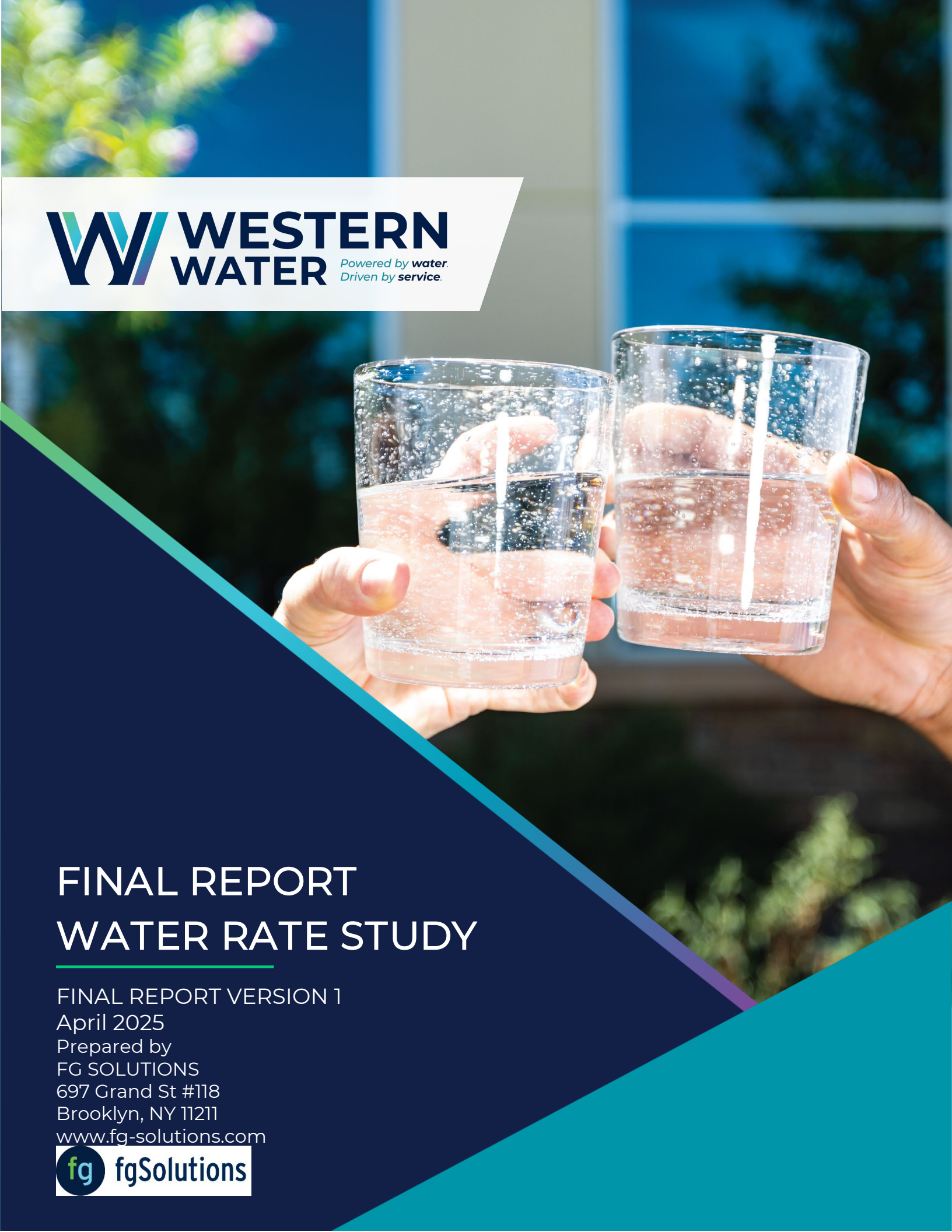

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FINAL REPORT
WATER RATE STUDY

FINAL REPORT VERSION 1
April 2025

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FINAL

Water Rate Study

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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
FY	Fiscal Year (July 1–June 30)
G&A	General & Administrative
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
PFAS	Per- and Polyfluoroalkyl Substances
RPU	Riverside Public Utilities
SBBA	San Bernardino Basin Area
T&D	Transmission and Distribution
WWRF	Western Water Recycling Facility

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 the 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, serving 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 The Metropolitan Water District of Southern California (Metropolitan) – and from local sources. Western Water uses the terms 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. As the cost of imported water, energy, materials, and system maintenance continues to rise, we must assess whether current rates are sufficient to support these essential services. Western Water conducted a water rate study (Rate Study) to review and update the water rates for the Riverside Water and Murrieta Water service areas. Western Water monitors the financial condition of its water utility on a continuous basis and completes a Rate Study every four years. This Rate Study recognizes the following factors that require the proposed rate increases.

Inflation: The rate at which the general level of prices for goods and services rises over time. Inflation significantly impacts Western Water in many ways, including rising operational costs due to increases in the cost of essential supplies like energy, chemicals, and equipment needed for water treatment and distribution, rising wages and benefits for employees, the rising cost of capital projects, and the rising costs of other contracted services including engineering, consulting, and maintenance contractors.

Rising water supply costs: Water management in California is complex and ever-changing. From climate change to infrastructure needs, we're navigating challenges that require foresight and investment. Maintaining and operating the infrastructure that delivers water across our region is a major cost driver of water services. Metropolitan, which supplies a significant portion of your water, is facing increased costs to sustain and manage its system — costs that remain steady even when water use decreases in response to conservation and wet weather. Metropolitan rates have doubled in the last 15 years, and an average annual increase to Western Water of

more than 7% is expected over the next four years. In Western Water's Murrieta service area, the purchase and delivery costs of imported water supplies through an interconnection with the Eastern Municipal Water District (EMWD) is also facing increased costs to sustain and manage their systems — costs that remain steady even when water use fluctuates. Western Water is estimating an average annual increase from imported water costs of more than 5% over the next four years from EMWD.

Regulatory Impacts on Local Water Supply: California's increasingly stringent water quality regulations impact both our local and imported water supplies, which means increased treatment and efficiency program costs to meet state requirements. This also limits the availability of lower-cost local supplies. Less local supply means Western Water must buy more expensive imported water**.** More stringent water quality standards limit local supply availability and increase treatment costs. Ongoing investments in testing and treatment ensure our water meets strict state and federal health and safety requirements.

This Rate Study provides the analysis used to determine the proposed water rates and charges for Western Water's Riverside Water and Murrieta Water service areas for the four-year Rate Study Period, Fiscal Year (FY) 2026 through FY 2029. The Riverside Water service area includes a 41-connection water system located south of the Murrieta Water service area called "Rainbow" and a 53-connection water system called "March East"; the latter is an interconnected system with the Riverside water system. The Riverside water system collectively includes both the potable and non-potable water systems.

In this report, Section 2 provides background information. Section 3 describes the calculation of proposed water rates for the Riverside Water Service Area. Section 4 describes the calculation of proposed water rates for the Murrieta Water Service Area.

This Executive Summary focuses on the proposed rates. Please refer to the discussion in Sections 3 and 4 of this report for information on projected water system expenses, the factors that influence why rate increases are proposed, what the various components of the rates 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 Riverside Water and Murrieta Water service areas for FY 2026 through FY 2029
- Perform cost-of-service (COS) analyses for the Riverside Water and Murrieta Water service areas for FY 2026 through FY 2029
- Develop proposed water rates for the Riverside Water and Murrieta Water service areas for FY 2026 through FY 2029
- Document the nexus between the costs incurred by Western Water and the proposed rates

1.3 Proposed Rates: Riverside Water Service Area

Western Water's operating costs will be recovered through monthly fixed charges and variable charges outlined below. The two fixed charges are the Fixed System Charge and Readiness-to-Serve charge. Operating needs of Western Water not recovered by fixed charges are recovered through three variable charges – a Commodity Charge, Pumping Charge, and Water Reliability Charge.

If adopted by Western Water's Board of Directors, the proposed rates would be effective and applied to all water usage and service charges billed on or after July 1 of each Fiscal Year.

The fixed charges described below support the system of pipelines, pumps, and reservoir tanks needed to meet the total demand of all customers at any given time. The potential capacity demand is reflected by the size of the meter serving the customer's property. The larger the meter, the greater the potential water capacity demand and the greater the fixed charge.

1.3.1 Fixed System Charge

Table ES-1 Proposed Riverside Fixed System Charges, describes the proposed monthly Fixed System Charge for each meter size and effective date through the end of the Rate Study Period. The Fixed System Charge is applicable to all water customers receiving potable water and non-potable water service in the Riverside Water Service Area.

Table ES-1. Proposed Riverside Fixed System Charges

Meter Size	Current	Proposed 7/1/2025	Proposed 7/1/2026	Proposed 7/1/2027	Proposed 7/1/2028
Fixed System Charge, $/month					
5/8"	$29.09	$31.61	$34.34	$37.31	$40.54
3/4"	$39.99	$43.46	$47.23	$51.33	$55.80
1"	$61.89	$67.25	$73.08	$79.41	$86.30
1.5"	$116.88	$126.93	$137.84	$149.69	$162.57
2"	$139.39	$151.22	$164.05	$177.97	$193.08
3"	$337.20	$365.92	$397.09	$430.92	$467.63
4"	$662.55	$720.24	$782.95	$851.12	$925.23
6"	$1,479.47	$1,608.91	$1,749.67	$1,902.75	$2,069.22
8"	$1,972.04	$2,144.08	$2,331.13	$2,534.50	$2,755.61
10"	$2,410.00	$2,677.34	$2,974.33	$3,304.27	$3,670.80
12"	$2,954.53	$3,396.14	$3,903.76	$4,487.26	$5,157.98

1.3.2 Readiness-to-Serve Charge

The Readiness-to-Serve charge is applicable to all potable and non-potable customers in the Riverside Water Service Area. The Readiness-to-Serve charge recovers a part of the cost of imported water, which is the Readiness-to-Serve Charge assessed by Metropolitan. Western

Water's monthly Readiness-to-Serve Charges shown in Table ES-2 are a pass-through of Metropolitan's charge proportionally allocated over the various meter sizes.

Table ES-2. Proposed Riverside Readiness-to-Serve Charges

Meter Size	Current	Proposed 7/1/2025	7/1/2026	7/1/2027	7/1/2028
Readiness to Serve Charge, $/month					
5/8"	$1.70	$2.10	$2.08	$2.19	$2.32
3/4"	$2.55	$3.15	$3.12	$3.28	$3.49
1"	$4.24	$5.25	$5.21	$5.47	$5.81
1.5"	$8.48	$10.49	$10.41	$10.94	$11.62
2"	$10.18	$12.59	$12.49	$13.13	$13.94
3"	$25.44	$31.47	$31.23	$32.81	$34.86
4"	$50.87	$62.94	$62.47	$65.63	$69.72
6"	$114.46	$141.62	$140.55	$147.66	$156.88
8"	$152.61	$188.82	$187.40	$196.88	$209.17
10"	$203.48	$251.76	$249.87	$262.51	$278.89
12"	$286.15	$354.04	$351.37	$369.15	$392.19

1.3.3 Fire Service Charges

The Private Fire Service Charge is a fixed monthly charge that customers with separate fire service connections pay and is based on the meter size for the fire service connection. Table ES-3 shows the proposed Private Fire Service Charges.

Table ES-3. Proposed Riverside Private Fire Service Charges

	Current	Proposed 7/1/2025	7/1/2026	7/1/2027	7/1/2028
Private Fire Service Charges, $/month					
3" Pipe Diameter	$11.72	$12.90	$13.54	$14.53	$15.14
4" Pipe Diameter	$16.46	$17.67	$18.56	$20.01	$20.90
6" Pipe Diameter	$33.47	$34.76	$36.57	$39.69	$41.61
8" Pipe Diameter	$62.80	$64.25	$67.64	$73.62	$77.31
10" Pipe Diameter	$106.92	$108.61	$114.37	$124.67	$131.02
12" Pipe Diameter	$168.08	$170.08	$179.14	$195.42	$205.46

1.3.4 Variable Charges (based on the volume of water delivered to the customer)

The variable charges described below are based on the number of units of water delivered to a property during the billing period. A "unit" of water is one hundred cubic feet (hcf), which is equal to 748 gallons.

1.3.4.1 Tier Width

Western Water applies a budget-based rate structure to its potable customers (excluding its potable agricultural, March East, and Rainbow customers) in compliance with Water Code §§370 et seq. Each customer is assigned a water budget based on several factors, including the number of people residing in the home, the irrigated landscape area, and the weather. This structure allows the District to allocate costs must more precisely – based on the cost of serving not only the parcel, but each individual living on the parcel. Table ES-4 outlines how water budgets are calculated for each type of customer.

For commercial customers, outdoor water budgets are calculated using a landscape efficiency factor (LEF), which determines how much water is allocated for landscape irrigation. Currently, the commercial LEF is 0.80. Effective July 1, 2025, to align with state regulations and Model Water Efficient Landscape standards, Western Water will change the LEF from 0.80 to 0.63 for existing commercial customers and 0.45 for new commercial construction.

IWB – Indoor Water Budget. The indoor budget is calculated using four factors:

- The number of people in the household
- An allotment of 55 gallons per person
- The number of days in the billing cycle
- A conversion factor from gallons to billing units

OWB – Outdoor Water Budget. The outdoor budget is calculated using three factors:

- Irrigated landscape area
- Daily localized weather data
- Landscape factor

TWB – Total Water Budget. The total water budget includes a customer's indoor water budget and outdoor water budget. The number of billing units in your total water budget varies each billing period depending on the number of days within the billing cycle and local weather information. Therefore, customers may receive a higher water budget during longer billing cycles and in the warmer summer months.

For residential customers, the total monthly water budget (water budget) is the sum of the indoor and outdoor water budgets. When water usage stays within the water budget, customers pay Tier 1 and 2 rates, Western Water's lowest commodity pricing. Tier 3 and 4 rates are charged for water use that exceeds a customer's water budget. Tier 3's width is 54% of the customer's outdoor water budget. Tier 4 rates will be charged for water use exceeding Tier 3. These rates are more expensive because they include additional costs for customer support programs designed to help customers with use in Tiers 3 and 4 get back into budget.

Some commercial customers have a dedicated irrigation meter for outdoor watering. These "irrigation" or "landscape" customers are billed at the Tier 2 rate since 100% of their water use is outdoors.

Some commercial customers have a mixed-use water meter. For "mixed-use" customers, the water budget is calculated using a three-year rolling average of prior monthly use, and 30% is billed at the Tier 1 rate and 70% at the Tier 2 rate.

All commercial customers are also subject to Tier 3 and Tier 4 rates. Tier 3's width is 54% of the total water budget. Tier 4 rates will be charged for water use exceeding Tier 3.

The water budget for schools with mixed-use meters is calculated using the student count plus the school's irrigated area, if applicable.

Table ES-4. Riverside Tier Width Definitions

Tier	Single-Family Residential	Multi-Family Residential	Commercial	Irrigation
Tier 1	100% IWB	100% IWB	30% TWB	N/A
Tier 2	100% OWB	100% OWB	70% TWB	100% OWB
Tier 3	54% OWB	54% OWB	54% TWB	54% OWB
Tier 4	Above Tier 3	Above Tier 3	Above Tier 3	Above Tier 3

1.3.4.2 Commodity Charges

Table ES-5 show the proposed Commodity Charges for potable and non-potable water service. The Commodity Charge is comprised of the following components, which are described in more detail in Section 3:

1. Water Supply Component. Separate Water Supply components for potable and non-potable water supply are calculated.
2. Water Delivery Component
3. Efficiency Component
4. Property Tax Offset Component

Table ES-5. Proposed Riverside Commodity Charges

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Commodity Charge, $/hcf					
Riverside Potable					
Tier 1	$2.09	$2.28	$2.48	$2.70	$2.95
Tier 2	$3.59	$3.84	$4.10	$4.38	$4.67
Tier 3	$4.73	$5.21	$5.59	$5.95	$6.17
Tier 4	$5.31	$5.60	$5.98	$6.34	$6.56
Agriculture	$3.15	$3.30	$3.61	$3.91	$4.11
March East	$3.98	$4.30	$4.61	$4.92	$5.12
Rainbow	$3.46	$3.67	$3.88	$4.11	$4.34
Riverside Non-Potable					
Landscape	$2.80	$2.25	$2.49	$2.80	$2.99
Agriculture	$2.51	$2.25	$2.49	$2.80	$2.99

1.3.4.3 Water Reliability Charge

The Water Reliability Charge of $0.42 per HCF is unchanged and is shown in Table ES-6. The amount of the Water Reliability Charge is set by Western Water policy and revenues are used to fund capital projects that would increase water system reliability or capacity, improve the long-term sustainability of the water supply and enhance and improve water supply management. The Water Reliability Charge is discussed in more detail in Appendix E.

Table ES-6. Proposed Riverside Water Reliability Charge

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Water Reliability Charge, $/hcf					
Potable and Non-Potable Water	$0.42	$0.42	$0.42	$0.42	$0.42

1.3.4.4 Pumping Charges

The Riverside Water and Murrieta Water service areas are divided into Power Zones based on the energy needed to serve the area. The further away from a water source and the higher the elevation, the higher the energy cost. Areas with similar energy costs are grouped into Power Zones.

Potable water service is provided in five geographically based Power Zones, and non-potable water service is provided in seven Power Zones. Western Water has developed projections of energy costs for pumping water to each Power Zone and has calculated proposed Pumping Charges to recover those costs. Proposed Pumping Charges are shown in Table ES-7. Note that there is no Pumping Charge for Power Zone 101. A pumping charge study was performed to determine the rates proposed below. The pumping charge study is discussed in more detail in Appendix D.

Table ES-7. Proposed Riverside Pumping Charges

.		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Pumping Charges, $/hcf					
Riverside Potable					
Power Zone 101	$0.00	$0.00	$0.00	$0.00	$0.00
Power Zone 102	$0.16	$0.17	$0.18	$0.19	$0.19
Power Zone 103	$0.21	$0.23	$0.25	$0.27	$0.29
Power Zone 104 (March East)	$0.27	$0.27	$0.28	$0.28	$0.29
Power Zone 105	$0.79	$0.85	$0.91	$0.97	$1.03
Power Zone 106 (Rainbow)	$0.42	$0.48	$0.54	$0.61	$0.69
Riverside Non-Potable					
Power Zone 201	$0.41	$0.41	$0.41	$0.41	$0.41
Power Zone 202	$0.51	$0.51	$0.51	$0.51	$0.51
Power Zone 203	$0.42	$0.45	$0.48	$0.51	$0.55
Power Zone 204	$0.34	$0.34	$0.34	$0.34	$0.34
Power Zone 205	$0.70	$0.70	$0.70	$0.70	$0.70
Power Zone 206	$0.83	$0.86	$0.90	$0.94	$0.98
Power Zone 207	$0.28	$0.29	$0.30	$0.31	$0.32

1.4 Proposed Rates: Murrieta Water Service Area

Western Water's operating costs will be recovered through monthly fixed charges and variable charges outlined below. The fixed charge is described below. Operating needs of Western Water not recovered by fixed charges are recovered through two variable charges: a Commodity Charge and Pumping Charge.

If adopted by Western Water's Board of Directors, the proposed rates would be effective and applied to all water usage and service charges billed on or after July 1 of each Fiscal Year.

1.4.1 Fixed System Charge

Table ES-8, Proposed Murrieta Fixed System Charges, describes the proposed monthly Fixed System Charge for each meter size and the effective date through the end of the Rate Study Period.

Table ES-8. Proposed Murrieta Fixed System Charges

Meter Size	Current	Proposed 7/1/2025	7/1/2026	7/1/2027	7/1/2028
Fixed System Charge, $/month					
5/8"	$38.71	$40.91	$43.24	$45.70	$48.30
3/4"	$51.97	$55.38	$59.02	$62.90	$67.03
1"	$78.70	$84.48	$90.68	$97.34	$104.49
1.5"	$146.08	$157.65	$170.13	$183.60	$198.13
2"	$174.16	$187.82	$202.56	$218.45	$235.59
3"	$416.33	$450.88	$488.30	$528.83	$572.72
4"	$810.49	$881.60	$958.95	$1,043.08	$1,134.59
6"	$1,803.64	$1,964.67	$2,140.08	$2,331.15	$2,539.28
8"	$2,404.85	$2,618.86	$2,851.91	$3,105.70	$3,382.09
10"	$3,211.51	$3,495.23	$3,804.02	$4,140.09	$4,505.84

1.4.2 Fire Service Charges

The Private Fire Service Charge is a monthly fixed charge that customers with separate fire service connections pay. It is based on the pipe diameter size for the fire service connection.

Table ES-9. Proposed Murrieta Fire Service Charges

	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Fire Service Charge, $/Month					
3" Pipe Diameter	$27.76	$22.32	$23.36	$24.97	$26.10
4" Pipe Diameter	$44.77	$37.04	$38.90	$41.48	$43.36
6" Pipe Diameter	$105.79	$89.87	$94.70	$100.75	$105.31
8" Pipe Diameter	$211.04	$181.00	$190.94	$202.97	$212.16
10" Pipe Diameter	$369.35	$318.06	$335.70	$356.74	$372.88
12" Pipe Diameter	$588.77	$508.03	$536.33	$569.85	$595.64

1.4.3 Variable Charges (based on the volume of water delivered to the customer)

1.4.3.1 Tier Width

Western Water applies a budget-based rate structure to its potable customers (excluding its potable agricultural, March East, and Rainbow customers). Each customer is assigned a water budget based on several factors, including the number of people residing in the home, the irrigated landscape area, and the weather. Table ES-4 outlines how water budgets are calculated for each type of customer.

For commercial customers, outdoor water budgets are calculated using a landscape efficiency factor (LEF), which determines how much water is allocated for landscape irrigation. Currently, the commercial LEF is 0.80. Effective July 1, 2025, to align with state regulations and Model Water

Efficient Landscape standards, Western Water will change the LEF from 0.80 to 0.63 for existing commercial customers and 0.45 for new commercial construction.

IWB – Indoor Water Budget. The indoor budget is calculated using four factors:

- The number of people in the household
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Some commercial customers have a dedicated irrigation meter for outdoor watering. These "irrigation" or "landscape" customers are billed at the Tier 2 rate since 100% of their water use is outdoors. Tier 3's width is 54% of the outdoor water budget. Tier 4 rates will be charged for water use exceeding Tier 3.

Some commercial customers have a mixed-use water meter. For "mixed-use" customers, the water budget is calculated using a three-year rolling average of prior monthly use, and 49% is billed at the Tier 1 rate and 51% at the Tier 2 rate. Tier 3's width is 54% of the total water budget. Tier 4 rates will be charged for water use exceeding Tier 3.

All commercial customers are also subject to Tier 3 and Tier 4 rates.

The water budget for schools with mixed-use meters is calculated using the student count plus the school's irrigated area, if applicable.

Table ES-10. Murrieta Tier Width Definitions

Tier	Single-Family Residential	Multi-Family Residential	Commercial	Irrigation
Tier 1	100% IWB	100% IWB	49% TWB	N/A
Tier 2	100% OWB	100% OWB	51% TWB	100% OWB
Tier 3	54% OWB	54% OWB	54% TWB	54% OWB
Tier 4	Above Tier 3	Above Tier 3	Above Tier 3	Above Tier 3

1.4.3.2 Commodity Charges

The Murrieta Commodity Charge is comprised of the following components, which are described in Section 4 of this Report:

1. Water Supply Component
2. Water Delivery Component
3. Efficiency Component

Table ES-11. Proposed Murrieta Commodity Charges

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Commodity Charge, $/hcf					
Tier 1	$2.43	$2.52	$2.61	$2.70	$2.80
Tier 2	$4.81	$5.20	$5.62	$6.07	$6.55
Tier 3	$6.03	$6.47	$6.77	$7.05	$7.21
Tier 4	$6.51	$6.63	$6.93	$7.21	$7.37

1.4.3.3 Pumping Charges

The Murrieta Water Service Area is divided into two geographically based Power Zones. Most customers are in Power Zone 107. Note that there is no Pumping Charge for Power Zone 107. Table ES-12 shows the proposed Pumping Charges.

Table ES-12 Proposed Murrieta Pumping Charges

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Pumping Charges, $/hcf					
Power Zone 107	$0.00	$0.00	$0.00	$0.00	$0.00
Power Zone 108	$0.25	$0.26	$0.28	$0.30	$0.32

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 the 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, serving 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 The Metropolitan Water District of Southern California (Metropolitan) – and from local sources. Western Water uses the terms Riverside Water Service Area and Murrieta Water Service Area to describe the areas where 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. As the cost of imported water, energy, materials, and system maintenance continues to rise, we must assess whether current rates are sufficient to support these essential services. Western Water conducted a water rate study (Rate Study) to review and update the water rates for the Riverside Water and Murrieta Water service areas. Western Water continuously monitors the financial condition of its water utility and completes a Rate Study every four years. This Rate Study recognizes the following factors that require the proposed rate increases.

Inflation: The rate at which the general level of prices for goods and services rises over time. Inflation significantly impacts Western Water in many ways, including rising operational costs due to increases in the cost of essential supplies like energy, chemicals, and equipment needed for water treatment and distribution, rising wages and benefits for employees, the rising cost of capital projects, and the rising costs of other contracted services including engineering, consulting, and maintenance contractors.

Rising water supply costs: Water management in California is complex and ever-changing. From climate change to infrastructure needs, we're navigating challenges that require foresight and investment. Maintaining and operating the infrastructure that delivers water across our region is a major cost driver of water services. Metropolitan, which supplies a significant portion of your water, is facing increased costs to sustain and manage its system — costs that remain steady

even when water use decreases in response to conservation and wet weather. Metropolitan rates have doubled in the last 15 years, and an average annual increase to Western Water of more than 7% is expected over the next four years. In Western Water's Murrieta service area, the costs to purchase and delivery of imported water supplies through an interconnection with the Eastern Municipal Water District (EMWD) is also facing increased costs to sustain and manage their systems — costs that remain steady even when water use fluctuates. Western Water is estimating an average annual increase from imported water costs of more than 5% over the next four years from EMWD.

Regulatory Impacts on Local Water Supply: California's increasingly stringent water quality regulations impact both our local and imported water supplies, which means increased treatment and efficiency program costs to meet state requirements. This also limits the availability of lower-cost local supplies. Less local supply means Western Water must buy more expensive imported water. More stringent water quality standards limit the local supply availability and increase treatment costs. Ongoing investments in testing and treatment ensure Western Water's water meets strict state and federal health and safety requirements.

This Rate Study provides the analysis used to determine the proposed water rates and charges for Western Water's Riverside Water and Murrieta Water service areas for the four-year Rate Study Period, Fiscal Year (FY) 2026 through FY 2029. The Riverside Water Service Area includes a 41-connection water system located south of the Murrieta Water Service Area called "Rainbow" and a 53-connection water system called "March East"; the latter is an interconnected system with the Riverside water system. The Riverside water system collectively includes both the potable and non-potable water systems.

In this report, Section 2 provides background information. Section 3 describes the calculation of proposed water rates for the Riverside Water Service Area. Section 4 describes the calculation of proposed water rates for the Murrieta Water Service Area.

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

2.1.1 Rate Study Background and Objectives

The major objectives of the Rate Study include the following:

- Develop financial plans for the Riverside Water and Murrieta Water service areas for FY 2026 through FY 2029
- Perform cost-of-service (COS) analyses for the Riverside Water and Murrieta Water service areas for FY 2026 through FY 2029
- Develop proposed water rates for the Riverside Water and Murrieta Water service areas 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 Water Rate Study for the Riverside and Murrieta Water service areas. Section 2 of this report provides background information. Section 3 describes the calculation of proposed water rates for the Riverside Water Service Area. Section 4 describes the calculation of proposed water rates for the Murrieta Water Service Area.

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 Cost of Service analysis, and detail how the inputs flow through to the rate design calculations, with the rate structure as the output. Refer to Appendix F for the Flow Charts.

Table 2-1. Rate Design Flowcharts

Service Area	Rate Design Flowchart Location	Description
Riverside Water	Appendix F, Figure F-1	Shows the flow of Rate Design Inputs, Calculations, and Outputs
Murrieta Water	Appendix F, Figure F-2	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 imported water, energy, infrastructure maintenance, environmental and regulatory compliance, and the necessary skilled labor to provide reliable water service. Western Water's last water rate study was completed in 2021 and covered Western Water's FYs 2022 through 2025.

In August 2024, work commenced on a water 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 District executive management in January and February 2025. District staff conducted two rate proposal workshops with Western Water's Board of Directors (Board) in February and March 2025.

Figure 2-1 shows the Rate Study approach in 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 Riverside Water Service Area and the Murrieta Water Service Area. The Financial Plan incorporates revenue and expense projections, growth in the number of water system customers and water use, 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 Revenue Requirement for the Riverside Water Service Area is summarized in Section 3.3 of this Report, with detailed calculations in Appendix G. The Murrieta Water Service Area Revenue Requirement is summarized in Section 4.3, with detailed calculations in Appendix I.

After determining a utility's revenue requirement, the next step is the Cost-of-Service Analysis. The first step in a Cost-of-Service Analysis is categorizing the utility's operations and maintenance

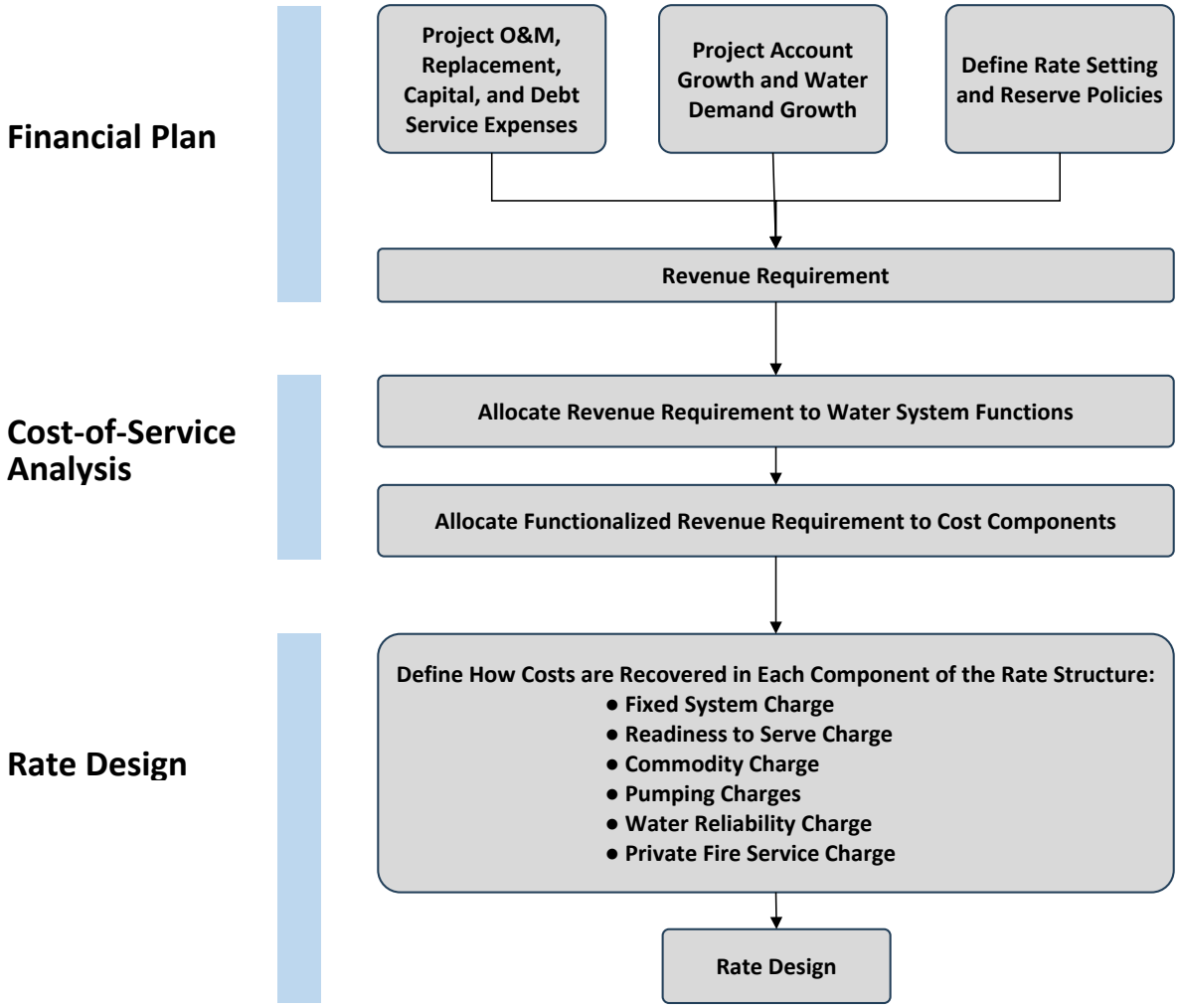
(O&M) costs into a series of water system functions (e.g., water supply, treatment, pumping, transmission & distribution, etc.).

After O&M costs are appropriately categorized by function, the functionalized costs are allocated to cost components. Examples of cost components are base costs, peaking costs, costs associated with implementing efficiency and water conservation programs (efficiency costs), customer costs, and public fire protection costs. Allocation to cost components is based on the requirements of Proposition 218 (Article XIII D of the California Constitution). Additionally, allocations are guided by the American Water Works Association (AWWA) to the extent they are consistent with Proposition 218. The AWWA's "Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices M1 Manual" establishes commonly accepted professional standards for Cost-of-Service analyses.

The Riverside Water Service Area Cost-of-Service Analysis is summarized in Section 3.4 of this Report, with detailed calculations in Appendix H. The Murrieta Water Service Area Cost-of-Service Analysis is summarized in Section 4.4 of this Report, with detailed calculations in Appendix J.

Rate design is the final element of the rate setting process. Each category of the Revenue Requirement is recovered through a specific component of the Water Rate Structure, based on District policy, legal considerations, and industry standards. The Riverside Water Service Area rate design calculations are summarized in Section 3.5 of this Report, with detailed calculations in Appendix H. The Murrieta Water Service Area rate design calculations are summarized in Section 4.5 of this Report, with detailed calculations in Appendix J.

Figure 2-1. Rate Study Approach



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 water service charges imposed by a local agency are as follows:

Revenues derived from the charge shall not exceed the costs required to provide the property-related service.

Revenues derived from the charge shall not be used for any purpose other than that for which the charge was imposed.

The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.

No charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property.

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.

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.

This Cost-of-Service Analysis follows the requirements of Proposition 218 requirements and develops rates that do not exceed the proportionate cost of providing water service.

Section 3

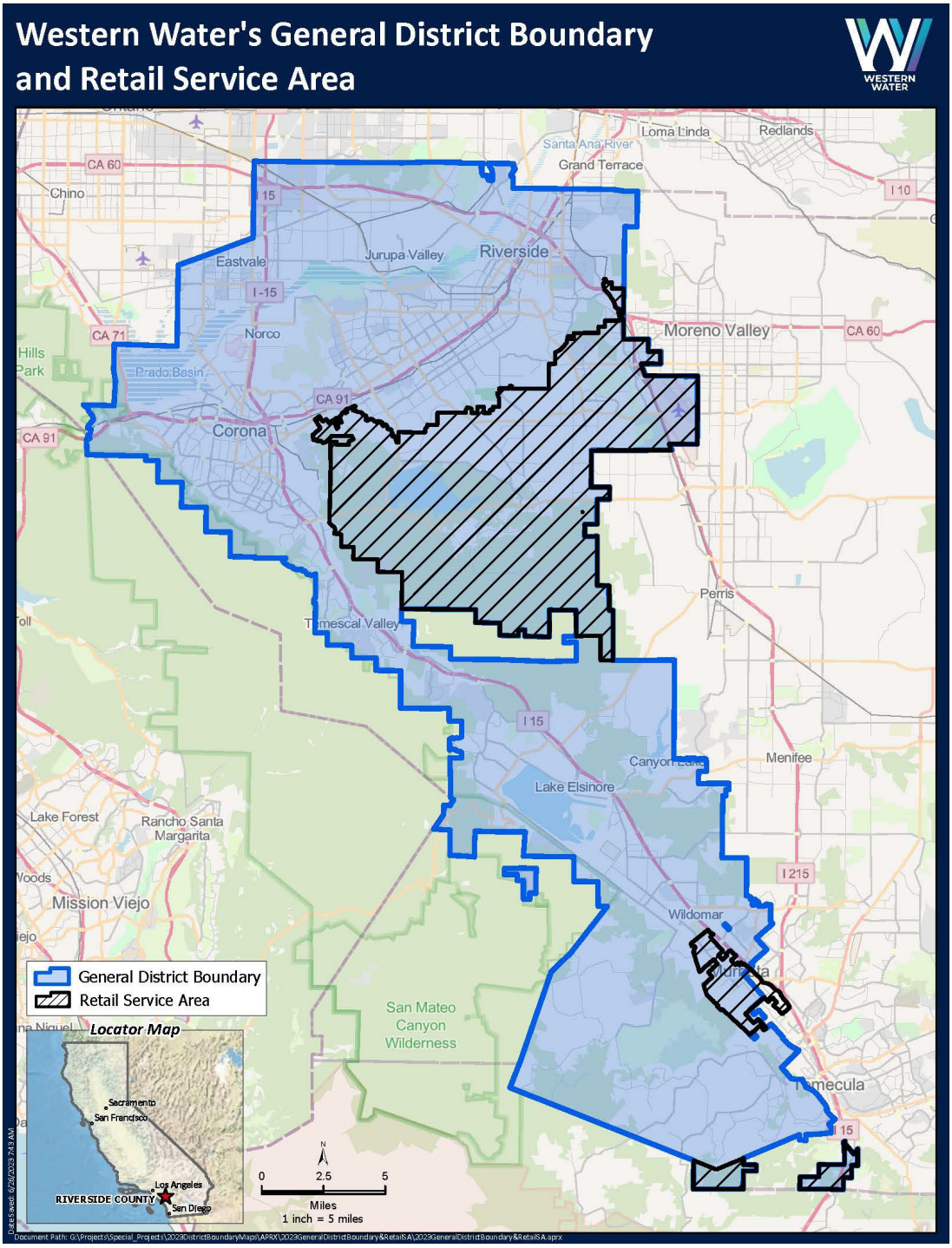
Riverside Water Service Area

3.1 Description of Service Area

Within the Riverside Water Service Area, potable and non-potable water is provided to more than 22,000 connections. The Riverside Water Service Area serves portions of the City of Riverside and the unincorporated communities of El Sobrante, Eagle Valley, Lake Mathews, portions of Mead Valley, March Air Reserve Base, and Rainbow (an unincorporated area of southern Riverside County bordering San Diego County).

Figure 3-1 is a map of Western Water's Riverside Water Service Area. The blue-shaded area is the General District Boundary, inside which Western Water supplies wholesale water. The largest cross-hatched area is the Riverside Water Service Area. Western Water's Riverside Water Service Area also contains the Rainbow Water System. The Rainbow Water System is located within the small cross-hatched area in the bottom right corner of Figure 3-1. This system has 41 connections.

Figure 3-1. Riverside Water Service Area Map



3.2 Key Assumptions

3.2.1 Rate Study Period

The Rate Study Period covered by this Rate Study is from FY 2026 through FY 2029. Western Water's Fiscal Year begins on July 1. If adopted by Western Water's Board of Directors, the proposed rates would be effective and applied to all water usage and service charges billed on or after July 1 of each Fiscal Year.

3.2.2 Available Water Sources

Below are the water sources available in the Riverside Water Service Area. The Study assumes different demands from each source during the Rate Study Period based on customer demand and customer growth, source water supply limitations, and unaccounted-for water (commonly referred to as "water loss").

Potable Water Sources

Western Water leases water located in the Riverside area from Elsinore Valley Municipal Water District (Elsinore) at a negotiated rate. This water is pumped and conveyed to Western Water through Riverside Public Utilities' (RPU) distribution system, subject to agreed-upon wheeling rates to RPU. The Elsinore supply is Western Water's largest source of local groundwater.

Meeks & Daley is a Western Water-owned groundwater supply located in the Riverside area which is also pumped and conveyed to Western Water through RPU's system, subject to agreed-upon wheeling rates.

The San Bernardino Basin Area (SBBA) supply originates from past Western Water purchased water that was put into aquifer storage. In past years, Western Water has been able to purchase and store water for future use. Western Water intends to use some of this stored supply to partially offset the reduction in available water supply from the City of Riverside. This supply is also pumped and conveyed to Western Water through RPU's system and is subject to agreed-upon wheeling rates.

Western Water purchases surplus groundwater from the City of Riverside which is referred to in this Rate Study as "RPU-Owned" water. The amount of available water from RPU-Owned is lower than in past years because of regulatory limits on PFAS levels in water that limit the water available to be pumped by RPU at certain times of the year, which constrains the amount available to Western Water. This water is also conveyed to Western Water via RPU's system and is subject to agreed-upon rates.

Combined Desalter refers to water produced by the Chino Desalter Authority (CDA) and the Arlington Desalter. The Arlington Desalter is a Western Water-owned brackish groundwater treatment system in Riverside that purifies water extracted from the Arlington Basin. The CDA is a Joint Powers Authority, of which Western Water is a member agency. The CDA purifies brackish groundwater extracted from the lower Chino Basin with the Chino I and II Desalter facilities and distributes the drinking water to its member agencies.

Metropolitan Water District Treated Water is imported water that Western Water purchases from Metropolitan, sourced originally from the Sierra Nevada Mountains in Northern California

or the Rocky Mountains via the Colorado River. MWD Treated Water is the largest source of potable water in the Riverside Water Service Area.

Non-Potable Water Sources

Western Water purchases water from RPU's non-potable wells (RPU-Owned). It is conveyed to Western Water through RPU's system and is subject to agreed-upon wheeling rates.

Elsinore Water – Western Water leases water located in the Riverside area owned by Elsinore, which is pumped at the Palm Well and conveyed to Western Water through RPU's system, subject to agreed-upon wheeling rates to RPU and commodity rates to Elsinore.

Recycled water produced at Western Water's Western Water Recycling Facility (WWRF) is Western Water's second largest source of non-potable water.

MWD Untreated Water is imported water that Western Water purchases from MWD and is the source used when demands exceed all other local non-potable sources. MWD Untreated Water is the largest source of non-potable water in the Riverside Water Service Area.

3.2.3 Other Key Assumptions

Other key assumptions used in the development of the Riverside Water Service Area rates are:

O&M expenses are escalated at a 4.4% annual rate. This escalation rate is a composite estimated by Western Water staff that incorporates projected changes in labor, equipment, maintenance, and other expenses. This growth rate was calculated using seven years of historical data, including five years of actuals, plus the adopted Fiscal Year 2024-25 and Fiscal Year 2025-26 Budgets for Retail Water Funds only.

Potable water system customer growth is estimated at 1.0% per year. This growth rate was determined by calculating the historical growth rate over four years for meters of all sizes.

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 water rate revenues. Similarly, the cost of specific capital projects in any specific year are not included in this Rate Study as Western Water funds projects from cash reserves based on the availability of funds in Capital Replacement and Capital Improvement reserves, and in conjunction with planned debt funding. However, annual contributions to Capital Replacement and Improvement reserve contributions are included in this Rate Study to ensure the reserves have sufficient overall balances to fund the CIFP in any given year, in alignment with the Board-adopted Reserves Policy. Western Water annually contributes to asset replacement reserves, which help fund capital replacement projects.

3.3 Revenue Requirement

3.3.1 Introduction

To provide for the continued operation of a utility on a sound financial basis, revenues must be sufficient to meet the cash requirements for operation and maintenance (O&M) expense, debt

service requirements, reserves, and cash-funded capital expenditures not financed with debt. The sum of these costs for a given year is referred to as a utility's Revenue Requirement.

3.3.2 Fund Structure

The Rate Study is prepared consistent with Western Water's accounting structure. Western Water's accounting structure includes Funds and Reserves within those Funds. Fund 20 contains all revenue and expense accounts related to Riverside's potable water service and non-potable water service. A separate Fund (Fund 24) is established for the Rainbow Water System.

Within both Fund 20 and 24 are a series of Reserves. These Reserves are subordinate accounts and each Reserve tracks revenues and expenses (or expenditures) for specific aspects of providing water service.

- 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.
- Asset Replacement Reserve: The Asset Replacement Reserve's revenues are a transfer from the Operating Reserve. Expenditures are for refurbishment and replacement capital projects. Asset Replacement capital projects are funded directly by the Asset Replacement reserve.
- Water Conservation Reserve: Revenues are from the efficiency component of the Commodity Charge. Expenses are water conservation programs.
- Water Reliability Reserve: Revenues are from the Water Reliability Charge. Expenditures are used to fund capital projects that would increase water system reliability or capacity, improve the long-term sustainability of the water supply and enhance and improve water supply management.
- 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.
- 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.

3.3.3 Riverside Water Service Area Revenue Requirement

Table 3-1 summarizes projected O&M expenses through the end of the Rate Study Period. The first year, Fiscal Year 2026, was based on the Board-adopted FY 2026 operating budget with subsequent fiscal year amounts escalating by 4.4 percent per year (which has been the historical O&M expense growth experience of Western Water as explained in section 3.2.3).

The revenue requirement determination is based upon the premise that Western Water must generate annual revenues to meet O&M expenses, any debt service needs, reserve funding to achieve Board-adopted target levels, and infrastructure investment needs. The General and

Administration (G&A) Allocation is an allocation of costs from Western Water's General Fund, and includes costs for billing and customer service, financial management, engineering, governance, technology, customer education, human resources and other administrative and indirect costs associated with providing water service.

Table 3-1. Projected O&M Expenses, Riverside Water Service Area

	Projected				
	FY 2026	FY 2027	FY 2028	FY 2029	Notes
Source of Supply	$57,935	$60,562	$63,291	$66,080	1, 2, 3, 4
MWD Capacity Charge	468,981	489,616	511,159	533,650	1, 2
Water Pumping	3,795,928	4,023,779	4,202,746	4,389,369	1, 2, 4, 5
Treatment	287,516	300,220	313,630	327,435	1, 2, 4
Transmission & Distribution	11,364,986	11,881,181	12,540,477	13,096,246	1, 2, 4
Customer Accounts	1,860,186	1,942,034	2,070,372	2,162,584	1, 2, 4
G&A Allocation	7,085,789	7,716,426	8,425,034	8,813,987	1, 2, 4
Gravity Line Allocation	67,909	70,897	74,016	77,273	1, 2
Other Operating Expenses	387,250	404,290	422,079	440,650	1, 2
Property Tax Collection	22,800	23,803	24,850	25,943	1, 2
Conservation Program Expenses	805,304	811,035	816,811	822,634	6
Readiness to Serve Charge	1,140,848	1,143,013	1,209,891	1,295,009	7
Purchased Power	2,833,191	2,962,328	3,102,630	3,251,735	8
Water Supply	27,287,870	29,801,875	32,068,063	33,692,728	9
Total	$57,466,493	$61,631,057	$65,845,049	$68,995,324	

Notes:

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

(2) Projected FY 2027, FY 2028, and FY 2029 expenses contain 4.4 percent annual inflationary expenses.

(3) Source of Supply expenses are maintenance costs associated with Western Water's wells. The cost to produce water from wells and purchase water from MWD are included in the Water Supply line in this Table.

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

(5) Pumping expenses are maintenance costs associated with Western Water's pump stations. The electricity cost associated with pumping water is included in the Purchased Power line in this Table.

(6) Projected expenses for Western Water conservation programs, derived from the Efficiency Component of the Commodity Charge. See Table 3-22 for more detail on the Efficiency Component of the Commodity Charge.

(7) Per Western Water's projections of MWD Readiness to Serve Charges.

(8) See Appendix H, Page 19 for more detail.

(9) See Tables 3-2 and 3-3, Projected Potable Water Supply Costs and Projected Non-Potable Water Supply Costs, respectively, for more detail.

Table 3-2 shows Western Water's projections of potable water supply from each source, the cost per acre-foot (AF) of water for each fiscal year, and the calculated projected water supply cost from each source.

Table 3-2. Projected Potable Water Supply Costs

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Potable Water Supply from Each Source, Acre-Feet per Year				
Elsinore Water	4,500	4,500	4,500	4,500
Meeks & Daley (M&D)	227	227	227	227
SBBA - Western Owned	0	0	723	723
RPU-Owned	723	723	0	0
Combined Desalter	1,070	1,070	1,070	1,070
MWD Treated	12,813	12,964	13,117	13,271
Total	19,333	19,484	19,637	19,791
Potable Water Supply Sources, Unit Costs, $/AF				
Elsinore Water	$706.00	$734.00	$763.36	$793.89
Meeks & Daley (M&D)	$723.89	$752.89	$783.30	$814.95
SBBA - Western Owned	$960.18	$988.18	$1,017.54	$1,048.07
RPU-Owned	$977.89	$1,014.89	$1,055.78	$1,098.33
Combined Desalter	$1,449.53	$1,580.89	$1,688.98	$1,757.14
MWD Treated	$1,449.53	$1,580.89	$1,688.98	$1,757.14
Potable Water Supply Cost, $/Year				
Elsinore Water	$3,177,000	$3,303,000	$3,435,120	$3,572,505
Meeks & Daley (M&D)	164,323	170,906	177,809	184,994
SBBA - Western Owned	0	0	735,681	757,755
RPU-Owned	707,014	733,765	0	0
Combined Desalter	1,550,997	1,691,552	1,807,209	1,880,140
MWD Treated	18,572,892	20,495,369	22,154,464	23,318,838
Total	$24,172,226	$26,394,593	$28,310,283	$29,714,231

Additional notes regarding potable water supply costs include:

Elsinore Valley Municipal Water District's (Elsinore) potable unit cost is established by Western Water's agreement with Elsinore. It is based on the City of Riverside's wheeling rate plus a negotiated lease rate with Elsinore which is escalated annually by a maximum 4.25 percent consumer price index (CPI) assumption per the agreement, less an offset to the commodity rate funded by the proceeds from Western Water's sale of capacity in the Mills Gravity Line to Elsinore.

The Meeks & Daley unit cost is based primarily on the rates in Exhibit D of Western Water's Wheeling Agreement with the City of Riverside

SBBA supply and the unit cost is based primarily on the price when this supply was originally purchased and the water stored for future use, plus the City of Riverside's wheeling rate from Exhibit D of the Wheeling Agreement.

The City of Riverside's (RPU-Owned) potable unit cost is based on the rates in Exhibit D of the Wheeling Agreement with the City.

MWD's Treated rates are based on MWD's 10-year financial forecast published in 2024, which does not include the Pure Water Project or Delta Conveyance as the MWD Board has not yet formally approved those projects. Western Water charges itself the equivalent rate as the MWD treated rate for water from the Combined Desalter program as the alternative if the program were not available would be MWD water. The MWD rate is less than the full cost of the Combined Desalter program, with the difference being funded by Western Water property taxes in order to make the program which has regional water supply benefits financially viable.

Table 3-3 shows Western Water's projections of non-potable water supply from each source, the cost per acre-foot (AF) of water for each fiscal year, and the calculated projected water supply cost from each source.

Table 3-3. Projected Non-Potable Water Supply Costs

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Non-Potable Water Supply from Each Source, Acre-Feet per Year				
RPU-Owned	525	525	525	525
Elsinore Water - Palm Well Lease	950	950	950	950
WWRF Recycled Water	1,471	1,471	1,471	1,471
MWD Untreated	1,565	1,565	1,565	1,565
Total	4,511	4,511	4,511	4,511
Non-Potable Water Supply Sources, Unit Costs, $/AF				
RPU-Owned	$213.53	$224.49	$236.01	$248.12
Elsinore Water - Palm Well Lease	$166.55	$173.63	$181.00	$188.69
WWRF Recycled Water	$937.20	$1,029.15	$1,140.30	$1,208.50
MWD Untreated	$937.20	$1,029.15	$1,140.30	$1,208.50
Non-Potable Water Supply Cost, $/Year				
RPU-Owned	$112,103	$117,857	$123,905	$130,263
Elsinore Water - Palm Well Lease	$158,223	$164,949	$171,950	$179,256
WWRF Recycled Water	$1,378,621	$1,513,880	$1,677,381	$1,777,704
MWD Untreated	$1,466,697	$1,610,597	$1,784,544	$1,891,275
Total	$3,115,644	$3,407,282	$3,757,781	$3,978,497

Additional notes regarding non-potable water supply costs include:

The RPU-Owned non-potable unit cost is based on the current rate plus a historically based 5 percent annual increase.

Elsinore's non-potable unit cost is estimated by Western Water based on a projected 4.25 percent annual cost increase for the same reason described above for potable water from Elsinore.

MWD's Untreated Rates are based on the MWD's 10-year financial forecast published in 2024.

The WWRF recycled water rate has been set to equal the rate of an equivalent source of non-potable water, MWD's Untreated Rate, which is the water source and cost that would be applicable if the recycled water were not available.

The majority of water supply costs are either set by MWD or use procedures established by contract. As a result, the only control Western Water has over water supply costs is by managing the level of use from each potable and non-potable supply source.

Table 3-4 shows the projected Rate Revenue Requirement for the Riverside Water Service Area. It includes the O&M and water supply costs from Tables 3-1, 3-2, and 3-3. The Rate Revenue Requirement includes 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.

Also included are revenues from the Water Reliability Charge, which funds future Western Water projects related to increasing water system reliability or capacity, improving the long-term sustainability of the water supply or enhancing and improving water supply management. Refer to Appendix E for additional detail. Table 3-4 also shows offsetting revenues and property taxes that are collected by Western Water and applied to the Riverside Water Service Area retail rate calculations.

Table 3-4. Projected Rate Revenue Requirement

	Projected				
	FY 2026	FY 2027	FY 2028	FY 2029	Notes
O&M Expenses	$57,466,493	$61,631,057	$65,845,049	$68,995,324	1
Transfer to Asset Replacement Reserve	3,377,893	3,546,788	3,724,127	3,910,333	2
Operating Reserve Debt Service and LOC Interest	1,621,248	1,648,908	2,386,359	2,658,976	3
Change in Water Reliability Reserve Balance	4,061,089	4,087,598	4,114,319	4,141,254	4
Less Offsetting Revenues	(305,077)	(312,381)	(319,903)	(327,652)	5
Less Retail Billing Interest	(48,148)	(49,352)	(50,585)	(51,850)	6
Less Property Tax Revenues	(11,021,833)	(11,094,054)	(11,375,444)	(10,295,878)	7
Total	$55,151,666	$59,458,564	$64,323,922	$69,030,507	

Notes

(1) See Table 3-1, Projected O&M Expenses.

(2) The Asset Replacement Reserve funds refurbishment and replacement capital projects. This value represents the value of the transfer to the Asset Replacement Reserve, and not the spending on asset replacement projects. Western Water funds and maintains reserve levels established by a policy adopted by the Board of Directors in 2013. The projected ending year 2029 Asset Replacement Reserve is below the minimum amount established by the policy.

(3) Represents the portion of Western Water's debt service paid from the Riverside Water Service Area Operating Reserve. Also includes interest on the Line of Credit paid from the Operating Reserve. Western Water has established lines of credit to partially fund capital expenditures. Western Water anticipates refunding the Line of Credit with a debt issuance in approximately 2030.

(4) This amount is the contribution to the Water Reliability Reserve from rates, which funds future Western Water projects related to increasing water system reliability or capacity, improving the long-term sustainability of the water supply or enhancing and improving water supply management.

(5) Includes delinquent penalties, new service setup revenues, and meter repair revenues.

(6) Interest charged to retail customers on delinquent balances.

(7) Represents the share of Western Water's property tax revenues used to offset expenses described in section 3.4.

3.4 Use of Property Tax Revenues

For parcels within the Riverside Service Area, Western Water receives a share of 1% standard general property tax for applicable properties in its retail service area, as assessed by Riverside County. These property taxes are not a separate assessment of additional taxes but as a general property tax revenue. The use of property tax revenue is at the sole discretion of Western Water's Board of Directors. The Board of Directors has historically determined to use some of the property tax revenue to offset a portion of the Revenue Requirement for rate-setting purposes (as shown above in Table 3-4) in order to benefit potable and non-potable water customers within the service area. See Table 3-24 below for an example of the specific use of property tax revenue to offset a portion of the cost components that make up the Tier 1 and Tier2 commodity rate (i.e., efficient indoor and outdoor water use), and to offset a portion of the cost components that make up the agriculture commodity rate. Note that the Board of Directors has determined not to use property tax revenue to offset costs for inefficient water use (i.e., commodity rates for Tiers 3 and 4), nor to offset cost components of the March East commodity rate. The latter being due to the fact that property tax revenue is not received by Western Water from parcels in the March East area since those parcels were once owned by the United States Air Force and therefore were not subject to the County's General Tax Levy at the time when Western Water's share of the General Tax Levy was determined.

3.5 Cost-of-Service Analysis

3.5.1 Proportionality

When calculating rates, a critical component of ensuring compliance with Proposition 218 is achieving proportionality when allocating certain costs to specific rates and/or customer classes. Proportionality is achieved when costs resulting from providing service to customers are recovered from rates that reflect what caused those costs. For example, energy costs to pump water within the water system are recovered from the pumping charge. The pumping charge is variable in that it is based on the amount of water delivered to a customer during the billing period – the more water the customer uses, the higher the energy costs incurred by Western Water, and the greater amount charged to the customer to recover the energy costs. Another example is allocating certain operating costs based on the potential demand a customer's water use can place on the water system. The larger the water meter serving a customer's property, the larger the potential demand on the water system, and the greater the amount of operating costs allocated to that meter size. In Western Water's case, much of those costs are recovered proportionally from the Fixed System Charge, which varies based on the size of the meter servicing the customer's property.

A customer class consists of a group of customers with common characteristics who share responsibility for certain costs incurred by the utility. Joint costs are proportionately shared among all customers in the system based on their service requirements; some specific costs are borne by specific classes based on the characteristics of that group alone.

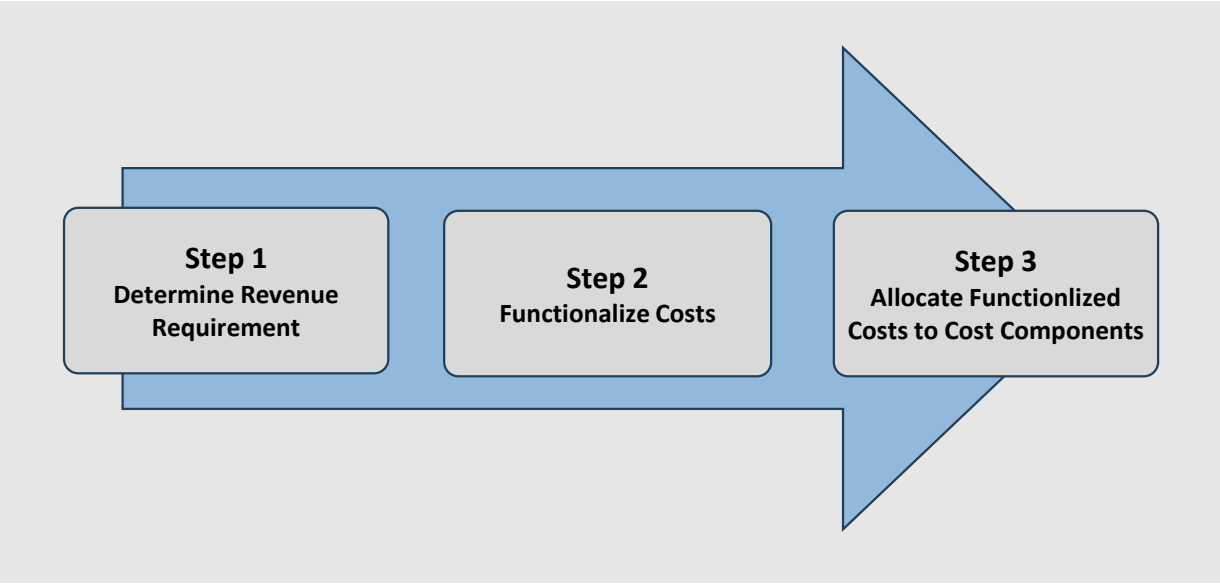
Western Water's existing and proposed rate schedule contains several variable charges that are based on water use. The majority of costs that are recovered from these variable charges are

applied to all water use. Specific components of Western Water's variable charges that are applied to all water use are further described in Section 3.5 of this Report, Rate Design. Similarly, the components of Western Water's variable charges that are not applied to all water use are also described in Section 3.5 of this Report.

3.5.2 Cost of Service Process

The Cost-of-Service Analysis distributes the Riverside Water Service Area revenue requirement to each component of the rate structure. Figure 3-2, Cost of Service Approach, provides a general overview of a cost-of-service analysis. Each step shown in Figure 3-2 will be described in greater detail in the subsections below.

Figure 3-2. Cost of Service Approach



3.5.3 Step 1. Revenue Requirement

The Revenue Requirement step in Figure 3-2 is described above in Section 3.3. The first year, Fiscal Year 2026, was based on the Board-adopted operating budget with subsequent fiscal year amounts escalated based on historical expense growth experience.

3.5.4 Step 2. Functionalize Costs

A Cost-of-Service Analysis includes "Functionalizing" the Revenue Requirement by categorizing each cost in a series of water system functions. Table 3-5 shows the functionalized Rate Revenue Requirement. The Glossary (Appendix B) contains additional descriptions of these system functions.

Table 3-5. Riverside Water Service Area Rate Revenue Requirement by Function

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Source of Supply	$57,935	$60,562	$63,291	$66,080
MWD Capacity Charge	468,981	489,616	511,159	533,650
Water Pumping	3,795,928	4,023,779	4,202,746	4,389,369
Treatment	287,516	300,220	313,630	327,435
Transmission & Distribution	11,364,986	11,881,181	12,540,477	13,096,246
Customer Accounts	1,860,186	1,942,034	2,070,372	2,162,584
G&A Allocation	7,085,789	7,716,426	8,425,034	8,813,987
Gravity Line Allocation	67,909	70,897	74,016	77,273
Other Operating Expenses	387,250	404,290	422,079	440,650
Property Tax Collection	22,800	23,803	24,850	25,943
Conservation Program Expenses	805,304	811,035	816,811	822,634
Readiness to Serve Charges	1,140,848	1,143,013	1,209,891	1,295,009
Purchased Power	2,833,191	2,962,328	3,102,630	3,251,735
Water Supply	27,287,870	29,801,875	32,068,063	33,692,728
Transfer to Asset Replacement Reserve	3,377,893	3,546,788	3,724,127	3,910,333
Operating Reserve Debt Service and LOC Interest	1,621,248	1,648,908	2,386,359	2,658,976
Change in Water Reliability Reserve Balance	4,061,089	4,087,598	4,114,319	4,141,254
Less Offsetting Revenues	(305,077)	(312,381)	(319,903)	(327,652)
Less Retail Billing Interest	(48,148)	(49,352)	(50,585)	(51,850)
Less Property Tax Revenues	(11,021,833)	(11,094,054)	(11,375,444)	(10,295,878)
Total Rate Revenue Requirement	$55,151,666	$59,458,564	$64,323,922	$69,030,507

3.5.5 Step 3. Allocation of Functionalized Rate Revenue Requirement to Cost Components

After functionalizing costs, the allocation of the Functionalized Rate Revenue Requirement to Cost Component is referred to as the “allocation step” in this Report.

3.5.5.1 Cost Allocation Step Using Peaking Factors

The allocation step relies on methodology published in the AWWA M1 Manual, specifically the base-extra capacity method.

The base-extra capacity method splits costs into base and peaking components, where base costs are associated with average water use and peaking components are associated with peak water use. The max day demand is the maximum amount of water used in a single day in a year. The max hour demand is the maximum usage in an hour on the maximum usage day. Peaking factors are ratios of average day water use, max day demand, and max hour demand. The system-wide peaking factors are used to derive the cost component allocation bases. Functionalized costs are then allocated to the cost components using these allocation bases.

Table 3-6 shows peak demands and peaking factors for the Riverside Water Service Area. Peaking factors were determined separately for the potable and non-potable water systems, as the two systems have separate water distribution systems. Potable peaking factors were determined by

Western Water's Engineering Department. Non-potable peaking factors were calculated from information in 2014 Recycled Water Master Plan.

Table 3-6. Average and Peak Water Demand

Parameter	Potable Value	Non-Potable Value	Source
Max Day / Average Day Peaking Factor	2.00	1.62	Notes 1, 2
Max Hour / Max Day Peaking Factor	1.50	3.00	Notes 1, 2
Max Hour / Average Day Peaking Factor	3.00	4.86	Note 3
Average Day Demand, gpm	11,752	2,280	Note 4
Max Day Demand, gpm	23,504	3,694	Note 5
Max Hour Demand, gpm	35,256	11,082	Note 5
Fireflow Demand, gpm	3,000	N/A	Note 6, 7
Max Hour Plus Fireflow Demand, gpm	38,256	N/A	

Notes:

(1) Potable: 2024 analysis completed by Western Water Engineering Department.

(2) Non-Potable: Calculated from data in the 2014 Recycled Water Master Plan, page 4-5.

(3) Calculated by multiplying the Max Day/Average Day Peaking Factor by the Max Hour/Max Day Peaking Factor.

(4) Projected FY 2029 water sales provided by Western Water.

(5) Projected Average Day Demand multiplied by respective Peaking Factor.

(6) Potable Fire Flow demand source: Draft Riverside Facilities Master Plan, Table 5-3, page 82

(7) The Non-Potable system does not provide fire protection service.

Peaking factors are used in the allocation step to split the following functionalized expenses into base and peaking cost components:

- Source of Supply
- MWD Capacity Charge
- Water Pumping
- Treatment
- Transmission and Distribution
- Gravity Line Allocation

These facilities are designed to meet the max day and max hour demands of customers. Therefore, the base-extra capacity method uses peaking factors to allocate the O&M and capital costs of these facilities to base and peaking cost components. This method is consistent with the AWWA M1 Manual and is widely used in the water industry.

Detailed calculations showing how costs are allocated to base and peaking cost components are contained in Appendix H. An example of how these calculations are done is shown for the case of potable water transmission and distribution (T&D) on the following page. T&D expenses are shown in Table 3-5. The T&D system is designed to convey water 24/7, including meeting Max Hour demand and fire flow. The following formulas are used to calculate the percentages of the T&D O&M costs attributed to base (average day) demand, peaking demand (max day extra capacity and max hour extra capacity), and fire protection.

Max Hour Demand Plus Fireflow

$$\text{Base} = \frac{\text{Base}}{\text{Max Hour Plus Fireflow}}$$

$$\text{Max Day Extra Capacity} = \frac{\text{Max Day - Base}}{\text{Max Hour Plus Fireflow}}$$

$$\text{Max Hour Extra Capacity} = \frac{\text{Max Hour - Max Day}}{\text{Max Hour Plus Fireflow}}$$

$$\text{Fire Protection} = \frac{\text{Fireflow}}{\text{Max Hour Plus Fireflow}}$$

3.5.5.2 Allocation of Rate Revenue Requirement

In addition to the functionalized costs that are allocated to base and peaking cost components, the other functionalized costs are allocated as follows:

- Customer Accounts and Retail Billing Interest are allocated to the Customer Cost Component.
- G&A Allocation, Other Operating Expenses, Property Tax Collection, and a portion of Offsetting Revenues are allocated to the General & Administrative Cost Component, which is further discussed below in Section 3.4.5.3, Reallocation of General Costs.
- The Transfer to the Asset Replacement Reserve, and the Operating Reserve Debt Service and LOC Interest are allocated to cost components in the same proportion as the Riverside water system assets are. This calculation is shown in Appendix H, pages 8 through 12.
- Distributed to the Rate Design calculations described in Section 3.5 are:
    - Conservation Program Expenses
    - Readiness to Serve Charges
    - Purchased Power
    - Water Supply
    - Change in Water Reliability Reserve Balance
    - Property Tax Revenues

3.5.5.3 Reallocation of General Costs

The next step in the allocation step is the reallocation of General & Administrative costs, shown in Table 3-7. General & Administrative costs are reallocated to the other cost components proportionate to the dollar amount of each of the other cost components. Distributed expenses are excluded from this reallocation.

Table 3-7 shows the FY 2026 reallocation. Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix H, pages 10 through 12.

Table 3-7. Reallocation of General & Administrative Expenses (FY 2026 Example)

Cost Components	Before G&A Reallocation	FY 2026 Amount G&A Reallocation	After G&A Reallocation
Billing and Customer Service	$1,781,227	$568,208	$2,349,435
Meters and Services (1)	396,812	126,582	523,395
Base Capacity	6,603,743	2,106,583	8,710,325
Peaking Capacity	12,833,811	4,093,964	16,927,775
Public Fire Protection	50,539	16,122	66,661
Public and Private Fire Protection (2)	1,112,667	354,939	1,467,605
General & Administrative (3)	7,266,398	(7,266,398)	0
Readiness to Serve Charges (4)	1,140,848	0	1,140,848
Efficiency Costs (4)	805,304	0	805,304
Water Supply Costs (4)	27,287,870	0	27,287,870
Power Costs (4)	2,833,191	0	2,833,191
Water Reliability Charges (4)	4,061,089	0	4,061,089
Less Property Tax Revenues (4)	(11,021,833)	0	(11,021,833)
Total	$55,151,666	($0)	$55,151,666

Notes:

(1) Meters and Services includes maintenance and capital costs associated with servicing meters and service connections.

(2) Public and Private Fire Protection costs are further reallocated to separate Public Fire Protection and Private Fire Protection categories. See Table 3-8.

(3) General & Administrative in this table refers to the specific General & Administrative cost component in the Cost-of-Service Analysis. It differs from Western's G&A Allocation expense shown in Table 3-5. See Appendix H page 9 for more detail.

(4) General & Administrative expenses are not reallocated to these cost components.

3.5.5.4 Fire Protection Service

Water systems provide two types of fire protection: public fire protection for delivering water to property in sufficient quantities and pressures in the event of a fire, which is generally visible as hydrants on the street, and private fire protection, which provides fire flow to buildings and other structure sprinkler systems for fire suppression within private improvements. These costs include not only the delivery point, whether it be public fire hydrants and private suppression systems, but the entire share of capacity for storage, distribution, and pumping necessary to deliver sufficient water to property in the event of a fire. The potential flow of public hydrants and private fire lines must be analyzed to determine the share of total fire costs responsible for each. Public fire protection costs are funded by property taxes, and rates are not used to recover the costs associated with providing this service. Please reference section 3.4 – Use of Property Tax Revenue for additional information.

The Public and Private Fire Protection costs are split into public fire protection and private fire protection categories based on the relative number of fire protection equivalents. The number of fire protection equivalents is calculated by weighting the size of private fire services and fire hydrant barrel. The number of private fire service connections and public fire hydrants is shown in Appendix H. The calculation of fire protection equivalents is shown in Appendix H page 4.

Table 3-8. Reallocation of Public and Private Fire Service Costs

	FY 2026	FY 2027	FY 2028	FY 2029
Public and Private Fire Protection Costs (1)	$1,467,605	$1,546,262	$1,689,050	$1,777,058
Costs Allocated to Public Fire Protection, Paid by Property Tax				
Dollars	$1,184,012	$1,247,469	$1,362,665	$1,433,667
As Percent	80.68%	80.68%	80.68%	80.68%
Costs Allocated to Private Fire Service Connections				
Dollars	$283,594	$298,793	$326,384	$343,391
As Percent	19.32%	19.32%	19.32%	19.32%

Note:

(1) See Table 3-7 for the 2026 total Public and Private Fire Protection Costs.

3.5.5.5 Summary

Table 3-9 summarizes the Revenue Requirement by cost component and indicates how fixed and variable charges will be used to recover the cost of each cost component.

Table 3-9. Summary of Rate Revenue Requirement by Cost Components

Cost Component	FY 2026	FY 2027	FY 2028	FY 2029	Variable	Fixed
Billing and Customer Service	$2,349,435	$2,479,538	$2,655,489	$2,773,498		✓
Meters and Services	523,395	549,871	667,642	722,498		✓
Base Capacity	8,710,325	9,203,376	9,953,302	10,454,010	✓	
Peaking Capacity	16,927,775	17,897,902	19,338,230	20,305,495	✓	✓
Public Fire Protection	1,250,673	1,317,290	1,446,603	1,524,134		✓
Private Fire Protection	283,594	298,793	326,384	343,391		✓
Readiness to Serve Charges	1,140,848	1,143,013	1,209,891	1,295,009		✓
Efficiency Costs	805,304	811,035	816,811	822,634	✓	
Water Supply Costs	27,287,870	29,801,875	32,068,063	33,692,728	✓	
Power Costs	2,833,191	2,962,328	3,102,630	3,251,735	✓	
Water Reliability Charges	4,061,089	4,087,598	4,114,319	4,141,254	✓	
Less Property Tax Revenues	(11,021,833)	(11,094,054)	(11,375,444)	(10,295,878)	✓	✓
Total	$55,151,666	$59,458,564	$64,323,922	$69,030,507		

3.6 Rate Design

3.6.1 Fixed System Charge

There are two monthly fixed charges – the Fixed System Charge and the Readiness to Serve Charge. The Fixed System Charge is applied to all customers except private fire service customers. All customers receiving either potable or non-potable water service, including customers in Rainbow, pay the Fixed System Charge. The Fixed System Charge recognizes that even when a customer does not use any water, Western Water incurs fixed costs in connection with maintaining infrastructure needed to deliver water to customers, the maintenance and replacement of water meters, and Billing and Customer Service.

The Fixed System Charge will recover all costs shown in Table 3-9 associated with Billing and Customer Service, all Meters and Services costs, and a portion of the Peaking Capacity cost

component. These costs will be recovered either on a per-customer basis, or a per meter-equivalent basis. A meter equivalent weights different meter sizes by the amount of water that can flow through each size of meter. Meter equivalent calculations are shown in Appendix H pages 2 and 3.

Table 3-10 shows the projected number of connections in each fiscal year, reflecting anticipated water customer growth. Next, Table 3-11 shows the projected number of meter equivalents based on customer growth.

Table 3-10. Projected Number of Connections, Riverside Water Service Area

Meter Size	Projected FY 2026	FY 2027	FY 2028	FY 2029
5/8"	17	17	17	17
3/4"	16,319	16,391	16,462	16,534
1"	4,905	5,000	5,094	5,189
1.5"	360	360	360	360
2"	475	475	475	475
3"	49	49	49	49
4"	28	28	28	28
6"	8	8	8	8
8"	6	6	6	6
10"	2	2	2	2
12"	6	6	6	6
Total	22,175	22,341	22,508	22,674

Table 3-11. Projected Number of Meter Equivalents, Riverside Water Service Area

Meter Size	Projected FY 2026	FY 2027	FY 2028	FY 2029
5/8"	11	11	11	11
3/4"	16,319	16,391	16,462	16,534
1"	8,175	8,333	8,490	8,648
1.5"	1,200	1,200	1,200	1,200
2"	1,900	1,900	1,900	1,900
3"	490	490	490	490
4"	560	560	560	560
6"	360	360	360	360
8"	360	360	360	360
10"	160	160	160	160
12"	675	675	675	675
Total	30,210	30,439	30,669	30,899

Table 3-12 shows the costs recovered by the Fixed System Charge, using FY 2026 to illustrate the calculation. Calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix H, pages 14 - 16.

Billing and Customer Service costs are recovered on a per-customer basis from all customers, including private fire service customers. Meters and Services costs and Peaking costs are recovered on a per-meter equivalent basis.

A cost of service analysis considers both the average quantity of water consumed (base costs) and the peak rate at which it is consumed (peaking or capacity costs as identified by maximum day and maximum hour demands). Per District policy, 80 percent of Peaking costs are recovered through the Fixed System Charge and the remaining 20 percent are recovered through the Commodity Charge, applied equally to all tiers, as discussed below.

Table 3-12. Costs Recovered by Fixed System Charge (FY 2026 Example)

	Billing and Customer Service (1)	Meters & Services	Peaking Costs
Total Allocated Expenses	$2,349,435	$523,395	$16,927,775
% to Fixed System Charge	100%	100%	80%
$ to Fixed System Charge	$2,349,435	$523,395	$13,542,220
Rate Design Basis	Per Customer	Per Meter Eq.	Per Meter Eq.
No. of Billing Determinants	22,528	30,210	30,210
Unit Cost, $/Month	$8.69	$1.44	$37.36

Note:

(1) The number of billing and customer service billing determinants includes private fire service connections, because private fire service customers also receive Billing and Customer Service services.

Table 3-13 shows the calculation of the Fixed System Charge, using FY 2026 to illustrate the calculation. Calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix H, pages 14 - 16.

Table 3-13. Fixed System Charge Before Phase-In Adjustment (FY 2026 Example)

Pipe Diameter A	Per Customer Charges B	Per Meter Equivalent Charges $/Meter Equivalent C	Meter Equivalents Per Connection D	Total Per Meter Equivalent Charges E = C * D	Proposed FY 2026 Fixed System Charge F = B + E
5/8"	$8.69	$38.80	0.67	$25.87	$34.56
3/4"	$8.69	$38.80	1.0	$38.80	$47.49
1"	$8.69	$38.80	1.67	$64.67	$73.36
1.5"	$8.69	$38.80	3.33	$129.33	$138.02
2"	$8.69	$38.80	4.0	$155.20	$163.89
3"	$8.69	$38.80	10.0	$388.00	$396.69
4"	$8.69	$38.80	20.0	$776.00	$784.69
6"	$8.69	$38.80	45.0	$1,746.00	$1,754.69
8"	$8.69	$38.80	60.0	$2,328.00	$2,336.69
10"	$8.69	$38.80	80.0	$3,104.00	$3,112.69
12"	$8.69	$38.80	112.5	$4,365.00	$4,373.69

The Fixed System Charge rate design calculations shown in Appendix H produced cost-of-service based Fixed System Charges for each Fiscal Year. Each year the cost-of-service based Fixed System Charge increases, but the percentage increase in FY 2026 was significantly higher than in the subsequent years. Western Water has chosen to phase in the Fixed System Charge increases so that the percentage increase is the same in each year. This phase-in adjustment to the Fixed System Charge results in lower Fixed System Charges than calculated in the Cost-of-Service Analysis. Western Water intends to use property tax revenues to make up the difference in revenues between the cost-of-service based Fixed System Charges and the phased-in Fixed System Charges. Table 3-14 shows the Phase-In Adjustment for a ¾-inch meter Fixed System Charge. The Phase-In Adjustment calculations for other meter sizes are found in Appendix H, page 17.

Table 3-14. Fixed System Charge Phase-In Adjustment (3/4-Inch Meter Example)

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Proposed Fixed System Charge, 3/4-Inch Meter					
Before Phase-In Adjustment	$39.99	$47.49	$49.81	$53.53	$55.80
After Phase-In Adjustment	$39.99	$43.46	$47.23	$51.33	$55.80
% Increase from Prior Year					
Before Phase-In Adjustment		18.75%	4.89%	7.47%	4.24%
After Phase-In Adjustment		8.68%	8.67%	8.68%	8.71%

3.6.2 Readiness to Serve Charge

One of the costs of imported water is MWD's Readiness to Serve Charge assessed to Western Water. MWD's Readiness to Serve charge is in addition to other imported water costs like MWD's Treated and Untreated Rate. MWD determines the Readiness to Serve Charge for each of its member agencies it sells water to. It is a fixed charge, and the amount of the charge is based on Western Water's historical water purchases. Western Water recovers this cost from its customers via Western Water's Readiness to Serve Charge. Table 3-15 shows the calculation of the Readiness to Serve Charge per meter equivalent. Table 3-16 shows the proposed Readiness to Serve Charge for all water meter sizes. The number of Meter Equivalents in Table 3-15 includes Rainbow customers because Rainbow customers also pay the Readiness to Serve Charge. The number of meter equivalents in Table 3-11 does not include Rainbow customers.

Table 3-15. Readiness to Serve Charge Unit Cost

	FY 2026	FY 2027	FY 2028	FY 2029
MWD Readiness to Serve Charge, $/year	$1,143,013	$1,143,013	$1,209,891	$1,295,009
Projected Meter Equivalents	30,267	30,497	30,726	30,956
Unit Cost, $/Meter Equivalent/Month	$3.15	$3.12	$3.28	$3.49

Table 3-16. Proposed Readiness to Serve Charges

	Proposed			
Meter Size	7/1/2025	7/1/2026	7/1/2027	7/1/2028
5/8"	$2.10	$2.08	$2.19	$2.32
3/4"	$3.15	$3.12	$3.28	$3.49
1"	$5.25	$5.21	$5.47	$5.81
1.5"	$10.49	$10.41	$10.94	$11.62
2"	$12.59	$12.49	$13.13	$13.94
3"	$31.47	$31.23	$32.81	$34.86
4"	$62.94	$62.47	$65.63	$69.72
6"	$141.62	$140.55	$147.66	$156.88
8"	$188.82	$187.40	$196.88	$209.17
10"	$251.76	$249.87	$262.51	$278.89
12"	$354.04	$351.37	$369.15	$392.19

3.6.3 Commodity Charge

This subsection outlines the calculation of proposed Commodity Charges. No changes are proposed to the structure of the Riverside Water Service Area Commodity Charge. Table 3-17 shows the tier width definitions for the budget-based rate structure, which are unchanged. Appendix A contains further discussion of the water budget definitions.

Table 3-17. Tier Width Definitions

Tier	Single-Family Residential	Multi-Family Residential	Commercial	Irrigation
Tier 1	100% IWB	100% IWB	30% TWB	N/A
Tier 2	100% OWB	100% OWB	70% TWB	100% OWB
Tier 3	54% OWB	54% OWB	54% TWB	54% OWB
Tier 4	Above Tier 3	Above Tier 3	Above Tier 3	Above Tier 3

The Riverside Commodity Charge is comprised of the following components, which are described in this subsection:

- Water Supply Component. Separate Water Supply components for potable and non-potable water supply are calculated.
- Water Delivery Component
- Efficiency Component
- Property Tax Offset Component

The calculation of the Water Supply Component begins with assigning water supply to each Tier, potable agriculture, and March East customers. The least expensive water is assigned to Tier 1, and a proportionate slice of the least expensive water sources are also assigned to potable agriculture and March East customers. Table 3-18 shows the water supply assigned to each potable water commodity charge classification, using FY 2026 to illustrate the calculation. Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix H pages 24 - 26.

Table 3-18. Water Supply Assigned to Each Potable Water Commodity Charge Classification (FY 2026 Example)

	Projected 2026 Water Sales, hcf	hcf Sold With Supply From Each of the Following Sources				
		Elsinore Water	Meeks & Daley	SBBA	RPU-Owned	Desalter and MWD
Tier 1	2,757,239	1,801,044	90,853		289,368	575,974
Tier 2	3,992,629					3,992,629
Tier 3	411,716					411,716
Tier 4	576,120					576,120
Agriculture	151,849	35,345	1,783		5,679	109,043
March East	177,427	41,298	2,083		6,635	127,410
Total	8,066,980	1,877,687	94,719	0	301,682	5,792,892

Table 3-19 shows the FY 2026 calculation of the potable Water Supply Component of the Commodity Charge. The middle columns of Table 3-19 show the cost for each supply source assigned to each tier. The total water supply cost for each supply source is obtained from Table 3-2. The cost assigned to each tier is calculated by multiplying the total cost by the fraction of supply sold in each tier using the data in Table 3-18. For example, the water supply cost for Elsinore Water is projected to be $3,177,000 as shown in Table 3-2. Of that total, $3,047,322 is

assigned to Tier 1 ($3,047,322 = $3,177,000 * 1,801,044 / 1,877,687. The Water Supply Component in each tier is calculated by dividing the total cost in each tier by the projected FY 2026 water sales in each tier.

Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix H pages 24 - 26.

Table 3-19. Potable Water Supply Component of the Commodity Charge (FY 2026 Example)

	Projected 2026 Water Sales, hcf	Water Supply Cost From Each of the Following Sources					Total Cost	Water Supply Component, $/hcf
		Elsinore Water	Meeks & Daley	SBBA	RPU-Owned	Desalter and MWD		
Tier 1	2,757,239	$3,047,322	$157,616		$678,156	$2,000,872	$5,883,966	$2.134
Tier 2	3,992,629					13,869,968	13,869,968	$3.474
Tier 3	411,716					1,430,258	1,430,258	$3.474
Tier 4	576,120					2,001,378	2,001,378	$3.474
Agriculture	151,849	59,802	3,093		13,309	378,803	455,007	$2.996
March East	177,427	69,876	3,614		15,550	442,609	531,648	$2.996
Total	8,066,980	$3,177,000	$164,323	$0	$707,014	$20,123,889	$24,172,226	

Table 3-20 shows the non-potable Water Supply Component of the Commodity Charge. The water supply component include operating and capital costs of the non-potable system associated with delivering water to all customers at a constant, or average, rate of use. Therefore, water supply costs are spread over all units of water. The non-potable Water Supply Component is the same for all non-potable water. Table 3-21 summarizes the calculation of the uniform delivery component. The dollar amounts for each year for the Non-Potable Water Supply Cost come from Table 3-3. Note that the quantity of non-potable water sold to customers is not expected to change during the Rate Study Period.

Table 3-20. Non-Potable Water Supply Component of the Commodity Charge

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Non-Potable Water Supply Cost, $/Year	$3,115,644	$3,407,282	$3,757,781	$3,978,497
Non-Potable Water Supply Sold to Customers, hcf/year	1,602,280	1,602,280	1,602,280	1,602,280
Non-Potable Water Supply Component of Commodity Charge, $/hcf	$1.945	$2.127	$2.345	$2.483

Table 3-21 shows the calculation of the Delivery Component of the Commodity Charge which is applicable to all potable and non-potable water use. The Delivery Component incorporates 100 percent of the Base Capacity costs and 20 percent of the Peaking costs. The Delivery Component is calculated by dividing the total Base Capacity and Peaking costs recovered by the Commodity Charge by the total potable and non-potable water demand. The total potable water demand from Table 3-19 is 8,066,980 hcf. This amount plus the total non-potable water demand from Table 3-20 of 1,602,280 hcf equals the 9,669,260 hcf shown in Table 3-21 for FY 2026, for example.

Table 3-21. Delivery Component of the Commodity Charge

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Base Capacity Costs	$8,710,325	$9,203,376	$9,953,302	$10,454,010
Percent Included in Commodity Charge	100%	100%	100%	100%
Base Capacity Costs Included in Commodity Charge	$8,710,325	$9,203,376	$9,953,302	$10,454,010
Peaking Costs (Max Day and Max Hour Extra Capacity Costs)	$16,927,775	$17,897,902	$19,338,230	$20,305,495
Percent Included in Commodity Charge	20%	20%	20%	20%
Peaking Costs Included in Commodity Charge	$3,385,555	$3,579,580	$3,867,646	$4,061,099
Total Base Capacity and Peaking Costs Included in Commodity Charge	$12,095,880	$12,782,956	$13,820,948	$14,515,109
Water Sales, hcf/year	9,669,260	9,732,377	9,795,998	9,860,128
Water Delivery Unit Cost, $/hcf	$1.25	$1.31	$1.41	$1.47

The Base Capacity Costs and Peaking Costs for each year shown in the table above are from Table 3-9.

The Efficiency Component of the Commodity Charge funds the Riverside Water Service Area's water conservation programs. These costs are allocated to upper tiers because they are driven by higher water usage, in that they ensure ongoing reliable water by finding ways to achieve conservation. Table 3-22 shows the proposed Efficiency Component for each tier and other classes of potable and non-potable water use. The Efficiency Component of the Commodity Charge is further discussed in Appendix C.

Table 3-22. Efficiency Component of the Commodity Charge

	Projected, $/hcf			
	FY 2026	FY 2027	FY 2028	FY 2029
Riverside Potable				
Tier 1	$0.00	$0.00	$0.00	$0.00
Tier 2	$0.00	$0.00	$0.00	$0.00
Tier 3	$0.49	$0.49	$0.49	$0.49
Tier 4	$0.88	$0.88	$0.88	$0.88
Agriculture	$0.05	$0.05	$0.05	$0.05
March East	$0.05	$0.05	$0.05	$0.05
Riverside Non-Potable				
Landscape	$0.05	$0.05	$0.05	$0.05
Agriculture	$0.05	$0.05	$0.05	$0.05

Western Water receives a share of property tax revenues from the existing 1% ad valorem tax on parcels in the Riverside Water Service Area. At the Board's direction, Western Water applies property tax revenue to partially offset Tier 1 and Tier 2 Commodity Charges (representing efficient water use), and partially offsets potable agriculture and non-potable Commodity Charges. Table 3-23 shows the calculation of the Property Tax Offset component of the Commodity Charge.

Table 3-23. Property Tax Offset Component of the Commodity Charge

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Property Tax Applied to Commodity Charge as Offset	$8,486,509	$8,583,887	$8,651,890	$8,771,744
Applicable Water Sales, hcf/year (1)	8,503,998	8,559,212	8,614,867	8,670,968
Property Tax Offset, $/hcf	$1.00	$1.00	$1.00	$1.01

Note:

(1) Tier 1 potable, Tier 2 potable, all non-potable, and March East metered water consumption

Table 3-24 summarizes proposed FY 2026 Commodity Charges calculated on a cost-of-service basis. The total Commodity Charge is the sum of the Water Supply Component, the Water Delivery Component, the Efficiency Component, and the Property Tax Offset Component. Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix H pages 28 and 29. This table shows components of the Commodity Charge to the nearest $0.01. The rate calculations in this Rate Study were carried out to more than two decimal places. Therefore, some of the totals in the Rate Study tables will not add up as shown due to rounding differences.

Table 3-24. FY 2026 Commodity Charge Before Phase-In Adjustment (FY 2026 Example)

	Water Supply	Water Delivery	Efficiency	Property Tax Offset	Total
Riverside Potable					
Tier 1	$2.13	$1.25		($1.00)	$2.39
Tier 2	$3.47	$1.25		($1.00)	$3.73
Tier 3	$3.47	$1.25	$0.49		$5.21
Tier 4	$3.47	$1.25	$0.88		$5.60
Agriculture	$3.00	$1.25	$0.05	($1.00)	$3.30
March East	$3.00	$1.25	$0.05		$4.30
Riverside Non-Potable					
Landscape	$1.94	$1.25	$0.05	($1.00)	$2.25
Agriculture	$1.94	$1.25	$0.05	($1.00)	$2.25

Note that no property tax revenue is received from parcels served by the March East water system; therefore, the March East Commodity Charge does not have a Property Tax Offset component. The Commodity Charge for Rainbow customers is presented in Section 3.5.8 below.

The cost-of-service based Commodity Charges are projected to increase each year, but the percentage increase in FY 2026 was significantly higher than in the subsequent years. Western Water has chosen to phase in the Tier 1 and Tier 2 Commodity Charge increases so that the percentage increase is the same in each year. This phase-in adjustment to the Tier 1 and Tier 2 Commodity Charges results in lower Commodity Charges than calculated in the Cost-of-Service Analysis. Western Water intends to use property tax revenues to make up the difference in revenues between the cost-of-service based Tier 1 and Tier 2 Commodity Charges and the phased-in Commodity Charges. Table 3-25 shows the Phase-In Adjustment calculation for the

Tier 1 and Tier 2 Commodity Charges. Property taxes are being used to fund the phase-in adjustment.

Table 3-25. Proposed Phase-In Adjustment of Tier 1 and Tier 2 Commodity Charges

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Before Phase-In Adjustment, $/hcf					
Tier 1 (1)(2)	$2.09	$2.39	$2.58	$2.79	$2.95
Tier 2 (1)(2)	$3.59	$3.73	$4.10	$4.45	$4.67
After Phase-In Adjustment, $/hcf					
Tier 1	$2.09	$2.28	$2.48	$2.70	$2.95
Tier 2	$3.59	$3.84	$4.10	$4.38	$4.67

Notes:

(1) See Table 3-24, FY 2026 Commodity Charge Before Phase-In Adjustment (FY 2026 Example), for the 7/1/25 Tier 1 and Tier 2 Commodity Charges before the Phase-In.

(2) For the 7/1/26, 7/1/27, and 7/1/28 Tier 1 and Tier 2 Commodity Charges before Phase-In Adjustment, see Appendix H, pages 28 and 29, respectively.

3.6.4 Water Reliability Charge

Western Water's Water Reliability Charge of $0.42 per hcf is unchanged. The amount of the Water Reliability Charge is set by District policy and revenues are used to capital projects that would increase water system reliability or capacity, improve the long-term sustainability of the water supply and enhance and improve water supply management. This benefits customers because it protects vital water resources necessary to provide water to such parcels on a continued basis. The Water Reliability Charge is discussed in more detail in Appendix E.

3.6.5 Pumping Charges

Potable water service is provided in five geographically based Power Zones and non-potable water service is provided in seven Power Zones in the Riverside Service Area. The Rainbow Service Area has only one Power Zone. Western Water has developed projections of energy costs for pumping water to each power zone and has calculated proposed Pumping Charges to recover those costs. Proposed Pumping Charges are shown in Table 3-32 of this Report. Pumping Charges are discussed in more detail in Appendix D.

3.6.6 March East Asset Replacement Surcharge

Currently, March East customers pay an Asset Replacement Surcharge per hcf, which funds asset replacement projects for the March East water system. With the Board-approved merging of the March East and Riverside water systems, Western Water is discontinuing charging the March East Asset Replacement Surcharge.

3.6.7 Private Fire Service Charge.

The Private Fire Service Charge is a monthly fixed charge that customers with separate fire service connections pay and is based on the meter size for the fire service connection. The Private Fire

Service Charge calculation for FY 2026 is shown in Table 3-26. Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix H page 19.

The Private Fire Service Charge includes a Billing and Customer Service component and a Private Fire Protection Component. The Billing and Customer Service component is the same as shown above in Table 3-13 for the Fixed System Charge. The Private Fire Protection component shown in Table 3-26 is calculated per fire protection equivalent. Table 3-27 shows the calculation of the proposed FY 2026 Private Fire Service Charge. Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix H page 19. Totals in 3-27 may not add up due to rounding to two decimal places for the purposes of the table.

Table 3-26. Costs Recovered from Private Fire Service Rates (FY 2026 Example)

	FY 2026 Cost	Cost Recovery Basis	Unit Cost, $/Month	Notes
Billing and Customer Service	$36,815	Per Customer	$8.69	Note 1
Private Fire Protection	$283,594	Per Fire Protection Equivalent	$0.23	Note 2

Notes:

(1) See Table 3-13, Fixed System Charge Before Phase-In Adjustment (FY 2026 Example) for derivation of the unit cost.

(2) Unit cost equals the FY 2026 cost from Table 3-8 divided by 12 months, and divided by the number of Fire Protection Equivalents. See Appendix H page 19 for more detail.

Table 3-27. Proposed Monthly Private Fire Service Charge Calculation (FY 2026 Example)

Pipe Diameter A	Per Customer Charges B	Unit Cost: $/Fire Protection Equivalent C	Fire Protection Equivalents Per Connection D	Charge per Fire Protection Equivalent E = C * D	Proposed Private Fire Service Charge F = B + E
3"	$8.69	$0.23	17.98	$4.21	$12.90
4"	$8.69	$0.23	38.32	$8.98	$17.67
6"	$8.69	$0.23	111.31	$26.07	$34.76
8"	$8.69	$0.23	237.21	$55.56	$64.25
10"	$8.69	$0.23	426.58	$99.91	$108.61
12"	$8.69	$0.23	689.04	$161.39	$170.08

3.6.8 Rainbow

The Cost-of-Service Analysis completed in this Rate Study shows that current and proposed water rates for Rainbow water system customers are less than the cost to provide water service. Western Water's policy is that water rates will not be increased to provide full cost recovery to the 41 customers in Rainbow. Instead, Western Water will use a portion of its property tax

revenues to pay a portion of the cost to provide water service to these customers. Western Water has ad valorem property taxes that can be used at the discretion of the Board, such as offsetting the total revenue requirements.

Rainbow customers will pay the same proposed Fixed System Charge and Readiness to Serve Charge as other Riverside Water Service Area customers. Rainbow customers will pay a Pumping Charge that recovers the electricity costs of pumping water within the Rainbow service area.

Rainbow customers currently pay a uniform block Commodity Charge, and that practice will continue. The calculation of the proposed Rainbow Commodity Charge includes the following steps and is summarized in Table 3-28:

1. Calculate the monthly water bill for a median residential customer receiving potable water service in Riverside.
2. Calculate the percentage increase each year in the water bill for this median residential customer. The percentage increase in water bills for this customer are 7.5 percent, 7.1 percent, 7.2 percent, and 7.3 percent in FY 2026, FY 2027, FY 2028, and FY 2029, respectively.
3. Apply these same percentage increases to a monthly water bill for a residential customer in Rainbow using 25 hcf per month, which is the average use per month for the median customer in Rainbow.
4. From the total monthly water bill calculated for the Rainbow customer, subtract the proposed Fixed System Charge, Readiness to Serve Charge, and Pumping Charges. The result is the portion of the monthly bill that will be collected from the Rainbow Commodity Charge.
5. Calculate the Rainbow Commodity Charge by dividing the remaining portion of the monthly bill by 25 hcf.

Table 3-28. Calculation of Proposed Rainbow Commodity Charge

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Median Monthly Water Bill (1) (2)	$139.64	$150.26	$160.77	$172.51	$184.93
Monthly Fixed Charge for 3/4" Meter After Phase-In (3)		$43.46	$47.23	$51.33	$55.80
Readiness to Serve Charge for a 3/4" Meter (4)		$3.15	$3.12	$3.28	$3.49
Pumping Charges for Median Customer (5)		$11.88	$13.43	$15.20	$17.20
Commodity Charges for Median Customer (6)		$91.77	$97.00	$102.70	$108.44
Commodity Charge per hcf (7)		$3.67	$3.88	$4.11	$4.34

Notes:

(1) The median monthly water bill for a Rainbow customer is based on a 3/4-inch meter in Power Zone 106 with water consumption of 25 hcf/month.

(2) By Western Water policy direction, the monthly water bill for a median Rainbow customer will increase at the same percentage as the monthly water bill for a Median Riverside potable water customer.

(3) See Table 3-29, Proposed Fixed System Charges.

(4) See Table 3-30, Proposed Readiness to Serve Charges.

(5) See Table 3-31, Proposed Pumping Charges.

(6) Calculated by subtracting the Fixed System Charges, Readiness to Serve Charges, and Pumping Charges from the median monthly water bill.

(7) Calculated by dividing the Commodity Charges for a Median Customer by 25 hcf (the water consumption for a median Rainbow customer).

3.7 Proposed Rates

The proposed rates for the Riverside Water Service area are shown in Tables 3-29 through 3-34.

Table 3-29. Proposed Fixed System Charges

Meter Size	Current	Proposed 7/1/2025	7/1/2026	7/1/2027	7/1/2028
Fixed System Charge, $/month					
5/8"	$29.09	$31.61	$34.34	$37.31	$40.54
3/4"	$39.99	$43.46	$47.23	$51.33	$55.80
1"	$61.89	$67.25	$73.08	$79.41	$86.30
1.5"	$116.88	$126.93	$137.84	$149.69	$162.57
2"	$139.39	$151.22	$164.05	$177.97	$193.08
3"	$337.20	$365.92	$397.09	$430.92	$467.63
4"	$662.55	$720.24	$782.95	$851.12	$925.23
6"	$1,479.47	$1,608.91	$1,749.67	$1,902.75	$2,069.22
8"	$1,972.04	$2,144.08	$2,331.13	$2,534.50	$2,755.61
10"	$2,410.00	$2,677.34	$2,974.33	$3,304.27	$3,670.80
12"	$2,954.53	$3,396.14	$3,903.76	$4,487.26	$5,157.98

Table 3-30. Proposed Readiness to Serve Charges

Meter Size	Current	Proposed 7/1/2025	7/1/2026	7/1/2027	7/1/2028
Readiness to Serve Charge, $/month					
5/8"	$1.70	$2.10	$2.08	$2.19	$2.32
3/4"	$2.55	$3.15	$3.12	$3.28	$3.49
1"	$4.24	$5.25	$5.21	$5.47	$5.81
1.5"	$8.48	$10.49	$10.41	$10.94	$11.62
2"	$10.18	$12.59	$12.49	$13.13	$13.94
3"	$25.44	$31.47	$31.23	$32.81	$34.86
4"	$50.87	$62.94	$62.47	$65.63	$69.72
6"	$114.46	$141.62	$140.55	$147.66	$156.88
8"	$152.61	$188.82	$187.40	$196.88	$209.17
10"	$203.48	$251.76	$249.87	$262.51	$278.89
12"	$286.15	$354.04	$351.37	$369.15	$392.19

Table 3-31. Proposed Commodity Charges

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Commodity Charge, $/hcf					
Riverside Potable					
Tier 1	$2.09	$2.28	$2.48	$2.70	$2.95
Tier 2	$3.59	$3.84	$4.10	$4.38	$4.67
Tier 3	$4.73	$5.21	$5.59	$5.95	$6.17
Tier 4	$5.31	$5.60	$5.98	$6.34	$6.56
Agriculture	$3.15	$3.30	$3.61	$3.91	$4.11
March East	$3.98	$4.30	$4.61	$4.92	$5.12
Rainbow	$3.46	$3.67	$3.88	$4.11	$4.34
Riverside Non-Potable					
Landscape	$2.80	$2.25	$2.49	$2.80	$2.99
Agriculture	$2.51	$2.25	$2.49	$2.80	$2.99

Table 3-32. Proposed Pumping Charges

.		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Pumping Charges, $/hcf					
Riverside Potable					
Power Zone 101	$0.00	$0.00	$0.00	$0.00	$0.00
Power Zone 102	$0.16	$0.17	$0.18	$0.19	$0.19
Power Zone 103	$0.21	$0.23	$0.25	$0.27	$0.29
Power Zone 104 (March East)	$0.27	$0.27	$0.28	$0.28	$0.29
Power Zone 105	$0.79	$0.85	$0.91	$0.97	$1.03
Power Zone 106 (Rainbow)	$0.42	$0.48	$0.54	$0.61	$0.69
Riverside Non-Potable					
Power Zone 201	$0.41	$0.41	$0.41	$0.41	$0.41
Power Zone 202	$0.51	$0.51	$0.51	$0.51	$0.51
Power Zone 203	$0.42	$0.45	$0.48	$0.51	$0.55
Power Zone 204	$0.34	$0.34	$0.34	$0.34	$0.34
Power Zone 205	$0.70	$0.70	$0.70	$0.70	$0.70
Power Zone 206	$0.83	$0.86	$0.90	$0.94	$0.98
Power Zone 207	$0.28	$0.29	$0.30	$0.31	$0.32

Table 3-33. Proposed Water Reliability Charge

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Water Reliability Charge, $/hcf					
Potable and Non-Potable Water	$0.42	$0.42	$0.42	$0.42	$0.42

Table 3-34. Proposed Private Fire Service Rates

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Private Fire Service Charges, $/month					
3" Pipe Diameter	$11.72	$12.90	$13.54	$14.53	$15.14
4" Pipe Diameter	$16.46	$17.67	$18.56	$20.01	$20.90
6" Pipe Diameter	$33.47	$34.76	$36.57	$39.69	$41.61
8" Pipe Diameter	$62.80	$64.25	$67.64	$73.62	$77.31
10" Pipe Diameter	$106.92	$108.61	$114.37	$124.67	$131.02
12" Pipe Diameter	$168.08	$170.08	$179.14	$195.42	$205.46

Section 4

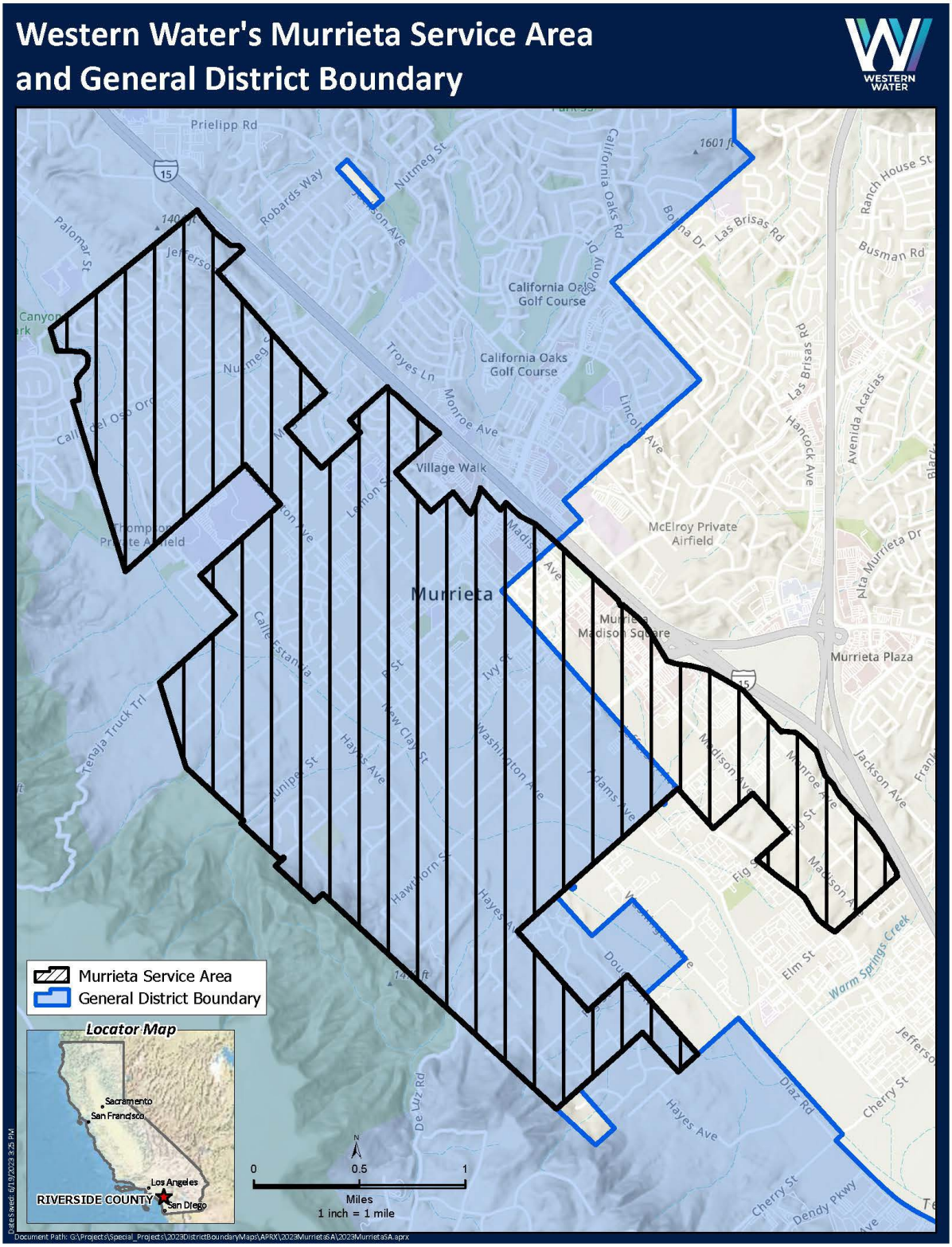
Murrieta Water Service Area

4.1 Description of Service Area

The Murrieta Water Service Area is 6.5 square miles in size and lies within the City of Murrieta. The area is bordered by Interstate 15 to the northeast and the Santa Rosa Plateau to the southwest. It is on the south end of Western Water's general service area boundary, bordered by Eastern Municipal Water District (Eastern) to the northeast, Elsinore Valley Municipal Water District (Elsinore) to the northwest, and Rancho California Water District (Rancho) to the southwest and south. The Murrieta Water Service Area serves approximately 2,800 connections.

The Murrieta Water Service Area is shown in Figure 4-1.

Figure 4-1. Murrieta Water Service Area Map



4.2 Key Assumptions

The Rate Study Period covered by this Rate Study is from FY 2026 through FY 2029. Western Water's Fiscal Year begins on July 1. If adopted by Western Water's Board of Directors, the proposed rates would be effective and applied to all water usage and service charges billed on or after July 1st of each Fiscal Year.

Water supply for the Murrieta Water Service Area is provided from the following sources:

- Two groundwater wells (the New Clay Well and the North Well)
- Purchased water from Eastern

O&M expenses are escalated at a 4.4% annual rate. This escalation rate is a composite estimated by Western Water staff that incorporates projected changes in labor, equipment, maintenance, and other expenses. This growth rate was calculated using seven years of historical data, including five years of actuals, plus the adopted Fiscal Year 2024-25 and Fiscal Year 2025-26 Budgets for Retail Water Funds only.

Projected system growth incorporates the current ongoing development in the area. Estimates of ongoing development were provided by Western Water's engineering department.

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 water rate revenues.

4.3 Revenue Requirement

4.3.1 Introduction

This section describes the Revenue Requirement for the Murrieta Water Service Area. The Revenue Requirement is the sum of the cash requirements for O&M expenses, debt service requirements, reserve funding to achieve Board-adopted target levels, and cash-funded capital expenditures not financed with debt.

4.3.2 Fund Structure

The Rate Study is prepared consistent with Western Water's accounting structure. Fund 23 is the Murrieta Water Fund. Fund 23 contains the following Reserves that are relevant to the Rate Study:

- Operating Reserve: The Operating Reserve receives nearly all rate revenues. The Operating Reserve pays for O&M expenses, a portion of the service area's debt service, and an annual transfer to the Asset Replacement Reserve.
- Asset Replacement Reserve: The Asset Replacement Reserve's revenues are a transfer from the Operating Reserve. Expenditures are for refurbishment and replacement capital projects.

- Water Conservation Reserve: Revenues are from the efficiency component of the Commodity Charge. Expenses are water conservation programs.
- Capacity Charge Reserve: Revenues come from Capacity Charges paid by developers, and expenditures are for capital projects and debt service that increase system capacity. The Capacity Charge Reserve is not part of this Water Rate Study.

4.3.3 Murrieta Water Service Area Revenue Requirement

Table 4-1 summarizes projected O&M expenses through the end of the Rate Study Period. The first year, FY 2026, was based on the Board-adopted FY 2025 operating budget with subsequent fiscal year amounts escalated by 4.4 percent per year (which has been the historical O&M expense growth experience of Western Water).

Table 4-1. Projected O&M Expenses, Murrieta Water Service Area

	Projected				
	FY 2026	FY 2027	FY 2028	FY 2029	Notes
Source of Supply	$0	$12	$29	$31	1, 2, 3
Water Pumping	181,001	190,382	198,795	207,582	1, 2, 3, 4
Water Treatment	0	11	32	34	1, 2, 3
Transmission & Distribution	1,726,088	1,804,448	1,901,141	1,985,307	1, 2, 3
Customer Accounts	257,050	268,360	286,273	299,027	1, 2, 3
G&A Allocation	968,066	1,053,304	1,149,008	1,202,006	1, 2, 3
Other Operating Expenses	155,915	162,775	169,937	177,414	1, 2
Property Tax Collection	1	1	1	1	1, 2
Conservation Program Expenses	78,697	83,520	91,198	94,661	5
Purchased Power	47,014	52,941	61,552	67,990	6
Water Supply	2,384,517	2,794,169	3,383,765	3,732,030	7
Total	$5,798,349	$6,409,923	$7,241,733	$7,766,083	

Notes:

(1) Amounts in the FY 2026 column are from Western Water's FY 2026 Budget.

(2) Projected FY 2027, FY 2028, and FY 2029 expenses are increased by a 4.4 percent annual inflationary factor.

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

(4) Pumping expenses are maintenance costs associated with Western Water's pump stations. The energy cost associated with pumping water is included in the Purchased Power line in this Table.

(5) Projected expenses for Western Water's conservation programs, derived from the Efficiency Component of the Commodity Charge. See Table 4-18 for more detail on the Efficiency Component of the Commodity Charge.

(6) See Appendix J, page 16 for more detail.

(7) See Table 4-2, Projected Murrieta Water Supply Costs, for more detail.

Table 4-2, Projected Murrieta Water Supply Costs, describes the water supply expected from each source in acre-feet per year. The two water supplies are groundwater from New Clay Well and North Well. The other water supply is imported water from Eastern. The groundwater supply projections for New Clay Well and North Well remain flat through the end of the Rate Study Period. Imported water from Eastern is escalated to match the total projected water system demand.

Table 4-2. Projected Murrieta Water Supply Costs

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Water Supply from Each Source, Acre-Feet per Year				
Groundwater (New Clay + North Well)	1,016	1,016	1,016	1,016
Eastern MWD	1,163	1,297	1,509	1,605
Total	2,180	2,313	2,526	2,622
Potable Water Supply Sources, Unit Costs, $/AF				
Groundwater (New Clay + North Well)	$382.20	$406.50	$432.59	$460.64
Eastern MWD	$1,716.03	$1,836.15	$1,950.50	$2,033.15
Potable Water Supply Cost, $/Year				
Groundwater (New Clay + North Well)	$388,468	$413,167	$439,688	$468,194
Eastern MWD	$1,996,049	$2,381,002	$2,944,077	$3,263,836
Total	$2,384,517	$2,794,169	$3,383,765	$3,732,030

Additional notes regarding water supply costs include:

The projected unit costs for local groundwater from the New Clay Well and the North Well were developed by Western Water, based on historical operating and pumping costs and projected inflation rates.

The projected unit costs for the Eastern supply are based on Eastern's 2025 costs and projected increases. The water purchased from Eastern is imported water, and subject to projected MWD increases to its Treated Rate. In addition, the Eastern supply cost includes Eastern's costs for delivering water to the Murrieta Water Service Area.

Table 4-3, Projected Rate Revenue Requirement, describes the components of the Rate Revenue Requirement and the amount for each year of the Rate Study Period. It includes the O&M and water supply costs from Tables 4-1 and 4-2. It includes a transfer to the Asset Replacement Reserve, which is used to fund refurbishment and replacement capital projects. It includes debt service and allocated interest from Western Water's Line of Credit (LOC). Consistent with Western Water's adopted Reserve Policy, additional revenues from water rates are included to build the Fund 23 Operating Reserve with the intention of meeting the minimum reserve target of three months of O&M expenses.

Table 4-1 also includes non-rate revenues. The largest non-rate revenue is Western Water's Water Availability Charge. The Water Availability Charge is a $21 per acre charge that is assessed on all parcels within the service area.

Table 4-3. Projected Rate Revenue Requirement

	Projected				
	FY 2026	FY 2027	FY 2028	FY 2029	Notes
O&M Expenses	$5,798,349	$6,409,923	$7,241,733	$7,766,083	1
Transfer to Asset Replacement Reserve	588,318	617,734	648,621	681,052	2
Operating Reserve Debt Service and LOC Int	251,234	251,233	251,232	251,234	3
Additional Revenue to Build Reserves	375,000	410,000	485,000	450,000	
Less Water Availability Charge Revenues	(131,000)	(131,000)	(131,000)	(131,000)	4
Less Offsetting Revenues	(32,436)	(33,248)	(34,085)	(34,947)	5
Less Retail Billing Interest	(5,871)	(6,018)	(6,168)	(6,322)	6
Less Property Tax Revenues	(11,500)	(11,500)	(11,500)	(11,500)	7
Total	$6,832,094	$7,507,124	$8,443,832	$8,964,599	

Note:

(1) See Table 4-1, Projected O&M Expenses, Murrieta Water Service Area.

(2) The Asset Replacement Reserve funds Refurbishment and replacement capital projects. This value represents the value of the transfer to the Asset Replacement Reserve, and not the spending on Asset Replacement improvements. Western Water maintains reserve policies established by the Board of Directors in 2013. The projected ending year 2029 Asset Replacement reserve is below the minimum value established by the policy.

(3) Represents the portion of Western Water debt service paid from the Murrieta Water Service Area Operating Reserve.

(4) The Water Availability Charge is a $21 per acre per year charge assessed to every parcel within the Murrieta Water 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.

(5) Includes delinquent penalties, new service setup revenues, and meter repair revenues.

(6) Interest charged to retail customers on delinquent balances.

(7) Represents the share of Water Availability Charge (Standby Charge) property tax revenues applicable to the Murrieta Water Service Area.

4.4 Cost-of-Service Analysis

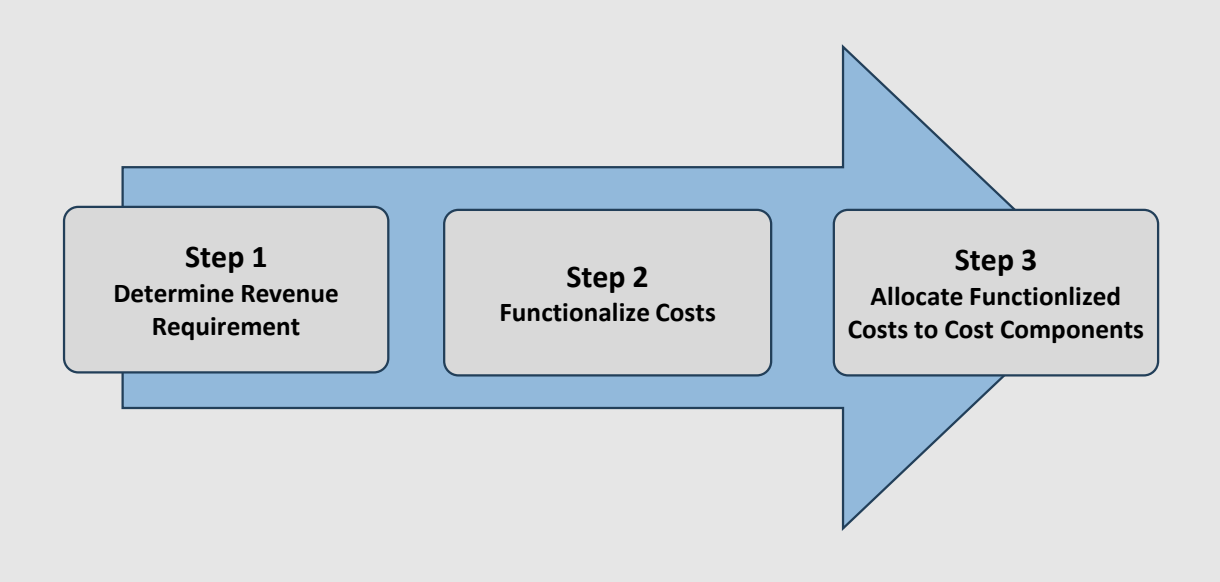
4.4.1 Proportionality

Section 3.5.1 describes proportionality considerations in a Cost-of-Service Analysis. The same proportionality considerations described for the Riverside Water Service Area are applicable to the Murrieta Water Service Area. To avoid redundancy, the reader is referred to Section 3.5.1.

4.4.2 Cost of Service Process

The Cost-of-Service Analysis distributes the Murrieta Water Service Area revenue requirements to each component of the rate structure. Figure 4-2, Cost of Service Approach, provides a general overview of a cost-of-service analysis. Each step shown in Figure 4-2 will be described in greater detail in the subsections below.

Figure 4-2. Cost of Service Approach



4.4.3 Step 1. Revenue Requirement

The Revenue Requirement is described above in Section 4.3. The first year, Fiscal Year 2026 was based on the Board-adopted operating budget with subsequent fiscal year amounts escalated based on historical expense growth experience.

4.4.4 Step 2. Functionalize Costs

A Cost-of-Service Analysis includes "Functionalizing" the Revenue Requirement by categorizing each cost in a series of water system functions. Table 4-4 shows the functionalized rate Revenue Requirement. The Glossary (Appendix B) contains additional descriptions of these system functions.

Table 4-4. Murrieta Water Service Area Rate Revenue Requirement by Function

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Source of Supply	$0	$12	$29	$31
Water Pumping	181,001	190,382	198,795	207,582
Water Treatment	0	11	32	34
Transmission & Distribution	1,726,088	1,804,448	1,901,141	1,985,307
Customer Accounts	257,050	268,360	286,273	299,027
G&A Allocation	968,066	1,053,304	1,149,008	1,202,006
Other Operating Expenses	155,915	162,775	169,937	177,414
Property Tax Collection	1	1	1	1
Conservation Program Expenses	78,697	83,520	91,198	94,661
Purchased Power	47,014	52,941	61,552	67,990
Water Supply	2,384,517	2,794,169	3,383,765	3,732,030
Transfer to Asset Replacement Reserve	588,318	617,734	648,621	681,052
Operating Reserve Debt Service and LOC Int	251,234	251,233	251,232	251,234
Additional Revenue to Build Reserves	375,000	410,000	485,000	450,000
Less Water Availability Charge Revenues	(131,000)	(131,000)	(131,000)	(131,000)
Less Offsetting Revenues	(32,436)	(33,248)	(34,085)	(34,947)
Less Retail Billing Interest	(5,871)	(6,018)	(6,168)	(6,322)
Less Property Tax Revenues	(11,500)	(11,500)	(11,500)	(11,500)
Total	$6,832,094	$7,507,124	$8,443,832	$8,964,599

4.4.5 Step 3. Allocation of Functionalized Rate Revenue Requirement to Cost Components

4.4.5.1 Peaking Factors

The allocation of the Functionalized Rate Revenue Requirement to Cost Component is referred to as the “allocation step” in this Report. The allocation step relies on methodology published in the AWWA M1 Manual, specifically the base-extra capacity method.

The base-extra capacity method splits costs into base and peaking components, where base costs are associated with average water use and peaking components are associated with peak water use. The max day demand is the maximum amount of water used in a single day in a year. The max hour demand is the maximum usage in an hour on the maximum usage day. Peaking factors are ratios of average day water use, max day demand, and max hour demand. The system-wide peaking factors are used to derive the cost component allocation bases. Functionalized costs are then allocated to the cost components using these allocation bases.

Table 4-5 shows peak demands and peaking factors for the Murrieta Water Service Area. Peaking factors were determined by Western Water’s Engineering Department.

Table 4-5. Average and Peak Water Demand

Parameter	Value	Source
Max Day / Average Day Peaking Factor	2.70	Note 1
Max Hour / Max Day Peaking Factor	1.50	Note 1
Max Hour / Average Day Peaking Factor	4.05	Note 2
Average Day Demand, gpm	1,536	Note 3
Max Day Demand, gpm	4,147	Note 4
Max Hour Demand, gpm	6,220	Note 4
Fireflow Demand, gpm	3,000	Note 5
Max Hour Plus Fireflow Demand, gpm	9,220	

Notes:

(1) 2024 analysis completed by Western Water's Engineering Department.

(2) Calculated by multiplying the Max Day/Average Day Peaking Factor by the Max Hour/Max Day Peaking Factor.

(3) Projected FY 2029 water sales provided by Western Water.

(4) Projected Average Day Demand multiplied by respective Peaking Factor.

(5) Fire Flow demand: Murrieta Retail Area Water Master Plan Update, November 2021, page 3-13.

Peaking factors are used in the allocation step to split the following functionalized expenses into base and peaking cost components:

- Source of Supply
- Water Pumping
- Treatment
- Transmission and Distribution

These facilities are designed to meet the max day and max hour demands of customers. Therefore, the base-extra capacity method uses peaking factors to allocate the O&M and capital costs of these facilities to base and peaking cost components. This method is consistent with the AWWA M1 Manual and is widely used in the water industry.

Detailed calculations showing how costs are allocated to base and peaking cost components are contained in Appendix J. These calculations for the Murrieta Water Service Area use the same methodology as those used for the Riverside Water Service Area and the reader is referred to the example shown in Section 3.4.5.1 above.

4.4.5.2 Allocation of Rate Revenue Requirement

In addition to the functionalized costs that are allocated to base and peaking cost components, the other functionalized costs are allocated as follows:

- Customer Accounts and Retail Billing Interest are allocated to the Customer Cost Component.
- G&A Allocation, Other Operating Expenses, Property Tax Collection, collection of additional revenues to build reserves, and most of the Offsetting Revenues are allocated to the General & Administrative Cost Component, which is further discussed below in Section 4.4.5.3, Reallocation of General Costs.

- The Transfer to the Asset Replacement Reserve, the Operating Reserve Debt Service and LOC Interest are allocated to cost components in the same proportion as the Murrieta water system assets are. This calculation is shown in Appendix J.
- Distributed to the Rate Design calculations described in Section 4.5 are:
  - Conservation Program Expenses
  - Purchased Power
  - Water Supply

4.4.5.3 Reallocation of General Costs

The next step in the allocation step is the reallocation of General & Administrative costs, shown in Table 4-6. General & Administrative costs are reallocated to the other cost components proportionate to the dollar amount of each of the other cost components. Distributed expenses are excluded from this reallocation.

Table 4-6 shows the FY 2026 reallocation. Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix J, pages 8 – 10.

Table 4-6. Cost-of-Service Analysis: Reallocation of General & Administrative Expenses (FY 2026 Example)

Cost-of-Service Allocation Category	Before G&A Reallocation	FY 2026 Amount G&A Reallocation	After G&A Reallocation
Billing and Customer Service	$248,499	$82,415	$330,914
Meters and Services (1)	34,133	11,320	45,454
Base Capacity	537,157	178,149	715,306
Peaking Capacity	1,451,903	481,525	1,933,428
Public and Private Fire Protection (2)	692,197	229,568	921,765
General & Administrative (3)	982,977	(982,977)	0
Additional Revenues to Build Reserves (4)	375,000	0	375,000
Efficiency Costs (4)	78,697	0	78,697
Water Supply Costs (4)	2,384,517	0	2,384,517
Power Costs (4)	47,014	0	47,014
Total	$6,832,094	$0	$6,832,094

Notes:

(1) Meters and Services includes maintenance and capital costs associated with servicing meters and service connections.

(2) Public and Private Fire Protection costs are further reallocated to separate Public Fire Protection and Private Fire Protection categories. See Table 4-9.

(3) General & Administrative in this table refers to the specific General & Administrative cost component in the Cost-of-Service Analysis. It differs from Western's G&A Allocation expense shown in Table 4-4. See Appendix J page 7 for more detail.

(4) General & Administrative Expenses are not reallocated to these cost components.

4.4.5.4 Fire Protection Service

Water systems provide two types of fire protection: public fire protection for delivering water to property in sufficient quantities and pressures in the event of a fire, which is generally visible as

hydrants on the street, and private fire protection, which provides fire flow to buildings and other structure sprinkler systems for fire suppression within private improvements. These costs include not only the delivery point, whether it be public fire hydrants and private suppression systems, but the entire share of capacity for storage, distribution, and pumping necessary to deliver sufficient water to property in the event of a fire. The potential flow of public hydrants and private fire lines must be analyzed to determine the share of total fire costs responsible for each.

The Public and Private Fire Protection costs are split into public fire protection and private fire protection categories based on the relative number of fire protection equivalents. The number of fire protection equivalents is calculated by weighting the size of private fire services and fire hydrant barrel. The number of private fire service connections and public fire hydrants is shown in Appendix J page 1. The calculation of fire protection equivalents is shown in Appendix J page 3.

Table 4-7. Reallocation of Public and Private Fire Service Costs

	FY 2026	FY 2027	FY 2028	FY 2029
Public and Private Fire Protection Costs (1)	$921,765	$973,504	$1,034,064	$1,080,845
Costs Allocated to Public Fire Protection, Recovered in the Fixed System Charge				
Dollars	$673,205	$710,992	$755,222	$789,388
As Percent	73.03%	73.03%	73.03%	73.03%
Costs Allocated to Private Fire Service Connections				
Dollars	$248,560	$262,512	$278,842	$291,457
As Percent	26.97%	26.97%	26.97%	26.97%

Note:

(1) See Table 4-6 for the 2026 total Public and Private Fire Protection Costs.

4.4.5.5 Summary

Table 4-8 summarizes the Revenue Requirements by cost component and indicates how fixed and variable charges will be used to recover the cost of each cost component.

Table 4-8. Summary of Rate Revenue Requirement by Cost Components

Cost Component	FY 2026	FY 2027	FY 2028	FY 2029	Variable	Fixed
Billing and Customer Service	$330,914	$349,984	$378,197	$396,317		✓
Meters and Services	45,454	47,745	50,137	52,199		✓
Base Capacity	715,306	754,417	798,141	832,990	✓	
Peaking Capacity	1,933,428	2,040,843	2,161,779	2,257,567	✓	✓
Public Fire Protection	673,205	710,992	755,222	789,388		✓
Private Fire Protection	248,560	262,512	278,842	291,457		✓
Additional Revenues to Rebuild Reserves	375,000	410,000	485,000	450,000	✓	
Efficiency Pass-Through	78,697	83,520	91,198	94,661	✓	
Water Supply Pass-Through	2,384,517	2,794,169	3,383,765	3,732,030	✓	
Power Costs Pass-Through	47,014	52,941	61,552	67,990	✓	
Total	$6,832,094	$7,507,124	$8,443,832	$8,964,599		

4.5 Rate Design

4.5.1 Fixed System Charge

The Fixed System Charge is the only fixed charge the Murrieta customers pay. Unlike Riverside, Murietta does not have a Readiness to Serve Charge, as MWD's Readiness to Serve charges are billed to Eastern and Eastern recovers these costs through their water supply rate to Western Water.

The Fixed System Charge is applied to all customers except private fire service customers. The Fixed System Charge recognizes that even when a customer does not use any water, Western Water incurs fixed costs in connection with maintaining infrastructure needed to deliver water to customers, the maintenance and replacement of water meters, and Billing and Customer Service services.

The Fixed System Charge will recover all costs shown in Table 4-8 associated with Billing and Customer Service, all Meters and Services costs, and a portion of the Peaking Capacity cost component. These costs will be recovered either on a per-customer basis, or a per meter-equivalent basis. A meter equivalent weights different meter sizes by the amount of water that can flow through each size of meter. Meter equivalent calculations are shown in Appendix J page 2.

Table 4-9 shows the projected number of connections in each fiscal year, reflecting anticipated water customer growth. Next, Table 4-10 shows the projected number of meter equivalents based on customer growth.

Table 4-9. Projected Number of Customers, Murrieta Water Service Area

Meter Size	Projected FY 2026	FY 2027	FY 2028	FY 2029
5/8"	369	369	369	369
3/4"	2,029	2,095	2,099	2,103
1"	175	175	175	175
1.5"	81	81	81	81
2"	174	174	174	174
3"	5	7	7	8
4"	4	7	8	9
6"	0	0	0	0
8"	0	0	1	1
10"	0	0	0	0
12"	0	0	0	0
Total	2,837	2,908	2,914	2,920

Table 4-10. Projected Number Meter Equivalents, Murrieta Water Service Area

Meter Size	Projected FY 2026	FY 2027	FY 2028	FY 2029
5/8"	246	246	246	246
3/4"	2,029	2,095	2,099	2,103
1"	292	292	292	292
1.5"	270	270	270	270
2"	696	696	696	696
3"	50	70	70	80
4"	80	140	160	180
6"	0	0	0	0
8"	0	0	60	60
10"	0	0	0	0
12"	0	0	0	0
Total	3,663	3,809	3,893	3,927

Table 4-11 shows the costs recovered by the Fixed System Charge, using FY 2026 to illustrate the calculation. Calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix J, pages 12 - 14.

Billing and Customer Service costs are recovered on a per-customer basis from all customers, including private fire service customers. Meters and Services costs and Peaking costs are recovered on a per-meter equivalent basis.

A cost of service analysis considers both the average quantity of water consumed (base costs) and the peak rate at which it is consumed (peaking or capacity costs as identified by maximum day and maximum hour demands). Per District policy, 80 percent of Peaking costs are recovered through the Fixed System Charge and the remaining 20 percent are recovered through the Commodity Charge, applied equally to all tiers, as discussed below.

Table 4-11. Costs Recovered by Fixed System Charge (FY 2026 Example)

	Billing and Customer Service (1)	Meters & Services	Peaking Capacity	Public Fire Protection
Total Allocated Expenses	$330,914	$45,454	$1,933,428	$673,205
% to Fixed System Charge	100%	100%	80%	100%
$ to Fixed System Charge	$330,914	$45,454	$1,546,742	$673,205
Rate Design Basis	Per Customer	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.
No. of Billing Determinants	2,963	3,663	3,663	3,663
Unit Cost, $/Month	$9.31	$1.03	$35.19	$15.32

Note:

(1) Number of customer service billing determinants includes fire service connections, because fire service customers also receive Billing and Customer Service services.

Table 4-12 shows the calculation of the Fixed System Charge, using FY 2026 to illustrate the calculation. Calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix J, pages 12 - 14.

Table 4-12. Fixed System Charge Before Phase-In Adjustment (FY 2026 Example)

		Per Meter Equivalent Charges			
Meter Size A	Per Customer Charges B	$/Meter Equivalent C	Meter Equivalents Per Connection D	Total Per Meter Equivalent Charges E = C * D	Proposed FY 2026 Fixed System Charge F = B + E
5/8"	$9.31	$51.54	0.67	$34.36	$43.67
3/4"	$9.31	$51.54	1.0	$51.54	$60.85
1"	$9.31	$51.54	1.67	$85.90	$95.21
1.5"	$9.31	$51.54	3.33	$171.81	$181.11
2"	$9.31	$51.54	4.0	$206.17	$215.48
3"	$9.31	$51.54	10.0	$515.42	$524.73
4"	$9.31	$51.54	20.0	$1,030.85	$1,040.15
6"	$9.31	$51.54	45.0	$2,319.40	$2,328.71
8"	$9.31	$51.54	60.0	$3,092.54	$3,101.85
10"	$9.31	$51.54	80.0	$4,123.39	$4,132.69
12"	$9.31	$51.54	112.5	$5,798.51	$5,807.82

The Fixed System Charge rate design calculations shown in Appendix J produced cost-of-service based Fixed System Charges for each Fiscal Year. Each year the cost-of-service based Fixed System Charge increases, but the percentage increase in FY 2026 was significantly higher than in the subsequent years. Western Water has chosen to phase in the Fixed System Charge increases so that the percentage increase is the same in each year. This phase-in adjustment to the Fixed System Charge results in lower Fixed System Charges than calculated in the Cost-of-Service Analysis. Western Water intends to use Murrieta Fund operating reserves to make up the difference in revenues between the cost-of-service based Fixed System Charges and the phased-in Fixed System Charges. Table 4-13 shows the Phase-In Adjustment for a ¾-inch meter Fixed System Charge. The Phase-In Adjustment calculations for other meter sizes are found in Appendix J, page 15.

Table 4-13. Phase-In Adjustment of Fixed System Charges (3/4-Inch Meter Example)

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Proposed Fixed System Charge, 3/4-Inch Meter					
Before Phase-In Adjustment	$51.97	$60.85	$61.94	$64.63	$67.03
After Phase-In Adjustment	$51.97	$55.38	$59.02	$62.90	$67.03
% Increase from Prior Year					
Before Phase-In Adjustment		17.09%	1.79%	4.35%	3.71%
After Phase-In Adjustment		6.57%	6.57%	6.57%	6.57%

4.5.2 Commodity Charge

This subsection outlines the calculation of proposed Commodity Charges. No changes are proposed to the structure of the Murrieta Water Service Area Commodity Charge. Table 4-14 shows the tier width definitions for the budget-based rate structure, which are unchanged. Appendix A contains further discussion of the water budget definitions.

Table 4-14. Tier Width Definitions

Tier	Single-Family Residential	Multi-Family Residential	Commercial	Irrigation
Tier 1	100% IWB	100% IWB	49% TWB	N/A
Tier 2	100% OWB	100% OWB	51% TWB	100% OWB
Tier 3	54% OWB	54% OWB	54% TWB	54% OWB
Tier 4	Above Tier 3	Above Tier 3	Above Tier 3	Above Tier 3

The Murrieta Commodity Charge is comprised of the following components, which are described in this subsection:

- Water Supply Component
- Water Delivery Component
- Efficiency Component

The calculation of the Water Supply Component begins with assigning water supply to each Tier. The least expensive water is assigned to Tier 1. Table 4-15 shows the water supply assigned to each tier, using FY 2026 to illustrate the calculation. Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix J page 18.

Table 4-15. Water Supply Assigned to Each Commodity Charge Tier (FY 2026 Example)

	Projected Sales, hcf	Hcf From Each Source	
		Groundwater	Purchased from EMWD
Tier 1	354,823	354,823	0
Tier 2	436,988	63,570	373,418
Tier 3	48,294	0	48,294
Tier 4	57,102	0	57,102
Total	897,206	418,393	478,813

Table 4-16 shows the FY 2026 calculation of the Water Supply Component of the Commodity Charge. The middle columns of Table 4-16 show the cost for each supply source assigned to each tier. The total water supply cost for each supply source is obtained from Table 4-2. The cost assigned to each tier is calculated by multiplying the total cost by the fraction of supply sold in each tier using the data in Table 4-15. For example, the FY 2026 water supply cost for groundwater is projected to be $388,468 as shown in Table 4-2. Of that total, $329,445 is assigned to Tier 1 ($329,445 = $388,468 * 354,823 / 418,393. The Water Supply Component is calculated by dividing the total cost by the projected FY 2026 water sales in each tier.

Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix J page 18.

Table 4-16. Water Supply Component of the Commodity Charge (FY 2026 Example)

	Projected 2026 Water Sales, hcf	Water Supply Cost Purchased from			Water Supply Component, $/hcf
		Groundwater	EMWD	Total	
Tier 1	354,823	$329,445		$329,445	$0.93
Tier 2	436,988	$59,023	1,556,682	$1,615,706	$3.70
Tier 3	48,294		201,324	$201,324	$4.17
Tier 4	57,102		238,043	$238,043	$4.17
Total	897,206	$388,468	$1,996,049	$2,384,517	

Table 4-17 shows the calculation of the Delivery Component of the Commodity Charge which is applicable to all water use. The Delivery Component incorporates 100 percent of the Base Capacity costs and 20 percent of the Peaking costs. The Delivery Component is calculated by dividing the total Base Capacity and Peaking costs recovered by the Commodity Charge by the total water demand.

Table 4-17. Delivery Component of the Commodity Charge

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Base Capacity Costs	$715,306	$754,417	$798,141	$832,990
Percent Included in Delivery Component of Commodity Charge	100%	100%	100%	100%
Base Capacity Costs Included in Delivery Component of Commodity Charge	$715,306	$754,417	$798,141	$832,990
Peaking Costs	$1,933,428	$2,040,843	$2,161,779	$2,257,567
Percent Included in Delivery Component of Commodity Charge	20%	20%	20%	20%
Peaking Costs Included in Delivery Component Commodity Charge	$386,686	$408,169	$432,356	$451,513
Revenues to Build Up Operating Reserve per Western Water Reserve Policy	$375,000	$410,000	$485,000	$450,000
Total Costs Included in the Delivery Component of Commodity Charge	$1,476,991	$1,572,586	$1,715,497	$1,734,504
Water Sales, hcf/year	897,206	952,184	1,039,724	1,079,206
Water Delivery Unit Cost, $/hcf	$1.65	$1.65	$1.65	$1.61

The Base Capacity Costs and Peaking Costs for each year shown in the table above are from Table 4-8.

The Efficiency Component of the Commodity Charge funds the Murrieta Water Service Area's water conservation programs. Table 4-18 shows the proposed Efficiency Component for each tier. The Efficiency Component of the Commodity Charge is further discussed in Appendix C.

Table 4-18. Efficiency Component of the Commodity Charge

	Projected, $/hcf			
	FY 2026	FY 2027	FY 2028	FY 2029
Tier 1	$0.00	$0.00	$0.00	$0.00
Tier 2	$0.00	$0.00	$0.00	$0.00
Tier 3	$0.66	$0.66	$0.66	$0.66
Tier 4	$0.82	$0.82	$0.82	$0.82

Table 4-19 summarizes proposed FY 2026 Commodity Charges calculated on a cost-of-service basis. The total Commodity Charge is the sum of the Water Supply Component, the Water Delivery Component, and the Efficiency Component. Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix J pages 19 and 20.

Table 4-19. Commodity Charge Before Phase-In Adjustment (FY 2026 Example)

	Water Supply	Water Delivery	Efficiency	Total
Murrieta Water Commodity Charge Before Phase-In Adjustment, $/hcf				
Tier 1	$0.928	$1.646		$2.575
Tier 2	$3.697	$1.646		$5.344
Tier 3	$4.169	$1.646	$0.660	$6.475
Tier 4	$4.169	$1.646	$0.820	$6.635

The cost-of-service based Commodity Charges are projected to increase each year, but the percentage increase in FY 2026 was significantly higher than in the subsequent years. Western Water has chosen to phase in the Tier 1 and Tier 2 Commodity Charge increases so that the percentage increase is the same in each year. This phase-in adjustment to the Tier 1 and Tier 2 Commodity Charges results in lower Commodity Charges than calculated in the Cost-of-Service Analysis. Western Water intends to use Murrieta Fund operating reserves to make up the difference in revenues between the cost-of-service based Tier 1 and Tier 2 Commodity Charges and the phased-in Commodity Charges. Table 3-25 shows the Phase-In Adjustment calculation for the Tier 1 and Tier 2 Commodity Charges.

Table 4-20. Proposed Phase-In Adjustment of Tier 1 and Tier 2 Commodity Charges

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Before Phase-In Adjustment, $/hcf					
Tier 1 (1)(2)	$2.43	$2.57	$2.64	$2.70	$2.80
Tier 2 (1)(2)	$4.81	$5.34	$5.80	$6.34	$6.55
After Phase-In Adjustment, $/hcf					
Tier 1	$2.43	$2.52	$2.61	$2.70	$2.80
Tier 2	$4.81	$5.20	$5.62	$6.07	$6.55
Use of Operating Reserves Needed to Fund Phase-In Adjustment of Tier 1 and Tier 2 Commodity Charges		$78,919	$94,775	$136,728	$0

Notes:

(1) See Table 4-19, Commodity Charge Before Phase-In Adjustment (FY 2026 Example) for the derivation of Tier 1 and Tier 2 Commodity Charges before the Phase-In Adjustment.

(2) For the 7/1/26, 7/1/27, and 7/1/28 Tier 1 and Tier 2 Commodity Charges before Phase-In Adjustment, see Appendix J, page 20.

4.5.3 Pumping Charges

Western Water divides the Murrieta Water Service Area into two Power Zones based on pressure zones. Western Water has developed projections of energy costs for pumping water to each power zone and has calculated proposed Pumping Charges to recover those costs. Proposed Pumping Charges are shown in Table 4-21 of this Report. Pumping Charges are discussed in more detail in Appendix D.

Table 4-21. Proposed Pumping Charges

		Proposed			
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Pumping Charges, $/hcf					
Power Zone 107	$0.00	$0.00	$0.00	$0.00	$0.00
Power Zone 108	$0.25	$0.26	$0.28	$0.30	$0.32

4.5.4 Private Fire Service Charge

The Private Fire Service Charge is a monthly fixed charge that customers with separate fire service connections pay and is based on the meter size for the fire service connection. The Private Fire Service Charge calculation for FY 2026 is shown in Table 4-22. Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix J page 16.

The Private Fire Service Charge includes a Billing and Customer Service component and a Private Fire Protection Component. The Billing and Customer Service component is the same as shown above in Table 4-12 for the Fixed System Charge. The Private Fire Protection component shown in Table 4-22 is calculated per fire protection equivalent. Table 4-23 shows the calculation of the proposed FY 2026 Private Fire Service Charge. Similar calculations for FY 2027, FY 2028, and FY 2029 are found in Appendix J page 16.

Table 4-22. Costs Recovered by Private Fire Service Charges (FY 2026 Example)

	FY 2026 Cost	Cost Recovery Basis	Unit Cost, $/Month	Notes
Billing and Customer Service	$14,072	Per Customer	$9.31	Note 1
Private Fire Protection Costs	$248,560	Per Fire Protection Equivalent	$0.72	Note 2

Notes:

(1) See Table 4-12, Fixed System Charge Before Phase-In Adjustment (FY 2026 Example) for derivation of the unit cost.

(2) Unit cost equals the FY 2026 cost from Table 4-7 divided by 12 months and divided by the number of Fire Protection Equivalents. See Appendix J page 3 for more detail.

Table 4-23. Proposed Monthly Private Fire Service Charge Calculation (FY 2026 Example)

Pipe Diameter A	Per Customer Charges B	Unit Cost: $/Fire Protection Equivalent C	Fire Protection Equiv. Per Connection D	Charge per Fire Protection Equivalent E = C * D	Proposed Private Fire Service Charge F = B + E
3"	$9.31	$0.72	17.98	$13.01	$22.32
4"	$9.31	$0.72	38.32	$27.74	$37.04
6"	$9.31	$0.72	111.31	$80.57	$89.87
8"	$9.31	$0.72	237.21	$171.69	$181.00
10"	$9.31	$0.72	426.58	$308.76	$318.06
12"	$9.31	$0.72	689.04	$498.73	$508.03

4.6 Proposed Rates

The proposed rates for the Murrieta Water Service Area are shown in Tables 4-24 through 4-27.

Table 4-24. Proposed Fixed System Charges

Meter Size	Current	Proposed 7/1/2025	7/1/2026	7/1/2027	7/1/2028
Fixed System Charge, $/month					
5/8"	$38.71	$40.91	$43.24	$45.70	$48.30
3/4"	$51.97	$55.38	$59.02	$62.90	$67.03
1"	$78.70	$84.48	$90.68	$97.34	$104.49
1.5"	$146.08	$157.65	$170.13	$183.60	$198.13
2"	$174.16	$187.82	$202.56	$218.45	$235.59
3"	$416.33	$450.88	$488.30	$528.83	$572.72
4"	$810.49	$881.60	$958.95	$1,043.08	$1,134.59
6"	$1,803.64	$1,964.67	$2,140.08	$2,331.15	$2,539.28
8"	$2,404.85	$2,618.86	$2,851.91	$3,105.70	$3,382.09
10"	$3,211.51	$3,495.23	$3,804.02	$4,140.09	$4,505.84

Table 4-25. Proposed Commodity Charges

	Current	Proposed 7/1/2025	7/1/2026	7/1/2027	7/1/2028
Commodity Charge, $/hcf					
Tier 1	$2.43	$2.52	$2.61	$2.70	$2.80
Tier 2	$4.81	$5.20	$5.62	$6.07	$6.55
Tier 3	$6.03	$6.47	$6.77	$7.05	$7.21
Tier 4	$6.51	$6.63	$6.93	$7.21	$7.37

Table 4-26. Proposed Pumping Charges

	Current	Proposed 7/1/2025	7/1/2026	7/1/2027	7/1/2028
Pumping Charges, $/hcf					
Power Zone 107	$0.00	$0.00	$0.00	$0.00	$0.00
Power Zone 108	$0.25	$0.26	$0.28	$0.30	$0.32

Table 4-27. Proposed Fire Service Charges

	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Fire Service Charge, $/Month					
3" Pipe Diameter	$27.76	$22.32	$23.36	$24.97	$26.10
4" Pipe Diameter	$44.77	$37.04	$38.90	$41.48	$43.36
6" Pipe Diameter	$105.79	$89.87	$94.70	$100.75	$105.31
8" Pipe Diameter	$211.04	$181.00	$190.94	$202.97	$212.16
10" Pipe Diameter	$369.35	$318.06	$335.70	$356.74	$372.88
12" Pipe Diameter	$588.77	$508.03	$536.33	$569.85	$595.64

Section 5

Appendix A: Water Budget Definitions

The basic definitions used to calculate water budget allotments have been provided below to ease understanding. However, since Western Water has already implemented budget-based rates, a detailed discussion has not been provided within this Study. For more information, please see Ordinance 392, Article V, Section A and Resolution 2974 on file with Western Water.

Single Family Residential Customer Rate Structure (also applies to Multi-Family Residential Customers)

The indoor water budget (IWB) for residential customers is determined by a customer's household size. California's standard is described in Senate Bill 606 and Assembly Bill 1668 passed in 2018 in response to the Governor's mandate to "Making Conservation a California Way of Life." The State requires all retail water agencies to meet water efficiency budgets based on indoor and outdoor efficiency standards. State standards are scheduled to be lowered further in the future.

Indoor Water Budget Calculation (Tier 1 Width)

$$IWB = \frac{(GPCD \times Household\ Size \times \#\ of\ Dwelling\ Units \times Days\ of\ Service \times DF_{Indoor})}{748} + V_{Indoor}$$

Where:

- GPCD – Gallons per capita per day. The standard consumption per person per day is set at 55 gallons for fiscal year 2026 through fiscal year 2029. This amount includes all indoor water use, such as showers and washing clothes and dishes.
- Household Size – Number of people per household. Based on census data, Western Water uses a default number of three people per household for single-family homes and two people per household for condominiums and apartments. The number of people regularly living in your home directly impacts your indoor water budget.
- Dwelling Units – The number of dwelling units served by the meter. For example, a single-family residence is one dwelling unit, a multi-family residence is a building or complex with multiple dwelling units.
- Days of Service – The number of days of service varies with each billing period for each customer. The actual number of days of service is applied to calculate the indoor water budget for each billing period.
- DF_{indoor} – Indoor drought factor. This part of the budget equation is only used in extreme water shortage conditions or if required by regional and/or State agencies. A lower percentage of the typical or usual indoor water budget could be allocated during extreme water supply shortages or emergency conditions. Changing the drought factor will be subject to approval by Western Water's Board of Directors. The indoor drought factor is

set by default at 100%, representing a 100% indoor water budget allotment, in times where water supply shortages do not exist in Western Water's service area.

- V_{indoor} – Indoor variance. A water allotment can be adjusted to fit the unique circumstances of a customer as described in Western Water's variance program, for example, medical needs that require additional water.
- 748 is the conversion unit from gallons to a billing unit of one hundred cubic feet (hcf).

For illustrative purposes, the following indoor water budget calculations for two different customers are provided.

Customer #1: Household Size = 4 persons, 1 Dwelling Unit, Days of Service in January bill = 30 days

$$IWB = \frac{55\ gallons\ per\ person\ per\ day\ \times 1\ unit\ \times 4\ persons\ \times 30\ days\ \times 100\%}{748\ gallons\ per\ hcf} = 8.82\ hcf$$

Customer #2: Household Size = 6 persons, 1 Dwelling Unit, Days of Service in January bill = 28 days

$$IWB = \frac{55\ gallons\ per\ person\ per\ day\ \times 1\ unit\ \times 6\ persons\ \times 28\ days\ \times 100\%}{748\ gallons\ per\ hcf} = 12.35\ hcf$$

The outdoor water budget (OWB) is calculated using three components: irrigated area, local weather data, and an efficiency adjustment factor as shown below.

Outdoor Water Budget Calculation (Tier 2 Width)

$$OWB = \left(\frac{(Irrigated\ Area\ \times ET_O\ \times ETAF)}{1{,}200} + V_{Outdoor}\right) \times DF_{Outdoor}$$

Where:

- Irrigated Area – Also referred to as Landscape Area (in square feet, sq. ft.). The measured irrigated landscape area served by an individual water meter.
- ET_O – Evapotranspiration (ET) is the amount of water used (transpired) by a particular plant species combined with the amount of water lost (evaporated) from the surface of the soil under measured weather conditions during the billing period based on daily weather data acquired from the HydroPoint Climate Center Climate IQ Service (HydroPoint). HydroPoint

provides American Society of Civil Engineers Penman-Monteith ET data every day. Western Water's service area has more than 450 individual weather microzones. Western Water receives daily updates for the ET for each microzone through a secure link to the HydroPoint FTP site. This allows weather changes to be accurately updated daily for every account in Western Water's Murrieta and Riverside Water Service Areas.

- ETAF – The ET Adjustment Factor (ETAF) is a State-legislated efficiency standard in the form of a coefficient that, when applied to the reference ETo, adjusts for plant water demands and irrigation efficiency. The annual average ETAF used in the OWB calculation for residential water service accounts installed on or before December 31, 2011, is 80% (0.80). The annual average ETAF used in the OWB calculation for residential water service accounts installed on or after January 1, 2012, is 70% (0.70).
- $V_{outdoor}$ – Outdoor variance. A water budget may be adjusted to fit the circumstances of any customer. If Western Water chooses to allow a variance, customers need to contact Western Water and/or complete an adjustment request form and return it Western Water with the necessary documentation.
- $DF_{outdoor}$ – Outdoor drought factor. This variable in the budget equation will be used in extreme water shortage conditions or if required by regional and State agencies. A lower percentage of the typical or usual outdoor water budget could be allocated during extreme drought, supply shortage, or emergency conditions. Changing the drought factor will be subject to approval by Western Water's Board of Directors. The outdoor drought factor is set by default at 100%, representing a 100% outdoor water budget allotment, in times where water shortages do not exist in Western Water's service area.
- 1,200 is the factor used to convert irrigated square feet X ET inches into billing units in hundred cubic feet (hcf).

For illustrative purposes, the following outdoor water budget calculations for two different customers are shown.

Customer #1 – Single Family: Landscape Area = 8,000 sq. ft., ET_0 for 30-day January bill = 2.28 inches, ETAF = 0.80, no variance:

$$OWB = \frac{8{,}000 \text{ sq. ft.} \times 2.28 \text{ inches} \times .80}{1{,}200} \times 100\% = 12.16\ hcf$$

Customer #2 – Single Family: Landscape Area = 4,000 sq. ft., ET_0 for 28-day January bill = 2.05 inches, ETAF for January = 0.80:

$$OWB = \frac{4{,}000\ sq\ ft\ \times 2.05\ inches\ \times .80}{1{,}200}\ x\ 100\% = 5.47\ hcf$$

The indoor and outdoor budgets have been described above. When added together, the IWB and the OWB compose the total water budget for the water service account.

Over Budget Water Use (Tier 3 Width and Tier 4)

The width of Tier 3 is 54% of the Outdoor Water Budget (Tier 2) for non-commercial customers. The width of Tier 3 is calculated by dividing the OWB by 65% (0.65), a placeholder for irrigation efficiency, and then deducting the OWB from the result. Sixty-five percent was selected because the predominant method of irrigation by Western Water customers is overhead spray devices (sprinklers). While California Landscape Efficiency Standards assume an average irrigation efficiency of 0.75 for overhead spray devices (17.41.120), Western Water has adopted a more flexible approach to reflect the prevalence of older landscapes in our service area and the substantial cost associated with upgrading existing irrigation systems. Western Water may adjust this value in the future as State standards become more restrictive.

Dividing the OWB by 65% effectively provides a 35% adjustment or allowance for inefficiencies in landscape irrigation. For simplicity in communication, the calculation to be used in the customer billing system to determine the Tier 3 width will be 0.54 (54%) times the OWB.

Tier 4 comprises all water use in excess of Tier 3.

Commercial Customer Rate Structure

The commercial customer rate structure also consists of four tiers where the total water budget (TWB) is determined based on the average water deliveries during the same billing period of the prior three years for each account. For commercial customers, the percentage of the TWB applied to Tier 1 is 30% in the Riverside Water Service Area and 49% in the Murrieta Water Service Area. This percentage is equivalent to the percentage of local water sources available and included in the rate model relative to the total projected water demand for each service area.

In the Riverside Water Service Area, local water amounting to 5,450 AF from Table 3-2 times 435.6 to convert to hcf equals 2,374,020 hcf of local groundwater; 2,374,020 hcf divided by total projected demand of 8,066,980 hcf from FY 2026's amount is equal to 30%. The remaining 70% of the TWB is the width of Tier 2.

In the Murrieta Water Service Area, local water amounting to 1,016 AF from Table 4-2 times 435.6 to convert to hcf equals 442,570 hcf of local groundwater; 442,570 hcf divided by total projected demand of 897,206 hcf from FY 2026's amount is equal to 49%. The remaining 51% of the TWB is the width of Tier 2.

Tier 3 is 54% of the TWB, with any water deliveries in excess of Tier 3 billed at the Tier 4 rate.

Landscape Irrigation Customer Budgets (Potable Water Only; Dedicated Irrigation Meters)

The landscape irrigation customer rate structure consists of three tiers (Tiers 2-4) where the TWB (Tier 2) is based on factors similar to the residential outdoor water budget described above. With Tier 1 essentially set at 0%, the TWB for landscape irrigation customers is captured in Tier 2. Landscape irrigation customers will have a Tier 3 width equal to 54% of their OWB.

As of July 1, 2025, for all commercial customer water service accounts installed on or before June 30, 2025, and using potable water for irrigation purposes, the OWB will be calculated using an ETAF of 0.63. For all commercial customer water service accounts installed on or after July 1, 2025, and using potable water for irrigation purposes, the ETAF will be 0.45, which is consistent with the new State Water Use Efficiency Objectives. According to Article X of the California Constitution, water is a scarce resource and should be reserved for beneficial use to the fullest extent possible. In a limited water resource situation, water should be reserved to meet essential uses first before other beneficial uses.

School Customer Budget

Schools with a dedicated water meter serving indoor demands have a Tier 1 indoor water budget (IWB) calculated as follows:

$$IWB_{Schools} = \frac{(Average\ Daily\ Attendance\ \times GPSD^{1}\ \times Days\ of\ Service)}{748}$$

If the school has a mixed-use meter (a single meter serving both indoor and outdoor water demand), the Tier 2 outdoor water budget is calculated based on the same factors as the residential outdoor budget described above. In this case, Tier 3 would be 54% of the Tier 2 budget, with any water deliveries in excess of Tier 3 billed at the Tier 4 rate.

[1] GPSD = Gallons per student per day = 3 and is based on historical average usage of school customers in the Western Water service area.

Section 6

Appendix B: 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.
Base Capacity	The base costs incurred to provide water under average daily demand conditions.
Billing and Customer Service Costs	Customer-related costs such as meter reading, billing, collecting, customer accounting, and customer call center. These costs are incurred at the same level regardless of the type of land use, customer class, or the total amount of water delivered.
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.
Conservation Program Expenses	Costs associated with programs and services offered to District customers that promote water use efficiency.
Customer Accounts	Costs associated with administering customer accounts such as processing complaints, responding to customer inquiries, performing meter reading, and billing.
Efficiency Costs	Costs of managing the District's water supply through water conservation efforts and efficiency programs.
Fire Protection Costs	Costs associated with providing fire protection services. They are separated into public fire protection costs (associated with fire hydrants) and private fire protection costs (associated with fire suppression systems in a commercial building).
G&A Allocation	The share of Western Water's General and Administrative costs allocated to the Riverside or Murrieta Water Service Area.
Gravity Line Allocation	Costs associated with the maintenance of the District's major distribution line.
IWB - Indoor Water Budget	The indoor water budget is calculated using four factors: 1) The number of people in the household; 2) The average amount of water an efficient person uses daily; 3) The number of days in the billing cycle; 4) A conversion factor from gallons to billing units
Meters and Service Costs	Maintenance and capital costs associated with servicing meters and service connections.
MWD Capacity Charge	A cost outside of the District's control incurred as a condition of purchasing water through MWD.

Offsetting Revenues	Offsetting revenues include delinquent penalties, new service setup revenues, and meter repair 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.
Other Operating Expenses	Operating expenses that do not fall into any of the other functional categories.
OWB - Outdoor Water Budget	The outdoor water budget is calculated using three factors: 1) Irrigated landscape area; 2) Daily localized weather data; 3) Landscape factor
Peaking Capacity	Those costs incurred to meet customer peak demands for water in excess of average day usage and are further functionalized as maximum day costs and maximum hour costs.
Power Costs	Energy costs incurred to pump treated water to higher elevations.
Property Tax Collection	The cost of collecting property tax revenues used to support the Riverside or Murrieta Water Service Area.
Property Tax Revenues	The portion of Western Water's share of revenue generated by the County of Riverside's General property tax levy that is used to offset a portion of the Revenue Requirement for rate setting purposes in order to benefit potable and non-potable water customers.
Purchased Power	Energy costs associated with pumping treated water to higher elevations.
Readiness to Serve Charges	A cost outside of the District's control incurred as a condition of purchasing water through MWD.
Readiness-to-Serve (RTS) Costs	Costs outside of the District's control incurred as a condition of purchasing water through MWD.
Retail Billing Interest	Interest charged to retail customers on delinquent balances.
Source of Supply	Operating costs primarily associated with ensuring water quality.
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.
Transmission and Distribution	Costs associated with transporting water from the point of treatment through major trunk locations and eventually to smaller local service distribution mains to specific locations within a service area.

Treatment	Costs associated with treating water to potable water standards.
TWB - Total Water Budget	The total water budget includes a customer's indoor water budget (Tier 1) and outdoor water budget (Tier 2). The number of billing units in your total water budget varies each billing period depending on the number of days within the billing cycle and local weather information. Therefore, customers may receive a higher water budget during longer billing cycles and also in the warmer summer months.
Water Conservation Reserve	Revenues are from the efficiency component of the Commodity Charge. Expenses are water conservation programs.
Water Pumping	Costs associated with pumping water from other sources or from treatment facilities to the transmission and distribution systems.
Water Reliability Charges	Revenues from Water Reliability Charges that fund capital projects that would increase water system reliability or capacity, improve the long-term sustainability of the water supply and enhance and improve water supply management.
Water Reliability Reserve	Revenues are from the Water Reliability Charge. Expenditures are used to fund capital projects that would increase water system reliability or capacity, improve the long-term sustainability of the water supply and enhance and improve water supply management.
Water Supply	Direct costs of purchasing and/or wheeling water from various suppliers.
Water Supply Costs	Direct water supply costs to produce local water before distributing to customers and the direct costs of purchasing water from MWD.

Section 7

Appendix C: Efficiency Rate Component

The following information pertains to water efficiency programs supported by the efficiency rate component(s) of Western Water's rate structure for FYs 2026, 2027, 2028, and 2029. Western Water strives to match program offerings with customer needs and available funding. As required by California law, Western Water accounts for revenue generated by the efficiency rate component(s) of the rate structure separately and utilizes it only for customer support programs intended to raise awareness of water resources and increase the efficient use of water.

Western Water's mix of customers includes residences, schools, agricultural, and commercial users (example listing only). Each customer uses water differently; therefore, efficient use by one kind of customer may not be an appropriate measure of efficiency for another. Western Water's 2019 Water Use Efficiency Master Plan provides opportunities and support mechanisms for each customer type.

Western Water's efficiency efforts are supported by staff employed by Western Water and subject matter experts (consultants) contracted through the request for proposals and professional service processes. Subject matter experts may include, but are not limited to, irrigation and horticultural specialists, landscape architects and designers, plumbing contractors, and industrial process engineers.

All customers may participate in programs designed to increase efficiency and reduce water waste. The following tables define the allocation of general program support costs by service area and water rate tier. Tiers are only applicable in the Murrieta and Riverside potable water service areas.

Table 1: General Program Support Costs

General program support items associated with all service areas	Water budget customers only	Shared by all retail customers	Budget
Leak notification program		$51,220	$51,220
Water efficiency audit program		$50,000	$50,000
Device rebates		$100,000	$100,000
Turf rebates		$279,000	$279,000
Water use portal		$65,000	$65,000
General outreach	$5,000		$5,000
Total	**$5,000**	**$545,220**	**$550,220**

Table 2: Allocation of Program Support Costs

Allocation of program support costs *(Allocated on percent of total projected water sales by service area)*	Projected sales (hcf)	Projected sales (AF)	Water budget customers only	Shared by all customers	Total by area
Riverside water budget customers	7,737,704	17,763	$4,480	$398,043	$402,523
Murrieta water budget customers	897,206	2,060	$520	$46,154	$46,674
Non-water budget customers	1,941,973	4,458		$101,023	$100,023
Total	**10,576,883**	**24,281**	**$5,000**	**$545,220**	**$550,220**

Note: Non-water budget customers include March East, Agriculture, Non-Potable and Rainbow.

Table 3: Allocation of Program Support Costs by Over Budget Tier (Tiers 3-4)

Allocation of program support costs by Tier	Tier	Riverside water budget customers	Murrieta water budget customers	Non-water budget customers	Total
Over budget use	Tier 3	411,716	48,294	Not applicable	
	Tier 4	576,120	57,102		
	Total	987,836	105,396		
Over budget percent	Tier 3	41.7%	45.8%	Not applicable	
	Tier 4	58.3%	54.2%		
	Total	100.0%	100.0%		
Program support costs	Tier 3	$ 167,766	$ 21,386		
	Tier 4	$ 234,757	$ 25,287		
	Total	$ 402,523	$ 46,674	$ 101,023	$ 550,220

Murrieta and Riverside Retail Water Service Areas – Water Budget Rates

The customers within the Murrieta and Riverside potable water service areas receive a water allocation or budget for every billing period. Water use above a billing period's water budget results in the customer paying progressively higher water rates. Western Water includes a progressively higher efficiency rate component in each of the two over-budget rate tiers (Tiers 3 and 4). The efficiency rate component funds Western Water's conservation and efficiency programs.

The foundation of Western Water's efficiency portfolio is an evaluation program that is designed to support the customer and direct them to participate in the other program offerings that are best suited to their needs. The intent of the evaluation is to identify cost-effective solutions to lower water use within the customer's individualized water budget. A customer that is continually in Tier 4 and frequently using more than their water budget will require more programmatic support than the customer that occasionally has consumption in Tier 3. Western Water's efficiency assessment program identifies different tools and resources for single-family residential customers versus large irrigation customers or industrial water users. Most importantly, customers who find themselves in Tier 4 will also have water use in the lower tiers as well and will usually require the support of more than one program offered by Western Water.

Tier 3

Programs supported by funding from the Tier 3 efficiency rate component include water use efficiency assessments that are usually limited to water bill analysis, a focused on-site evaluation of outdoor water use, and a high-level review for system leaks. This simple site visit usually includes a review of irrigation scheduling and introductory customer education about water budgets and irrigation timer programming based on the seasonal needs of the landscape plant material. Customers who are slightly over budget usually realize long-term benefits from on-site assistance. The evaluator will also leave behind information about public workshops for water-wise landscaping and efficient irrigation systems.

If the property has older fixtures or appliances, the evaluator provides information about rebates for replacing inefficient devices with more efficient models. Western Water participates in Southern California's regional rebate program administered by The Metropolitan Water District of Southern California. Western Water adds supplemental funding to indoor and outdoor device rebates and turf transformation rebates within its retail water service areas.

The table below outlines program funding to reduce residential and commercial water use in Tier 3 through ongoing customer programs.

Table 4: Water Use Efficiency Programs Associated with Tier 3 Water Use

Tier 3 Water Efficiency Programs	Cost per Unit	Riverside quantity	Murrieta quantity	Tier 3 Program Cost	
				Riverside	Murrieta
Enhanced water efficiency audit program	$1,000	15	5	$15,000	$5,000
Concierge turf transformation	$2,500	8	2	$20,000	$5,000
Focused outreach	$125	4	4	$500	$500
Tier 3 specific programs subtotal				**$35,500**	**$10,500**
Program support costs from Table 3 above				$167,766	$21,386
Total Tier 3 costs				**$203,266**	**$31,886**
Hcf in Tier 3 from Table 3 above				411,716	48,294
Total cost per hcf				**$0.49**	**$0.66**

Tier 4

Programs supported by funding from the Tier 4 efficiency rate component include more detailed efficiency assessments that include water bill analysis, station-by-station review of programming and water application efficiency, and irrigation system tune-up opportunities. The evaluator will provide monthly programming recommendations and discuss irrigation system upgrades.

Residential customers will be provided with information regarding indoor and outdoor device and turf rebates. Additionally, if the residential customer agrees, the consultant may replace minor sprinkler components such as sprinkler bodies, bubblers, and drip emitters to increase efficiency immediately. The evaluator may demonstrate high-efficiency sprinkler nozzles and leave some products behind with installation instructions so that the customer can immediately reduce overspray and run-off. Commercial customers will be encouraged to consider the regional rebate or the Metropolitan Water Savings Incentive Program.

The table below outlines program funding to reduce residential and commercial water use in Tier 4 through ongoing customer programs.

Table 5: Water Use Efficiency Programs Associated with Tier 4 Water Use

Tier 4 Water Efficiency Programs	Cost	Riverside quantity	Murrieta quantity	Tier 4 Program Cost	
				Riverside	Murrieta
Enhanced water efficiency audit program	$1,000	50	5	$50,000	$5,000
Concierge turf transformation	$3,000	20	3	$60,000	$9,000
Focused outreach	$125	4	4	$500	$500
Tier 4 specific programs subtotal				**$110,500**	**$14,500**
Program support costs from Table 3 above				$234,757	$25,287
Total Tier 4 costs				**$345,257**	**$39,787**
Hcf in Tier 4 from Table 3 above				576,120	57,102
Total cost per hcf				**$0.88**	**$0.82**

Lastly, the table below outlines program funding to help customers who are not on a water budget rate structure use water more efficiently.

Table 6: Water Use Efficiency Programs Associated with Non-Water Budget Customer Use

Program	Program cost
Leak notification program	$9,404
Water efficiency audit program	$9,180
Indoor device rebates	$18,361
Turf rebates	$51,226
Water use portal	$11,934
General outreach	$918
Total costs	**$101,023**
hcf from Table 2 for non-water budget customers	**1,941,973**
Total cost per hcf	**$0.05**

Efficiency rate component summary

The efficiency rate components below are used for all four years of the study period.

Tier 3 (Riverside) = $0.49 per hcf **Tier 3 (Murrieta)** = $0.66 per hcf

Tier 4 (Riverside) = $0.88 per hcf **Tier 4 (Murrieta)** = $0.82 per hcf

Non-Potable/Agricultural/March East = $0.05 per hcf

Section 8

Appendix D: Pumping Charges

A significant portion of the costs allocated to water pumping are associated with the energy required to operate the pumping facilities. For rate-setting purposes, Western Water groups customers geographically into "power zones" which are areas of similar energy costs. Pumping charges recover the cost of energy, with customers at higher elevations and further from the water source paying higher costs per unit of water. The pumping charges are determined by the number of pump stations the water passes through and the highest elevation the water is pumped to prior to reaching the customer.

To ensure Western Water allocates the appropriate pumping costs to the appropriate power zones in the Riverside Service Area, Western Water hired Hansen, Allen, & Luce (HAL) to update the Pumping Cost Analysis they completed for the last rate adjustment period in 2021. HAL performed an updated Pumping Cost Analysis (2025 Pumping Cost Analysis) to determine the pumping costs to deliver water in the Riverside potable and non-potable systems. HAL's 2025 Pumping Cost Analysis utilized the hydraulic model they created for Western Water in 2020 along with updated energy cost information. The power zones created during their 2021 analysis were unchanged for the 2025 update. The 2025 Pumping Cost Analysis is available upon request from Western Water. Pumping Costs for the Rainbow and Murrieta Service Areas were calculated by Western staff.

Basis for the Pumping Charge Rates for Riverside Potable System

Each water source and pump station have a particular pumping cost that is passed on to the end users in an equitable manner. This requires both actual energy cost information for each facility as well as hydraulic simulations to determine the cost of water delivered to areas throughout the system. Areas of similar pumping cost are grouped into power zones. While energy costs may differ even within a power zone, it is practical, for administrative ease to simplify them to a single representative value (average pumping cost).

For each pump station, HAL calculated the average pumping cost per hundred cubic feet of water utilizing average energy costs from 2023 and 2024, and pump characteristics such as pump efficiency and head (or the vertical distance the pump lifts the water). The average pumping cost was then input into the hydraulic model to produce a current pumping charge per hundred cubic feet (hcf) of water for each power zone. This cost is the demand-weighted average pumping cost (i.e., the value that best represents the typical pumping cost in the power zone, based on water demand). Using historical energy cost increases for each pump station between the years 2022 and 2024, the calculated pumping charges were linearly forecast out to Fiscal Year 2029.

To calculate the necessary increases to the Pumping Charge rates for this rate adjustment period, Western Water used the Fiscal Year 2029 pumping costs projected in the 2025 Pumping Cost Analysis and the adopted Fiscal Year 2025 Pumping Charge rate to calculate the average annual

increase needed to reach the Fiscal Year 2029 proposed rate for each pumping zone. This methodology allowed Western Water to smooth the Pumping Charge rate increase across the rate adjustment period and avoid a large cost increase as the first-year adjustment.

Table 1 Riverside Potable Pumping Charges

Riverside Potable Power Zone	A FY2025 Adopted Pumping Charge Rate	B Annual Increase	C FY 2026 Rate C = A x (1+B%)	D FY 2027 Rate D = C x (1+B%)	E FY 2028 Rate E = D x (1+B%)	F FY 2029 Rate F = E x (1+B%)
Power Zone 101	$ -	0.0%	$ -	$ -	$ -	$ -
Power Zone 102	$ 0.16	4.5%	$ 0.17	$ 0.18	$ 0.19	$ 0.19
Power Zone 103	$ 0.21	8.5%	$ 0.23	$ 0.25	$ 0.27	$ 0.29
Power Zone 104	$ 0.27	2.1%	$ 0.27	$ 0.28	$ 0.28	$ 0.29
Power Zone 105	$ 0.79	6.7%	$ 0.85	$ 0.91	$ 0.97	$ 1.03

Basis for the Pumping Charge Rates for Riverside Non-Potable System

Western Water does not have a hydraulic model for the non-potable water system. In the non-potable water system, customers can be grouped according to the tank or reservoir that sets the hydraulic grade line for their water service. Since the pumps that move water to each tank or reservoir are known, these customer groups are also the power zones. Western Water's Operations team confirmed which parts of the system each tank or reservoir served during the 2021 Pumping Cost Analysis. Western Water's GIS team then provided locations of customer meters to be assigned to power zones. The same power zones were used for the 2025 Pumping Cost Analysis.

The previous Pumping Cost Analysis assumed Western Water's non-potable water sources were split equally at each pumping station. During this effort, more analysis was completed to update the source water split percentage. HAL looked at possible paths of water into each zone and compared them to the historical monthly source inflows and volumes used in each zone. This resulted in an updated percentage of water used in each zone that flowed through each of the pumping facilities. Pumping costs for the power zones were determined using this updated information.

The pumping costs were calculated by summing the products of the cost at each pumping station (based on actual 2023-2024 power costs) and the percentage of water passing through the pumping station (based on average actual demand and delivery amounts between 2021 and 2024). Using observed energy cost increases between the years 2022 and 2024, pumping charges were linearly forecast at each pump station to Fiscal Year 2029.

To calculate the necessary increases to the Pumping Charge rates for the rate adjustment period, Western Water used the Fiscal Year 2029 pumping costs projected in the 2025 Pumping Cost Analysis and the adopted Fiscal Year 2025 Pumping Charge rate to calculate the average annual increase needed each year to reach the Fiscal Year 2029 proposed rate for each pumping zone. This methodology allowed Western Water to smooth the Pumping Charge rate increase across the rate adjustment period. Because of the change in water source split percentages, some of the projected pumping zone charges were less than the Fiscal Year 2025 Pumping Charge rates. In these instances, the pumping charges were held steady at the Fiscal Year 2025 Pumping Charge rate. This conservative approach was taken to mitigate any under collection that may occur should water source inflows deviate from recent trends.

Table 2 Riverside Non-Potable Pumping Charges

Riverside Non-Potable Power Zone	A FY2025 Adopted Pumping Charge Rate	B Annual Increase	C FY 2026 Rate C = A x (1+B%)	D FY 2027 Rate D = C x (1+B%)	E FY 2028 Rate E = D x (1+B%)	F FY 2029 Rate F = E x (1+B%)
Power Zone 200	$ -	0.0%	$ -	$ -	$ -	$ -
Power Zone 201	$ 0.41	0.0%	$ 0.41	$ 0.41	$ 0.41	$ 0.41
Power Zone 202	$ 0.51	0.0%	$ 0.51	$ 0.51	$ 0.51	$ 0.51
Power Zone 203	$ 0.42	6.8%	$ 0.45	$ 0.48	$ 0.51	$ 0.55
Power Zone 204	$ 0.34	0.2%	$ 0.34	$ 0.34	$ 0.34	$ 0.34
Power Zone 205	$ 0.70	0.0%	$ 0.70	$ 0.70	$ 0.70	$ 0.70
Power Zone 206	$ 0.83	4.5%	$ 0.86	$ 0.90	$ 0.94	$ 0.98
Power Zone 207	$ 0.28	3.0%	$ 0.29	$ 0.30	$ 0.31	$ 0.32

Basis for the Pumping Charge Rates for the Rainbow System

The Rainbow system consists of one pump station and one power zone. To project the needed increases to the Rainbow Pumping Charge rate, Western Water used the adopted Fiscal Year 2025 budgeted purchased power expense of $5,892 and added 5% per year (the average annual energy cost increase for this pump station based on actuals between 2022 and 2024) to arrive at the projected Fiscal Year 2029 purchased power expense of $7,162. The projected Fiscal Year 2029 purchased power expense was divided by Fiscal Year 2029 projected sales (10,417 hcf) to arrive at the proposed Fiscal Year 2029 Pumping Charge rate.

Western Water used the Fiscal Year 2029 projected Pumping Charge rate and the adopted Fiscal Year 2025 Pumping Charge rate to calculate the average annual increase needed each year to reach the Fiscal Year 2029 projected Pumping Charge rate for each pumping zone. This methodology allowed Western Water to smooth the Pumping Charge rate increase across the rate adjustment period, rather than cause a significant increase to the Fiscal Year 2026 Pumping Charge rate.

Table 3 Rainbow Pumping Charge

Rainbow Power Zone	A FY2025 Adopted Pumping Charge Rate	B Annual Increase %	C FY 2026 Rate C = A x (1+B%)	D FY 2027 Rate D = C x (1+B%)	E FY 2028 Rate E = D x (1+B%)	F FY 2029 Rate F = E x (1+B%)
Power Zone 106	$ 0.42	13%	$ 0.48	$ 0.54	$ 0.61	$ 0.69

Basis for the Pumping Charge Rates for the Murrieta Water System

The Murrieta Service Area is divided into two Power Zones based on pressure zones. Most customers are in Power Zone 107 which does not require additional pumping after groundwater well production occurs. The cost to pump water from wells is recovered through the Water Supply Component of the Commodity Charge. Therefore, Power Zone 107 does not have a Pumping Charge.

A smaller number of customers are located in a higher pressure zone that requires post-well production pumping. These customers are in Power Zone 108. All water supplied to Power Zone 108 is pumped into this zone from Power Zone 107. The Pumping Charge in Power Zone 108 recovers the cost to pump water from Power Zone 107 to Power Zone 108.

To project the needed increases to the Murrieta Pumping Charge rate, Western Water used the adopted Fiscal Year 2025 budgeted purchased power expense of $43,910 and added 10% per year (the average annual energy cost increase for this pump station based on actuals between 2022 and 2024) to arrive at the projected Fiscal Year 2029 purchased power expense of $67,897. The projected Fiscal Year 2029 purchased power expense was divided by Fiscal Year 2029 projected sales (215,851 hcf) to arrive at the proposed Fiscal Year 2029 Pumping Charge rate.

Western Water used the Fiscal Year 2029 projected Pumping Charge rate and the adopted Fiscal Year 2025 Pumping Charge rate to calculate the average annual increase needed each year to reach the Fiscal Year 2029 projected Pumping Charge rate for each pumping zone. This methodology allowed Western Water to smooth the Pumping Charge rate increase across the rate adjustment period, rather than cause a significant increase to the Fiscal Year 2026 Pumping Charge rate.

Table 4 Murrieta Pumping Charge

Murrieta Power Zone	A FY2025 Adopted Pumping Charge Rate	B Annual Increase %	C FY 2026 Rate C = A x (1+B%)	D FY 2027 Rate D = C x (1+B%)	E FY 2028 Rate E = D x (1+B%)	F FY 2029 Rate F = E x (1+B%)
Power Zone 107	$ -	0%	$ -	$ -	$ -	$ -
Power Zone 108	$ 0.25	6%	$ 0.26	$ 0.28	$ 0.30	$ 0.32

Section 9

Appendix E: Water Reliability Charge

A Water Reliability Charge ("WRC") was established by Western Water's Board of Directors on May 19, 2010 and is a rate applicable to all potable and non-potable retail water deliveries in the Riverside Service Area, including March East. The WRC was established to provide a funding source for District-paid capital projects that would: 1) increase water system reliability; 2) increase water system capacity; 3) improve the long-term sustainability of the water supply; and/or 4) enhance and improve water supply management.

A "Water Reliability Charge Revenue Use Policy" was adopted by the Board on April 17, 2013. This policy document provides definitions and eligibility criteria, lists current and planned projects specifically identified in the Administrative Record as being eligible for funding, and confirms a revenue/benefit nexus requirement. Two projects specifically identified in the Administrative Record are the Chino Desalter Phase 3 Expansion and the La Sierra Pipeline. Essentially, these two completed projects allow Western Water to bring water supplies from the Chino and Arlington Basins to the Riverside Service Area. This local water source benefits all customers in this service area, residential and commercial, because it reduces dependency on imported water and increases reliability during emergency and shortage situations. In addition, local supplies help Western Water remain in the lowest Metropolitan Water District ("MWD") water rate tier, which benefits all customer rates.

On September 18, 2013, Western Water's Board extended the application of the WRC to all agricultural water customers – customers who were formerly eligible for MWD's Interim Agricultural Water Program ("IAWP") and had not been previously subject to the WRC.

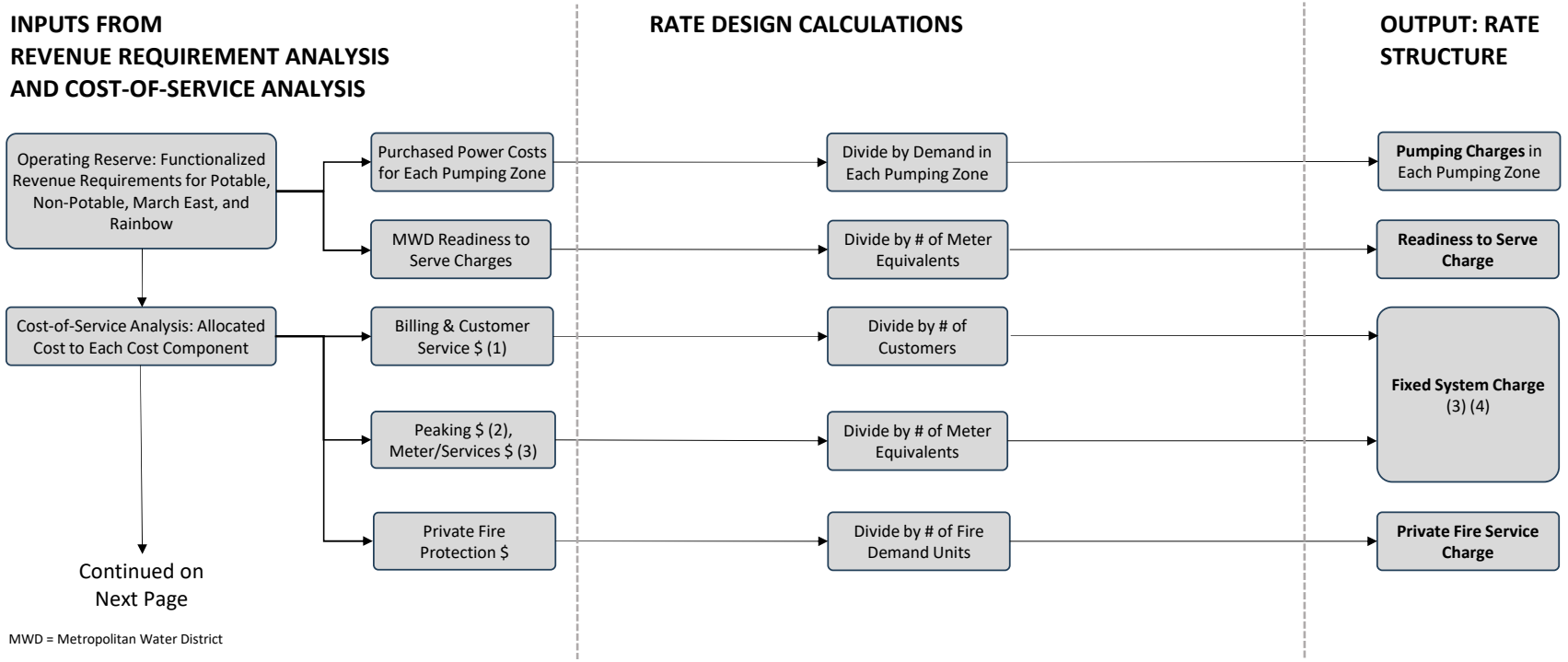
No change is proposed to the $0.42 per hcf rate currently in effect in the Riverside Service Area.

Section 10

Appendix F: Rate Design Flowcharts

APPENDIX F
RIVERSIDE WATER SERVICE AREA RATE DESIGN

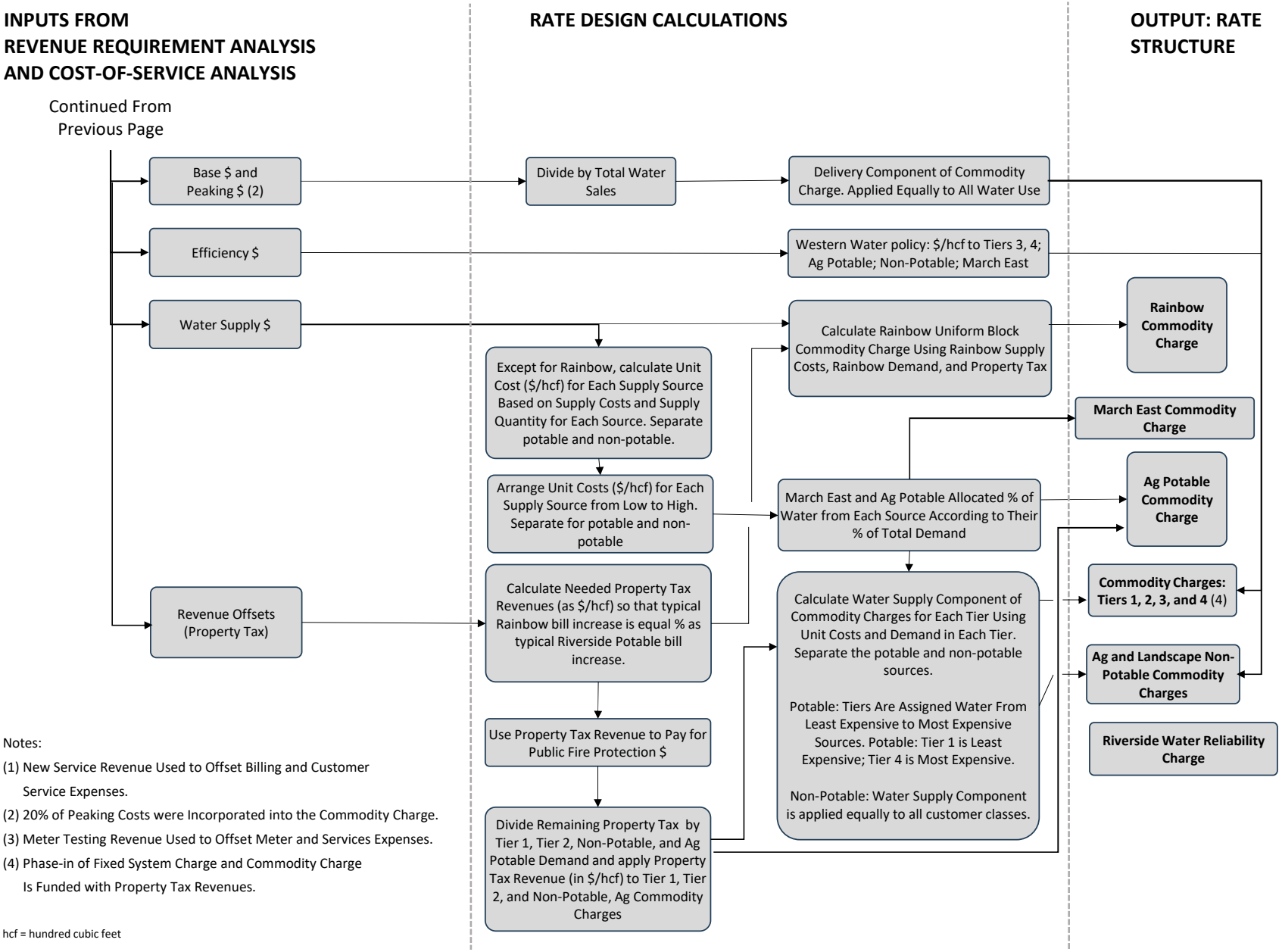
This flowchart describes how the fixed charges and variable charges for the Riverside Water Service Area are calculated.



MWD = Metropolitan Water District

APPENDIX F
RIVERSIDE WATER SERVICE AREA RATE DESIGN

This flowchart describes how the fixed charges and variable charges for the Riverside Water Service Area are calculated.



Notes:

(1) New Service Revenue Used to Offset Billing and Customer Service Expenses.

(2) 20% of Peaking Costs were Incorporated into the Commodity Charge.

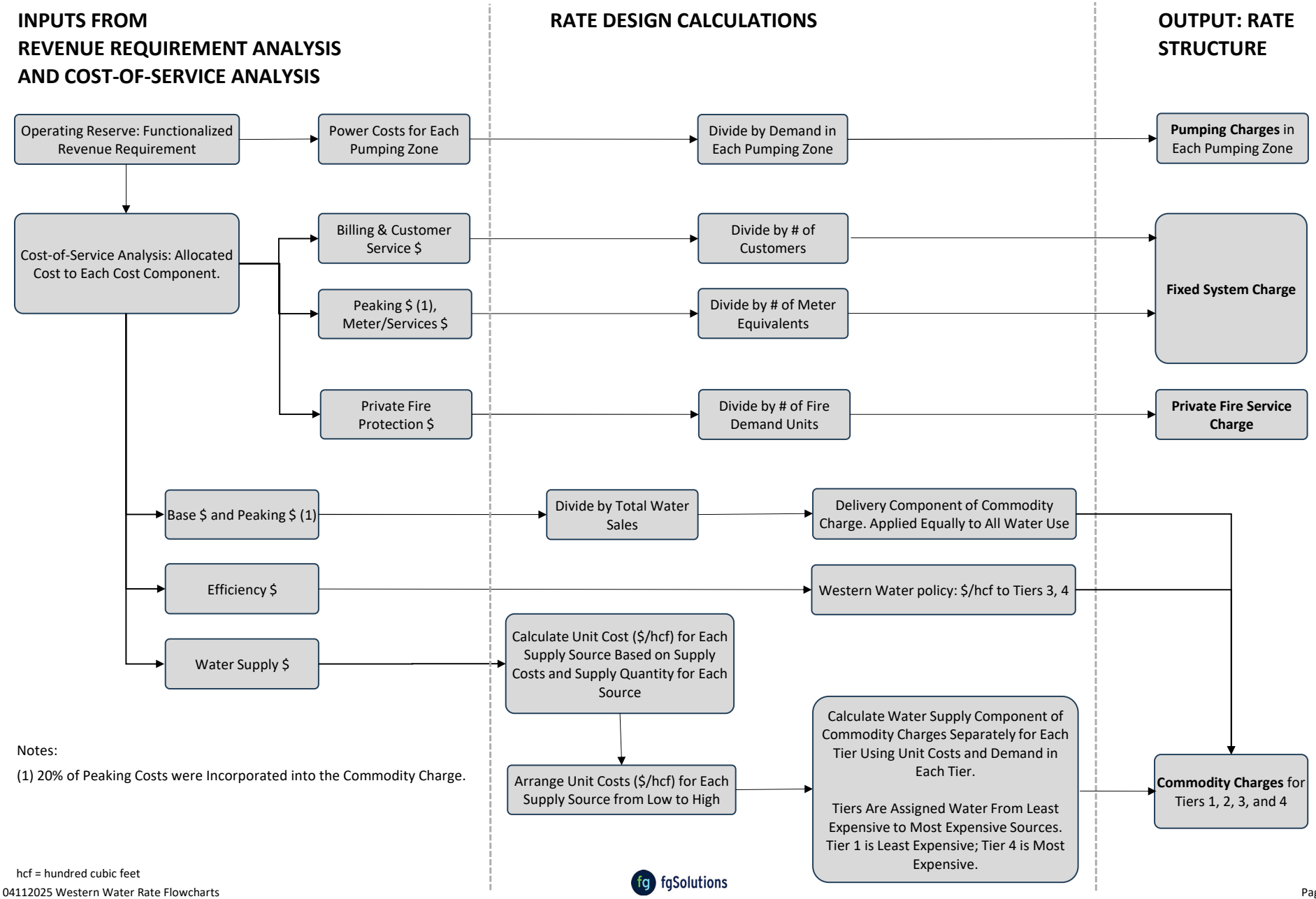
(3) Meter Testing Revenue Used to Offset Meter and Services Expenses.

(4) Phase-in of Fixed System Charge and Commodity Charge Is Funded with Property Tax Revenues.

hcf = hundred cubic feet

APPENDIX F
MURRIETA WATER SERVICE AREA RATE DESIGN

This flowchart describes how the fixed charges and variable charges for the Murrieta Water Service Area are calculated.



Notes:

(1) 20% of Peaking Costs were Incorporated into the Commodity Charge.

hcf = hundred cubic feet

Section 11

Appendix G: Riverside Water Service Area Revenue Requirement Calculations

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

Table RIV-1
Projected Operating Statement: Sources of Funds

Line		FY 2026 Source	Fund Number	Reserve Number	FY 2025	Projected FY 2026	FY 2027	FY 2028	FY 2029
1	**Beginning Reserve Balance as of 7/1**								
2	Riverside Water Operating	OffSheetLink	20	RES 00		$35,138,692	$35,159,907	$35,170,317	$35,102,398
3	Riverside Potable Capacity Charge	OffSheetLink	20	RES 01	$16,815,271	$16,793,846	$18,523,235	$19,915,442	$18,505,341
4	Riverside Potable Distribution System Fee	OffSheetLink	20	RES 03		$4,793,216	$4,913,046	$5,035,873	$5,161,769
5	Riverside Water System Improvement	OffSheetLink	20	RES 04	$6,721,125	$8,274,976	$9,202,040	$9,537,529	$11,409,261
6	Riverside Water Asset Replacement	OffSheetLink	20	RES 05	$31,314,087	$30,057,222	$32,906,720	$34,666,568	$29,179,616
7	Riverside Water: Water Conservation	OffSheetLink	20	RES 09		$2,851,434	$2,851,434	$2,851,434	$2,851,434
8	Water Reliability Charge (RivP, Riv NP, ME)	OffSheetLink	20	RES 26		$6,994,472	$11,230,423	$15,598,782	$20,103,071
9	March East Capacity Charge	OffSheetLink	20	RES 02	($4,310,144)	($4,310,144)	($4,310,144)	($4,310,144)	($4,310,144)
10	Rainbow Operating	OffSheetLink	24	RES 00		$68,859	$73,798	$79,392	$42,933
11	Rainbow Capacity Charge	OffSheetLink	24	RES 01	($79,000)	($79,000)	($79,000)	($104,276)	($138,174)
12	Rainbow System Improvement	OffSheetLink	24	RES 04		$0	$0	$0	$0
13	Rainbow Asset Replacement	OffSheetLink	24	RES 05		$110,410	$128,973	$148,791	$169,850
14	Rainbow Water Conservation	OffSheetLink	24	RES 09		$0	$0	$0	$0
15									
16	**Sources of Funds**								
17	Rate Revenues								
18	Fixed System Charge: Riverside Water	OffSheetLink	20	RES 00		$14,960,197	$16,396,225	$17,970,092	$19,698,390
19	Fixed System Charge: Rainbow	OffSheetLink	24	RES 00		28,390	30,846	33,515	36,421
20	Private Fire Service Fixed: Riverside Water	OffSheetLink	20	RES 00		318,875	335,725	365,624	384,056
21	Private Fire Service Fixed: Rainbow	OffSheetLink	24	RES 00		1,542	1,623	1,767	1,855
22	Riverside Water Commodity Charge								
23	Revenues, Not Including Efficiency Component	OffSheetLink	20	RES 00		31,053,377	33,735,199	36,678,892	39,415,625
24	Efficiency Component	OffSheetLink	20	RES 09		805,304	811,035	816,811	822,634
25	Rainbow Commodity Charge	OffSheetLink	24	RES 00		38,229	40,417	0	45,208
26	Pumping Charges: Riverside Water	Off Sheet Link	20	RES 00		2,833,191	2,962,328	3,102,630	3,251,735
27	Pumping Charges: Rainbow	Off Sheet Link	24	RES 00		4,948	5,594	6,333	7,167
28	RTS Charge: Riverside Potable	Off Sheet Link	20	RES 00		1,140,848	1,140,864	1,207,634	1,292,611
29	RTS Charge: Rainbow	Off Sheet Link	24	RES 00		$2,165	$2,149	$2,258	$2,398
30	Water Reliability Charge	Off Sheet Link	20	RES 26		4,061,089	4,087,598	4,114,319	4,141,254

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

31									
32	Capacity Charge Revenues								
33	Capacity Charges: Riverside Potable	OnSheet Link	20	RES 01		1,751,973	1,751,973	1,751,973	1,751,973
34	Capacity Charges: March East	OnSheet Link	20	RES 02		0	0	0	0
35	Capacity Charges: Rainbow	OnSheet Link	24	RES 01					
36									
37	Interest Income								
38	Riverside Water Operating	InCell Calc	20	RES 00					
39	Riverside Potable Capacity Charge	InCell Calc	20	RES 01	$420,382	$419,846	$463,081	$497,886	$462,634
40	Riverside Potable Distribution System Fee	InCell Calc	20	RES 03	$0	$119,830	$122,826	$125,897	$129,044
41	Riverside Water System Improvement	InCell Calc	20	RES 04					
42	Riverside Water Asset Replacement	InCell Calc	20	RES 05	$782,852	$751,431	$822,668	$866,664	$729,490
43	Riverside Water: Water Conservation	InCell Calc	20	RES 09					
44	Water Reliability Charge (RivP, Riv NP, ME)	InCell Calc	20	RES 26		$174,862	$280,761	$389,970	$502,577
45	March East Capacity Charge	InCell Calc	20	RES 02		$0	$0	$0	$0
46	Rainbow Operating	InCell Calc	24	RES 00					
47	Rainbow Capacity Charge	InCell Calc	24	RES 01		$0	$0	$0	$0
48	Rainbow System Improvement	InCell Calc	24	RES 04					
49	Rainbow Asset Replacement	InCell Calc	24	RES 05		$2,760	$3,224	$3,720	$4,246
50	Rainbow Conservation	InCell Calc	24	RES 09					
51	Interest: Retail Billing, Riverside Potable	WW Data	20	RES 00		$47,562	$48,751	$49,970	$51,219
52	Interest: Retail Billing, Riverside Non-Potable	WW Data	20	RES 00		$0	$0	$0	$0
53	Interest: Retail Billing, March East	WW Data	20	RES 00		$586	$601	$616	$631
54	Interest: Retail Billing, Rainbow	WW Data	24	RES 00		$30	$31	$32	$32
55									
56	Property Tax Revenue								
57	Rate Cap Property Tax: Riverside Water	Dashboard	20	RES 00		$8,486,509	$8,583,887	$8,651,890	$8,771,744
58	Rate Cap Property Tax: Public Fire Protection	Dashboard	20	RES 00		$1,250,673	$1,317,290	$1,446,603	$1,524,134
59	Rate Cap Property Tax: Rainbow	Dashboard	24	RES 00		$171,612	$207,620	$225,200	$239,139
60	Property Tax Revenue: Rate Structure Smoothing	Dashboard	20	RES 00		$1,284,651	$1,192,877	$1,276,951	$0
61	Syst. Impr Property Tax: Riverside Potable	Dashboard	20	RES 04	$4,305,743	$4,305,743	$4,390,030	$4,465,111	$4,549,563
62									
63	Other Operating Revenues								
64	Riverside Potable								
65	Delinquent Penalties	WW Data	20	RES 00		$242,766	$250,049	$257,550	$265,277
66	Other - New Service Set Up & Meter Repair	WW Data	20	RES 00		$59,186	$59,186	$59,186	$59,186
67	Riverside Non-Potable								

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

68	Delinquent Penalties	WW Data	20	RES 00		$0	$0	$0	$0
69	Other - New Service Set Up & Meter Repair	WW Data	20	RES 00		$0	$0	$0	$0
70	March East								
71	Delinquent Penalties	WW Data	20	RES 00		$689	$710	$731	$753
72	Other - New Service Set Up & Meter Repair	WW Data	20	RES 00		$2,436	$2,436	$2,436	$2,436
73	Rainbow								
74	Delinquent Penalties	WW Data	24	RES 00		$459	$473	$487	$502
75	Other - New Service Set Up & Meter Repair	WW Data	24	RES 00		$102	$102	$102	$102
76									
77	Transfers from Other Reserves								
78	Riv. Potable: From Operating to Asset Repl	InSheet Link	20	RES 05		$2,601,184	$2,731,243	$2,867,805	$3,011,196
79	Riv. Non-Potable: From Operating to Asset Repl	InSheet Link	20	RES 05		$765,769	$804,057	$844,260	$886,473
80	Riv. March East: From Operating to Asset Repl	InSheet Link	20	RES 05		$10,940	$11,487	$12,061	$12,664
81	Riv. Rainbow: From Operating to Asset Repl	InSheet Link	24	RES 05		$15,803	$16,593	$17,340	$18,120
82	Riv. Potable: From Operating to Syst Imp	InSheet Link	20	RES 04					
83	Riv. Non-Potable: From Operating to Syst Imp	InSheet Link	20	RES 04					
84	Riv. March East: From Operating to Syst Imp	InSheet Link	20	RES 04					
85	Riv. Rainbow: From Operating to Syst Imp	InSheet Link	24	RES 04					
86									
87	Future Line of Credit Draws (Lines of Credit 1, 2, and 3)								
88	Riverside Water Operating		20	RES 00	$0	$0	$0	$0	$0
89	Riverside Potable Capacity Charge		20	RES 01	$0	$0	$0	$0	$0
90	Riverside Potable Distribution System Fee		20	RES 03	$0	$0	$0	$0	$0
91	Riverside Water System Improvement		20	RES 04	$0	$0	$0	$0	$0
92	Riverside Water Asset Replacement		20	RES 05	$5,250,000	$4,750,000	$5,030,000	$5,320,000	$5,000,000
93	Riverside Water: Water Conservation		20	RES 09	$0	$0	$0	$0	$0
94	Water Reliability Charge (RivP, Riv NP, ME)		20	RES 26	$0	$0	$0	$0	$0
95	March East Capacity Charge		20	RES 02	$0	$0	$0	$0	$0
96	Rainbow Operating		24	RES 00	$0	$0	$0	$0	$0
97	Rainbow Capacity Charge		24	RES 01	$1,000,000	$0	$0	$0	$0
98	Rainbow System Improvement		24	RES 04	$0	$0	$87,000	$783,000	$0
99	Rainbow Asset Replacement		24	RES 05	$200,000	$0	$0	$0	$0
100	Rainbow Conservation		24	RES 09	$0	$0	$0	$0	$0
101	Math Check: Line of Credit Draws = project-specific data				TRUE	TRUE	TRUE	TRUE	TRUE
102									
103	(1) Beginning year FY 2026 reserves shown in this table are actual reserves as of 6/30/24. Source: Western Water staff, 12/20/2024 email.								
104									

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

		FY 2026 Source	Fund Number	Reserve Number	Projected FY 2026	FY 2027	FY 2028	FY 2029
Uses of Funds								
Expenses Labelled as O&M Expenditures in Western Water Input								
Riverside Potable								
	Source of Supply	Off Sheet Link	20	RES 00	$44,115	$46,056	$48,082	$50,198
	MWD Capacity Charge	Off Sheet Link	20	RES 00	$418,975	$437,410	$456,656	$476,749
	Water Pumping	Off Sheet Link	20	RES 00	$2,784,455	$2,906,971	$3,034,878	$3,168,413
	Treatment	Off Sheet Link	20	RES 00	$287,516	$300,167	$313,374	$327,162
	Transmission & Distribution	Off Sheet Link	20	RES 00	$10,337,651	$10,792,508	$11,267,378	$11,763,143
	Customer Accounts	Off Sheet Link	20	RES 00	$1,590,419	$1,660,397	$1,733,454	$1,809,726
	Replacement Reserve	Off Sheet Link	20	RES 00	$2,601,184	$2,731,243	$2,867,805	$3,011,196
	G&A Allocation	Off Sheet Link	20	RES 00	$6,548,148	$6,836,267	$7,137,063	$7,451,094
	Gravity Line Allocation	Off Sheet Link	20	RES 00	$67,909	$70,897	$74,016	$77,273
	Other Operating Expenses	Off Sheet Link	20	RES 00	$199,741	$208,530	$217,705	$227,284
	Prop Tax Collection	Off Sheet Link	20	RES 00	$20,360	$21,256	$22,191	$23,167
	Additional Costs from Staffing Plan	Off Sheet Link	20	RES 00		$347,946	$854,480	$914,294
Riverside Non-Potable								
	Source of Supply	Off Sheet Link	20	RES 00	$0	$0	$0	$0
	MWD Capacity Charge	Off Sheet Link	20	RES 00	$50,006	$52,206	$54,503	$56,901
	Water Pumping	Off Sheet Link	20	RES 00	$1,009,912	$1,054,348	$1,100,739	$1,149,172
	Treatment	Off Sheet Link	20	RES 00				
	Transmission & Distribution	Off Sheet Link	20	RES 00	$561,623	$586,334	$612,133	$639,067
	Customer Accounts	Off Sheet Link	20	RES 00	$269,502	$281,360	$293,740	$306,665
	Replacement Reserve	Off Sheet Link	20	RES 00	$765,769	$804,057	$844,260	$886,473
	G&A Allocation	Off Sheet Link	20	RES 00	$537,641	$561,297	$585,994	$611,778
	Gravity Line Allocation	Off Sheet Link	20	RES 00				
	Other Operating Expenses	Off Sheet Link	20	RES 00	$34,561	$36,082	$37,670	$39,327
	Prop Tax Collection	Off Sheet Link	20	RES 00	$2,440	$2,547	$2,659	$2,776
	Additional Costs from Staffing Plan	Off Sheet Link	20	RES 00		$41,264	$88,620	$94,824
March East								
	Source of Supply	Off Sheet Link	20	RES 00	$13,820	$14,428	$15,063	$15,726
	MWD Capacity Charge	Off Sheet Link	20	RES 00	$0	$0	$0	$0
	Water Pumping	Off Sheet Link	20	RES 00	$1,561	$1,630	$1,702	$1,777

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
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142	Treatment	Off Sheet Link	20	RES 00				
143	Transmission & Distribution	Off Sheet Link	20	RES 00	$465,712	$486,203	$507,596	$529,930
144	Customer Accounts	Off Sheet Link	20	RES 00	$265	$277	$289	$302
145	Replacement Reserve	Off Sheet Link	20	RES 00	$10,940	$11,487	$12,061	$12,664
146	G&A Allocation	Off Sheet Link	20	RES 00	$0	$0	$0	$0
147	Gravity Line Allocation	Off Sheet Link	20	RES 00	$0	$0	$0	$0
148	Other Operating Expenses	Off Sheet Link	20	RES 00	$152,948	$159,678	$166,704	$174,039
149	Prop Tax Collection	Off Sheet Link	20	RES 00	$0	$0	$0	$0
150	Additional Costs from Staffing Plan	Off Sheet Link	20	RES 00		$6,748	$20,964	$22,431
151	Rainbow							
152	Source of Supply	Off Sheet Link	24	RES 00	$132,753	$138,594	$144,692	$151,058
153	MWD Capacity Charge	Off Sheet Link	24	RES 00	$0	$0	$0	$0
154	Water Pumping	Off Sheet Link	24	RES 00	$18,454	$19,266	$20,114	$20,999
155	Treatment	Off Sheet Link	24	RES 00				
156	Transmission & Distribution	Off Sheet Link	24	RES 00	$16,144	$16,854	$17,596	$18,370
157	Customer Accounts	Off Sheet Link	24	RES 00	$204	$213	$222	$232
158	Replacement Reserve	Off Sheet Link	24	RES 00	$15,803	$16,593	$17,340	$18,120
159	G&A Allocation	Off Sheet Link	24	RES 00	$4,957	$5,175	$5,403	$5,641
160	Gravity Line Allocation	Off Sheet Link	24	RES 00				
161	Other Operating Expenses	Off Sheet Link	24	RES 00	$1,703	$1,778	$1,856	$1,938
162	Prop Tax Collection	Off Sheet Link	24	RES 00	$390	$407	$425	$444
163	Additional Costs from Staffing Plan	Off Sheet Link	24	RES 00		$473	$1,158	$1,239
164								
165	Conservation Program Costs							
166	Riverside Potable and March East Conservation Programs	? Calc or Link	20	RES 09	$725,190	$730,921	$736,697	$742,520
167	Riverside Non-Potable Conservation Programs	? Calc or Link	20	RES 09	$80,114	$80,114	$80,114	$80,114
168								
169	Purchased Power							
170	Purchased Power: Potable, Non-Potable, March East	Off Sheet Link	20	RES 00	$2,833,191	$2,962,328	$3,102,630	$3,251,735
171	Purchased Power: Rainbow	Off Sheet Link	24	RES 00	$4,948	$5,594	$6,333	$7,167
172								
173	Readiness to Service Charge Expenses							
174	RTS: Riverside Potable	Off Sheet Link	20	RES 00	$1,140,848	$1,143,013	$1,209,891	$1,295,009
175	RTS: Rainbow	Off Sheet Link	24	RES 00	$2,165	$2,149	$2,258	$2,398
176								
177	Water Supply Expenses							
178	Riverside Potable and March East	Off Sheet Link	20	RES 00	$24,172,226	$26,394,593	$28,310,283	$29,714,231

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
RIVERSIDE WATER SERVICE AREA: Revenue Requirement Analysis

179	Riverside Non-Potable	Off Sheet Link	20	RES 00		$3,115,644	$3,407,282	$3,757,781	$3,978,497
180	Rainbow	Off Sheet Link	24	RES 00		$45,017	$49,097	$52,454	$54,570
181									
182	Existing Debt Service and Line of Credit Interest								
183	Riverside Water Operating	SumOfT4-x	20	RES 00	$1,531,897	$1,621,248	$1,648,908	$2,386,359	$2,658,976
184	Riverside Potable Capacity Charge	SumOfT4-x	20	RES 01	$441,807	$442,430	$472,848	$509,960	$533,772
185	Riverside Potable Distribution System Fee	SumOfT4-x	20	RES 03	$0	$0	$0	$0	$0
186	Riverside Water System Improvement	SumOfT4-x	20	RES 04	$108,737	$108,679	$124,541	$143,379	$155,498
187	Riverside Water Asset Replacement	SumOfT4-x	20	RES 05	$419,717	$419,825	$449,608	$477,742	$496,222
188	Riverside Water: Water Conservation	SumOfT4-x	20	RES 09	$0	$0	$0	$0	$0
189	Water Reliability Charge (RivP, Riv NP, ME)	SumOfT4-x	20	RES 26	$0	$0	$0	$0	$0
190	March East Capacity Charge	SumOfT4-x	20	RES 02	$0	$0	$0	$0	$0
191	Rainbow Operating	SumOfT4-x	24	RES 00	$0	$0	$27,068	$36,302	$43,458
192	Rainbow Capacity Charge	SumOfT4-x	24	RES 01	$0	$0	$25,276	$33,898	$40,580
193	Rainbow System Improvement	SumOfT4-x	24	RES 04	$0	$0	$0	$0	$0
194	Rainbow Asset Replacement	SumOfT4-x	24	RES 05	$0	$0	$0	$0	$0
195	Rainbow Conservation	SumOfT4-x	24	RES 09	$0	$0	$0	$0	$0
196	Math Check: Should = TRUE				TRUE	TRUE	TRUE	TRUE	TRUE
197									
198									
199	CIFP Costs								
200	Riverside Water Operating	SumOfT4a	20	RES 00	$0	$0	$0	$0	$0
201	Riverside Potable Capacity Charge	SumOfT4a	20	RES 01	$0	$0	$350,000	$3,150,000	$0
202	Riverside Potable Distribution System Fee	SumOfT4a	20	RES 03	$0	$0	$0	$0	$0
203	Riverside Water System Improvement	SumOfT4a	20	RES 04	$10,899,411	$6,270,000	$3,930,000	$2,450,000	$3,595,000
204	Riverside Water Asset Replacement	SumOfT4a	20	RES 05	$6,870,000	$6,090,000	$7,670,000	$14,920,000	$7,300,000
205	Riverside Water: Water Conservation	SumOfT4a	20	RES 09	$0	$0	$0	$0	$0
206	Water Reliability Charge (RivP, Riv NP, ME)	SumOfT4a	20	RES 26	$0	$0	$0	$0	$0
207	March East Capacity Charge	SumOfT4a	20	RES 02	$0	$0	$0	$0	$0
208	Rainbow Operating	SumOfT4a	24	RES 00	$0	$0	$0	$0	$0
209	Rainbow Capacity Charge	SumOfT4a	24	RES 01	$1,000,000	$0	$0	$0	$0
210	Rainbow System Improvement	SumOfT4a	24	RES 04	$0	$0	$87,000	$783,000	$0
211	Rainbow Asset Replacement	SumOfT4a	24	RES 05	$200,000	$0	$0	$0	$0
212	Rainbow Conservation	SumOfT4a	24	RES 09	$0	$0	$0	$0	$0
213	Math Check: Should equal T 4-1, and TRUE				TRUE	TRUE	TRUE	TRUE	TRUE
214									
215									

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
RIVERSIDE WATER SERVICE AREA: Revenue Requirement Analysis

216	Capital Project Offsets								
217	Riverside Water Operating	SumOfT4b	20	RES 00	$0	$0	$0	$0	$0
218	Riverside Potable Capacity Charge	SumOfT4b	20	RES 01	$0	$0	$0	$0	$0
219	Riverside Potable Distribution System Fee	SumOfT4b	20	RES 03	$0	$0	$0	$0	$0
220	Riverside Water System Improvement	SumOfT4b	20	RES 04	($8,256,256)	($3,000,000)	$0	$0	$0
221	Riverside Water Asset Replacement	SumOfT4b	20	RES 05	$0	($480,000)	($480,000)	$0	$0
222	Riverside Water: Water Conservation	SumOfT4b	20	RES 09	$0	$0	$0	$0	$0
223	Water Reliability Charge (RivP, Riv NP, ME)	SumOfT4b	20	RES 26	$0	$0	$0	$0	$0
224	March East Capacity Charge	SumOfT4b	20	RES 02	$0	$0	$0	$0	$0
225	Rainbow Operating	SumOfT4b	24	RES 00	$0	$0	$0	$0	$0
226	Rainbow Capacity Charge	SumOfT4b	24	RES 01	$0	$0	$0	$0	$0
227	Rainbow System Improvement	SumOfT4b	24	RES 04	$0	$0	$0	$0	$0
228	Rainbow Asset Replacement	SumOfT4b	24	RES 05	$0	$0	$0	$0	$0
229	Rainbow Conservation	SumOfT4b	24	RES 09	$0	$0	$0	$0	$0
230	Math Check: Should equal T 4-1, and = TRUE				TRUE	TRUE	TRUE	TRUE	TRUE
231									
232									
233	Transfers to Other Reserves								
234	Riverside Water: From Operating to Syst Imp	Input?	20	RES 00					
235	Riv. Rainbow: From Operating to Syst Imp	Input?	24	RES 00					
236									
237									
238	**Ending Reserve Balance as of 6/30**								
239	Riverside Water Operating	In Cell Calc	20	RES 00		$35,159,907	$35,170,317	$35,102,398	$35,078,195
240	Riverside Potable Capacity Charge	In Cell Calc	20	RES 01	$16,793,846	$18,523,235	$19,915,442	$18,505,341	$20,186,176
241	Riverside Potable Distribution System Fee	In Cell Calc	20	RES 03		$4,913,046	$5,035,873	$5,161,769	$5,290,814
242	Riverside Water System Improvement	In Cell Calc	20	RES 04	$8,274,976	$9,202,040	$9,537,529	$11,409,261	$12,208,327
243	Riverside Water Asset Replacement	In Cell Calc	20	RES 05	$30,057,222	$32,906,720	$34,666,568	$29,179,616	$31,023,218
244	Riverside Water: Water Conservation	In Cell Calc	20	RES 09		$2,851,434	$2,851,434	$2,851,434	$2,851,434
245	Water Reliability Charge	In Cell Calc	20	RES 26		$11,230,423	$15,598,782	$20,103,071	$24,746,901
246	March East Capacity Charge	In Cell Calc	20	RES 02	($4,310,144)	($4,310,144)	($4,310,144)	($4,310,144)	($4,310,144)
247	Rainbow Operating	In Cell Calc	24	RES 00		$73,798	$79,392	$42,933	$50,124
248	Rainbow Capacity Charge	In Cell Calc	24	RES 01	($79,000)	($79,000)	($104,276)	($138,174)	($178,754)
249	Rainbow System Improvement	In Cell Calc	24	RES 04		$0	$0	$0	$0
250	Rainbow Asset Replacement	In Cell Calc	24	RES 05		$128,973	$148,791	$169,850	$192,217
251	Rainbow Conservation	In Cell Calc	24	RES 09		$0	$0	$0	$0
252									

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
RIVERSIDE WATER SERVICE AREA: Revenue Requirement Analysis

Financial Performance Criteria

Operating Reserve Sufficiency. Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 7.
Target: minimum of three months and a maximum of six months of average operating expenses based on the annual operating budget.

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Riverside Water (Potable, Non-Potable, March East)				
Projected Operating Expenses	$60,844,386	$65,171,097	$69,548,212	$72,883,226
Projected End of Year Balance				
As Dollars	$35,159,907	$35,170,317	$35,102,398	$35,078,195
As Months of Operating Expenses	6.9	6.5	6.1	5.8
Dashboard Output Label and Format	High	High	High	Good
Rainbow				
Projected Operating Expenses	$242,538	$255,719	$268,693	$280,938
Projected End of Year Balance				
As Dollars	$73,798	$79,392	$42,933	$50,124
As Months of Operating Expenses	3.7	3.7	1.9	2.1
Dashboard Output Label and Format	Good	Good	Low	Low
Combined Riverside Water Service Area				
Projected Operating Expenses	$61,086,924	$65,426,816	$69,816,905	$73,164,163
Projected End of Year Balance				
As Dollars	$35,233,705	$35,249,709	$35,145,331	$35,128,320
As Months of Operating Expenses	6.9	6.5	6.0	5.8
Dashboard Output Label and Format	High	High	High	Good

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
RIVERSIDE WATER SERVICE AREA: Revenue Requirement Analysis

Asset Replacement Reserve Sufficiency. Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 6.
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:
Excluded assets are those that:
(a) are not subject to replacement based on an Operations and Engineering analysis,
(b) are non-depreciable assets,
(c) have an adjusted useful life of less than or equal to five years ("short-life assets"),
(d) have a replacement cost of less than or equal to $50,000 ("low-cost assets"), or
(e) have a replacement cost of more than $7,000,000 ("high-cost assets").
Current replacement cost = original cost escalated annually by the ENR CCI.
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 $7M
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.
Annual Funding: equal to a maximum of the annual depreciation expense.

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Riverside Potable, Riverside Non-Potable, March East				
Minimum Balance	$112,594,705	$112,594,705	$112,594,705	$112,594,705
Maximum Balance	$130,454,789	$130,454,789	$130,454,789	$130,454,789
Projected End of Year Balance				
As Dollars	$32,906,720	$34,666,568	$29,179,616	$31,023,218
Dashboard Output Label and Format	Low	Low	Low	Low
As Percent of Minimum Value	29%	31%	26%	28%
Rainbow				
Minimum Balance	$531,672	$531,672	$531,672	$531,672
Maximum Balance	$531,672	$531,672	$531,672	$531,672
Projected End of Year Balance				
As Dollars	$128,973	$148,791	$169,850	$192,217
Dashboard Output Label and Format	Low	Low	Low	Low
As Percent of Minimum Value	24%	28%	32%	36%
Combined Riverside Water Service Area				
Minimum Balance	$113,126,377	$113,126,377	$113,126,377	$113,126,377
Maximum Balance	$130,986,461	$130,986,461	$130,986,461	$130,986,461
Projected End of Year Balance	$32,906,720	$34,666,568	$29,179,616	$31,023,218
As Dollars				
Dashboard Output Label and Format	Low	Low	Low	Low

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
RIVERSIDE WATER SERVICE AREA: Revenue Requirement Analysis

Water Reliability Fund Sufficiency. Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 7.
Target level: Funding for this reserve inherently fluctuates based on revenue received from retail customers and expenditures for approved uses.

Combined Riverside Water Retail Reserve Fund Sufficiency
Criteria: Between 350 and 400 Days of O&M Expenses and Asset Replacement Transfers Expenses (Source: Western Water staff, 10/14/24 remote meeting)
Operating Expense = all O&M expenses plus transfers to Asset Replacement Reserves (Source: Western Water staff, 10/23/24 remote meeting)

	Projected			
Riverside Water Only. Other Service Areas to Follow as They Are Completed	FY 2026	FY 2027	FY 2028	FY 2029
Combined Riverside Water Reserve Ending Year Fund Balance				
Projected O&M Expenses and Asset Replacement Transfers	$61,086,924	$65,434,037	$69,839,026	$73,187,833
Projected End of Year Balance				
As Dollars	$110,600,433	$118,589,707	$118,077,357	$127,138,509
As Days of Operating Expenses	660.8	661.5	617.1	634.1
Dashboard Output Label and Format	High	High	High	High

Table RIV-3
Revenue Calculations

		Capacity	Projected			
	Projected Capacity Charge Revenues	Charge	FY 2026	FY 2027	FY 2028	FY 2029
1	Riverside Potable					
2	5/8"					
3	3/4"	$7,681	$551,112	$551,112	$551,112	$551,112
4	1"	$12,674	1,200,862	1,200,862	1,200,862	1,200,862
5	1.5"	$25,578	0	0	0	0
6	2"	$40,939	0	0	0	0
13	Total		$1,751,973	$1,751,973	$1,751,973	$1,751,973
14						
15	March East					
16	5/8"					
17	3/4"	$7,681	$0	$0	$0	$0
18	1"	$12,674	0	0	0	0
19	1.5"	$25,578	0	0	0	0
20	2"	$40,939	0	0	0	0
27	Total		$0	$0	$0	$0

Capacity Charge source: Western Water staff, 1/20/2025, for Capacity Charges effective 7/1/2024.

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
RIVERSIDE WATER SERVICE AREA: Revenue Requirement Analysis

Table RIV-4
Capital Improvements

Table 4a: Total CIFP 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	Magnolia Avenue Interconnection with Riverside Public Utilities (RPU)	20	RES 04	$6,500,000	$0	$0	$0	$0
2	Linear Asset Management Program - Carry Over	20	RES 05	$5,250,000	$4,750,000	$0	$0	$0
3	SARCCUP Non-Potable Well #7 and Pipeline (W-296B)	20	RES 04	$1,800,000	$4,000,000	$0	$0	$0
4	Water System Management	20	RES 04	$100,000	$100,000	$100,000	$100,000	$100,000
5	Hillside Reservoirs 1 & 2	20	RES 05	$500,000	$0	$0	$0	$0
6	Permanent Power Generator at Mockingbird	20	RES 04	$2,000,000	$0	$0	$0	$0
7	Meter Replacement Project (Phase III)- Riverside	20	RES 04	$109,411	$0	$0	$0	$0
8	Woodcrest-Rinehart Relocations	20	RES 05	$1,000,000	$0	$0	$0	$0
9	Oleander PS MCC Replacement and Permanent Generator - Potable	20	RES 05	$0	$0	$300,000	$2,700,000	$0
10	Inline Booster Station MCC Replacement and Permanent Generator	20	RES 05	$0	$0	$0	$0	$300,000
11	Eastern Municipal Water District at March Air Reserve Base Interconnection	20	RES 04	$240,000	$0	$0	$0	$0
12	Backflow Upgrades to Prevent Drinking Water Contamination	20	RES 05	$120,000	$540,000	$540,000	$0	$0
13	El Sobrante Pump Station	20	RES 04	$0	$0	$0	$250,000	$2,250,000
14	Hillside Tank MCC & Switchgear Replacement including Electrical Service Up	20	RES 05	$0	$0	$0	$550,000	$1,500,000
15	Hillside Tank MCC & Switchgear Replacement including Electrical Service Up	20	RES 05	$0	$550,000	$1,500,000	$3,450,000	$0
16	Holcomb Vault Lid Replacement	20	RES 05	$0	$250,000	$0	$0	$0
17	Install New 24" Non-Potable Pipeline - GreenTree Development	20	RES 05	$0	$0	$0	$0	$300,000
18	Lead and Copper Rule Revisions Project	20	RES 05	$0	$0	$30,000	$320,000	$0
19	Linear Asset Management Program (Years 3-7)	20	RES 05	$0	$0	$5,000,000	$5,000,000	$5,000,000
20	Master Plan - Blackburn Road Pipeline	20	RES 01	$0	$0	$350,000	$3,150,000	$0
21	Mockingbird Canyon Pipeline Erosion Repair - Long Term Repairs	20	RES 04	$0	$0	$0	$0	$45,000
22	Mockingbird Pump Station - Pumps #8 and #9	20	RES 04	$0	$320,000	$2,880,000	$0	$0
23	Non-Potable Recycle Tank Refurbishment Program Design and Rehab Multip	20	RES 05	$0	$0	$0	$200,000	$200,000
24	Oleander PS MCC Replacement and Permanent Generator - Non-Potable	20	RES 05	$0	$0	$300,000	$2,700,000	$0
25	Potable Water Tank Rehabilitations	20	RES 04	$0	$0	$200,000	$1,300,000	$200,000
26	Rainbow - Upsize Metropolitan Water District of Southern California Connec	24	RES 01	$1,000,000	$0	$0	$0	$0
27	Rainbow Asset Replacement	24	RES 05	$200,000	$0	$0	$0	$0
28	Rainbow Tank Refurbishment Program	24	RES 04	$0	$0	$87,000	$783,000	$0
29	Riverside New Pressure Reducing Valves	20	RES 04	$150,000	$1,350,000	$0	$0	$0

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

30	Riverside RMS - Hidden Valley	20	RES 04	$0	$0	$0	$0	$300,000
31	Riverside RMS - La Sierra	20	RES 04	$0	$0	$0	$300,000	$700,000
32	Riverside RMS - Markham	20	RES 04	$0	$0	$250,000	$500,000	$0
33	Smartball Assessment for the March Non-Potable Pipeline	20	RES 04	$0	$0	$500,000	$0	$0
34	Study to Address Financial Constraints on Non-Potable - Consider Delivering	20	RES 04	$0	$500,000	$0	$0	$0
35	Total			$18,969,411	$12,360,000	$12,037,000	$21,303,000	$10,895,000
36	Math Check, should equal source data			$18,969,411	$12,360,000	$12,037,000	$21,303,000	$10,895,000
37								
38								

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

		Fund	Reserve		Projected			
42	Project	Number	Number	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
43	Magnolia Avenue Interconnection with Riverside Public Utilities (RPU)	20	RES 04	($5,200,000)	$0	$0	$0	$0
44	Linear Asset Management Program - Carry Over	20	RES 05	$0	$0	$0	$0	$0
45	SARCCUP Non-Potable Well #7 and Pipeline (W-296B)	20	RES 04	($1,500,000)	($3,000,000)	$0	$0	$0
46	Water System Management	20	RES 04	($60,000)	$0	$0	$0	$0
47	Hillside Reservoirs 1 & 2	20	RES 05	$0	$0	$0	$0	$0
48	Permanent Power Generator at Mockingbird	20	RES 04	($1,441,550)	$0	$0	$0	$0
49	Meter Replacement Project (Phase III)- Riverside	20	RES 04	($54,706)	$0	$0	$0	$0
50	Woodcrest-Rinehart Relocations	20	RES 05	$0	$0	$0	$0	$0
51	Oleander PS MCC Replacement and Permanent Generator - Potable	20	RES 05	$0	$0	$0	$0	$0
52	Inline Booster Station MCC Replacement and Permanent Generator	20	RES 05	$0	$0	$0	$0	$0
53	Eastern Municipal Water District at March Air Reserve Base Interconnection	20	RES 04	$0	$0	$0	$0	$0
54	Backflow Upgrades to Prevent Drinking Water Contamination	20	RES 05	$0	($480,000)	($480,000)	$0	$0
55	El Sobrante Pump Station	20	RES 04	$0	$0	$0	$0	$0
56	Hillside Tank MCC & Switchgear Replacement including Electrical Service Up	20	RES 05	$0	$0	$0	$0	$0
57	Hillside Tank MCC & Switchgear Replacement including Electrical Service Up	20	RES 05	$0	$0	$0	$0	$0
58	Holcomb Vault Lid Replacement	20	RES 05	$0	$0	$0	$0	$0
59	Install New 24" Non-Potable Pipeline - GreenTree Development	20	RES 05	$0	$0	$0	$0	$0
60	Lead and Copper Rule Revisions Project	20	RES 05	$0	$0	$0	$0	$0
61	Linear Asset Management Program (Years 3-7)	20	RES 05	$0	$0	$0	$0	$0
62	Master Plan - Blackburn Road Pipeline	20	RES 01	$0	$0	$0	$0	$0
63	Mockingbird Canyon Pipeline Erosion Repair - Long Term Repairs	20	RES 04	$0	$0	$0	$0	$0
64	Mockingbird Pump Station - Pumps #8 and #9	20	RES 04	$0	$0	$0	$0	$0
65	Non-Potable Recycle Tank Refurbishment Program Design and Rehab Multip	20	RES 05	$0	$0	$0	$0	$0
66	Oleander PS MCC Replacement and Permanent Generator - Non-Potable	20	RES 05	$0	$0	$0	$0	$0

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

67	Potable Water Tank Rehabilitations	20	RES 04	$0	$0	$0	$0	$0
68	Rainbow - Upsize Metropolitan Water District of Southern California Connec	24	RES 01	$0	$0	$0	$0	$0
69	Rainbow Asset Replacement	24	RES 05	$0	$0	$0	$0	$0
70	Rainbow Tank Refurbishment Program	24	RES 04	$0	$0	$0	$0	$0
71	Riverside New Pressure Reducing Valves	20	RES 04	$0	$0	$0	$0	$0
72	Riverside RMS - Hidden Valley	20	RES 04	$0	$0	$0	$0	$0
73	Riverside RMS - La Sierra	20	RES 04	$0	$0	$0	$0	$0
74	Riverside RMS - Markham	20	RES 04	$0	$0	$0	$0	$0
75	Smartball Assessment for the March Non-Potable Pipeline	20	RES 04	$0	$0	$0	$0	$0
76	Study to Address Financial Constraints on Non-Potable - Consider Delivering	20	RES 04	$0	$0	$0	$0	$0
77	Total			($8,256,256)	($3,480,000)	($480,000)	$0	$0
78	Math Check, should equal source data			($8,256,256)	($3,480,000)	($480,000)	$0	$0
79								
80	Total Project Cost Less Offsets			$10,713,155	$8,880,000	$11,557,000	$21,303,000	$10,895,000
81								
82								
83								

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

		Fund	Reserve	Projected				
87	Project	Number	Number	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
88	Linear Asset Management Program - Carry Over (LOC 1)	20	RES 05	$5,250,000	$4,750,000			
89	Linear Asset Management Program (Years 3-7) (LOC 2)	20	RES 05			$5,000,000	$5,000,000	$5,000,000
90	Lead and Copper Rule Revisions Project	20	RES 05			$30,000	$320,000	
91	Rainbow - Upsize MWD Connection	24	RES 01	$1,000,000				
92	Rainbow Tank Refurbishment Program	24	RES 04			$87,000	$783,000	
93	Rainbow Asset Replacement	24	RES 05	$200,000				
94	Jefferson Avenue Water Improvement - Rancho Interconnection	23	RES 01	$200,000	$3,092,294			
95	Madison Avenue Water Improvement	23	RES 01	$150,000	$1,350,000			
96	Master Plan - Rancho California Water District Regional Intertie	23	RES 01	$1,430,000	$2,875,456			
97	Math Check: total 20, 22, 24= source data			TRUE	TRUE	TRUE	TRUE	TRUE
98								
99								

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

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

Project	Fund Number	Reserve Number	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029
BDS01-Bonds-2012A							
Riverside Potable	20	RES 00	$0	$0	$0	($1)	$1
Riverside Potable	20	RES 01	$237,483	$238,215	$238,826	$240,540	$241,581
Riverside Non-Potable	20	RES 00	$200,950	$201,570	$202,089	$203,537	$204,419
Riverside Non-Potable	20	RES 05	$59,902	$60,086	$60,240	$60,673	$60,935
BDS02-Bonds-2020A							
Riverside Potable	20	RES 00	$653,482	$653,132	$748,462	$861,676	$934,505
Riverside Potable	20	RES 01	$204,324	$204,215	$234,022	$269,420	$292,191
Riverside Potable	20	RES 04	$108,737	$108,679	$124,541	$143,379	$155,498
Riverside Potable	20	RES 05	$44,227	$44,204	$50,655	$58,318	$63,247
March East	20	RES 05	$98,255	$98,203	$112,536	$129,559	$140,509
BDS03-Future Private Placement Bond for LOC01							
Riverside Potable	20	RES 00	$0	$0	$0	$920,873	$920,873
ITF01-Graeber Pipeline							
March East	20	RES 05	$217,333	$217,333	$217,333	$217,333	$217,333
LOC01-Revolving Note-2022A							
Riverside Potable	20	RES 00	$230,000	$319,138	$499,179	$0	$0
LOC02-Future LOC-Pipeline Projects							
Riverside Potable	20	RES 00	$0	$0	$199,178	$400,274	$599,178
LOC03-Future LOC-Non-Pipeline Projects							
March East	20	RES 00	$0	$0	$0	$0	$0
March East	20	RES 05	$0	$0	$8,844	$11,860	$14,198
Rainbow	24	RES 00	$0	$0	$27,068	$36,302	$43,458
Rainbow	24	RES 01	$0	$0	$25,276	$33,898	$40,580
NTE01-HQ Building							
Riverside Potable	20	RES 00	$447,465	$447,408	$0	$0	$0
Total			$2,502,158	$2,592,182	$2,748,249	$3,587,640	$3,928,506
Math Check total compared with source data			TRUE	TRUE	TRUE	TRUE	TRUE

Section 12

Appendix H: Riverside Water Service Area Rate Design Calculations

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Billing Determinants: Number of Connections

Number of Connections	Projected: Residential, Commercial, Ag, Irrigation			
	FY 2026	FY 2027	FY 2028	FY 2029
Riverside Potable				
5/8"	15	15	15	15
3/4"	16,316	16,388	16,459	16,531
1"	4,880	4,975	5,069	5,164
1.5"	332	332	332	332
2"	339	339	339	339
3"	28	28	28	28
4"	20	20	20	20
6"	4	4	4	4
8"	2	2	2	2
10"	0	0	0	0
12"	0	0	0	0
Total	21,936	22,102	22,269	22,435

Number of Connections	Projected, Ag and Irrigation			
	FY 2026	FY 2027	FY 2028	FY 2029
Riverside Non-Potable				
5/8"	0	0	0	0
3/4"	2	2	2	2
1"	14	14	14	14
1.5"	22	22	22	22
2"	112	112	112	112
3"	15	15	15	15
4"	7	7	7	7
6"	3	3	3	3
8"	4	4	4	4
10"	1	1	1	1
12"	6	6	6	6
Total	186	186	186	186

Number of Connections	Projected, Residential and Commercial			
	FY 2026	FY 2027	FY 2028	FY 2029
March East				
5/8"	2	2	2	2
3/4"	1	1	1	1
1"	11	11	11	11
1.5"	6	6	6	6
2"	24	24	24	24
3"	6	6	6	6
4"	1	1	1	1
6"	1	1	1	1
8"	0	0	0	0
10"	1	1	1	1
12"	0	0	0	0
Total	53	53	53	53

Number of Connections	Projected, Residential and Commercial			
	FY 2026	FY 2027	FY 2028	FY 2029
Rainbow				
5/8"	0	0	0	0
3/4"	25	25	25	25
1"	13	13	13	13
1.5"	2	2	2	2
2"	1	1	1	1
3"	0	0	0	0
4"	0	0	0	0
6"	0	0	0	0
8"	0	0	0	0
10"	0	0	0	0
12"	0	0	0	0
Total	41	41	41	41

Number of Connections	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Total Riverside Water Service Area				
5/8"	17	17	17	17
3/4"	16,319	16,391	16,462	16,534
1"	4,905	5,000	5,094	5,189
1.5"	360	360	360	360
2"	475	475	475	475
3"	49	49	49	49
4"	28	28	28	28
6"	8	8	8	8
8"	6	6	6	6
10"	2	2	2	2
12"	6	6	6	6
Total	22,175	22,341	22,508	22,674

Number of Connections	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Total Riverside Water Service Area and Rainbow				
5/8"	17	17	17	17
3/4"	16,344	16,416	16,487	16,559
1"	4,918	5,013	5,107	5,202
1.5"	362	362	362	362
2"	476	476	476	476
3"	49	49	49	49
4"	28	28	28	28
6"	8	8	8	8
8"	6	6	6	6
10"	2	2	2	2
12"	6	6	6	6
Total	22,216	22,382	22,549	22,715

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Number of Connections	Projected, Private Fire Protection				Projected, Public Fire Protection (Hydrants)				Total Projected, Private and Public Fire Protection			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029
Private Fire Service and Public Fire Protection (Hydrants) (Riverside Potable, March East; Excludes Rainbow)												
5/8"	0	0	0	0					0	0	0	0
3/4"	0	0	0	0					0	0	0	0
1"	0	0	0	0					0	0	0	0
1.5"	0	0	0	0					0	0	0	0
2"	0	0	0	0	3	3	3	3	3	3	3	3
3"	1	1	1	1					1	1	1	1
4"	40	40	40	40	63	63	63	63	103	103	103	103
6"	68	68	68	68	3,573	3,573	3,573	3,573	3,641	3,641	3,641	3,641
8"	83	83	83	83	89	89	89	89	172	172	172	172
10"	148	148	148	148					148	148	148	148
12"	13	13	13	13					13	13	13	13
Total	353	353	353	353	3,728	3,728	3,728	3,728	4,081	4,081	4,081	4,081

No growth in fire service connections projected, per Western Water staff, 11/14/24 remote meeting.

Billing Determinants: Define Meter Equivalent Ratios

Meter Size	Meter Type	AWWA Standard (gpm)	Meter Equivalent Ratio	No. of Connections
5/8"	Neptune T-10, C710-15	20	0.6667	17
3/4"	Neptune T-10, C710-15	30	1.0	16343.75
1"	Neptune T-10, C710-15	50	1.7	4917.75
1.5"	Neptune T-10, C710-15	100	3.3333	362
2"	Neptune T-10, C710-15	120	4.0	476
3"	Neptune Mach 10 C&I	300	10.0	49
4"	Neptune Mach 10 C&I	600	20.0	28
6"	Neptune Mach 10 C&I	1350	45.0	8
8"	Neptune Mach 10 C&I	1800	60.0	6
10"	Neptune Mach 10 C&I	2400	80.0	2
12"	Neptune Mach 10 C&I	3375	112.5	6

Billing Determinants: Number of Meter Equivalents

Number of Meter Equiv.	Projected, Residential and Commercial			
	FY 2026	FY 2027	FY 2028	FY 2029
Riverside Potable				
5/8"	10.00	10.00	10.00	10.00
3/4"	16,315.75	16,387.50	16,459.25	16,531.00
1"	8,132.92	8,290.83	8,448.75	8,606.67
1.5"	1,106.67	1,106.67	1,106.67	1,106.67
2"	1,356.00	1,356.00	1,356.00	1,356.00
3"	280.00	280.00	280.00	280.00
4"	400.00	400.00	400.00	400.00
6"	180.00	180.00	180.00	180.00
8"	120.00	120.00	120.00	120.00
10"	0.00	0.00	0.00	0.00
12"	0.00	0.00	0.00	0.00
Total	27,901.33	28,131.00	28,360.67	28,590.33

Number of Meter Equiv.	Projected, Ag			
	FY 2026	FY 2027	FY 2028	FY 2029
Riverside Non-Potable				
5/8"	0.00	0.00	0.00	0.00
3/4"	2.00	2.00	2.00	2.00
1"	23.33	23.33	23.33	23.33
1.5"	73.33	73.33	73.33	73.33
2"	448.00	448.00	448.00	448.00
3"	150.00	150.00	150.00	150.00
4"	140.00	140.00	140.00	140.00
6"	135.00	135.00	135.00	135.00
8"	240.00	240.00	240.00	240.00
10"	80.00	80.00	80.00	80.00
12"	675.00	675.00	675.00	675.00
Total	1,966.67	1,966.67	1,966.67	1,966.67

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Number of	Projected, Residential and Commercial			
Meter Equiv.	FY 2026	FY 2027	FY 2028	FY 2029
March East				
5/8"	1.33	1.33	1.33	1.33
3/4"	1.00	1.00	1.00	1.00
1"	18.33	18.33	18.33	18.33
1.5"	20.00	20.00	20.00	20.00
2"	96.00	96.00	96.00	96.00
3"	60.00	60.00	60.00	60.00
4"	20.00	20.00	20.00	20.00
6"	45.00	45.00	45.00	45.00
8"	0.00	0.00	0.00	0.00
10"	80.00	80.00	80.00	80.00
12"	0.00	0.00	0.00	0.00
Total	341.67	341.67	341.67	341.67

Number of	Projected, Residential and Commercial			
Meter Equiv.	FY 2026	FY 2027	FY 2028	FY 2029
Rainbow				
5/8"	0.00	0.00	0.00	0.00
3/4"	25.00	25.00	25.00	25.00
1"	21.67	21.67	21.67	21.67
1.5"	6.67	6.67	6.67	6.67
2"	4.00	4.00	4.00	4.00
3"	0.00	0.00	0.00	0.00
4"	0.00	0.00	0.00	0.00
6"	0.00	0.00	0.00	0.00
8"	0.00	0.00	0.00	0.00
10"	0.00	0.00	0.00	0.00
12"	0.00	0.00	0.00	0.00
Total	57.33	57.33	57.33	57.33

Number of	Projected			
Meter Equiv.	FY 2026	FY 2027	FY 2028	FY 2029
Total Riverside Water Service Area				
5/8"	11	11	11	11
3/4"	16,319	16,391	16,462	16,534
1"	8,175	8,333	8,490	8,648
1.5"	1,200	1,200	1,200	1,200
2"	1,900	1,900	1,900	1,900
3"	490	490	490	490
4"	560	560	560	560
6"	360	360	360	360
8"	360	360	360	360
10"	160	160	160	160
12"	675	675	675	675
Total	30,210	30,439	30,669	30,899

Number of	Projected			
Meter Equiv.	FY 2026	FY 2027	FY 2028	FY 2029
Total Riverside Water Service Area and Rainbow				
5/8"	11	11	11	11
3/4"	16,344	16,416	16,487	16,559
1"	8,196	8,354	8,512	8,670
1.5"	1,207	1,207	1,207	1,207
2"	1,904	1,904	1,904	1,904
3"	490	490	490	490
4"	560	560	560	560
6"	360	360	360	360
8"	360	360	360	360
10"	160	160	160	160
12"	675	675	675	675
Total	30,267	30,497	30,726	30,956

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Billing Determinants: Number of Fire Protection Equivalents

Pipe Diameter	Fire Demand Factor (1)	Projected, Private Fire Protection				Projected, Public Fire Protection (Hydrants)				Total Projected, Private and Public Fire Protection			
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029
5/8"	0.291	0	0	0	0	0	0	0	0	0	0	0	0
3/4"	0.469	0	0	0	0	0	0	0	0	0	0	0	0
1"	1.000	0	0	0	0	0	0	0	0	0	0	0	0
1.5"	2.905	0	0	0	0	0	0	0	0	0	0	0	0
2"	6.190	0	0	0	0	19	19	19	19	19	19	19	19
3"	17.982	18	18	18	18	0	0	0	0	18	18	18	18
4"	38.319	1,533	1,533	1,533	1,533	2,414	2,414	2,414	2,414	3,947	3,947	3,947	3,947
6"	111.311	7,569	7,569	7,569	7,569	397,714	397,714	397,714	397,714	405,283	405,283	405,283	405,283
8"	237.207	19,688	19,688	19,688	19,688	21,111	21,111	21,111	21,111	40,800	40,800	40,800	40,800
10"	426.580	63,134	63,134	63,134	63,134	0	0	0	0	63,134	63,134	63,134	63,134
12"	689.044	8,958	8,958	8,958	8,958	0	0	0	0	8,958	8,958	8,958	8,958
Total		100,899	100,899	100,899	100,899	421,258	421,258	421,258	421,258	522,157	522,157	522,157	522,157
As Percent		**19.3%**	**19.3%**	**19.3%**	**19.3%**	**80.7%**	**80.7%**	**80.7%**	**80.7%**	100.0%	100.0%	100.0%	100.0%

(1) AWWA M1, page 152 (7th edition page 162); demand factor = diameter ^ 2.63; exponent based on Hazen-Williams equation for flow through pressure conduits

Billing Determinants: Projected Water Sales, hcf

	Projected (1) (2)				Pay Water Reliability Charge? (3)	
	FY 2026	FY 2027	FY 2028	FY 2029		
Riverside Potable, Fund 20						
Tier 1	2,757,239	2,779,297	2,801,531	2,823,943	Yes	Potable landscape is included in the tier consumption.
Tier 2	3,992,629	4,024,570	4,056,767	4,089,221	Yes	Potable landscape is included in the tier consumption.
Tier 3	411,716	415,010	418,330	421,677	Yes	Potable landscape is included in the tier consumption.
Tier 4	576,120	580,729	585,374	590,057	Yes	Potable landscape is included in the tier consumption.
Treated IAWP (909) (Ag)	148,800	149,991	151,191	152,400	Yes	This is ag. IAWP and non-IAWP is combined for rate setting purposes.
Treated Non-IAWP (919) (Ag)	3,049	3,073	3,098	3,123	Yes	This is ag. IAWP and non-IAWP is combined for rate setting purposes.
Subtotal Riverside Potable	7,889,553	7,952,670	8,016,291	8,080,421		
Riverside Non-Potable, Fund 21						
Untreated (998)	992,468	992,468	992,468	992,468	Yes	This is non-potable landscape.
Untreated IAWP (910)	295,528	295,528	295,528	295,528	Yes	This is ag. IAWP and non-IAWP is combined for rate setting purposes.
Untreated Non-IAWP (920)	314,284	314,284	314,284	314,284	Yes	This is ag. IAWP and non-IAWP is combined for rate setting purposes.
Subtotal Riverside Non-Potable	1,602,280	1,602,280	1,602,280	1,602,280		
March East, Fund 22						
March East - CIS	36,571	36,571	36,571	36,571	Yes	
March East -452nd	140,855	140,855	140,855	140,855	Yes	
Subtotal March East	177,427	177,427	177,427	177,427		
Total, Excluding Rainbow	9,669,260	9,732,377	9,795,998	9,860,128		
Rainbow, Fund 24, All hcf	10,417	10,417	10,417	10,417	No	

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Notes:
(1) Source: Western Water staff, uploaded to Sharepoint Site 1/13/2025
(2) Hcf/year growth = 1% per year for Riverside Potable and March East; no projected growth in Riverside Non-Potable and Rainbow (Source: Western Water staff, 11/5/24).
(3) Western Water staff, 11/10/24

Billing Determinants: Projected Water Sales, hcf, by Power Zone

	Projected				
	FY 2026	FY 2027	FY 2028	FY 2029	
Riverside Potable, Fund 20; March East, Fund 22					
101	564,689	569,107	573,560	578,049	
102	2,500,764	2,520,330	2,540,053	2,559,933	
103	2,258,754	2,276,427	2,294,241	2,312,197	
104	2,339,424	2,357,728	2,376,178	2,394,776	
105	403,349	406,505	409,686	412,892	
Subtotal	8,066,980	8,130,097	8,193,718	8,257,848	
Math check:	0	1	0	(0)	
Riverside Non-Potable, Fund 21					
201	100,923	100,923	100,923	100,923	
202	766,594	766,594	766,594	766,594	
203	237,519	237,519	237,519	237,519	
204	0	0	0	0	There are pumping charges adopted for this power zone but no consumption. ?
205	275,476	275,476	275,476	275,476	
206	221,767	221,767	221,767	221,767	
207	0	0	0	0	There are pumping charges adopted for this power zone but no consumption. ?
Subtotal	1,602,280	1,602,280	1,602,280	1,602,280	
Total	9,669,260	9,732,377	9,795,998	9,860,128	
Math Check: Equal Water Sales Data Reported by Tier	TRUE	TRUE	0	0	
Rainbow, Fund 24, Power Zone 106, all hcf	10,417	10,417	10,417	10,417	

Cost-of-Service Analysis: Peaking Factors

	Max Day/ Average Day	Peak Hour/ Max Day	Peak Hour/ Average Day	
Riverside Potable	2.00	1.50	3.00	Source: Western Water staff, 8/22/24 email from Engineering Department staff to Finance Department staff
Riverside Non-Potable	1.62	3.00	4.86	2014 Recycled Water Master Plan, page 4-5. Per the plan, Max day = Max month / 31. July = max month, and July is 13.5% of annual. Avg month = 1/12 of annual demand, or 8.333%. Max month/Avg month = max day / average day = 13.5%/8.333%. Peak hour divided by max day = 3 (page 4-5).
March East	2.00	1.50	3.00	Placeholer: Equal to Riverside Potable

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Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Cost-of-Service Analysis: Average Day Demand, Max Day Demand, and Peak Hour Demand

	Average Day Demand gpm (1)	Max Day Demand gpm (2)	Max Hour Demand gpm (2)	Fireflow, gpm (3)	Max Hour + Fireflow, gpm
Riverside Potable and March East	11,752.04	23,504.07	35,256.11	3,000.00	38,256.11
Riverside Non-Potable	2,280.26	3,694.02	11,082.07	0.00	11,082.07

(1) Average Day Demand calculated from water sales, provided by Western Water staff. Projected FY 2029 used in this calculation. Excludes non-revenue water.
(2) Max Day and Max Hour Demand by multiplying Average Day Demand and peaking factors.
(3) Fire Flow demand, Riverside Potable: 3,000 gpm for 4 hours Draft Riverside Facilities Master Plan, Dudek, Table 5-3, page 82
Riverside Non-Potable system does not provide fire protection services.

Cost-of-Service Analysis: Base, Max-Day, and Max-Hour Extra Capacity Allocation Factors

Methodology per AWWA M1 Manual, 7th Edition, page 62

	Base	Max-Day Extra Capacity	Max-Hour Extra Capacity	Max Hour/ Fireflow
Riverside Potable, March East, and Rainbow				
Average Day	100.00%	50.00%	33.33%	30.72%
Max Day		50.00%	33.33%	30.72%
Peak Hour			33.33%	30.72%
Fire Protection				7.84%
Riverside Non-Potable				
Average Day	100.00%	61.73%	20.58%	
Max Day		38.27%	12.76%	
Peak Hour			66.67%	

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Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Cost-of-Service Analysis: Allocation Factors for Rate Revenue Requirement

	Revenue Requirement Component	Factor	Retail Water Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Service Charge	Public Fire Protection	Public and Private Fire	General	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
	Source of Supply													
TRUE	Riverside Potable, ME, Rainbow	Max Day			50%							50%		
TRUE	Riverside Non-Potable	Max Day			38%							62%		
TRUE	MWD Capacity Charge	Max Day			50%							50%		
	Water Pumping													
TRUE	Riverside Potable, ME, Rainbow	Max Hour			33%	33%						33%		
TRUE	Riverside Non-Potable	Max Hour			13%	67%						21%		
TRUE	Treatment Riv Potable Only	Average Day										100%		
	Transmission & Distribution													
TRUE	Riverside Potable, ME, Rainbow	MaxHr/Fireflow			31%	31%			8%			31%		
TRUE	Riverside Non-Potable	Max Hour			13%	67%						21%		
TRUE	Customer Accounts	Billing & CS	100%											
	Replacement Reserve													
TRUE	Riverside Potable, ME, Rainbow	Net Plant	0.0%	9.9%	28.9%	24.6%		1.2%	6.3%	0.3%		28.9%		
TRUE	Riverside Non-Potable	Net Plant	0.0%	1.0%	19.2%	48.7%		0.0%	0.0%	0.0%		31.0%		
TRUE	G&A Allocation	General								100%				
TRUE	Gravity Line Allocation	Max Hour, Riv Water Only previous			33%	33%						33%		
TRUE	Other Operating Expenses	General								100%				
TRUE	Prop Tax Collection	General								100%				
TRUE	Conservation Program	Pass Through											100%	
TRUE	Pumping Costs	Pass Through												100%
TRUE	Readiness to Serve Costs	Pass Through					100%							
TRUE	Water Supply	Pass Through									100%			
	Operating Reserve Debt Service													
TRUE	Riverside Potable	As Net Plant	0.0%	9.9%	28.9%	24.6%		1.2%	6.3%	0.3%		28.9%		
TRUE	Riverside Non-Potable	As Net Plant	0.0%	1.0%	19.2%	48.7%		0.0%	0.0%	0.0%		31.0%		
TRUE	March East (no expense though)	As Net Plant	0.0%	9.9%	28.9%	24.6%		1.2%	6.3%	0.3%		28.9%		
	Rainbow (no expense though)	As Net Plant												
	Transfer to System Improvement Reserve													
TRUE	Riverside Potable, ME	As Net Plant	0.0%	9.9%	28.9%	24.6%		1.2%	6.3%	0.3%		28.9%		
TRUE	Riverside Non-Potable	As Net Plant	0.0%	1.0%	19.2%	48.7%		0.0%	0.0%	0.0%		31.0%		
TRUE	Operating Reserve Interest Income	General								100%				
TRUE	Retail Billing Interest	Billing and CS	100%											
TRUE	Delinquent Penalties	General								100%				
TRUE	Other - New Service Set Up & Meter Repair	50/50 Cust/Mtr	50%	50%										

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Cost-of-Service Analysis: Net Plant Allocation Factors

		Asset Type	Asset Subtype		Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Serve Charge	Public Fire Protection	Public and Private Fire Protection	General	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
302	TRUE	BLDG		General								100%				
303	TRUE	EQUIP-MSC		General								100%				
304	TRUE	LAND_IMP		General								100%				
305	TRUE	PLANT		General								100%				
306		PUMP	All													
307	TRUE	Riverside Potable, ME, Rainbow		Max Day			50%							50%		
308	TRUE	Riverside Non-Potable		Max Day			38%							62%		
309	TRUE	SRC_SUPP		Max Day			38%							62%		
310		T&D	CTRL-TELE													
311	TRUE	Riverside Potable, ME, Rainbow		MaxHr/Fireflow			31%	31%			8%			31%		
312	TRUE	Riverside Non-Potable		Max Hour			13%	67%						21%		
313		T&D	CUSTPD-EXT													
314	TRUE	Riverside Potable, ME, Rainbow		MaxHr/Fireflow			31%	31%			8%			31%		
315	TRUE	Riverside Non-Potable		Max Hour			13%	67%						21%		
316	TRUE	T&D	FIREHYDRNT	Public FP						100%						
317	TRUE	T&D	METER-CONN	Meters/Svcs		100%										
318		T&D Riv Pot, ME, Rbow	PIPELINE													
319	TRUE	Riverside Potable, ME, Rainbow		MaxHr/Fireflow			31%	31%			8%			31%		
320	TRUE	Riverside Non-Potable		Max Hour			13%	67%						21%		
321		T&D	RESERVOIR													
322	TRUE	Riverside Potable, ME, Rainbow		MaxHr/Fireflow			31%	31%			8%			31%		
323	TRUE	Riverside Non-Potable		Max Day			38%							62%		
324		T&D	WELLS													
325	TRUE	Riverside Potable, ME, Rainbow		Max Day			50%							50%		
326	TRUE	Riverside Non-Potable		Max Day			38%							62%		
327		T&D	(blank)													
328	TRUE	Riverside Potable, ME, Rainbow		MaxHr/Fireflow			31%	31%			8%			31%		
329	TRUE	Riverside Non-Potable		Max Hour			13%	67%						21%		
330		WTR_TRT	All Assets													
331	TRUE	Riverside Potable, ME, Rainbow		Max Day			50%							50%		
332	TRUE	Riverside Non-Potable		Max Day			38%							62%		

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Cost-of-Service Analysis: FY 2026 Allocation of Revenue Requirement and Reallocation of General & Administrative Costs

			Fixed System Charge				RTS Charge	Fire Protection Services		Split: Commod, Fixed Syst, Fire	Commodity Charge			Pumping Charges
	Revenue Requirement Component	FY 2026 Expenses	Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Service Charge	Public Fire Protection	Public and Private Fire Protection	General & Administrative	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
	Source of Supply													
TRUE	Riverside Potable	$44,115	$0	$0	$22,058	$0	$0	$0	$0	$0	$0	$22,058	$0	$0
TRUE	Riverside Non-Potable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	March East	$13,820	$0	$0	$6,910	$0	$0	$0	$0	$0	$0	$6,910	$0	$0
TRUE	MWD Capacity Charge	$468,981	$0	$0	$234,491	$0	$0	$0	$0	$0	$0	$234,491	$0	$0
	Water Pumping													
TRUE	Riverside Potable	$2,784,455	$0	$0	$928,152	$928,152	$0	$0	$0	$0	$0	$928,152	$0	$0
TRUE	Riverside Non-Potable	$1,009,912	$0	$0	$128,837	$673,275	$0	$0	$0	$0	$0	$207,801	$0	$0
TRUE	March East	$1,561	$0	$0	$520	$520	$0	$0	$0	$0	$0	$520	$0	$0
TRUE	Treatment Riv Potable Only	$287,516	$0	$0	$0	$0	$0	$0	$0	$0	$0	$287,516	$0	$0
	Transmission & Distribution													
TRUE	Riverside Potable	$10,337,651	$0	$0	$3,175,661	$3,175,661	$0	$0	$810,667	$0	$0	$3,175,661	$0	$0
TRUE	Riverside Non-Potable	$561,623	$0	$0	$71,647	$374,415	$0	$0	$0	$0	$0	$115,560	$0	$0
TRUE	March East	$465,712	$0	$0	$143,064	$143,064	$0	$0	$36,521	$0	$0	$143,064	$0	$0
TRUE	Customer Accounts	$1,860,186	$1,860,186	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Replacement Reserve													
TRUE	Riverside Potable	$2,601,184	$0	$258,081	$750,653	$639,009	$0	$31,054	$163,123	$8,611	$0	$750,653	$0	$0
TRUE	Riverside Non-Potable	$765,769	$0	$7,602	$147,375	$373,090	$0	$0	$0	$0	$0	$237,702	$0	$0
TRUE	March East	$10,940	$0	$1,085	$3,157	$2,688	$0	$131	$686	$36	$0	$3,157	$0	$0
TRUE	G&A Allocation	$7,085,789	$0	$0	$0	$0	$0	$0	$0	$7,085,789	$0	$0	$0	$0
TRUE	Gravity Line Allocation	$67,909	$0	$0	$22,636	$22,636	$0	$0	$0	$0	$0	$22,636	$0	$0
TRUE	Other Operating Expenses	$387,250	$0	$0	$0	$0	$0	$0	$0	$387,250	$0	$0	$0	$0
TRUE	Prop Tax Collection	$22,800	$0	$0	$0	$0	$0	$0	$0	$22,800	$0	$0	$0	$0
TRUE	Conservation Program	$805,304	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$805,304	$0
TRUE	Purchased Power	$2,833,191	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,833,191
TRUE	Readiness to Serve Costs	$1,140,848	$0	$0	$0	$0	$1,140,848	$0	$0	$0	$0	$0	$0	$0
TRUE	Water Supply	$27,287,870	$0	$0	$0	$0	$0	$0	$0	$0	$27,287,870	$0	$0	$0
	Operating Reserve Debt Service													
TRUE	Riverside Potable	$1,621,248	$0	$160,855	$467,862	$398,277	$0	$19,355	$101,670	$5,367	$0	$467,862	$0	$0
TRUE	Operating Reserve Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Retail Billing Interest	($48,148)	($48,148)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Delinquent Penalties	($243,455)	$0	$0	$0	$0	$0	$0	$0	($243,455)	$0	$0	$0	$0
TRUE	Other - New Service Set Up & Meter Repair	($61,622)	($30,811)	($30,811)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Total	$62,112,409	$1,781,227	$396,812	$6,103,023	$6,730,788	$1,140,848	$50,539	$1,112,667	$7,266,398	$27,287,870	$6,603,743	$805,304	$2,833,191
	Math Check:	$0												
	FY 2026 Reallocation of General & Administrative Costs													
	Categories Applicable		Yes	Yes	Yes	Yes	No	Yes	Yes		No	Yes	No	No
	% of Costs, Prior to Reallocation		8%	2%	27%	30%		0%	5%			29%		
	Reallocated General Costs	$0	$568,208	$126,582	$1,946,854	$2,147,110		$16,122	$354,939	($7,266,398)		$2,106,583		
	Total, After Reallocation of General Costs	$62,112,409	$2,349,435	$523,395	$8,049,877	$8,877,898	$1,140,848	$66,661	$1,467,605	$0	$27,287,870	$8,710,325	$805,304	$2,833,191

Appendix H
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Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Cost-of-Service Analysis: FY 2027 Allocation of Revenue Requirement and Reallocation of General & Administrative Costs

				Fixed System Charge				RTS Charge	Fire Protection Services		Split: Commod, Fixed Syst, Fire	Commodity Charge			Pumping Charges
		Revenue Requirement Component	FY 2027 Expenses	Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Service Charge	Public Fire Protection	Public and Private Fire Protection	General & Administrative	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
		Source of Supply													
TRUE		Riverside Potable	$46,118	$0	$0	$23,059	$0	$0	$0	$0	$0	$0	$23,059	$0	$0
TRUE		Riverside Non-Potable	$16	$0	$0	$6	$0	$0	$0	$0	$0	$0	$10	$0	$0
TRUE		March East	$14,428	$0	$0	$7,214	$0	$0	$0	$0	$0	$0	$7,214	$0	$0
TRUE		MWD Capacity Charge	$489,616	$0	$0	$244,808	$0	$0	$0	$0	$0	$0	$244,808	$0	$0
		Water Pumping													
TRUE		Riverside Potable	$2,950,978	$0	$0	$983,659	$983,659	$0	$0	$0	$0	$0	$983,659	$0	$0
TRUE		Riverside Non-Potable	$1,071,171	$0	$0	$136,651	$714,114	$0	$0	$0	$0	$0	$220,406	$0	$0
TRUE		March East	$1,630	$0	$0	$543	$543	$0	$0	$0	$0	$0	$543	$0	$0
TRUE		Treatment Riv Potable Only	$300,220	$0	$0	$0	$0	$0	$0	$0	$0	$0	$300,220	$0	$0
		Transmission & Distribution													
TRUE		Riverside Potable	$10,807,944	$0	$0	$3,320,132	$3,320,132	$0	$0	$847,547	$0	$0	$3,320,132	$0	$0
TRUE		Riverside Non-Potable	$587,023	$0	$0	$74,888	$391,349	$0	$0	$0	$0	$0	$120,787	$0	$0
TRUE		March East	$486,214	$0	$0	$149,362	$149,362	$0	$0	$38,128	$0	$0	$149,362	$0	$0
TRUE		Customer Accounts	$1,942,034	$1,942,034	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		Replacement Reserve													
TRUE		Riverside Potable	$2,731,243	$0	$270,985	$788,186	$670,960	$0	$32,606	$171,279	$9,041	$0	$788,186	$0	$0
TRUE		Riverside Non-Potable	$804,057	$0	$7,982	$154,744	$391,745	$0	$0	$0	$0	$0	$249,587	$0	$0
TRUE		March East	$11,487	$0	$1,140	$3,315	$2,822	$0	$137	$720	$38	$0	$3,315	$0	$0
TRUE		G&A Allocation	$7,716,426	$0	$0	$0	$0	$0	$0	$0	$7,716,426	$0	$0	$0	$0
TRUE		Gravity Line Allocation	$70,897	$0	$0	$23,632	$23,632	$0	$0	$0	$0	$0	$23,632	$0	$0
TRUE		Other Operating Expenses	$404,290	$0	$0	$0	$0	$0	$0	$0	$404,290	$0	$0	$0	$0
TRUE		Prop Tax Collection	$23,803	$0	$0	$0	$0	$0	$0	$0	$23,803	$0	$0	$0	$0
TRUE		Conservation Program	$811,035	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$811,035	$0
TRUE		Purchased Power	$2,962,328	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,962,328
TRUE		Readiness to Serve Costs	$1,143,013	$0	$0	$0	$0	$1,143,013	$0	$0	$0	$0	$0	$0	$0
TRUE		Water Supply	$29,801,875	$0	$0	$0	$0	$0	$0	$0	$0	$29,801,875	$0	$0	$0
		Operating Reserve Debt Service													
TRUE		Riverside Potable	$1,648,908	$0	$163,599	$475,844	$405,072	$0	$19,685	$103,405	$5,458	$0	$475,844	$0	$0
		Transfer to System Improvement Reserve													
TRUE		Riverside Potable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Operating Reserve Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Retail Billing Interest	($49,352)	($49,352)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Delinquent Penalties	($250,759)	$0	$0	$0	$0	$0	$0	$0	($250,759)	$0	$0	$0	$0
TRUE		Other - New Service Set Up & Meter Repair	($61,622)	($30,811)	($30,811)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Total	$66,465,020	$1,861,871	$412,895	$6,386,044	$7,053,391	$1,143,013	$52,429	$1,161,079	$7,908,298	$29,801,875	$6,910,764	$811,035	$2,962,328
		FY 2027 Reallocation of General & Administrative Costs													
		Categories Applicable		Yes	Yes	Yes	Yes	No	Yes	Yes		No	Yes	No	No
		% of Costs, Prior to Reallocation		8%	2%	27%	30%		0%	5%			29%		
		Reallocated General Costs	$0	$617,667	$136,976	$2,118,539	$2,339,928		$17,393	$385,182	($7,908,298)		$2,292,612		

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

447		Total, After Reallocation of General Costs	$66,465,020	$2,479,538	$549,871	$8,504,583	$9,393,319	$1,143,013	$69,821	$1,546,262	$0	$29,801,875	$9,203,376	$811,035	$2,962,328
450	**Cost-of-Service Analysis: FY 2028 Allocation of Revenue Requirement and Reallocation of General & Administrative Costs**														
451				Fixed System Charge				RTS Charge	Fire Protection Services		Split: Commod, Fixed Syst, Fire	Commodity Charge			Pumping Charges
452															
453												Water Supply Pass Through to Commodity Charges		Efficiency Pass Through to Commodity Charges	
454						Max Day	Max Hour	Pass-Through Readiness to		Public and					Pass-Through
455			FY 2028		Meters &	Extra	Extra	Service Charge	Public Fire	Private Fire	General &		Base		to Pumping
456		Revenue Requirement Component	Expenses	Billing & CS	Services	Capacity	Capacity		Protection	Protection	Administrative		Capacity		Charges
457		Source of Supply													
458	TRUE	Riverside Potable	$48,169	$0	$0	$24,084	$0	$0	$0	$0	$0	$0	$24,084	$0	$0
459	TRUE	Riverside Non-Potable	$47	$0	$0	$18	$0	$0	$0	$0	$0	$0	$29	$0	$0
460	TRUE	March East	$15,075	$0	$0	$7,537	$0	$0	$0	$0	$0	$0	$7,537	$0	$0
462	TRUE	MWD Capacity Charge	$511,159	$0	$0	$255,580	$0	$0	$0	$0	$0	$0	$255,580	$0	$0
463		Water Pumping													
464	TRUE	Riverside Potable	$3,082,268	$0	$0	$1,027,423	$1,027,423	$0	$0	$0	$0	$0	$1,027,423	$0	$0
465	TRUE	Riverside Non-Potable	$1,118,776	$0	$0	$142,725	$745,851	$0	$0	$0	$0	$0	$230,201	$0	$0
466	TRUE	March East	$1,702	$0	$0	$567	$567	$0	$0	$0	$0	$0	$567	$0	$0
468	TRUE	Treatment Riv Potable Only	$313,630	$0	$0	$0	$0	$0	$0	$0	$0	$0	$313,630	$0	$0
469		Transmission & Distribution													
470	TRUE	Riverside Potable	$11,408,070	$0	$0	$3,504,487	$3,504,487	$0	$0	$894,608	$0	$0	$3,504,487	$0	$0
471	TRUE	Riverside Non-Potable	$619,151	$0	$0	$78,986	$412,768	$0	$0	$0	$0	$0	$127,397	$0	$0
472	TRUE	March East	$513,256	$0	$0	$157,669	$157,669	$0	$0	$40,249	$0	$0	$157,669	$0	$0
474	TRUE	Customer Accounts	$2,070,372	$2,070,372	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
475		Replacement Reserve													
476	TRUE	Riverside Potable	$2,867,805	$0	$284,534	$827,595	$704,508	$0	$34,237	$179,843	$9,493	$0	$827,595	$0	$0
477	TRUE	Riverside Non-Potable	$844,260	$0	$8,382	$162,481	$411,332	$0	$0	$0	$0	$0	$262,066	$0	$0
478	TRUE	March East	$12,061	$0	$1,197	$3,481	$2,963	$0	$144	$756	$40	$0	$3,481	$0	$0
480	TRUE	G&A Allocation	$8,425,034	$0	$0	$0	$0	$0	$0	$0	$8,425,034	$0	$0	$0	$0
481	TRUE	Gravity Line Allocation	$74,016	$0	$0	$24,672	$24,672	$0	$0	$0	$0	$0	$24,672	$0	$0
482	TRUE	Other Operating Expenses	$422,079	$0	$0	$0	$0	$0	$0	$0	$422,079	$0	$0	$0	$0
483	TRUE	Prop Tax Collection	$24,850	$0	$0	$0	$0	$0	$0	$0	$24,850	$0	$0	$0	$0
484	TRUE	Conservation Program	$816,811	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$816,811	$0
485	TRUE	Purchased Power	$3,102,630	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,102,630
486	TRUE	Readiness to Serve Costs	$1,209,891	$0	$0	$0	$0	$1,209,891	$0	$0	$0	$0	$0	$0	$0
487	TRUE	Water Supply	$32,068,063	$0	$0	$0	$0	$0	$0	$0	$0	$32,068,063	$0	$0	$0
488		Operating Reserve Debt Service													
489	TRUE	Riverside Potable	$2,386,359	$0	$236,766	$688,659	$586,235	$0	$28,489	$149,651	$7,900	$0	$688,659	$0	$0
491		Transfer to System Improvement Reserve													
492	TRUE	Riverside Potable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
494	TRUE	Operating Reserve Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
495	TRUE	Retail Billing Interest	($50,585)	($50,585)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
496	TRUE	Delinquent Penalties	($258,281)	$0	$0	$0	$0	$0	$0	$0	($258,281)	$0	$0	$0	$0
497	TRUE	Other - New Service Set Up & Meter Repair	($61,622)	($30,811)	($30,811)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
498	TRUE	Total	$71,585,046	$1,988,975	$500,068	$6,905,964	$7,578,475	$1,209,891	$62,870	$1,265,107	$8,631,114	$32,068,063	$7,455,077	$816,811	$3,102,630
499															
500															

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

FY 2028 Reallocation of General & Administrative Costs														
Categories Applicable		Yes	Yes	Yes	Yes	No	Yes	Yes		No	Yes	No	No	
% of Costs, Prior to Reallocation		8%	2%	27%	29%		0%	5%			29%			
Reallocated General Costs	$0	$666,513	$167,575	$2,314,215	$2,539,576		$21,068	$423,942	($8,631,114)		$2,498,225			
Total, After Reallocation of General Costs	$71,585,046	$2,655,489	$667,642	$9,220,179	$10,118,051	$1,209,891	$83,937	$1,689,050	$0	$32,068,063	$9,953,302	$816,811	$3,102,630	

Cost-of-Service Analysis: FY 2029 Allocation of Revenue Requirement and Reallocation of General & Administrative Costs

			Fixed System Charge				RTS Charge	Fire Protection Services		Split: Commod, Fixed Syst, Fire	Commodity Charge			Pumping Charges
Italics is additional costs from staffing plan														
Revenue Requirement Component		FY 2029 Expenses	Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Service Charge	Public Fire Protection	Public and Private Fire Protection	General & Administrative	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
Source of Supply														
TRUE	Riverside Potable	*$50,291*	$0	$0	$25,146	$0	$0	$0	$0	$0	$0	$25,146	$0	$0
TRUE	Riverside Non-Potable	*$50*	$0	$0	$19	$0	$0	$0	$0	$0	$0	$31	$0	$0
TRUE	March East	*$15,738*	$0	$0	$7,869	$0	$0	$0	$0	$0	$0	$7,869	$0	$0
TRUE	MWD Capacity Charge	$533,650	$0	$0	$266,825	$0	$0	$0	$0	$0	$0	$266,825	$0	$0
Water Pumping														
TRUE	Riverside Potable	*$3,219,120*	$0	$0	$1,073,040	$1,073,040	$0	$0	$0	$0	$0	$1,073,040	$0	$0
TRUE	Riverside Non-Potable	*$1,168,472*	$0	$0	$149,064	$778,981	$0	$0	$0	$0	$0	$240,426	$0	$0
TRUE	March East	*$1,777*	$0	$0	$592	$592	$0	$0	$0	$0	$0	$592	$0	$0
TRUE	Treatment Riv Potable Only	*$327,435*	$0	$0	$0	$0	$0	$0	$0	$0	$0	$327,435	$0	$0
Transmission & Distribution														
TRUE	Riverside Potable	*$11,913,683*	$0	$0	$3,659,809	$3,659,809	$0	$0	$934,257	$0	$0	$3,659,809	$0	$0
TRUE	Riverside Non-Potable	*$646,577*	$0	$0	$82,485	$431,051	$0	$0	$0	$0	$0	$133,040	$0	$0
TRUE	March East	*$535,986*	$0	$0	$164,652	$164,652	$0	$0	$42,031	$0	$0	$164,652	$0	$0
TRUE	Customer Accounts	*$2,162,584*	$2,162,584	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Replacement Reserve														
TRUE	Riverside Potable	$3,011,196	$0	$298,761	$868,975	$739,733	$0	$35,948	$188,835	$9,968	$0	$868,975	$0	$0
TRUE	Riverside Non-Potable	$886,473	$0	$8,801	$170,605	$431,898	$0	$0	$0	$0	$0	$275,169	$0	$0
TRUE	March East	$12,664	$0	$1,257	$3,655	$3,111	$0	$151	$794	$42	$0	$3,655	$0	$0
TRUE	G&A Allocation	*$8,813,987*	$0	$0	$0	$0	$0	$0	$0	$8,813,987	$0	$0	$0	$0
TRUE	Gravity Line Allocation	$77,273	$0	$0	$25,758	$25,758	$0	$0	$0	$0	$0	$25,758	$0	$0
TRUE	Other Operating Expenses	$440,650	$0	$0	$0	$0	$0	$0	$0	$440,650	$0	$0	$0	$0
TRUE	Prop Tax Collection	$25,943	$0	$0	$0	$0	$0	$0	$0	$25,943	$0	$0	$0	$0
TRUE	Conservation Program	$822,634	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$822,634	$0
TRUE	Purchased Power	$3,251,735	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,251,735
TRUE	Readiness to Serve Costs	$1,295,009	$0	$0	$0	$0	$1,295,009	$0	$0	$0	$0	$0	$0	$0
TRUE	Water Supply	$33,692,728	$0	$0	$0	$0	$0	$0	$0	$0	$33,692,728	$0	$0	$0
Operating Reserve Debt Service														
TRUE	Riverside Potable	$2,658,976	$0	$263,815	$767,331	$653,207	$0	$31,744	$166,747	$8,802	$0	$767,331	$0	$0
TRUE	Operating Reserve Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Retail Billing Interest	($51,850)	($51,850)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Delinquent Penalties	($266,030)	$0	$0	$0	$0	$0	$0	$0	($266,030)	$0	$0	$0	$0
TRUE	Other - New Service Set Up & Meter Repair	($61,622)	($30,811)	($30,811)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Total	$75,185,131	$2,079,923	$541,821	$7,265,824	$7,961,832	$1,295,009	$67,843	$1,332,666	$9,033,362	$33,692,728	$7,839,753	$822,634	$3,251,735

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

FY 2029 Reallocation of General & Administrative Costs

Categories Applicable		Yes	Yes	Yes	Yes	No	Yes	Yes		No	Yes	No	No	
% of Costs, Prior to Reallocation		8%	2%	27%	29%		0%	5%			29%			
Reallocated General Costs	$0	$693,574	$180,677	$2,422,873	$2,654,965		$22,623	$444,393	($9,033,362)		$2,614,257			
Total, After Reallocation of General Costs	$75,185,131	$2,773,498	$722,498	$9,688,697	$10,616,798	$1,295,009	$90,466	$1,777,058	$0	$33,692,728	$10,454,010	$822,634	$3,251,735	

Cost-of-Service Analysis: Allocation of Net Plant, Riverside Potable and March East

	Asset Type	Asset Subtype	Net Plant	Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Serve Charge	Public Fire Protection	Public and Private Fire Protection	General	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
TRUE	BLDG		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	EQUIP-MSC		$19,706	$0	$0	$0	$0		$0	$0	$19,706		$0		
TRUE	LAND_IMP		$273,779	$0	$0	$0	$0		$0	$0	$273,779		$0		
TRUE	PLANT		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	PUMP		$7,516,712	$0	$0	$3,758,356	$0		$0	$0	$0		$3,758,356		
TRUE	SRC_SUPP		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	T&D	CTRL-TELE	$564,837	$0	$0	$173,514	$173,514		$0	$44,294	$0		$173,514		
TRUE	T&D	CUSTPD-EXT	$2,603,478	$0	$0	$799,772	$799,772		$0	$204,162	$0		$799,772		
TRUE	T&D	FIREHYDRNT	$1,058,407	$0	$0	$0	$0		$1,058,407	$0	$0		$0		
TRUE	T&D	METER-CONN	$8,796,227	$0	$8,796,227	$0	$0		$0	$0	$0		$0		
TRUE	T&D	PIPELINE	$54,301,053	$0	$0	$16,680,942	$16,680,942		$0	$4,258,226	$0		$16,680,942		
TRUE	T&D	RESERVOIR	$10,638,657	$0	$0	$3,268,129	$3,268,129		$0	$834,271	$0		$3,268,129		
TRUE	T&D	WELLS	$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	T&D	(blank)	$2,790,268	$0	$0	$857,153	$857,153		$0	$218,810	$0		$857,153		
TRUE	WTR_TRT	All Assets	$93,646	$0	$0	$46,823	$0		$0	$0	$0		$46,823		
TRUE	Total		$88,656,771	$0	$8,796,227	$25,584,690	$21,779,510		$1,058,407	$5,559,763	$293,485		$25,584,690		
	Total, as Percent			0%	10%	29%	25%		1%	6%	0%		29%		
	Math Check		$88,656,771												
	Math check = total from asset data pivot table less		$0												

Cost-of-Service Analysis: Allocation of Net Plant, Riverside Non-Potable

	Asset Type	Asset Subtype	Net Plant	Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Serve Charge	Public Fire	Public and Private Fire	General	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
TRUE	BLDG		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	EQUIP-MSC		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	LAND_IMP		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	PLANT		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	PUMP		$2,216,284	$0	$0	$848,208	$0		$0	$0	$0		$1,368,077		
TRUE	SRC_SUPP		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	T&D	CTRL-TELE	$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	T&D	CUSTPD-EXT	$11,441	$0	$0	$1,460	$7,627		$0	$0	$0		$2,354		
TRUE	T&D	FIREHYDRNT Allocate as PIPELINE	$2,835	$0	$0	$362	$1,890		$0	$0	$0		$583		
TRUE	T&D	METER-CONN	$116,790	$0	$116,790	$0	$0		$0	$0	$0		$0		
TRUE	T&D	PIPELINE	$8,216,396	$0	$0	$1,048,182	$5,477,598		$0	$0	$0		$1,690,617		

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

607	TRUE	T&D	RESERVOIR	$826,356	$0	$0	$316,260	$0		$0	$0	$0	$510,096
608	TRUE	T&D	WELLS	$0	$0	$0	$0	$0		$0	$0	$0	$0
609	TRUE	T&D	(blank)	$366,686	$0	$0	$46,779	$244,457		$0	$0	$0	$75,450
610	TRUE	WTR_TRT	All Assets	$7,288	$0	$0	$2,789	$0		$0	$0	$0	$4,499
611	TRUE	Total		$11,764,077	$0	$116,790	$2,264,039	$5,731,572		$0	$0	$0	$3,651,676
612		Total, as Percent			0%	1%	19%	49%		0%	0%	0%	31%
613		Math Check		$11,764,077			Math check = total from asset data pivot table less			$0			

614

615 **Rate Design: FY 2026 Fixed System Charge**

Calculated for Riverside Potable, Riverside Non-Potable, and March East. Applied to Rainbow.

616

		Billing & CS (1)	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Base Capacity
620	Total Allocated Expenses	$2,349,435	$523,395	$8,049,877	$8,877,898	$8,710,325
621	% to Fixed System Charge	100%	100%	80%	80%	0%
622	$ to Fixed System Charge	$2,349,435	$523,395	$6,439,901	$7,102,318	$0
623	Rate Design Basis	Per Customer	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.
624	No. of Billing Determinants	22,528	30,210	30,210	30,210	30,210
625	Unit Cost, $/Month	$8.69	$1.44	$17.76	$19.59	$0.00

626

	FY 2026 Fixed System Charge	Per-Customer Charges	Per-Meter Equivalent Charges	Total
630	5/8"	$8.69	$25.87	$34.56
631	3/4"	$8.69	$38.80	$47.49
632	1"	$8.69	$64.67	$73.36
633	1.5"	$8.69	$129.33	$138.02
634	2"	$8.69	$155.20	$163.89
635	3"	$8.69	$388.00	$396.69
636	4"	$8.69	$776.00	$784.69
637	6"	$8.69	$1,746.00	$1,754.69
638	8"	$8.69	$2,328.00	$2,336.69
639	10"	$8.69	$3,104.00	$3,112.69
640	12"	$8.69	$4,365.00	$4,373.69

641

642

643 (1) Number of customer service billing determinants includes fire service connections, per Western Water staff 1/3/2025.

644

645

646 **Rate Design: FY 2027 Fixed System Charge**

Calculated for Riverside Potable, Riverside Non-Potable, and March East. Applied to Rainbow.

647

		Billing & CS	Meters & Services	Peaking Max Day Extra Capacity	Max Hour Extra Capacity	Base Capacity
651	Total Allocated Expenses	$2,479,538	$549,871	$8,504,583	$9,393,319	$9,203,376
652	% to Fixed System Charge	100%	100%	80%	80%	0%
653	Rate Design Basis	Per Customer	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.
654	No. of Billing Determinants	22,694	30,439	30,439	30,439	30,439
655	Unit Cost, $/Month	$9.10	$1.51	$18.63	$20.57	$0.00

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

FY 2027 Fixed System Charge	Per-Customer Charges	Per-Meter Equivalent Charges	Total
5/8"	$9.10	$27.14	$36.24
3/4"	$9.10	$40.70	$49.81
1"	$9.10	$67.84	$76.95
1.5"	$9.10	$135.68	$144.79
2"	$9.10	$162.82	$171.92
3"	$9.10	$407.04	$416.15
4"	$9.10	$814.09	$823.19
6"	$9.10	$1,831.70	$1,840.80
8"	$9.10	$2,442.27	$2,451.37
10"	$9.10	$3,256.36	$3,265.46
12"	$9.10	$4,579.25	$4,588.35

Rate Design: FY 2028 Fixed System Charge

Calculated for Riverside Potable, Riverside Non-Potable, and March East. Applied to Rainbow.

	Billing & CS	Meters & Services	Peaking Max Day Extra Capacity	Max Hour Extra Capacity	Base Capacity
Total Allocated Expenses	$2,655,489	$667,642	$9,220,179	$10,118,051	$9,953,302
% to Fixed System Charge	100%	100%	80%	80%	0%
Rate Design Basis	Per Customer	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.
No. of Billing Determinants	22,861	30,669	30,669	30,669	30,669
Unit Cost, $/Month	$9.68	$1.81	$20.04	$21.99	$0.00

FY 2028 Fixed System Charge	Per-Customer Charges	Per-Meter Equivalent Charges	Total
5/8"	$9.68	$29.23	$38.91
3/4"	$9.68	$43.85	$53.53
1"	$9.68	$73.08	$82.76
1.5"	$9.68	$146.17	$155.85
2"	$9.68	$175.40	$185.08
3"	$9.68	$438.51	$448.19
4"	$9.68	$877.01	$886.69
6"	$9.68	$1,973.27	$1,982.95
8"	$9.68	$2,631.03	$2,640.71
10"	$9.68	$3,508.04	$3,517.72
12"	$9.68	$4,933.19	$4,942.87

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Rate Design: FY 2029 Fixed System Charge

Calculated for Riverside Potable, Riverside Non-Potable, and March East. Applied to Rainbow.

	Billing & CS	Meters & Services	Peaking Max Day Extra Capacity	Max Hour Extra Capacity	Base Capacity
Total Allocated Expenses	$2,773,498	$722,498	$9,688,697	$10,616,798	$10,454,010
% to Fixed System Charge	100%	100%	80%	80%	0%
Rate Design Basis	Per Customer	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.
No. of Billing Determinants	23,027	30,899	30,899	30,899	30,899
Unit Cost, $/Month	$10.04	$1.95	$20.90	$22.91	$0.00

FY 2029 Fixed System Charge	Per-Customer Charges	Per-Meter Equivalent Charges	Total	2025 Rate	Avg % Incr Per Year
5/8"	$10.04	$30.51	$40.54	$29.09	8.7%
3/4"	$10.04	$45.76	$55.80	$39.99	8.7%
1"	$10.04	$76.27	$86.30	$61.89	8.7%
1.5"	$10.04	$152.53	$162.57	$116.88	8.6%
2"	$10.04	$183.04	$193.08	$139.39	8.5%
3"	$10.04	$457.60	$467.63	$337.20	8.5%
4"	$10.04	$915.19	$925.23	$662.55	8.7%
6"	$10.04	$2,059.18	$2,069.22	$1,479.47	8.7%
8"	$10.04	$2,745.57	$2,755.61	$1,972.04	8.7%
10"	$10.04	$3,660.76	$3,670.80	$2,410.00	11.1%
12"	$10.04	$5,147.94	$5,157.98	$2,954.53	14.9%

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
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Rate Design: Fixed System Charge Phase-In Adjustment

	Adopted	Proposed				Percent Change from Previous Year				
	1/1/2025	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/25 % Chg	7/1/26 % Chg	7/1/27 % Chg	7/1/28 % Chg	Four-Year Avg
Fixed System Charge - Before Phase-In Adjustment										
5/8" Meter	$29.09	$34.56	$36.24	$38.91	$40.54	18.80%	4.86%	7.37%	4.19%	8.65%
3/4" Meter	$39.99	$47.49	$49.81	$53.53	$55.80	18.75%	4.89%	7.47%	4.24%	8.69%
1" Meter	$61.89	$73.36	$76.95	$82.76	$86.30	18.53%	4.89%	7.55%	4.28%	8.67%
1 1/2" Meter	$116.88	$138.02	$144.79	$155.85	$162.57	18.09%	4.91%	7.64%	4.31%	8.60%
2" Meter	$139.39	$163.89	$171.92	$185.08	$193.08	17.58%	4.90%	7.65%	4.32%	8.49%
3" Meter	$337.20	$396.69	$416.15	$448.19	$467.63	17.64%	4.91%	7.70%	4.34%	8.52%
4" Meter	$662.55	$784.69	$823.19	$886.69	$925.23	18.43%	4.91%	7.71%	4.35%	8.71%
6" Meter	$1,479.47	$1,754.69	$1,840.80	$1,982.95	$2,069.22	18.60%	4.91%	7.72%	4.35%	8.75%
8" Meter	$1,972.04	$2,336.69	$2,451.37	$2,640.71	$2,755.61	18.49%	4.91%	7.72%	4.35%	8.72%
10" Meter	$2,410.00	$3,112.69	$3,265.46	$3,517.72	$3,670.80	29.16%	4.91%	7.73%	4.35%	11.09%
12" Meter	$2,954.53	$4,373.69	$4,588.35	$4,942.87	$5,157.98	48.03%	4.91%	7.73%	4.35%	14.95%
Fixed System Charge - After Phase-In Adjustment										
5/8" Meter	$29.09	$31.61	$34.34	$37.31	$40.54	8.66%	8.64%	8.65%	8.66%	8.65%
3/4" Meter	$39.99	$43.46	$47.23	$51.33	$55.80	8.68%	8.67%	8.68%	8.71%	8.69%
1" Meter	$61.89	$67.25	$73.08	$79.41	$86.30	8.66%	8.67%	8.66%	8.68%	8.67%
1 1/2" Meter	$116.88	$126.93	$137.84	$149.69	$162.57	8.60%	8.60%	8.60%	8.60%	8.60%
2" Meter	$139.39	$151.22	$164.05	$177.97	$193.08	8.49%	8.48%	8.49%	8.49%	8.49%
3" Meter	$337.20	$365.92	$397.09	$430.92	$467.63	8.52%	8.52%	8.52%	8.52%	8.52%
4" Meter	$662.55	$720.24	$782.95	$851.12	$925.23	8.71%	8.71%	8.71%	8.71%	8.71%
6" Meter	$1,479.47	$1,608.91	$1,749.67	$1,902.75	$2,069.22	8.75%	8.75%	8.75%	8.75%	8.75%
8" Meter	$1,972.04	$2,144.08	$2,331.13	$2,534.50	$2,755.61	8.72%	8.72%	8.72%	8.72%	8.72%
10" Meter	$2,410.00	$2,677.34	$2,974.33	$3,304.27	$3,670.80	11.09%	11.09%	11.09%	11.09%	11.09%
12" Meter	$2,954.53	$3,396.14	$3,903.76	$4,487.26	$5,157.98	14.95%	14.95%	14.95%	14.95%	14.95%

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Rate Design: Readiness to Serve Charge

		FY 2026	FY 2027	FY 2028	FY 2029	
MWD Readiness to Serve Charge, $/year		$1,143,013	$1,143,013	$1,209,891	$1,295,009	Source: Western Water staff, 1/12/2025
Total Meter Equiv. (Riverside Potable and Non-Potable, March East, Rainbow)		30,267	30,497	30,726	30,956	
Unit Cost, $/Meter Equivalent/Month		$3.15	$3.12	$3.28	$3.49	
Meter Size	FY 2025, effective 7/1/24					
5/8"	$1.70	$2.10	$2.08	$2.19	$2.32	
3/4"	$2.55	$3.15	$3.12	$3.28	$3.49	
1"	$4.24	$5.25	$5.21	$5.47	$5.81	
1.5"	$8.48	$10.49	$10.41	$10.94	$11.62	
2"	$10.18	$12.59	$12.49	$13.13	$13.94	
3"	$25.44	$31.47	$31.23	$32.81	$34.86	
4"	$50.87	$62.94	$62.47	$65.63	$69.72	
6"	$114.46	$141.62	$140.55	$147.66	$156.88	
8"	$152.61	$188.82	$187.40	$196.88	$209.17	
10"	$203.48	$251.76	$249.87	$262.51	$278.89	
12"	$286.15	$354.04	$351.37	$369.15	$392.19	

Rate Design: Reallocation of Public and Private Fire Service Costs

	FY 2026	FY 2027	FY 2028	FY 2029
Public and Private Fire Protection Costs	$1,467,605	$1,546,262	$1,689,050	$1,777,058
Costs Allocated to Public Fire Protection, Paid by Property Tax				
Dollars	$1,184,012	$1,247,469	$1,362,665	$1,433,667
As Percent	80.68%	80.68%	80.68%	80.68%
Costs Allocated to Private Fire Service Connections				
Dollars	$283,594	$298,793	$326,384	$343,391
As Percent	19.32%	19.32%	19.32%	19.32%
Direct Public Fire Protection Costs from COSA, Paid by Property Tax	$66,661	$69,821	$83,937	$90,466

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Rate Design: Private Fire Service Rates

	FY 2026	FY 2027	FY 2028	FY 2029
Billing & Customer Service Portion of Private Fire Service Revenue Requirement				
# of Fire Service Bills per Month	353	353	353	353
Billing & Customer Service Costs, $/Month/Customer (1)	$8.69	$9.10	$9.68	$10.04
Annual Cost Recovery	$36,815	$38,569	$41,005	$42,517
Private Fire Protection Portion of Private Fire Service Revenue Requirement				
Private Fire Service Costs from Cost-of-Service Analysis, $/Month/Fire Protection Equivalent				
Private Fire Service Share of Reallocated Public and Private Fire Service Costs	$283,594	$298,793	$326,384	$343,391
Total	$283,594	$298,793	$326,384	$343,391
Number of Fire Protection Equivalents	100,899	100,899	100,899	100,899
Unit Cost, $/Month/Fire Protection Equivalent	$0.23	$0.25	$0.27	$0.28

Pipe		Monthly Private Fire Service Rate			
Diameter	Current	FY 2026	FY 2027	FY 2028	FY 2029
3"	$11.72	$12.90	$13.54	$14.53	$15.14
4"	$16.46	$17.67	$18.56	$20.01	$20.90
6"	$33.47	$34.76	$36.57	$39.69	$41.61
8"	$62.80	$64.25	$67.64	$73.62	$77.31
10"	$106.92	$108.61	$114.37	$124.67	$131.02
12"	$168.08	$170.08	$179.14	$195.42	$205.46

(1) Per Western water staff, 1/3/2025, Billing & Customer Service costs also are applicable to fire protection.

Rate Design: Pumping Costs ($/Year)

	2025 Rates, w/	Projected Pumping Costs, $/Year			
Power Zone	2026 hcf	FY 2026	FY 2027	FY 2028	FY 2029
Riverside Potable and March East, Fund 20					
101	$0	$0	$0	$0	$0
102	$405,124	$422,629	$446,098	$469,910	$494,067
103	$474,338	$514,996	$562,278	$614,857	$672,849
104	$619,947	$633,984	$650,733	$670,082	$689,695
105	$320,259	$342,040	$367,887	$395,757	$425,692
Subtotal	$1,819,669	$1,913,649	$2,026,996	$2,150,605	$2,282,304
Riverside Non-Potable, Fund 20					
201	$41,278	$41,278	$41,278	$41,278	$41,278
202	$387,897	$387,897	$387,897	$387,897	$387,897
203	$99,996	$106,646	$114,009	$121,610	$129,923
204	$0	$0	$0	$0	$0
205	$192,558	$192,558	$192,558	$192,558	$192,558
206	$182,958	$191,163	$199,591	$208,683	$217,776
207	$0	$0	$0	$0	$0
Subtotal	$904,686	$919,542	$935,332	$952,025	$969,431
Rainbow, Fund 24, Power Zone 106, all hcf	$4,375	$4,948	$5,594	$6,333	$7,167

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Rate Design: Pumping Charges ($/hcf)

	Projected Pumping Charges, $/hcf				
Power Zone	FY 2026	FY 2027	FY 2028	FY 2029	
Riverside Potable, Fund 20; March East, Fund 22					
101	$0.000	$0.000	$0.000	$0.000	Source: Western Water, 1/09/2025
102	$0.169	$0.177	$0.185	$0.193	Source: Western Water, 1/09/2025
103	$0.228	$0.247	$0.268	$0.291	Source: Western Water, 1/09/2025
104	$0.271	$0.276	$0.282	$0.288	Source: Western Water, 1/09/2025
105	$0.848	$0.905	$0.966	$1.031	Source: Western Water, 1/09/2025
Riverside Non-Potable, Fund 21					
201	$0.409	$0.409	$0.409	$0.409	Source: Western Water, 1/09/2025
202	$0.506	$0.506	$0.506	$0.506	Source: Western Water, 1/09/2025
203	$0.449	$0.480	$0.512	$0.547	Source: Western Water, 1/09/2025
204	$0.337	$0.338	$0.338	$0.339	Source: Western Water, 1/09/2025
205	$0.699	$0.699	$0.699	$0.699	Source: Western Water, 1/09/2025
206	$0.862	$0.900	$0.941	$0.982	Source: Western Water, 1/09/2025
207	$0.288	$0.297	$0.306	$0.315	Source: Western Water, 1/09/2025
Rainbow, Fund 24, Power Zone 106, all hcf	$0.475	$0.537	$0.608	$0.688	Source: Western Water, 1/09/2025

Rate Design: Water Delivery Unit Costs, $/hcf

	FY 2026	FY 2027	FY 2028	FY 2029
Base Capacity Costs	$8,710,325	$9,203,376	$9,953,302	$10,454,010
Percent Included in Commodity Charge	100%	100%	100%	100%
Base Capacity Costs Included in Commodity Charge	$8,710,325	$9,203,376	$9,953,302	$10,454,010
Peaking Costs (Max Day and Max Hour Extra Capacity Costs)	$16,927,775	$17,897,902	$19,338,230	$20,305,495
Percent Included in Commodity Charge	20%	20%	20%	20%
Peaking Costs Included in Commodity Charge	$3,385,555	$3,579,580	$3,867,646	$4,061,099
Total Base Capacity and Peaking Costs Included in Commodity Charge	$12,095,880	$12,782,956	$13,820,948	$14,515,109
Water Sales, hcf/year	9,669,260	9,732,377	9,795,998	9,860,128
Water Delivery Unit Cost, $/hcf	$1.25	$1.31	$1.41	$1.47

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Rate Design: Water Supply Sources, Water Supply Unit Costs ($/AF), and Water Supply Costs ($ per Year)

	FY 2026	FY 2027	FY 2028	FY 2029	
Riverside Potable Water Supply					
Projected Water Sales, hcf	7,889,553	7,952,670	8,016,291	8,080,421	
Projected Water Sales, AF	18,112	18,257	18,403	18,550	
Water Loss, %	4.30%	4.30%	4.30%	4.30%	Water Loss Source, Riverside Potable: Western Water staff, 11/21/24.
Projected Water Supply, AF	18,926	19,077	19,230	19,384	
March East Water Supply					
March East Water Sales, hcf	177,427	177,427	177,427	177,427	
March East Water Supply, AF (0% Non-Revenue)	407	407	407	407	Source: 11/20/24 remote meeting.
Combined Riverside Potable and March East Water Supply					
Projected Water Sales, hcf	8,066,980	8,130,096	8,193,718	8,257,848	
Projected Non-Revenue Water, hcf	354,494	357,330	360,189	363,070	
Projected Water Supply, hcf	8,421,474	8,487,426	8,553,906	8,620,918	
Projected Non-Revenue Water, as %	4.209%	4.210%	4.211%	4.212%	
Potable Water Supply Sources, AF per Year (Riverside Potable and March East)					
Elsinore Water	4,500	4,500	4,500	4,500	Source: Western Water staff, 1/9/2025
Meeks & Daley (M&D)	227	227	227	227	Source: Western Water staff, 1/9/2025
SBBA - Western Owned			723	723	Source: Western Water staff, 1/9/2025
RPU-Owned	723	723			Source: Western Water staff, 1/9/2025
Combined Desalter	1,070	1,070	1,070	1,070	Source: Western Water staff, 1/9/2025
MWD Treated	12,813	12,964	13,117	13,271	Source: Western Water staff, 1/9/2025
Total	19,333	19,484	19,637	19,791	
Combined Riverside Potable and March East Water Supply Source Volumes Sold to Customers, hcf/year					
Elsinore Water	1,877,687	1,877,673	1,877,660	1,877,646	
Meeks & Daley (M&D)	94,719	94,718	94,718	94,717	
SBBA - Western Owned	0	0	301,677	301,675	
RPU-Owned	301,682	301,680	0	0	
Combined Desalter	446,472	446,469	446,466	446,463	
MWD Treated	5,346,420	5,409,556	5,473,197	5,537,347	
Total	8,066,980	8,130,096	8,193,718	8,257,848	
Potable Water Supply Sources, Unit Costs, $/AF					
Elsinore Water, Net of Subsidy	$706.00	$734.00	$763.36	$793.89	Source: Western Water staff, 1/9/24. FY 2028 and 2029 2/6/2025
Meeks & Daley (M&D)	$723.89	$752.89	$783.30	$814.95	Source: Western Water staff, 1/9/24. FY 2028 and 2029 2/6/2025
SBBA - Western Owned	$960.18	$988.18	$1,017.54	$1,048.07	Source: Western Water staff, 1/9/24. FY 2028 and 2029 2/6/2025
RPU-Owned	$977.89	$1,014.89	$1,055.78	$1,098.33	Source: Western Water staff, 1/9/24. FY 2028 and 2029 2/6/2025
Combined Desalter	$1,449.53	$1,580.89	$1,688.98	$1,757.14	Source: Western Water staff, 1/9/24. FY 2028 and 2029 2/6/2025
MWD Treated	$1,449.53	$1,580.89	$1,688.98	$1,757.14	Source: Western Water staff, 1/9/24. FY 2028 and 2029 2/6/2025

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939	Potable Water Supply Cost, $/Year					
940	Elsinore Water	$3,177,000	$3,303,000	$3,435,120	$3,572,505	
941	Meeks & Daley (M&D)	164,323	170,906	177,809	184,994	
942	SBBA - Western Owned	0	0	735,681	757,755	
943	RPU-Owned	707,014	733,765	0	0	
944	Combined Desalter	1,550,997	1,691,552	1,807,209	1,880,140	
945	MWD Treated	18,572,892	20,495,369	22,154,464	23,318,838	
946	Total	$24,172,226	$26,394,593	$28,310,283	$29,714,231	
947	Riverside Non-Potable Supply: Projected Water Sales and Water Loss Percentages					
948	North System					
949	Projected Water Sales, hcf (Power Zones 201, 202, 203, 207)	1,105,037	1,105,037	1,105,037	1,105,037	Power zones in North System per Western Water staff, 1/13/2025.
950	Projected Water Sales, AF	2,537	2,537	2,537	2,537	
951	Water Loss, North System, %	22.2%	22.2%	22.2%	22.2%	Water Loss Source, Riverside Potable: Western Water staff, 11/21/24.
952	Projected Non-Revenue Water, AF	724	724	724	724	
953	Projected Water Supply, AF	3,261	3,261	3,261	3,261	
954	South System					
955	Projected Water Sales, hcf (Power Zones 204, 205, 206)	497,244	497,244	497,244	497,244	
956	Projected Water Sales, AF	1,142	1,142	1,142	1,142	
957	Water Loss, North System, %	8.7%	8.7%	8.7%	8.7%	Water Loss Source, Riverside Non-Potable: Western Water staff, 11/21/24.
958	Projected Non-Revenue Water, AF	109	109	109	109	
959	Projected Water Supply, AF	1,250	1,250	1,250	1,250	
960	Total Non-Potable Projected Water Supply, AF	4,511	4,511	4,511	4,511	
961						
962	Non-Potable Water Supply Sources, AF per Year					
963	RPU-Owned	525	525	525	525	Source: Western Water, 1/9/2025
964	Elsinore Water - Palm Well Lease	950	950	950	950	Source: Western Water, 1/9/2025
965	WWRF Recycled Water	1,471	1,471	1,471	1,471	Source: Western Water, 1/9/2025
966	MWD Untreated	1,565	1,565	1,565	1,565	
967	Total	4,511	4,511	4,511	4,511	
968						
969	Non-Potable Water Supply Sold to Customers from Each Source					
970	RPU-Owned	186,478	186,478	186,478	186,478	
971	Elsinore Water - Palm Well Lease	337,436	337,436	337,436	337,436	
972	WWRF Recycled Water	522,493	522,493	522,493	522,493	
973	MWD Untreated	555,874	555,874	555,874	555,874	
974	Total	1,602,280	1,602,280	1,602,280	1,602,280	
976						
977	Non-Potable Water Supply Sources, Unit Costs, $/AF					
978	RPU-Owned	$213.53	$224.49	$236.01	$248.12	Source: Western Water staff, 1/31/2025
979	Elsinore Water - Palm Well Lease	$166.55	$173.63	$181.00	$188.69	Source: Western Water staff, 12/28/24
980	WWRF Recycled Water	$937.20	$1,029.15	$1,140.30	$1,208.50	Source: Western Water staff, 12/28/24
981	MWD Untreated	$937.20	$1,029.15	$1,140.30	$1,208.50	Source: Western Water staff, 12/28/24
982						
983	Non-Potable Water Supply Cost, $/Year					
984	RPU-Owned	$112,103	$117,857	$123,905	$130,263	
985	Elsinore Water - Palm Well Lease	$158,223	$164,949	$171,950	$179,256	
986	WWRF Recycled Water	$1,378,621	$1,513,880	$1,677,381	$1,777,704	
987	MWD Untreated	$1,466,697	$1,610,597	$1,784,544	$1,891,275	
988	Total	$3,115,644	$3,407,282	$3,757,781	$3,978,497	

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Rate Design: FY 2026 Water Supply Component of Commodity Charge, $/hcf

Riverside and March East Potable		Projected 2026 Water Sales, hcf	hcf Sold With Supply From Each of the Following Sources: Elsinore Water	Meeks & Daley	SBBA	RPU-Owned	Desalter and MWD
Tier 1		2,757,239	1,801,044	90,853	0	289,368	575,974
Tier 2		3,992,629					3,992,629
Tier 3		411,716					411,716
Tier 4		576,120					576,120
Agriculture	gets share of local supplies	151,849	35,345	1,783	0	5,679	109,043
March East	gets share of local supplies	177,427	41,298	2,083	0	6,635	127,410
Total		8,066,980	1,877,687	94,719	0	301,682	5,792,892

Riverside and March East Potable		Projected 2026 Water Sales, hcf	Water Supply Cost From Each of the Following Sources: Elsinore Water	Meeks & Daley	SBBA	RPU-Owned	Desalter and MWD	Total Cost	Unit Cost, $/hcf
Tier 1		2,757,239	$3,047,322	$157,616		$678,156	$2,000,872	$5,883,966	$2.13
Tier 2		3,992,629					13,869,968	13,869,968	$3.47
Tier 3		411,716					1,430,258	1,430,258	$3.47
Tier 4		576,120					2,001,378	2,001,378	$3.47
Agriculture	gets share of local supplies	151,849	59,802	3,093		13,309	378,803	455,007	$3.00
March East	gets share of local supplies	177,427	69,876	3,614		15,550	442,609	531,648	$3.00
Total		8,066,980	$3,177,000	$164,323	$0	$707,014	$20,123,889	$24,172,226	
Math Check								TRUE	

Riverside Non-Potable	Projected 2026 Water Sales, hcf	hcf From Each of the Following Sources: RPU-Owned	Elsinore Owned-Palm Well			WWRF Recycled Water	MWD Untreated
Landscape	992,468						
Agriculture	609,812						
Total	1,602,280	186,478	337,436	0	0	522,493	555,874

Riverside Non-Potable	Projected 2026 Water Sales, hcf	Cost From Each of the Following Sources: RPU-Owned	Elsinore Owned-Palm Well			WWRF Recycled Water	MWD Untreated	Total Cost	Unit Cost, $/hcf
Landscape	992,468								
Agriculture	609,812								
Total	1,602,280	$112,103	$158,223	$0	$0	$1,378,621	$1,466,697	$3,115,644	$1.94
								TRUE	

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Rate Design: FY 2027 Water Supply Component of Commodity Charge, $/hcf

Riverside and March East Potable		Projected 2027 Water Sales, hcf	hcf Sold With Supply From Each of the Following Sources: Elsinore Water	Meeks & Daley	SBBA	RPU-Owned	Desalter and MWD
Tier 1		2,779,297	1,801,345	90,868	0	289,416	597,667
Tier 2		4,024,570					4,024,570
Tier 3		415,010					415,010
Tier 4		580,729					580,729
Agriculture	gets share of local supplies	153,064	35,351	1,783	0	5,680	110,250
March East	gets share of local supplies	177,427	40,977	2,067	0	6,584	127,799
Total		8,130,096	1,877,673	94,718	0	301,680	5,856,025

Riverside and March East Potable		Projected 2027 Water Sales, hcf	Water Supply Cost From Each of the Following Sources: Elsinore Water	Meeks & Daley	SBBA	RPU-Owned	Desalter and MWD	Total Cost	Unit Cost, $/hcf
Tier 1		2,779,297	$3,168,732	$163,959		$703,938	$2,264,402	$6,301,030	$2.27
Tier 2		4,024,570					15,248,027	15,248,027	$3.79
Tier 3		415,010					1,572,362	1,572,362	$3.79
Tier 4		580,729					2,200,226	2,200,226	$3.79
Agriculture	gets share of local supplies	153,064	62,185	3,218		13,814	417,710	496,927	$3.25
March East	gets share of local supplies	177,427	72,083	3,730		16,013	484,195	576,021	$3.25
Total		8,130,096	$3,303,000	$170,906	$0	$733,765	$22,186,921	$26,394,593	
Math Check								TRUE	

Riverside Non-Potable	Projected 2027 Water Sales, hcf	hcf From Each of the Following Sources: RPU-Owned	Elsinore Owned-Palm Well			WWRF Recycled Water	MWD Untreated
Landscape	992,468						
Agriculture	609,812						
Total	1,602,280	186,478	337,436	0	0	522,493	555,874

Riverside Non-Potable	Projected 2027 Water Sales, hcf	Cost From Each of the Following Sources: RPU-Owned	Elsinore Owned-Palm Well			WWRF Recycled Water	MWD Untreated	Total Cost	Unit Cost, $/hcf
Landscape	992,468								
Agriculture	609,812								
Total	1,602,280	$117,857	$164,949	$0	$0	$1,513,880	$1,610,597	$3,407,282	$2.13
								TRUE	

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Rate Design: FY 2028 Water Supply Component of Commodity Charge, $/hcf

Riverside and March East Potable		Projected 2028 Water Sales, hcf	hcf Sold With Supply From Each of the Following Sources: Elsinore Water	Meeks & Daley	SBBA	RPU-Owned	Desalter and MWD
Tier 1		2,801,531	1,801,644	90,883	289,464	0	619,540
Tier 2		4,056,767					4,056,767
Tier 3		418,330					418,330
Tier 4		585,374					585,374
Agriculture	gets share of local supplies	154,289	35,357	1,784	5,681	0	111,468
March East	gets share of local supplies	177,427	40,659	2,051	6,533	0	128,184
Total		8,193,718	1,877,660	94,718	301,677	0	5,919,663

Riverside and March East Potable		Projected 2028 Water Sales, hcf	Water Supply Cost From Each of the Following Sources: Elsinore Water	Meeks & Daley	SBBA	RPU-Owned	Desalter and MWD	Total Cost	Unit Cost, $/hcf
Tier 1		2,801,531	$3,296,052	$170,611	$705,898		$2,507,778	$6,680,339	$2.38
Tier 2		4,056,767					16,421,022	16,421,022	$4.05
Tier 3		418,330					1,693,321	1,693,321	$4.05
Tier 4		585,374					2,369,484	2,369,484	$4.05
Agriculture	gets share of local supplies	154,289	64,684	3,348	13,853		451,201	533,086	$3.46
March East	gets share of local supplies	177,427	74,384	3,850	15,930		518,866	613,030	$3.46
Total		8,193,718	$3,435,120	$177,809	$735,681	$0	$23,961,672	$28,310,283	
Math Check								TRUE	

Riverside Non-Potable	Projected 2028 Water Sales, hcf	hcf From Each of the Following Sources: RPU-Owned	Elsinore Owned-Palm Well			WWRF Recycled Water	MWD Untreated
Landscape	992,468						
Agriculture	609,812						
Total	1,602,280	186,478	337,436	0	0	522,493	555,874

Riverside Non-Potable	Projected 2028 Water Sales, hcf	Cost From Each of the Following Sources: RPU-Owned	Elsinore Owned-Palm Well			WWRF Recycled Water	MWD Untreated	Total Cost	Unit Cost, $/hcf
Landscape	992,468								
Agriculture	609,812								
Total	1,602,280	$123,905	$171,950	$0	$0	$1,677,381	$1,784,544	$3,757,781	$2.35
								TRUE	

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Rate Design: FY 2029 Water Supply Component of Commodity Charge, $/hcf

Riverside and March East Potable		Projected 2029 Water Sales, hcf	hcf Sold With Supply From Each of the Following Sources: Elsinore Water	Meeks & Daley	SBBA	RPU-Owned	Desalter and MWD
Tier 1		2,823,943	1,801,941	90,898	289,512	0	641,593
Tier 2		4,089,221					4,089,221
Tier 3		421,677					421,677
Tier 4		590,057					590,057
Agriculture	gets share of local supplies	155,523	35,362	1,784	5,682	0	112,695
March East	gets share of local supplies	177,427	40,343	2,035	6,482	0	128,567
Total		8,257,848	1,877,646	94,717	301,675	0	5,983,810

Riverside and March East Potable		Projected 2029 Water Sales, hcf	Water Supply Cost From Each of the Following Sources: Elsinore Water	Meeks & Daley	SBBA	RPU-Owned	Desalter and MWD	Total Cost	Unit Cost, $/hcf
Tier 1		2,823,943	$3,428,465	$177,535	$727,203		$2,701,870	$7,035,072	$2.49
Tier 2		4,089,221					17,220,499	17,220,499	$4.21
Tier 3		421,677					1,775,762	1,775,762	$4.21
Tier 4		590,057					2,484,845	2,484,845	$4.21
Agriculture	gets share of local supplies	155,523	67,282	3,484	14,271		474,581	559,618	$3.60
March East	gets share of local supplies	177,427	76,758	3,975	16,281		541,421	638,435	$3.60
Total		8,257,848	$3,572,505	$184,994	$757,755	$0	$25,198,978	$29,714,231	
Math Check								TRUE	

Riverside Non-Potable	Projected 2029 Water Sales, hcf	hcf From Each of the Following Sources: RPU-Owned	Elsinore Owned-Palm Well			WWRF Recycled Water	MWD Untreated
Landscape	992,468						
Agriculture	609,812						
Total	1,602,280	186,478	337,436	0	0	522,493	555,874

Riverside Non-Potable	Projected 2029 Water Sales, hcf	Cost From Each of the Following Sources: RPU-Owned	Elsinore Owned-Palm Well			WWRF Recycled Water	MWD Untreated	Total Cost	Unit Cost, $/hcf
Landscape	992,468								
Agriculture	609,812								
Total	1,602,280	$130,263	$179,256	$0	$0	$1,777,704	$1,891,275	$3,978,497	$2.48
								TRUE	

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Rate Design: Efficiency Component of Commodity Charge ($/hcf) and Effeciency Expenses ($/year)

	Projected Water Sales, hcf/year				Projected Efficiency Component of Commodity Charge, $/hcf				Projected Efficiency Revenues, $/Year			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029
Riverside Potable												
Tier 1	2,757,239	2,779,297	2,801,531	2,823,943								
Tier 2	3,992,629	4,024,570	4,056,767	4,089,221								
Tier 3	411,716	415,010	418,330	421,677	$0.49	$0.49	$0.49	$0.49	$201,741	$203,355	$204,982	$206,622
Tier 4	576,120	580,729	585,374	590,057	$0.88	$0.88	$0.88	$0.88	$506,985	$511,041	$515,129	$519,250
Agriculture	151,849	153,064	154,289	155,523	$0.05	$0.05	$0.05	$0.05	$7,592	$7,653	$7,714	$7,776
March East	177,427	177,427	177,427	177,427	$0.05	$0.05	$0.05	$0.05	$8,871	$8,871	$8,871	$8,871
Riverside Non-Potable												
Landscape	992,468	992,468	992,468	992,468	$0.05	$0.05	$0.05	$0.05	$49,623	$49,623	$49,623	$49,623
Agriculture	609,812	609,812	609,812	609,812	$0.05	$0.05	$0.05	$0.05	$30,491	$30,491	$30,491	$30,491
Rainbow	10,417	10,417	10,417	10,417								

Rate Design: Property Tax Offset to Potable Tier 1 and 2, Non-Potable, and Ag Customers

	Projected Water Sales, hcf/year				Projected Property Tax Offset of Commodity Charge, $/hcf				Projected Property Tax Offset, $/Year			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029
Riverside Potable												
Tier 1	2,757,239	2,779,297	2,801,531	2,823,943	$0.998	$1.003	$1.004	$1.012	$2,751,568	$2,787,309	$2,813,571	$2,856,764
Tier 2	3,992,629	4,024,570	4,056,767	4,089,221	$0.998	$1.003	$1.004	$1.012	$3,984,418	$4,036,173	$4,074,201	$4,136,747
Tier 3	411,716	415,010	418,330	421,677								
Tier 4	576,120	580,729	585,374	590,057								
Agriculture	151,849	153,064	154,289	155,523	$0.998	$1.003	$1.004	$1.012	$151,537	$153,505	$154,952	$157,330
March East	177,427	177,427	177,427	177,427								
Riverside Non-Potable												
Landscape	992,468	992,468	992,468	992,468	$0.998	$1.003	$1.004	$1.012	$990,427	$995,329	$996,733	$1,004,003
Agriculture	609,812	609,812	609,812	609,812	$0.998	$1.003	$1.004	$1.012	$608,558	$611,570	$612,433	$616,900
Rainbow	10,417	10,417	10,417	10,417								
Total (From Dashboard)									$8,486,509	$8,583,887	$8,651,890	$8,771,744

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Rate Design: FY 2026 Commodity Charge, $/hcf (Before Phase-In Adjustment)

	Water Supply	Water Delivery	Efficiency	Property Tax Offset	Total
Riverside Potable					
Tier 1	$2.134	$1.251		($0.998)	$2.387
Tier 2	$3.474	$1.251		($0.998)	$3.727
Tier 3	$3.474	$1.251	$0.490		$5.215
Tier 4	$3.474	$1.251	$0.880		$5.605
Agriculture	$2.996	$1.251	$0.050	($0.998)	$3.299
March East	$2.996	$1.251	$0.050		$4.297
Riverside Non-Potable					
Landscape	$1.945	$1.251	$0.050	($0.998)	$2.248
Agriculture	$1.945	$1.251	$0.050	($0.998)	$2.248

Rate Design: FY 2027 Commodity Charge, $/hcf (Before Phase-In Adjustment)

	Water Supply	Water Delivery	Efficiency	Property Tax Offset	Total
Riverside Potable					
Tier 1	$2.27	$1.31		($1.00)	$2.58
Tier 2	$3.79	$1.31		($1.00)	$4.10
Tier 3	$3.79	$1.31	$0.49		$5.59
Tier 4	$3.79	$1.31	$0.88		$5.98
Agriculture	$3.25	$1.31	$0.05	($1.00)	$3.61
March East	$3.25	$1.31	$0.05		$4.61
Riverside Non-Potable					
Landscape	$2.13	$1.31	$0.05	($1.00)	$2.49
Agriculture	$2.13	$1.31	$0.05	($1.00)	$2.49

Rate Design: FY 2028 Commodity Charge, $/hcf (Before Phase-In Adjustment)

	Water Supply	Water Delivery	Efficiency	Property Tax Offset	Total
Riverside Potable					
Tier 1	$2.38	$1.41		($1.00)	$2.79
Tier 2	$4.05	$1.41		($1.00)	$4.45
Tier 3	$4.05	$1.41	$0.49		$5.95
Tier 4	$4.05	$1.41	$0.88		$6.34
Agriculture	$3.46	$1.41	$0.05	($1.00)	$3.91
March East	$3.46	$1.41	$0.05		$4.92
Riverside Non-Potable					
Landscape	$2.35	$1.41	$0.05	($1.00)	$2.80
Agriculture	$2.35	$1.41	$0.05	($1.00)	$2.80

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

Rate Design: FY 2029 Commodity Charge, $/hcf (Before Phase-In Adjustment)

	Water Supply	Water Delivery	Efficiency	Property Tax Offset	Total
Riverside Potable					
Tier 1	$2.49	$1.47		($1.01)	$2.95
Tier 2	$4.21	$1.47		($1.01)	$4.67
Tier 3	$4.21	$1.47	$0.49		$6.17
Tier 4	$4.21	$1.47	$0.88		$6.56
Agriculture	$3.60	$1.47	$0.05	($1.01)	$4.11
March East	$3.60	$1.47	$0.05		$5.12
Riverside Non-Potable					
Landscape	$2.48	$1.47	$0.05	($1.01)	$2.99
Agriculture	$2.48	$1.47	$0.05	($1.01)	$2.99

Rate Design: Tier 1 and Tier 2 Phase-In Adjustment

	Commodity Charge, $/hcf					% Increase Over Previous Year				
	1/1/2025	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/25 % Chg	7/1/26 % Chg	7/1/27 % Chg	7/1/28 % Chg	Four-Year Avg
Before Phase-In Adjustment										
Tier 1	$2.092	$2.390	$2.580	$2.790	$2.950	14.245%	7.950%	8.140%	5.735%	8.972%
Tier 2	$3.592	$3.730	$4.100	$4.450	$4.670	3.842%	9.920%	8.537%	4.944%	6.781%
After Phase-In Adjustment										
Tier 1	$2.092	$2.280	$2.480	$2.700	$2.950	8.987%	8.772%	8.871%	9.259%	8.972%
Tier 2	$3.592	$3.840	$4.100	$4.380	$4.670	6.904%	6.771%	6.829%	6.621%	6.781%

Rate Design: Rainbow Commodity Charge and Property Tax Subsidy

	Current	Projected FY 2026	FY 2027	FY 2028	FY 2029	
Calculation of Commodity Charge						
Median Monthly Water Bill	$139.64	$150.26	$160.77	$172.51	$184.93	3/4" Meter, 25 hcf/month. Fixed System Charge, RTS Charge, Commodity Charge
Monthly Fixed System Charge for 3/4" Meter After Phase-In		$43.46	$47.23	$51.33	$55.80	Fixed System Charge after Phase-In and Readiness to Serve Charge
Readiness to Serve Charge for a 3/4" Meter		$3.15	$3.12	$3.28	$3.49	
Pumping Charges for Median Customer		$11.88	$13.43	$15.20	$17.20	
Commodity Charges for Median Customer		$91.77	$97.00	$102.70	$108.44	
Commodity Charge per hcf		$3.67	$3.88	$4.11	$4.34	
Calculate Purchased Water Cost						
Water Supply, hcf/year		10,417	10,417	10,417	10,417	
Water Loss, %		23.00%	23.00%	23.00%	23.00%	Water Loss Source, Rainbow: Western Water staff, 11/21/24.
Projected Water Supply, hcf/year		13,528	13,528	13,528	13,528	
Projected Water Supply, AF/year		31.06	31.06	31.06	31.06	
MWD Unit Costs, $/AF		$1,450	$1,581	$1,689	$1,757	Source: Western Water staff, 1/9/2025

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Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

1290	Purchased Water Cost, $/year	$45,017	$49,097	$52,454	$54,570
1293	Rainbow Revenue Requirement				
1294	Purchased Water Cost	$45,017	$49,097	$52,454	$54,570
1295	Source of Supply	$132,753	$138,594	$144,692	$151,058
1296	MWD Capacity Charge	$0	$0	$0	$0
1297	Water Pumping	$18,454	$19,266	$20,114	$20,999
1298	Treatment	$0	$0	$0	$0
1299	Transmission & Distribution	$16,144	$16,854	$17,596	$18,370
1300	Customer Accounts	$204	$213	$222	$232
1301	Replacement Reserve	$15,803	$16,593	$17,340	$18,120
1302	G&A Allocation	$4,957	$5,175	$5,403	$5,641
1303	Gravity Line Allocation	$0	$0	$0	$0
1304	Other Operating Expenses	$1,703	$1,778	$1,856	$1,938
1305	Additional Costs from Staffing Plan		$473	$1,158	$1,239
1306	Prop Tax Collection	$390	$407	$425	$444
1307	Rainbow Conservation Programs	$0	$0	$0	$0
1308	Purchased Power: Rainbow	$4,948	$5,594	$6,333	$7,167
1309	RTS: Rainbow	$2,165	$2,149	$2,258	$2,398
1310	Debt Service: Rainbow Operating Reserve	$0	$27,068	$36,302	$43,458
1311	CIFP: Rainbow Operating Reserve	$0	$0	$0	$0
1312	Capital Project Offsets: Rainbow Operating Reserve	$0	$0	$0	$0
1313	Tranfser: Operating Reserve to System Improvement Reserve	$0	$0	$0	$0
1314	Interest Income, Rainbow Retail Billing	($30)	($31)	($32)	($32)
1315	Delinquent Penalties	($459)	($473)	($487)	($502)
1316	Other - New Service Set Up & Meter Repair	($102)	($102)	($102)	($102)
1317	Total	$241,947	$282,655	$305,532	$324,998
1318					
1319	Projected Rate Revenues				
1320	Fixed System Charge, Before Phase In				
1321	5/8"	$0	$0	$0	$0
1322	3/4"	$14,247	$14,943	$16,059	$16,739
1323	1"	$11,444	$12,004	$12,911	$13,463
1324	1.5"	$3,313	$3,475	$3,740	$3,902
1325	2"	$1,967	$2,063	$2,221	$2,317
1326	Fixed System Charge, After Phase In				
1327	5/8"	$0	$0	$0	$0
1328	3/4"	$13,038	$14,169	$15,399	$16,740
1329	1"	$10,491	$11,400	$12,388	$13,463
1330	1.5"	$3,046	$3,308	$3,593	$3,902
1331	2"	$1,815	$1,969	$2,136	$2,317
1332	Readiness to Serve Charge				
1333	5/8"	$0	$0	$0	$0
1334	3/4"	$944	$937	$984	$1,046
1335	1"	$818	$812	$853	$906
1336	1.5"	$252	$250	$263	$279
1337	2"	$151	$150	$158	$167
1338	Private Fire Service Charge				
1339	8"	$1,542	$1,623	$1,767	$1,855
1340	Commodity Charge	$38,238	$40,417	$42,792	$45,184

Appendix H
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Riverside Water Service Area: Cost-of-Service Analysis and Rate Design Calculations

1341	Total	$70,335	$75,035	$80,332	$85,860
1342					
1343	Property Tax Subsidy	$171,612	$207,620	$225,200	$239,139

Section 13

Appendix I: Murrieta Water Service Area Revenue Requirement Calculations

APPENDIX I
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
MURRIETA WATER SERVICE AREA: Revenue Requirement Analysis

Table MURRIETA-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	Murrieta Water Operating	23	RES 00	$1,048,761	$1,080,586	$1,245,165	$1,505,683
3	Murrieta Water Capacity Charge	23	RES 01	$437,237	$1,407,039	$2,165,718	$1,921,492
4	Murrieta Water Distribution System Fee	23	RES 03	$283,219	$290,299	$297,557	$304,996
5	Murrieta Water System Improvement	23	RES 04	$138,616	$138,616	$138,616	$138,616
6	Murrieta Water Asset Replacement	23	RES 05	$2,997,435	$3,660,689	$4,119,940	$2,621,559
7	Murrieta Water: Water Conservation	23	RES 09	$837,992	$837,992	$837,992	$837,992
8							
9	**Sources of Funds**						
10	Rate Revenues						
11	Fixed System Charge: Murrieta Water	23	RES 00	2,321,736	2,575,572	2,807,570	3,027,569
12	Private Fire Service Fixed: Murrieta Water	23	RES 00	262,635	277,047	294,515	307,848
13	Murrieta Water Commodity Charge						
14	Revenues, Not Including Efficiency Component	23	RES 00	3,778,837	4,272,622	4,964,514	5,468,302
15	Efficiency Component	23	RES 09	$78,697	$83,520	$91,198	$94,661
16	Pumping Charges: Murrieta Water	23	RES 00	$47,014	$52,941	$61,552	$67,990
17							
18	Capacity Charge Revenues						
19	Capacity Charges: Murrieta Water	23	RES 01	$997,761	$997,761	$60,987	$61,108
20							
21	Interest Income						
22	Murrieta Water Operating	23	RES 00				
23	Murrieta Water Capacity Charge	23	RES 01	$10,931	$35,176	$54,143	$48,037
24	Murrieta Water Distribution System Fee	23	RES 03	$7,080	$7,257	$7,439	$7,625
25	Murrieta Water System Improvement	23	RES 04				
26	Murrieta Water Asset Replacement	23	RES 05	$74,936	$91,517	$102,998	$65,539
27	Murrieta Water: Water Conservation	23	RES 09				
28	Interest: Retail Billing, Murrieta Water	23	RES 00	$5,871	$6,018	$6,168	$6,322
29							

APPENDIX I
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
MURRIETA WATER SERVICE AREA: Revenue Requirement Analysis

30	Property Tax Revenue							
31	Property Tax: Murrieta Water	23	RES 00		$11,500	$11,500	$11,500	$11,500
32	Syst. Impr Property Tax: Murrieta Water	23	RES 04					
33								
34	Other Operating Revenues							
35	Murrieta Water							
36	Delinquent Penalties	23	RES 00		$27,076	$27,888	$28,725	$29,587
37	Other - New Service Set Up & Meter Repair	23	RES 00		$5,360	$5,360	$5,360	$5,360
38	Water Availability Charge Revenues	23	RES 00		$131,000	$131,000	$131,000	$131,000
39								
40	Transfers from Other Reserves							
41	Murrieta Water: From Operating to Asset Repl	23	RES 05		$588,318	$617,734	$648,621	$681,052
42	Murrieta Water: From Operating to Syst Imp	23	RES 04					
43								
44	Future Line of Credit Draws (Lines of Credit 1, 2, and 3)							
45	Murrieta Water Operating	23	RES 00	$0	$0	$0	$0	$0
46	Murrieta Water Capacity Charge	23	RES 01	$1,780,000	$7,317,750	$0	$0	$0
47	Murrieta Water Distribution System Fee	23	RES 03	$0	$0	$0	$0	$0
48	Murrieta Water System Improvement	23	RES 04	$0	$0	$0	$0	$0
49	Murrieta Water Asset Replacement	23	RES 05	$0	$0	$0	$0	$0
50	Murrieta Water: Water Conservation	23	RES 09	$0	$0	$0	$0	$0
51	Math Check: Project-Specific Data Obtained from Western Water Source Data			TRUE	TRUE	TRUE	TRUE	TRUE

APPENDIX I
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
MURRIETA WATER SERVICE AREA: Revenue Requirement Analysis

Table MURRIETA-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 Water						
4	Source of Supply	23	RES 00	$0	$0	$0	$0
5	MWD Capacity Charge	23	RES 00	$0	$0	$0	$0
6	Water Pumping	23	RES 00	$181,001	$188,965	$197,279	$205,959
7	Treatment	23	RES 00	$0	$0	$0	$0
8	Transmission & Distribution	23	RES 00	$1,726,088	$1,802,036	$1,881,326	$1,964,104
9	Customer Accounts	23	RES 00	$257,050	$268,360	$280,168	$292,495
10	Replacement Reserve	23	RES 00	$588,318	$617,734	$648,621	$681,052
11	G&A Allocation	23	RES 00	$968,066	$1,010,661	$1,055,130	$1,101,556
12	Other Operating Expenses	23	RES 00	$155,915	$162,775	$169,937	$177,414
13	Staffing Plan Additional Costs	23	RES 00		$46,495	$121,376	$129,873
14	Prop Tax Collection	23	RES 00	$1	$1	$1	$1
15							
16	Conservation Program Costs						
17	Murrieta Water Conservation Programs	23	RES 09	$78,697	$83,520	$91,198	$94,661
18							
19	Pumping Costs						
20	Pumping Costs: Murrieta Water	23	RES 00	$47,014	$52,941	$61,552	$67,990
21							
22	Water Supply Expenses						
23	Murrieta Water	23	RES 00	$2,384,517	$2,794,169	$3,383,765	$3,732,030
24							
25	Existing Debt Service and Line of Credit Interest						
26	Murrieta Water Operating	23	RES 00	$251,234	$251,233	$251,232	$251,234
27	Murrieta Water Capacity Charge	23	RES 01	$38,890	$274,259	$359,355	$424,415
28	Murrieta Water Distribution System Fee	23	RES 03	$0	$0	$0	$0
29	Murrieta Water System Improvement	23	RES 04	$0	$0	$0	$0
30	Murrieta Water Asset Replacement	23	RES 05	$0	$0	$0	$0
31	Murrieta Water: Water Conservation	23	RES 09	$0	$0	$0	$0

APPENDIX I
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
MURRIETA WATER SERVICE AREA: Revenue Requirement Analysis

32	Math Check: Should = TRUE			TRUE	TRUE	TRUE	TRUE
33							
34	CIFP Costs						
35	Murrieta Water Operating	23	RES 00	$0	$0	$0	$0
36	Murrieta Water Capacity Charge	23	RES 01	$12,493,500	$0	$0	$0
37	Murrieta Water Distribution System Fee	23	RES 03	$0	$0	$0	$0
38	Murrieta Water System Improvement	23	RES 04	$0	$0	$0	$60,000
39	Murrieta Water Asset Replacement	23	RES 05	$0	$250,000	$2,250,000	$0
40	Murrieta Water: Water Conservation	23	RES 09	$0	$0	$0	$0
41	Math Check: Should equal T 4-1, and = TRUE			TRUE	TRUE	TRUE	TRUE
42							
43	Capital Project Offsets						
44	Murrieta Water Operating	23	RES 00	$0	$0	$0	$0
45	Murrieta Water Capacity Charge	23	RES 01	($5,175,750)	$0	$0	$0
46	Murrieta Water Distribution System Fee	23	RES 03	$0	$0	$0	$0
47	Murrieta Water System Improvement	23	RES 04	$0	$0	$0	$0
48	Murrieta Water Asset Replacement	23	RES 05	$0	$0	$0	$0
49	Murrieta Water: Water Conservation	23	RES 09	$0	$0	$0	$0
50	Math Check: Should equal T 4-1, and = TRUE			TRUE	TRUE	TRUE	TRUE
51							
52							
53	Transfers to Other Reserves						
54	Murrieta Water: From Operating to Syst Imp	23	RES 00				
55							
56							
57	**Ending Reserve Balance as of 6/30**						
58	Murrieta Water Operating	23	RES 00	$1,080,586	$1,245,165	$1,505,683	$1,957,454
59	Murrieta Water Capacity Charge	23	RES 01	$1,407,039	$2,165,718	$1,921,492	$1,606,222
60	Murrieta Water Distribution System Fee	23	RES 03	$290,299	$297,557	$304,996	$312,621
61	Murrieta Water System Improvement	23	RES 04	$138,616	$138,616	$138,616	$78,616
62	Murrieta Water Asset Replacement	23	RES 05	$3,660,689	$4,119,940	$2,621,559	$3,368,150
63	Murrieta Water: Water Conservation	23	RES 09	$837,992	$837,992	$837,992	$837,992
64							
65							

APPENDIX I
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
MURRIETA WATER SERVICE AREA: Revenue Requirement Analysis

Financial Performance Criteria

Operating Reserve Sufficiency. Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 7.
Target: minimum of three months and a maximum of six months of average operating expenses based on the annual operating budget.
Operating expenses includes the transfer to the Asset Replacement Reserve (per Western Water staff, 1/21/2025)

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Murrieta Water				
Projected Operating Expenses	$6,386,667	$7,027,657	$7,890,353	$8,447,134
Projected End of Year Balance				
As Dollars	$1,080,586	$1,245,165	$1,505,683	$1,957,454
As Months of Operating Expenses	2.0	2.1	2.3	2.8
Dashboard Output Label and Format	Low	Low	Low	Low

Asset Replacement Reserve Sufficiency. Criteria from Western Water Cash Reserve Policy Adopted by the Board of Directors on March 20, 2013, page 6.
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 certain assets. Excluded assets are those that:
(a) are not subject to replacement based on an Operations and Engineering analysis,
(b) are non-depreciable assets,
(c) have an adjusted useful life of less than or equal to five years ("short-life assets"),
(d) have a replacement cost of less than or equal to $50,000 ("low-cost assets"), or
(e) have a replacement cost of more than $7,000,000 ("high-cost assets").
Current replacement cost = original cost escalated annually by the ENR CCI.
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.
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.
Annual Funding: equal to a maximum of the annual depreciation expense.

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Murrieta Water				
Minimum Balance	$1,709,192	$1,709,192	$1,709,192	$1,709,192
Maximum Balance	$1,709,192	$1,709,192	$1,709,192	$1,709,192
Projected End of Year Balance				
As Dollars	$3,660,689	$4,119,940	$2,621,559	$3,368,150
Dashboard Output Label and Format	High	High	High	High
As Percent of Minimum Value	214%	241%	153%	197%

Note: (a) FY 2026 beginning year balance from Western Water staff 1/20/24, represents actual balance as of the beginning of FY 2025.

APPENDIX I
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
MURRIETA WATER SERVICE AREA: Revenue Requirement Analysis

Table MURRIETA-3
Revenue Calculations

Line	Projected Capacity Charge Revenues	Capacity Charge	Projected FY 2026	FY 2027	FY 2028	FY 2029
1	Murrieta Water					
2	5/8"		$0	$0	$0	$0
3	3/4"	$15,111.22	997,761	997,761	60,987	61,108
4	1"	$25,235.74	0	0	0	0
5	1.5"	$50,320.37	0	0	0	0
6	2"	$80,542.81	0	0	0	0
7	Total		$997,761	$997,761	$60,987	$61,108

Capacity Charge source: Western Water staff, 1/20/2025, for Capacity Charges effective 7/1/2024. Capacity Charges shown are those applicable outside the Innovation Zone.
This calculation assumes that all system growth occurs outside the Innovation Zone.

Table MURRIETA-4
Capital Improvements

Table 4a: Total CIFP 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	Grizzly Ridge Tank Rehabilitation	23	RES 05	$0	$250,000	$2,250,000	$0
2	Jefferson Avenue Water Improvement - Rancho California Water District Int	23	RES 01	$7,200,000	$0	$0	$0
3	Madison Avenue Water Improvement	23	RES 01	$1,350,000	$0	$0	$0
4	Meter Replacement Project (Phase III)- Murrieta	23	RES 04	$0	$0	$0	$0
5	Master Plan - Rancho California Water District Regional Intertie	23	RES 01	$3,943,500	$0	$0	$0
6	Reservoir Management - Murrieta - Olga Gordon	23	RES 04	$0	$0	$0	$60,000
7	Study for Murrieta Water Supply	23	RES 04	$0	$0	$0	$0
8	Total			$12,493,500	$250,000	$2,250,000	$60,000
9	Math Check, should equal source data			$12,493,500	$250,000	$2,250,000	$60,000

APPENDIX I
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
MURRIETA WATER 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	Projected FY 2026	FY 2027	FY 2028	FY 2029
1	Grizzly Ridge Tank Rehabilitation	23	RES 05	$0	$0	$0	$0
2	Jefferson Avenue Water Improvement - Rancho California Water District Int	23	RES 01	($4,107,706)	$0	$0	$0
3	Madison Avenue Water Improvement	23	RES 01	$0	$0	$0	$0
4	Meter Replacement Project (Phase III)- Murrieta	23	RES 04	$0	$0	$0	$0
5	Master Plan - Rancho California Water District Regional Intertie	23	RES 01	($1,068,044)	$0	$0	$0
6	Reservoir Management - Murrieta - Olga Gordon	23	RES 04	$0	$0	$0	$0
7	Study for Murrieta Water Supply	23	RES 04	$0	$0	$0	$0
8	Total			($5,175,750)	$0	$0	$0
9	Math Check, should equal source data			($5,175,750)	$0	$0	$0
10							
11	Total Project Cost Less Offsets			$7,317,750	$250,000	$2,250,000	$60,000
12	Math Check, should equal sum from CIP SUMMARY INFO tab						

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	Jefferson Avenue Water Improvement - Rancho California Water District Int	23	RES 01	$200,000	$3,092,294	$0	$0	$0
2	Madison Avenue Water Improvement	23	RES 01	$150,000	$1,350,000	$0	$0	$0
3	Master Plan - Rancho California Water District Regional Intertie	23	RES 01	$1,430,000	$2,875,456	$0	$0	$0
4	Math Check: total 23 = source data			TRUE	TRUE	TRUE	TRUE	TRUE

APPENDIX I
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
MURRIETA WATER SERVICE AREA: Revenue Requirement Analysis

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

Line	Project	Fund Number	Reserve Number	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029
1	BDS02-Bonds-2020A							
2	Murrieta Water	23	RES 00	$0	$1	$0	($1)	$1
3	Murrieta Water	23	RES 01	$38,911	$38,890	$44,567	$51,308	$55,644
4	ITF02-North Well 2							
5	Murrieta Water	23	RES 00	$107,458	$107,458	$107,458	$107,458	$107,458
6	ITF04-North Well 2 Wellhead Treatment							
7	Murrieta Water	23	RES 00	$143,775	$143,775	$143,775	$143,775	$143,775
8	LOC03-Future LOC-Non-Pipeline Projects							
9	Murrieta Water	23	RES 00	$0	$0	($0)	$0	($0)
10	Murrieta Water	23	RES 01	$0	$0	$229,692	$308,047	$368,771
11	Total			$290,144	$290,124	$525,492	$610,587	$675,649
12	Math Check Against Source Data			TRUE	TRUE	TRUE	TRUE	TRUE

Section 14

Appendix J: Murrieta Water Service Area Rate Design Calculations

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Billing Determinants: Number of Connections

Line	Number of Connections	Projected FY 2026	FY 2027	FY 2028	FY 2029
1	Total Murrieta Water				
2	5/8"	369	369	369	369
3	3/4"	2,029	2,095	2,099	2,103
4	1"	175	175	175	175
5	1.5"	81	81	81	81
6	2"	174	174	174	174
7	3"	5	7	7	8
8	4"	4	7	8	9
9	6"	0	0	0	0
10	8"	0	0	1	1
11	10"	0	0	0	0
12	12"	0	0	0	0
13	Total	2,837	2,908	2,914	2,920
14					

		Projected, Private Fire Protection				Projected, Public Fire Protection (Hydrants)				Total Projected, Private and Public Fire Protection			
15	Number of												
16	Connections	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029
17	Private Fire Service and Public Fire Protection (Hydrants) (Murrieta Water)												
18	5/8"												
19	3/4"												
20	1"												
21	1.5"												
22	2"												
23	3"												
24	4"	5	5	5	5	6	6	6	6	11	11	11	11
25	6"	28	28	28	28	690	690	690	690	718	718	718	718
26	8"	80	80	80	80	2	2	2	2	82	82	82	82
27	10"	10	10	10	10					10	10	10	10
28	12"	3	3	3	3					3	3	3	3
29	Total	126	126	126	126	698	698	698	698	824	824	824	824
30													

31 No growth in fire service connections projected, per Western Water staff, 11/14/24 remote meeting.

32

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Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Billing Determinants: Define Meter Equivalent Ratios

Meter Size	Meter Type	AWWA Standard (gpm)	Meter Equivalent Ratio
5/8"	C713-15 Fluidic-Oscillator Type	20	0.7
3/4"	C701-12 Turbine Type, Class I, Vertical Shaft Type	30	1.0
1"	C701-12 Turbine Type, Class I, Vertical Shaft Type	50	1.7
1.5"	C701-12 Turbine Type, Class I, Vertical Shaft Type	100	3.3
2"	C704-15 Propeller Type	120	4.0
3"	C704-15 Propeller Type	300	10.0
4"	C704-15 Propeller Type	600	20.0
6"	C704-15 Propeller Type	1350	45.0
8"	C704-15 Propeller Type	1800	60.0
10"	C704-15 Propeller Type	2400	80.0
12"	C704-15 Propeller Type	3375	112.5

Billing Determinants: Number of Meter Equivalents

Number of Meter Equiv.	Murrieta Water Projected FY 2026	FY 2027	FY 2028	FY 2029
Total Murrieta Water				
5/8"	246	246	246	246
3/4"	2,029	2,095	2,099	2,103
1"	292	292	292	292
1.5"	270	270	270	270
2"	696	696	696	696
3"	50	70	70	80
4"	80	140	160	180
6"	0	0	0	0
8"	0	0	60	60
10"	0	0	0	0
12"	0	0	0	0
Total	3,663	3,809	3,893	3,927

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Billing Determinants: Number of Fire Protection Equivalents

Pipe Diameter	Fire Demand Factor (1)	Projected, Private Fire Protection				Projected, Public Fire Protection (Hydrants)				Total Projected, Private and Public Fire Protection			
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029
5/8"	0.291	0	0	0	0	0	0	0	0	0	0	0	0
3/4"	0.469	0	0	0	0	0	0	0	0	0	0	0	0
1"	1.000	0	0	0	0	0	0	0	0	0	0	0	0
1.5"	2.905	0	0	0	0	0	0	0	0	0	0	0	0
2"	6.190	0	0	0	0	0	0	0	0	0	0	0	0
3"	17.982	0	0	0	0	0	0	0	0	0	0	0	0
4"	38.319	192	192	192	192	230	230	230	230	422	422	422	422
6"	111.311	3,117	3,117	3,117	3,117	76,805	76,805	76,805	76,805	79,921	79,921	79,921	79,921
8"	237.207	18,977	18,977	18,977	18,977	474	474	474	474	19,451	19,451	19,451	19,451
10"	426.580	4,266	4,266	4,266	4,266	0	0	0	0	4,266	4,266	4,266	4,266
12"	689.044	2,067	2,067	2,067	2,067	0	0	0	0	2,067	2,067	2,067	2,067
Total		28,618	28,618	28,618	28,618	77,509	77,509	77,509	77,509	106,127	106,127	106,127	106,127
As Percent		27.0%	27.0%	27.0%	27.0%	73.0%	73.0%	73.0%	73.0%	100.0%	100.0%	100.0%	100.0%

(1) AWWA M1, page 152 (7th edition page 162); demand factor = diameter ^ 2.63; exponent based on Hazen-Williams equation for flow through pressure conduits

Billing Determinants: Projected Water Sales, ccf

	Projected (1)				Pay Water Reliability Charge? (2)
	FY 2026	FY 2027	FY 2028	FY 2029	
Murrieta Water Fund 23					
Tier 1	354,823	376,565	411,185	426,799	no
Tier 2	436,988	463,765	506,402	525,632	no
Tier 3	48,294	51,253	55,965	58,090	no
Tier 4	57,102	60,601	66,172	68,685	no
Total Murrieta Water	897,206	952,184	1,039,724	1,079,206	

Notes:
(1) Source: Western Water staff, uploaded to Sharepoint Site 1/13/25
(2) Western Water staff, 11/10/24

Billing Determinants: Projected Water Sales, ccf, by Power Zone

	Projected			
	FY 2026	FY 2027	FY 2028	FY 2029
Murrieta Water, Fund 23				
107	717,765	761,747	831,779	863,365
108	179,441	190,437	207,945	215,841
Total	897,206	952,184	1,039,724	1,079,206
Delta from Total Water Sales Above	0	0	0	0

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Cost-of-Service Analysis: Peaking Factors

	Max Day/ Average Day	Peak Hour/ Max Day	Peak Hour/ Average Day	
Murrieta Water	2.70	1.50	4.05	Source: Western Water staff, 8/22/24 email from Engineering Department staff to Finance Department staff

Cost-of-Service Analysis: Average Day Demand, Max Day Demand, and Peak Hour Demand

	Average Day Demand gpm (1)	Max Day Demand gpm (2)	Max Hour Demand gpm (2)	Fireflow, gpm (3)	Max Hour + Fireflow, gpm
Murrieta Water	1,535.86	4,146.81	6,220.22	3,000.00	9,220.22

(1) Average Day Demand calculated from water sales, provided by Western Water staff. Projected FY 2029 used in this calculation.
(2) Max Day and Max Hour Demand by multiplying Average Day Demand and peaking factors.
(3) Fire Flow demand: Murrieta Retail Area Water Master Plan Update, November 2021, page 3-13.

Cost-of-Service Analysis: Base, Max-Day, and Max-Hour Extra Capacity Allocation Factors

Methodology per AWWA M1 Manual, 7th Edition, page 62

	Base	Max-Day Extra Capacity	Max-Hour Extra Capacity	Max Hour/ Fireflow
Murrieta Water				
Average Day	100.00%	37.04%	24.69%	16.66%
Max Day		62.96%	41.98%	28.32%
Peak Hour			33.33%	22.49%
Fire Protection				32.54%

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Cost-of-Service Analysis: Allocation Factors for Rate Revenue Requirement

		Revenue Requirement Component		Retail Water Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Service Charge	Public Fire Protection	Public and Private Fire Protection	General	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
		Source of Supply													
TRUE		Murrieta Water	Max Day			63%							37%		
TRUE		MWD Capacity Charge	Max Day			63%							37%		
		Water Pumping													
TRUE		Murrieta Water	Max Hour			42%	33%						25%		
TRUE		Treatment Murrieta Water	Average Day										100%		
		Transmission & Distribution													
TRUE		Murrieta Water	MaxHr/Fireflow			28%	22%			33%			17%		
TRUE		Customer Accounts	Billing & CS	100%											
		Replacement Reserve													
TRUE		Murrieta Water	Net Plant	0.0%	4.4%	41.5%	10.7%		0.0%	15.6%	3.4%		24.4%		
TRUE		G&A Allocation	General								100%				
TRUE		Other Operating Expenses	General								100%				
TRUE		Prop Tax Collection	General								100%				
TRUE		Conservation Program	Pass Through											100%	
TRUE		Pumping Costs	Pass Through												100%
TRUE		Readiness to Serve Costs	Pass Through					100%							
TRUE		Water Supply	Pass Through									100%			
		Operating Reserve Debt Service													
TRUE		Murrieta Water	As Net Plant	0.0%	4.4%	41.5%	10.7%		0.0%	15.6%	3.4%		24.4%		
		Transfer to System Improvement Reserve													
TRUE		Murrieta Water	As Net Plant	0.0%	4.4%	41.5%	10.7%		0.0%	15.6%	3.4%		24.4%		
TRUE		Operating Reserve Interest Income	General								100%				
TRUE		Property Tax Revenue	General								100%				
TRUE		Retail Billing Interest	General	100%											
TRUE		Delinquent Penalties	General								100%				
TRUE		Other - New Service Set Up & Meter Repair	50/50 Cust/Mtr	50%	50%										
TRUE		Water Availability Charge Revenue	General								100%				
														0.24	
														0.54	

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

185 **Cost-of-Service Analysis: Net Plant Allocation Factors**

		Asset Type	Asset Subtype		Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Serve Charge	Public Fire Protection	Public and Private Fire Protection	General	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
190	TRUE	BLDG		General								100%				
191	TRUE	EQUIP-MSC		General								100%				
192	TRUE	LAND_IMP		Reservoir? General								100%				
193	TRUE	PLANT		General								100%				
194		PUMP	All													
195	TRUE	Murrieta Water		Max Day			63%							37%		
196	TRUE	SRC_SUPP		Max Day			63%							37%		
197		T&D	CTRL-TELE													
198	TRUE	Murrieta Water		MaxHr/Fireflow			28%	22%			33%			17%		
199		T&D	CUSTPD-EXT													
200	TRUE	Murrieta Water		MaxHr/Fireflow			28%	22%			33%			17%		
201	TRUE	T&D	FIREHYDRNT	Public FP						100%						
202	TRUE	T&D	METER-CONN	Meters/Svcs		100%										
203		T&D Riv Pot, ME, Rbow	PIPELINE	Max Hr/FF												
204	TRUE	Murrieta Water		MaxHr/Fireflow			28%	22%			33%			17%		
205		T&D	RESERVOIR	MaxHr/Fireflow												
206	TRUE	Murrieta Water		MaxHr/Fireflow			28%	22%			33%			17%		
207		T&D	WELLS													
208	TRUE	Murrieta Water		Max Day			63%							37%		
209		T&D	(blank)													
210	TRUE	Murrieta Water		MaxHr/Fireflow			28%	22%			33%			17%		
211		WTR_TRT	All Assets													
212	TRUE	Murrieta Water		Max Day			63%							37%		
213																
214																

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Cost-of-Service Analysis: FY 2026 Allocation of Revenue Requirement and Reallocation of General & Administrative Costs

			Fixed System Charge				RTS Charge	Fire Protection Services		Split: Commod, Fixed Syst, Fire	Commodity Charge			Pumping Charges
	Revenue Requirement Component	FY 2026 Expenses	Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Service Charge	Public Fire Protection	Public and Private Fire Protection	General & Administrative	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
	Source of Supply													
TRUE	Murrieta Water	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	MWD Capacity Charge	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Water Pumping													
TRUE	Murrieta Water	$181,001	$0	$0	$75,976	$60,334	$0	$0	$0	$0	$0	$44,692	$0	$0
TRUE	Treatment Murrieta Water	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Transmission & Distribution													
TRUE	Murrieta Water	$1,726,088	$0	$0	$488,789	$388,156	$0	$0	$561,621	$0	$0	$287,523	$0	$0
TRUE	Customer Accounts	$257,050	$257,050	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Replacement Reserve													
TRUE	Murrieta Water	$588,318	$0	$25,797	$244,144	$63,240	$0	$0	$91,502	$20,021	$0	$143,614	$0	$0
TRUE	G&A Allocation	$968,066	$0	$0	$0	$0	$0	$0	$0	$968,066	$0	$0	$0	$0
TRUE	Other Operating Expenses	$155,915	$0	$0	$0	$0	$0	$0	$0	$155,915	$0	$0	$0	$0
TRUE	Prop Tax Collection	$1	$0	$0	$0	$0	$0	$0	$0	$1	$0	$0	$0	$0
TRUE	Conservation Program	$78,697	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$78,697	$0
TRUE	Pumping Costs	$47,014	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$47,014
TRUE	Water Supply	$2,384,517	$0	$0	$0	$0	$0	$0	$0	$0	$2,384,517	$0	$0	$0
	Operating Reserve Debt Service													
TRUE	Murrieta Water	$251,234	$0	$11,016	$104,259	$27,006	$0	$0	$39,075	$8,550	$0	$61,329	$0	$0
	Transfer to System Improvement Reserve													
TRUE	Murrieta Water	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Operating Reserve Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Property Tax Revenue	($11,500)	$0	$0	$0	$0	$0	$0	$0	($11,500)	$0	$0	$0	$0
TRUE	Retail Billing Interest	($5,871)	($5,871)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Delinquent Penalties	($27,076)	$0	$0	$0	$0	$0	$0	$0	($27,076)	$0	$0	$0	$0
TRUE	Other - New Service Set Up & Meter Repair	($5,360)	($2,680)	($2,680)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Water Availability Charge Revenue	($131,000)	$0	$0	$0	$0	$0	$0	$0	($131,000)	$0	$0	$0	$0
TRUE	Total	$6,457,094	$248,499	$34,133	$913,167	$538,736	$0	$0	$692,197	$982,977	$2,384,517	$537,157	$78,697	$47,014
	Math Check:	$0												
	FY 2026 Reallocation of General & Administrative Costs													
	Categories Applicable		Yes	Yes	Yes	Yes	No	Yes	Yes		No	Yes	No	No
	% of Costs, Prior to Reallocation		8%	1%	31%	18%		0%	23%			18%		
TRUE	Reallocated General Costs	$0	$82,415	$11,320	$302,853	$178,672		$0	$229,568	($982,977)		$178,149		
TRUE	Total, After Reallocation of General Costs	$6,457,094	$330,914	$45,454	$1,216,020	$717,408	$0	$0	$921,765	$0	$2,384,517	$715,306	$78,697	$47,014

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Cost-of-Service Analysis: FY 2027 Allocation of Revenue Requirement and Reallocation of General & Administrative Costs

				Fixed System Charge				RTS Charge	Fire Protection Services		Split: Commod, Fixed Syst, Fire	Commodity Charge			Pumping Charges
		Revenue Requirement Component	FY 2027 Expenses	Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Service Charge	Public Fire Protection	Public and Private Fire Protection	General & Administrative	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
		Source of Supply													
TRUE		Murrieta Water	$12	$0	$0	$8	$0	$0	$0	$0	$0	$0	$5	$0	$0
TRUE		MWD Capacity Charge	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		Water Pumping													
TRUE		Murrieta Water	$190,382	$0	$0	$79,914	$63,461	$0	$0	$0	$0	$0	$47,008	$0	$0
TRUE		Treatment Murrieta Water	$11	$0	$0	$0	$0	$0	$0	$0	$0	$0	$11	$0	$0
		Transmission & Distribution													
TRUE		Murrieta Water	$1,804,448	$0	$0	$510,979	$405,777	$0	$0	$587,117	$0	$0	$300,576	$0	$0
TRUE		Customer Accounts	$268,360	$268,360	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		Replacement Reserve													
TRUE		Murrieta Water	$617,734	$0	$27,087	$256,351	$66,402	$0	$0	$96,077	$21,022	$0	$150,795	$0	$0
TRUE		G&A Allocation	$1,053,304	$0	$0	$0	$0	$0	$0	$0	$1,053,304	$0	$0	$0	$0
TRUE		Other Operating Expenses	$162,775	$0	$0	$0	$0	$0	$0	$0	$162,775	$0	$0	$0	$0
TRUE		Prop Tax Collection	$1	$0	$0	$0	$0	$0	$0	$0	$1	$0	$0	$0	$0
TRUE		Conservation Program	$83,520	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$83,520	$0
TRUE		Pumping Costs	$52,941	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$52,941
TRUE		Water Supply	$2,794,169	$0	$0	$0	$0	$0	$0	$0	$0	$2,794,169	$0	$0	$0
		Operating Reserve Debt Service													
TRUE		Murrieta Water	$251,233	$0	$11,016	$104,258	$27,006	$0	$0	$39,075	$8,550	$0	$61,328	$0	$0
		Transfer to System Improvement Reserve													
TRUE		Murrieta Water	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Operating Reserve Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Property Tax Revenue	($11,500)	$0	$0	$0	$0	$0	$0	$0	($11,500)	$0	$0	$0	$0
TRUE		Retail Billing Interest	($6,018)	($6,018)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Delinquent Penalties	($27,888)	$0	$0	$0	$0	$0	$0	$0	($27,888)	$0	$0	$0	$0
TRUE		Other - New Service Set Up & Meter Repair	($5,360)	($2,680)	($2,680)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Water Availability Charge Revenue	($131,000)	$0	$0	$0	$0	$0	$0	$0	($131,000)	$0	$0	$0	$0
TRUE		Total	$7,097,124	$259,662	$35,423	$951,509	$562,646	$0	$0	$722,268	$1,075,263	$2,794,169	$559,722	$83,520	$52,941
		Math Check:	$0												
		FY 2027 Reallocation of General & Administrative Costs													
		Categories Applicable		Yes	Yes	Yes	Yes	No	Yes	Yes		No	Yes	No	No
		% of Costs, Prior to Reallocation		8%	1%	31%	18%		0%	23%			18%		
TRUE		Reallocated General Costs	$0	$90,322	$12,322	$330,976	$195,713		$0	$251,236	($1,075,263)		$194,695		
TRUE		Total, After Reallocation of General Costs	$7,097,124	$349,984	$47,745	$1,282,485	$758,358	$0	$0	$973,504	$0	$2,794,169	$754,417	$83,520	$52,941

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Cost-of-Service Analysis: FY 2028 Allocation of Revenue Requirement and Reallocation of General & Administrative Costs

Italics = additional expenses from Staffing Plan

			Fixed System Charge				RTS Charge	Fire Protection Services		Split: Commod, Fixed Syst, Fire	Commodity Charge			Pumping Charges
	Revenue Requirement Component	FY 2028 Expenses	Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Service Charge	Public Fire Protection	Public and Private Fire Protection	General & Administrative	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
	Source of Supply													
TRUE	Murrieta Water	*$29*	$0	$0	$19	$0	$0	$0	$0	$0	$0	$11	$0	$0
TRUE	MWD Capacity Charge	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Water Pumping													
TRUE	Murrieta Water	*$198,795*	$0	$0	$83,445	$66,265	$0	$0	$0	$0	$0	$49,085	$0	$0
TRUE	Treatment Murrieta Water	*$32*	$0	$0	$0	$0	$0	$0	$0	$0	$0	$32	$0	$0
	Transmission & Distribution													
TRUE	Murrieta Water	*$1,901,141*	$0	$0	$538,360	$427,521	$0	$0	$618,578	$0	$0	$316,682	$0	$0
TRUE	Customer Accounts	*$286,273*	$286,273	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Replacement Reserve													
TRUE	Murrieta Water	$648,621	$0	$28,441	$269,169	$69,722	$0	$0	$100,881	$22,073	$0	$158,334	$0	$0
TRUE	G&A Allocation	*$1,149,008*	$0	$0	$0	$0	$0	$0	$0	$1,149,008	$0	$0	$0	$0
TRUE	Other Operating Expenses	$169,937	$0	$0	$0	$0	$0	$0	$0	$169,937	$0	$0	$0	$0
TRUE	Prop Tax Collection	$1	$0	$0	$0	$0	$0	$0	$0	$1	$0	$0	$0	$0
TRUE	Conservation Program	$91,198	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$91,198	$0
TRUE	Pumping Costs	$61,552	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$61,552
TRUE	Water Supply	$3,383,765	$0	$0	$0	$0	$0	$0	$0	$0	$3,383,765	$0	$0	$0
	Operating Reserve Debt Service													
TRUE	Murrieta Water	$251,232	$0	$11,016	$104,258	$27,006	$0	$0	$39,074	$8,550	$0	$61,328	$0	$0
	Transfer to System Improvement Reserve													
TRUE	Murrieta Water	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Operating Reserve Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Property Tax Revenue	($11,500)	$0	$0	$0	$0	$0	$0	$0	($11,500)	$0	$0	$0	$0
TRUE	Retail Billing Interest	($6,168)	($6,168)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Delinquent Penalties	($28,725)	$0	$0	$0	$0	$0	$0	$0	($28,725)	$0	$0	$0	$0
TRUE	Other - New Service Set Up & Meter Repair	($5,360)	($2,680)	($2,680)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE	Water Availability Charge Revenue	($131,000)	$0	$0	$0	$0	$0	$0	$0	($131,000)	$0	$0	$0	$0
TRUE	Total	$7,958,832	$277,425	$36,777	$995,250	$590,514	$0	$0	$758,533	$1,178,344	$3,383,765	$585,473	$91,198	$61,552
	gap	$0												
	FY 2028 Reallocation of General & Administrative Costs													
	Categories Applicable		Yes	Yes	Yes	Yes	No	Yes	Yes		No	Yes	No	No
	% of Costs, Prior to Reallocation		9%	1%	31%	18%		0%	23%			18%		
TRUE	Reallocated General Costs	$0	$100,772	$13,359	$361,516	$214,499		$0	$275,531	($1,178,344)		$212,668		
FALSE	Total, After Reallocation of General Costs	$7,958,832	$378,197	$50,137	$1,356,765	$805,013	$0	$0	$1,034,064	$0	$3,383,765	$798,141	$91,198	$61,552

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Cost-of-Service Analysis: FY 2029 Allocation of Revenue Requirement and Reallocation of General & Administrative Costs

				Fixed System Charge				RTS Charge	Fire Protection Services		Split: Commod, Fixed Syst, Fire	Commodity Charge			Pumping Charges
		Revenue Requirement Component	FY 2029 Expenses	Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Service Charge	Public Fire Protection	Public and Private Fire Protection	General & Administrative	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
		Source of Supply													
TRUE		Murrieta Water	$31	$0	$0	$20	$0	$0	$0	$0	$0	$0	$12	$0	$0
TRUE		MWD Capacity Charge	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		Water Pumping													
$0.00		Murrieta Water	$207,582	$0	$0	$87,133	$69,194	$0	$0	$0	$0	$0	$51,255	$0	$0
TRUE		Treatment Murrieta Water	$34	$0	$0	$0	$0	$0	$0	$0	$0	$0	$34	$0	$0
		Transmission & Distribution													
TRUE		Murrieta Water	$1,985,307	$0	$0	$562,194	$446,448	$0	$0	$645,963	$0	$0	$330,702	$0	$0
TRUE		Customer Accounts	$299,027	$299,027	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		Replacement Reserve													
TRUE		Murrieta Water	$681,052	$0	$29,863	$282,627	$73,208	$0	$0	$105,925	$23,177	$0	$166,251	$0	$0
TRUE		G&A Allocation	$1,202,006	$0	$0	$0	$0	$0	$0	$0	$1,202,006	$0	$0	$0	$0
TRUE		Other Operating Expenses	$177,414	$0	$0	$0	$0	$0	$0	$0	$177,414	$0	$0	$0	$0
TRUE		Prop Tax Collection	$1	$0	$0	$0	$0	$0	$0	$0	$1	$0	$0	$0	$0
TRUE		Conservation Program	$94,661	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$94,661	$0
TRUE		Pumping Costs	$67,990	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$67,990
TRUE		Water Supply	$3,732,030	$0	$0	$0	$0	$0	$0	$0	$0	$3,732,030	$0	$0	$0
		Operating Reserve Debt Service													
TRUE		Murrieta Water	$251,234	$0	$11,016	$104,259	$27,006	$0	$0	$39,075	$8,550	$0	$61,329	$0	$0
		Transfer to System Improvement Reserve													
TRUE		Murrieta Water	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Operating Reserve Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Property Tax Revenue	($11,500)	$0	$0	$0	$0	$0	$0	$0	($11,500)	$0	$0	$0	$0
TRUE		Retail Billing Interest	($6,322)	($6,322)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TRUE		Delinquent Penalties	($29,587)	$0	$0	$0	$0	$0	$0	$0	($29,587)	$0	$0	$0	$0
TRUE		Other - New Service Set Up & Meter Repair	($5,360)	($2,680)	($2,680)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		Water Availability Charge Revenue	($131,000)	$0	$0	$0	$0	$0	$0	$0	($131,000)	$0	$0	$0	$0
TRUE		Total	$8,514,599	$290,025	$38,200	$1,036,232	$615,856	$0	$0	$790,963	$1,239,061	$3,732,030	$609,583	$94,661	$67,990
		Math Check:	$0												
		FY 2029 Reallocation of General Costs													
		Categories Applicable		Yes	Yes	Yes	Yes	No	Yes	Yes		No	Yes	No	No
		% of Costs, Prior to Reallocation		9%	1%	31%	18%		0%	23%			18%		
TRUE		Reallocated General Costs	$0	$106,292	$14,000	$379,772	$225,707		$0	$289,882	($1,239,061)		$223,408		
TRUE		Total, After Reallocation of General Costs	$8,514,599	$396,317	$52,199	$1,416,004	$841,563	$0	$0	$1,080,845	$0	$3,732,030	$832,990	$94,661	$67,990

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Cost-of-Service Analysis: Allocation of Net Plant, Murrieta Water

	Asset Type	Asset Subtype	Net Plant	Billing & CS	Meters & Services	Max Day Extra Capacity	Max Hour Extra Capacity	Pass-Through Readiness to Serve Charge	Public Fire Protection	Public and Private Fire Protection	General	Water Supply Pass Through to Commodity Charges	Base Capacity	Efficiency Pass Through to Commodity Charges	Pass-Through to Pumping Charges
TRUE	BLDG		$413,868	$0	$0	$0	$0		$0	$0	$413,868		$0		
TRUE	EQUIP-MSC		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	LAND_IMP		$1,904	$0	$0	$0	$0		$0	$0	$1,904		$0		
TRUE	PLANT		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	PUMP		$563,257	$0	$0	$354,643	$0		$0	$0	$0		$208,614		
TRUE	SRC_SUPP		$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	T&D	CTRL-TELE	$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	T&D	CUSTPD-EXT	$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	T&D	FIREHYDRNT	$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	T&D	METER-CONN	$535,720	$0	$535,720	$0	$0		$0	$0	$0		$0		
TRUE	T&D	PIPELINE	$4,376,667	$0	$0	$1,239,372	$984,207		$0	$1,424,045	$0		$729,043		
TRUE	T&D	RESERVOIR	$1,463,403	$0	$0	$414,402	$329,084		$0	$476,150	$0		$243,766		
TRUE	T&D	WELLS	$4,862,617	$0	$0	$3,061,648	$0		$0	$0	$0		$1,800,969		
TRUE	T&D	(blank)	$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	WTR_TRT	All Assets	$0	$0	$0	$0	$0		$0	$0	$0		$0		
TRUE	Total		$12,217,435	$0	$535,720	$5,070,065	$1,313,292		$0	$1,900,195	$415,772		$2,982,391		
	Total, as Percent			0%	4%	41%	11%		0%	16%	3%		24%		
	Math Check, Source Data net of Land		$12,217,435												

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Rate Design: FY 2026 Fixed System Charge

	Billing & CS	Meters & Services	Peaking Max Day Extra Capacity	Max Hour Extra Capacity	Base Capacity	Public Fire Protection
Total Allocated Expenses	$330,914	$45,454	$1,216,020	$717,408	$715,306	$673,205
% to Fixed System Charge	100%	100%	80%	80%	0%	100%
$ to Fixed System Charge	$330,914	$45,454	$972,816	$573,926	$0	$673,205
Rate Design Basis	Per Customer	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.
No. of Billing Determinants	2,963	3,663	3,663	3,663	3,663	3,663
Unit Cost, $/Month	$9.31	$1.03	$22.13	$13.06	$0.00	$15.32

FY 2026 Fixed System Charge	Per-Customer Charges	Per-Meter Equivalent Charges	Total
5/8"	$9.31	$34.36	$43.67
3/4"	$9.31	$51.54	$60.85
1"	$9.31	$85.90	$95.21
1.5"	$9.31	$171.81	$181.11
2"	$9.31	$206.17	$215.48
3"	$9.31	$515.42	$524.73
4"	$9.31	$1,030.85	$1,040.15
6"	$9.31	$2,319.40	$2,328.71
8"	$9.31	$3,092.54	$3,101.85
10"	$9.31	$4,123.39	$4,132.69
12"	$9.31	$5,798.51	$5,807.82

Rate Design: FY 2027 Fixed System Charge

	Billing & CS	Meters & Services	Peaking Max Day Extra Capacity	Max Hour Extra Capacity	Base Capacity	Public Fire Protection
Total Allocated Expenses	$349,984	$47,745	$1,282,485	$758,358	$754,417	$710,992
% to Fixed System Charge	100%	100%	80%	80%	0%	100%
Rate Design Basis	Per Customer	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.
No. of Billing Determinants	3,034	3,809	3,809	3,809	3,809	3,809
Unit Cost, $/Month	$9.61	$1.04	$22.45	$13.27	$0.00	$15.56

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

FY 2027 Fixed System Charge	Per-Customer Charges	Per-Meter Equivalent Charges	Total
5/8"	$9.61	$34.88	$44.49
3/4"	$9.61	$52.32	$61.94
1"	$9.61	$87.21	$96.82
1.5"	$9.61	$174.41	$184.02
2"	$9.61	$209.29	$218.91
3"	$9.61	$523.23	$532.85
4"	$9.61	$1,046.47	$1,056.08
6"	$9.61	$2,354.55	$2,364.16
8"	$9.61	$3,139.40	$3,149.01
10"	$9.61	$4,185.86	$4,195.47
12"	$9.61	$5,886.37	$5,895.98

Rate Design: FY 2028 Fixed System Charge

	Billing & CS	Meters & Services	Peaking Max Day Extra Capacity	Max Hour Extra Capacity	Base Capacity	Public Fire Protection
Total Allocated Expenses	$378,197	$50,137	$1,356,765	$805,013	$798,141	$755,222
% to Fixed System Charge	100%	100%	80%	80%	0%	100%
Rate Design Basis	Per Customer	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	
No. of Billing Determinants	3,040	3,893	3,893	3,893	3,893	3,893
Unit Cost, $/Month	$10.37	$1.07	$23.24	$13.79	$0.00	$16.17

FY 2028 Fixed System Charge	Per-Customer Charges	Per-Meter Equivalent Charges	Total
5/8"	$10.37	$36.18	$46.54
3/4"	$10.37	$54.26	$64.63
1"	$10.37	$90.44	$100.81
1.5"	$10.37	$180.88	$191.24
2"	$10.37	$217.05	$227.42
3"	$10.37	$542.63	$553.00
4"	$10.37	$1,085.26	$1,095.62
6"	$10.37	$2,441.83	$2,452.20
8"	$10.37	$3,255.77	$3,266.14
10"	$10.37	$4,341.03	$4,351.40
12"	$10.37	$6,104.57	$6,114.94

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Rate Design: FY 2029 Fixed System Charge

	Billing & CS	Meters & Services	Peaking Max Day Extra Capacity	Max Hour Extra Capacity	Base Capacity	Public Fire Protection
Total Allocated Expenses	$396,317	$52,199	$1,416,004	$841,563	$832,990	$789,388
% to Fixed System Charge	100%	100%	80%	80%	0%	100%
Rate Design Basis	Per Customer	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.	Per Meter Eq.
No. of Billing Determinants	3,046	3,927	3,927	3,927	3,927	3,927
Unit Cost, $/Month	$10.84	$1.11	$24.04	$14.29	$0.00	$16.75

FY 2029 Fixed System Charge	Per-Customer Charges	Per-Meter Equivalent Charges	Total	2025 Rate	Avg % Incr Per Year
5/8"	$10.84	$37.46	$48.30	$38.71	5.7%
3/4"	$10.84	$56.19	$67.03	$51.97	6.6%
1"	$10.84	$93.65	$104.49	$78.70	7.3%
1.5"	$10.84	$187.29	$198.13	$146.08	7.9%
2"	$10.84	$224.75	$235.59	$174.16	7.8%
3"	$10.84	$561.87	$572.72	$416.33	8.3%
4"	$10.84	$1,123.75	$1,134.59	$810.49	8.8%
6"	$10.84	$2,528.44	$2,539.28	$1,803.64	8.9%
8"	$10.84	$3,371.25	$3,382.09	$2,404.85	8.9%
10"	$10.84	$4,495.00	$4,505.84	$3,211.51	8.8%

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Rate Design: Fixed System Charge Phase-In Adjustment

	Current	Proposed 7/1/2025	Proposed 7/1/2026	Proposed 7/1/2027	Proposed 7/1/2028	Percent Change from Previous Year 7/1/25 % Chg	7/1/26 % Chg	7/1/27 % Chg	7/1/28 % Chg	Four-Year Avg
Fixed System Charge - Before Phase-In Adjustment										
5/8" Meter	$38.71	$43.67	$44.49	$46.54	$48.30	12.8%	1.9%	4.6%	3.8%	5.69%
3/4" Meter	$51.97	$60.85	$61.94	$64.63	$67.03	17.1%	1.8%	4.3%	3.7%	6.57%
1" Meter	$78.70	$95.21	$96.82	$100.81	$104.49	21.0%	1.7%	4.1%	3.7%	7.34%
1 1/2" Meter	$146.08	$181.11	$184.02	$191.24	$198.13	24.0%	1.6%	3.9%	3.6%	7.92%
2" Meter	$174.16	$215.48	$218.91	$227.42	$235.59	23.7%	1.6%	3.9%	3.6%	7.85%
3" Meter	$416.33	$524.73	$532.85	$553.00	$572.72	26.0%	1.5%	3.8%	3.6%	8.30%
4" Meter	$810.49	$1,040.15	$1,056.08	$1,095.62	$1,134.59	28.3%	1.5%	3.7%	3.6%	8.77%
6" Meter	$1,803.64	$2,328.71	$2,364.16	$2,452.20	$2,539.28	29.1%	1.5%	3.7%	3.6%	8.93%
8" Meter	$2,404.85	$3,101.85	$3,149.01	$3,266.14	$3,382.09	29.0%	1.5%	3.7%	3.6%	8.90%
10" Meter	$3,211.51	$4,132.69	$4,195.47	$4,351.40	$4,505.84	28.7%	1.5%	3.7%	3.5%	8.83%
Fixed System Charge - After Phase-In Adjustment										
5/8" Meter	$38.71	$40.91	$43.24	$45.70	$48.30	5.7%	5.7%	5.7%	5.7%	5.69%
3/4" Meter	$51.97	$55.38	$59.02	$62.90	$67.03	6.6%	6.6%	6.6%	6.6%	6.57%
1" Meter	$78.70	$84.48	$90.68	$97.34	$104.49	7.3%	7.3%	7.3%	7.3%	7.34%
1 1/2" Meter	$146.08	$157.65	$170.13	$183.60	$198.13	7.9%	7.9%	7.9%	7.9%	7.92%
2" Meter	$174.16	$187.82	$202.56	$218.45	$235.59	7.8%	7.8%	7.8%	7.8%	7.85%
3" Meter	$416.33	$450.88	$488.30	$528.83	$572.72	8.3%	8.3%	8.3%	8.3%	8.30%
4" Meter	$810.49	$881.60	$958.95	$1,043.08	$1,134.59	8.8%	8.8%	8.8%	8.8%	8.77%
6" Meter	$1,803.64	$1,964.67	$2,140.08	$2,331.15	$2,539.28	8.9%	8.9%	8.9%	8.9%	8.93%
8" Meter	$2,404.85	$2,618.86	$2,851.91	$3,105.70	$3,382.09	8.9%	8.9%	8.9%	8.9%	8.90%
10" Meter	$3,211.51	$3,495.23	$3,804.02	$4,140.09	$4,505.84	8.8%	8.8%	8.8%	8.8%	8.83%

Rate Design: Reallocation of Public and Private Fire Service Costs

	FY 2026	FY 2027	FY 2028	FY 2029
Public and Private Fire Service Costs	$921,765	$973,504	$1,034,064	$1,080,845
Costs Allocated to Public Fire Protection, Paid by Fixed System Charge				
Dollars	$673,205	$710,992	$755,222	$789,388
As Percent	73.03%	73.03%	73.03%	73.03%
Costs Allocated to Private Fire Service Connections				
Dollars	$248,560	$262,512	$278,842	$291,457
As Percent	26.97%	26.97%	26.97%	26.97%

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Rate Design: Private Fire Service Rates

	FY 2026	FY 2027	FY 2028	FY 2029
Billing & Customer Service Costs, $/Month/Customer	$9.31	$9.61	$10.37	$10.84
Billing & Customer Service Portion of Fire Protection Revenue Requirement				
# of Fire Service Bills per Month	126	126	126	126
Annual Cost Recovery	$14,072	$14,534	$15,675	$16,393
Calculation of Fire Protection Unit Costs and Revenue Requirement				
Private Fire Service Costs from Cost-of-Service Analysis, $/Month/Fire Protection Equivalent				
Public Fire Service Costs from Cost-of-Service Analysis	$0	$0	$0	$0
Reallocated Public and Private Fire Service Costs	$248,560	$262,512	$278,842	$291,457
Total Fire Service Revenue Requirement, Excluding Billing & Customer Service	$248,560	$262,512	$278,842	$291,457
Number of Fire Protection Equivalents	28,618	28,618	28,618	28,618
Unit Cost, $/Month/Fire Protection Equivalent	$0.72	$0.76	$0.81	$0.85

Pipe	Monthly Private Fire Service Rate			
Diameter	FY 2026	FY 2027	FY 2028	FY 2029
5/8"	$9.52	$9.83	$10.60	$11.09
3/4"	$9.65	$9.97	$10.75	$11.24
1"	$10.03	$10.38	$11.18	$11.69
1.5"	$11.41	$11.83	$12.73	$13.31
2"	$13.79	$14.34	$15.39	$16.10
3"	$22.32	$23.36	$24.97	$26.10
4"	$37.04	$38.90	$41.48	$43.36
6"	$89.87	$94.70	$100.75	$105.31
8"	$181.00	$190.94	$202.97	$212.16
10"	$318.06	$335.70	$356.74	$372.88
12"	$508.03	$536.33	$569.85	$595.64

Rate Design: Pumping Costs ($/Year) and Pumping Charges ($/ccf)

	Projected Pumping Costs, $/Year			
Power Zone	FY 2026	FY 2027	FY 2028	FY 2029
Murrieta Water, Fund 23				
107	$0	$0	$0	$0
108	$47,014	$52,941	$61,552	$67,990
Subtotal	$47,014	$52,941	$61,552	$67,990

	Projected Pumping Charges, $/ccf			
Power Zone	FY 2026	FY 2027	FY 2028	FY 2029
Murrieta Water, Fund 23				
107	$0.00	$0.00	$0.00	$0.00
108	$0.262	$0.278	$0.296	$0.315

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Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Rate Design: Water Delivery Unit Costs, $/ccf

	FY 2026	FY 2027	FY 2028	FY 2029
Base Capacity Costs	$715,306	$754,417	$798,141	$832,990
Percent Included in Commodity Charge	100%	100%	100%	100%
Base Capacity Costs Included in Commodity Charge	$715,306	$754,417	$798,141	$832,990
Peaking Costs (Max Day and Max Hour Extra Capacity Costs)	$1,933,428	$2,040,843	$2,161,779	$2,257,567
Percent Included in Commodity Charge	20%	20%	20%	20%
Peaking Costs Included in Commodity Charge	$386,686	$408,169	$432,356	$451,513
Additional Revenues to Build Reserves	$375,000	$410,000	$485,000	$450,000
Total Amount Included in Commodity Charge	$1,476,991	$1,572,586	$1,715,497	$1,734,504
Water Sales, ccf/year	897,206	952,184	1,039,724	1,079,206
Water Delivery Unit Cost, $/ccf	$1.65	$1.65	$1.65	$1.61

Rate Design: Water Supply Sources, Water Supply Unit Costs ($/AF), and Water Supply Costs ($ per Year)

	2025 Model	FY 2026	FY 2027	FY 2028	FY 2029	
Murrieta Water						
Projected Water Sales, ccf	0	897,206	952,184	1,039,724	1,079,206	
Projected Water Sales, AF		2,060	2,186	2,387	2,478	
Water Loss, %		5.50%	5.50%	5.50%	5.50%	Water Loss Source, Murrieta Water: Western Water staff, 11/21/24.
Projected Water Supply, AF		2,180	2,313	2,526	2,622	
Potable Water Supply Sources, AF per Year (Murrieta Water)						
Groundwater (New Clay + North Well)	1,452	1,016	1,016	1,016	1,016	Source: Western Water staff, 1/31/25. 70% of well production volume
Eastern MWD	1,271	1,163	1,297	1,509	1,605	Source: Calculated as the balance of source of supply needs and the other supply volumes
Total	2,723	2,180	2,313	2,526	2,622	
Murrieta Water Supply Source Volumes Sold to Customers, hcf/year						
Groundwater (New Clay + North Well)		418,393	418,393	418,393	418,393	Water sold to customers does not include non revenue water.
Eastern MWD		478,813	533,791	621,331	660,813	Water sold to customers does not include non revenue water.
Total		897,206	952,184	1,039,724	1,079,206	
Potable Water Supply Sources, Unit Costs, $/AF						
Groundwater (New Clay + North Well)	$322.10	$382.20	$406.50	$432.59	$460.64	Source: Western Water staff, 1/9/25.
Eastern MWD	$1,565.35	$1,716.03	$1,836.15	$1,950.50	$2,033.15	Source: Western Water staff, 1/31/25

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Potable Water Supply Cost, $/Year						
Groundwater (New Clay + North Well)	$388,468	$413,167	$439,688	$468,194	Purchased water supply costs includes non-revenue water	
Eastern MWD	1,996,049	2,381,002	2,944,077	3,263,836	Purchased water supply costs includes non-revenue water	
Total	$2,384,517	$2,794,169	$3,383,765	$3,732,030		

Rate Design: FY 2026 Water Supply Component of Commodity Charge, $/hcf

	Projected	Hcf Sold With Supply From Each of the Following Sources		Water Supply Cost From Each of the Following Sources			
	2026 Water	Groundwater	Eastern	Groundwater	Eastern	Total	Unit Cost,
Murrieta Water	Sales, hcf	New Clay + N Well	MWD	New Clay + N Well	MWD	Cost	$/hcf
Tier 1	354,823	354,823	0	$329,445	$0	$329,445	$0.93
Tier 2	436,988	63,570	373,418	$59,023	$1,556,682	1,615,706	$3.70
Tier 3	48,294		48,294		$201,324	201,324	$4.17
Tier 4	57,102		57,102		$238,043	238,043	$4.17
Total	897,206	418,393	478,813	$388,468	$1,996,049	$2,384,517	
	2025 Model: ~75% of Tier 2 water was EMWD. Now, it's about 36%.					TRUE	
		0.854526923					

Rate Design: FY 2027 Water Supply Component of Commodity Charge, $/hcf

	Projected	Hcf Sold With Supply From Each of the Following Sources		Water Supply Cost From Each of the Following Sources			
	2027 Water	Groundwater	Eastern	Groundwater	Eastern	Total	Unit Cost,
Murrieta Water	Sales, hcf	New Clay + N Well	MWD	New Clay + N Well	MWD	Cost	$/hcf
Tier 1	376,565	376,565	0	$371,861	$0	$371,861	$0.99
Tier 2	463,765	41,828	421,937	$41,305	1,882,072	1,923,378	$4.15
Tier 3	51,253		51,253		228,616	228,616	$4.46
Tier 4	60,601		60,601		270,314	270,314	$4.46
Total	952,184	418,393	533,791	$413,167	$2,381,002	$2,794,169	
						TRUE	

Rate Design: FY 2028 Water Supply Component of Commodity Charge, $/hcf

	Projected	Hcf Sold With Supply From Each of the Following Sources		Water Supply Cost From Each of the Following Sources			
	2028 Water	Groundwater	Eastern	Groundwater	Eastern	Total	Unit Cost,
Murrieta Water	Sales, hcf	New Clay + N Well	MWD	New Clay + N Well	MWD	Cost	$/hcf
Tier 1	411,185	411,185	0	$432,113	$0	$432,113	$1.05
Tier 2	506,402	7,208	499,194	$7,575	$2,365,349	2,372,924	$4.69
Tier 3	55,965		55,965		$265,181	265,181	$4.74
Tier 4	66,172		66,172		$313,547	313,547	$4.74
Total	1,039,724	418,393	621,331	$439,688	$2,944,077	$3,383,765	
						TRUE	

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

Rate Design: FY 2029 Water Supply Component of Commodity Charge, $/hcf

	Projected	Hcf Sold With Supply From Each of the Following Sources		Water Supply Cost From Each of the Following Sources			
	2029 Water	Groundwater	Eastern	Groundwater	Eastern	Total	Unit Cost,
Murrieta Water	Sales, hcf	New Clay + N Well	MWD	New Clay + N Well	MWD	Cost	$/hcf
Tier 1	426,799	418,393	8,406	$468,194	$41,519	$509,713	$1.19
Tier 2	525,632		525,632	$0	$2,596,158	2,596,158	$4.94
Tier 3	58,090		58,090		$286,914	286,914	$4.94
Tier 4	68,685		68,685		$339,244	339,244	$4.94
Total	1,079,206	418,393	660,813	$468,194	$3,263,836	$3,732,030	
						TRUE	

Rate Design: Efficiency Component of Commodity Charge ($/hcf) and Efficiency Expenses ($/year)

	Projected Water Sales, hcf/year				Projected Efficiency Component of Commodity Charge, $/hcf				Projected Efficiency Revenues, $/Year			
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029	FY 2026	FY 2027	FY 2028	FY 2029
Murrieta Water												
Tier 1	354,823	376,565	411,185	426,799								
Tier 2	436,988	463,765	506,402	525,632								
Tier 3	48,294	51,253	55,965	58,090	$0.66	$0.66	$0.66	$0.66	$31,874	$33,827	$36,937	$38,339
Tier 4	57,102	60,601	66,172	68,685	$0.82	$0.82	$0.82	$0.82	$46,824	$49,693	$54,261	$56,322

Rate Design: FY 2026 Commodity Charge, $/hcf (Before Phase-In Adjustment)

	Water Supply	Water Delivery	Efficiency	Total
Murrieta Water				
Tier 1	$0.928	$1.646		$2.575
Tier 2	$3.697	$1.646		$5.344
Tier 3	$4.169	$1.646	$0.660	$6.475
Tier 4	$4.169	$1.646	$0.820	$6.635

Rate Design: FY 2027 Commodity Charge, $/hcf (Before Phase-In Adjustment)

	Water Supply	Water Delivery	Efficiency	Total
Murrieta Water				
Tier 1	$0.988	$1.652		$2.639
Tier 2	$4.147	$1.652		$5.799
Tier 3	$4.461	$1.652	$0.660	$6.772
Tier 4	$4.461	$1.652	$0.820	$6.932

Appendix J
Western Municipal Water District: Potable Water, Non-Potable Water, and Sewer Rate Study
Murrieta Water Service Area: Cost-of-Service Analysis and Rate Design

752 **Rate Design: FY 2028 Commodity Charge, $/hcf (Before Phase-In Adjustment)**

	Water Supply	Water Delivery	Efficiency	Total
Murrieta Water				
Tier 1	$1.051	$1.650		$2.701
Tier 2	$4.686	$1.650		$6.336
Tier 3	$4.738	$1.650	$0.660	$7.048
Tier 4	$4.738	$1.650	$0.820	$7.208

Rate Design: FY 2029 Commodity Charge, $/hcf (Before Phase-In Adjustment)

	Water Supply	Water Delivery	Efficiency	Total
Riverside Potable				
Tier 1	$1.194	$1.607		$2.801
Tier 2	$4.939	$1.607		$6.546
Tier 3	$4.939	$1.607	$0.660	$7.206
Tier 4	$4.939	$1.607	$0.820	$7.366

Rate Design: Tier 1 and Tier 2 Phase-In Adjustment

	Commodity Charge, $/hcf					% Increase Over Previous Year				
	Current	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/25 % Chg	7/1/26 % Chg	7/1/27 % Chg	7/1/28 % Chg	Four-Year Avg
Before Phase-In Adjustment										
Tier 1	$2.428	$2.570	$2.640	$2.700	$2.800	5.848%	2.724%	2.273%	3.704%	3.628%
Tier 2	$4.814	$5.340	$5.800	$6.340	$6.550	10.926%	8.614%	9.310%	3.312%	8.002%
After Phase-In Adjustment										
Tier 1	$2.428	$2.520	$2.610	$2.700	$2.800	3.789%	3.571%	3.448%	3.704%	3.628%
Tier 2	$4.814	$5.200	$5.620	$6.070	$6.550	8.018%	8.077%	8.007%	7.908%	8.002%