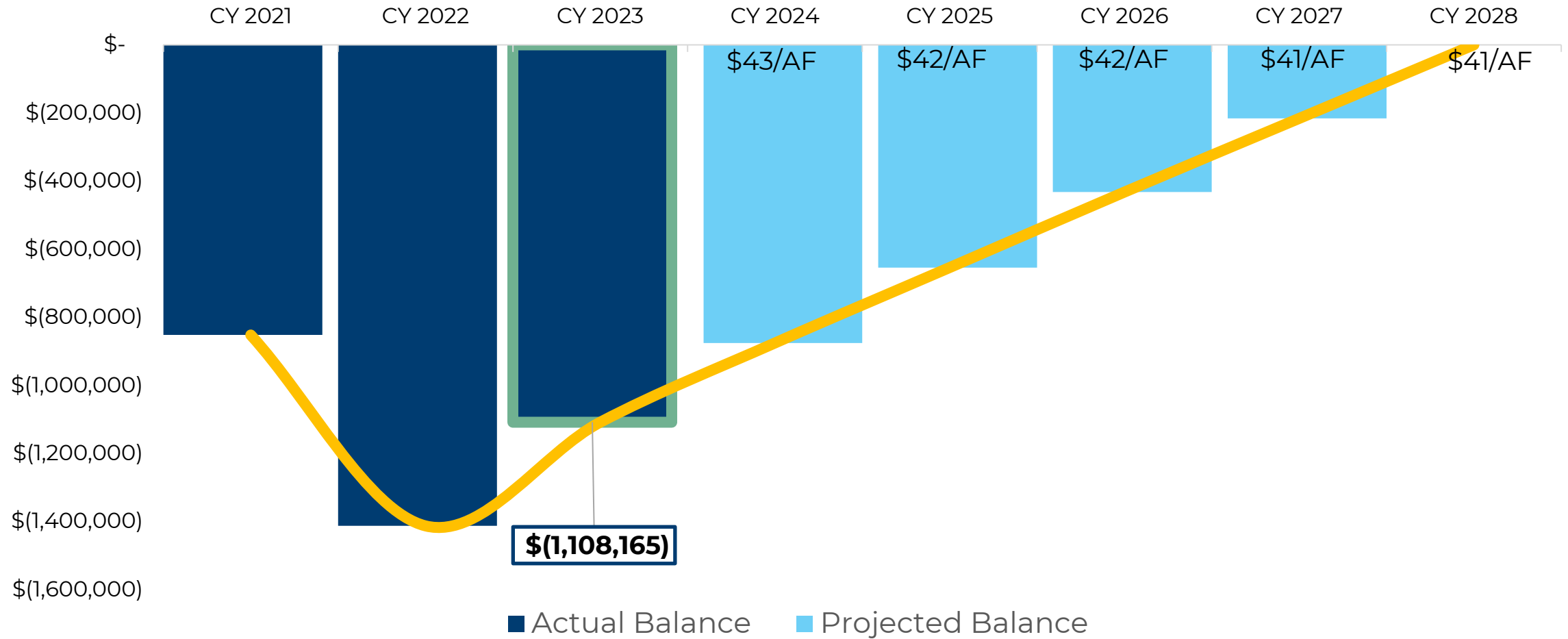
Revenue	−	Untreated Costs	=	Reconciliation Amount
<ul style="list-style-type: none">• \$1,205,130• \$255/AF adopted rate (includes \$36/AF reconciliation charge)• 4,726 AF sold		<ul style="list-style-type: none">• \$900,738• Untreated water program costs only		<ul style="list-style-type: none">• \$304,392• Credit received

- Outstanding reconciliation balance **reduced** by \$304,392.
- Balance as of December 2023 = \$1,108,165

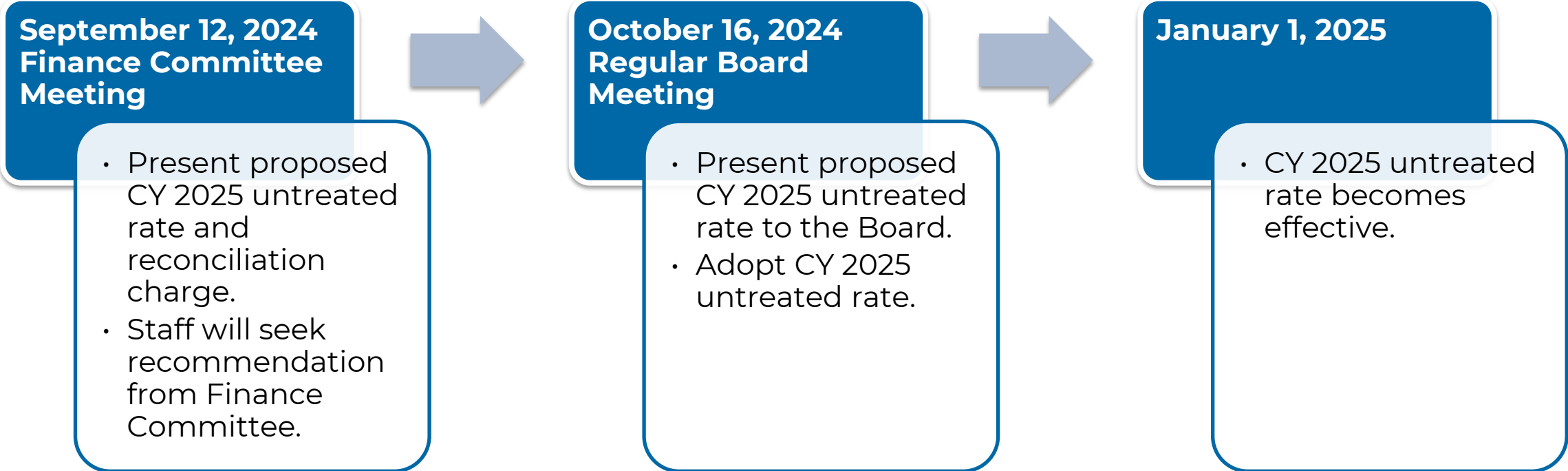
How do we continue to make progress?



Outstanding/Projected Reconciliation Balance



Upcoming Meetings/Next Steps





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Questions?

