



FINAL REPORT SEWER RATE STUDY

FINAL REPORT VERSION 1

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FINAL

Sewer Rate Study

Prepared for
Western Municipal Water District
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List of Abbreviations

AF	Acre-Foot or Acre-Feet
AWWA	American Water Works Association
cf	Cubic Feet
CIFP	Capital Improvement and Facilities Plan
COSA	Cost-of-Service Analysis
CPI	Consumer Price Index
EDU	Equivalent Dwelling Unit
FOG	Fats, Oils, and Grease
FTE	Full-time Equivalent
FY	Fiscal Year (July 1–June 30)
GPM	Gallons Per Minute
hcf	Hundred Cubic Feet
HP	Horsepower
kgal	Thousand Gallon(s)
MG	Million Gallons
MGD	Million Gallons per Day
MWD	Metropolitan Water District of Southern California
O&M	Operations and Maintenance
SRRRA	Santa Rosa Regional Resources Authority
T&D	Transmission and Distribution
WRCRWA	Western Riverside County Regional Wastewater Authority
WWRF	Western Water Recycling Facility

Section 1

Executive Summary

1.1 Background

Western Municipal Water District (Western Water), formed in 1954, focuses on providing water supply, sewage disposal, and water resource management to the public in a safe, reliable, environmentally sensitive, and financially responsible manner for today and tomorrow. Western Water is one of the largest public agencies in Riverside County, providing water, wastewater, and recycled water services to nearly a million people, both wholesale and retail customers, who live, work and play within 527 square miles in one of California's most populous regions. Within Western Water's service boundaries are the cities of Canyon Lake, Corona, Eastvale, Jurupa Valley, Lake Elsinore, Murrieta, Norco, Riverside, and Temecula. Western Water provides imported water to its service area as a supplement to the region's local water supply. Western Water serves approximately 25,100 retail, residential and commercial accounts and eight water agencies and cities with water from both the Colorado River and the State Water Project - purchased from MWD - and from local sources. Western Water uses the term Riverside Water Service Area and Murrieta Water Service Area to describe the areas it provides retail water service.

At Western Water, our top priority is ensuring safe, reliable water and sewer service for every customer, every moment of every day. To maintain this commitment, we regularly review our costs, and infrastructure needs to ensure we can continue delivering the highest quality service while responsibly managing public resources.

Western Water directly provides sewer services to three separate service areas: Western Water Recycling Facility (WWRF) Service Area, La Sierra Service Area, and Murrieta Sewer Service Area. The service areas are used to identify the areas where Western Water provides retail sewer services. Descriptions of each service area are provided later in this report.

Western Water conducted a Sewer Rate Study (Rate Study) to review and update the sewer rates for the WWRF, La Sierra, and Murrieta Sewer service areas. Western Water monitors the financial condition of its sewer utility on a continuous basis and completes a Rate Study every four years. In this report, Section 2 provides background information. Section 3 describes the calculation of proposed sewer rates for the WWRF Service Area. Sections 4 and 5 describe the calculation of proposed sewer rates for the La Sierra and Murrieta Sewer service areas, respectively.

This Executive Summary focuses on the proposed rates. Please refer to the discussion in Sections 3, 4, and 5 of this report for information on projected sewer system expenses, the factors that influence why rate increases are proposed, what the rate components pay for, and how the proposed rates were calculated.

All calculations and relevant documentation are included in the report Appendices.

1.2 Objectives

The major objectives of the Rate Study include the following:

- Develop financial plans for the WWRF Service Area, the La Sierra Service Area, and the Murrieta Sewer Service Area for Fiscal Years (FY) 2026 through 2029.
- Develop proposed sewer rates for the WWRF Service Area, the La Sierra Service Area, and the Murrieta Sewer Service Area for FY 2026 through FY 2029.
- Document the nexus between the costs incurred by Western Water and the proposed rates.

1.3 Proposed Rates: WWRF Service Area

Table ES-1 shows the proposed rates for the WWRF Service Area along with the effective date of those rates. The majority of customers are charged per Equivalent Dwelling Unit (EDU). An EDU is a unit of measurement equal to an approximate amount of sewage generated by an average single-family residence. Each single-family residential parcel is assigned one EDU, whereas commercial customers are assigned multiple EDUs depending on industry-determined standards for various types of businesses.

Two customers are charged based on actual sewer flow measured from privately-owned sewer lift stations. These customers pay “kgal rates,” or an amount per thousand gallons, that are also shown in Table ES-1.

Table ES-1. Proposed Rates, WWRF Service Area

	Current	Proposed			
		7/1/2025	7/1/2026	7/1/2027	7/1/2028
WWRF EDU Rate, \$/EDU/month	\$79.96	\$85.67	\$91.85	\$98.52	\$105.65
Westmont Village kgal Rate, \$/kgal	\$7.69	\$9.60	\$10.08	\$10.71	\$11.61
Ben Clark kgal Rate, \$/kgal	\$14.61	\$15.65	\$16.78	\$18.00	\$19.30

1.4 Proposed Rates: La Sierra Service Area

Table ES-2 shows proposed rates for the La Sierra Service Area. As with the WWRF Service Area, customers are charged per EDU. Of the total EDUs charged, 45 EDUs represent residential customers in Tracts 20782 and 28956 that have a private sewer lateral that requires special cleaning by Western pursuant to a written agreement with the original property developer. These

“Residential With Maintenance” customers are charged an additional \$5.00 per month to offset this maintenance cost.

Table ES-2 Proposed Rates, La Sierra Service Area

	Current	Proposed			
		7/1/2025	7/1/2026	7/1/2027	7/1/2028
La Sierra Sewer Rate, \$/Month/EDU					
Residential/Commercial	\$58.37	\$62.28	\$66.46	\$70.92	\$75.67
Residential With Maintenance	\$63.37	\$67.28	\$71.46	\$75.92	\$80.67

1.5 Proposed Rates: Murrieta Sewer Service Area

Table ES-3 shows the proposed rates for the Murrieta Sewer Service Area. The Murrieta Sewer Service Area is divided into two Subareas depending on the agency that provides sewer treatment services. Most customers receive sewer treatment services from the Santa Rosa Regional Resources Authority (SRRRA) and pay the SRRRA Subarea rate. There are commercial customers along the Madison Avenue corridor, these customers receive sewer treatment services from Eastern Municipal Water District (Eastern) and pay the Eastern Subarea rate.

Table ES-3. Proposed Rates, Murrieta Sewer Service Area

	Current	Proposed			
		7/1/2025	7/1/2026	7/1/2027	7/1/2028
SRRRA Subarea Rate, \$/EDU/Month	\$49.76	\$51.70	\$53.77	\$55.99	\$58.36
Eastern Subarea Rate, \$/EDU/Month	\$51.02	\$51.23	\$52.93	\$55.00	\$57.24

Section 2

Introduction and Report Organization

2.1 Introduction

Western Municipal Water District (Western Water), formed in 1954, focuses on providing water supply, sewage disposal, and water resource management to the public in a safe, reliable, environmentally sensitive, and financially responsible manner for today and tomorrow. Western Water is one of the largest public agencies in Riverside County, providing water, wastewater, and recycled water services to nearly a million people, both wholesale and retail customers, who live, work and play within 527 square miles in one of California's most populous regions. Within Western Water's service boundaries are the cities of Canyon Lake, Corona, Eastvale, Jurupa Valley, Lake Elsinore, Murrieta, Norco, Riverside, and Temecula. Western Water provides imported water to its service area as a supplement to the region's local water supply. Western Water serves approximately 25,100 retail, residential and commercial accounts and eight water agencies and cities with water from both the Colorado River and the State Water Project - purchased from MWD - and from local sources. Western Water uses the term Riverside Water Service Area and Murrieta Water Service Area to describe the areas it provides retail water service.

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Western Water conducted a Sewer Rate Study (Rate Study) to review and update the sewer rates for the WWRF, La Sierra, and Murrieta Sewer service areas. Western Water monitors the financial condition of its sewer utility on a continuous basis and completes a Rate Study every four years.

In this report, Section 2 provides background information. Section 3 describes the calculation of proposed sewer rates for the WWRF Service Area. Sections 4 and 5 describe the calculation of proposed sewer rates for the La Sierra and Murrieta Sewer service areas, respectively.

2.1.1 Background and Objectives

The major objectives of the Rate Study include the following:

- Develop financial plans for the WWRF Service Area, the La Sierra Service Area, and the Murrieta Sewer Service Area for Fiscal Years (FY) 2026 through 2029.

- Develop proposed sewer rates for the WWRF Service Area, the La Sierra Service Area, and the Murrieta Sewer Service Area for FY 2026 through FY 2029.
- Document the nexus between the costs incurred by Western Water and the proposed rates.

2.2 Report Organization

This report is for the Western Municipal Water District’s Cost of Service Sewer Rate Study, for the WWRF, La Sierra, and the Murrieta Sewer service areas. Section 2 of this report provides background information. Section 3 describes the calculation of proposed rates for the WWRF Service Area. Sections 4 and 5 describe the calculation of proposed water rates for the La Sierra and Murrieta Sewer Service Areas, respectively.

All calculations and relevant documentation are included in the report Appendices.

2.3 Rate Design Flowcharts

A series of Flowcharts were developed for each service area to show the process for developing rates. The Flowcharts take inputs from the Revenue Requirement and show how the inputs flow through to the rate design calculations, with the rate structure as the output. Table 2-1, Rate Design Flowcharts, provide a quick reference to where the flowcharts are for each service area. Refer to Appendix B for Flowcharts.

Table 2-1. Rate Design Flowcharts

Service Area	Rate Design	
	Flowchart Location	Description
WWRF	Appendix B, Figure B-1	Shows the flow of Rate Design Inputs, Calculations, and Outputs
La Sierra	Appendix B, Figure B-2	Shows the flow of Rate Design Inputs, Calculations, and Outputs
Murrieta	Appendix B, Figure B-3	Shows the flow of Rate Design Inputs, Calculations, and Outputs

2.4 Rate Study Process

Western Water periodically completes rate studies to identify rate adjustments needed to keep pace with the increasing costs of operations, infrastructure maintenance, environmental and regulatory compliance, and the necessary skilled labor to provide sewer service. Western Water’s last sewer rate study was completed in 2021 and covered Western Water’s FYs 2022 through 2025.

In August 2024, work commenced on a sewer rate study (Rate Study) to cover FY 2026 through FY 2029. The Rate Study was developed between August 2024 and March 2025. Preliminary Rate Study results were reviewed with Western Water executive management in January and February 2025. Western Water staff conducted two rate proposal workshops with Western Water’s Board of Directors (Board) in February and March 2025.

2.5 Legal Considerations

2.5.1 California Constitution - Article XIII D, Section 6 (Proposition 218)

Proposition 218 was enacted in 1996. In part, it added Article XIII D, section 6 (for ease of reference, referred to throughout this Rate Study as Proposition 218), requiring that rates for property-related charges be reasonable and proportional to the cost of providing service. The principal requirements of Proposition 218 as they relate to sewer service charges imposed by a local agency are as follows:

1. Revenues derived from the charge shall not exceed the costs required to provide the property-related service.
2. Revenues derived from the charge shall not be used for any purpose other than that for which the charge was imposed.
3. The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property.
5. No charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.
6. A public agency must hold a public hearing to consider the adoption of the proposed new or increase in an existing charge; written notice of the public hearing and the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing; if the public agency receives written protests against the proposed charge from a majority of the property owners the new charge or increase charge may not be imposed.

Section 3

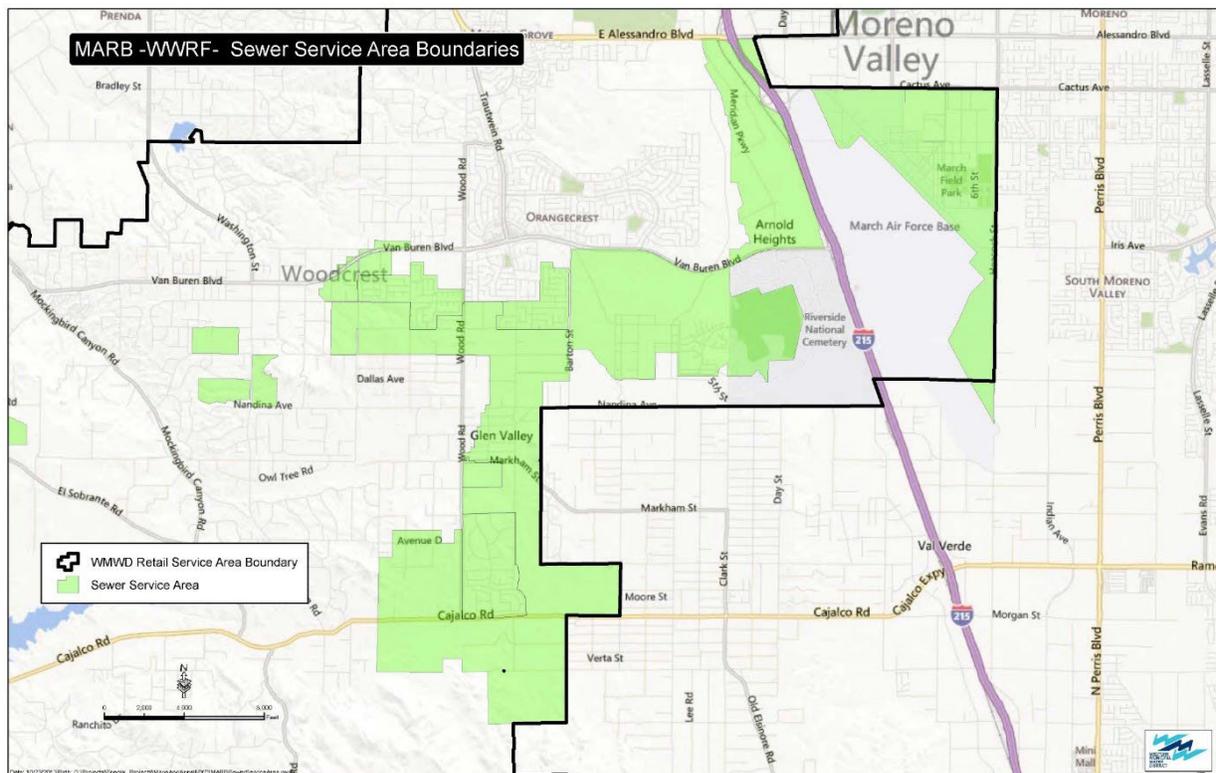
Western Water Recycling Facility (WWRF) Service Area

3.1 Description of Service Area

Western Water owns and operates the Western Water Recycling Facility (WWRF), providing sewage collection and treatment for the March Air Reserve Base and customers in the communities of Mission Ranch, Boulder Springs, Cajalco/Woodcrest, and portions of the cities of Riverside and Perris. Figure 3-1 is a map of Western Water’s WWRF Service Area.

Western Water provides sewer treatment and conveyance to about 1,900 accounts in its WWRF Service Area. All recycled water produced at the WWRF facility is fully utilized in Western Water’s recycled water system. Supplemented with non-potable local groundwater from the Riverside Canal and surface water from the Colorado River Aqueduct, the tertiary-treated recycled water from the WWRF plant is used to irrigate landscaping and for agriculture purposes.

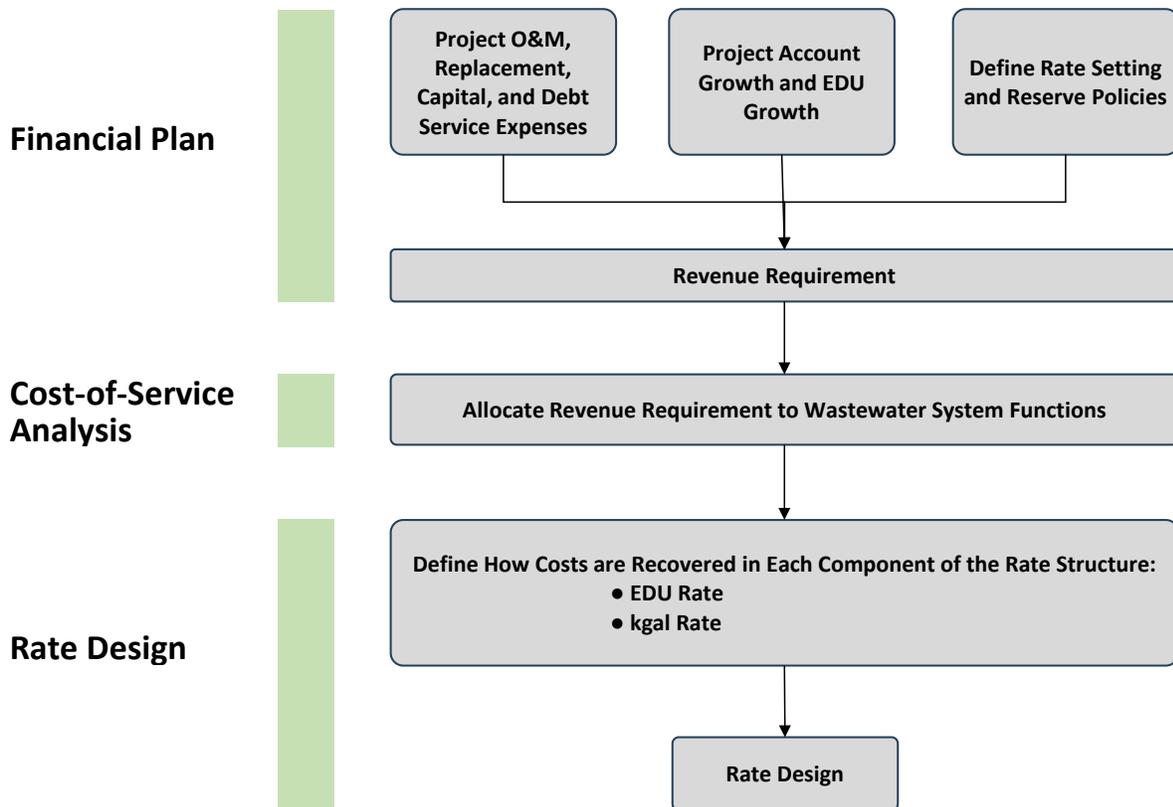
Figure 3-1. Western Water Recycling Facility (WWRF) Service Area Map



3.2 Rate Study Approach and Key Assumptions

Figure 3-2 shows the Rate Study approach in a graphical form. The first step in rate setting is to prepare a Financial Plan, which is a multi-year projection of revenues and expenses. Separate financial plans were prepared for the WWRF Service Area, the La Sierra Service Area, and the Murrieta Sewer Service Area. The Financial Plan incorporates revenue and expense projections, growth in the number of sewer system customers, and Western Water’s financial policies. The Financial Plan produces a Revenue Requirement, which is the appropriate level of funding needed for the utility to provide reliable service. In the WWRF Service Area, sewer conveyance expenses are tracked separately from sewer treatment expenses. Separate financial plans and separate rate design calculations are prepared for sewer conveyance and sewer treatment. The Cost-of-Service Analysis is limited to allocating the Revenue Requirement to Sewer System Functions. This “functionalized” Revenue Requirement is used in conjunction with Western Water’s Equivalent Dwelling Unit (EDU) definitions to develop the proposed sewer rates. EDUs are further discussed in Section 3.4.1 and in Appendix A.

Figure 3-2. Rate Study Approach, WWRF Service Area



Key assumptions include the following:

- The Study Period covered by this Rate Study is from FY 2026 through FY 2029. Western Water’s Fiscal Year begins on July 1.
- Sewer system growth of 1.0 percent per year for the four-year Rate Study period, which is based on recent historical growth experience.
- O&M expenses are based on Western Water’s FY 2026 adopted budget.
- O&M expenses are escalated at a 4.5 percent annual rate. This escalation rate is a composite estimated by Western Water staff that incorporates projected changes in labor, equipment, maintenance and other expenses. The estimate is based on recent historical expenses growth.
- Capital projects have been identified by Western Water in its most recent Capital Improvement and Facilities Plan (CIFP) developed in 2024. Capital improvements funded by Capacity Charges are excluded from this Rate Study, as these improvements are not funded with sewer rate revenues.
- The WWRF system sells all recycled water to the Riverside Water Service Area. The price for recycled water is set by Western Water policy to equal the Metropolitan Water District’s Untreated Water Rate considered the market rate for that supply. Revenues from the sale of WWRF recycled water are split between WWRF Conveyance and WWRF Treatment according to the respective ratio of O&M expenses.

3.3 Revenue Requirement

Table 3-1 shows the projected Rate Revenue Requirement for the WWRF Conveyance system and Table 3-2 shows the projected O&M expenses for the WWRF Treatment system.

The Rate Revenue Requirement includes O&M expenses and a transfer to the Asset Management Reserve which is used to fund refurbishment and replacement capital projects. It contains debt service and allocated interest from Western Water’s Line of Credit (LOC). Western Water has established lines of credit with financial institutions to fund capital projects through FY 2029. There are no capital projects directly funded from sewer rates from FY 2026 through FY 2029.

Tables 3-1 and 3-2 include the revenues from the sale of recycled water to the Riverside Water Service Area, and also include other offsetting revenues. For both the WWRF Conveyance and WWRF Treatment systems, the Rate Revenue Requirement includes revenues that will be used to build the reserves in accordance with Western Water reserve policies adopted by the Board of Directors in 2013.

Table 3-1. Projected Rate Revenue Requirement, WWRF Conveyance

	Projected				Notes
	FY 2026	FY 2027	FY 2028	FY 2029	
O&M Expenses	\$2,153,627	\$2,261,103	\$2,371,281	\$2,478,475	1, 2, 3
Transfer to Asset Replacement Reserve	218,487	229,411	240,882	252,926	4
Operating Reserve Debt Service and LOC In	145,128	252,655	367,577	372,702	5
Operating Reserve Capital Projects	0	0	0	0	6
Less Operating Reserve LOC Draws	0	0	0	0	6
Additional Revenue to Build Reserves	58,800	124,375	171,133	248,063	7
Less Water Transfer Revenue-Recycled	(461,794)	(507,101)	(561,869)	(595,473)	8
Less Offsetting Revenues	(30,817)	(30,817)	(30,817)	(30,817)	9
Total WWRF Conveyance Rate Revenue Requirement	\$2,083,431	\$2,329,626	\$2,558,187	\$2,725,876	

Notes:

- (1) FY 2026 Source: Western Water FY 2026 Budget.
- (2) Projected FY 2027, FY 2028, and FY 2029 expenses contain 4.5 percent annual inflationary expenses.
- (3) Includes projection of future staffing plan expenses that are subject to future Board approval.
- (4) The Transfer to the Asset Replacement Reserve is set by Western Water as a policy decision, intended to meet the asset management funding requirements and maintain reserves in accordance with Western Water reserve policies.
- (5) Represents the portion of Western Water debt service paid from the WWRF Conveyance Fund Operating Reserve. Additionally, Western Water is using a Line of Credit to fund a portion of its FY 2026 through FY 2029 capital expenses, and will issue debt in approximately 2030 to refund the Line of Credit. This table includes projected Line of Credit interest payments.
- (6) From FY 2026 through FY 2029, Western Water does not anticipate any capital expenses to be funded through the Operating Reserve, and does not anticipate any use of the Line of Credit.
- (7) Western Water is planning to collect additional rate revenues to build WWRF Conveyance reserves consistently with Western Water's reserve policies adopted by the Board of Directors in 2013.
- (8) Western Water sells recycled water produced at the WWRF Treatment Plant to Western Water's Recycled Water utility. The sales price for recycled water is based on the Metropolitan Water District Tier 1 Untreated Rate. Revenues are split between the WWRF Conveyance Fund and the WWRF Treatment Fund based on the relative proportion of O&M expenses between the two Funds.
- (9) Includes Riverside scalping revenues, Brine Line sampling revenues, and Brine Line excess quantity penalty revenues.

Table 3-2. Projected Rate Revenue Requirement, WWRF Treatment

	Projected				Notes
	FY 2026	FY 2027	FY 2028	FY 2029	
O&M Expenses	\$4,275,728	\$4,512,192	\$4,803,112	\$5,022,600	1, 2, 3
Transfer to Asset Replacement Reserve	76,796	80,636	84,668	88,901	4
Operating Reserve Debt Service and LOC Interest	0	25,694	34,459	41,252	5
Operating Reserve Capital Projects	0	0	0	0	6
Less Operating Reserve LOC Draws	0	0	0	0	6
Additional Revenue to Build Reserves	50,000	80,000	150,000	354,000	7
Less Water Transfer Revenue-Recycled	(916,827)	(1,006,779)	(1,115,513)	(1,182,230)	8
Less Offsetting Revenues	(61,183)	(61,183)	(61,183)	(61,183)	9
Total WWRF Conveyance Rate Revenue Requirement	\$3,424,514	\$3,630,561	\$3,895,543	\$4,263,339	

Notes:

- (1) FY 2026 Source: Western Water's FY 2026 Budget.
- (2) Projected FY 2027, FY 2028, and FY 2029 expenses incorporate a 4.5 percent annual inflationary factor.
- (3) Includes projection of future staffing plan expenses that are subject to future Board approval.
- (4) The Transfer to the Asset replacement reserve is set by Western Water's reserve policy and is intended to meet the Asset Management funding level requirements.

(5) Represents the portion of Western Water's debt service paid from the WWRF Treatment Fund Operating Reserve. Additionally, Western Water is using a Line of Credit to fund a portion of its FY 2026 through FY 2029 capital expenditures and will issue debt in approximately 2030 to refund the Line of Credit. This table includes projected Line of Credit interest payments.

(6) From FY 2026 through FY 2029, Western Water does not anticipate any WWRF Treatment capital expenditures to be funded through the Operating Reserve and does not anticipate any use of the Line of Credit.

(7) Western Water is planning to collect additional rate revenues to build WWRF Treatment reserves consistent with Western Water's reserve policy adopted by the Board of Directors in 2013.

(8) Western Water sells recycled water produced at the WWRF Treatment Plant to the Riverside Water Service Area. The sales price for recycled water is based on the Metropolitan Water District's Untreated Water Rate. Revenues are split between the WWRF Conveyance Fund and the WWRF Treatment Fund based on the relative proportion of O&M expenses between the two Funds.

(9) Includes Riverside diversion (scalping) revenues and Fats, Oil & Grease (FOG) inspection revenues.

See Appendix C. WWRF Service Area Revenue Requirement Calculations, for more details.

3.4 Rate Design

3.4.1 Projected EDUs.

Western Water uses an EDU methodology to establish sewer rates. Table 3-3 shows the projected number of EDUs for both the WWRF Treatment and WWRF Conveyance systems.

An EDU is a unit of measurement equal to an approximate amount of sewage generated by an average single-family residence. Each single-family residential parcel is assigned one EDU, whereas commercial customers are assigned multiple EDUs depending on industry-determined standards for various types of businesses. Factors considered in the assignment of EDUs for commercial customers include, for example, facility square footage, number of restrooms, kitchen facilities, seating capacity, among others. EDU billing reflects the capacity and peak demand that a customer places on the sewer system. Please refer to Appendix A for more information on how the number of EDUs is assigned to residential and commercial customers.

There are fewer EDUs associated with the WWRF Conveyance system than the WWRF Treatment system. The difference is because Westmont Village, a retirement community, owns and maintains its own conveyance system and, therefore, are not billed by Western Water for conveyance service.

Westmont Village and Ben Clark Training Center are two current customers in the "Dedication Lift Station" customer class that pay sewer rates based on measured sewer flow, that Western Water refers to as "kgal Rates".

Western Water also maintains a School Customer Class that pays the same sewer rate per EDU as other WWRF Service Area customers. Customers in this class are annually assigned a fixed number of EDUs based on the annual student count reported to the State of California, and with each student assumed to be discharging an average of two gallons of sewer for every day of the year. The average daily volume of sewer per student was calculated by reviewing domestic (indoor) water meter deliveries over a 12-month period for the schools in the WWRF Service Area and is unchanged from the 2021 Rate Study.

Table 3-3. Projected Number of EDUs

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
WWRF Treatment				
Customers Paying per EDU Rates (1)	5,181.75	5,233.57	5,285.91	5,338.76
Customers Paying kgal Rates (2)				
Westmont Village (3)	186.72	186.72	186.72	186.72
Ben Clark (4)	61.69	61.69	61.69	61.69
Total WWRF Treatment EDUs	5,430.16	5,481.98	5,534.32	5,587.18
WWRF Conveyance				
Customers Paying per EDU Rates (1)	5,181.75	5,233.57	5,285.91	5,338.76
Customers Paying kgal Rates (2)				
Ben Clark (4)	61.69	61.69	61.69	61.69
Total WWRF Conveyance EDUs	5,243.44	5,295.26	5,347.59	5,400.45

Notes:

- (1) Based on actual customer data from FY 2025 and an estimated 1.0 percent annual growth. The majority of customers in the WWRF Service Area pay a sewer rate that is based on the number of Equivalent Dwelling Units (EDUs).
- (2) Westmont Village and Ben Clark are customers in the WWRF Service Area that, per Agreements with Western Water, pay sewer rates that are based on sewer discharge volume and referred to as "kgal Rates".
- (3) Westmont Village operates its own sewer collection system and discharges to the WWRF Treatment Plant. The actual 2024 discharge volume is converted to EDUs for rate setting purposes using a value of 180 gallons per day per EDU.
- (4) Ben Clark has its own sewer lift station but uses both the Western Water's WWRF Conveyance System and WWRF Treatment Plant.

3.4.2 WWRF EDU Rate.

Table 3-4 shows the proposed WWRF EDU rate. Separate EDU rates are calculated for the WWRF Conveyance System and the WWRF Treatment System. The WWRF Conveyance EDU Rate and the WWRF Treatment EDU rate are added together to obtain the WWRF EDU Rate that the majority of customers in the WWRF Service Area pay. The Rate Revenue Requirement shown in the Table below for both WWRF Conveyance and WWRF Treatment are from Tables 3-1 and 3-2, respectively. The Number of EDUs for Conveyance and Treatment are from Table 3-3.

See Appendix D, WWRF Service Area Rate Design Calculations, for more detail.

Table 3-4. Proposed WWRF EDU Rate

	Current	Projected			
		FY 2026	FY 2027	FY 2028	FY 2029
WWRF Conveyance EDU Rate, \$/EDU/month					
WWRF Conveyance Rate Revenue Requirement		\$2,083,431	\$2,329,626	\$2,558,187	\$2,725,876
Number of EDUs		5,243.44	5,295.26	5,347.59	5,400.45
WWRF Conveyance EDU Rate	\$37.87	\$33.11	\$36.66	\$39.87	\$42.06
WWRF Treatment EDU Rate, \$/EDU/month					
WWRF Treatment Rate Revenue Requirement		\$3,424,514	\$3,630,561	\$3,895,543	\$4,263,339
Number of EDUs		5,430.16	5,481.98	5,534.32	5,587.18
WWRF Treatment EDU Rate	\$42.09	\$52.55	\$55.19	\$58.66	\$63.59
WWRF EDU Rate, \$/EDU/month	\$79.96	\$85.67	\$91.85	\$98.52	\$105.65
% Increase from Previous Year		7.14%	7.21%	7.26%	7.24%

3.4.3 kgal Rates.

Table 3-5 shows the calculation of the WWRF kgal rates. The WWRF Conveyance EDU Rate and the WWRF Treatment EDU Rate from Table 3-4 are divided by a value of 180 gallons per day per EDU to obtain the respective WWRF Conveyance and WWRF Treatment kgal rates. Use of the 180 gallons per day per EDU was defined by Western Water's Engineering Department in 2025 based on District data.

Westmont Village only pays the WWRF Conveyance kgal rate because they do not receive sewer conveyance services from Western Water. Ben Clark pays the sum of the WWRF Conveyance and WWRF Treatment kgal rates.

Table 3-5. Proposed WWRF kgal Rates

	Current	Proposed			
		7/1/2025	7/1/2026	7/1/2027	7/1/2028
WWRF Conveyance kgal Rate, \$/kgal					
WWRF Conveyance EDU Rate, \$/EDU/month		\$33.11	\$36.66	\$39.87	\$42.06
Gallons per Day per EDU		180.00	180.00	180.00	180.00
WWRF Conveyance kgal Rate, \$/kgal	\$6.92	\$6.05	\$6.70	\$7.28	\$7.68
WWRF Treatment kgal Rate, \$/kgal					
WWRF Treatment EDU Rate, \$/EDU/month		\$52.55	\$55.19	\$58.66	\$63.59
Gallons per Day per EDU		180.00	180.00	180.00	180.00
WWRF Treatment kgal Rate, \$/kgal	\$7.69	\$9.60	\$10.08	\$10.71	\$11.61
Westmont Village kgal Rate, \$/kgal (1)	\$7.69	\$9.60	\$10.08	\$10.71	\$11.61
Ben Clark kgal Rate, \$/kgal (2)	\$14.61	\$15.65	\$16.78	\$18.00	\$19.30

3.5 Proposed Rates.

Table 3-6 summarizes the proposed rates for the WWRF Service Area.

Table 3-6. Proposed Rates, WWRF Service Area

	Proposed				
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
WWRF EDU Rate, \$/EDU/month	\$79.96	\$85.67	\$91.85	\$98.52	\$105.65
Westmont Village kgal Rate, \$/kgal	\$7.69	\$9.60	\$10.08	\$10.71	\$11.61
Ben Clark kgal Rate, \$/kgal	\$14.61	\$15.65	\$16.78	\$18.00	\$19.30

Section 4

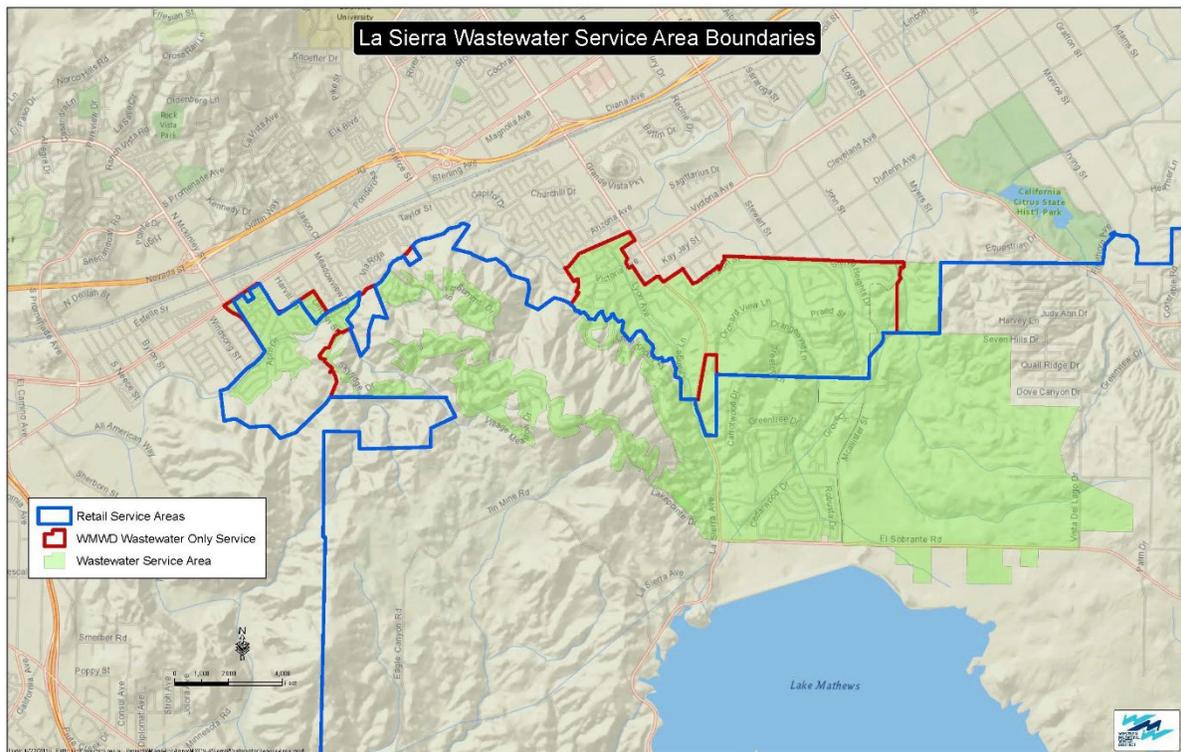
La Sierra Service Area

4.1 Description of Service Area

Western Water provides sewer conveyance service to approximately 5,500 EDUs in its La Sierra Service Area. Sewer flows from customers in the La Sierra Service Area are collected and conveyed to the Western Riverside County Regional Sewer Authority (WRCRWA) plant. WRCRWA is a joint powers authority of which Western Water is one of the five member agencies. Tertiary treated sewer from WRCRWA is ultimately released into the Prado Basin. Western Water customers served by the WRCRWA treatment plant are in the communities of Lake Hills, Victoria Grove, La Sierra and Home Gardens. For properties where Western Water does not provide water service, annual sewer charges are collected on the County tax roll; the remaining properties are issued bills monthly.

Figure 4-1 is a map of the La Sierra Service Area. The area receiving sewer service from Western Water is shaded green.

Figure 4-1. La Sierra Service Area

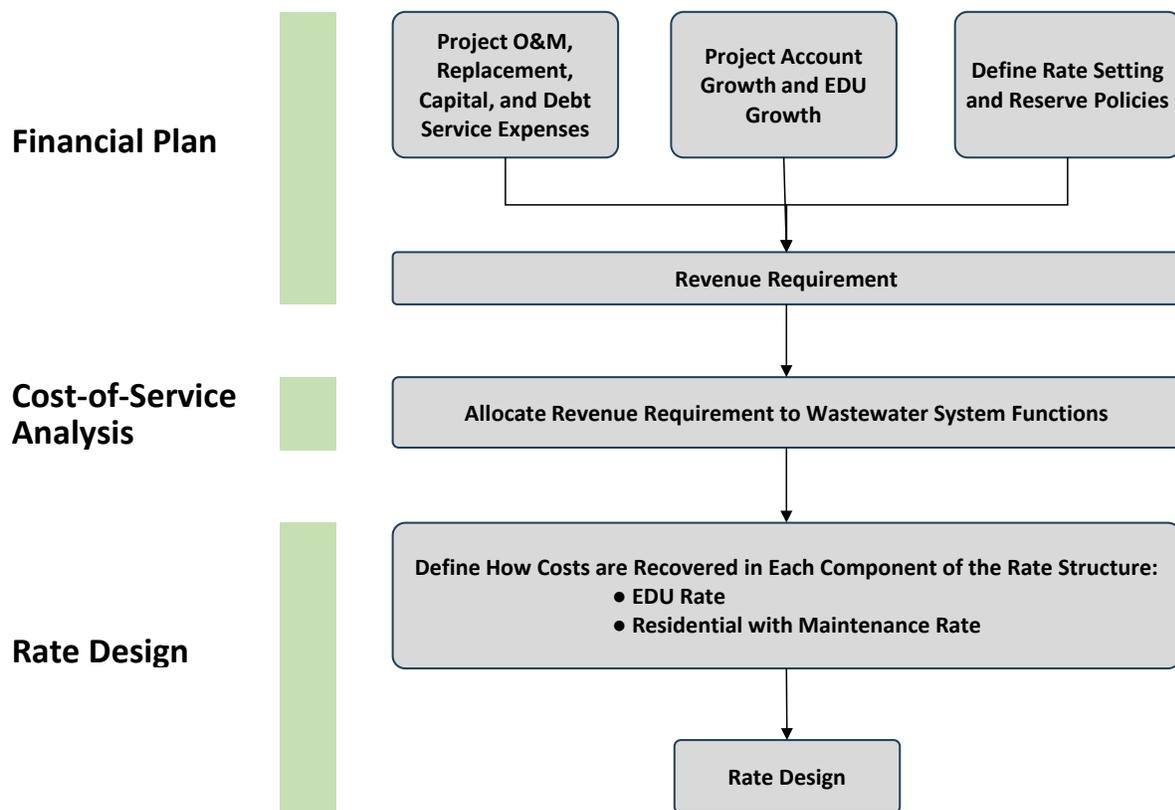


4.2 Rate Study Approach and Key Assumptions

Figure 4-2 shows the Rate Study approach in a graphical form. The first step in rate setting is to prepare a Financial Plan for the La Sierra Service Area, which is a multi-year projection of revenues and expenses. The Financial Plan incorporates revenue and expense projections, growth in the number of sewer system customers, and Western Water’s financial policies. The Financial Plan produces a Revenue Requirement, which is the appropriate level of funding needed for the utility to provide reliable service.

The Cost-of-Service Analysis is limited to allocating the Revenue Requirement to Sewer System Functions. This “functionalized” Revenue Requirement is used in conjunction with Western Water’s EDU definitions to develop the proposed sewer rates. EDUs are further discussed in Section 4.4.1 and in Appendix A.

Figure 4-2. Rate Study Approach, La Sierra Service Area



Key assumptions include the following:

- The Study Period covered by this Rate Study is from FY 2026 through FY 2029. Western Water’s Fiscal Year begins on July 1.

- Sewer system growth of 1.0 percent per year for the four-year Rate Study period, which is based on recent historical growth experience.
- O&M conveyance expenses are based on Western Water’s FY 2026 adopted budget.
- O&M expenses are escalated at a 4.5 percent annual rate. This escalation rate is a composite estimated by Western Water staff that incorporates projected changes in labor, equipment, maintenance and other expenses. The estimate is based on recent historical expenses growth.
- Capital projects have been identified by Western Water in its most recent Capital Improvement and Facilities Plan (CIFP) developed in 2024. Capital improvements funded by Capacity Charges are excluded from this Rate Study, as these improvements are not funded with sewer rate revenues.
- Western Water’s share of WRCRWA costs for sewer treatment are projected to increase at 7.0 percent per year. This 7.0 annual escalator is the average percentage increase in Western Water’s WRCRWA expenses over the most recent two years.

4.3 Revenue Requirement.

Table 4-1 shows the projected Rate Revenue Requirement for the La Sierra Service Area.

The Rate Revenue Requirement includes O&M expenses and a transfer to the Asset Replacement Reserve which is used to fund refurbishment and replacement capital projects. It contains debt service and allocated interest from Western Water’s Line of Credit (LOC). Western Water has established lines of credit with financial institutions to fund capital projects through FY 2029.

Projected WRCRWA disposal costs are shown in Table 4-1, as are Western Water’s share of capital improvements for WRCRWA facilities funded on a pay-as-you-go basis.

Table 4-1. Projected Rate Revenue Requirement, La Sierra Service Area

	Projected				Notes
	FY 2026	FY 2027	FY 2028	FY 2029	
Sewer Conveyance					
O&M Expenses	\$1,991,552	\$2,115,635	\$2,249,244	\$2,352,320	1, 2, 3
Transfer to Asset Replacement Reserve	348,851	366,294	384,608	403,839	4
Operating Reserve Debt Service and LOC Interest	16,852	16,849	16,847	16,843	
WRCRWA Sewer Treatment					
Disposal Costs	1,547,663	1,655,999	1,771,919	1,895,954	5
WRCRWA PayGo Capital Improvements	414,031	362,277	362,277	414,031	5
Total	\$4,318,949	\$4,517,054	\$4,784,895	\$5,082,986	

Notes:

(1) FY 2026 Source: Western Water FY 2026 Budget.

(2) Projected FY 2027, FY 2028, and FY 2029 expenses contain 4.5 percent annual inflationary expenses.

(3) Includes projection of future staffing plan expenses that are subject to future Board approval.

(4) The Transfer to the Asset Replacement Reserve is set by Western Water as a policy decision, intended to meet the asset management funding requirements and maintain reserves in accordance with Western Water reserve policies.

(5) Based on the WRCRWA 2025 Budget with 7.0 percent projected annual escalation. 7.0 percent escalation rate is based on a historical two-year average.

See Appendix E. La Sierra Service Area Revenue Requirement Calculations, for more details.

4.4 Rate Design

4.4.1 Projected EDUs.

Western Water uses an EDU methodology to establish sewer rates. Table 4-2 shows the projected number of EDUs in the La Sierra Service Area. An EDU is a unit of measurement equal to an approximate amount of sewage generated by an average single-family residence. Each single-family residential parcel is assigned one EDU, whereas commercial customers are assigned multiple EDUs depending on industry-determined standards for various types of businesses. Factors considered in the assignment of EDUs for commercial customers include, for example, facility square footage, number of restrooms, kitchen facilities, seating capacity, among others. EDU billing reflects the capacity and peak demand that a customer places on the sewer system. Please refer to Appendix A for more information on how the number of EDUs is assigned to residential and commercial customers.

The number of projected EDUs for the La Sierra Service Area was based on actual customer data from FY 2025, projected at an estimated one percent annual growth, which is based on recent historical growth experience.

There are approximately 5,430 EDUs associated with the customers in the La Sierra Service Area. Of this amount, 45 EDUs represent residential customers in Tracts 20782 and 28956 that have private sewer laterals that requires special cleaning by Western Water pursuant to a written agreement with the original property developer. These 45 customers are charged an additional \$5.00 per month to offset this maintenance cost.

Western Water also maintains a School Customer Class that pays the same sewer rate per EDU as other La Sierra Service Area customers. Customers in this class are annually assigned a fixed number of EDUs based on the annual student count reported to the State of California, and with each student assumed to be discharging an average of two gallons of sewer for every day of the year. The average daily volume of sewer per student was calculated by reviewing domestic (indoor) water meter deliveries over a 12-month period for the schools in Western's La Sierra Service Areas and is unchanged from the 2021 Rate Study.

Table 4-2. Projected Number of EDUs

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Projected EDUs (1)	5,432.87	5,487.20	5,542.08	5,597.50
Projected Residential with Maintenance EDUs (2)	45	45	45	45

Notes:

(1) Based on actual customer data from FY 2025 and 1.0 percent annual growth. The total projected EDUs includes the projected Residential with Maintenance EDUs.

(2) Within the Beazer Property in the La Sierra Service Area, Western Water maintains the sewer laterals per an agreement with the Beazer Property developer. To recover the cost of maintaining these sewer laterals, Western Water has developed the "Residential with Maintenance" customer class. The total projected EDUs in this Table includes the 45.45 Residential with Maintenance EDUs.

4.4.2 La Sierra EDU Rate.

Tables 4-3 and 4-4 show the calculation of the proposed La Sierra EDU Rate. In Table 4-3, the Revenue Requirement from Table 4-1 is divided by the number of EDUs from Table 4-2 to obtain the EDU rate before the Phase-In Adjustment. Table 4-3 shows that the rate increase percentage is higher in FY 2026 than in subsequent years. Western Water has chosen to phase in the rate increases so that the percentage increase is equal in each of the next four years. The proposed La Sierra Sewer Rate after the Phase-In Adjustment is shown in Table 4-4. The phased-in rates will not collect the entire Revenue Requirement shown in Table 4-2, and Western Water will use existing Operating Reserves to fund the difference.

Table 4-3. Proposed La Sierra Sewer Rate - Residential/Commercial, Before Phase-In Adjustment

	Current	Projected			
		FY 2026	FY 2027	FY 2028	FY 2029
Revenue Requirement		\$4,318,949	\$4,517,054	\$4,784,895	\$5,082,986
Number of EDUs		5,432.87	5,487.20	5,542.08	5,597.50
Residential/Commercial Rate, \$/EDU/month, Before Phase-In Adjustment	\$58.37	\$66.25	\$68.60	\$71.95	\$75.67
% Increase from Prior Year		13.50%	3.55%	4.88%	5.18%

Table 4-4. Proposed La Sierra Sewer Rate - Residential/Commercial, After Phase-In Adjustment

	Current	Proposed			
		7/1/2025	7/1/2026	7/1/2027	7/1/2028
La Sierra Sewer Rate, Residential/Commercial, \$/EDU/Month					
Before Phase-In Adjustment	\$58.37	\$66.25	\$68.60	\$71.95	\$75.67
After Phase-In Adjustment	\$58.37	\$62.28	\$66.46	\$70.92	\$75.67
% Increase from Prior Year					
Before Phase-In Adjustment		13.50%	3.55%	4.88%	5.18%
After Phase-In Adjustment		6.71%	6.71%	6.71%	6.71%
Use of Operating Reserves to Fund the Phase-In Adjustment		\$258,636	\$140,899	\$68,367	\$0

4.4.3 Residential with Maintenance Rate

As stated above, residential customers in two tracts are charged an additional \$5.00 per month to offset maintenance costs associated with private sewer laterals per written agreement with original property developer. This \$5.00 per month charge is added to the La Sierra EDU Rate to obtain the Residential With Maintenance rate. This monthly charge is calculated as Total Annual Cost to conduct sewer lateral inspections and cleanings in this service area divided by the number of lots that are benefitted from this agreement.

4.5 Proposed Rates.

Table 4-5 shows the proposed rates in the La Sierra Service Area.

Table 4-5. Proposed Rates, La Sierra Service Area

	Current	Proposed			
		7/1/2025	7/1/2026	7/1/2027	7/1/2028
La Sierra Sewer Rate, \$/Month/EDU					
Residential/Commercial	\$58.37	\$62.28	\$66.46	\$70.92	\$75.67
Residential With Maintenance	\$63.37	\$67.28	\$71.46	\$75.92	\$80.67

Section 5

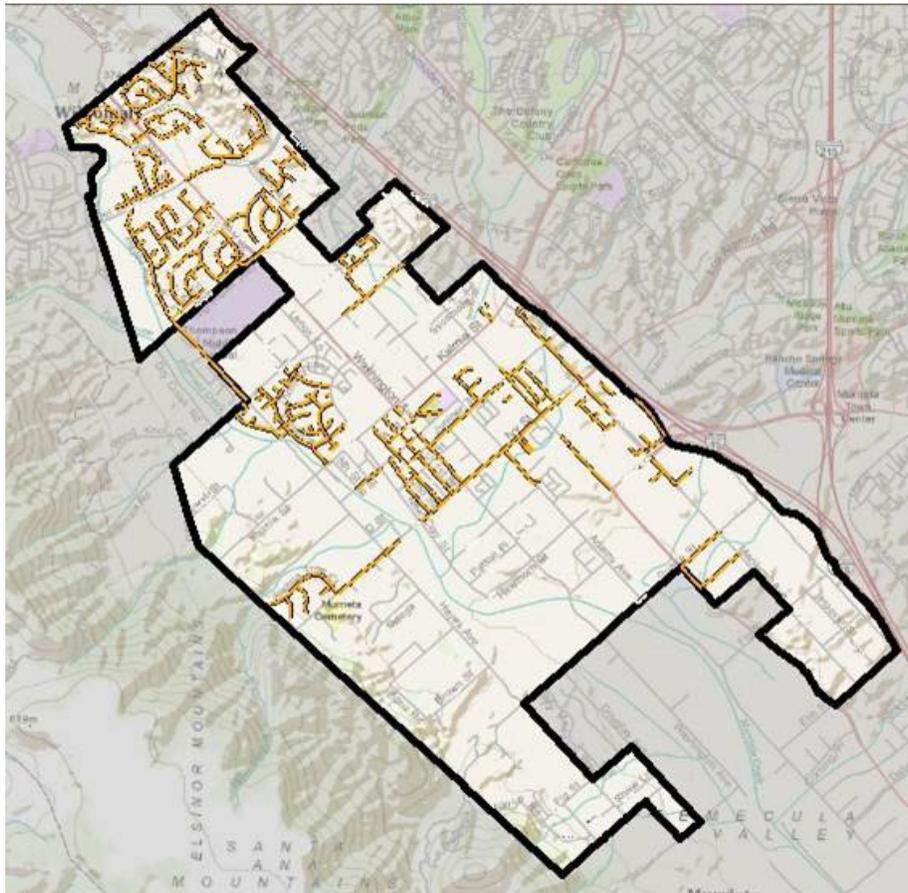
Murrieta Sewer Service Area

5.1 Description of Service Area

Western Water provides sewer service to properties in its Murrieta Sewer Service Area. Within this service area there are commercial customers along the Madison Avenue corridor that discharge to Eastern Municipal Water District's (Eastern) treatment facility. Western contracts with Eastern to provide this treatment service. In this Rate Study, this portion of the service area is referred to as the "Eastern Subarea".

All other customers in the Murrieta Sewer Service Area receive sewer treatment services from the Santa Rosa Regional Resources Authority (SRRRA), a joint powers authority of which Western Water is a member agency. In this Rate Study, this portion of the service area is referred to as the "SRRRA Subarea". Figure 5-1 is a map of the Murrieta Sewer Service Area.

Figure 5-1. Murrieta Sewer Service Area Map



5.2 Rate Study Approach and Key Assumptions

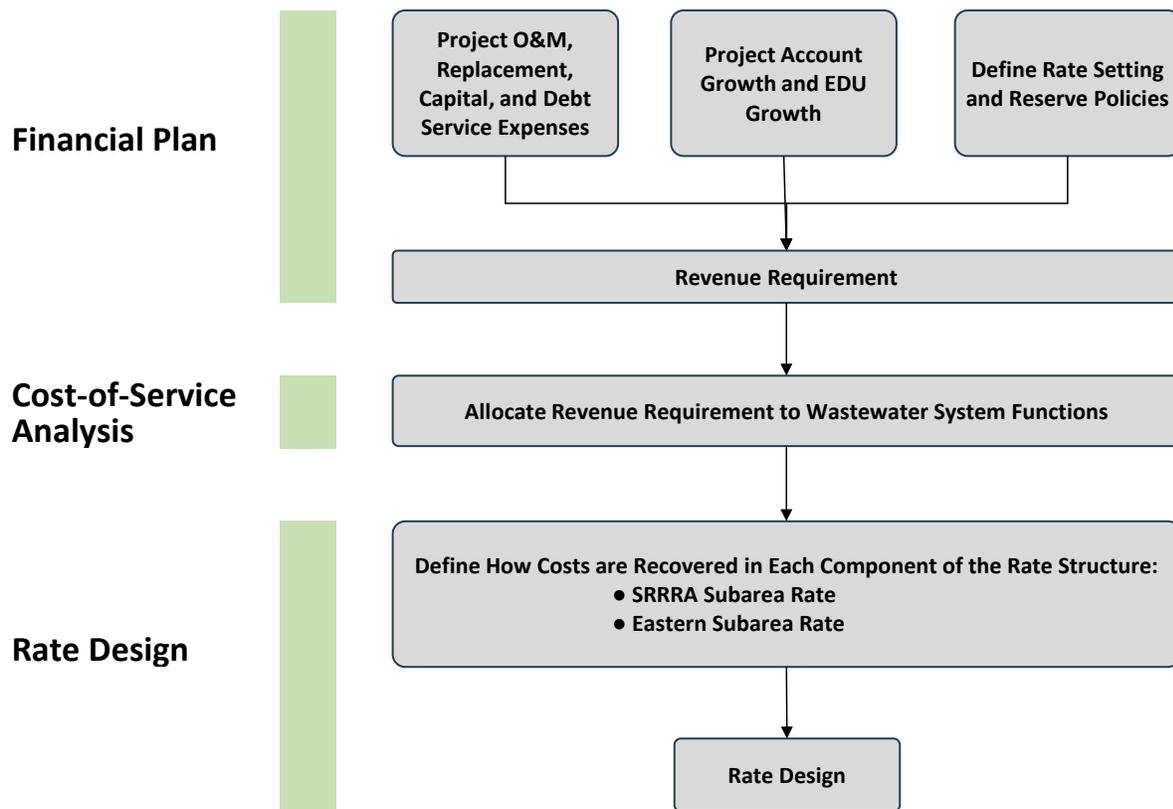
Figure 5-2 shows the Rate Study approach in a graphical form. The first step in rate setting is to prepare a Financial Plan for the Murrieta Sewer Service Area, which is a multi-year projection of revenues and expenses. The Financial Plan incorporates revenue and expense projections, growth in the number of sewer system customers, and Western Water's financial policies. The Financial Plan produces a Revenue Requirement, which is the appropriate level of funding needed for the utility to provide reliable service.

Separate expense projections are made for the following three components of Murrieta Sewer Service Area expenses:

1. Western Water's share of SRRRA sewer treatment expenses.
2. Eastern's sewer treatment expenses for the customers receiving service from Eastern.
3. The remainder of the service area's expenses, which include sewer conveyance expenses for the sewer conveyance system owned by Western Water within the service area .

The Cost-of-Service Analysis is limited to allocating the Revenue Requirement to Sewer System Functions. This "functionalized" Revenue Requirement is used in conjunction with Western Water's EDU definitions to develop the proposed sewer rates. EDUs are further discussed in Section 5.4.1 and in Appendix A.

Figure 5-2. Rate Study Approach, Murrieta Sewer Service Area



Key assumptions include the following:

- The Study Period covered by this Rate Study is from FY 2026 through FY 2029. Western Water’s Fiscal Year begins on July 1.
- The SRRRA Subarea is projected to grow approximately 10 percent over the next four years based on a review completed by Western Water’s Engineering Department of the size and schedule of ongoing development projects as of February 2025.
- The Eastern Subarea is projected to grow approximately 1 percent per year based on recent historical trends.
- O&M expenses are based on Western Water’s FY 2026 adopted budget.
- SRRRA’s costs and Eastern’s costs for sewer treatment are projected to increase at the rate of recent historical averages.
- Western Water’s O&M expenses are escalated at a 4.5 percent annual rate. This escalation rate is a composite estimated by Western Water staff that incorporates projected changes in labor, equipment, maintenance and other expenses.
- Capital projects have been identified by Western Water in its most recent Capital Improvement and Facilities Plan (CIFP) developed in 2024. Capital improvements funded

by Capacity Charges are excluded from this Rate Study, as these improvements are not funded with sewer rate revenues.

5.3 Revenue Requirement

Table 5-1 shows the projected Rate Revenue Requirement for the service area, excluding SRRRA's and Eastern's treatment expenses. This portion of the Revenue Requirement is referred to in this Rate Study as the Western O&M.

The Rate Revenue Requirement includes O&M expenses and a transfer to the Asset replacement reserve which is used to fund refurbishment and replacement capital projects. It contains a transfer to the System Improvement Reserve for future capital projects in accordance with Western Water's Board-adopted reserve policy. Table 5-1 also includes offsetting revenues from Western Water's Sewer Availability Charge.

Table 5-1. Projected Rate Revenue Requirement, Western O&M

	Projected				Notes
	FY 2026	FY 2027	FY 2028	FY 2029	
O&M Expenses	\$361,203	\$388,019	\$413,909	\$433,022	1, 2, 3
Transfer to Asset Replacement Reserve	131,275	137,839	144,731	151,967	4
Transfer to System Improvement Reserve	100,000	50,000	0	0	5
Less Sewer Availability Charge Revenues	(131,000)	(131,000)	(131,000)	(131,000)	6
Total Western O&M Rate Revenue Requirement	\$461,478	\$444,858	\$427,640	\$453,989	

Notes:

(1) FY 2026 Source: Western Water's FY 2026 Budget.

(2) Projected FY 2027, FY 2028, and FY 2029 expenses incorporates a 4.5 percent annual inflationary factor.

(3) Includes projection of future staffing plan expenses that are subject to future Board approval.

(4) The Transfer to the Asset replacement reserve is set by Western Water's reserve policy, and is intended to meet the Asset Management funding level requirements.

(5) The Transfer to the System Improvement Reserve is set by Western Water as a policy decision, intended to pay for capital projects funded through the System Improvement Reserve.

(6) The Sewer Availability Charge is a \$21 per acre per year charge assessed to every parcel within the Murrieta Sewer service area. The availability charges are assessed annually on every parcel within the Murrieta service area. Western has continued this practice from the former Murrieta County Water District (MCWD), which was merged with Western by LAFCO in 2005. The availability charges must be authorized each year by Western's Board for collection on the county property tax bills

Table 5-2 shows the projected SRRRA Treatment Rate Revenue Requirement. It consists of O&M expenses, capital replacement expenses, and debt service.

Table 5-2. Projected Rate Revenue Requirement, SRRRA Treatment

	Projected				Notes
	FY 2026	FY 2027	FY 2028	FY 2029	
SRRRA Primary/Secondary Treatment	\$1,313,737	\$1,451,708	\$1,602,356	\$1,766,767	1
SRRRA Capital Replacement	341,899	365,106	389,889	416,353	2
SRRRA Debt Service	802,563	812,804	834,544	857,625	3
Total SRRRA Treatment Rate Revenue Requirement	\$2,458,199	\$2,629,618	\$2,826,788	\$3,040,746	

Notes:

(1) Source: FY 2025 SRRRA budget, with a 6.79 percent annual escalation corresponding to the average annual escalation over the past four years, plus an additional escalation for system growth of 3.3 to 3.6 percent per year.

(2) Source: FY 2025 SRRRA budget, with a 6.79 percent annual escalation corresponding to the average annual escalation of primary/secondary treatment costs over the past four years.

(3) Represents the projected Murrieta Sewer Operations Reserve share of SRRRA debt service.

Table 5-3 shows the projected Eastern treatment costs applicable to the customers in the Eastern Subarea.

Table 5-3. Projected Rate Revenue Requirement, Eastern Treatment

	Projected				Notes
	FY 2026	FY 2027	FY 2028	FY 2029	
Eastern Treatment Costs	\$331,658	\$351,508	\$374,457	\$399,288	1

Note:

(1) Equals the projected Eastern Subarea Treatment Rate (defined by Eastern and projected by Western Water staff for the purposes of this Rate Study) times the number of projected EDUs in the Eastern Subarea.

5.4 Rate Design

5.4.1 Projected EDUs.

Western Water uses an EDU methodology to establish sewer rates. Table 5-4 shows the projected number of EDUs in the SRRRA Subarea and the Eastern Subarea. An EDU is a unit of measurement equal to an approximate amount of sewage generated by an average single-family residence. Each single-family residential parcel is assigned one EDU, whereas commercial customers are assigned multiple EDUs depending on industry-determined standards for various types of businesses. Factors considered in the assignment of EDUs for commercial customers include, for example, facility square footage, number of restrooms, kitchen facilities, seating capacity, among others. EDU billing reflects the capacity and peak demand that a customer places on the sewer system. Please refer to Appendix A for more information on how the number of EDUs is assigned to residential and commercial customers.

Table 5-4. Projected Number of EDUs

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
SRRRA Subarea (1)	4,448.93	4,603.68	4,758.43	4,913.18
Eastern Subarea (2)	635.38	643.33	651.37	659.51
Total	5,084.31	5,247.01	5,409.80	5,572.69

Notes:

(1) Projected growth in SRRRA Subarea EDUs incorporates a review completed by Western Water's Engineering Department of the size and schedule of ongoing development projects as of February 2025.

(2) Based on a 1.0 percent annual rate of customer growth.

5.4.2 Western O&M Rate.

Table 5-5 shows the calculation of the projected Western O&M Rate. All customers in the Murrieta Sewer Service Area pay this rate. The rate, before the Phase-In Adjustment, is calculated by dividing the Rate Revenue Requirement from Table 5-1 by the total number of EDUs in the Murrieta Sewer Service Area shown in Table 5-4.

Table 5-5 shows that the rate is projected to decrease in the first three years of the Study Period and increase in the fourth. Western Water has chosen to phase-in these rate changes and the proposed rates after the Phase-In Adjustment are also shown in Table 5-5.

Table 5-5. Proposed Western O&M Rate

	Current	Projected			
		FY 2026	FY 2027	FY 2028	FY 2029
Western O&M Rate, Before Phase-In Adjustment					
Western O&M Rate Revenue Requirement		\$461,478	\$444,859	\$427,640	\$453,989
Number of EDUs		5,084.31	5,247.01	5,409.80	5,572.69
Proposed Western O&M Rate, \$/EDU/Month	\$8.07	\$7.56	\$7.07	\$6.59	\$6.79
Percent Increase from Previous Year		-6.27%	-6.59%	-6.76%	3.06%
Western O&M Rate, After Phase-In Adjustment					
Proposed Western O&M Rate, \$/EDU/Month	\$8.07	\$7.73	\$7.40	\$7.09	\$6.79
Percent Increase from Previous Year		-4.23%	-4.23%	-4.23%	-4.23%

5.4.3 SRRRA Subarea Rate

Table 5-6 shows the calculation of the proposed SRRRA Treatment Rate. This rate recovers the Rate Revenue Requirement for SRRRA Treatment shown in Table 5-2. It is calculated by dividing the Rate Revenue Requirement from Table 5-2 by the projected number of EDUs in the SRRRA Subarea shown in Table 5-4. Prior to the Phase-In Adjustment, the projected rate increase is

larger in FY 2026 than in subsequent years. Western Water has chosen to phase-in the rate increases so that the percentage increase is equal in each of the next four years.

Table 5-6. Proposed SRRRA Treatment Rates

	Current	Proposed			
		7/1/2025	7/1/2026	7/1/2027	7/1/2028
SRRRA Treatment Rate, Before Phase-In Adjustment					
SRRRA Treatment Rate Revenue Requirement		\$2,458,199	\$2,629,618	\$2,826,788	\$3,040,746
Number of EDUs		4,448.93	4,603.68	4,758.43	4,913.18
Proposed SRRRA Treatment Rate, \$/EDU,	\$41.69	\$46.04	\$47.60	\$49.50	\$51.57
Percent Change from Previous Year		10.45%	3.38%	4.00%	4.18%
SRRRA Treatment Rate, After Phase-In Adjustment					
Proposed SRRRA Treatment Rate, \$/EDU,	\$41.69	\$43.97	\$46.37	\$48.90	\$51.57
Percent Change from Previous Year		5.46%	5.46%	5.46%	5.46%

Table 5-7 shows the proposed SRRRA Subarea Rate. The rate is applicable to all customers in the SRRRA Subarea and is the sum of the Western O&M Rate after the Phase-In Adjustment from Table 5-5 and the SRRRA Treatment Rate after the Phase-In Adjustment from Table 5-6.

Table 5-7. Proposed SRRRA Subarea Rates

	Current	Proposed			
		7/1/2025	7/1/2026	7/1/2027	7/1/2028
Western O&M Rate, \$/EDU/Month	\$8.07	\$7.73	\$7.40	\$7.09	\$6.79
SRRRA Treatment Rate, \$/EDU/Month	\$41.69	\$43.97	\$46.37	\$48.90	\$51.57
SRRRA Subarea Rate, \$/EDU/Month	\$49.76	\$51.70	\$53.77	\$55.99	\$58.36
Percent Increase from Previous Year		3.90%	4.00%	4.13%	4.23%

5.4.4 Eastern Subarea Rate.

Table 5-8 shows the proposed Eastern Subarea Rate. The rate is applicable to all customers in the Eastern Subarea and is the sum of the Western O&M Rate from Table 5-5 and the Eastern Treatment Rate in terms of \$/EDU per month.

Table 5-8. Proposed Eastern Subarea Rates

	Current	Proposed			
		7/1/2025	7/1/2026	7/1/2027	7/1/2028
Western O&M Rate, \$/EDU/Month	\$8.07	\$7.73	\$7.40	\$7.09	\$6.79
Eastern Treatment Rate, \$/EDU/Month (1)	\$42.95	\$43.50	\$45.53	\$47.91	\$50.45
Eastern Subarea Rate, \$/EDU/Month	\$51.02	\$51.23	\$52.93	\$55.00	\$57.24
Percent Increase from Previous Year		0.41%	3.32%	3.91%	4.07%

Note:

(1) The Eastern Treatment Rate is set by Eastern Municipal Water District on January 1 of each year. The projection in this Rate Study was made by Western Water staff and is based on CY 2025 rates and a 3.0 percent annual increase per data from the District's development services division based on current Developer requests.

5.5 Proposed Rates.

Table 5-9 shows the proposed rates in the Murrieta Sewer Service Area.

Table 5-9. Proposed Rates, Murrieta Sewer Service Area

	Current	Proposed			
		7/1/2025	7/1/2026	7/1/2027	7/1/2028
SRRRA Subarea Rate, \$/EDU/Month	\$49.76	\$51.70	\$53.77	\$55.99	\$58.36
Eastern Subarea Rate, \$/EDU/Month	\$51.02	\$51.23	\$52.93	\$55.00	\$57.24

Section 6

Appendix A: Equivalent Dwelling Unit Documentation

EDU factors are all set by Ordinance 393. Attached is the relevant section from Ordinance 393 Adopted by Western Water's Board of Directors in March 2021.

**TABLE 8 - Equivalent Dwelling Units (EDU) Table of Values by
Proposed Building Use**

Tenant Type Desc	Base Unit Desc	Base Unit	Edu Per Unit
AIRPORT HANGAR	HANGER	1	0.75
ANIMAL KENNELS/PET SHOPS	1000 SQ. FT.	1000	0.80
ANIMAL SHELTERS/ANIMAL ADOPTION CENTERS	1000 SQ. FT.	1000	2.74
APARTMENT/CONDO - FAMILY/2+BEDROOM	DWELLING UNIT	1	0.69
APTMNT/CONDO-SR/1BED/STUDIOS	DWELLING UNIT	1	0.40
AUDITORIUMS	1000 SQ. FT.	1000	1.30
AUTO SALES/REPAIR SHOPS	1000 SQ. FT.	1000	0.20
BARS	SEAT	1	0.07
BEAUTY/BARBER SHOP	SINK	1	0.25
BOWLING ALLEY/SKATING RINKS	1000 SQ. FT.	1000	0.80
BREWERY/TASTING ROOM	1000 SQ. FT.	1000	0.50
CAMPSITES(DEVELOPED)	SITE	1	0.25
CAR WASH - TUNNEL TYPE	1000 SQ. FT.	1000	14.00
CAR WASH - W/RECYCLING UNIT	1000 SQ. FT.	1000	4.75
CAR WASH - WAND TYPE	1000 SQ. FT.	1000	2.65
CASINO	UNIT	1	1.00
CHILD/SENIOR DAYCARE FACILITY	PERSON	1	0.04
CHURCH/LIBRARY	1000 SQ. FT.	1000	0.20
CLUB HOUSE (APT/CONDO/TRACT)	UNIT	1	1.00
CLUBS	1000 SQ. FT.	1000	0.50
DEPARTMENT STORES	1000 SQ. FT.	1000	0.05
DIALYSIS CENTER	CHAIR	1000	1.20
DOCTOR/DENTIST/VET OFFICES	1000 SQ. FT.	1000	0.20
DRIVE-IN THEATERS	1000 SQ. FT.	1000	0.80
DRY CLEANERS - OFFICES	EMPLOYEE	1	0.07
DRY CLEANERS - PLANTS	MACHINE	1	1.62
DRY MANUFACTURER	1000 SQ. FT.	1000	0.04
FINANCIAL INSTITUTIONS	1000 SQ. FT.	1000	0.20
FIRE/POLICE STATION	EMPLOYEE	1	0.41
GOLF COURSE/CAMP/PARK BUILDINGS	RESTROOM/CONCESSION STAND	1	0.20

Tenant Type Desc	Base Unit Desc	Base Unit	Edu Per Unit
GROCERY STORE/SPECIALTY FOOD MARKET	1000 SQ. FT.	1000	0.50
HEALTH SPAS/FITNESS CLUBS W/SHOWERS	1000 SQ. FT.	1000	0.50
HEALTH SPAS/FITNESS CLUBS WITHOUT SHOWERS	1000 SQ. FT.	1000	0.30
HOSPITAL	BED	1	1.00
HOTEL/MOTEL ROOMS WITH KITCHENETTES	ROOM	1	0.65
HOTEL/MOTEL ROOMS WITHOUT KITCHENETTES	ROOM	1	0.31
INDOOR THEATERS	1000 SQ. FT.	1000	0.30
INDUSTRIAL SPECIALIZED	1000 SQ. FT.	1	1.00
JAIL/DETENTION CENTER	PERSON	1	0.41
LAUNDROMAT	MACHINE	1	0.63
MOBILE HOME PARK - FAMILY	DWELLING UNIT	1	0.64
MOBILE HOME PARK - RETIREMENT	DWELLING UNIT	1	0.51
MORTUARIES/CEMETERIES	1000 SQ. FT.	1000	0.51
NIGHT CLUBS	1000 SQ. FT.	1000	1.30
NURSING HOMES	BED	1	0.79
OFFICE BUILDINGS	1000 SQ. FT.	1000	0.20
Open Storage Facilities/Warehouses: Sewer EDU's used by tiering of the total square footage as follows:			
<i>OPEN STORAGE (SMALL) FACILITIES/WAREHOUSES - LESS THAN 100,000 SF.</i>	1000 SQ. FT.	1000	0.07
<i>OPEN STORAGE (MED) FACILITIES/WAREHOUSES - BETWEEN 100,000 AND 1,000,000 SQ FT</i>	1,000 SQ. FT.	1000	0.03
<i>OPEN STORAGE (LARGE) FACILITIES/WAREHOUSES - 1,000,000 sf OR LARGER</i>	1,000 SQ. FT.	1000	0.02
PRE-SCHOOL	STUDENT	1	0.04
RESERVATION CENTERS	1000 SQ. FT.	1000	0.42
RESTAURANT - FAST FOOD	SEAT	1	0.07
RESTAURANT - FULL SERVICE	SEAT	1	0.09
RESTAURANT - QUICK FOOD SHOP	SEAT	1	0.04

Tenant Type Desc	Base Unit Desc	Base Unit	Edu Per Unit
RV CAMPS WITH SEWER HOOK-UPS	SITE	1	0.50
RV PARK W/OUT INDIV. SEWER HOOK-UPS	DWELLING UNIT	1	0.45
SCHOOL - NO CAFETERIA/NO SHOWERS	STUDENT	1	0.01
SCHOOL - NO CAFETERIA/WITH SHOWERS	STUDENT	1	0.01
SCHOOL - WITH CAFETERIA/NO SHOWERS	STUDENT	1	0.01
SCHOOL - WITH CAFETERIA/WITH SHOWERS	STUDENT	1	0.01
SERVICE SHOPS/STATIONS/STORES/WHOLESALE OUTLETS	1000 SQ. FT.	1000	0.20
SINGLE FAMILY DWELLING	DWELLING UNIT	1	1.00
SPECIAL EVENTS CENTER	ATTENDEE	1	0.04
SPORT CENTER - INDOOR	1000 SQ. FT.	1000	1.30
STORAGE FACILITY	DWELLING UNIT	1	1.00
Special Tenant Type	1,000 SQ. FT.	1000	1.00
WHOLESALE WAREHOUSE STORES	1000 SQ. FT.	1	0.21

Section 7

Appendix B: Rate Design Flowcharts

APPENDIX B

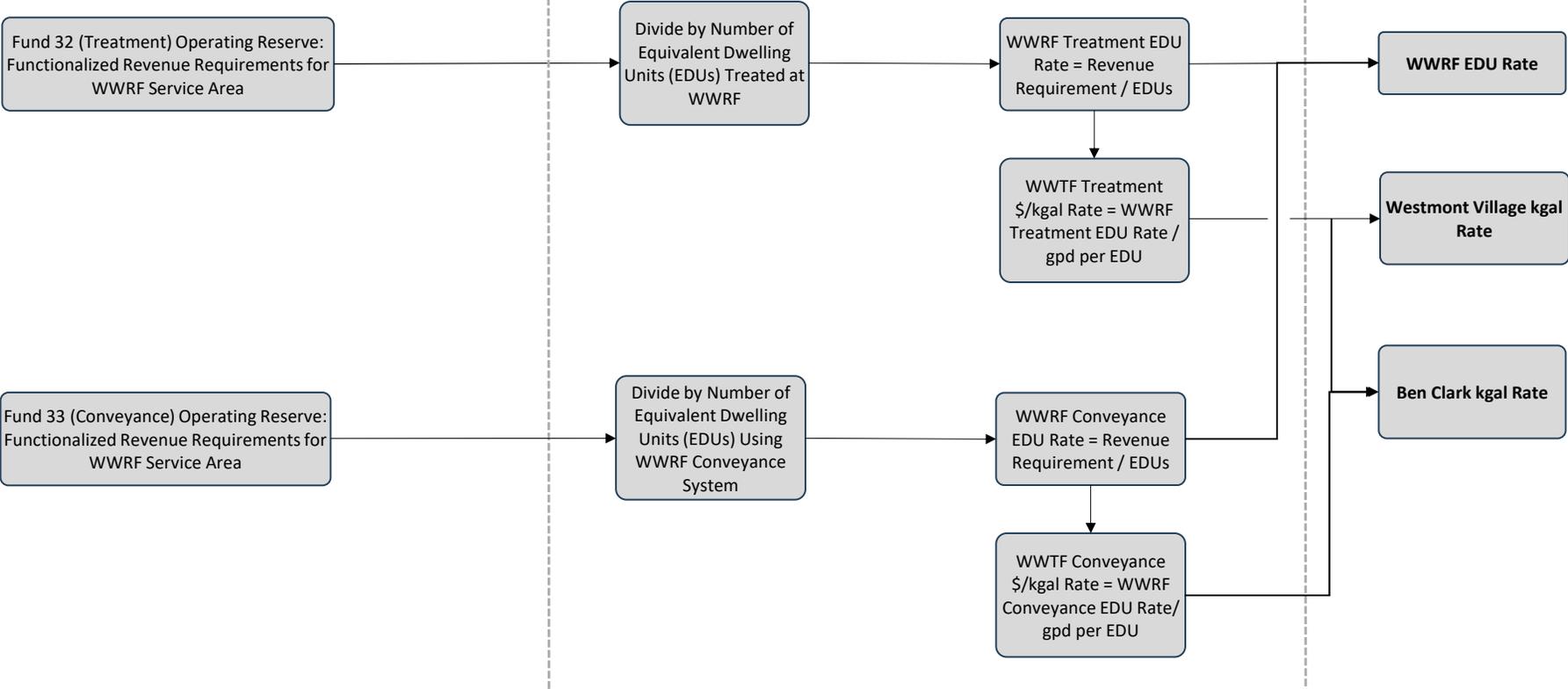
WWRF SERVICE AREA RATE DESIGN

This flowchart describes how the rates in the WWRF Service Area are calculated.

INPUTS FROM REVENUE REQUIREMENT ANALYSIS

RATE DESIGN CALCULATIONS

OUTPUT: RATE STRUCTURE



APPENDIX B

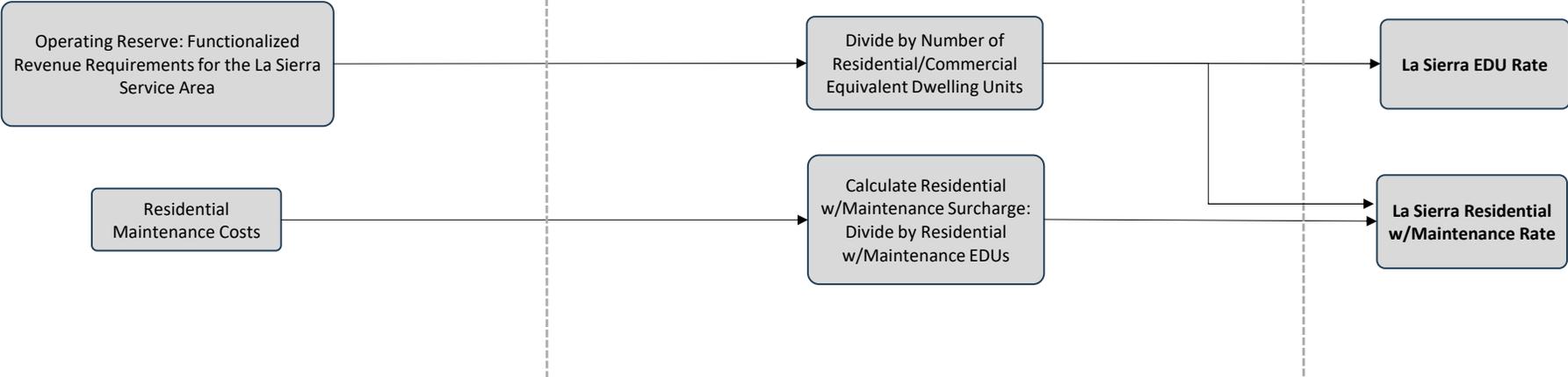
LA SIERRA SERVICE AREA RATE DESIGN

This flowchart describes how the rates in the La Sierra Service Area are calculated.

INPUTS FROM REVENUE REQUIREMENT ANALYSIS

RATE DESIGN CALCULATIONS

OUTPUT: RATE STRUCTURE



APPENDIX B

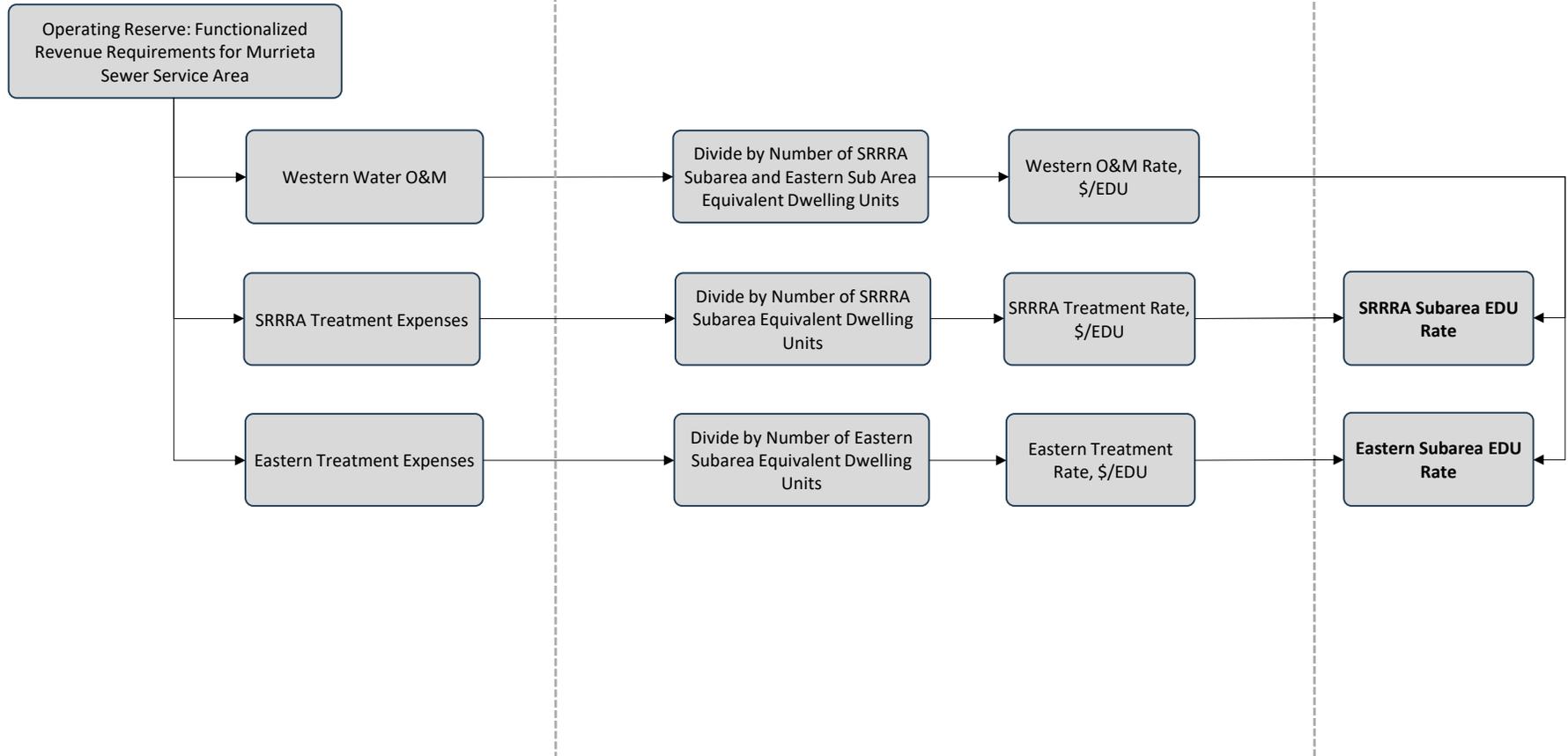
MURRIETA SEWER SERVICE AREA RATE DESIGN

This flowchart describes how the rates in the Murrieta Sewer Service Area are calculated.

INPUTS FROM REVENUE REQUIREMENT ANALYSIS

RATE DESIGN CALCULATIONS

OUTPUT: RATE STRUCTURE



Section 8

Appendix C: WWRF Service Area Revenue Requirement Calculations

Appendix C: WWRF Revenue Requirement Analysis

**Appendix C
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
WWRF SEWER SERVICE AREA: Revenue Requirement Analysis**

**Table WWRF-1
Projected Operating Statement: Sources of Funds**

Line	Fund Number	Reserve Number	Projected			
			FY 2026	FY 2027	FY 2028	FY 2029
1	Beginning Reserve Balance as of 7/1					
2	32	RES 00	(\$342,472)	(\$292,472)	(\$212,472)	(\$62,472)
3	32	RES 01	(\$5,767,422)	(\$7,641,085)	(\$10,222,327)	(\$12,771,830)
4	32	RES 04	\$1,792,303	\$480,303	\$480,303	\$352,303
5	32	RES 05	(\$63,551)	(\$63,551)	(\$59,908)	(\$52,787)
6	33	RES 00	\$1,340,162	\$1,340,162	\$1,340,162	\$1,340,162
7	33	RES 01	\$0	\$0	\$0	\$0
8	33	RES 04	\$39,260	(\$101,940)	(\$593,565)	(\$926,442)
9	33	RES 05	(\$905,782)	(\$737,295)	(\$557,884)	(\$367,002)
10						
11	Sources of Funds					
12	Rate Revenues					
13	32	RES 00	3,424,514	3,630,561	3,895,543	4,263,339
14	33	RES 00	2,083,431	2,329,626	2,558,187	2,725,876
15						
16	Capacity Charge Revenues					
17	32	RES 01	\$694,611	\$701,557	\$708,573	\$715,659
18	33	RES 01	\$0	\$0	\$0	\$0
19						
20	Interest Income					
21	32	RES 00				
22	32	RES 01	\$0	\$0	\$0	\$0
23	32	RES 04				
24	32	RES 05	\$0	\$0	\$0	\$0
25	33	RES 00				
26	33	RES 01	\$0	\$0	\$0	\$0
27	33	RES 04				
28	33	RES 05	\$0	\$0	\$0	\$0
29	32	RES 00				
30	33	RES 00				
31						

Appendix C: WWRF Revenue Requirement Analysis

Appendix C Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study WWRF SEWER SERVICE AREA: Revenue Requirement Analysis

32	Other Operating Revenues							
33	WWRF Treatment							
34	Riverside Diversion (Scalping)	32	RES 00	\$61,183	\$61,183	\$61,183	\$61,183	\$61,183
35	FOG Inspection Revenues	32	RES 00					
36	WWRF Conveyance							
37	Riverside Diversion (Scalping)	33	RES 00	\$30,817	\$30,817	\$30,817	\$30,817	\$30,817
38	Brine Line Sampling, Excess Quantity Penalties	33	RES 00					
39								
40	Transfers from Other Reserves							
41	WWRF Treatment : From Operating to Asset Repl	32	RES 05	\$76,796	\$80,636	\$84,668	\$88,901	\$88,901
42	WWRF Conveyance : From Operating to Asset Repl	33	RES 05	\$218,487	\$229,411	\$240,882	\$252,926	\$252,926
43	WWRF Treatment : From Operating to Syst Imp	32	RES 04					
44	WWRF Conveyance : From Operating to Syst Imp	33	RES 04	\$58,800	\$124,375	\$171,133	\$248,063	\$248,063
45								
46	Future Line of Credit Draws (Lines of Credit 1, 2, and 3)							
47	WWRF Treatment Operating	32	RES 00	\$0	\$0	\$0	\$0	\$0
48	WWRF Treatment Capacity Charge	32	RES 01	\$0	\$0	\$0	\$0	\$0
49	WWRF Treatment System Improvement	32	RES 04	\$60,000	\$240,000	\$0	\$0	\$0
50	WWRF Treatment Asset Replacement	32	RES 05	\$235,000	\$490,000	\$0	\$0	\$0
51	WWRF Conveyance Operating	33	RES 00	\$0	\$0	\$0	\$0	\$0
52	WWRF Conveyance Capacity Charge	33	RES 01	\$0	\$0	\$0	\$0	\$0
53	WWRF Conveyance System Improvement	33	RES 04	\$0	\$0	\$0	\$0	\$0
54	WWRF Conveyance Asset Replacement	33	RES 05	\$0	\$0	\$0	\$0	\$0
55	Math Check: Summary Tables Below			TRUE	TRUE	TRUE	TRUE	TRUE

Appendix C
 Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
 WWRF SEWER SERVICE AREA: Revenue Requirement Analysis

Table WWRF-2
 Projected Operating Statement: Uses of Funds

	Fund Number	Reserve Number	Projected			
			FY 2026	FY 2027	FY 2028	FY 2029
1 Uses of Funds						
2 Expenses Labelled as O&M Expenditures in Western Water Input						
3 WWRF Treatment						
4 O&M Expenses	32	RES 00	\$4,275,728	\$4,468,136	\$4,669,202	\$4,879,316
5 Staffing Plan Expenses	32	RES 00		\$44,057	\$133,910	\$143,284
6 Asset Replacement Reserve	32	RES 00	\$76,796	\$80,636	\$84,668	\$88,901
7 Water Transfer Revenue-Recycled	32	RES 00	(\$916,827)	(\$1,006,779)	(\$1,115,513)	(\$1,182,230)
8 WWRF Conveyance						
9 O&M Expenses	33	RES 00	\$2,153,627	\$2,250,540	\$2,351,815	\$2,457,646
10 Staffing Plan Expenses	33	RES 00		\$10,562	\$19,467	\$20,829
11 Asset Management Reserve	33	RES 00	\$218,487	\$229,411	\$240,882	\$252,926
12 Water Transfer Revenue-Recycled	33	RES 00	(\$461,794)	(\$507,101)	(\$561,869)	(\$595,473)
13						
14 Existing Debt Service and Line of Credit Interest						
15 WWRF Treatment Operating	32	RES 00	\$0	\$25,694	\$34,459	\$41,252
16 WWRF Treatment Capacity Charge	32	RES 01	\$2,568,274	\$2,882,800	\$3,258,076	\$3,499,377
17 WWRF Treatment System Improvement	32	RES 04	\$0	\$0	\$0	\$0
18 WWRF Treatment Asset Replacement	32	RES 05	\$76,796	\$76,993	\$77,546	\$77,881
19 WWRF Conveyance Operating	33	RES 00	\$145,128	\$252,655	\$367,577	\$372,702
20 WWRF Conveyance Capacity Charge	33	RES 01	\$0	\$0	\$0	\$0
21 WWRF Conveyance System Improvement	33	RES 04	\$0	\$0	\$0	\$0
22 WWRF Conveyance Asset Replacement	33	RES 05	\$0	\$0	\$0	\$0
23 Math Check: Should = TRUE			TRUE	TRUE	TRUE	TRUE
24						
25						

Appendix C: WWRF Revenue Requirement Analysis

Appendix C Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study WWRF SEWER SERVICE AREA: Revenue Requirement Analysis

26	CIFP Costs						
27	WWRF Treatment Operating	32	RES 00	\$0	\$0	\$0	\$0
28	WWRF Treatment Capacity Charge	32	RES 01	\$0	\$400,000	\$0	\$3,600,000
29	WWRF Treatment System Improvement	32	RES 04	\$7,860,000	\$0	\$200,000	\$1,450,013
30	WWRF Treatment Asset Replacement	32	RES 05	\$2,450,000	\$0	\$0	\$0
31	WWRF Conveyance Operating	33	RES 00	\$0	\$0	\$0	\$0
32	WWRF Conveyance Capacity Charge	33	RES 01	\$0	\$0	\$0	\$0
33	WWRF Conveyance System Improvement	33	RES 04	\$200,000	\$1,127,028	\$3,682,972	\$0
34	WWRF Conveyance Asset Replacement	33	RES 05	\$50,000	\$50,000	\$50,000	\$50,000
35	Math Check: Should equal T 4-1, and TRUE			TRUE	TRUE	TRUE	TRUE
36							
37	Capital Project Offsets						
38	WWRF Treatment Operating	32	RES 00	\$0	\$0	\$0	\$0
39	WWRF Treatment Capacity Charge	32	RES 01	\$0	\$0	\$0	\$0
40	WWRF Treatment System Improvement	32	RES 04	(\$6,308,000)	\$0	(\$72,000)	(\$1,248,010)
41	WWRF Treatment Asset Replacement	32	RES 05	(\$1,960,000)	\$0	\$0	\$0
42	WWRF Conveyance Operating	33	RES 00	\$0	\$0	\$0	\$0
43	WWRF Conveyance Capacity Charge	33	RES 01	\$0	\$0	\$0	\$0
44	WWRF Conveyance System Improvement	33	RES 04	\$0	(\$511,028)	(\$3,178,962)	\$0
45	WWRF Conveyance Asset Replacement	33	RES 05	\$0	\$0	\$0	\$0
46	Math Check: Should equal T 4-1, and = TRUE			TRUE	TRUE	TRUE	TRUE
47							
48	Transfers to Other Reserves						
49	WWRF Treatment: From Operating to Syst Imp	32	RES 00	\$0	\$0	\$0	\$0
50	WWRF Conveyance : From Operating to Syst Imp	33	RES 00	\$58,800	\$124,375	\$171,133	\$248,063
51							
52	Ending Reserve Balance as of 6/30						
53	WWRF Treatment Operating	32	RES 00	(\$292,472)	(\$212,472)	(\$62,472)	\$291,528
54	WWRF Treatment Capacity Charge	32	RES 01	(\$7,641,085)	(\$10,222,327)	(\$12,771,830)	(\$19,155,548)
55	WWRF Treatment System Improvement	32	RES 04	\$480,303	\$480,303	\$352,303	\$150,300
56	WWRF Treatment Asset Replacement	32	RES 05	(\$63,551)	(\$59,908)	(\$52,787)	(\$41,767)
57	WWRF Conveyance Operating	33	RES 00	\$1,340,162	\$1,340,162	\$1,340,162	\$1,340,162
58	WWRF Conveyance Capacity Charge	33	RES 01	\$0	\$0	\$0	\$0
59	WWRF Conveyance System Improvement	33	RES 04	(\$101,940)	(\$593,565)	(\$926,442)	(\$678,379)
60	WWRF Conveyance Asset Replacement	33	RES 05	(\$737,295)	(\$557,884)	(\$367,002)	(\$164,076)
61							

Appendix C
 Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
 WWRF SEWER SERVICE AREA: Revenue Requirement Analysis

62 **Financial Performance Criteria**

63

64 **Operating Reserve Sufficiency. Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 7.**

65 Target: minimum of three months and a maximum of six months of average operating expenses based on the annual operating budget.

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	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
68				
69 WWRF Treatment				
70 Projected Operating Expenses	\$4,275,728	\$4,468,136	\$4,669,202	\$4,879,316
71 Projected End of Year Balance				
72 As Dollars	(\$292,472)	(\$212,472)	(\$62,472)	\$291,528
73 As Months of Operating Expenses	(0.8)	(0.6)	(0.2)	0.7
74 Dashboard Output Label and Format	Negative	Negative	Negative	Low
75				
76 WWRF Conveyance				
77 Projected Operating Expenses	\$2,153,627	\$2,250,540	\$2,351,815	\$2,457,646
78 Projected End of Year Balance				
79 As Dollars	\$1,340,162	\$1,340,162	\$1,340,162	\$1,340,162
80 As Months of Operating Expenses	7.5	7.1	6.8	6.5
81 Dashboard Output Label and Format	High	High	High	High
82				
83 Combined WWRF Treatment and WWRF Conveyance				
84 Projected Operating Expenses	\$6,429,355	\$6,718,676	\$7,021,016	\$7,336,962
85 Projected End of Year Balance				
86 As Dollars	\$1,047,690	\$1,127,690	\$1,277,690	\$1,631,690
87 As Months of Operating Expenses	2.0	2.0	2.2	2.7
88 Dashboard Output Label and Format	Low	Low	Low	Low
89				
90				

Appendix C
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
WWRF SEWER SERVICE AREA: Revenue Requirement Analysis

91 **Asset Replacement Reserve Sufficiency.** Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 6.
 92 Minimum: estimated current replacement cost of assets associated with the Fund that are expected to be replaced within the next five years (i.e. will be fully depreciated) excluding c
 93 Excluded assets are those that:
 94 (a) are not subject to replacement based on an Operations and Engineering analysis,
 95 (b) are non-depreciable assets,
 96 (c) have an adjusted useful life of less than or equal to five years ("short-life assets"),
 97 (d) have a replacement cost of less than or equal to \$50,000 ("low-cost assets"), or
 98 (e) have a replacement cost of more than \$7,000,000 ("high-cost assets").
 99 Current replacement cost = original cost escalated annually by the ENR CCI.
 100 Maximum: sum of minimum target level plus 25% of estimated current replacement cost for capital assets associated with the Fund that have a replacement cost of more than \$7,000,000.
 101 Funding source: user rates; property taxes in the case of the Headquarters Fund. Note: therefore, for this Rate Study, the funding source is user rates.
 102 Annual Funding: equal to a maximum of the annual depreciation expense.

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	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
WWRF Treatment				
Minimum Balance	\$4,819,912	\$4,819,912	\$4,819,912	\$4,819,912
Maximum Balance	\$16,733,789	\$16,733,789	\$16,733,789	\$16,733,789
Projected End of Year Balance				
As Dollars	(\$63,551)	(\$59,908)	(\$52,787)	(\$41,767)
Dashboard Output Label and Format	Low	Low	Low	Low
As Percent of Minimum Value	-1%	-1%	-1%	-1%
WWRF Conveyance				
Minimum Balance	\$720,065	\$720,065	\$720,065	\$720,065
Maximum Balance	\$720,065	\$720,065	\$720,065	\$720,065
Projected End of Year Balance				
As Dollars	(737,295.0)	(557,883.7)	(367,001.7)	(164,075.7)
Dashboard Output Label and Format	Low	Low	Low	Low
As Percent of Minimum Value	-102%	-77%	-51%	-23%

Appendix C: WWRF Revenue Requirement Analysis

Appendix C Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study WWRF SEWER SERVICE AREA: Revenue Requirement Analysis

124	Combined WWRF Treatment and WWRF Conveyance				
125	Minimum Balance	\$5,539,978	\$5,539,978	\$5,539,978	\$5,539,978
126	Maximum Balance	\$17,453,854	\$17,453,854	\$17,453,854	\$17,453,854
127	Projected End of Year Balance	(\$63,551)	(\$59,908)	(\$52,787)	(\$41,767)
128	As Dollars				
129	Dashboard Output Label and Format	Low	Low	Low	Low
130					
131					
132	Notes to Tables WWRF-1 and WWRF-2				
133	(a) FY 2026 beginning year balance from Western Water staff 1/20/24. Value is the actual balance as of the beginning of FY 2025. Balance includes available reserves and committed re:				
134					

**Table WWRF-3
Revenue Calculations**

<u>Projected Capacity Charge Revenues</u>		Projected			
		FY 2026	FY 2027	FY 2028	FY 2029
1	WWRF Treatment				
2	Number of New EDUs	51.30	51.82	52.34	52.86
3	Capacity Charge, \$/EDU	\$13,539	\$13,539	\$13,539	\$13,539
4	Capacity Charge Revenues	\$694,611	\$701,557	\$708,573	\$715,659
5					
6	WWRF Conveyance				
7	Number of New EDUs	51.30	51.82	52.34	52.86
8	Capacity Charge, \$/EDU	\$0	\$0	\$0	\$0
9	Capacity Charge Revenues	\$0	\$0	\$0	\$0

Appendix C
 Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
 WWRF SEWER SERVICE AREA: Revenue Requirement Analysis

Table WWRF-4
 Capital Improvements

Table 4a: Total CIP Cost per Approved FY 2025-2030 Capital Improvement & Facilities Plan, for FY 2026 through FY 2029

Line	Project	Fund Number	Reserve Number	Projected Total Capital Project Cost			
				FY 2026	FY 2027	FY 2028	FY 2029
1	PFAS Removal Facility at WWRF	32	RES 04	\$5,850,000	\$0	\$0	\$0
2	WWRF Collection System Lift Station Repair, Rehab and Replacement	33	RES 05	\$50,000	\$50,000	\$50,000	\$50,000
3	WWRF Chlorine Contact Basin Modifications	32	RES 05	\$0	\$0	\$0	\$0
4	I&I March Air Reserve Base PFAS Mitigation (Phase 2)	33	RES 04	\$200,000	\$1,047,028	\$2,962,972	\$0
5	Markham Lift Station Upgrade	32	RES 01	\$0	\$400,000	\$0	\$3,600,000
6	Study to Move WWRF flows - Business Case Analysis	33	RES 04	\$0	\$0	\$0	\$0
7	WWRF Automation Upgrade	32	RES 05	\$2,450,000	\$0	\$0	\$0
8	WWRF Intake Flow Meter	33	RES 04	\$0	\$80,000	\$720,000	\$0
9	WWRF Pond Erosion Prevention Project	32	RES 04	\$810,000	\$0	\$0	\$0
10	WWRF Pump Station Improvements at WWRF Pond	32	RES 04	\$0	\$0	\$200,000	\$1,450,013
11	Chlorine Contact Basin Cover	32	RES 04	\$1,200,000			
12	Total			\$10,560,000	\$1,577,028	\$3,932,972	\$5,100,013
13	Math Check, should equal source data			\$9,360,000	\$1,577,028	\$3,932,972	\$5,100,013
14							
15							

Appendix C
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
WWRF SEWER SERVICE AREA: Revenue Requirement Analysis

Table 4b. Total Offset Cost per Approved FY 2025-2030 Capital Improvement & Facilities Plan, for FY 2026 through FY 2029

Project	Fund Number	Reserve Number	Projected			
			FY 2026	FY 2027	FY 2028	FY 2029
PFAS Removal Facility at WWRF	32	RES 04	(\$4,700,000)	\$0	\$0	\$0
WWRF Collection System Lift Station Repair, Rehab and Replacement	33	RES 05	\$0	\$0	\$0	\$0
WWRF Chlorine Contact Basin Modifications	32	RES 05	\$0	\$0	\$0	\$0
I&I March Air Reserve Base PFAS Mitigation (Phase 2)	33	RES 04	\$0	(\$447,028)	(\$2,962,972)	\$0
Markham Lift Station Upgrade	32	RES 01	\$0	\$0	\$0	\$0
Study to Move WWRF flows - Business Case Analysis	33	RES 04	\$0	\$0	\$0	\$0
WWRF Automation Upgrade	32	RES 05	(\$1,960,000)	\$0	\$0	\$0
WWRF Intake Flow Meter	33	RES 04	\$0	(\$64,000)	(\$215,990)	\$0
WWRF Pond Erosion Prevention Project	32	RES 04	(\$648,000)	\$0	\$0	\$0
WWRF Pump Station Improvements at WWRF Pond	32	RES 04	\$0	\$0	(\$72,000)	(\$1,248,010)
Chlorine Contact Basin Cover	32	RES 04	(\$960,000)			
Total			(\$8,268,000)	(\$511,028)	(\$3,250,962)	(\$1,248,010)
Math Check, should equal source data			(\$7,308,000)	(\$511,028)	(\$3,250,962)	(\$1,248,010)

Totals wil not match because of Chlorine Contact Basin Cover project which is not in original source data but added later.

NEW Table 4c. Capital Projects Funded by Line of Credit 1, 2, and 3

Project	Fund Number	Reserve Number	Projected				
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
WWRF Automation Upgrade (also funded by grant CDS share 80% of total, r	32	RES 05	\$50,000	\$490,000			
WWRF Chlorine Contact Basin Modifications	32	RES 05	\$185,000	\$0			
WWRF Chlorine Contact Basin Cover/SEQ Basin Cover (also funded by grant	32	RES 04	\$60,000	\$240,000			

Appendix C
 Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
 WWRF SEWER SERVICE AREA: Revenue Requirement Analysis

Table WWRF-5
 Existing Debt Service and Projected Line of Credit Interest

Line	Project	Fund Number	Reserve Number	Projected		Projected		
				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	BDS01-Bonds-2012A							
			DONE					
2	WWRF Treatment	32	RES 00	\$0	\$0	(\$1)	\$0	\$0
3	WWRF Treatment	32	RES 01	\$419,466	\$420,758	\$421,837	\$424,864	\$426,703
4	WWRF Treatment	32	RES 05	\$76,560	\$76,796	\$76,993	\$77,546	\$77,881
5	WWRF Conveyance	33	RES 00	\$1	\$1	\$1	\$0	\$1
6	BDS02-Bonds-2020A							
			DONE					
7	WWRF Treatment	32	RES 00	\$0	\$0	\$1	\$0	\$0
8	WWRF Treatment	32	RES 01	\$2,148,665	\$2,147,516	\$2,460,963	\$2,833,212	\$3,072,674
9	WWRF Conveyance	33	RES 00	\$45,972	\$45,948	\$52,654	\$60,619	\$65,743
10	BDS03-Future Private Placement Bond for LOC01							
11	WWRF Conveyance	33	RES 00	\$0	\$0	\$0	\$306,958	\$306,958
12	LOC01-Revolving Note-2022A							
13	WWRF Conveyance	33	RES 00	\$0	\$99,179	\$200,000	\$0	\$0
14	LOC03-Future LOC-Non-Pipeline Projects							
15	WWRF Treatment	32	RES 00	\$0	\$0	\$25,694	\$34,459	\$41,252

Section 9

Appendix D: WWRf Service Area Rate Design Calculations

Appendix D
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
WWRF SEWER SERVICE AREA: Rate Design Calculations

Projected Number of EDUs

Line		Projected Number of EDUs			
		FY 2026	FY 2027	FY 2028	FY 2029
1	WWRF Treatment				
2	Customers Paying per EDU Rates	5,181.75	5,233.57	5,285.91	5,338.76
3	Customers Paying kgal Rates				
4	Westmont Village	186.72	186.72	186.72	186.72
5	Ben Clark	61.69	61.69	61.69	61.69
6	Total WWRF Treatment EDUs	5,430.16	5,481.98	5,534.32	5,587.18
7					
8	WWRF Conveyance				
9	Customers Paying per EDU Rates	5,181.75	5,233.57	5,285.91	5,338.76
10	Customers Paying kgal Rates				
11	Ben Clark	61.69	61.69	61.69	61.69
12	Total WWRF Conveyance EDUs	5,243.44	5,295.26	5,347.59	5,400.45

13
14
15

Splitting Water Transfer Revenue - Recycled Between WWRF Treatment and WWRF Conveyance

Line		Proposed			
		FY 2026	FY 2027	FY 2028	FY 2029
19	WWRF Treatment O&M Expenses	\$4,275,728	\$4,468,136	\$4,669,202	\$4,879,316
20	As Percent of Total	66.50%	66.50%	66.50%	66.50%
21	WWRF Conveyance O&M Expenses	\$2,153,627	\$2,250,540	\$2,351,815	\$2,457,646
22	As Percent of Total	33.50%	33.50%	33.50%	33.50%
23	Total WWRF O&M Expenses	\$6,429,355	\$6,718,676	\$7,021,016	\$7,336,962
24	As Percent of Total	100.00%	100.00%	100.00%	100.00%

25
26

	2025 Model	Proposed			
		FY 2026	FY 2027	FY 2028	FY 2029
WWRF Rate Revenue Requirement					
WWRF Treatment					
O&M Expenses		\$4,275,728	\$4,468,136	\$4,669,202	\$4,879,316
Staffing Plan Costs			\$44,057	\$133,910	\$143,284
Transfer to Asset Replacement Reserve		\$76,796	\$80,636	\$84,668	\$88,901
Water Transfer Revenue-Recycled		(\$916,827)	(\$1,006,779)	(\$1,115,513)	(\$1,182,230)
Operating Reserve Debt Service and LOC Interest		\$0	\$25,694	\$34,459	\$41,252
Operating Reserve Capital Project Costs Less Offsets		\$0	\$0	\$0	\$0
Less Operating Reserve LOC Draws		\$0	\$0	\$0	\$0
Less Offsetting Revenues		(\$61,183)	(\$61,183)	(\$61,183)	(\$61,183)
Less Retail Billing Interest		\$0	\$0	\$0	\$0
Additional Revenue to Build Reserves		\$50,000	\$80,000	\$150,000	\$354,000
WWRF Conveyance					
O&M Expenses		\$2,153,627	\$2,250,540	\$2,351,815	\$2,457,646
Staffing Plan Costs			\$10,562	\$19,467	\$20,829
Transfer to Asset Replacement Reserve		\$218,487	\$229,411	\$240,882	\$252,926
Water Transfer Revenue-Recycled		(\$461,794)	(\$507,101)	(\$561,869)	(\$595,473)
Operating Reserve Debt Service and LOC Interest		\$145,128	\$252,655	\$367,577	\$372,702
Operating Reserve Capital Project Costs Less Offsets		\$0	\$0	\$0	\$0
Less Operating Reserve LOC Draws		\$0	\$0	\$0	\$0
Less Offsetting Revenues		(\$30,817)	(\$30,817)	(\$30,817)	(\$30,817)
Less Retail Billing Interest		\$0	\$0	\$0	\$0
Additional Revenue to Build Reserves		\$58,800	\$124,375	\$171,133	\$248,063
Total Treatment and Conveyance Rate Revenue Requirement		\$5,507,945	\$5,960,187	\$6,453,730	\$6,989,215
		\$6,429,355	\$6,773,295	\$7,174,393	\$7,501,075
			5.3%	5.9%	4.6%

	Current	Proposed			
		FY 2026	FY 2027	FY 2028	FY 2029
Proposed WWRF Treatment Rates					
WWRF Treatment Rate Revenue Requirement					
Number of EDUs		5,430.16	5,481.98	5,534.32	5,587.18
Proposed WWRF Treatment Rate, \$/month per EDU	\$42.09	\$52.55	\$55.19	\$58.66	\$63.59
Percent Increase from Previous Year		24.86%	5.01%	6.28%	8.41%
Gallons per day per EDU					
Gallons per day per EDU		180.00	180.00	180.00	180.00
Calculation of kgal rate	\$7.688	\$9.60	\$10.08	\$10.71	\$11.61
Percent Increase from Previous Year		24.86%	5.01%	6.28%	8.41%

87 **Proposed WWRF Conveyance Rates**

		Proposed			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
90 WWRF Conveyance Rate Revenue Requirement		\$2,083,431	\$2,329,626	\$2,558,187	\$2,725,876
91 Number of EDUs		5,243.44	5,295.26	5,347.59	5,400.45
92 Proposed WWRF Conveyance Rate, \$/month per EDI	\$37.87	\$33.11	\$36.66	\$39.87	\$42.06
93 Percent Increase from Previous Year		-12.56%	10.72%	8.74%	5.51%
94					
95					
96 Gallons per day per EDU		180.00	180.00	180.00	180.00
97 Calculation of kgal rate	\$6.918	\$6.05	\$6.70	\$7.28	\$7.68
98 Percent Increase from Previous Year		-12.58%	10.72%	8.74%	5.51%

101 **Combined WWRF Treatment and Conveyance Rate**

		Proposed			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
104 Combined Rate, \$/month/EDU	\$79.96	\$85.67	\$91.85	\$98.52	\$105.65
105 Percent Increase		7.1%	7.2%	7.3%	7.2%
106					
107 Westmont Village kgal rate treatment only	\$7.688	\$9.599	\$10.080	\$10.714	\$11.614
108		24.86%	5.01%	6.29%	8.40%
109					
110 Ben Clark kgal rate	\$14.606	\$15.647	\$16.777	\$17.995	\$19.297
111		7.13%	7.22%	7.26%	7.24%

Section 10

Appendix E: La Sierra Service Area Revenue Requirement Calculations

Appendix E: La Sierra Revenue Requirement Analysis

**Appendix E
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
La Sierra SEWER SERVICE AREA: Revenue Requirement Analysis**

**Table La Sierra-1
Projected Operating Statement: Sources of Funds**

Line	Fund Number	Reserve Number	Projected				
			FY 2026	FY 2027	FY 2028	FY 2029	
1	Beginning Reserve Balance as of 7/1						
2	La Sierra Operating	31	RES 00	\$1,529,548	\$1,270,912	\$1,130,013	\$1,061,646
3	La Sierra Capacity Charge	31	RES 01	\$103,453	(\$326,268)	(\$684,683)	(\$1,040,595)
4	La Sierra System Improvement	31	RES 04	(\$112,703)	(\$112,703)	(\$281,045)	(\$472,747)
5	La Sierra Asset Replacement	31	RES 05	\$5,640,514	\$5,817,311	\$6,001,087	\$6,191,995
6							
7	Sources of Funds						
8	Rate Revenues						
9	La Sierra EDU Rate	31	RES 00	\$4,060,313	\$4,376,155	\$4,716,528	\$5,082,986
10							
11	Capacity Charge Revenues						
12	Capacity Charges: La Sierra	31	RES 01	\$414,039	\$414,039	\$418,180	\$422,362
13							
14	Interest Income						
15	La Sierra Operating	31	RES 00				
16	La Sierra Capacity Charge	31	RES 01	\$2,586	\$0	\$0	\$0
17	La Sierra System Improvement	31	RES 04				
18	La Sierra Asset Replacement	31	RES 05	\$141,013	\$145,433	\$150,027	\$154,800
19	Interest: Retail Billing, La Sierra	31	RES 00				
20							
21	Other Operating Revenues						
22	La Sierra						
23	Delinquent Penalties	31	RES 00				
24	Other - New Service Set Up & Meter Repair	31	RES 00				
25							
26	Transfers from Other Reserves						
27	La Sierra: From Operating to Asset Repl	31	RES 05	\$348,851	\$366,294	\$384,608	\$403,839
28	La Sierra : From Operating to Syst Imp	31	RES 04				
29							
30	Future Line of Credit Draws (Lines of Credit 1, 2, and 3)						

Appendix E: La Sierra Revenue Requirement Analysis

Appendix E
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
La Sierra SEWER SERVICE AREA: Revenue Requirement Analysis

31	La Sierra Operating	31	RES 00	\$0	\$0	\$0	\$0	\$0
32	La Sierrat Capacity Charge	31	RES 01	\$0	\$0	\$0	\$0	\$0
33	La Sierra System Improvement	31	RES 04	\$1,233,549	\$1,384,316	\$95,943	\$0	\$0
34	La Sierra Asset Replacement	31	RES 05	\$0	\$0	\$0	\$0	\$0
35	Math Check			TRUE	TRUE	TRUE	TRUE	TRUE

Appendix E
 Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
 La Sierra SEWER SERVICE AREA: Revenue Requirement Analysis

Table La Sierra-2
 Projected Operating Statement: Uses of Funds

Line	Fund Number	Reserve Number	Projected				
			FY 2026	FY 2027	FY 2028	FY 2029	
1	Uses of Funds						
2	Expenses Labelled as O&M Expenditures in Western Water Input						
3	La Sierra						
4	O&M Expenses	31	RES 00	\$1,991,552	\$2,081,172	\$2,174,825	\$2,272,692
5	Staffing Plan Costs	31	RES 00		\$34,463	\$74,419	\$79,628
6	Asset Replacement Reserve	31	RES 00	\$348,851	\$366,294	\$384,608	\$403,839
7	55010 - Disposal Charges - Fixed	31	RES 00	\$1,032,401	\$1,104,669	\$1,181,996	\$1,264,736
8	55020 - Disposal Charges - Variable	31	RES 00	\$515,262	\$551,330	\$589,923	\$631,218
9							
10	WRCRWA PayGo Capital Improvements	31	RES 00	\$414,031	\$362,277	\$362,277	\$414,031
11							
12	Existing Debt Service and Line of Credit Interest						
13	La Sierra Operating	31	RES 00	\$16,852	\$16,849	\$16,847	\$16,843
14	La Sierra Capacity Charge	31	RES 01	\$250,546	\$251,128	\$252,766	\$253,761
15	La Sierra System Improvement	31	RES 04	\$0	\$68,477	\$91,837	\$109,941
16	La Sierra Asset Replacement	31	RES 05	\$0	\$0	\$0	\$0
17	Math Check: Should = TRUE			TRUE	TRUE	TRUE	TRUE
18							
19							
20	CIFP Costs						
21	La Sierra Operating	31	RES 00	\$0	\$0	\$0	\$0
22	La Sierra Capacity Charge	31	RES 01	\$595,801	\$521,326	\$521,326	\$595,801
23	La Sierra System Improvement	31	RES 04	\$1,384,316	\$195,808	\$99,865	\$99,865
24	La Sierra Asset Replacement	31	RES 05	\$313,067	\$327,950	\$343,728	\$360,451
25	Math Check: Should equal T 4-1, and TRUE			TRUE	TRUE	TRUE	TRUE
26							
27							

Appendix E
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
La Sierra SEWER SERVICE AREA: Revenue Requirement Analysis

28	Capital Project Offsets						
29	La Sierra Operating	31	RES 00	\$0	\$0	\$0	\$0
30	La Sierra Capacity Charge	31	RES 01	\$0	\$0	\$0	\$0
31	La Sierra System Improvement	31	RES 04	\$0	\$0	\$0	\$0
32	La Sierra Asset Replacement	31	RES 05	\$0	\$0	\$0	\$0
33	Math Check: Should equal T 4-1, and = TRUE			TRUE	TRUE	TRUE	TRUE
34							
35							
36	Transfers to Other Reserves						
37	La Sierra From Operating to Syst Imp	31	RES 00				
38							
39							
40	Ending Reserve Balance as of 6/30						
41	La Sierra Operating	31	RES 00	\$1,270,912	\$1,130,013	\$1,061,646	\$1,061,646
42	La Sierra Capacity Charge	31	RES 01	(\$326,268)	(\$684,683)	(\$1,040,595)	(\$1,467,796)
43	La Sierra System Improvement	31	RES 04	(\$112,703)	(\$281,045)	(\$472,747)	(\$682,553)
44	La Sierra Asset Replacement	31	RES 05	\$5,817,311	\$6,001,087	\$6,191,995	\$6,390,182

45

46 **Financial Performance Criteria**

47

48 **Operating Reserve Sufficiency. Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 7.**

49 Target: minimum of three months and a maximum of six months of average operating expenses based on the annual operating budget.

50							
51							
52							
53	La Sierra						
54	Projected Operating Expenses			\$3,539,215	\$3,771,634	\$4,021,163	\$4,248,274
55	Projected End of Year Balance						
56	As Dollars			\$1,270,912	\$1,130,013	\$1,061,646	\$1,061,646
57	As Months of Operating Expenses			4.3	3.6	3.2	3.0
58	Dashboard Output Label and Format			Good	Good	Good	Low
59							

Appendix E
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
La Sierra SEWER SERVICE AREA: Revenue Requirement Analysis

60 **Asset Replacement Reserve Sufficiency.** Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 6.
 61 Minimum: estimated current replacement cost of assets associated with the Fund that are expected to be replaced within the next five years (i.e. will be fully depreciated)
 62 excluding certain assets.
 63 Excluded assets are those that:
 64 (a) are not subject to replacement based on an Operations and Engineering analysis,
 65 (b) are non-depreciable assets,
 66 (c) have an adjusted useful life of less than or equal to five years ("short-life assets"),
 67 (d) have a replacement cost of less than or equal to \$50,000 ("low-cost assets"), or
 68 (e) have a replacement cost of more than \$7,000,000 ("high-cost assets").
 69 Current replacement cost = original cost escalated annually by the ENR CCI.
 70 Maximum: sum of minimum target level plus 25% of estimated current replacement cost for capital assets associated with the Fund that have a replacement cost of
 71 more than \$7,000,000.
 72 Funding source: user rates; property taxes in the case of the Headquarters Fund. Note: therefore, for this Rate Study, the funding source is user rates.
 73 Annual Funding: equal to a maximum of the annual depreciation expense.

		Projected			
		FY 2026	FY 2027	FY 2028	FY 2029
78	La Sierra				
79	Minimum Balance	\$3,046,846	\$3,046,846	\$3,046,846	\$3,046,846
80	Maximum Balance	\$7,048,080	\$7,048,080	\$7,048,080	\$7,048,080
81	Projected End of Year Balance				
82	As Dollars	\$5,817,311	\$6,001,087	\$6,191,995	\$6,390,182
83	Dashboard Output Label and Format	Good	Good	Good	Good
84	As Percent of Minimum Value	191%	197%	203%	210%

Notes to Tables LaSierra-1 and LaSierra-2

(a) FY 2026 beginning year balance from Western Water staff 2/6/24. Value is the actual balance as of the beginning of FY 2025. Balance includes available reserves and committed reserves.

Appendix E
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
La Sierra SEWER SERVICE AREA: Revenue Requirement Analysis

Table La Sierra-3
Revenue Calculations

Projected Capacity Charge Revenues	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
1 La Sierra				
2 Number of New EDUs	54.33	54.33	54.87	55.42
3 Capacity Charge, \$/EDU (1) (2)	\$7,621	\$7,621	\$7,621	\$7,621
4 Capacity Charge Revenues	\$414,039	\$414,039	\$418,180	\$422,362

Notes:

(1) Source of Existing Capacity Charge: Western Water staff, 1/20/2025. Capacity Charges have been effective since 1/1/2019.

(2) For the purposes of this Rate Study, Capacity Charges are projected to remain at current amounts through FY 2029.

Table La Sierra-4
Capital Improvements

Table 4a: Total CIP Cost per Approved FY 2025-2030 Capital Improvement & Facilities Plan, for FY 2026 through FY 2029

Line	Project	Fund Number	Reserve Number	FY 2025	Projected Total Capital Project Cost			
					FY 2026	FY 2027	FY 2028	FY 2029
1	Western Riverside County Regional Wastewater Authority (WRCRWA) Asset	31	RES 05	\$234,025	\$313,067	\$327,950	\$343,728	\$360,451
2	Western Riverside County Regional Wastewater Authority (WRCRWA) AFC	31	RES 01	\$446,851	\$595,801	\$521,326	\$521,326	\$595,801
3	Western Riverside County Regional Wastewater Authority (WRCRWA) Syste	31	RES 04	\$1,233,550	\$1,384,316	\$195,808	\$99,865	\$99,865
4	McKinley Grade Separation Project	31	RES 05	\$2,200,000	\$0	\$0	\$0	\$0
5	Total			\$4,114,426	\$2,293,184	\$1,045,084	\$964,919	\$1,056,117
6	Math Check, should equal source data							

Appendix E
 Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
 La Sierra SEWER SERVICE AREA: Revenue Requirement Analysis

Table 4b. Total Offset Cost per Approved FY 2025-2030 Capital Improvement & Facilities Plan, for FY 2026 through FY 2029

Line	Project	Fund Number	Reserve Number	FY 2025	Projected				
					FY 2026	FY 2027	FY 2028	FY 2029	
1	Western Riverside County Regional Wastewater Authority (WRCRWA) Asset	31	RES 05	\$0	\$0	\$0	\$0	\$0	
2	Western Riverside County Regional Wastewater Authority (WRCRWA) AFC	31	RES 01	\$0	\$0	\$0	\$0	\$0	
3	Western Riverside County Regional Wastewater Authority (WRCRWA) Syste	31	RES 04	\$0	\$0	\$0	\$0	\$0	
4	McKinley Grade Separation Project	31	RES 05	\$0	\$0	\$0	\$0	\$0	
5	Total				\$0	\$0	\$0	\$0	

Table 4c. Capital Projects Funded by Line of Credit 1, 2, and 3

Line	Project	Fund Number	Reserve Number	Projected				
				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	Western Riverside County Regional Wastewater Authority (WRCRWA) Pump	31	RES 01	\$0	\$0	\$0		
2	Western Riverside County Regional Wastewater Authority (WRCRWA) Pump	31	RES 04	\$1,233,549	\$1,384,316	\$95,943		
3								
4	Math Check: total 31= source data			TRUE	TRUE	TRUE	TRUE	TRUE

Table La Sierra-5
 Existing Debt Service and Projected Line of Credit Interest

Line	Project	Fund Number	Reserve Number	Projected				
				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	BDS01-Bonds-2012A							
2	La Sierra	31	RES 00	\$0	\$1	\$0	\$1	\$0
3	La Sierra	31	RES 01	\$227,508	\$228,208	\$228,794	\$230,435	\$231,433
4	DTG03-WRCRWA SRF Loan							
5	La Sierra	31	RES 00	\$16,853	\$16,851	\$16,849	\$16,846	\$16,843
6	La Sierra	31	RES 01	\$22,341	\$22,338	\$22,334	\$22,331	\$22,328
7	LOC03-Future LOC-Non-Pipeline Projects							
8	La Sierra	31	RES 04	\$0	\$0	\$34,239	\$45,919	\$54,970
9	La Sierra	31	RES 04	\$0	\$0	\$34,239	\$45,918	\$54,970

Section 11

Appendix F: La Sierra Service Area Rate Design Calculations

Appendix F
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
La Sierra SEWER SERVICE AREA: Rate Design Calculations

La Sierra Rate Revenue Requirement

Line	Proposed				
	FY 2026	FY 2027	FY 2028	FY 2029	
1	La Sierra				
2	O&M Expenses	\$1,991,552	\$2,081,172	\$2,174,825	\$2,272,692
3	Staffing Plan Costs		\$34,463	\$74,419	\$79,628
4	Transfer to Asset Replacement Reserve	\$348,851	\$366,294	\$384,608	\$403,839
5	Disposal Charges Fixed	\$1,032,401	\$1,104,669	\$1,181,996	\$1,264,736
6	Disposal Charges Variable	\$515,262	\$551,330	\$589,923	\$631,218
7	Operating Reserve Debt Service and LOC Interest	\$16,852	\$16,849	\$16,847	\$16,843
8	WRCRWA PayGo Capital Improvements	\$414,031	\$362,277	\$362,277	\$414,031
9	Operating Reserve Capital Project Costs Less Offsets	\$0	\$0	\$0	\$0
10	Less Operating Reserve LOC Draws	\$0	\$0	\$0	\$0
11	Less Offsetting Revenues	\$0	\$0	\$0	\$0
12	Less Retail Billing Interest	\$0	\$0	\$0	\$0
13	Total Rate Revenue Requirement	\$4,318,949	\$4,517,054	\$4,784,895	\$5,082,986

14
15
16

17 Proposed La Sierra Rates, Before Phase-In Adjustment

Line	Current	Proposed			
		FY 2026	FY 2027	FY 2028	FY 2029
20	La Sierra Rate Revenue Requirement	\$4,318,949	\$4,517,054	\$4,784,895	\$5,082,986
21	Number of EDUs	5,432.87	5,487.20	5,542.08	5,597.50
22	Proposed La Sierra Rate, \$/month per EDU	\$58.37	\$66.25	\$68.60	\$71.95
23	Percent Increase from Previous Year		13.50%	3.55%	4.88%

24
25

26 **Proposed La Sierra Rates, After Phase-In Adjustment**

		Proposed			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
29 La Sierra Rate Revenue Requirement		\$4,318,949	\$4,517,054	\$4,784,895	\$5,082,986
30 Number of EDUs		5,432.87	5,487.20	5,542.08	5,597.50
31 Proposed La Sierra Rate, \$/month per EDU	\$58.37	\$62.28	\$66.46	\$70.92	\$75.67
32 Percent Increase from Previous Year		6.71%	6.71%	6.71%	6.71%

34 **Revenue from Phased-In La Sierra Rates**

		Proposed			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
37 Revenue from Phased-In Rates		\$4,060,313	\$4,376,155	\$4,716,528	\$5,082,986
38 Additional Use of La Sierra Reserves		\$258,636	\$140,899	\$68,367	\$0

41 **Residential With Maintenance Rate**

		Proposed, \$/month/EDU			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
44 Residential with Maintenance Surcharge	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
45 La Sierra Sewer Rate - Residential/Commercial	\$58.37	\$62.28	\$66.46	\$70.92	\$75.67
46 La Sierra Sewer Rate - Residential with Maintenance	\$63.37	\$67.28	\$71.46	\$75.92	\$80.67

Section 12

Appendix G: Murrieta Sewer Service Area Revenue Requirement Calculations

Appendix G: Murrieta Sewer Revenue Requirement Analysis

Appendix G
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta SEWER SERVICE AREA: Revenue Requirement Analysis

Table Murrieta Sewer RR-1
Projected Operating Statement: Sources of Funds

Line	Fund Number	Reserve Number	Projected			
			FY 2026	FY 2027	FY 2028	FY 2029
1	Beginning Reserve Balance as of 7/1					
2	35	RES 00	\$1,375,234	\$1,274,625	\$1,227,734	\$1,225,846
3	35	RES 01	\$8,034,589	\$8,042,818	\$9,432,260	\$10,884,714
4	35	RES 04	\$65,000	\$15,000	\$65,000	\$65,000
5	35	RES 05	\$3,679,742	\$2,758,179	\$2,964,972	\$3,183,827
6						
7	Sources of Funds					
8	Rate Revenues					
9	35	RES 00	\$3,150,725	\$3,379,094	\$3,626,997	\$3,893,803
10						
11	Capacity Charge Revenues					
12	35	RES 01	\$1,227,717	\$1,227,717	\$1,227,717	\$1,227,717
13	35	RES 01	\$96,567	\$97,775	\$98,997	\$100,234
14						
15	35	RES 00	\$131,000	\$131,000	\$131,000	\$131,000
16						
17	Interest Income					
18	35	RES 00				
19	35	RES 01	\$200,865	\$201,070	\$235,807	\$272,118
20	35	RES 04				
21	35	RES 05	\$91,994	\$68,954	\$74,124	\$79,596
22	35	RES 00				
23						
24	Other Operating Revenues					
25	Murrieta Sewer					
26	35	RES 00				
27	35	RES 00				
28						

Appendix G: Murrieta Sewer Revenue Requirement Analysis

Appendix G
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta SEWER SERVICE AREA: Revenue Requirement Analysis

29	Transfers from Other Reserves						
30	Murrieta Sewer: From Operating to Asset Repl	35	RES 05	\$131,275	\$137,839	\$144,731	\$151,967
31	Murrieta Sewer: From Operating to System Improvement	35	RES 04	\$100,000	\$50,000	\$0	\$0
32	Murrieta Sewer : From Operating to Capacity Charge	35	RES 01	\$802,563	\$812,804	\$834,544	\$857,625
33							
34	Future Line of Credit Draws (Lines of Credit 1, 2, and 3)						
35	Murrieta Sewer Operating	35	RES 00	\$0	\$0	\$0	\$0
36	Murrieta Sewer Capacity Charge	35	RES 01	\$0	\$0	\$0	\$0
37	Murrieta Sewer System Improvement	35	RES 04	\$0	\$0	\$0	\$0
38	Murrieta Sewer Asset Replacement	35	RES 05	\$0	\$0	\$0	\$0
39	Math Check			TRUE	TRUE	TRUE	TRUE

Appendix G: Murrieta Sewer Revenue Requirement Analysis

Appendix G
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta SEWER SERVICE AREA: Revenue Requirement Analysis

Table Murrieta Sewer RR-2
Projected Operating Statement: Uses of Funds

	Fund Number	Reserve Number	Projected			
			FY 2026	FY 2027	FY 2028	FY 2029
1 Uses of Funds						
2 Expenses Labelled as O&M Expenditures in Western Water Input						
3 Murrieta Sewer						
4 O&M Expenses	35	RES 00	\$361,203	\$377,457	\$394,443	\$412,193
5 Staffing Plan Costs	35	RES 00		\$10,562	\$19,467	\$20,829
6 Asset Replacement Reserve	35	RES 00	\$131,275	\$137,839	\$144,731	\$151,967
7 Eastern Disposal Expense	35	RES 00	\$331,658	\$351,508	\$374,457	\$399,288
8 SRRRA Primary/Secondary Treatment	35	RES 00	\$1,313,737	\$1,451,708	\$1,602,356	\$1,766,767
9 SRRRA Capital Replacement	35	RES 00	\$341,899	\$365,106	\$389,889	\$416,353
10 SRRRA Debt Service	35	RES 00	\$802,563	\$812,804	\$834,544	\$857,625
11						
12 Existing Debt Service and Line of Credit Interest						
13 Murrieta Sewer Operating	35	RES 00	\$0	\$1	\$0	\$0
14 Murrieta Sewer Capacity Charge	35	RES 01	\$969,483	\$949,923	\$944,610	\$941,096
15 Murrieta Sewer System Improvement	35	RES 04	\$0	\$0	\$0	\$0
16 Murrieta Sewer Asset Replacement	35	RES 05	\$0	\$0	\$0	\$0
17 Math Check: Should = TRUE			TRUE	TRUE	TRUE	TRUE
18						
19 CIPF Costs						
20 Murrieta Sewer Operating	35	RES 00	\$0	\$0	\$0	\$0
21 Murrieta Sewer Capacity Charge	35	RES 01	\$1,350,000	\$0	\$0	\$0
22 Murrieta Sewer System Improvement	35	RES 04	\$150,000	\$0	\$0	\$0
23 Murrieta Sewer Asset Replacement	35	RES 05	\$1,144,832	\$0	\$0	\$0
24 Math Check: Should equal T 4-1, and TRUE			TRUE	TRUE	TRUE	TRUE
25						
26 Capital Project Offsets						
27 Murrieta Sewer Operating	35	RES 00	\$0	\$0	\$0	\$0
28 Murrieta Sewer Capacity Charge	35	RES 01	\$0	\$0	\$0	\$0
29 Murrieta Sewer System Improvement	35	RES 04	\$0	\$0	\$0	\$0
30 Murrieta Sewer Asset Replacement	35	RES 05	\$0	\$0	\$0	\$0
31 Math Check: Should equal T 4-1, and = TRUE			TRUE	TRUE	TRUE	TRUE

Appendix G: Murrieta Sewer Revenue Requirement Analysis

Appendix G
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta SEWER SERVICE AREA: Revenue Requirement Analysis

32								
33								
34	Transfers to Other Reserves							
35	Murrieta Sewer From Operating to Syst Imp	35	RES 00	\$100,000	\$50,000			
36								
37								
38	Ending Reserve Balance as of 6/30							
39	Murrieta Sewer Operating	35	RES 00	\$1,274,625	\$1,227,734	\$1,225,846	\$1,225,626	
40	Murrieta Sewer Capacity Charge	35	RES 01	\$8,042,818	\$9,432,260	\$10,884,714	\$12,401,312	
41	Murrieta Sewer System Improvement	35	RES 04	\$15,000	\$65,000	\$65,000	\$65,000	
42	Murrieta Sewer Asset Replacement	35	RES 05	\$2,758,179	\$2,964,972	\$3,183,827	\$3,415,390	

43

44 **Financial Performance Criteria**

45

46 **Operating Reserve Sufficiency. Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 7.**

47 Target: minimum of three months and a maximum of six months of average operating expenses based on the annual operating budget.

48					
49					
50		Projected			
51	Murrieta WW	FY 2026	FY 2027	FY 2028	FY 2029
52	Projected Operating Expenses	\$1,674,940	\$1,829,165	\$1,996,799	\$2,178,960
53	Projected End of Year Balance				
54	As Dollars	\$1,274,625	\$1,227,734	\$1,225,846	\$1,225,626
55	As Months of Operating Expenses	9.1	8.1	7.4	6.7
56	Dashboard Output Label and Format	High	High	High	High
57					

Appendix G: Murrieta Sewer Revenue Requirement Analysis

Appendix G Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study Murrieta SEWER SERVICE AREA: Revenue Requirement Analysis

58 **Asset Replacement Reserve Sufficiency.** Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 6.
 59 Minimum: estimated current replacement cost of assets associated with the Fund that are expected to be replaced within the next five years (i.e. will be fully depreciated)
 60 excluding certain assets.
 61 Excluded assets are those that:
 62 (a) are not subject to replacement based on an Operations and Engineering analysis,
 63 (b) are non-depreciable assets,
 64 (c) have an adjusted useful life of less than or equal to five years ("short-life assets"),
 65 (d) have a replacement cost of less than or equal to \$50,000 ("low-cost assets"), or
 66 (e) have a replacement cost of more than \$7,000,000 ("high-cost assets").
 67 Current replacement cost = original cost escalated annually by the ENR CCI.
 68 Maximum: sum of minimum target level plus 25% of estimated current replacement cost for capital assets associated with the Fund that have a replacement cost of
 69 more than \$7,000,000.
 70 Funding source: user rates; property taxes in the case of the Headquarters Fund. Note: therefore, for this Rate Study, the funding source is user rates.
 71 Annual Funding: equal to a maximum of the annual depreciation expense.

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
75 Murrieta Sewer				
76 Minimum Balance	\$304,688	\$304,688	\$304,688	\$304,688
77 Maximum Balance	\$3,663,753	\$3,663,753	\$3,663,753	\$3,663,753
78 Projected End of Year Balance				
79 As Dollars	\$2,758,179	\$2,964,972	\$3,183,827	\$3,415,390
80 Dashboard Output Label and Format	Good	Good	Good	Good
81 As Percent of Minimum Value	905%	973%	1045%	1121%

83 **Notes to Tables Murrieta Sewer-1 and Murrieta Sewer-2**

84 (a) FY 2026 beginning year balance from Western Water staff 1/20/24. Value is the actual balance as of the beginning of FY 2025. Balance includes available reserves and committed reserves.

Appendix G: Murrieta Sewer Revenue Requirement Analysis

Appendix G
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta SEWER SERVICE AREA: Revenue Requirement Analysis

Table Murrieta Sewer RR-3
Revenue Calculations

Projected Capacity Charge Revenues		Projected			
		FY 2026	FY 2027	FY 2028	FY 2029
1	SRRRA EDUs				
2	Number of New EDUs	154.75	154.75	154.75	154.75
3	Capacity Charge, \$/EDU	\$7,934	\$7,934	\$7,934	\$7,934
4	Capacity Charge Revenues	\$1,227,717	\$1,227,717	\$1,227,717	\$1,227,717
5					
6	Eastern EDUs				
7	Number of New EDUs	7.84	7.94	8.04	8.14
8	Capacity Charge, \$/EDU	\$12,311	\$12,311	\$12,311	\$12,311
9	Capacity Charge Revenues	\$96,567	\$97,775	\$98,997	\$100,234

Table Murrieta Sewer RR-4
Capital Improvements

Table 4a: Total CIPF Cost per Approved FY 2025-2030 Capital Improvement & Facilities Plan, for FY 2026 through FY 2029

Line	Project	Fund Number	Reserve Number	FY 2025	Projected Total Capital Project Cost			
					FY 2026	FY 2027	FY 2028	FY 2029
1	Santa Rosa Regional Resources Authority (SRRRA) Asset Replacement	35	RES 05	\$114,742	\$244,832	\$0	\$0	\$0
2	Madison Avenue Sewer Improvement	35	RES 01	\$150,000	\$1,350,000	\$0	\$0	\$0
3	Murrieta Sewer Groundwater Infiltration Reduction	35	RES 05	\$100,000	\$900,000	\$0	\$0	\$0
4	Study for Diversion of Murrieta's Ultimate Sewer Flows to EMWD's Treatme	35	RES 04	\$0	\$150,000	\$0	\$0	\$0
5	Total			\$364,742	\$2,644,832	\$0	\$0	\$0
6	Math Check, should equal source data							

Appendix G: Murrieta Sewer Revenue Requirement Analysis

Appendix G Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study Murrieta SEWER SERVICE AREA: Revenue Requirement Analysis

Table 4b. Total Offset Cost per Approved FY 2025-2030 Capital Improvement & Facilities Plan, for FY 2026 through FY 2029

Line	Project	Fund Number	Reserve Number	FY 2025	Projected			
					FY 2026	FY 2027	FY 2028	FY 2029
1	Santa Rosa Regional Resources Authority (SRRRA) Asset Replacement	35	RES 05					
2	Madison Avenue Sewer Improvement	35	RES 01					
3	Murrieta Sewer Groundwater Infiltration Reduction	35	RES 05					
4	Study for Diversion of Murrieta's Ultimate Sewer Flows to EMWD's Treatme	35	RES 04					
5	Total			\$0	\$0	\$0	\$0	\$0

Table 4c. Capital Projects Funded by Line of Credit 1, 2, and 3

Line	Project	Fund Number	Reserve Number	Projected				
				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1		35	RES 01					
2		35	RES 04					

**Table Murrieta Sewer RR-5
Existing Debt Service and Projected Line of Credit Interest**

Line	Project	Fund Number	Reserve Number	Projected		Projected		
				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	DTG01-SRRRA Bonds-2017A & 2017B							
2	Murrieta Sewer	35	RES 00	(\$1)	\$0	\$1	\$0	\$0
3	Murrieta Sewer	35	RES 01	\$720,659	\$707,487	\$687,927	\$682,614	\$679,100
4	DTG02-SRRRA SRF Loan							
5	Murrieta Sewer	35	RES 00	\$0	\$0	\$0	\$0	\$0
6	Murrieta Sewer	35	RES 01	\$261,996	\$261,996	\$261,996	\$261,996	\$261,996

Section 13

Appendix H: Murrieta Sewer Service Area Rate Design Calculations

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Sewer Service Area: Rate Design Calculations

Billing Determinants: Projected EDUs

Line	Proposed				
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	4,294.18	4,448.93	4,603.68	4,758.43	4,913.18
2	627.54	635.38	643.33	651.37	659.51
3	4,921.72	5,084.31	5,247.01	5,409.80	5,572.69
4					
5					
6	Murrieta Sewer Rate Revenue Requirement				
7					
8					
9	Western O&M				
10		\$361,203	\$377,457	\$394,443	\$412,193
11			\$10,562	\$19,467	\$20,829
12		\$131,275	\$137,839	\$144,731	\$151,967
13		\$100,000	\$50,000	\$0	\$0
14		\$0	\$1	\$0	\$0
15		\$0	\$0	\$0	\$0
16		(\$131,000)	(\$131,000)	(\$131,000)	(\$131,000)
17		\$0	\$0	\$0	\$0
18					
19					
20	SRRRA Treatment				
21		\$1,313,737	\$1,451,708	\$1,602,356	\$1,766,767
22		\$341,899	\$365,106	\$389,889	\$416,353
23		\$802,563	\$812,804	\$834,544	\$857,625
24					
25					
26					
27					
28		\$331,658	\$351,508	\$374,457	\$399,288
29		\$3,251,334	\$3,425,984	\$3,628,885	\$3,894,023
30					
31					
32					

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Sewer Service Area: Rate Design Calculations

33 **Proposed Western O&M Rates**

		Proposed			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
36 Western O&M Rate Revenue Requirement		\$461,478	\$444,859	\$427,640	\$453,989
37 Number of EDUs		5,084.31	5,247.01	5,409.80	5,572.69
38 Proposed Western O&M Rate, \$/month per EDU	\$8.07	\$7.56	\$7.07	\$6.59	\$6.79
39 Percent Increase from Previous Year		-6.27%	-6.59%	-6.76%	3.06%

41 **Proposed Phase-In of Western O&M Rates**

		Proposed			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
44 Western O&M Rate Revenue Requirement		\$461,478	\$444,859	\$427,640	\$453,989
45 Number of EDUs		5,084.31	5,247.01	5,409.80	5,572.69
46 Proposed Western O&M Rate, \$/month per EDU	\$8.07	\$7.73	\$7.40	\$7.09	\$6.79
47 Percent Increase from Previous Year		-4.23%	-4.23%	-4.23%	-4.23%

49 **Revenue from Phased-In Western O&M Rates**

		Proposed			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
52 Revenue from Phased-In Rates		\$471,540	\$466,047	\$460,183	\$453,989
53 Additional Use of Murrieta Sewer Reserves		(\$10,062)	(\$21,187)	(\$32,543)	\$0

57 **Proposed SRRRA Treatment Rates, Before Phase-In Adjustment**

		Proposed			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
60 SRRRA Treatment Rate Revenue Requirement		\$2,458,199	\$2,629,618	\$2,826,788	\$3,040,746
61 Number of EDUs	4,294.18	4,448.93	4,603.68	4,758.43	4,913.18
62 Proposed SRRRA Treatment Rate, \$/month per EDU	\$41.69	\$46.04	\$47.60	\$49.50	\$51.57
63 Percent Increase from Previous Year		10.45%	3.38%	4.00%	4.18%

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Sewer Service Area: Rate Design Calculations

67 **Proposed SRRRA Treatment Rates, After Phase-In Adjustment**

		Proposed			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
68					
69					
70	SRRRA Treatment Rate Revenue Requirement	\$2,458,199	\$2,629,618	\$2,826,788	\$3,040,746
71	Number of EDUs	4,448.93	4,603.68	4,758.43	4,913.18
72	Proposed SRRRA Treatment Rate, \$/month per EDU	\$41.69	\$43.97	\$46.37	\$51.57
73	Percent Increase from Previous Year		5.46%	5.46%	5.46%

74

75 **Revenue from Phased-In SRRRA Treatment Rates**

		Proposed			
	Current	FY 2026	FY 2027	FY 2028	FY 2029
76					
77					
78	Revenue from Phased-In Rates	\$2,347,306	\$2,561,654	\$2,792,416	\$3,040,746
79	Additional Use of Murrieta Sewer Reserves	\$110,892	\$67,964	\$34,373	\$0

80

81

82 **SRRRA Sub Area Rates**

		Proposed				
	Current	FY 2026	FY 2027	FY 2028	FY 2029	
83						
84						
85	Combined SRRRA Treatment and Murrieta Wastewater O&M	\$49.76	\$51.70	\$53.77	\$55.99	\$58.36
86	Percent Increase		3.9%	4.0%	4.1%	4.2%

87

88

89 **Eastern Disposal Rate**

		Proposed				
	Current	FY 2026	FY 2027	FY 2028	FY 2029	
90						
91						
92	Eastern Disposal Rate, \$/EDU per month	\$42.95	\$43.50	\$45.53	\$47.91	\$50.45

93

94

95 **Eastern Sub Area Rate**

		Proposed				
	Current	FY 2026	FY 2027	FY 2028	FY 2029	
96						
97						
98	Eastern Sub Area Rate, \$/EDU per month	\$51.02	\$51.23	\$52.93	\$55.00	\$57.24
99	Percent Increase		0.4%	3.3%	3.9%	4.1%

Section 14

Appendix I: Glossary

Asset Replacement Reserve	The Asset Replacement Reserve’s revenues are a transfer from the Operating Reserve. Expenditures are for refurbishment and replacement capital projects.
Capacity Charge Reserve	Revenues come from Capacity Charges paid by developers, and expenditures are for capital projects that increase system capacity. The Capacity Charge Reserve is not part of this Rate Study.
Offsetting Revenues	Offsetting revenues include Riverside scalping revenues, Brine Line sampling revenues, and Brine Line excess quantity penalty revenues.
Operating Reserve	The Operating Reserve receives nearly all rate revenues. The Operating Reserve pays for most Operation and Maintenance (O&M) expenses, a portion of the service area’s debt service, and an annual transfer to the Asset Replacement Reserve.
System Improvement Reserve	In Riverside, revenues come from a portion of Western Water’s property tax revenues. Expenditures are capital projects that upgrade or enhance the functionality, efficiency, or capacity of the water system. The System Improvement Reserve is not part of the Rate Study as it is currently not funded by water rates.
Transfer to Asset Replacement Reserve	The Asset Replacement Reserve funds refurbishment and replacement capital projects.
Water Transfer Revenue - Recycled	Western Water sells recycled water produced at the WWRF Treatment Plant to Western Water's Recycled Water utility. The sales price for recycled water is based on the Metropolitan Water District Tier 1 Untreated Rate.