

Wastewater Financial Plan Study



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Executive Summary

Leucadia Wastewater District (District) engaged IB Consulting to develop a Long-Term Financial Plan and Cost-of-Service Rate Study (Study) for the District's wastewater utility and to review the financial health of the recycled water utility for Fiscal Year 2025 (FY 2025) to FY 2044 (Financial Plan Period). The District utilizes the long-term financial planning process to project future financial conditions, provide guidance in the decision-making process, and ultimately to ensure the financial stability of the District. The District typically performs major financial plan updates every five years and minor updates based on actual financials on an annual basis. Performing annual updates ensures the District is aware of any major deviations from projections and allows the District to make necessary adjustments.

Process

IB Consulting worked closely with District staff on an ongoing basis via scheduled in-person meetings, workshops, and webinars. During the kick-off meeting, the major drivers for the study were determined and key information was reviewed and discussed. The major objectives of the study include the following:

- Develop a long-term financial plan for the wastewater utility to maintain a strong financial outlook.
- Incorporate the completed Asset Management Plan Update.
- Evaluate the impacts of issuing debt to fund capital projects.
- Review the financial position of the recycled water utility.
- Examine reserve targets and ensure reserves are sufficiently funded.

IB Consulting used the knowledge gained during the kick-off meeting in conjunction with historical financial information, industry standards, engineering planning documents (such as the Asset Management Plan), cost-sharing allocations based on the District's ownership in Encina Wastewater Authority (EWA), EWA budget information, cost indices, and assumptions defined by District staff to develop the long-term financial plan. The District is a member of the EWA, which is a joint powers authority comprised of the District, Vallecitos Water District, Buena Sanitation District, and the cities of Carlsbad, Vista, and Encinitas.

IB Consulting conducted a meeting with District staff to present the preliminary results, receive feedback from District Management, and determine the scenarios to present to the Board. During the staff workshop key inputs, assumptions, revenues, and expenditures were reviewed. In addition, capital improvement scenarios, debt funding scenarios, and revenue adjustment options were evaluated. This meeting was followed by a financial plan workshop with the Board of Directors where four financial options were presented to the Board. The Board provided direction on which option was incorporated into the proposed financial plan. The proposed financial plan was developed to meet the following criteria:

- Modify the pattern of three years of increases followed by three years of no increases to three years of increases followed by one year without an increase.
- Continue to generate positive net operating income each fiscal year of the planning period.
- Fully fund capital projects through Pay-As-You-Go (PAYGO) or reserves.
- Meet or exceed minimum reserve requirements within the Financial Plan Period.

The Long-Term Financial Plan and Cost-of-Service Report (Report) includes a twenty-year financial plan, incorporates the Capital Improvement Plan (CIP) (composed of District CIP, Jointly Owned CIP, EWA CIP, and Recycled CIP), examines reserves in both the short-term and long-term planning horizon, proposes wastewater rate adjustments for FY 2025 through FY 2029 (Rate Setting Period), and projects wastewater

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revenue adjustments for the remaining years of the Financial Plan Period. The major objectives of the study include the following:

- Develop a financial plan for the wastewater enterprise to maintain the strong financial health of the utility.
- Incorporate the recently completed Asset Management Plan Update and near-term projected capital expenditures.
- Evaluate the impacts of issuing debt to fund capital expenditures.
- Review the financial position of the recycled water utility.
- Examine reserve targets and ensure reserves are sufficiently funded.

Results and Recommendations

During the financial plan update, revenues from existing rates were reviewed to determine if the current rates can sufficiently cover the District's operating expenses, capital spending, and satisfy minimum reserve requirements. It was also critical to review revenue needs beyond the Rate Setting Period to account for any new expenses from changes in operations or treatment requirements as well as plan for spikes in capital spending based on how capital projects are scheduled. This approach ensured that the District obtains a clear understanding of the utility's current financial position and plans for future obligations.

The last Long-Term Financial Plan Study included rate adjustments from FY 2021 through FY 2023, however, with COVID-19 impacting California and the "stay-at-home" mandate from the Governor, the District Board took action to delay any rate adjustments for FY 2021. Therefore, all proposed rates were pushed back one year, and the District absorbed the loss in revenue through reserves. Based on our financial review of existing FY 2024 rates, the District's annual net operating income for FY 2025 is projected at \$6M. This level of net income above O&M expenses reflects a very strong operating position which allows the District to sufficiently fund the District CIP (\$2.7M) and Jointly Owned CIP (\$3.1M). However, the net income cannot cover EWA CIP on its own and must rely on reserves to cover the difference. The District owns approximately 17% of the treatment capacity at the regional treatment plant and conveys approximately 3.6 million gallons of wastewater per day. As a member of EWA, the District incurs capital replacement costs related to the Encina Water Pollution Control Facility (EWPCF or EWA).

Initially, the District received an EWPCF 20-Year capital plan that exceeded \$1.1 billion, with the District cost-sharing allocation equal to 16.8% (or an annual dollar amount of \$9.24M). This level of capital spending would require the District to double its rate revenues in the first year to cover all CIP expenses through PAYGO, which was determined to be impractical. Based on District Management experience and knowledge surrounding EWPCF and through review of historical EWPCF actual capital spending, the District decided to use the average annual amount of capital spending over the last five years (indexed by CCI¹). The five-year average historical spending reflects a more practical approach and correlates to what may be possible to complete on an annual basis. Therefore, the District's CIP includes capital spending averaging \$9M per year over the Rate Setting Period, of which, EWA CIP averages approximately \$4.9M. The long-term financial plan incorporates the capital improvement plan and identifies revenue adjustments beyond the next five years to ensure the District can implement a sensible approach to the proposed rate adjustments and avoid significant increases in the future.

The existing wastewater rate structure consists of monthly fixed charges per Equivalent Dwelling Units (EDUs), where residential accounts are assigned 1 EDU per dwelling unit and non-residential accounts are

¹ Engineering News-Record Construction Cost Index – 20 Cities

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assigned EDUs based on the demand each property places on the system in relation to 1 EDU's flow and strength characteristics. Each customer's proposed rates will be noticed by mail as part of the Proposition 218 noticing requirements. In fiscal year 2024, a Board meeting and public hearing will be held on the proposed wastewater rates shown in Table 1.

Table 1: Proposed Monthly Wastewater Rates

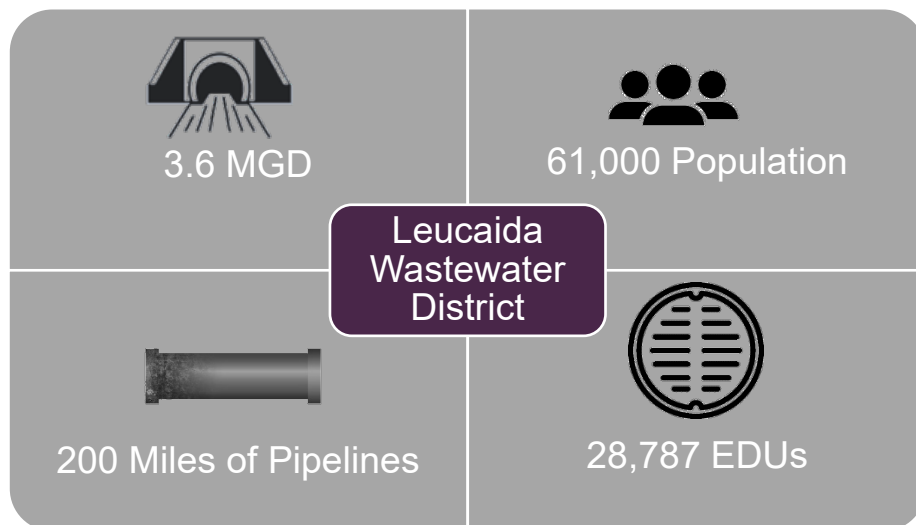
EDU Charges (\$/Month/EDU)				
	FY 2025	FY 2026	FY 2027	FY 2028
All Customers	\$43.08	\$48.25	\$53.07	\$53.07

Background

The District is located in northern San Diego County and provides wastewater collection services to a population of approximately 61,000 in an area of about 16 square miles. This area includes the Leucadia and Village Park communities in Encinitas and the La Costa community in Carlsbad.

The wastewater collection system is comprised of approximately 200 miles of gravity sewer pipelines, 11 miles of force mains, and 10 pump stations. The wastewater influent flows are conveyed to EWPCF in Carlsbad for treatment and disposal. The District produces recycled water at the Forest R. Gafner Water Reclamation plant from secondary effluent generated at the EWA facility. The water recycling facility produces approximately 90 million gallons of recycled water per year and provides recycled water to the Omni La Costa Resort & Spa for irrigation of their South Golf Course.

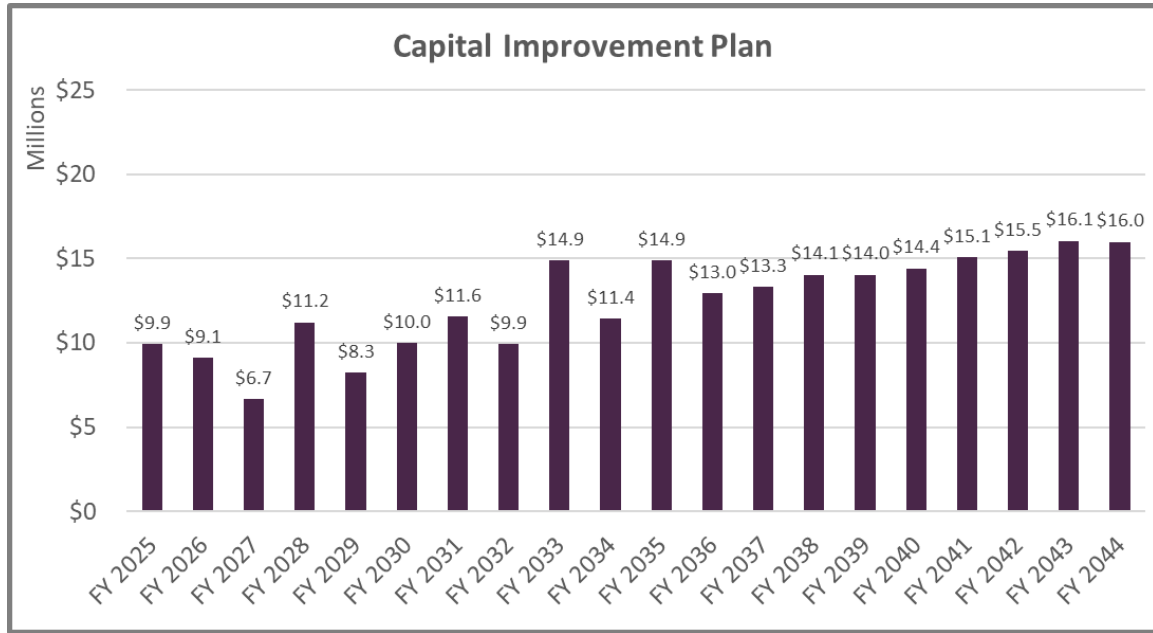
Figure 1: Leucadia Wastewater District



A total of \$249.4M in capital spending is anticipated to occur over the Financial Planning Period (20 years), with \$122.0M of that attributed to the District's share of EWA's capital costs. Therefore, although rates may only be adopted for five years, Figure 2 identifies the projected Capital Improvement Plan (CIP) expenses through the Financial Plan Period.

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Figure 2: Wastewater Capital Improvement Plan



As of the start of FY 2023, the District serves 28,787 wastewater EDUs. The FY 2023 and FY 2024 wastewater monthly rates per EDU are identified in Table 2.

Table 2: FY 2023 and FY 2024 Monthly Wastewater Charges

EDU Charges (\$/EDU)		
	FY 2023	FY 2024
All Customers	\$34.65	\$38.12

The district provides an estimated 273 acre-feet (AF) of recycled water each year to its only customer, the La Costa Resort and Spa. The FY 2023 and FY 2024 recycled water variable rates are shown in Table 3.

Table 3: FY 2023 and FY 2024 Recycled Water Variable Rates

Recycled Variable Rates (\$/HCF)		
	FY 2023	FY 2024
Recycled Water	\$1,540.00	\$1,540.00

Financial Plan Overview

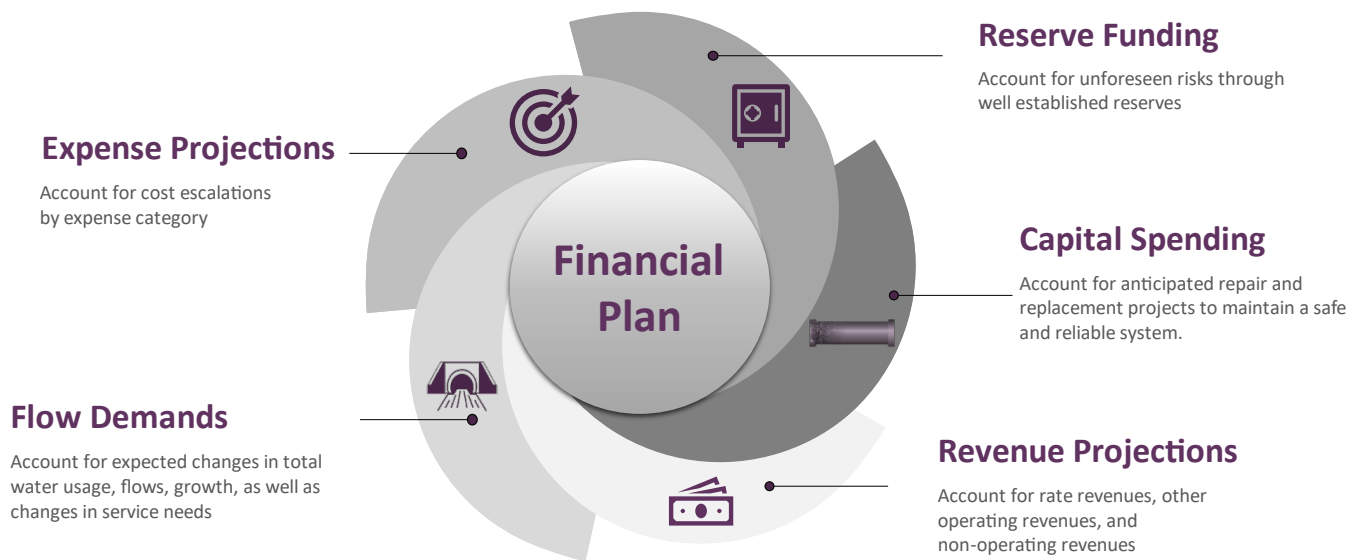
Financial Planning

Financial planning incorporates numerous considerations, including projecting revenues and forecasting expected costs using various inflationary adjustments. Utilities also need to account for changes in parcels served, state mandates, growth, and economic factors. In addition, system maintenance and reinvestment, reserves, and debt compliance all influence the revenues needed in future years. Therefore, a comprehensive financial plan reviews the following:

- 1) Changes in total EDUs serviced.
- 2) Operational costs that may change over the planning period due to inflation and any new expenditures incurred to meet strategic goals, regulatory requirements, or changes in operations.
- 3) Multi-year system improvements and scheduling improvements based on priority. This review also considers available funding sources to complete capital projects such as "pay-as-you-go" (PAYGO), grants, and debt financing.
- 4) Reserve funding to meet adopted reserve policies. The goal is to generate adequate cash on hand to mitigate financial risks related to operating needs, unexpected increases in expenses, shortages in system reinvestment, and potential system failures.

Figure 3 illustrates the key elements when developing a long-term financial plan.

Figure 3: Financial Plan Key Elements



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Financial Planning Assumptions

Developing a long-term financial plan requires an understanding of the District's financial position by evaluating existing revenue streams, ongoing expenses, how those expenses will change over time, debt requirements, new strategic objectives, and reserve policies. With these considerations, certain assumptions are required for projecting revenues, expenses, and expected ending fund balances. Through discussions with staff and their understanding of historical budget data and future obligations, Table 4 identifies assumptions used for forecasting revenues. As shown in the table below, certain expenditures will be fully or partially offset by revenues. For example, Development Services expenses will be 100% offset by Development Services revenues, meaning that there will be no impact from these expenditures to the District's customers. Based on historical averages and projections provided by the District, our analysis projects minimal growth of approximately 58 EDUs per year, for forecasting new connections and corresponding revenues. The 0.2% growth rate is a reasonable assumption due to the fact that the District's service area is mostly built out with minimal in-fill projects remaining. Recycled water usage is not projected to change over the Financial Planning Period.

Table 4: Revenue Forecasting Assumptions

Key Assumptions	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue Escalation					
Non-Inflated	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Rate Revenues	2.0%	2.0%	2.0%	2.0%	2.0%
Property Tax	2.0%	2.0%	2.0%	2.0%	2.0%
Recycled Rate Revenues	0.0%	2.2%	2.2%	2.2%	2.2%
Reserve Interest	2.0%	2.0%	2.0%	2.0%	2.0%
Revenue Offsets					
Development Services	100.0%	100.0%	100.0%	100.0%	100.0%
Batiquitos/Encinitas Operations	20.0%	20.0%	20.0%	20.0%	20.0%
Batiquitos/Encinitas Capital	22.1%	22.1%	22.1%	22.1%	22.1%
Account Growth					
Wastewater EDUs	0.2%	0.2%	0.2%	0.2%	0.2%
Recycled	0.0%	0.0%	0.0%	0.0%	0.0%
Number of EDU's	28,903	28,961	29,019	29,077	29,135
Recycled Water Usage (AF)	273	273	273	273	273

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Table 5 identifies assumptions used to forecast expense increases through the Rate Setting Period. Expenditure escalations were discussed and confirmed with District staff. The escalation assumptions for General Costs are based on the Consumer Price Index – San Diego (all urban consumers) and the Capital Construction are based on the Engineering News-Record Construction Cost Index – 20 Cities. Due to the uncertainty surrounding the recent inflationary climate, both the General Costs and Capital Construction escalation assumptions were held at the 2022 annual increase (most recent annual data) and the remaining years were brought back down to the 10-Year historical average.

Table 5: Expense Forecasting Assumptions

Key Assumptions		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Expenditure Escalation						
Salaries		5.0%	5.0%	5.0%	5.0%	5.0%
Benefits		6.0%	6.0%	6.0%	6.0%	6.0%
Energy Costs		5.0%	5.0%	5.0%	5.0%	5.0%
Utilities		5.0%	5.0%	5.0%	5.0%	5.0%
General Costs	<i>10-Year Average</i>	7.7%	3.0%	3.0%	3.0%	3.0%
Capital Construction	<i>10-Year Average</i>	5.4%	2.7%	2.7%	2.7%	2.7%

Wastewater Utility

Current Financial Position

Revenues

Assuming no rate increases occur, Table 6 shows the calculated rate revenues through the Rate Setting Period². Annual wastewater revenues were calculated by multiplying the monthly FY 2024 wastewater EDU charges (Table 2) by the number of EDUs (Table 4) and then multiplying by twelve to account for the number of months in one year.

Table 6: Wastewater Calculated Rate Revenues

Wastewater Service Charge Revenue	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Wastewater Service Charges	\$38.12	\$38.12	\$38.12	\$38.12	\$38.12
Number of EDU's	28,903	28,961	29,019	29,077	29,135
Wastewater Service Charges	\$13,221,388	\$13,247,920	\$13,274,451	\$13,300,983	\$13,327,514

Table 7 summarizes calculated rate revenues and other available non-rate revenues, rounded to the nearest thousands. Capacity charge revenues are calculated based on the assumed growth of approximately 58 EDUs per year and are used to help fund capital repair and replacement. Development Services revenues will completely offset Development Services expenses and the Encinitas Operating and Encinitas Capital revenue will offset their fair share of respective operating and capital expenses related to the Batiquitos Joint Facilities (20% of operating and 22.1% of capital).

² Only five years of the Rate Setting Period are shown here; however, revenues were projected through FY 2044.

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Table 7: Wastewater Projected Revenues³

Revenue Summary	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Wastewater Service Charges					
Wastewater Service Charges	\$13,221,000	\$13,248,000	\$13,274,000	\$13,301,000	\$13,328,000
Administrative Services					
Capacity Charges	\$295,000	\$295,000	\$295,000	\$295,000	\$295,000
1% Property Tax	\$2,121,000	\$2,163,000	\$2,207,000	\$2,251,000	\$2,296,000
Interest Income	\$223,000	\$225,000	\$228,000	\$231,000	\$234,000
Subtotal Administrative Services	\$2,639,000	\$2,683,000	\$2,730,000	\$2,777,000	\$2,825,000
Development Services					
Inspection Fees	\$85,000	\$89,000	\$93,000	\$98,000	\$103,000
Batiquitos Joint Facilities					
Encinitas Operating	\$112,000	\$116,000	\$122,000	\$127,000	\$133,000
Encinitas - Capital	\$704,000	\$549,000	\$92,000	\$14,000	\$152,000
Subtotal Batiquitos Joint Facilities	\$816,000	\$665,000	\$214,000	\$141,000	\$285,000
Recycled Water Services					
AWT Income (Recycled Sales)	\$420,000	\$424,000	\$434,000	\$444,000	\$454,000
Total Revenues	\$17,181,000	\$17,109,000	\$16,745,000	\$16,761,000	\$16,995,000

Expenses

The FY 2024 budget was used as the baseline expenses for the District and were adjusted in subsequent years based on the percentage increases shown in Table 5. Table 8 provides projected Operational & Maintenance (O&M) expenses through the Rate Setting Period with future projections rounded to the nearest thousand⁴. Capital Services is a division within the operating budget that covers annual capital outlay expenses, such as equipment, building and grounds, vehicles, and associated salaries and benefits. These costs are typically routine in nature or inventory related as opposed to major investments of assets in the ground. As such, they were included in the O&M expenses shown below. Each expense category includes detailed line-item expenditures that were discussed with staff to determine the appropriate escalation factor to use for forecasting how costs will increase over time. This detail can be found in Appendix A.

³ Details for recycled water revenue can be found in Table 17.

⁴ Only the Rate Setting Period is shown here; however, expenditures were projected through FY 2044.

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Table 8: Wastewater Projected O&M Expenses⁵

O&M Summary	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Operating Expenses					
Development Services	\$85,000	\$89,000	\$93,000	\$98,000	\$103,000
Leucadia Operations	\$8,773,000	\$9,142,000	\$9,528,000	\$9,932,000	\$10,355,000
Batiquitos Operations	\$558,000	\$582,000	\$608,000	\$636,000	\$664,000
Capital Services	\$1,377,000	\$1,371,000	\$1,425,000	\$1,482,000	\$1,541,000
Recycled Water Services	\$331,000	\$345,000	\$360,000	\$376,000	\$392,000
Subtotal Operating Expenses	\$11,124,000	\$11,529,000	\$12,014,000	\$12,524,000	\$13,055,000

⁵ Details for recycled water expenses can be found in Table 18.

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Capital Improvement Plan

The District's wastewater Capital Improvement Plan (CIP) includes approximately \$8.7M in average annual capital spending, indexed for inflation, over the Rate Setting Period. The District's CIP includes three primary categories of District CIP, Jointly Owned CIP, and the District's share of Encina's CIP. Table 9 identifies the anticipated CIP by project name, the cumulative inflationary factor, and the resulting total anticipated CIP costs.

Table 9: Wastewater Capital Improvement Plan

Project Description		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Gravity Pipelines and Manholes						
<i>Specific Pipeline & Manhole</i>	<i>District CIP</i>					
Gravity Pipeline Rehab Projects	<i>District CIP</i>	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
Subtotal Specific Pipeline & Manhole		\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
<i>Additional Pipeline & Manhole</i>						
Misc. Pipeline/Manhole Rehab.	<i>District CIP</i>	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000
Headquarters Building	<i>District CIP</i>	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333
SCADA Upgrades	<i>District CIP</i>	\$0	\$0	\$0	\$85,000	\$0
Asset Management Plan Update	<i>District CIP</i>	\$0	\$0	\$0	\$150,000	\$0
Lateral Repl./Backflow Preventer Prog.	<i>District CIP</i>	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Subtotal Additional Pipeline & Manhole		\$337,333	\$337,333	\$337,333	\$572,333	\$337,333
Total Gravity Pipelines and Manholes		\$1,127,333	\$1,127,333	\$1,127,333	\$1,362,333	\$1,127,333
Pump Stations and Force Mains						
<i>Specific Pump Station</i>						
Diana PS Upgrade Project	<i>District CIP</i>	\$708,750	\$0	\$0	\$0	\$0
Batiquitos Pump Station Rehabilitation	<i>Jointly Owned CIP</i>	\$2,807,500	\$2,119,500	\$0	\$0	\$0
La Costa Pump Station Replacement	<i>District CIP</i>	\$0	\$0	\$0	\$3,310,000	\$0
Subtotal Specific Pump Station		\$3,516,250	\$2,119,500	\$0	\$3,310,000	\$0
<i>Force Mains</i>						
L1 Condition Inspection	<i>District CIP</i>	\$0	\$500,000	\$0	\$0	\$0
B3 Destructive Testing	<i>Jointly Owned CIP</i>	\$0	\$0	\$300,000	\$0	\$0
B3 Condition Inspection	<i>Jointly Owned CIP</i>	\$0	\$0	\$0	\$0	\$500,000
Anode Replacement	<i>District CIP</i>	\$30,000	\$0	\$0	\$30,000	\$0
Subtotal Force Mains		\$30,000	\$500,000	\$300,000	\$30,000	\$500,000
Total Pump Stations and Force Mains		\$3,546,250	\$2,619,500	\$300,000	\$3,340,000	\$500,000
Jointly-Owned Gravity						
General Lanikai Replacement (District Share)	<i>Jointly Owned CIP</i>	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
General Occidental Replacement (District Share)	<i>Jointly Owned CIP</i>	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450
Total Jointly-Owned Gravity		\$53,450	\$53,450	\$53,450	\$53,450	\$53,450
Share of Encina CIP	<i>5 Year Average</i>	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695
Subtotal Scenario 4 - 5-Yr EWA Average CIP		\$8,931,728	\$8,004,978	\$5,685,478	\$9,315,478	\$6,675,478
Subtotal Uninflated CIP		\$8,931,728	\$8,004,978	\$5,685,478	\$8,960,478	\$5,885,478
Cumulative Inflationary Factor		111.2%	114.2%	117.3%	120.4%	123.7%
Total Inflated Wastewater CIP		\$9,928,212	\$9,139,418	\$6,667,273	\$10,792,830	\$7,281,297

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Reserves

Figure 4: Wastewater Reserves



The District has three wastewater reserves including Operating, Capital Replacement, and Emergency. These designated reserves mitigate risks to the District by ensuring sufficient cash is on hand for daily operations and to fund annual capital outlay and long-term system reinvestment. In addition, these reserves help smooth rates while mitigating rate spikes due to emergencies or above-average system costs. IB Consulting recommends adjusting the Capital Replacement reserve targets from a minimum requirement of the twenty-year average CIP to one year of the 5-year average of capital funding and a target of two years of the 5-year average of capital funding. Capital costs may vary substantially based on the size of a specific project and the number of projects that need to be addressed in one particular year. Therefore, adjusting the capital reserve targets to what is planned over the next 5 years will ensure funding is available and adjusts with the ebbs and flows of the District’s capital planning.

Table 10: Wastewater Minimum Reserve Requirements and Targets

Reserve	Existing Minimum Requirement	Proposed Minimum Requirement	Proposed Target
Operating	33% of Operating Expenses	33% of Operating Expenses	33% of Operating Expenses
Capital Replacement	Annual Average 20-year CIP	1 year of 5-year average CIP	2 years of 5-year average CIP
Emergency	Fixed Amount = \$7.5M	Fixed Amount = \$7.5M	Fixed Amount = \$7.5M
Total for FY 2025	\$22.9M	\$20.1M	\$28.8M

Financial Outlook at Existing Rates

Calculating revenue using existing rates and projecting expenses helps determine the current financial health of the utility. Revenues from existing rates cover O&M expenses with net operating income going towards capital spending and reserves each year. By FY 2036, the District would generate an operating annual deficit, which would need to be mitigated through rate increases. In addition, with net operating income decreasing

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annually, the District would need to rely on reserves to fund its ongoing capital reinvestment. Table 11 forecasts existing revenues and expenses through the Rate Setting Period and Table 12 summarizes the reserve activity, with projected FY 2025 starting reserve balances identified for the wastewater reserves.

Table 11: Wastewater Financial Plan at Existing Rates

Revenue		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Wastewater Service Charges	Table 7	\$13,221,000	\$13,248,000	\$13,274,000	\$13,301,000	\$13,328,000
Administrative Services						
Capacity Charges		\$295,000	\$295,000	\$295,000	\$295,000	\$295,000
1% Property Tax	Table 7	\$2,121,000	\$2,163,000	\$2,207,000	\$2,251,000	\$2,296,000
Interest Income		\$223,000	\$225,000	\$228,000	\$231,000	\$234,000
Subtotal Administrative Services		\$2,639,000	\$2,683,000	\$2,730,000	\$2,777,000	\$2,825,000
Development Services						
Inspection Fees	Table 7	\$85,000	\$89,000	\$93,000	\$98,000	\$103,000
Subtotal Development Services		\$85,000	\$89,000	\$93,000	\$98,000	\$103,000
Batiquitos Joint Facilities						
Encinitas Operating	Table 7	\$112,000	\$116,000	\$122,000	\$127,000	\$133,000
Encinitas - Capital		\$704,000	\$549,000	\$92,000	\$14,000	\$152,000
Subtotal Batiquitos Joint Facilities		\$816,000	\$665,000	\$214,000	\$141,000	\$285,000
Recycled Water Services						
AWT Income (Recycled Sales)	Table 7	\$420,000	\$424,000	\$434,000	\$444,000	\$454,000
Subtotal Recycled Water Services		\$420,000	\$424,000	\$434,000	\$444,000	\$454,000
Total Revenues		\$17,181,000	\$17,109,000	\$16,745,000	\$16,761,000	\$16,995,000
O&M Expenses		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Operating Expenses						
Development Services		\$85,000	\$89,000	\$93,000	\$98,000	\$103,000
Leucadia Operations		\$8,773,000	\$9,142,000	\$9,528,000	\$9,932,000	\$10,355,000
Batiquitos Operations	Table 8	\$558,000	\$582,000	\$608,000	\$636,000	\$664,000
Capital Services		\$1,377,000	\$1,371,000	\$1,425,000	\$1,482,000	\$1,541,000
Recycled Water Services		\$331,000	\$345,000	\$360,000	\$376,000	\$392,000
Subtotal Operating Expenses		\$11,124,000	\$11,529,000	\$12,014,000	\$12,524,000	\$13,055,000
Total Expenses		\$11,124,000	\$11,529,000	\$12,014,000	\$12,524,000	\$13,055,000
Net Cashflow		\$6,057,000	\$5,580,000	\$4,731,000	\$4,237,000	\$3,940,000

Leucadia Wastewater District – Wastewater Financial Plan Study

Table 12: Wastewater Reserve Activity at Existing Rates⁶

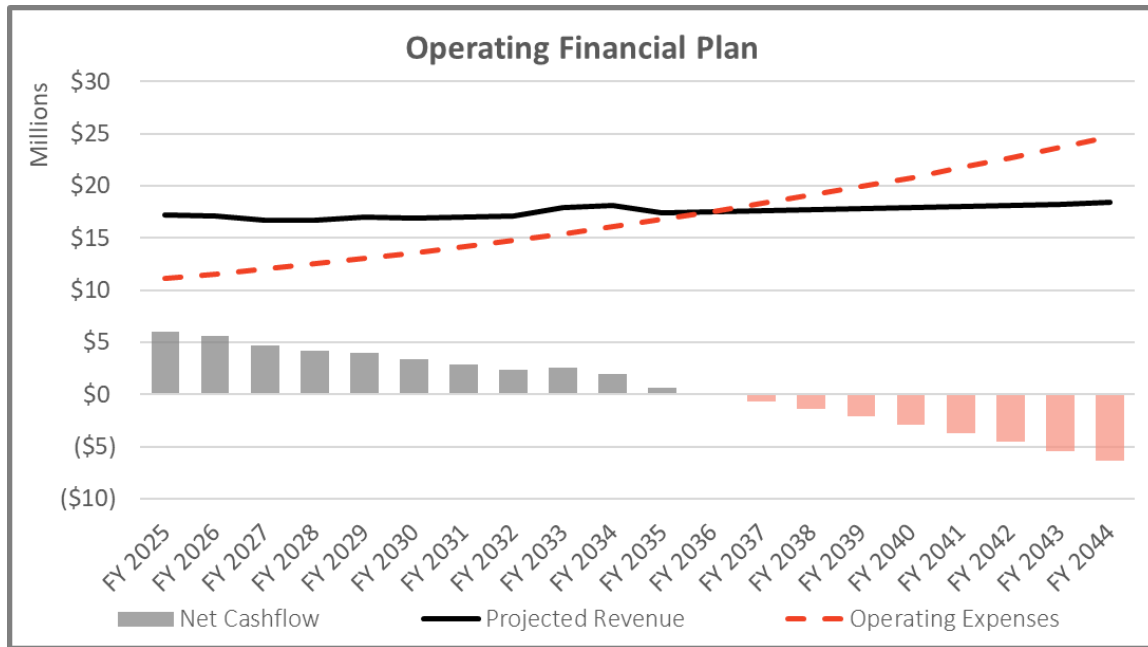
Direct Transfers	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Net Cashflow (before Direct Transfers)	\$6,057,000	\$5,580,000	\$4,731,000	\$4,237,000	\$3,940,000
Capacity Charges Transfer to Cap. Repl. Reserve	(\$295,000)	(\$295,000)	(\$295,000)	(\$295,000)	(\$295,000)
1% Property Tax Transfer to Cap. Repl. Reserve	(\$2,121,000)	(\$2,163,000)	(\$2,207,000)	(\$2,251,000)	(\$2,296,000)
WW Emergency Reserve Direct Transfer	\$0	\$0	\$0	\$0	\$0
Recycled Reserve Direct Transfer	(\$89,000)	(\$79,000)	(\$74,000)	(\$68,000)	(\$62,000)
Net Cashflow (after Direct Transfers)	\$3,552,000	\$3,043,000	\$2,155,000	\$1,623,000	\$1,287,000
Operating Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Balance	\$3,670,920	\$3,804,570	\$3,964,620	\$4,132,920	\$4,308,150
Net Cashflow (after Direct Transfers)	\$3,552,000	\$3,043,000	\$2,155,000	\$1,623,000	\$1,287,000
Transfers from/(to) Capital Replacement Reserve	(\$3,418,350)	(\$2,882,950)	(\$1,986,700)	(\$1,447,770)	(\$1,103,850)
Ending Balance	\$3,804,570	\$3,964,620	\$4,132,920	\$4,308,150	\$4,491,300
Capital Replacement Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Balance	\$7,129,605	\$3,137,396	(\$661,072)	(\$2,839,645)	(\$9,638,706)
Plus:					
Transfers from/(to) Operating Reserve	\$3,418,350	\$2,882,950	\$1,986,700	\$1,447,770	\$1,103,850
Capacity Charges	\$295,000	\$295,000	\$295,000	\$295,000	\$295,000
1% Property Tax	\$2,121,000	\$2,163,000	\$2,207,000	\$2,251,000	\$2,296,000
Less:					
District CIP	(\$2,074,276)	(\$1,857,954)	(\$1,322,006)	(\$5,663,926)	(\$1,394,695)
Jointly Owned CIP	(\$3,180,137)	(\$2,480,894)	(\$414,485)	(\$64,380)	(\$684,708)
Share of Encina CIP	(\$4,673,799)	(\$4,800,571)	(\$4,930,782)	(\$5,064,524)	(\$5,201,894)
Subtotal Capital Replacement Reserve	\$3,035,743	(\$661,072)	(\$2,839,645)	(\$9,638,706)	(\$13,225,153)
Interest Earnings	\$101,653	\$0	\$0	\$0	\$0
Ending Balance	\$3,137,396	(\$661,072)	(\$2,839,645)	(\$9,638,706)	(\$13,225,153)
Emergency Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Balance	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
WW Emergency Reserve Direct Transfer	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Wastewater Reserves - Ending Balance	\$14,441,966	\$10,803,548	\$8,793,275	\$2,169,444	(\$1,233,853)

Figure 5 illustrates the operating position of the wastewater utility, where O&M expenses are identified with the dashed red trendline, and the horizontal black trendline shows total revenues at existing rates. The bars represent the net operating income available for capital spending and reserve funding. Given these conditions, the District would not have any net operating income to help fund capital expenses starting in FY 2035.

⁶ The Recycled Reserve Direct Transfer is equal to the Recycled Water Services operating expense less the AWT Income (Recycled Sales) revenue shown in Table 11.

Leucadia Wastewater District – Wastewater Financial Plan Study

Figure 5: Current Wastewater Operating Financial Position

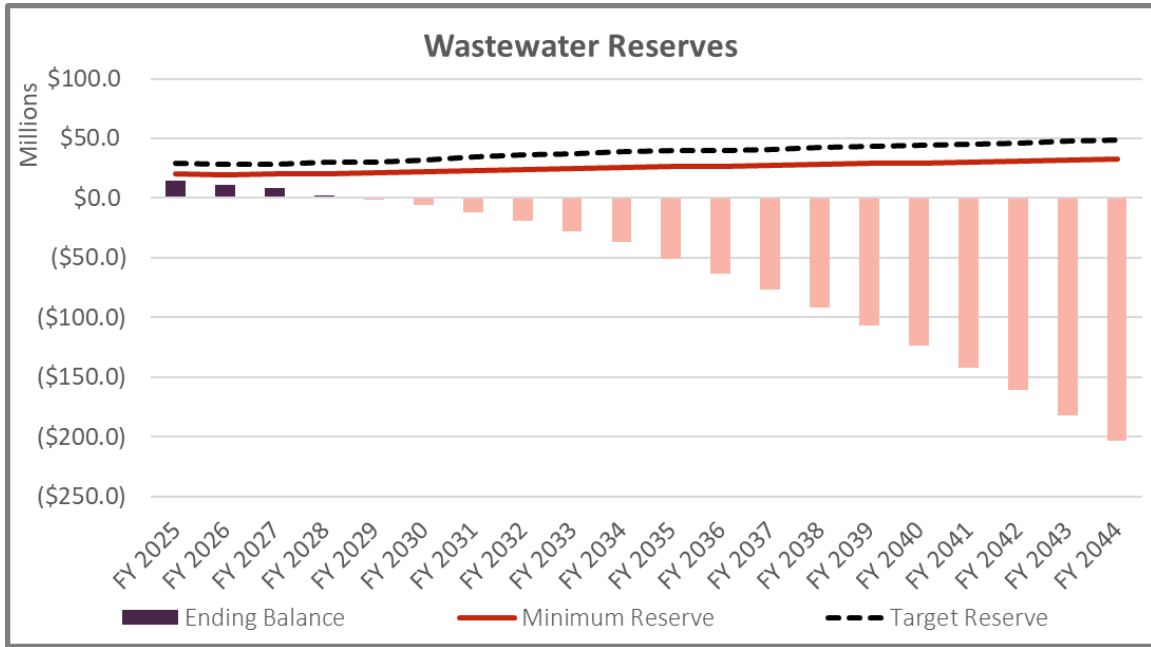


Currently, the District’s total projected ending reserves for FY 2025 equal \$14.4M, with \$3.1M within its capital replacement reserve. Figure 6 reflects the projected ending balances of all three wastewater reserves after funding operating and capital projects⁷ over the Financial Plan Period. By FY 2029, reserves will be fully depleted, and funding would no longer be available for ongoing system improvements at existing rates. Therefore, the District’s current rate is insufficient, and adjustments are required to ensure adequate funding of its operating and capital needs, while continuing to maintain healthy reserves.

⁷ The financial plan reflects EWPCF Capital Spending based on the 5-Year Historical average spending.

Leucadia Wastewater District – Wastewater Financial Plan Study

Figure 6: Projected Wastewater Ending Reserve at Existing Rates



Proposed Financial Plan

Based on existing revenues, projected expenses, capital spending, and new reserve targets, a proposed financial plan can be developed to meet the overall revenue requirements over the Financial Plan Period. Since 2008, the District has adopted rate adjustments for three years followed by three years of no rate adjustments. The proposed financial plan recommends a pattern of three years of rate adjustments followed by one year of no rate adjustments (**three years on, one year off**). Rate adjustments of 13%, 12%, and 10% are identified for FY 2025 through FY 2027. Beginning in FY 2029, 6% rate adjustments every three years are identified through FY 2036, and 3.5% rate adjustments are identified every three years beginning in FY 2037 through the remainder of the Financial Plan Period.

The additional revenue is needed to cover the increase in O&M and to continue to generate positive net income each year to go towards capital spending and satisfy reserve requirements. Table 13 forecasts existing revenues, with annual revenue adjustments, and expenses through the Rate Setting Period. Table 14 identifies net operating income from recycled, direct transfers, the wastewater reserves and related activity through the Rate Setting Period, with projected FY 2025 starting reserve balances identified for each reserve.

Leucadia Wastewater District – Wastewater Financial Plan Study

Table 13: Proposed Wastewater Financial Plan

Revenue		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Wastewater Service Charges	Table 7	\$13,221,000	\$13,248,000	\$13,274,000	\$13,301,000	\$13,328,000
Fiscal Year	Revenue Adjustment					
FY 2025	13.0%	\$1,718,000	\$1,722,000	\$1,725,000	\$1,729,000	\$1,732,000
FY 2026	12.0%		\$1,796,000	\$1,799,000	\$1,803,000	\$1,807,000
FY 2027	10.0%			\$1,679,000	\$1,683,000	\$1,686,000
FY 2028	0.0%				\$0	\$0
FY 2029	6.0%					\$1,113,000
Total Additional Revenue		\$1,718,000	\$3,518,000	\$5,203,000	\$5,215,000	\$6,338,000
Projected Rate Revenue		\$14,939,000	\$16,766,000	\$18,477,000	\$18,516,000	\$19,666,000
Administrative Services						
Capacity Charges		\$295,000	\$295,000	\$295,000	\$295,000	\$295,000
1% Property Tax	Table 7	\$2,121,000	\$2,163,000	\$2,207,000	\$2,251,000	\$2,296,000
Interest Income		\$223,000	\$225,000	\$228,000	\$231,000	\$234,000
Subtotal Administrative Services		\$2,639,000	\$2,683,000	\$2,730,000	\$2,777,000	\$2,825,000
Development Services						
Inspection Fees	Table 7	\$85,000	\$89,000	\$93,000	\$98,000	\$103,000
Subtotal Development Services		\$85,000	\$89,000	\$93,000	\$98,000	\$103,000
Batiquitos Joint Facilities						
Encinitas Operating	Table 7	\$112,000	\$116,000	\$122,000	\$127,000	\$133,000
Encinitas - Capital		\$704,000	\$549,000	\$92,000	\$14,000	\$152,000
Subtotal Batiquitos Joint Facilities		\$816,000	\$665,000	\$214,000	\$141,000	\$285,000
Recycled Water Services						
AWT Income (Recycled Sales)	Table 7	\$420,000	\$424,000	\$434,000	\$444,000	\$454,000
Subtotal Recycled Water Services		\$420,000	\$424,000	\$434,000	\$444,000	\$454,000
Total Revenues		\$18,899,000	\$20,627,000	\$21,948,000	\$21,976,000	\$23,333,000
O&M Expenses		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Operating Expenses						
Development Services		\$85,000	\$89,000	\$93,000	\$98,000	\$103,000
Leucadia Operations		\$8,773,000	\$9,142,000	\$9,528,000	\$9,932,000	\$10,355,000
Batiquitos Operations	Table 8	\$558,000	\$582,000	\$608,000	\$636,000	\$664,000
Capital Services		\$1,377,000	\$1,371,000	\$1,425,000	\$1,482,000	\$1,541,000
Recycled Water Services		\$331,000	\$345,000	\$360,000	\$376,000	\$392,000
Subtotal Operating Expenses		\$11,124,000	\$11,529,000	\$12,014,000	\$12,524,000	\$13,055,000
Total Expenses		\$11,124,000	\$11,529,000	\$12,014,000	\$12,524,000	\$13,055,000
Net Cashflow		\$7,775,000	\$9,098,000	\$9,934,000	\$9,452,000	\$10,278,000

Leucadia Wastewater District – Wastewater Financial Plan Study

Table 14: Wastewater Reserve Activity⁸

Direct Transfers	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Net Cashflow (before Direct Transfers)	\$7,775,000	\$9,098,000	\$9,934,000	\$9,452,000	\$10,278,000
Capacity Charges Transfer to Cap. Repl. Reserve	(\$295,000)	(\$295,000)	(\$295,000)	(\$295,000)	(\$295,000)
1% Property Tax Transfer to Cap. Repl. Reserve	(\$2,121,000)	(\$2,163,000)	(\$2,207,000)	(\$2,251,000)	(\$2,296,000)
WW Emergency Reserve Direct Transfer	\$0	\$0	\$0	\$0	\$0
Recycled Reserve Direct Transfer	(\$89,000)	(\$79,000)	(\$74,000)	(\$68,000)	(\$62,000)
Net Cashflow (after Direct Transfers)	\$5,270,000	\$6,561,000	\$7,358,000	\$6,838,000	\$7,625,000
Operating Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Balance	\$3,670,920	\$3,804,570	\$3,964,620	\$4,132,920	\$4,308,150
Net Cashflow (after Direct Transfers)	\$5,270,000	\$6,561,000	\$7,358,000	\$6,838,000	\$7,625,000
Transfers from/(to) Capital Replacement Reserve	(\$5,136,350)	(\$6,400,950)	(\$7,189,700)	(\$6,662,770)	(\$7,441,850)
Ending Balance	\$3,804,570	\$3,964,620	\$4,132,920	\$4,308,150	\$4,491,300
Capital Replacement Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Balance	\$7,129,605	\$4,872,576	\$4,686,755	\$7,835,161	\$6,391,963
Plus:					
Transfers from/(to) Operating Reserve	\$5,136,350	\$6,400,950	\$7,189,700	\$6,662,770	\$7,441,850
Capacity Charges	\$295,000	\$295,000	\$295,000	\$295,000	\$295,000
1% Property Tax	\$2,121,000	\$2,163,000	\$2,207,000	\$2,251,000	\$2,296,000
Less:					
District CIP	(\$2,074,276)	(\$1,857,954)	(\$1,322,006)	(\$5,663,926)	(\$1,394,695)
Jointly Owned CIP	(\$3,180,137)	(\$2,480,894)	(\$414,485)	(\$64,380)	(\$684,708)
Share of Encina CIP	(\$4,673,799)	(\$4,800,571)	(\$4,930,782)	(\$5,064,524)	(\$5,201,894)
Subtotal Capital Replacement Reserve	\$4,753,743	\$4,592,108	\$7,711,181	\$6,251,101	\$9,143,516
Interest Earnings	\$118,833	\$94,647	\$123,979	\$140,863	\$155,355
Ending Balance	\$4,872,576	\$4,686,755	\$7,835,161	\$6,391,963	\$9,298,871
Emergency Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Balance	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
WW Emergency Reserve Direct Transfer	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Wastewater Reserves - Ending Balance	\$16,177,146	\$16,151,375	\$19,468,081	\$18,200,113	\$21,290,171

⁸ The Recycled Reserve Direct Transfer is equal to the Recycled Water Services operating expense less the AWT Income (Recycled Sales) revenue shown in Table 13.

Leucadia Wastewater District – Wastewater Financial Plan Study

Figure 7 identifies the operating position based on the proposed financial plan. Figure 8 and Figure 9 show the Capital Improvement Plan and projected ending wastewater reserve balances, respectively.

Figure 7: Proposed Wastewater Operating Position

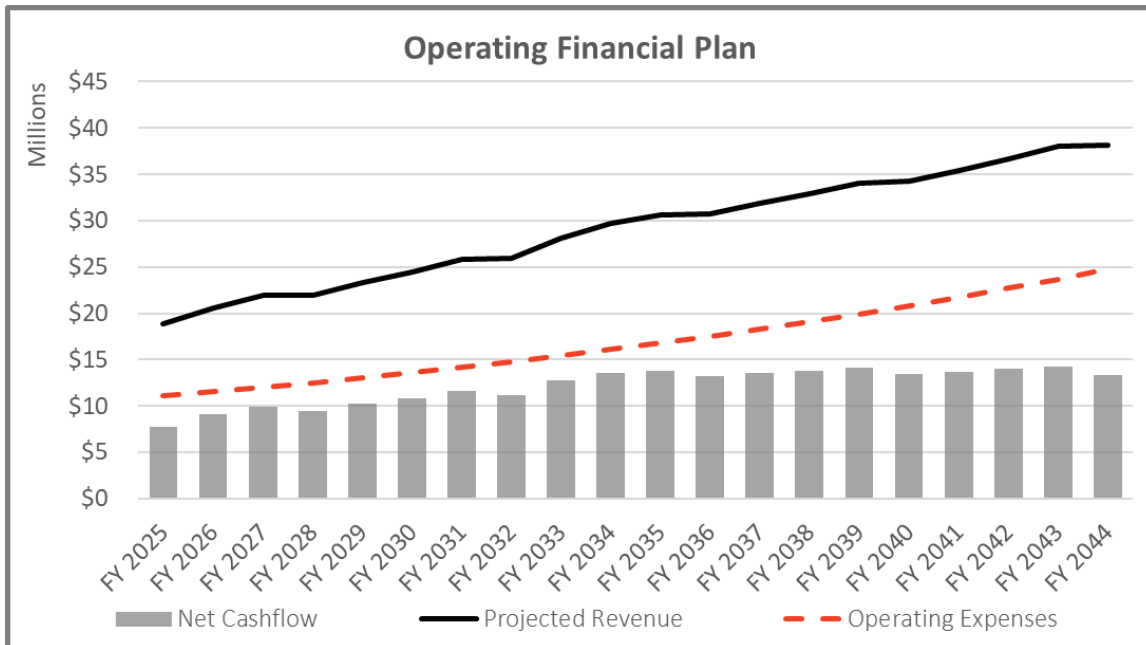
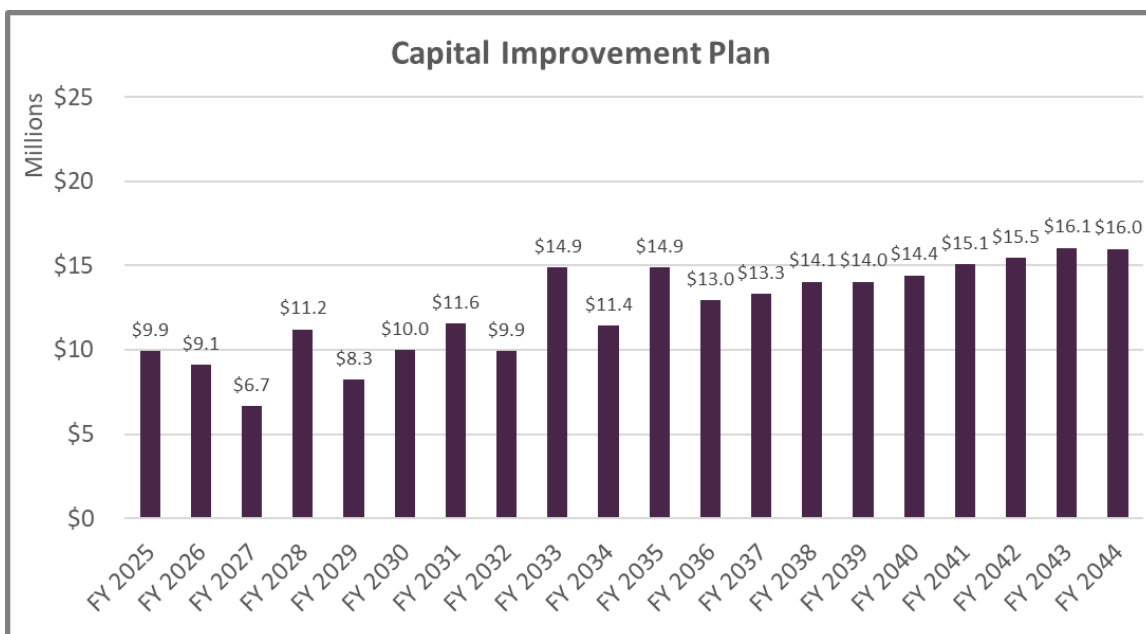


Figure 8: Wastewater Capital Improvement Plan



Leucadia Wastewater District – Wastewater Financial Plan Study

Figure 9: Projected Wastewater Reserves – Ending Balances

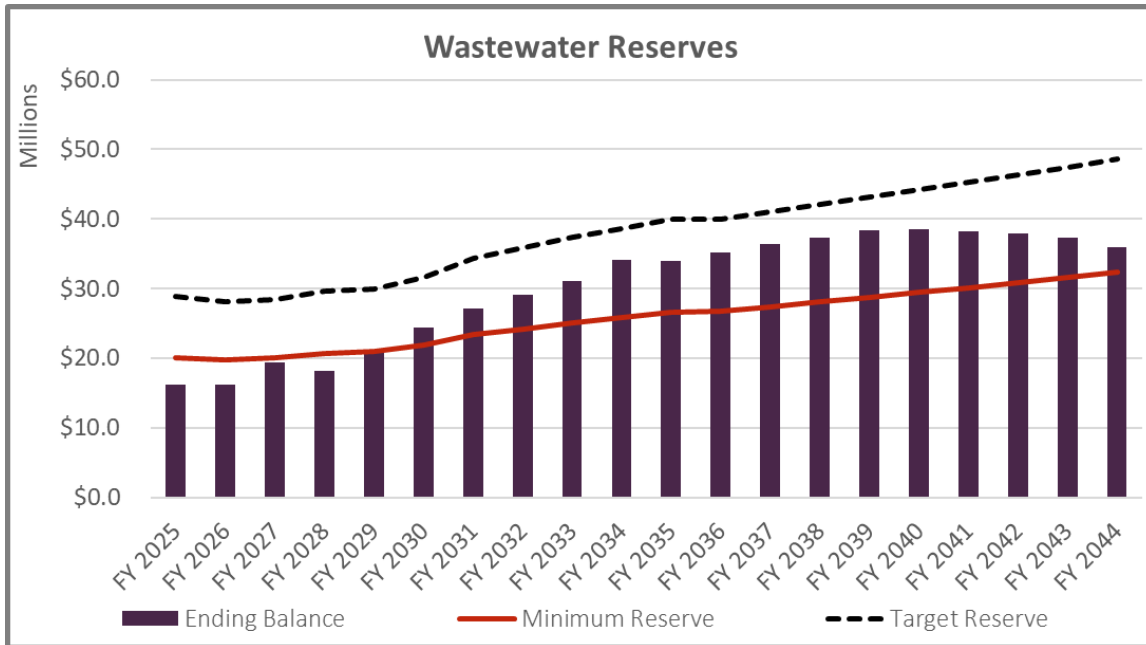


Figure 9 displays the total projected ending balance of the wastewater reserves, inclusive of operating, capital, and emergency funds, given the anticipated CIP. The proposed financial plan generates sufficient net operating income to fully fund operating expenses and reinvest in the utility system. Additionally, the proposed financial plan maintains a strong financial position by building reserve balances and meeting reserve targets within the Rate Setting Period.

Cost-of-Service Analysis

Revenue Requirements

Revenue requirements are determined for FY 2025 through FY 2029 and used for the cost-of-service. Revenue requirements include O&M expenses, available offsets from non-rate revenues, and annual net income for capital spending and reserve funding. The proposed revenue adjustments correspond to the proposed financial plan and set corresponding rates over the Rate Setting Period. The results of the financial plan analysis are summarized in Table 15 and represent the revenue required from rates over the Rate Setting Period.

Table 15: Wastewater Revenue Requirements

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue Requirements	Total	Total	Total	Total	Total
Operating Expenses					
Development Services	\$85,000	\$89,000	\$93,000	\$98,000	\$103,000
Leucadia Operations	\$8,773,000	\$9,142,000	\$9,528,000	\$9,932,000	\$10,355,000
Batiquitos Operations	\$558,000	\$582,000	\$608,000	\$636,000	\$664,000
Capital Services	\$1,377,000	\$1,371,000	\$1,425,000	\$1,482,000	\$1,541,000
Recycled Water Services	\$331,000	\$345,000	\$360,000	\$376,000	\$392,000
Total Operating Expenses	\$11,124,000	\$11,529,000	\$12,014,000	\$12,524,000	\$13,055,000
Other Funding					
<i>Revenue Offsets</i>					
Administrative Services	(\$2,639,000)	(\$2,683,000)	(\$2,730,000)	(\$2,777,000)	(\$2,825,000)
Development Services	(\$85,000)	(\$89,000)	(\$93,000)	(\$98,000)	(\$103,000)
Batiquitos Joint Facilities	(\$816,000)	(\$665,000)	(\$214,000)	(\$141,000)	(\$285,000)
Recycled Water Services	(\$420,000)	(\$424,000)	(\$434,000)	(\$444,000)	(\$454,000)
Total Revenue Offsets	(\$3,960,000)	(\$3,861,000)	(\$3,471,000)	(\$3,460,000)	(\$3,667,000)
<i>Adjustments</i>					
Reserve Funding	\$7,775,000	\$9,098,000	\$9,934,000	\$9,452,000	\$10,278,000
Total Adjustments	\$7,775,000	\$9,098,000	\$9,934,000	\$9,452,000	\$10,278,000
Total Other Funding	\$3,815,000	\$5,237,000	\$6,463,000	\$5,992,000	\$6,611,000
Revenue Requirement from Rates	\$14,939,000	\$16,766,000	\$18,477,000	\$18,516,000	\$19,666,000

Rate Design

Units of Service and Proposed Rates

Unit rates per EDU are derived by spreading the revenue requirements over total annual EDUs. This approach provides a clear connection between the costs incurred and the total customer demands served in EDUs, resulting in a cost-based rate structure in compliance with Proposition 218. The method of apportionment considers each customer's share of system costs and is reflected by the EDUs assigned to each account. Table 16 derives the proposed five-year wastewater monthly fixed charge per EDU through FY 2029 by dividing the revenue requirements in Table 15 by the annual EDUs. Annual EDUs are calculated by multiplying the number of EDUs identified in Table 4 by 12 months. The unit rate was then rounded up to the next whole penny.

Table 16: Proposed Wastewater Monthly Fixed Charge per EDU (FY 2025 – FY 2029)

Proposed Charge	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue Requirement	\$14,939,000	\$16,766,000	\$18,477,000	\$18,516,000	\$19,666,000
÷ Annual EDU's	346,836	347,532	348,228	348,924	349,620
Unit Rate (\$/EDU/Month)	\$43.08	\$48.25	\$53.07	\$53.07	\$56.25

Cost-Based Rates Summary

Cost-of-Service and Rate Summary

The District's proposed wastewater rates maintain a cost per EDU to cover the total revenue requirements of the District. The comprehensive rate development meets the requirements of Proposition 218. Proposition 218 requires the following conditions:

1. An agency cannot collect revenue beyond what is necessary to provide service.

The long-term financial plan identifies the District's revenue requirements, including operating expenses, capital improvement programs, and reserves.

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

The District's wastewater utility is set up as a business enterprise to track revenues and expenses and does not fund other services outside of those necessary for the provision of wastewater collection and treatment.

3. The amount of the fee may not exceed the proportional cost-of-service for the parcel.

The updated EDU charges reflect each customer's proportionate share of wastewater costs. Through this update, each account is paying for the cost of providing service to the parcel.

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

The proposed fixed EDU charges connect directly to the District's budget and projected future revenue requirements and are recovered equitably from all active accounts receiving service.

5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing.

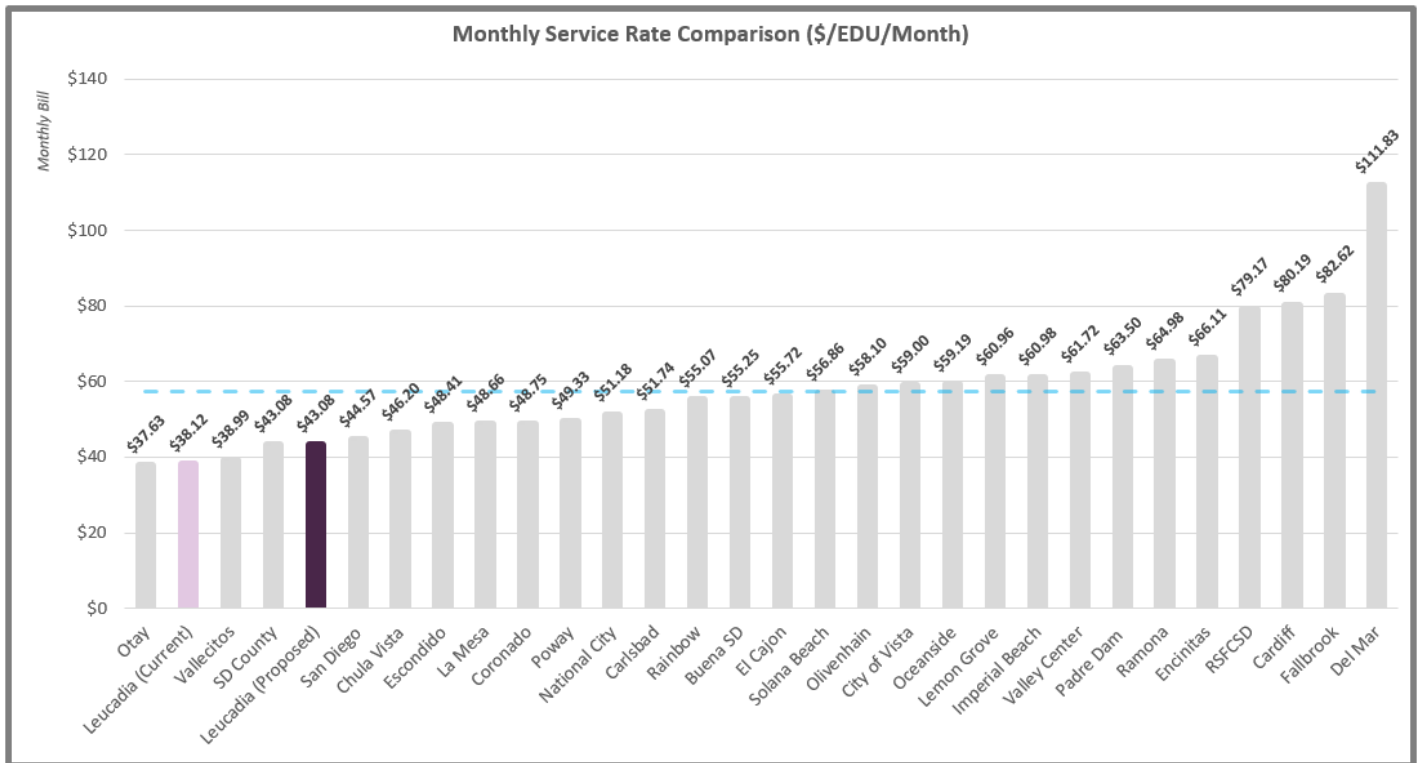
Notices will be mailed to each affected parcel at least 45 days before the Public Hearing.

The proposed wastewater rates for FY 2025 through FY 2029 are shown on the following page. If a majority protest does not exist at the Public Hearing, the District Board may adopt the rates with an effective date of July 1, 2024, and each July 1 thereafter through July 1, 2028.

Rate Comparison

Figure 10 shows the monthly service charge per EDU for other wastewater agencies in the area. The District's current and proposed wastewater rates are shown by light and dark purple bars, respectively. The dashed blue line on the graph is the average rate per EDU of \$57.37. Even with the recommended revenue adjustment, the District's monthly service charge per EDU is below the average.

Figure 10: Regional Wastewater Rate Survey



Recycled Water Utility

Current Financial Position

Revenues

Table 17 shows the calculated recycled rate revenues. The calculated rate revenue reflects the FY 2023 Recycled Rates indexed by CPI-LA for future years. For financial planning purposes, we used 2.2% as the inflationary adjustment which is based on the 10-year average All Urban Consumer Price Index – Los Angeles as specified in their contract. The recycled rates were multiplied by the projected recycled water usage (Table 4). These revenues are also shown in the wastewater section of this report (Table 7), rounded to the nearest thousands.

Table 17: Calculated Recycled Water Revenues⁹

Recycled Rate Revenue	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Recycled Rate	\$1,540.00	\$1,574.47	\$1,609.70	\$1,645.73	\$1,682.56
Recycled Water Usage (AF)	273	273	273	273	273
Recycled Water Revenue	\$420,420	\$424,438	\$433,937	\$443,649	\$453,578
Revenue Summary	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Recycled Water Services					
AWT Income (Recycled Sales)	\$420,000	\$424,000	\$434,000	\$444,000	\$454,000

Expenses

The FY 2024 budget was used as the baseline expenses for the District and were adjusted in subsequent years based on the percentage increases shown in Table 5. Each expense category includes detailed line-item expenditures that were discussed with staff to determine the appropriate escalation factor to use for forecasting how costs will increase over time, as identified in Table 18. These expenses are also shown in the wastewater section of this report (Table 8), rounded to the nearest thousands.

⁹ Only five years are shown here; however, revenues were projected through FY 2044.

Leucadia Wastewater District – Wastewater Financial Plan Study

Table 18: Recycled Water Projected O&M Expenses¹⁰

Operating Expenses	Inflate by	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Recycled Water Services						
Salary & Wages	Salaries	\$23,095	\$24,249	\$25,462	\$26,735	\$28,072
Overtime	Salaries	\$15,540	\$16,317	\$17,133	\$17,989	\$18,889
Federal Taxes	Benefits	\$2,786	\$2,953	\$3,130	\$3,318	\$3,517
Medical Insurance	Benefits	\$7,826	\$8,296	\$8,793	\$9,321	\$9,880
Dental Insurance	Benefits	\$743	\$788	\$835	\$885	\$938
Disability Insurance	Benefits	\$277	\$293	\$311	\$330	\$349
Life Insurance	Benefits	\$90	\$96	\$101	\$107	\$114
Vision Plan	Benefits	\$80	\$84	\$89	\$95	\$100
Workers Comp	Benefits	\$979	\$1,038	\$1,100	\$1,167	\$1,237
PERS	Benefits	\$10,241	\$10,855	\$11,506	\$12,197	\$12,929
PERS UAL ADP	Benefits	\$3,964	\$4,202	\$4,454	\$4,722	\$5,005
Deferred Compensation	Benefits	\$671	\$711	\$754	\$799	\$847
Computer Software, Misc	General Costs	\$4,093	\$4,215	\$4,341	\$4,471	\$4,605
Chemicals	Utilities	\$57,750	\$60,638	\$63,669	\$66,853	\$70,195
Engineering	Salaries	\$5,250	\$5,513	\$5,788	\$6,078	\$6,381
Legal Services	Salaries	\$2,625	\$2,756	\$2,894	\$3,039	\$3,191
Chief Plant Operator Services	General Costs	\$24,558	\$25,293	\$26,049	\$26,828	\$27,630
Treatment Plant R&M	Capital Construction	\$33,316	\$34,220	\$35,148	\$36,101	\$37,081
Lab Analysis	General Costs	\$14,003	\$14,421	\$14,852	\$15,297	\$15,754
Permits & Monitoring Fees	General Costs	\$43,731	\$45,039	\$46,385	\$47,773	\$49,201
Electricity	Energy Costs	\$21,525	\$22,601	\$23,731	\$24,918	\$26,164
Allocated Admin Salaries & Ben	Calculated	\$30,424	\$31,945	\$33,542	\$35,219	\$36,980
Allocated Admin Non-Labor	Calculated	\$26,731	\$28,013	\$29,363	\$30,783	\$32,278
Recycled Water Services		\$330,297	\$344,536	\$359,434	\$375,023	\$391,337
O&M Summary		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Recycled Water Services		\$331,000	\$345,000	\$360,000	\$376,000	\$392,000

¹⁰ Only five years are shown here; however, expenditures were projected through FY 2044.

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Capital Improvement Plan

Table 19 identifies the anticipated recycled water CIP by project name, the cumulative inflationary factor, and the resulting total anticipated CIP costs.

Table 19: Recycled Water Capital Improvement Plan¹¹

Project Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Recycled Water Programs					
SCADA Upgrades	\$0	\$0	\$0	\$5,000	\$0
Encina Secondary Effluent PS Rehab Project	\$0	\$0	\$0	\$0	\$440,000
General Gafner Improvements	\$0	\$0	\$0	\$350,000	\$350,000
Subtotal Uninflated CIP	\$0	\$0	\$0	\$355,000	\$790,000
Cumulative Inflationary Factor	111.2%	114.2%	117.3%	120.4%	123.7%
Total Inflated Recycled Water CIP	\$0	\$0	\$0	\$427,595	\$977,359

Reserves

The District maintains a Recycled Water Reserve which funds capital improvements and replacement of water recycling facilities. The net cashflow, recycled water operating expenses less recycled water sales revenues, is transferred to the Recycled Water Reserve. The District's projected ending balance in FY 2025 for the Recycled Water Reserve is \$1.4M.

Financial Outlook

Revenues from existing recycled water sales cover O&M expenses with decreasing net operating income to go towards capital spending and reserves each year. By FY 2037, the recycled water utility would generate an operating annual deficit. In addition, with net operating income decreasing annually, the District would need to rely on reserves to fund its ongoing capital reinvestment. Table 20 forecasts revenues and expenses through FY 2029 and summarizes the reserve activity.

¹¹ Only five years are shown here; however, anticipated capital spending was projected through FY 2044.

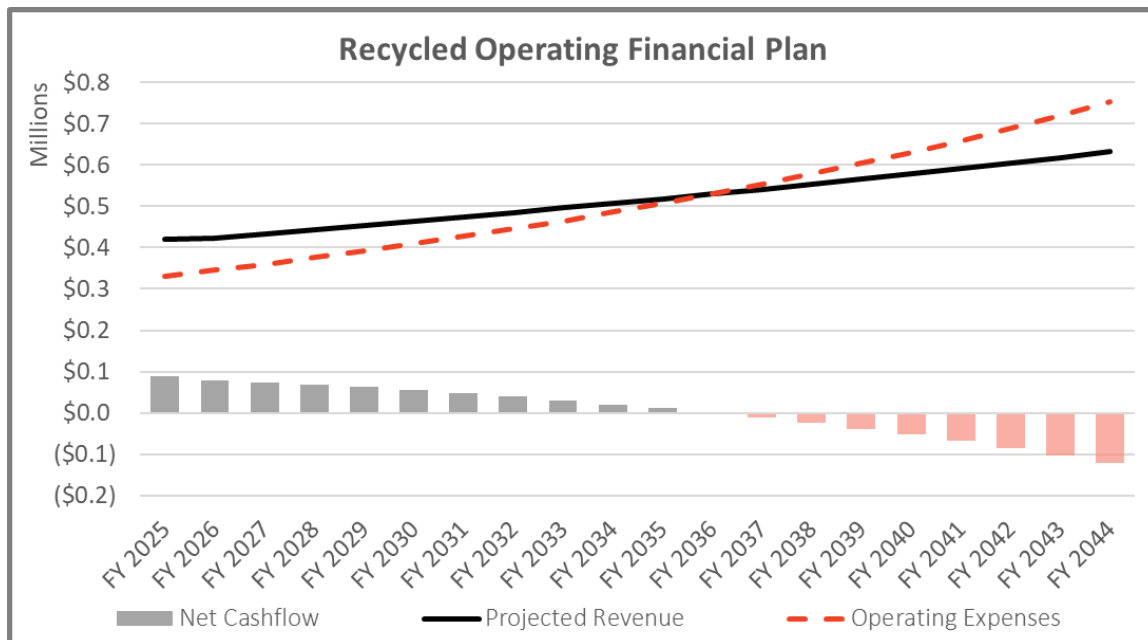
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Table 20: Recycled Water Financial Plan and Reserve Activity

Recycled Operating	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Recycled Revenue	\$420,000	\$424,000	\$434,000	\$444,000	\$454,000
Less: Recycled Water Operating Expenses	(\$331,000)	(\$345,000)	(\$360,000)	(\$376,000)	(\$392,000)
Recycled Net Cashflow	\$89,000	\$79,000	\$74,000	\$68,000	\$62,000
Recycled Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Balance	\$1,364,285	\$1,481,460	\$1,590,880	\$1,697,437	\$1,368,195
Plus:					
Recycled Reserve Direct Transfer	\$89,000	\$79,000	\$74,000	\$68,000	\$62,000
Less:					
Recycled CIP	\$0	\$0	\$0	(\$427,595)	(\$977,359)
Subtotal Recycled Reserve	\$1,453,285	\$1,560,460	\$1,664,880	\$1,337,842	\$452,836
Interest Earnings	\$28,176	\$30,419	\$32,558	\$30,353	\$18,210
Ending Balance	\$1,481,460	\$1,590,880	\$1,697,437	\$1,368,195	\$471,046

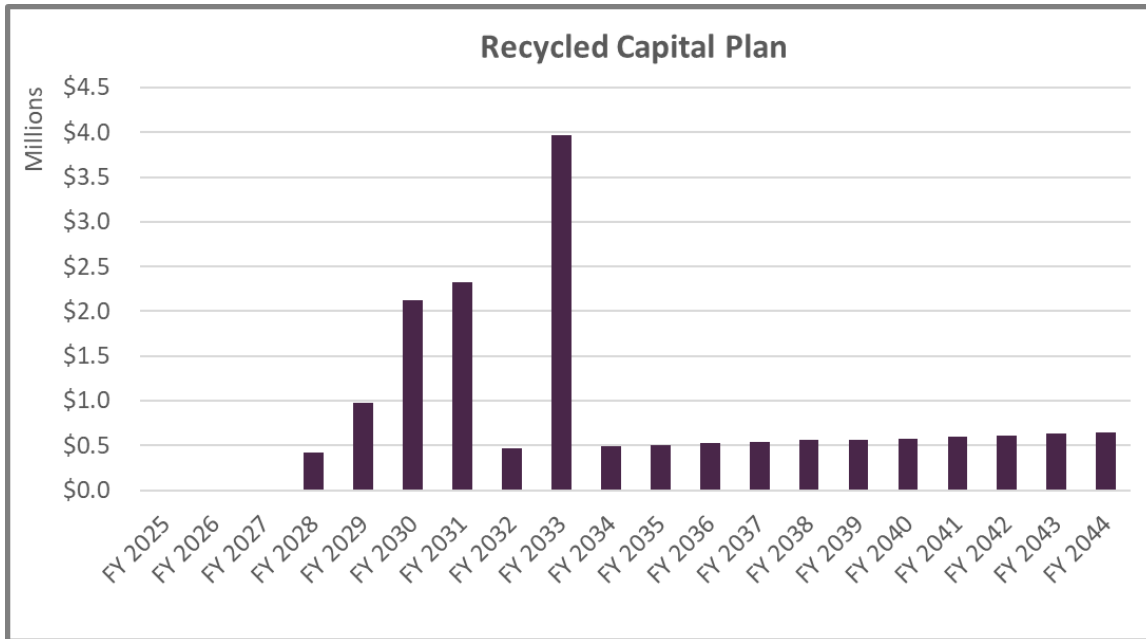
Figure 11 illustrates the operating position of the recycled water utility, where O&M expenses are identified with the dashed red trendline, and the horizontal black trendline shows total revenues at existing rates. The bars represent the net operating income available for capital spending and reserve funding. Figure 12 shows the recycled water Capital Plan.

Figure 11: Current Recycled Water Operating Financial Position



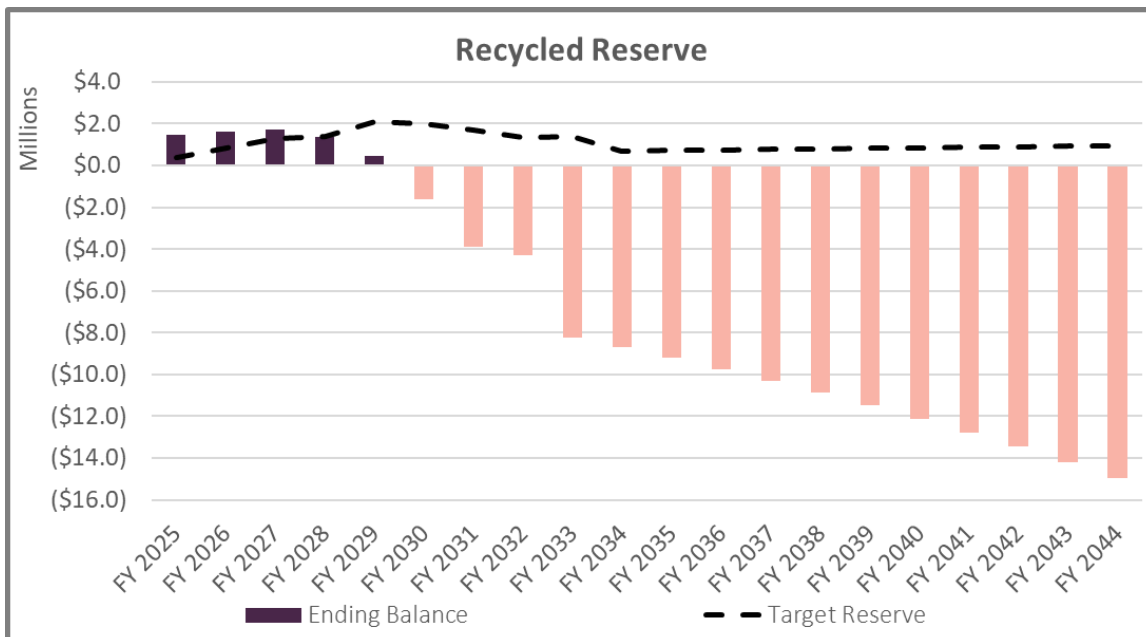
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Figure 12: Recycled Water Capital Improvement Plan



Currently, the recycled water utility’s total projected ending reserves for FY 2025 equal \$1.4M. Figure 13 reflects the projected ending balances of the Recycled Water Reserve after funding operating and capital projects over the Financial Plan Period. The Recycled Water Reserve is insufficient to fund upcoming capital projects and by FY 2030 reserves will be fully depleted.

Figure 13: Projected Recycled Water Ending Reserve



Appendix A –Detailed Financial Plan

Leucadia Wastewater District – Wastewater Financial Plan Study

Table 21: O&M Projected Expense Detail (FY 2025 – FY 2034)

Operating Expenses	Inflate by	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Development Services											
Salary & Wages	Salaries	\$3,740	\$3,927	\$4,123	\$4,330	\$4,546	\$4,773	\$5,012	\$5,263	\$5,526	\$5,802
Federal Taxes	Benefits	\$272	\$289	\$306	\$324	\$344	\$365	\$386	\$410	\$434	\$460
Medical Insurance	Benefits	\$764	\$810	\$859	\$910	\$965	\$1,023	\$1,084	\$1,149	\$1,218	\$1,291
Dental Insurance	Benefits	\$72	\$76	\$81	\$86	\$91	\$96	\$102	\$108	\$115	\$122
Disability Insurance	Benefits	\$27	\$28	\$30	\$32	\$33	\$35	\$38	\$40	\$42	\$45
Life Insurance	Benefits	\$8	\$9	\$10	\$10	\$11	\$11	\$12	\$13	\$14	\$14
Vision Plan	Benefits	\$7	\$8	\$8	\$9	\$9	\$10	\$11	\$11	\$12	\$13
Workers Comp	Benefits	\$138	\$146	\$155	\$164	\$174	\$184	\$195	\$207	\$220	\$233
PERS	Benefits	\$1,000	\$1,060	\$1,123	\$1,191	\$1,262	\$1,338	\$1,418	\$1,503	\$1,593	\$1,689
Deferred Compensation	Benefits	\$66	\$70	\$74	\$78	\$83	\$88	\$93	\$99	\$105	\$111
Engineering	Salaries	\$52,500	\$55,125	\$57,881	\$60,775	\$63,814	\$67,005	\$70,355	\$73,873	\$77,566	\$81,445
Legal Services	Salaries	\$4,200	\$4,410	\$4,631	\$4,862	\$5,105	\$5,360	\$5,628	\$5,910	\$6,205	\$6,516
LAFCO	Salaries	\$20,475	\$21,499	\$22,574	\$23,702	\$24,887	\$26,132	\$27,438	\$28,810	\$30,251	\$31,763
State Board-Annexation Fees	General Costs	\$969	\$998	\$1,028	\$1,059	\$1,091	\$1,123	\$1,157	\$1,191	\$1,227	\$1,264
Subtotal Development Services		\$84,239	\$88,455	\$92,882	\$97,532	\$102,416	\$107,544	\$112,930	\$118,587	\$124,528	\$130,767
Leucadia Operations											
Salary & Wages	Salaries	\$1,272,066	\$1,335,669	\$1,402,452	\$1,472,575	\$1,546,204	\$1,623,514	\$1,704,689	\$1,789,924	\$1,879,420	\$1,973,391
Overtime	Salaries	\$50,295	\$52,810	\$55,450	\$58,223	\$61,134	\$64,191	\$67,400	\$70,770	\$74,309	\$78,024
Federal Taxes	Benefits	\$100,494	\$106,524	\$112,915	\$119,690	\$126,872	\$134,484	\$142,553	\$151,106	\$160,173	\$169,783
Medical Insurance	Benefits	\$282,320	\$299,260	\$317,215	\$336,248	\$356,423	\$377,808	\$400,477	\$424,505	\$449,976	\$476,974
Dental Insurance	Benefits	\$26,817	\$28,426	\$30,132	\$31,939	\$33,856	\$35,887	\$38,040	\$40,323	\$42,742	\$45,307
Disability Insurance	Benefits	\$9,962	\$10,560	\$11,193	\$11,865	\$12,577	\$13,331	\$14,131	\$14,979	\$15,878	\$16,830
Life Insurance	Benefits	\$3,213	\$3,406	\$3,610	\$3,827	\$4,056	\$4,300	\$4,558	\$4,831	\$5,121	\$5,428
Vision Plan	Benefits	\$2,866	\$3,038	\$3,221	\$3,414	\$3,619	\$3,836	\$4,066	\$4,310	\$4,568	\$4,842
Workers Comp	Benefits	\$47,930	\$50,806	\$53,854	\$57,085	\$60,511	\$64,141	\$67,990	\$72,069	\$76,393	\$80,977
PERS	Benefits	\$369,405	\$391,569	\$415,063	\$439,967	\$466,365	\$494,347	\$524,008	\$555,448	\$588,775	\$624,101
PERS UAL ADP	Benefits	\$143,007	\$151,587	\$160,682	\$170,323	\$180,543	\$191,375	\$202,858	\$215,029	\$227,931	\$241,607
Deferred Compensation	Benefits	\$24,193	\$25,645	\$27,184	\$28,815	\$30,544	\$32,376	\$34,319	\$36,378	\$38,561	\$40,874
Vehicle Fuels	Energy Costs	\$63,000	\$66,150	\$69,458	\$72,930	\$76,577	\$80,406	\$84,426	\$88,647	\$93,080	\$97,734
Computer Software, Misc	General Costs	\$115,252	\$118,698	\$122,247	\$125,903	\$129,668	\$133,546	\$137,539	\$141,652	\$145,888	\$150,251
Chemicals	Utilities	\$63,000	\$66,150	\$69,458	\$72,930	\$76,577	\$80,406	\$84,426	\$88,647	\$93,080	\$97,734
Laundry & Uniforms	General Costs	\$15,080	\$15,531	\$15,995	\$16,473	\$16,966	\$17,473	\$17,996	\$18,534	\$19,088	\$19,659
Tools	General Costs	\$4,308	\$4,437	\$4,570	\$4,707	\$4,847	\$4,992	\$5,142	\$5,295	\$5,454	\$5,617
Safety Supplies & Services	General Costs	\$22,619	\$23,296	\$23,992	\$24,710	\$25,449	\$26,210	\$26,994	\$27,801	\$28,632	\$29,488
Engineering	Salaries	\$95,235	\$99,997	\$104,997	\$110,246	\$115,759	\$121,547	\$127,624	\$134,005	\$140,705	\$147,741
Equipment Rental	General Costs	\$1,077	\$1,109	\$1,142	\$1,177	\$1,212	\$1,248	\$1,285	\$1,324	\$1,363	\$1,404
Easement Lease	General Costs	\$7,540	\$7,765	\$7,997	\$8,237	\$8,483	\$8,737	\$8,998	\$9,267	\$9,544	\$9,829
Line Maintenance	Capital Construction	\$128,114	\$131,589	\$135,159	\$138,825	\$142,590	\$146,458	\$150,430	\$154,510	\$158,701	\$163,006
Repair & Maint Pump Station	Capital Construction	\$115,131	\$118,253	\$121,461	\$124,755	\$128,139	\$131,615	\$135,185	\$138,851	\$142,618	\$146,486
Buildings & Grounds	Capital Construction	\$120,718	\$123,993	\$127,356	\$130,810	\$134,358	\$138,003	\$141,746	\$145,591	\$149,540	\$153,596
Vehicles	Capital Construction	\$48,498	\$49,814	\$51,165	\$52,553	\$53,978	\$55,442	\$56,946	\$58,491	\$60,077	\$61,707
Repair & Maint Paint, Etc	Capital Construction	\$1,581	\$1,624	\$1,668	\$1,714	\$1,760	\$1,808	\$1,857	\$1,907	\$1,959	\$2,012
Equip Repair & Maintenance	Capital Construction	\$1,054	\$1,083	\$1,112	\$1,142	\$1,173	\$1,205	\$1,238	\$1,272	\$1,306	\$1,341
Lab Analysis	General Costs	\$2,693	\$2,773	\$2,856	\$2,942	\$3,030	\$3,120	\$3,214	\$3,310	\$3,409	\$3,511
Permits & Monitoring Fees	General Costs	\$34,899	\$35,942	\$37,017	\$38,124	\$39,264	\$40,438	\$41,647	\$42,893	\$44,175	\$45,496
SCADA Remote Communications	Utilities	\$630	\$662	\$695	\$729	\$766	\$804	\$844	\$886	\$931	\$977
Electricity	Energy Costs	\$288,750	\$303,188	\$318,347	\$334,264	\$350,977	\$368,526	\$386,953	\$406,300	\$426,615	\$447,946
Water	Utilities	\$12,600	\$13,230	\$13,892	\$14,586	\$15,315	\$16,081	\$16,885	\$17,729	\$18,616	\$19,547
USA Notification Services	Utilities	\$3,675	\$3,859	\$4,052	\$4,254	\$4,467	\$4,690	\$4,925	\$5,171	\$5,430	\$5,701
Encina O&M	General Costs	\$3,179,649	\$3,274,733	\$3,372,659	\$3,473,514	\$3,577,385	\$3,684,362	\$3,794,538	\$3,908,009	\$4,024,873	\$4,145,231
Allocated Admin Salaries & Ben	Calculated	\$1,125,682	\$1,181,966	\$1,241,064	\$1,303,117	\$1,368,273	\$1,436,687	\$1,508,521	\$1,583,947	\$1,663,145	\$1,746,302
Allocated Admin Non-Labor	Calculated	\$989,033	\$1,036,482	\$1,086,416	\$1,138,971	\$1,194,295	\$1,252,540	\$1,313,870	\$1,378,458	\$1,446,486	\$1,518,146
Subtotal Leucadia Operations		\$8,772,386	\$9,141,622	\$9,527,746	\$9,931,586	\$10,354,010	\$10,795,934	\$11,258,317	\$11,742,172	\$12,248,560	\$12,778,601

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Operating Expenses	Inflate by	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Batiquitos Operations											
Salary & Wages	Salaries	\$50,942	\$53,489	\$56,163	\$58,972	\$61,920	\$65,016	\$68,267	\$71,680	\$75,264	\$79,027
Overtime	Salaries	\$3,255	\$3,418	\$3,589	\$3,768	\$3,956	\$4,154	\$4,362	\$4,580	\$4,809	\$5,050
Federal Taxes	Benefits	\$4,089	\$4,335	\$4,595	\$4,871	\$5,163	\$5,473	\$5,801	\$6,149	\$6,518	\$6,909
Medical Insurance	Benefits	\$11,489	\$12,179	\$12,909	\$13,684	\$14,505	\$15,375	\$16,298	\$17,276	\$18,312	\$19,411
Dental Insurance	Benefits	\$1,092	\$1,157	\$1,227	\$1,300	\$1,378	\$1,461	\$1,549	\$1,642	\$1,740	\$1,845
Disability Insurance	Benefits	\$408	\$433	\$459	\$486	\$515	\$546	\$579	\$614	\$650	\$689
Life Insurance	Benefits	\$130	\$138	\$146	\$155	\$165	\$174	\$185	\$196	\$208	\$220
Vision Plan	Benefits	\$117	\$124	\$131	\$139	\$147	\$156	\$165	\$175	\$186	\$197
Workers Comp	Benefits	\$2,081	\$2,206	\$2,338	\$2,478	\$2,627	\$2,785	\$2,952	\$3,129	\$3,316	\$3,515
PERS	Benefits	\$15,033	\$15,935	\$16,891	\$17,904	\$18,979	\$20,117	\$21,324	\$22,604	\$23,960	\$25,398
PERS UAL ADP	Benefits	\$5,819	\$6,169	\$6,539	\$6,931	\$7,347	\$7,788	\$8,255	\$8,750	\$9,275	\$9,832
Deferred Compensation	Benefits	\$985	\$1,044	\$1,106	\$1,173	\$1,243	\$1,318	\$1,397	\$1,481	\$1,570	\$1,664
Vehicle Fuels	Energy Costs	\$1,050	\$1,103	\$1,158	\$1,216	\$1,276	\$1,340	\$1,407	\$1,477	\$1,551	\$1,629
Computer Software, Misc	General Costs	\$11,127	\$11,459	\$11,802	\$12,155	\$12,518	\$12,893	\$13,278	\$13,675	\$14,084	\$14,506
Safety Supplies & Services	General Costs	\$431	\$444	\$457	\$471	\$485	\$499	\$514	\$530	\$545	\$562
Engineering	Salaries	\$10,500	\$11,025	\$11,576	\$12,155	\$12,763	\$13,401	\$14,071	\$14,775	\$15,513	\$16,289
Equipment Rental	General Costs	\$5,386	\$5,547	\$5,712	\$5,883	\$6,059	\$6,240	\$6,427	\$6,619	\$6,817	\$7,021
Line Maintenance	Capital Construction	\$2,963	\$3,043	\$3,126	\$3,210	\$3,297	\$3,387	\$3,479	\$3,573	\$3,670	\$3,769
Repair & Maint Pump Station	Capital Construction	\$123,892	\$127,252	\$130,704	\$134,249	\$137,890	\$141,631	\$145,472	\$149,418	\$153,471	\$157,633
Buildings & Grounds	Capital Construction	\$1,581	\$1,624	\$1,668	\$1,714	\$1,760	\$1,808	\$1,857	\$1,907	\$1,959	\$2,012
Lab Analysis	General Costs	\$3,231	\$3,328	\$3,427	\$3,530	\$3,636	\$3,744	\$3,856	\$3,972	\$4,090	\$4,213
Permits & Monitoring Fees	General Costs	\$2,262	\$2,330	\$2,399	\$2,471	\$2,545	\$2,621	\$2,699	\$2,780	\$2,863	\$2,949
Telephone	Utilities	\$2,835	\$2,977	\$3,126	\$3,282	\$3,446	\$3,618	\$3,799	\$3,989	\$4,189	\$4,398
Electricity	Energy Costs	\$207,900	\$218,295	\$229,210	\$240,670	\$252,704	\$265,339	\$278,606	\$292,536	\$307,163	\$322,521
Water	Utilities	\$1,575	\$1,654	\$1,736	\$1,823	\$1,914	\$2,010	\$2,111	\$2,216	\$2,327	\$2,443
Allocated Admin Salaries & Ben	Calculated	\$46,297	\$48,612	\$51,043	\$53,595	\$56,274	\$59,088	\$62,043	\$65,145	\$68,402	\$71,822
Allocated Admin Non-Labor	Calculated	\$40,677	\$42,629	\$44,682	\$46,844	\$49,119	\$51,515	\$54,037	\$56,693	\$59,491	\$62,438
Subtotal Batiquitos Operations		\$557,147	\$581,945	\$607,920	\$635,129	\$663,633	\$693,498	\$724,790	\$757,581	\$791,946	\$827,963
Capital Services											
Salary & Wages	Salaries	\$253,163	\$265,822	\$279,113	\$293,068	\$307,722	\$323,108	\$339,263	\$356,226	\$374,038	\$392,740
Overtime	Salaries	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814
Federal Taxes	Benefits	\$17,238	\$18,272	\$19,368	\$20,530	\$21,762	\$23,068	\$24,452	\$25,919	\$27,474	\$29,123
Medical Insurance	Benefits	\$48,425	\$51,331	\$54,410	\$57,675	\$61,135	\$64,804	\$68,692	\$72,813	\$77,182	\$81,813
Dental Insurance	Benefits	\$4,599	\$4,875	\$5,168	\$5,478	\$5,807	\$6,155	\$6,524	\$6,916	\$7,331	\$7,770
Disability Insurance	Benefits	\$1,709	\$1,811	\$1,920	\$2,035	\$2,157	\$2,287	\$2,424	\$2,569	\$2,723	\$2,887
Life Insurance	Benefits	\$551	\$584	\$619	\$656	\$696	\$738	\$782	\$829	\$879	\$931
Vision Plan	Benefits	\$492	\$521	\$553	\$586	\$621	\$658	\$698	\$740	\$784	\$831
Workers Comp	Benefits	\$1,956	\$2,073	\$2,197	\$2,329	\$2,469	\$2,617	\$2,774	\$2,941	\$3,117	\$3,304
PERS	Benefits	\$63,363	\$67,164	\$71,194	\$75,466	\$79,994	\$84,793	\$89,881	\$95,274	\$100,990	\$107,050
PERS UAL ADP	Benefits	\$24,529	\$26,001	\$27,561	\$29,215	\$30,968	\$32,826	\$34,796	\$36,883	\$39,096	\$41,442
Deferred Compensation	Benefits	\$4,150	\$4,399	\$4,663	\$4,943	\$5,239	\$5,554	\$5,887	\$6,240	\$6,614	\$7,011
Vehicles	Capital Construction	\$245,834	\$252,502	\$259,350	\$266,385	\$273,611	\$281,032	\$288,655	\$296,484	\$304,526	\$312,786
Bldgs And Grounds	Capital Construction	\$79,073	\$81,218	\$83,421	\$85,684	\$88,008	\$90,395	\$92,847	\$95,365	\$97,952	\$100,609
Sewer Maintenance Equipment	Capital Construction	\$126,734	\$130,172	\$133,703	\$137,329	\$141,054	\$144,880	\$148,810	\$152,846	\$156,992	\$161,250
Office Equipment	Capital Construction	\$100,000	\$42,451	\$43,603	\$44,786	\$46,000	\$47,248	\$48,530	\$49,846	\$51,198	\$52,587
Pump Station Equipment	Capital Construction	\$151,012	\$155,108	\$159,315	\$163,637	\$168,075	\$172,634	\$177,316	\$182,126	\$187,066	\$192,140
AWT Equipment	Capital Construction	\$27,465	\$28,210	\$28,975	\$29,761	\$30,568	\$31,397	\$32,249	\$33,124	\$34,022	\$34,945
Allocated Admin Salaries & Ben	Calculated	\$120,373	\$126,391	\$132,711	\$139,346	\$146,314	\$153,629	\$161,311	\$169,376	\$177,845	\$186,737
Allocated Admin Non-Labor	Calculated	\$105,760	\$110,834	\$116,174	\$121,794	\$127,710	\$133,938	\$140,496	\$147,403	\$154,677	\$162,340
Subtotal Capital Services		\$1,376,951	\$1,370,291	\$1,424,597	\$1,481,311	\$1,540,547	\$1,602,480	\$1,667,089	\$1,734,659	\$1,805,282	\$1,879,110

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Operating Expenses	Inflate by	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Recycled Water Services											
Salary & Wages	<i>Salaries</i>	\$23,095	\$24,249	\$25,462	\$26,735	\$28,072	\$29,475	\$30,949	\$32,497	\$34,121	\$35,828
Overtime	<i>Salaries</i>	\$15,540	\$16,317	\$17,133	\$17,989	\$18,889	\$19,833	\$20,825	\$21,866	\$22,960	\$24,108
Federal Taxes	<i>Benefits</i>	\$2,786	\$2,953	\$3,130	\$3,318	\$3,517	\$3,728	\$3,952	\$4,189	\$4,440	\$4,706
Medical Insurance	<i>Benefits</i>	\$7,826	\$8,296	\$8,793	\$9,321	\$9,880	\$10,473	\$11,101	\$11,767	\$12,473	\$13,222
Dental Insurance	<i>Benefits</i>	\$743	\$788	\$835	\$885	\$938	\$994	\$1,054	\$1,117	\$1,184	\$1,255
Disability Insurance	<i>Benefits</i>	\$277	\$293	\$311	\$330	\$349	\$370	\$392	\$416	\$441	\$467
Life Insurance	<i>Benefits</i>	\$90	\$96	\$101	\$107	\$114	\$121	\$128	\$135	\$144	\$152
Vision Plan	<i>Benefits</i>	\$80	\$84	\$89	\$95	\$100	\$106	\$113	\$120	\$127	\$134
Workers Comp	<i>Benefits</i>	\$979	\$1,038	\$1,100	\$1,167	\$1,237	\$1,311	\$1,389	\$1,473	\$1,561	\$1,655
PERS	<i>Benefits</i>	\$10,241	\$10,855	\$11,506	\$12,197	\$12,929	\$13,704	\$14,527	\$15,398	\$16,322	\$17,301
PERS UAL ADP	<i>Benefits</i>	\$3,964	\$4,202	\$4,454	\$4,722	\$5,005	\$5,305	\$5,624	\$5,961	\$6,319	\$6,698
Deferred Compensation	<i>Benefits</i>	\$671	\$711	\$754	\$799	\$847	\$898	\$952	\$1,009	\$1,069	\$1,134
Computer Software, Misc	<i>General Costs</i>	\$4,093	\$4,215	\$4,341	\$4,471	\$4,605	\$4,743	\$4,885	\$5,031	\$5,181	\$5,336
Chemicals	<i>Utilities</i>	\$57,750	\$60,638	\$63,669	\$66,853	\$70,195	\$73,705	\$77,391	\$81,260	\$85,323	\$89,589
Engineering	<i>Salaries</i>	\$5,250	\$5,513	\$5,788	\$6,078	\$6,381	\$6,700	\$7,036	\$7,387	\$7,757	\$8,144
Legal Services	<i>Salaries</i>	\$2,625	\$2,756	\$2,894	\$3,039	\$3,191	\$3,350	\$3,518	\$3,694	\$3,878	\$4,072
Chief Plant Operator Services	<i>General Costs</i>	\$24,558	\$25,293	\$26,049	\$26,828	\$27,630	\$28,456	\$29,307	\$30,184	\$31,086	\$32,016
Treatment Plant R&M	<i>Capital Construction</i>	\$33,316	\$34,220	\$35,148	\$36,101	\$37,081	\$38,086	\$39,119	\$40,180	\$41,270	\$42,390
Lab Analysis	<i>General Costs</i>	\$14,003	\$14,421	\$14,852	\$15,297	\$15,754	\$16,225	\$16,710	\$17,210	\$17,725	\$18,255
Permits & Monitoring Fees	<i>General Costs</i>	\$43,731	\$45,039	\$46,385	\$47,773	\$49,201	\$50,672	\$52,188	\$53,748	\$55,356	\$57,011
Electricity	<i>Energy Costs</i>	\$21,525	\$22,601	\$23,731	\$24,918	\$26,164	\$27,472	\$28,846	\$30,288	\$31,802	\$33,392
Allocated Admin Salaries & Ben	<i>Calculated</i>	\$30,424	\$31,945	\$33,542	\$35,219	\$36,980	\$38,829	\$40,771	\$42,809	\$44,950	\$47,197
Allocated Admin Non-Labor	<i>Calculated</i>	\$26,731	\$28,013	\$29,363	\$30,783	\$32,278	\$33,852	\$35,510	\$37,256	\$39,094	\$41,031
Subtotal Recycled Water Services		\$330,297	\$344,536	\$359,434	\$375,023	\$391,337	\$408,412	\$426,285	\$444,995	\$464,584	\$485,094
Total Operating Expenses		\$11,121,019	\$11,526,849	\$12,012,579	\$12,520,580	\$13,051,944	\$13,607,818	\$14,189,412	\$14,797,993	\$15,434,900	\$16,101,535

Leucadia Wastewater District – Wastewater Financial Plan Study

Table 22: O&M Projected Expense Detail (FY 2035 – FY 2044)

Operating Expenses	Inflate by	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Development Services											
Salary & Wages	Salaries	\$6,092	\$6,397	\$6,717	\$7,053	\$7,405	\$7,775	\$8,164	\$8,572	\$9,001	\$9,451
Federal Taxes	Benefits	\$488	\$517	\$548	\$581	\$616	\$653	\$692	\$734	\$778	\$824
Medical Insurance	Benefits	\$1,369	\$1,451	\$1,538	\$1,630	\$1,728	\$1,832	\$1,941	\$2,058	\$2,181	\$2,312
Dental Insurance	Benefits	\$129	\$137	\$145	\$154	\$163	\$173	\$183	\$194	\$206	\$218
Disability Insurance	Benefits	\$47	\$50	\$53	\$57	\$60	\$64	\$67	\$71	\$76	\$80
Life Insurance	Benefits	\$15	\$16	\$17	\$18	\$19	\$20	\$22	\$23	\$24	\$26
Vision Plan	Benefits	\$13	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$21	\$22
Workers Comp	Benefits	\$247	\$262	\$277	\$294	\$312	\$330	\$350	\$371	\$393	\$417
PERS	Benefits	\$1,790	\$1,898	\$2,011	\$2,132	\$2,260	\$2,396	\$2,539	\$2,692	\$2,853	\$3,024
Deferred Compensation	Benefits	\$118	\$125	\$132	\$140	\$149	\$158	\$167	\$177	\$188	\$199
Engineering	Salaries	\$85,517	\$89,793	\$94,282	\$98,997	\$103,946	\$109,144	\$114,601	\$120,331	\$126,348	\$132,665
Legal Services	Salaries	\$6,841	\$7,183	\$7,543	\$7,920	\$8,316	\$8,731	\$9,168	\$9,626	\$10,108	\$10,613
LAFCO	Salaries	\$33,352	\$35,019	\$36,770	\$38,609	\$40,539	\$42,566	\$44,694	\$46,929	\$49,276	\$51,739
State Board-Annexation Fees	General Costs	\$1,302	\$1,341	\$1,381	\$1,422	\$1,464	\$1,508	\$1,553	\$1,600	\$1,648	\$1,697
Subtotal Development Services		\$137,320	\$144,202	\$151,430	\$159,021	\$166,994	\$175,367	\$184,161	\$193,398	\$203,099	\$213,288
Leucadia Operations											
Salary & Wages	Salaries	\$2,072,061	\$2,175,664	\$2,284,447	\$2,398,669	\$2,518,603	\$2,644,533	\$2,776,760	\$2,915,598	\$3,061,377	\$3,214,446
Overtime	Salaries	\$81,925	\$86,022	\$90,323	\$94,839	\$99,581	\$104,560	\$109,788	\$115,277	\$121,041	\$127,093
Federal Taxes	Benefits	\$179,970	\$190,768	\$202,214	\$214,347	\$227,208	\$240,841	\$255,291	\$270,608	\$286,845	\$304,056
Medical Insurance	Benefits	\$505,593	\$535,928	\$568,084	\$602,169	\$638,299	\$676,597	\$717,193	\$760,225	\$805,838	\$854,188
Dental Insurance	Benefits	\$48,025	\$50,907	\$53,961	\$57,199	\$60,631	\$64,268	\$68,124	\$72,212	\$76,545	\$81,137
Disability Insurance	Benefits	\$17,840	\$18,911	\$20,045	\$21,248	\$22,523	\$23,874	\$25,307	\$26,825	\$28,435	\$30,141
Life Insurance	Benefits	\$5,754	\$6,099	\$6,465	\$6,853	\$7,264	\$7,700	\$8,162	\$8,652	\$9,171	\$9,721
Vision Plan	Benefits	\$5,133	\$5,441	\$5,767	\$6,113	\$6,480	\$6,869	\$7,281	\$7,718	\$8,181	\$8,672
Workers Comp	Benefits	\$85,835	\$90,985	\$96,445	\$102,231	\$108,365	\$114,867	\$121,759	\$129,065	\$136,809	\$145,017
PERS	Benefits	\$661,548	\$701,240	\$743,315	\$787,914	\$835,189	\$885,300	\$938,418	\$994,723	\$1,054,406	\$1,117,671
PERS UAL ADP	Benefits	\$256,103	\$271,469	\$287,758	\$305,023	\$323,324	\$342,724	\$363,287	\$385,085	\$408,190	\$432,681
Deferred Compensation	Benefits	\$43,327	\$45,926	\$48,682	\$51,603	\$54,699	\$57,981	\$61,460	\$65,147	\$69,056	\$73,200
Vehicle Fuels	Energy Costs	\$102,620	\$107,751	\$113,139	\$118,796	\$124,736	\$130,972	\$137,521	\$144,397	\$151,617	\$159,198
Computer Software, Misc	General Costs	\$154,744	\$159,371	\$164,137	\$169,045	\$174,100	\$179,306	\$184,668	\$190,191	\$195,878	\$201,735
Chemicals	Utilities	\$102,620	\$107,751	\$113,139	\$118,796	\$124,736	\$130,972	\$137,521	\$144,397	\$151,617	\$159,198
Laundry & Uniforms	General Costs	\$20,247	\$20,852	\$21,476	\$22,118	\$22,779	\$23,461	\$24,162	\$24,885	\$25,629	\$26,395
Tools	General Costs	\$5,785	\$5,958	\$6,136	\$6,319	\$6,508	\$6,703	\$6,903	\$7,110	\$7,323	\$7,542
Safety Supplies & Services	General Costs	\$30,370	\$31,278	\$32,214	\$33,177	\$34,169	\$35,191	\$36,243	\$37,327	\$38,443	\$39,593
Engineering	Salaries	\$155,128	\$162,884	\$171,028	\$179,580	\$188,559	\$197,987	\$207,886	\$218,280	\$229,194	\$240,654
Equipment Rental	General Costs	\$1,446	\$1,489	\$1,534	\$1,580	\$1,627	\$1,676	\$1,726	\$1,777	\$1,831	\$1,885
Easement Lease	General Costs	\$10,123	\$10,426	\$10,738	\$11,059	\$11,390	\$11,730	\$12,081	\$12,442	\$12,814	\$13,198
Line Maintenance	Capital Construction	\$167,427	\$171,969	\$176,633	\$181,424	\$186,345	\$191,400	\$196,591	\$201,923	\$207,400	\$213,026
Repair & Maint Pump Station	Capital Construction	\$150,459	\$154,540	\$158,732	\$163,038	\$167,460	\$172,002	\$176,667	\$181,459	\$186,381	\$191,437
Buildings & Grounds	Capital Construction	\$157,762	\$162,041	\$166,436	\$170,951	\$175,587	\$180,350	\$185,242	\$190,266	\$195,427	\$200,728
Vehicles	Capital Construction	\$63,380	\$65,099	\$66,865	\$68,679	\$70,542	\$72,455	\$74,420	\$76,439	\$78,512	\$80,642
Repair & Maint Paint, Etc	Capital Construction	\$2,067	\$2,123	\$2,180	\$2,240	\$2,300	\$2,363	\$2,427	\$2,493	\$2,560	\$2,630
Equip Repair & Maintenance	Capital Construction	\$1,378	\$1,415	\$1,454	\$1,493	\$1,534	\$1,576	\$1,618	\$1,662	\$1,707	\$1,753
Lab Analysis	General Costs	\$3,616	\$3,724	\$3,835	\$3,950	\$4,068	\$4,189	\$4,315	\$4,444	\$4,577	\$4,713
Permits & Monitoring Fees	General Costs	\$46,857	\$48,258	\$49,701	\$51,187	\$52,718	\$54,295	\$55,918	\$57,590	\$59,313	\$61,086
SCADA Remote Communications	Utilities	\$1,026	\$1,078	\$1,131	\$1,188	\$1,247	\$1,310	\$1,375	\$1,444	\$1,516	\$1,592
Electricity	Energy Costs	\$470,343	\$493,860	\$518,554	\$544,481	\$571,705	\$600,291	\$630,305	\$661,820	\$694,911	\$729,657
Water	Utilities	\$20,524	\$21,550	\$22,628	\$23,759	\$24,947	\$26,194	\$27,504	\$28,879	\$30,323	\$31,840
USA Notification Services	Utilities	\$5,986	\$6,285	\$6,600	\$6,930	\$7,276	\$7,640	\$8,022	\$8,423	\$8,844	\$9,287
Encina O&M	General Costs	\$4,269,189	\$4,396,853	\$4,528,336	\$4,663,749	\$4,803,213	\$4,946,847	\$5,094,776	\$5,247,128	\$5,404,037	\$5,565,637
Allocated Admin Salaries & Ben	Calculated	\$1,833,617	\$1,925,298	\$2,021,563	\$2,122,641	\$2,228,773	\$2,340,212	\$2,457,222	\$2,580,083	\$2,709,087	\$2,844,542
Allocated Admin Non-Labor	Calculated	\$1,593,642	\$1,673,191	\$1,757,021	\$1,845,373	\$1,938,503	\$2,036,682	\$2,140,194	\$2,249,344	\$2,364,451	\$2,485,854
Subtotal Leucadia Operations		\$13,333,471	\$13,914,409	\$14,522,715	\$15,159,761	\$15,826,989	\$16,525,916	\$17,258,139	\$18,025,340	\$18,829,287	\$19,671,844

Leucadia Wastewater District – Wastewater Financial Plan Study

Operating Expenses	Inflate by	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Batiquitos Operations											
Salary & Wages	Salaries	\$82,979	\$87,128	\$91,484	\$96,058	\$100,861	\$105,904	\$111,200	\$116,760	\$122,598	\$128,727
Overtime	Salaries	\$5,302	\$5,567	\$5,846	\$6,138	\$6,445	\$6,767	\$7,105	\$7,461	\$7,834	\$8,225
Federal Taxes	Benefits	\$7,324	\$7,763	\$8,229	\$8,723	\$9,246	\$9,801	\$10,389	\$11,012	\$11,673	\$12,373
Medical Insurance	Benefits	\$20,576	\$21,810	\$23,119	\$24,506	\$25,976	\$27,535	\$29,187	\$30,938	\$32,794	\$34,762
Dental Insurance	Benefits	\$1,955	\$2,073	\$2,197	\$2,329	\$2,468	\$2,617	\$2,774	\$2,940	\$3,116	\$3,303
Disability Insurance	Benefits	\$731	\$775	\$821	\$870	\$923	\$978	\$1,037	\$1,099	\$1,165	\$1,235
Life Insurance	Benefits	\$233	\$248	\$262	\$278	\$295	\$312	\$331	\$351	\$372	\$394
Vision Plan	Benefits	\$209	\$221	\$235	\$249	\$264	\$279	\$296	\$314	\$333	\$353
Workers Comp	Benefits	\$3,726	\$3,950	\$4,187	\$4,438	\$4,704	\$4,987	\$5,286	\$5,603	\$5,939	\$6,296
PERS	Benefits	\$26,922	\$28,537	\$30,249	\$32,064	\$33,988	\$36,027	\$38,189	\$40,480	\$42,909	\$45,484
PERS UAL ADP	Benefits	\$10,422	\$11,047	\$11,710	\$12,412	\$13,157	\$13,947	\$14,783	\$15,670	\$16,611	\$17,607
Deferred Compensation	Benefits	\$1,764	\$1,869	\$1,981	\$2,100	\$2,226	\$2,360	\$2,502	\$2,652	\$2,811	\$2,979
Vehicle Fuels	Energy Costs	\$1,710	\$1,796	\$1,886	\$1,980	\$2,079	\$2,183	\$2,292	\$2,407	\$2,527	\$2,653
Computer Software, Misc	General Costs	\$14,939	\$15,386	\$15,846	\$16,320	\$16,808	\$17,311	\$17,828	\$18,361	\$18,910	\$19,476
Safety Supplies & Services	General Costs	\$578	\$596	\$614	\$632	\$651	\$670	\$690	\$711	\$732	\$754
Engineering	Salaries	\$17,103	\$17,959	\$18,856	\$19,799	\$20,789	\$21,829	\$22,920	\$24,066	\$25,270	\$26,533
Equipment Rental	General Costs	\$7,231	\$7,447	\$7,670	\$7,899	\$8,136	\$8,379	\$8,629	\$8,887	\$9,153	\$9,427
Line Maintenance	Capital Construction	\$3,872	\$3,977	\$4,085	\$4,195	\$4,309	\$4,426	\$4,546	\$4,669	\$4,796	\$4,926
Repair & Maint Pump Station	Capital Construction	\$161,909	\$166,301	\$170,812	\$175,445	\$180,203	\$185,091	\$190,112	\$195,268	\$200,565	\$206,005
Buildings & Grounds	Capital Construction	\$2,067	\$2,123	\$2,180	\$2,240	\$2,300	\$2,363	\$2,427	\$2,493	\$2,560	\$2,630
Lab Analysis	General Costs	\$4,339	\$4,468	\$4,602	\$4,740	\$4,881	\$5,027	\$5,178	\$5,332	\$5,492	\$5,656
Permits & Monitoring Fees	General Costs	\$3,037	\$3,128	\$3,221	\$3,318	\$3,417	\$3,519	\$3,624	\$3,733	\$3,844	\$3,959
Telephone	Utilities	\$4,618	\$4,849	\$5,091	\$5,346	\$5,613	\$5,894	\$6,188	\$6,498	\$6,823	\$7,164
Electricity	Energy Costs	\$338,647	\$355,580	\$373,359	\$392,026	\$411,628	\$432,209	\$453,820	\$476,511	\$500,336	\$525,353
Water	Utilities	\$2,566	\$2,694	\$2,828	\$2,970	\$3,118	\$3,274	\$3,438	\$3,610	\$3,790	\$3,980
Allocated Admin Salaries & Ben	Calculated	\$75,413	\$79,184	\$83,143	\$87,300	\$91,665	\$96,248	\$101,061	\$106,114	\$111,420	\$116,991
Allocated Admin Non-Labor	Calculated	\$65,543	\$68,815	\$72,263	\$75,897	\$79,727	\$83,765	\$88,022	\$92,511	\$97,245	\$102,238
Subtotal Batiquitos Operations		\$865,715	\$905,289	\$946,776	\$990,272	\$1,035,879	\$1,083,702	\$1,133,854	\$1,186,451	\$1,241,618	\$1,299,484
Capital Services											
Salary & Wages	Salaries	\$412,377	\$432,995	\$454,645	\$477,377	\$501,246	\$526,309	\$552,624	\$580,255	\$609,268	\$639,731
Overtime	Salaries	\$855	\$898	\$943	\$990	\$1,039	\$1,091	\$1,146	\$1,203	\$1,263	\$1,327
Federal Taxes	Benefits	\$30,870	\$32,722	\$34,686	\$36,767	\$38,973	\$41,311	\$43,790	\$46,417	\$49,202	\$52,154
Medical Insurance	Benefits	\$86,722	\$91,925	\$97,441	\$103,287	\$109,484	\$116,053	\$123,017	\$130,398	\$138,221	\$146,515
Dental Insurance	Benefits	\$8,237	\$8,731	\$9,255	\$9,810	\$10,399	\$11,023	\$11,684	\$12,385	\$13,128	\$13,916
Disability Insurance	Benefits	\$3,060	\$3,244	\$3,438	\$3,645	\$3,863	\$4,095	\$4,341	\$4,601	\$4,877	\$5,170
Life Insurance	Benefits	\$987	\$1,046	\$1,109	\$1,176	\$1,246	\$1,321	\$1,400	\$1,484	\$1,573	\$1,668
Vision Plan	Benefits	\$881	\$934	\$990	\$1,049	\$1,112	\$1,179	\$1,249	\$1,324	\$1,404	\$1,488
Workers Comp	Benefits	\$3,502	\$3,713	\$3,935	\$4,171	\$4,422	\$4,687	\$4,968	\$5,266	\$5,582	\$5,917
PERS	Benefits	\$113,473	\$120,281	\$127,498	\$135,148	\$143,257	\$151,852	\$160,963	\$170,621	\$180,858	\$191,710
PERS UAL ADP	Benefits	\$43,929	\$46,564	\$49,358	\$52,320	\$55,459	\$58,786	\$62,313	\$66,052	\$70,015	\$74,216
Deferred Compensation	Benefits	\$7,432	\$7,878	\$8,350	\$8,851	\$9,383	\$9,945	\$10,542	\$11,175	\$11,845	\$12,556
Vehicles	Capital Construction	\$321,270	\$329,984	\$338,935	\$348,128	\$357,570	\$367,269	\$377,231	\$387,463	\$397,973	\$408,767
Bldgs And Grounds	Capital Construction	\$103,337	\$106,140	\$109,019	\$111,976	\$115,014	\$118,133	\$121,338	\$124,629	\$128,009	\$131,481
Sewer Maintenance Equipment	Capital Construction	\$165,624	\$170,116	\$174,731	\$179,470	\$184,338	\$189,338	\$194,474	\$199,749	\$205,167	\$210,731
Office Equipment	Capital Construction	\$54,013	\$55,478	\$56,983	\$58,528	\$60,116	\$61,747	\$63,421	\$65,142	\$66,909	\$68,723
Pump Station Equipment	Capital Construction	\$197,352	\$202,705	\$208,203	\$213,850	\$219,650	\$225,608	\$231,728	\$238,013	\$244,469	\$251,100
AWT Equipment	Capital Construction	\$35,893	\$36,866	\$37,866	\$38,893	\$39,948	\$41,032	\$42,145	\$43,288	\$44,462	\$45,668
Allocated Admin Salaries & Ben	Calculated	\$196,074	\$205,878	\$216,172	\$226,980	\$238,329	\$250,246	\$262,758	\$275,896	\$289,691	\$304,175
Allocated Admin Non-Labor	Calculated	\$170,413	\$178,919	\$187,884	\$197,331	\$207,290	\$217,789	\$228,857	\$240,529	\$252,838	\$265,820
Subtotal Capital Services		\$1,956,300	\$2,037,018	\$2,121,440	\$2,209,749	\$2,302,139	\$2,398,814	\$2,499,989	\$2,605,890	\$2,716,755	\$2,832,834

Leucadia Wastewater District – Wastewater Financial Plan Study

Operating Expenses	<i>Inflate by</i>	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Recycled Water Services											
Salary & Wages	<i>Salaries</i>	\$37,619	\$39,500	\$41,475	\$43,549	\$45,726	\$48,012	\$50,413	\$52,934	\$55,580	\$58,359
Overtime	<i>Salaries</i>	\$25,313	\$26,579	\$27,908	\$29,303	\$30,768	\$32,307	\$33,922	\$35,618	\$37,399	\$39,269
Federal Taxes	<i>Benefits</i>	\$4,989	\$5,288	\$5,605	\$5,942	\$6,298	\$6,676	\$7,077	\$7,501	\$7,951	\$8,428
Medical Insurance	<i>Benefits</i>	\$14,015	\$14,856	\$15,747	\$16,692	\$17,694	\$18,755	\$19,881	\$21,074	\$22,338	\$23,678
Dental Insurance	<i>Benefits</i>	\$1,331	\$1,411	\$1,495	\$1,585	\$1,680	\$1,781	\$1,888	\$2,001	\$2,121	\$2,248
Disability Insurance	<i>Benefits</i>	\$495	\$525	\$557	\$590	\$626	\$663	\$703	\$745	\$790	\$837
Life Insurance	<i>Benefits</i>	\$161	\$171	\$181	\$192	\$204	\$216	\$229	\$243	\$257	\$273
Vision Plan	<i>Benefits</i>	\$142	\$151	\$160	\$170	\$180	\$191	\$202	\$214	\$227	\$241
Workers Comp	<i>Benefits</i>	\$1,754	\$1,859	\$1,971	\$2,089	\$2,214	\$2,347	\$2,488	\$2,637	\$2,796	\$2,963
PERS	<i>Benefits</i>	\$18,339	\$19,440	\$20,606	\$21,843	\$23,153	\$24,542	\$26,015	\$27,576	\$29,230	\$30,984
PERS UAL ADP	<i>Benefits</i>	\$7,100	\$7,526	\$7,977	\$8,456	\$8,963	\$9,501	\$10,071	\$10,675	\$11,316	\$11,995
Deferred Compensation	<i>Benefits</i>	\$1,202	\$1,274	\$1,350	\$1,431	\$1,517	\$1,608	\$1,705	\$1,807	\$1,915	\$2,030
Computer Software, Misc	<i>General Costs</i>	\$5,496	\$5,660	\$5,829	\$6,003	\$6,183	\$6,368	\$6,558	\$6,754	\$6,956	\$7,164
Chemicals	<i>Utilities</i>	\$94,069	\$98,772	\$103,711	\$108,896	\$114,341	\$120,058	\$126,061	\$132,364	\$138,982	\$145,931
Engineering	<i>Salaries</i>	\$8,552	\$8,979	\$9,428	\$9,900	\$10,395	\$10,914	\$11,460	\$12,033	\$12,635	\$13,266
Legal Services	<i>Salaries</i>	\$4,276	\$4,490	\$4,714	\$4,950	\$5,197	\$5,457	\$5,730	\$6,017	\$6,317	\$6,633
Chief Plant Operator Services	<i>General Costs</i>	\$32,973	\$33,959	\$34,975	\$36,021	\$37,098	\$38,207	\$39,350	\$40,527	\$41,738	\$42,987
Treatment Plant R&M	<i>Capital Construction</i>	\$43,540	\$44,720	\$45,933	\$47,179	\$48,459	\$49,773	\$51,124	\$52,510	\$53,934	\$55,397
Lab Analysis	<i>General Costs</i>	\$18,801	\$19,363	\$19,942	\$20,538	\$21,152	\$21,785	\$22,436	\$23,107	\$23,798	\$24,510
Permits & Monitoring Fees	<i>General Costs</i>	\$58,716	\$60,472	\$62,280	\$64,142	\$66,060	\$68,036	\$70,070	\$72,166	\$74,324	\$76,546
Electricity	<i>Energy Costs</i>	\$35,062	\$36,815	\$38,656	\$40,589	\$42,618	\$44,749	\$46,986	\$49,336	\$51,802	\$54,393
Allocated Admin Salaries & Ben	<i>Calculated</i>	\$49,557	\$52,035	\$54,637	\$57,369	\$60,237	\$63,249	\$66,411	\$69,732	\$73,219	\$76,880
Allocated Admin Non-Labor	<i>Calculated</i>	\$43,071	\$45,221	\$47,487	\$49,875	\$52,392	\$55,045	\$57,843	\$60,793	\$63,904	\$67,185
Subtotal Recycled Water Services		\$506,572	\$529,066	\$552,625	\$577,303	\$603,156	\$630,242	\$658,622	\$688,363	\$719,531	\$752,199
Total Operating Expenses		\$16,799,378	\$17,529,983	\$18,294,985	\$19,096,106	\$19,935,156	\$20,814,041	\$21,734,766	\$22,699,442	\$23,710,291	\$24,769,649

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Table 23: Net Cashflow (FY 2025 – FY 2034)

Revenue	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Projected Rate Revenue	\$14,939,000	\$16,766,000	\$18,477,000	\$18,516,000	\$19,666,000	\$20,887,000	\$22,183,000	\$22,229,000	\$23,609,000	\$25,076,000
Administrative Services										
Capacity Charges	\$295,000	\$295,000	\$295,000	\$295,000	\$295,000	\$295,000	\$295,000	\$300,000	\$300,000	\$300,000
1% Property Tax	\$2,121,000	\$2,163,000	\$2,207,000	\$2,251,000	\$2,296,000	\$2,342,000	\$2,389,000	\$2,436,000	\$2,485,000	\$2,535,000
Interest Income	\$223,000	\$225,000	\$228,000	\$231,000	\$234,000	\$238,000	\$242,000	\$246,000	\$250,000	\$254,000
Subtotal Administrative Services	\$2,639,000	\$2,683,000	\$2,730,000	\$2,777,000	\$2,825,000	\$2,875,000	\$2,926,000	\$2,982,000	\$3,035,000	\$3,089,000
Development Services										
Inspection Fees	\$85,000	\$89,000	\$93,000	\$98,000	\$103,000	\$108,000	\$113,000	\$119,000	\$125,000	\$131,000
Subtotal Development Services	\$85,000	\$89,000	\$93,000	\$98,000	\$103,000	\$108,000	\$113,000	\$119,000	\$125,000	\$131,000
Batiquitos Joint Facilities										
Encinitas Operating	\$112,000	\$116,000	\$122,000	\$127,000	\$133,000	\$139,000	\$145,000	\$152,000	\$158,000	\$166,000
Encinitas - Capital	\$704,000	\$549,000	\$92,000	\$14,000	\$152,000	\$15,000	\$15,000	\$16,000	\$725,000	\$745,000
Subtotal Batiquitos Joint Facilities	\$816,000	\$665,000	\$214,000	\$141,000	\$285,000	\$154,000	\$160,000	\$168,000	\$883,000	\$911,000
Recycled Water Services										
AWT Income (Recycled Sales)	\$420,000	\$424,000	\$434,000	\$444,000	\$454,000	\$464,000	\$474,000	\$485,000	\$496,000	\$507,000
Subtotal Recycled Water Services	\$420,000	\$424,000	\$434,000	\$444,000	\$454,000	\$464,000	\$474,000	\$485,000	\$496,000	\$507,000
Total Revenues	\$18,899,000	\$20,627,000	\$21,948,000	\$21,976,000	\$23,333,000	\$24,488,000	\$25,856,000	\$25,983,000	\$28,148,000	\$29,714,000
O&M Expenses										
Operating Expenses										
Development Services	\$85,000	\$89,000	\$93,000	\$98,000	\$103,000	\$108,000	\$113,000	\$119,000	\$125,000	\$131,000
Leucadia Operations	\$8,773,000	\$9,142,000	\$9,528,000	\$9,932,000	\$10,355,000	\$10,796,000	\$11,259,000	\$11,743,000	\$12,249,000	\$12,779,000
Batiquitos Operations	\$558,000	\$582,000	\$608,000	\$636,000	\$664,000	\$694,000	\$725,000	\$758,000	\$792,000	\$828,000
Capital Services	\$1,377,000	\$1,371,000	\$1,425,000	\$1,482,000	\$1,541,000	\$1,603,000	\$1,668,000	\$1,735,000	\$1,806,000	\$1,880,000
Recycled Water Services	\$331,000	\$345,000	\$360,000	\$376,000	\$392,000	\$409,000	\$427,000	\$445,000	\$465,000	\$486,000
Subtotal Operating Expenses	\$11,124,000	\$11,529,000	\$12,014,000	\$12,524,000	\$13,055,000	\$13,610,000	\$14,192,000	\$14,800,000	\$15,437,000	\$16,104,000
Total Expenses	\$11,124,000	\$11,529,000	\$12,014,000	\$12,524,000	\$13,055,000	\$13,610,000	\$14,192,000	\$14,800,000	\$15,437,000	\$16,104,000
Net Cashflow	\$7,775,000	\$9,098,000	\$9,934,000	\$9,452,000	\$10,278,000	\$10,878,000	\$11,664,000	\$11,183,000	\$12,711,000	\$13,610,000

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Table 24: Net Cashflow (FY 2035 – FY 2044)

Revenue	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Projected Rate Revenue	\$26,633,000	\$26,686,000	\$27,673,000	\$28,700,000	\$29,760,000	\$29,821,000	\$30,927,000	\$32,072,000	\$33,262,000	\$33,331,000
Administrative Services										
Capacity Charges	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$305,000	\$305,000	\$305,000	\$305,000
1% Property Tax	\$2,586,000	\$2,637,000	\$2,690,000	\$2,744,000	\$2,799,000	\$2,855,000	\$2,912,000	\$2,970,000	\$3,029,000	\$3,090,000
Interest Income	\$259,000	\$263,000	\$268,000	\$273,000	\$279,000	\$284,000	\$290,000	\$297,000	\$303,000	\$310,000
Subtotal Administrative Services	\$3,145,000	\$3,200,000	\$3,258,000	\$3,317,000	\$3,378,000	\$3,439,000	\$3,507,000	\$3,572,000	\$3,637,000	\$3,705,000
Development Services										
Inspection Fees	\$138,000	\$145,000	\$152,000	\$160,000	\$167,000	\$176,000	\$185,000	\$194,000	\$204,000	\$214,000
Subtotal Development Services	\$138,000	\$145,000	\$152,000	\$160,000	\$167,000	\$176,000	\$185,000	\$194,000	\$204,000	\$214,000
Batiquitos Joint Facilities										
Encinitas Operating	\$173,000	\$181,000	\$189,000	\$198,000	\$207,000	\$217,000	\$227,000	\$237,000	\$248,000	\$260,000
Encinitas - Capital	\$17,000	\$18,000	\$18,000	\$19,000	\$19,000	\$20,000	\$20,000	\$21,000	\$21,000	\$22,000
Subtotal Batiquitos Joint Facilities	\$190,000	\$199,000	\$207,000	\$217,000	\$226,000	\$237,000	\$247,000	\$258,000	\$269,000	\$282,000
Recycled Water Services										
AWT Income (Recycled Sales)	\$518,000	\$530,000	\$541,000	\$554,000	\$566,000	\$579,000	\$592,000	\$605,000	\$618,000	\$632,000
Subtotal Recycled Water Services	\$518,000	\$530,000	\$541,000	\$554,000	\$566,000	\$579,000	\$592,000	\$605,000	\$618,000	\$632,000
Total Revenues	\$30,624,000	\$30,760,000	\$31,831,000	\$32,948,000	\$34,097,000	\$34,252,000	\$35,458,000	\$36,701,000	\$37,990,000	\$38,164,000
O&M Expenses										
Operating Expenses										
Development Services	\$138,000	\$145,000	\$152,000	\$160,000	\$167,000	\$176,000	\$185,000	\$194,000	\$204,000	\$214,000
Leucadia Operations	\$13,334,000	\$13,915,000	\$14,523,000	\$15,160,000	\$15,827,000	\$16,526,000	\$17,259,000	\$18,026,000	\$18,830,000	\$19,672,000
Batiquitos Operations	\$866,000	\$906,000	\$947,000	\$991,000	\$1,036,000	\$1,084,000	\$1,134,000	\$1,187,000	\$1,242,000	\$1,300,000
Capital Services	\$1,957,000	\$2,038,000	\$2,122,000	\$2,210,000	\$2,303,000	\$2,399,000	\$2,500,000	\$2,606,000	\$2,717,000	\$2,833,000
Recycled Water Services	\$507,000	\$530,000	\$553,000	\$578,000	\$604,000	\$631,000	\$659,000	\$689,000	\$720,000	\$753,000
Subtotal Operating Expenses	\$16,802,000	\$17,534,000	\$18,297,000	\$19,099,000	\$19,937,000	\$20,816,000	\$21,737,000	\$22,702,000	\$23,713,000	\$24,772,000
Total Expenses	\$16,802,000	\$17,534,000	\$18,297,000	\$19,099,000	\$19,937,000	\$20,816,000	\$21,737,000	\$22,702,000	\$23,713,000	\$24,772,000
Net Cashflow	\$13,822,000	\$13,226,000	\$13,534,000	\$13,849,000	\$14,160,000	\$13,436,000	\$13,721,000	\$13,999,000	\$14,277,000	\$13,392,000

Leucadia Wastewater District – Wastewater Financial Plan Study

Table 25: Wastewater Capital Improvement Plan (FY 2025 – FY 2034)

Project Description		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Gravity Pipelines and Manholes											
<i>Specific Pipeline & Manhole</i>											
Gravity Pipeline Rehab Projects	District CIP	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
<i>Subtotal Specific Pipeline & Manhole</i>		\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
<i>Additional Pipeline & Manhole</i>											
Misc. Pipeline/Manhole Rehab.	District CIP	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000
Headquarters Building	District CIP	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333
SCADA Upgrades	District CIP	\$0	\$0	\$0	\$85,000	\$0	\$0	\$0	\$0	\$85,000	\$0
Asset Management Plan Update	District CIP	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$0
Lateral Repl./Backflow Preventer Prog.	District CIP	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
<i>Subtotal Additional Pipeline & Manhole</i>		\$337,333	\$337,333	\$337,333	\$572,333	\$337,333	\$337,333	\$337,333	\$337,333	\$572,333	\$337,333
Pump Stations and Force Mains											
<i>Specific Pump Station</i>											
Diana PS Upgrade Project	District CIP	\$708,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Batiquitos Pump Station Rehabilitation	Jointly Owned CIP	\$2,807,500	\$2,119,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
La Costa Pump Station Replacement	District CIP	\$0	\$0	\$0	\$3,310,000	\$0	\$0	\$0	\$0	\$0	\$0
Avocado PS Upgrade Project	District CIP	\$0	\$0	\$0	\$0	\$0	\$816,750	\$0	\$0	\$0	\$0
<i>Subtotal Specific Pump Station</i>		\$3,516,250	\$2,119,500	\$0	\$3,310,000	\$0	\$816,750	\$0	\$0	\$0	\$0
<i>Force Mains</i>											
L1 Condition Inspection	District CIP	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
L1 Final Replacement/Lining	District CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$1,680,000	\$1,680,000	\$0	\$0
B3 Destructive Testing	Jointly Owned CIP	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B3 Condition Inspection	Jointly Owned CIP	\$0	\$0	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0
B3 Rehab/Replace Project - Phase 2	Jointly Owned CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,325,000	\$2,325,000
Anode Replacement	District CIP	\$30,000	\$0	\$0	\$30,000	\$0	\$0	\$30,000	\$0	\$0	\$30,000
<i>Subtotal Force Mains</i>		\$30,000	\$500,000	\$300,000	\$30,000	\$500,000	\$0	\$1,710,000	\$1,680,000	\$2,325,000	\$2,355,000
<i>General Pump Station</i>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Pump Stations and Force Mains		\$3,546,250	\$2,619,500	\$300,000	\$3,340,000	\$500,000	\$816,750	\$1,710,000	\$1,680,000	\$2,325,000	\$2,355,000
Jointly-Owned Gravity											
General Lanikai Replacement (District Share)	Jointly Owned CIP	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
General Occidental Replacement (District Share)	Jointly Owned CIP	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450
Total Jointly-Owned Gravity		\$53,450	\$53,450	\$53,450	\$53,450	\$53,450	\$53,450	\$53,450	\$53,450	\$53,450	\$53,450
Share of Encina CIP	5 Year Average	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695
Subtotal Uninflated CIP		\$8,931,728	\$8,004,978	\$5,685,478	\$8,960,478	\$5,885,478	\$6,202,228	\$7,095,478	\$7,065,478	\$7,945,478	\$7,740,478
Cumulative Inflationary Factor		111.2%	114.2%	117.3%	120.4%	123.7%	127.1%	130.5%	134.1%	137.7%	141.4%
Total Inflated Wastewater CIP		\$9,928,212	\$9,139,418	\$6,667,273	\$10,792,830	\$7,281,297	\$7,881,296	\$9,260,927	\$9,471,902	\$10,940,535	\$10,947,355

Leucadia Wastewater District – Wastewater Financial Plan Study

Table 26: Wastewater Capital Improvement Plan (FY 2035 – FY 2044)

Project Description		FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Gravity Pipelines and Manholes											
<i>Specific Pipeline & Manhole</i>											
Gravity Pipeline Rehab Projects	District CIP	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
<i>Subtotal Specific Pipeline & Manhole</i>		\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
<i>Additional Pipeline & Manhole</i>											
Misc. Pipeline/Manhole Rehab.	District CIP	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000
Headquarters Building	District CIP	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333	\$32,333
SCADA Upgrades	District CIP	\$0	\$0	\$0	\$85,000	\$0	\$0	\$0	\$0	\$85,000	\$0
Asset Management Plan Update	District CIP	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$0
Lateral Repl./Backflow Preventer Prog.	District CIP	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
<i>Subtotal Additional Pipeline & Manhole</i>		\$337,333	\$337,333	\$337,333	\$572,333	\$337,333	\$337,333	\$337,333	\$337,333	\$572,333	\$337,333
Pump Stations and Force Mains											
<i>Specific Pump Station</i>											
Diana PS Upgrade Project	District CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Batiquitos Pump Station Rehabilitation	Jointly Owned CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
La Costa Pump Station Replacement	District CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Avocado PS Upgrade Project	District CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal Specific Pump Station</i>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Force Mains</i>											
L1 Condition Inspection	District CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
L1 Final Replacement/Lining	District CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B3 Destructive Testing	Jointly Owned CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B3 Condition Inspection	Jointly Owned CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B3 Rehab/Replace Project - Phase 2	Jointly Owned CIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Anode Replacement	District CIP	\$0	\$0	\$30,000	\$0	\$0	\$30,000	\$0	\$0	\$30,000	\$0
<i>Subtotal Force Mains</i>		\$0	\$0	\$30,000	\$0	\$0	\$30,000	\$0	\$0	\$30,000	\$0
<i>General Pump Station</i>		\$4,514,400	\$2,953,125	\$2,923,125	\$2,953,125	\$2,953,125	\$2,923,125	\$3,116,580	\$3,086,580	\$2,923,125	\$2,923,125
Total Pump Stations and Force Mains		\$4,514,400	\$2,953,125	\$2,953,125	\$2,953,125	\$2,953,125	\$2,953,125	\$3,116,580	\$3,086,580	\$2,953,125	\$2,923,125
Jointly-Owned Gravity											
General Lanikai Replacement (District Share)	Jointly Owned CIP	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
General Occidental Replacement (District Share)	Jointly Owned CIP	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450	\$41,450
Total Jointly-Owned Gravity		\$53,450	\$53,450	\$53,450	\$53,450	\$53,450	\$53,450	\$53,450	\$53,450	\$53,450	\$53,450
Share of Encina CIP	5 Year Average	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695	\$4,204,695
Subtotal Uninflated CIP		\$9,899,878	\$8,338,603	\$8,338,603	\$8,573,603	\$8,338,603	\$8,338,603	\$8,502,058	\$8,472,058	\$8,573,603	\$8,308,603
Cumulative Inflationary Factor		145.3%	149.2%	153.3%	157.4%	161.7%	166.1%	170.6%	175.2%	179.9%	184.8%
Total Inflated Wastewater CIP		\$14,381,167	\$12,441,721	\$12,779,191	\$13,495,727	\$13,481,838	\$13,847,519	\$14,501,924	\$14,842,715	\$15,428,037	\$15,356,710

Leucadia Wastewater District – Wastewater Financial Plan Study

Table 27: Recycled Water Capital Improvement Plan (FY 2025 – FY 2034)

Project Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Recycled Water Programs										
Gafner AWT Improv.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gafner AWT Improvements (Phase 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Gafner Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
North SD Water Reuse Coalition Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B1 Force Main Final Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
No. SD County Regional RW Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCADA Upgrades	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$5,000	\$0
Encina Secondary Effluent PS Rehab Project	\$0	\$0	\$0	\$0	\$440,000	\$0	\$0	\$0	\$0	\$0
General Encina Secondary Improvements (less FM)	\$0	\$0	\$0	\$0	\$0	\$1,320,000	\$0	\$0	\$0	\$0
B1 Force Main - North Section Repla.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B1 Force Main - La Costa Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,530,000	\$0
Gafner AWT Improvements (Phase 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$1,430,000	\$0	\$0	\$0
General Gafner Improvements	\$0	\$0	\$0	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Placeholder										
Subtotal Uninflated CIP	\$0	\$0	\$0	\$355,000	\$790,000	\$1,670,000	\$1,780,000	\$350,000	\$2,885,000	\$350,000
Cumulative Inflationary Factor	111.2%	114.2%	117.3%	120.4%	123.7%	127.1%	130.5%	134.1%	137.7%	141.4%
Total Inflated Recycled Water CIP	\$0	\$0	\$0	\$427,595	\$977,359	\$2,122,103	\$2,323,233	\$469,206	\$3,972,504	\$495,005

Table 28: Recycled Water Capital Improvement Plan (FY 2035 – FY 2044)

Project Description	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Recycled Water Programs										
Gafner AWT Improv.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gafner AWT Improvements (Phase 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Gafner Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
North SD Water Reuse Coalition Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B1 Force Main Final Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
No. SD County Regional RW Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SCADA Upgrades	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$5,000	\$0
Encina Secondary Effluent PS Rehab Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Encina Secondary Improvements (less FM)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B1 Force Main - North Section Repla.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B1 Force Main - La Costa Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gafner AWT Improvements (Phase 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Gafner Improvements	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Placeholder										
Subtotal Uninflated CIP	\$350,000	\$350,000	\$350,000	\$355,000	\$350,000	\$350,000	\$350,000	\$350,000	\$355,000	\$350,000
Cumulative Inflationary Factor	145.3%	149.2%	153.3%	157.4%	161.7%	166.1%	170.6%	175.2%	179.9%	184.8%
Total Inflated Recycled Water CIP	\$508,431	\$522,222	\$536,387	\$558,806	\$565,879	\$581,228	\$596,994	\$613,186	\$638,816	\$646,902

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Table 29: Wastewater Reserve Activity (FY 2025 – FY 2034)

Direct Transfers	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Net Cashflow (before Direct Transfers)	\$7,775,000	\$9,098,000	\$9,934,000	\$9,452,000	\$10,278,000	\$10,878,000	\$11,664,000	\$11,183,000	\$12,711,000	\$13,610,000
Capacity Charges Transfer to Cap. Repl. Reserve	(\$295,000)	(\$295,000)	(\$295,000)	(\$295,000)	(\$295,000)	(\$295,000)	(\$295,000)	(\$300,000)	(\$300,000)	(\$300,000)
1% Property Tax Transfer to Cap. Repl. Reserve	(\$2,121,000)	(\$2,163,000)	(\$2,207,000)	(\$2,251,000)	(\$2,296,000)	(\$2,342,000)	(\$2,389,000)	(\$2,436,000)	(\$2,485,000)	(\$2,535,000)
WW Emergency Reserve Direct Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recycled Reserve Direct Transfer	(\$89,000)	(\$79,000)	(\$74,000)	(\$68,000)	(\$62,000)	(\$55,000)	(\$47,000)	(\$40,000)	(\$31,000)	(\$21,000)
Net Cashflow (after Direct Transfers)	\$5,270,000	\$6,561,000	\$7,358,000	\$6,838,000	\$7,625,000	\$8,186,000	\$8,933,000	\$8,407,000	\$9,895,000	\$10,754,000
Operating Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Beginning Balance	\$3,670,920	\$3,804,570	\$3,964,620	\$4,132,920	\$4,308,150	\$4,491,300	\$4,683,360	\$4,884,000	\$5,094,210	\$5,314,320
Net Cashflow (after Direct Transfers)	\$5,270,000	\$6,561,000	\$7,358,000	\$6,838,000	\$7,625,000	\$8,186,000	\$8,933,000	\$8,407,000	\$9,895,000	\$10,754,000
Transfers from/(to) Capital Replacement Reserve	(\$5,136,350)	(\$6,400,950)	(\$7,189,700)	(\$6,662,770)	(\$7,441,850)	(\$7,993,940)	(\$8,732,360)	(\$8,196,790)	(\$9,674,890)	(\$10,523,660)
Ending Balance	\$3,804,570	\$3,964,620	\$4,132,920	\$4,308,150	\$4,491,300	\$4,683,360	\$4,884,000	\$5,094,210	\$5,314,320	\$5,544,660
Capital Replacement Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Beginning Balance	\$7,129,605	\$4,872,576	\$4,686,755	\$7,835,161	\$6,391,963	\$9,298,871	\$12,261,988	\$14,684,216	\$16,453,396	\$18,317,013
Plus:										
Transfers from/(to) Operating Reserve	\$5,136,350	\$6,400,950	\$7,189,700	\$6,662,770	\$7,441,850	\$7,993,940	\$8,732,360	\$8,196,790	\$9,674,890	\$10,523,660
Capacity Charges	\$295,000	\$295,000	\$295,000	\$295,000	\$295,000	\$295,000	\$295,000	\$300,000	\$300,000	\$300,000
1% Property Tax	\$2,121,000	\$2,163,000	\$2,207,000	\$2,251,000	\$2,296,000	\$2,342,000	\$2,389,000	\$2,436,000	\$2,485,000	\$2,535,000
Less:										
District CIP	(\$2,074,276)	(\$1,857,954)	(\$1,322,006)	(\$5,663,926)	(\$1,394,695)	(\$2,470,386)	(\$3,703,251)	(\$3,763,480)	(\$1,875,866)	(\$1,636,816)
Jointly Owned CIP	(\$3,180,137)	(\$2,480,894)	(\$414,485)	(\$64,380)	(\$684,708)	(\$67,920)	(\$69,762)	(\$71,654)	(\$3,275,010)	(\$3,363,841)
Share of Encina CIP	(\$4,673,799)	(\$4,800,571)	(\$4,930,782)	(\$5,064,524)	(\$5,201,894)	(\$5,342,990)	(\$5,487,914)	(\$5,636,768)	(\$5,789,660)	(\$5,946,698)
Subtotal Capital Replacement Reserve	\$4,753,743	\$4,592,108	\$7,711,181	\$6,251,101	\$9,143,516	\$12,048,515	\$14,417,422	\$16,145,103	\$17,972,751	\$20,728,318
Interest Earnings	\$118,833	\$94,647	\$123,979	\$140,863	\$155,355	\$213,474	\$266,794	\$308,293	\$344,261	\$390,453
Ending Balance	\$4,872,576	\$4,686,755	\$7,835,161	\$6,391,963	\$9,298,871	\$12,261,988	\$14,684,216	\$16,453,396	\$18,317,013	\$21,118,771
Emergency Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Beginning Balance	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
WW Emergency Reserve Direct Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Wastewater Reserves - Ending Balance	\$16,177,146	\$16,151,375	\$19,468,081	\$18,200,113	\$21,290,171	\$24,445,348	\$27,068,216	\$29,047,606	\$31,131,333	\$34,163,431

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Table 30: Wastewater Reserve Activity (FY 2035 – FY 2044)

Direct Transfers	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Net Cashflow (before Direct Transfers)	\$13,822,000	\$13,226,000	\$13,534,000	\$13,849,000	\$14,160,000	\$13,436,000	\$13,721,000	\$13,999,000	\$14,277,000	\$13,392,000
Capacity Charges Transfer to Cap. Repl. Reserve	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$305,000)	(\$305,000)	(\$305,000)	(\$305,000)
1% Property Tax Transfer to Cap. Repl. Reserve	(\$2,586,000)	(\$2,637,000)	(\$2,690,000)	(\$2,744,000)	(\$2,799,000)	(\$2,855,000)	(\$2,912,000)	(\$2,970,000)	(\$3,029,000)	(\$3,090,000)
WW Emergency Reserve Direct Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recycled Reserve Direct Transfer	(\$11,000)	\$0	\$12,000	\$24,000	\$38,000	\$52,000	\$67,000	\$84,000	\$102,000	\$121,000
Net Cashflow (after Direct Transfers)	\$10,925,000	\$10,289,000	\$10,556,000	\$10,829,000	\$11,099,000	\$10,333,000	\$10,571,000	\$10,808,000	\$11,045,000	\$10,118,000
Operating Reserve	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Beginning Balance	\$5,544,660	\$5,786,220	\$6,038,010	\$6,302,670	\$6,579,210	\$6,869,280	\$7,173,210	\$7,491,660	\$7,825,290	\$8,174,760
Net Cashflow (after Direct Transfers)	\$10,925,000	\$10,289,000	\$10,556,000	\$10,829,000	\$11,099,000	\$10,333,000	\$10,571,000	\$10,808,000	\$11,045,000	\$10,118,000
Transfers from/(to) Capital Replacement Reserve	(\$10,683,440)	(\$10,037,210)	(\$10,291,340)	(\$10,552,460)	(\$10,808,930)	(\$10,029,070)	(\$10,252,550)	(\$10,474,370)	(\$10,695,530)	(\$9,751,700)
Ending Balance	\$5,786,220	\$6,038,010	\$6,302,670	\$6,579,210	\$6,869,280	\$7,173,210	\$7,491,660	\$7,825,290	\$8,174,760	\$8,541,060
Capital Replacement Reserve	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Beginning Balance	\$21,118,771	\$20,721,302	\$21,673,541	\$22,614,183	\$23,168,207	\$24,061,924	\$23,873,079	\$23,307,843	\$22,669,721	\$21,710,623
Plus:										
Transfers from/(to) Operating Reserve	\$10,683,440	\$10,037,210	\$10,291,340	\$10,552,460	\$10,808,930	\$10,029,070	\$10,252,550	\$10,474,370	\$10,695,530	\$9,751,700
Capacity Charges	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$305,000	\$305,000	\$305,000	\$305,000
1% Property Tax	\$2,586,000	\$2,637,000	\$2,690,000	\$2,744,000	\$2,799,000	\$2,855,000	\$2,912,000	\$2,970,000	\$3,029,000	\$3,090,000
Less:										
District CIP	(\$8,195,526)	(\$6,088,301)	(\$6,253,440)	(\$6,792,972)	(\$6,597,277)	(\$6,776,222)	(\$7,238,824)	(\$7,382,611)	(\$7,765,586)	(\$7,486,422)
Jointly Owned CIP	(\$77,645)	(\$79,751)	(\$81,914)	(\$84,136)	(\$86,418)	(\$88,762)	(\$91,169)	(\$93,642)	(\$96,182)	(\$98,791)
Share of Encina CIP	(\$6,107,996)	(\$6,273,670)	(\$6,443,837)	(\$6,618,619)	(\$6,798,143)	(\$6,982,536)	(\$7,171,930)	(\$7,366,461)	(\$7,566,269)	(\$7,771,497)
Subtotal Capital Replacement Reserve	\$20,307,043	\$21,253,790	\$22,175,691	\$22,714,916	\$23,594,299	\$23,398,475	\$22,840,705	\$22,214,498	\$21,271,214	\$19,500,613
Interest Earnings	\$414,258	\$419,751	\$438,492	\$453,291	\$467,625	\$474,604	\$467,138	\$455,223	\$439,409	\$412,112
Ending Balance	\$20,721,302	\$21,673,541	\$22,614,183	\$23,168,207	\$24,061,924	\$23,873,079	\$23,307,843	\$22,669,721	\$21,710,623	\$19,912,725
Emergency Reserve	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Beginning Balance	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
WW Emergency Reserve Direct Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Wastewater Reserves - Ending Balance	\$34,007,522	\$35,211,551	\$36,416,853	\$37,247,417	\$38,431,204	\$38,546,289	\$38,299,503	\$37,995,011	\$37,385,383	\$35,953,785

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Table 31: Recycled Water Reserve Activity (FY 2025 – FY 2034)

Recycled Operating	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Recycled Revenue	\$420,000	\$424,000	\$434,000	\$444,000	\$454,000	\$464,000	\$474,000	\$485,000	\$496,000	\$507,000
Less: Recycled Water Operating Expenses	(\$331,000)	(\$345,000)	(\$360,000)	(\$376,000)	(\$392,000)	(\$409,000)	(\$427,000)	(\$445,000)	(\$465,000)	(\$486,000)
Recycled Net Cashflow	\$89,000	\$79,000	\$74,000	\$68,000	\$62,000	\$55,000	\$47,000	\$40,000	\$31,000	\$21,000
Recycled Reserve	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Beginning Balance	\$1,364,285	\$1,481,460	\$1,590,880	\$1,697,437	\$1,368,195	\$471,046	(\$1,596,056)	(\$3,872,290)	(\$4,301,496)	(\$8,243,000)
Plus:										
Recycled Reserve Direct Transfer	\$89,000	\$79,000	\$74,000	\$68,000	\$62,000	\$55,000	\$47,000	\$40,000	\$31,000	\$21,000
Recycled CIP	\$0	\$0	\$0	(\$427,595)	(\$977,359)	(\$2,122,103)	(\$2,323,233)	(\$469,206)	(\$3,972,504)	(\$495,005)
Subtotal Recycled Reserve	\$1,453,285	\$1,560,460	\$1,664,880	\$1,337,842	\$452,836	(\$1,596,056)	(\$3,872,290)	(\$4,301,496)	(\$8,243,000)	(\$8,717,005)
Interest Earnings	\$28,176	\$30,419	\$32,558	\$30,353	\$18,210	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$1,481,460	\$1,590,880	\$1,697,437	\$1,368,195	\$471,046	(\$1,596,056)	(\$3,872,290)	(\$4,301,496)	(\$8,243,000)	(\$8,717,005)

Table 32: Recycled Water Reserve Activity (FY 2035 – FY 2044)

Recycled Operating	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Recycled Revenue	\$518,000	\$530,000	\$541,000	\$554,000	\$566,000	\$579,000	\$592,000	\$605,000	\$618,000	\$632,000
Less: Recycled Water Operating Expenses	(\$507,000)	(\$530,000)	(\$553,000)	(\$578,000)	(\$604,000)	(\$631,000)	(\$659,000)	(\$689,000)	(\$720,000)	(\$753,000)
Recycled Net Cashflow	\$11,000	\$0	(\$12,000)	(\$24,000)	(\$38,000)	(\$52,000)	(\$67,000)	(\$84,000)	(\$102,000)	(\$121,000)
Recycled Reserve	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044
Beginning Balance	(\$8,717,005)	(\$9,214,436)	(\$9,736,659)	(\$10,285,045)	(\$10,867,852)	(\$11,471,731)	(\$12,104,959)	(\$12,768,953)	(\$13,466,139)	(\$14,206,955)
Plus:										
Recycled Reserve Direct Transfer	\$11,000	\$0	(\$12,000)	(\$24,000)	(\$38,000)	(\$52,000)	(\$67,000)	(\$84,000)	(\$102,000)	(\$121,000)
Recycled CIP	(\$508,431)	(\$522,222)	(\$536,387)	(\$558,806)	(\$565,879)	(\$581,228)	(\$596,994)	(\$613,186)	(\$638,816)	(\$646,902)
Subtotal Recycled Reserve	(\$9,214,436)	(\$9,736,659)	(\$10,285,045)	(\$10,867,852)	(\$11,471,731)	(\$12,104,959)	(\$12,768,953)	(\$13,466,139)	(\$14,206,955)	(\$14,974,857)
Interest Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	(\$9,214,436)	(\$9,736,659)	(\$10,285,045)	(\$10,867,852)	(\$11,471,731)	(\$12,104,959)	(\$12,768,953)	(\$13,466,139)	(\$14,206,955)	(\$14,974,857)