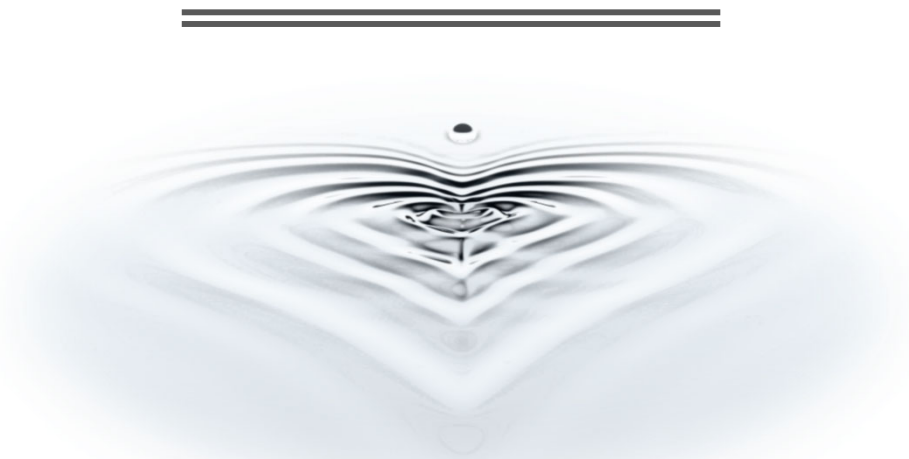


Calaveras County Water District

Financial Planning Workshop

April 28, 2023



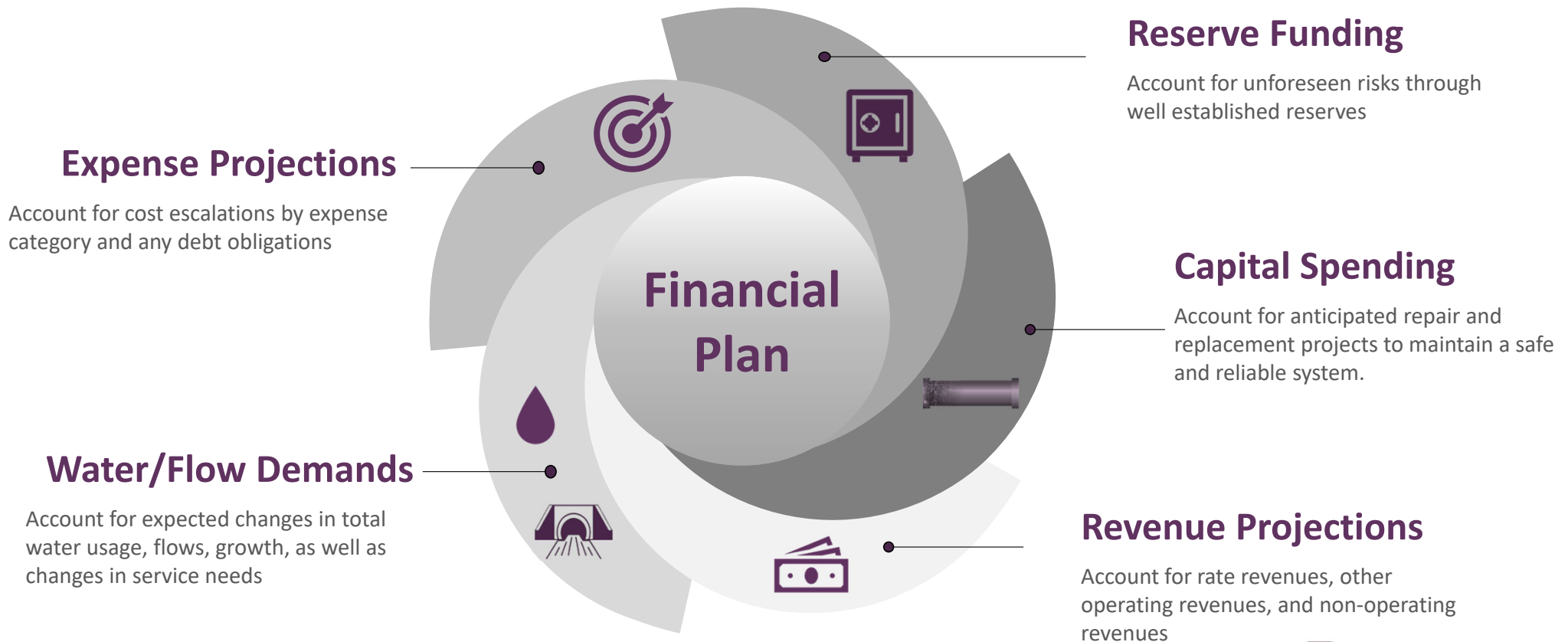
Financial Plan Workshop

Agenda



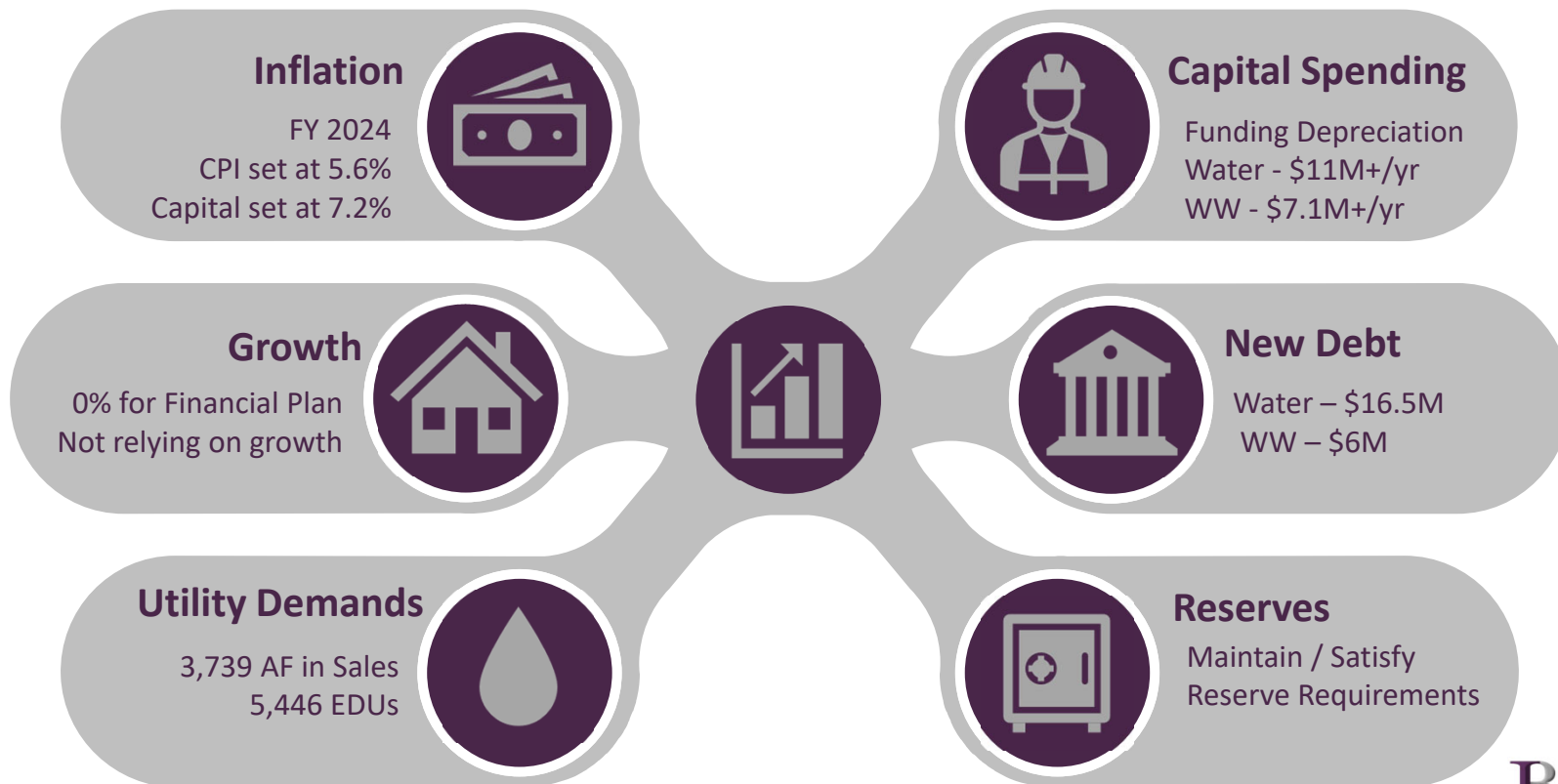
Financial Plan Summary

Factors Impacting the Financial Plan



Key Assumptions

Water and Wastewater



Water Enterprise

Long-Term Financial Plan



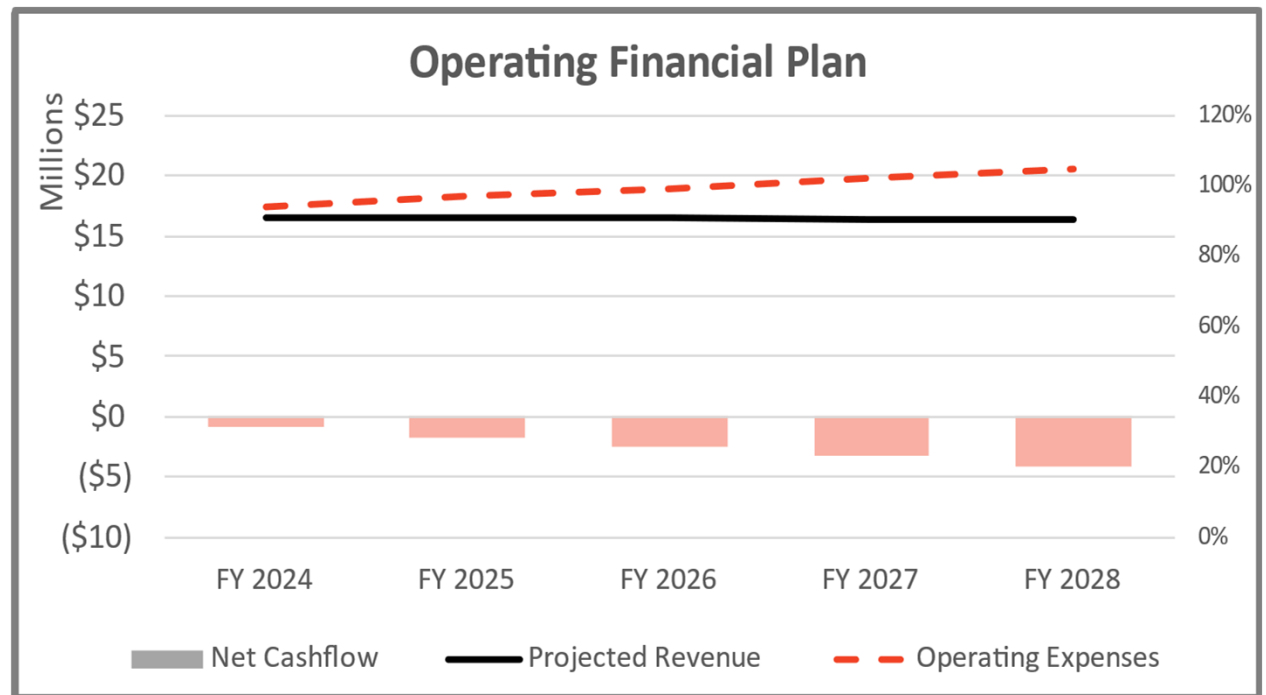
Calaveras County
Water District

Current Financial Position

At Existing Rates

Financial Plan Metrics

- Generate Positive Net Income
- Comply with Debt Covenants
- Sufficiently Fund Capital Needs
- Meet Reserve Targets



Financial Position

Water at Current Rates

Results From Review

- Requires revenue increases each year
 - Eliminate ongoing operating deficit over the planning period
 - Reserves are below minimum requirements
 - ❖ Operating Reserve = 90 days of O&M
 - ❖ Capital Reserve = Annual depreciation
 - ❖ Rate Stabilization Reserve = 10% of operating revenues
 - ❖ Emergency Reserve = 3% of asset value
 - ❖ Total Minimum Requirement = \$11.1M
 - Replenish and maintain healthy reserves

Proposed Water Financial Plan

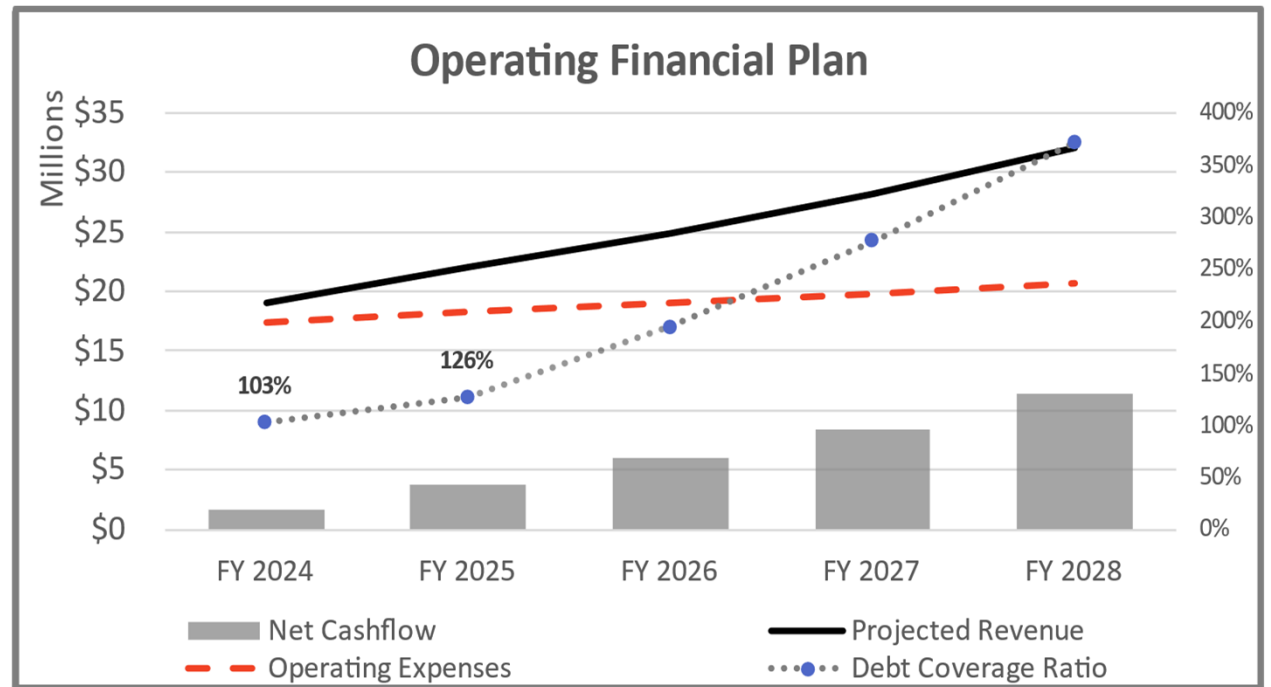
FY 2024 – FY 2028

Revenue Adjustments:

FY 2024 – FY 2028: 25%, 16%, 16%, 16%, 16%

Proposed Financial Plan

- Positive Net Income
- Fully fund capital needs
 - \$54.5M over the next 5 years
- Issue debt to fund capital in short-term
 - Allows rates to increase over time and transition to PAYGO funding
 - \$16.5M in FY 2024-25
 - Ensure ongoing debt coverage
- Meets Reserve during planning period



Wastewater Enterprise

Long-Term Financial Plan



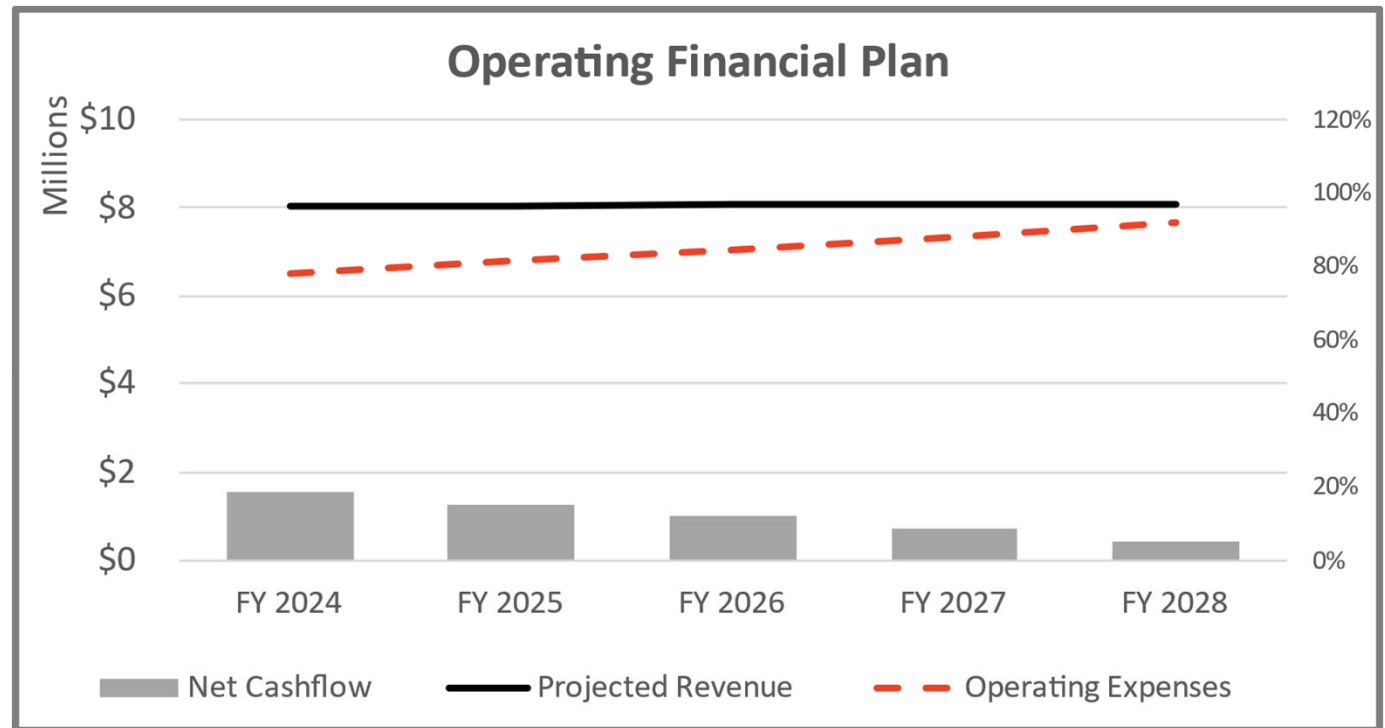
Calaveras County
Water District

Current Financial Position

Wastewater Enterprise

Financial Plan Metrics

- Generate Positive Net Income
- Comply with Debt Covenants
- Sufficiently Fund Capital Needs
- Meet Reserve Targets



Financial Position

Wastewater at Current Rates

Results From Review

- Net income decreasing each year
- Reserves below the minimum requirements
 - Total minimum = \$4.8M
- At existing rates, reserves would be used to cover capital expenses
 - Not sustainable long-term
 - Reserves already below minimum requirements
 - Reserves depleted in FY 2025

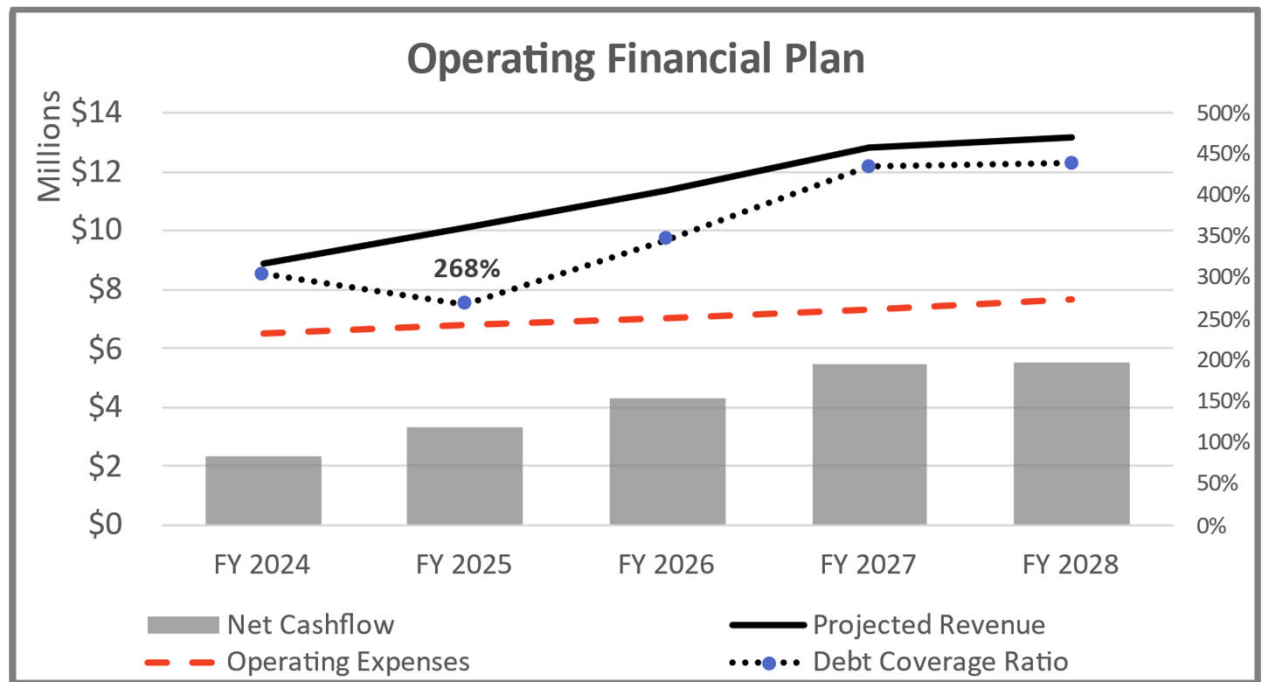
Proposed Wastewater Financial Plan

FY 2024 – FY 2048

Revenue Adjustments:
 FY 2024 – FY 2028: 14%, 14%, 14%, 14%, 3%

Proposed Financial Plan

- Positive Net Income
- Fully fund capital needs
 - \$35.8M over the next 5 years
- Issue debt to fund capital in short-term
 - Allows rates to increase over time and transition to PAYGO funding
 - \$6M in FY 2024-25
 - Ensure ongoing debt coverage
- Meets Reserve during planning period



Next Steps

Upcoming Tasks

- Cost-of-Service Analysis / Rate Design
- July 12th – Rate Workshop
- July 24th – Mail Prop. 218 Notice
- Sept 13th – Public Hearing
- Oct 16th – Implementation date of proposed rates

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