

TABLE 1  
FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

| RATE REVENUE REQUIREMENTS SUMMARY                            | Actuals              | Budget               | Projected            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | FY 2015/16           | FY 2016/17           | FY 2017/18           | FY 2018/19           | FY 2019/20           | FY 2020/21           | FY 2021/22           | FY 2022/23           | FY 2023/24           | FY 2024/25           | FY 2025/26           | FY 2026/27           |
| <b>Sources of Sewer Funds</b>                                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Rate Revenue - City of Davis (1,2)                           | \$ 13,775,555        | \$ 14,391,544        | \$ 14,463,502        | \$ 14,535,819        | \$ 14,608,498        | \$ 14,681,541        | \$ 14,754,949        | \$ 14,828,723        | \$ 14,902,867        | \$ 14,977,381        | \$ 15,052,268        | \$ 15,127,529        |
| El Macero & No. Davis Meadows Revenue (1,2)                  | 362,374              | 330,000              | 330,000              | 330,000              | 330,000              | 330,000              | 330,000              | 330,000              | 330,000              | 330,000              | 330,000              | 330,000              |
| Non-Rate Revenues  | 238,764              | 228,568              | 228,568              | 228,568              | 228,568              | 228,568              | 228,568              | 228,568              | 228,568              | 228,568              | 228,568              | 228,568              |
| Interest Earnings (in Operating & Capital Reserves) (3)      | 170,952              | 97,080               | 165,372              | 233,354              | 249,077              | 280,105              | 332,500              | 378,398              | 415,134              | 390,906              | 358,158              | 316,421              |
| <b>Total Sources of Funds</b>                                | <b>\$ 14,547,645</b> | <b>\$ 15,047,192</b> | <b>\$ 15,187,442</b> | <b>\$ 15,327,741</b> | <b>\$ 15,416,144</b> | <b>\$ 15,520,214</b> | <b>\$ 15,646,016</b> | <b>\$ 15,765,689</b> | <b>\$ 15,876,569</b> | <b>\$ 15,926,855</b> | <b>\$ 15,968,995</b> | <b>\$ 16,002,518</b> |
| <b>Uses of Sewer Funds</b>                                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Operating Expenses (4):                                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Wastewater Collection-Pump Station                           | \$ 985,874           | \$ 1,100,325         | \$ 1,137,983         | \$ 1,176,957         | \$ 1,217,294         | \$ 1,259,042         | \$ 1,302,251         | \$ 1,346,974         | \$ 1,393,265         | \$ 1,441,180         | \$ 1,490,777         | \$ 1,542,117         |
| Wastewater Pollution Control Plant                           | 2,470,280            | 3,792,144            | 3,914,870            | 4,041,637            | 4,172,579            | 4,307,838            | 4,447,557            | 4,591,888            | 4,740,984            | 4,895,007            | 5,054,123            | 5,218,502            |
| Wastewater Pretreatment                                      | 255,829              | 329,896              | 340,318              | 351,079              | 362,192              | 373,667              | 385,516              | 397,753              | 410,389              | 423,439              | 436,916              | 450,834              |
| Wastewater Regulatory Management                             | 545,626              | 689,959              | 712,575              | 735,946              | 760,097              | 785,057              | 810,851              | 837,509              | 865,060              | 893,534              | 922,964              | 953,381              |
| Laboratory Services  | 350,746              | 350,668              | 362,151              | 374,017              | 386,280              | 398,952              | 412,047              | 425,580              | 439,566              | 454,021              | 468,959              | 484,399              |
| Wetlands Management  | 126,528              | 138,564              | 143,215              | 148,026              | 153,002              | 158,148              | 163,471              | 168,977              | 174,672              | 180,563              | 186,656              | 192,960              |
| New Treatment Plant Expected Additional Future Costs         | -                    | -                    | 800,000              | 826,000              | 852,860              | 880,609              | 909,277              | 938,895              | 969,495              | 1,001,111            | 1,033,776            | 1,067,526            |
| Wastewater Inter-Dept. & Indirect Overhead Charges           | 1,506,230            | 1,452,344            | 1,495,914            | 1,540,792            | 1,587,016            | 1,634,626            | 1,683,665            | 1,734,175            | 1,786,200            | 1,839,786            | 1,894,980            | 1,951,829            |
| Subtotal: Operating Expenses                                 | \$ 6,241,113         | \$ 7,853,900         | \$ 8,907,027         | \$ 9,194,455         | \$ 9,491,319         | \$ 9,797,937         | \$ 10,114,635        | \$ 10,441,750        | \$ 10,779,632        | \$ 11,128,641        | \$ 11,489,151        | \$ 11,861,548        |
| Other Expenditures:  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Existing Debt Service (Prior to New SRF Loan)                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| New SRF Loan Debt Service                                    | -                    | -                    | 2,107,395            | 2,107,395            | 2,107,395            | 2,107,395            | 2,107,395            | 2,107,395            | 2,107,395            | 2,107,395            | 2,107,395            | 2,107,395            |
| Rate-Funded Capital Expenses                                 | 3,695,808            | 7,193,292            | 4,173,020            | 4,025,892            | 3,817,429            | 3,614,882            | 3,423,986            | 3,216,544            | 2,989,542            | 2,690,820            | 2,372,449            | 2,033,575            |
| Subtotal: Other Expenditures                                 | \$ 3,695,808         | \$ 7,193,292         | \$ 6,280,415         | \$ 6,133,286         | \$ 5,924,824         | \$ 5,722,277         | \$ 5,531,381         | \$ 5,323,939         | \$ 5,096,937         | \$ 4,798,215         | \$ 4,479,844         | \$ 4,140,970         |
| <b>Total Uses of Sewer Funds</b>                             | <b>\$ 9,936,921</b>  | <b>\$ 15,047,192</b> | <b>\$ 15,187,442</b> | <b>\$ 15,327,741</b> | <b>\$ 15,416,144</b> | <b>\$ 15,520,214</b> | <b>\$ 15,646,016</b> | <b>\$ 15,765,689</b> | <b>\$ 15,876,569</b> | <b>\$ 15,926,855</b> | <b>\$ 15,968,995</b> | <b>\$ 16,002,518</b> |
| <i>plus: Revenue from Rate Adjustments</i>                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Annual Surplus/(Deficit)</b>                              | <b>\$ 4,610,724</b>  | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          |
| <b>Net Revenue Req't. (Total Uses less Non-Rate Revenue)</b> | <b>\$ 9,164,831</b>  | <b>\$ 14,391,544</b> | <b>\$ 14,463,502</b> | <b>\$ 14,535,819</b> | <b>\$ 14,608,498</b> | <b>\$ 14,681,541</b> | <b>\$ 14,754,949</b> | <b>\$ 14,828,723</b> | <b>\$ 14,902,867</b> | <b>\$ 14,977,381</b> | <b>\$ 15,052,268</b> | <b>\$ 15,127,529</b> |
| <b>Total Rate Revenue After Rate Adjustments</b>             | <b>\$ 13,775,555</b> | <b>\$ 14,391,544</b> | <b>\$ 14,463,502</b> | <b>\$ 14,535,819</b> | <b>\$ 14,608,498</b> | <b>\$ 14,681,541</b> | <b>\$ 14,754,949</b> | <b>\$ 14,828,723</b> | <b>\$ 14,902,867</b> | <b>\$ 14,977,381</b> | <b>\$ 15,052,268</b> | <b>\$ 15,127,529</b> |
| <b>Projected Annual Rate Revenue Increase</b>                | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         |
| <i>Cumulative Increase from Annual Revenue Increases</i>     | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                |
| <i>Debt Coverage</i>   | N/A                  | N/A                  | 2.98                 | 2.91                 | 2.81                 | 2.72                 | 2.62                 | 2.53                 | 2.42                 | 2.28                 | 2.13                 | 1.96                 |

(1) Revenues are actual 2015/16 revenues and FY 2016/17 budgeted revenues as reported by City staff, via email, October 2016.

(2) Customer growth is estimated at 0.50% per City staff.

(3) The City's FY 2015/16 actual and FY 2016/17 budgeted interest earnings are shown here, and are calculated for all future years.

(4) The FY 2015/16 operating expenses are actuals reported by City staff; and FY 2016/17 is from the City's proposed budget. Inflationary factors are applied to these expenses to project costs in 2017/18 and beyond.

TABLE 2  
RESERVE FUND SUMMARY

| SUMMARY OF CASH ACTIVITY  | Actuals               | Budget                | Projected             |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | FY 2015/16            | FY 2016/17            | FY 2017/18            | FY 2018/19            | FY 2019/20            | FY 2020/21            | FY 2021/22            | FY 2022/23            | FY 2023/24            | FY 2024/25            | FY 2025/26            | FY 2026/27            |
| <b>Total Beginning Cash (1)</b>   | <b>\$ 22,071,841</b>  | <b>\$ 25,747,683</b>  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Operating Reserve (Fund No. 531)</b>                                 |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Beginning Reserve Balance (1)   | \$ 1,696,110          | \$ 7,877,960          | \$ 1,963,000          | \$ 2,227,000          | \$ 2,242,805          | \$ 2,263,879          | \$ 2,290,222          | \$ 2,321,833          | \$ 2,358,712          | \$ 2,400,860          | \$ 2,443,008          | \$ 2,485,156          |
| Plus: Net Cash Flow (After Rate Increases)                              | 4,610,724             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Plus: Transfer In From Debt Reserve                                     | -                     | -                     | 2,107,395             | 15,805                | 21,074                | 26,342                | 31,611                | 36,879                | 42,148                | 42,148                | 42,148                | 42,148                |
| Less: Transfer Out To Capital R&R Reserve                               | 1,571,126             | (5,914,960)           | (1,843,395)           | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| <b>Ending Operating Reserve Balance</b>                                 | <b>\$ 7,877,960</b>   | <b>\$ 1,963,000</b>   | <b>\$ 2,227,000</b>   | <b>\$ 2,242,805</b>   | <b>\$ 2,263,879</b>   | <b>\$ 2,290,222</b>   | <b>\$ 2,321,833</b>   | <b>\$ 2,358,712</b>   | <b>\$ 2,400,860</b>   | <b>\$ 2,443,008</b>   | <b>\$ 2,485,156</b>   | <b>\$ 2,527,304</b>   |
| <b>Target Ending Balance (90-days of O&amp;M)</b>                       | <b>\$ 1,560,000</b>   | <b>\$ 1,963,000</b>   | <b>\$ 2,227,000</b>   | <b>\$ 2,299,000</b>   | <b>\$ 2,373,000</b>   | <b>\$ 2,449,000</b>   | <b>\$ 2,529,000</b>   | <b>\$ 2,610,000</b>   | <b>\$ 2,695,000</b>   | <b>\$ 2,782,000</b>   | <b>\$ 2,872,000</b>   | <b>\$ 2,965,000</b>   |
| <b>Capital Rehabilitation &amp; Replacement Reserve (Fund Nos. 532)</b> |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Beginning Reserve Balance (1)   | \$ 22,473,122         | \$ 20,257,139         | \$ 31,111,473         | \$ 28,886,843         | \$ 22,664,929         | \$ 20,144,541         | \$ 19,876,418         | \$ 19,300,908         | \$ 18,397,972         | \$ 17,144,449         | \$ 15,464,912         | \$ 13,335,894         |
| Plus: SRF Loan Proceeds   | 20,020,335            | 28,483,126            | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Plus: Interfund Loan Repayment (2)                                      | -                     | 5,050,125             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Plus: Transfer In From Operating (Fund 531)                             | (1,571,126)           | 5,914,960             | 1,843,395             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Less: Transfer Out To Debt Reserve                                      | -                     | -                     | (2,107,395)           | (0)                   | -                     | -                     | (0)                   | -                     | (0)                   | -                     | -                     | (0)                   |
| Less: SRF Loan Expenditures   | (20,020,335)          | (28,483,126)          | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Less: Use of Reserves for Capital Projects                              | (644,857)             | (110,751)             | (1,960,630)           | (6,221,914)           | (2,520,387)           | (268,124)             | (575,509)             | (902,936)             | (1,253,523)           | (1,679,537)           | (2,129,019)           | (2,602,936)           |
| <b>Ending Capital R&amp;R Reserve Balance</b>                           | <b>\$ 20,257,139</b>  | <b>\$ 31,111,473</b>  | <b>\$ 28,886,843</b>  | <b>\$ 22,664,929</b>  | <b>\$ 20,144,541</b>  | <b>\$ 19,876,418</b>  | <b>\$ 19,300,908</b>  | <b>\$ 18,397,972</b>  | <b>\$ 17,144,449</b>  | <b>\$ 15,464,912</b>  | <b>\$ 13,335,894</b>  | <b>\$ 10,732,957</b>  |
| <b>Target Ending Balance (3% of Assets) (3)</b>                         | <b>\$ 3,050,300</b>   | <b>\$ 4,000,200</b>   | <b>\$ 4,058,700</b>   | <b>\$ 4,235,200</b>   | <b>\$ 4,292,500</b>   | <b>\$ 4,276,700</b>   | <b>\$ 4,264,800</b>   | <b>\$ 4,256,800</b>   | <b>\$ 4,252,500</b>   | <b>\$ 4,252,100</b>   | <b>\$ 4,255,600</b>   | <b>\$ 4,262,800</b>   |
| <b>Ending Balance - Excludes Restricted Reserves</b>                    | <b>\$ 28,135,099</b>  | <b>\$ 33,074,473</b>  | <b>\$ 31,113,843</b>  | <b>\$ 24,907,734</b>  | <b>\$ 22,408,421</b>  | <b>\$ 22,166,640</b>  | <b>\$ 21,622,741</b>  | <b>\$ 20,756,684</b>  | <b>\$ 19,545,309</b>  | <b>\$ 17,907,920</b>  | <b>\$ 15,821,050</b>  | <b>\$ 13,260,261</b>  |
| <b>Minimum Target Ending Balance - Excludes Restricted Reserves</b>     | <b>\$ 4,610,300</b>   | <b>\$ 5,963,200</b>   | <b>\$ 6,285,700</b>   | <b>\$ 6,534,200</b>   | <b>\$ 6,665,500</b>   | <b>\$ 6,725,700</b>   | <b>\$ 6,793,800</b>   | <b>\$ 6,866,800</b>   | <b>\$ 6,947,500</b>   | <b>\$ 7,034,100</b>   | <b>\$ 7,127,600</b>   | <b>\$ 7,227,800</b>   |
| <b>Ending Surplus/(Deficit) Compared to Reserve Targets</b>             | <b>\$ 23,524,799</b>  | <b>\$ 27,111,273</b>  | <b>\$ 24,828,143</b>  | <b>\$ 18,373,534</b>  | <b>\$ 15,742,921</b>  | <b>\$ 15,440,940</b>  | <b>\$ 14,828,941</b>  | <b>\$ 13,889,884</b>  | <b>\$ 12,597,809</b>  | <b>\$ 10,873,820</b>  | <b>\$ 8,693,450</b>   | <b>\$ 6,032,461</b>   |
| <b>Restricted Reserves:</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Bond Project Fund</b>  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Beginning Reserve Balance   | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| Plus: SRF Loan Proceeds   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Plus: Revenue Bond Proceeds   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Less: Use of Bond & Loan Funds for Capital Projects                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| <b>Ending Bond Project Fund Balance</b>                                 | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           |
| <b>Target Ending Balance</b>  | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>           |
| <b>Debt Reserve</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Beginning Reserve Balance (1)   | \$ -                  | \$ -                  | \$ -                  | \$ 2,107,395          | \$ 2,107,395          | \$ 2,107,395          | \$ 2,107,395          | \$ 2,107,395          | \$ 2,107,395          | \$ 2,107,395          | \$ 2,107,395          | \$ 2,107,395          |
| Plus: Reserve Funding from New Debt Obligations                         | -                     | -                     | 2,107,395             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Plus: Reserve Funding from Capital Replacement Reserve                  | -                     | -                     | 2,107,395             | 0                     | -                     | -                     | 0                     | -                     | 0                     | -                     | -                     | 0                     |
| Plus: Interest Earnings   | -                     | -                     | -                     | 15,805                | 21,074                | 26,342                | 31,611                | 36,879                | 42,148                | 42,148                | 42,148                | 42,148                |
| Less: Transfer of Surplus to Operating Reserve                          | -                     | -                     | (2,107,395)           | (15,805)              | (21,074)              | (26,342)              | (31,611)              | (36,879)              | (42,148)              | (42,148)              | (42,148)              | (42,148)              |
| <b>Ending Debt Reserve Balance</b>                                      | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   |
| <b>Target Ending Balance</b>  | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   | <b>\$ 2,107,395</b>   |
| <b>Connection Fee Reserve (Fund 533)</b>                                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Beginning Reserve Balance (1)   | \$ (2,097,391)        | \$ (2,387,416)        | \$ (2,387,416)        | \$ (2,387,416)        | \$ (2,387,416)        | \$ (2,387,416)        | \$ (2,387,416)        | \$ (2,387,416)        | \$ (2,387,416)        | \$ (2,387,416)        | \$ (2,387,416)        | \$ (2,387,416)        |
| Plus: Interest Earnings   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Plus: Connection Fee Revenue (5)  | (290,025)             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Less: Use of Reserves for Capital Projects                              | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| <b>Ending Connection Fee Fund Balance</b>                               | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> | <b>\$ (2,387,416)</b> |
| <b>Annual Interest Earnings Rate (4)</b>                                | <b>0.25%</b>          | <b>0.25%</b>          | <b>0.50%</b>          | <b>0.75%</b>          | <b>1.00%</b>          | <b>1.25%</b>          | <b>1.50%</b>          | <b>1.75%</b>          | <b>2.00%</b>          | <b>2.00%</b>          | <b>2.00%</b>          | <b>2.00%</b>          |

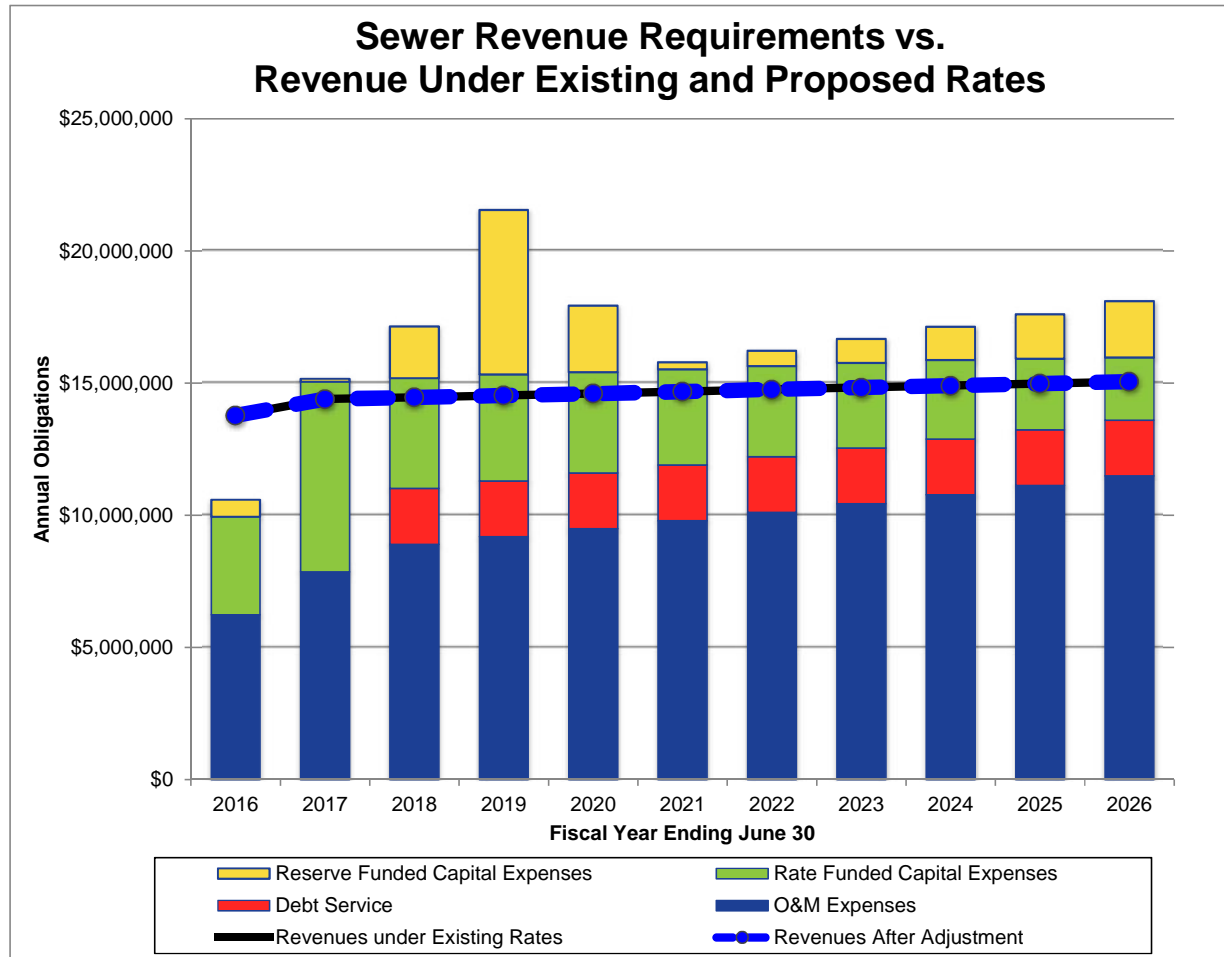
(1) Beginning cash is the sum of the cash balances on July 1, 2016 for the following Funds: 531, 532, and 533, as reported by City staff. Source file: Client email from 09/20/2016. FY 2015/16 Fund 531 beginning balance was adjusted upwards to reflect FY 2016/17 balances accurate

(2) Interfund Loan repayment from Sewer fund to Water fund amount, termination date and annual interest from staff email. Source file: Client data revision email 9.30.15. 10:40am.pdf

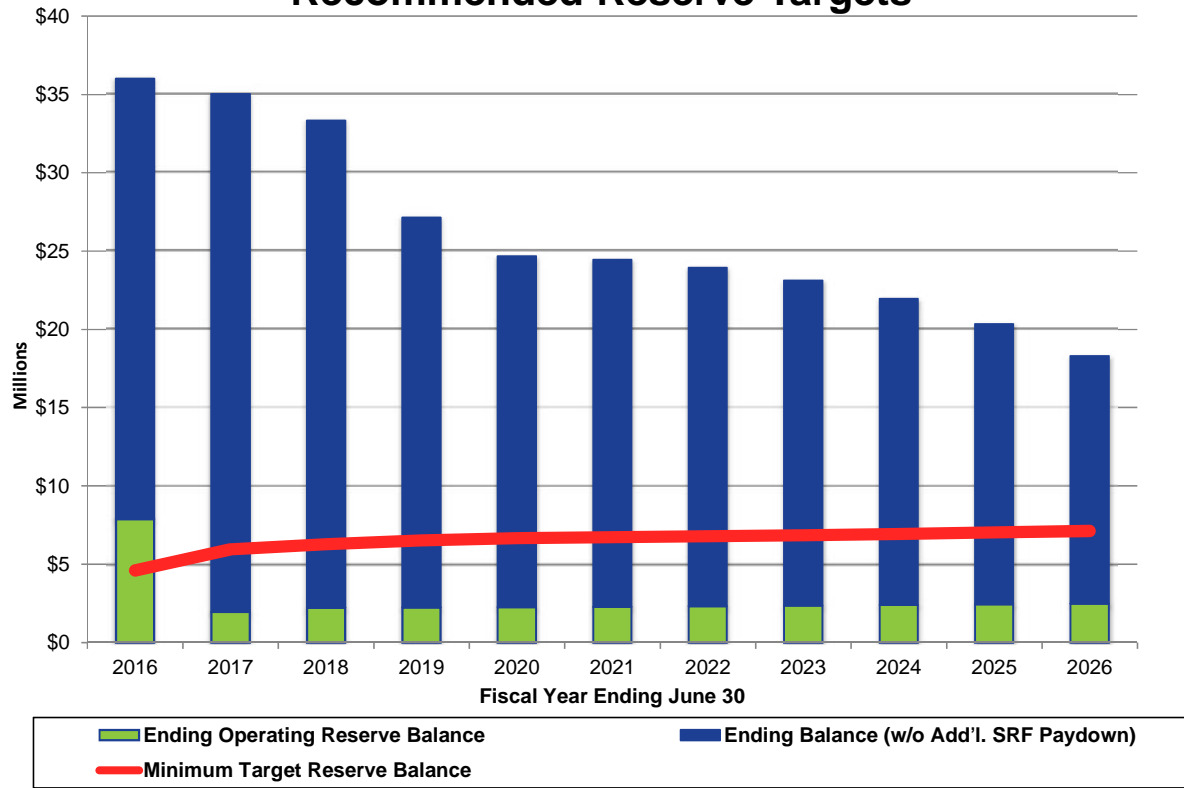
(3) The Capital Rehabilitation & Replacement reserve target is set to 3% of net assets.

(4) Historical interest earning rates were referenced on the California Treasurer's Office website for funds invested in LAIF. Future years earnings were conservatively estimated through 2024 and phase into the historical 10 year average interest earnings rate.

(5) FY 2015/16 adjustment implemented to match FY 2016/17 reported fund balance.

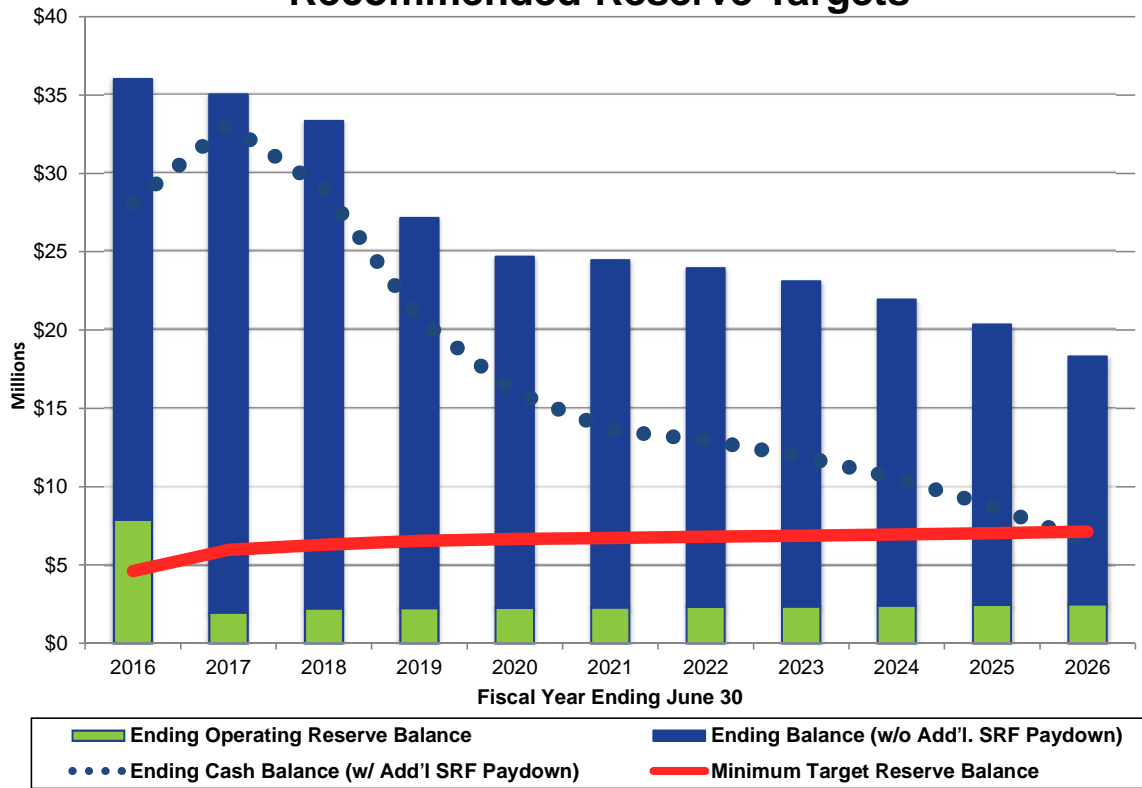


## Ending Cash Balances vs. Recommended Reserve Targets



This figure assumes the City does not make any additional payments on the new SRF loan, and results in an ending reserve balance well above the target levels.

## Ending Cash Balances vs. Recommended Reserve Targets



This figure is the same as the previous figure, except it shows (in the dotted line) what the ending reserve balance would be if the City made 4 additional SRF loan payments of about \$2.1 million, in years FY 2017/18 through FY 2020/21.

CITY OF DAVIS  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

REVENUE FORECAST

| SOURCES OF REVENUE (1)           | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                | 2027                |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Sewer Service Fee                | \$14,391,544        | \$14,463,502        | \$14,535,819        | \$14,608,498        | \$14,681,541        | \$14,754,949        | \$14,828,723        | \$14,902,867        | \$14,977,381        | \$15,052,268        | \$15,127,529        |
| Sewer Tap/Latrl Instl Fee        | \$ 4,000            | \$ 4,000            | \$ 4,000            | \$ 4,000            | \$ 4,000            | \$ 4,000            | \$ 4,000            | \$ 4,000            | \$ 4,000            | \$ 4,000            | \$ 4,000            |
| Sewer Maint/ El Macero (2)       | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          |
| Sewer Maint/ No Davis Meadows    | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           | \$ 80,000           |
| Pretreatment Fees                | \$ 165,983          | \$ 165,983          | \$ 165,983          | \$ 165,983          | \$ 165,983          | \$ 165,983          | \$ 165,983          | \$ 165,983          | \$ 165,983          | \$ 165,983          | \$ 165,983          |
| Tower Lease / Verizon: Howitt Rd | \$ 14,256           | \$ 14,256           | \$ 14,256           | \$ 14,256           | \$ 14,256           | \$ 14,256           | \$ 14,256           | \$ 14,256           | \$ 14,256           | \$ 14,256           | \$ 14,256           |
| Land Lease: Open Space Crops     | \$ 44,329           | \$ 44,329           | \$ 44,329           | \$ 44,329           | \$ 44,329           | \$ 44,329           | \$ 44,329           | \$ 44,329           | \$ 44,329           | \$ 44,329           | \$ 44,329           |
| Interest Earned From Investment  | \$ 3,840            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Interest Earned From Investment  | \$ 42,000           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Interest Earned From Loans - Fu  | \$ 51,240           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>TOTAL: REVENUE</b>            | <b>\$15,047,192</b> | <b>\$15,022,070</b> | <b>\$15,094,387</b> | <b>\$15,167,066</b> | <b>\$15,240,109</b> | <b>\$15,313,517</b> | <b>\$15,387,291</b> | <b>\$15,461,435</b> | <b>\$15,535,949</b> | <b>\$15,610,836</b> | <b>\$15,686,097</b> |

|                               |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| SEWER RATE REVENUE            | \$14,721,544 | \$14,793,502 | \$14,865,819 | \$14,938,498 | \$15,011,541 | \$15,084,949 | \$15,158,723 | \$15,232,867 | \$15,307,381 | \$15,382,268 | \$15,457,529 |
| CAPACITY CHARGES/CONNECT      | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| INVESTMENT EARNINGS           | \$ 97,080    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| ALL OTHER OPERATING REVEN     | \$ 228,568   | \$ 228,568   | \$ 228,568   | \$ 228,568   | \$ 228,568   | \$ 228,568   | \$ 228,568   | \$ 228,568   | \$ 228,568   | \$ 228,568   | \$ 228,568   |
| <i>Check to total revenue</i> | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |

CITY OF DAVIS  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

OPERATING EXPENSE FORECAST (4):

| Public Works - Wastewater Operat                 | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                | 2027                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Wastewater Collection-Pump Station</b>        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Sewer Fund - Maintenance &amp; Operations</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| SALARIES/WAGES                                   | \$ 487,713          | \$ 502,344          | \$ 517,415          | \$ 532,937          | \$ 548,925          | \$ 565,393          | \$ 582,355          | \$ 599,825          | \$ 617,820          | \$ 636,355          | \$ 655,445          |
| BENEFITS:LEAVE TIME                              | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| BENEFITS: INSURANCE                              | \$ 6,149            | \$ 6,395            | \$ 6,651            | \$ 6,917            | \$ 7,193            | \$ 7,481            | \$ 7,780            | \$ 8,092            | \$ 8,415            | \$ 8,752            | \$ 9,102            |
| BENEFITS: RETIREMENT                             | \$ 149,114          | \$ 155,079          | \$ 161,282          | \$ 167,733          | \$ 174,442          | \$ 181,420          | \$ 188,677          | \$ 196,224          | \$ 204,073          | \$ 212,236          | \$ 220,725          |
| SALARIES/WAGES                                   | \$ 39,655           | \$ 40,845           | \$ 42,070           | \$ 43,332           | \$ 44,632           | \$ 45,971           | \$ 47,350           | \$ 48,771           | \$ 50,234           | \$ 51,741           | \$ 53,293           |
| BENEFITS:LEAVE TIME                              | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| BENEFITS: INSURANCE                              | \$ 575              | \$ 598              | \$ 622              | \$ 647              | \$ 673              | \$ 700              | \$ 728              | \$ 757              | \$ 787              | \$ 818              | \$ 851              |
| BENEFITS: RETIREMENT                             | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| SALARIES/WAGES                                   | \$ 20,232           | \$ 20,839           | \$ 21,464           | \$ 22,108           | \$ 22,771           | \$ 23,454           | \$ 24,158           | \$ 24,883           | \$ 25,629           | \$ 26,398           | \$ 27,190           |
| ACCRUED COMPTIME 1.0                             | \$ 500              | \$ 515              | \$ 530              | \$ 546              | \$ 563              | \$ 580              | \$ 597              | \$ 615              | \$ 633              | \$ 652              | \$ 672              |
| ACCRUED COMPTIME 1.5                             | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| COMPENSATORY TIME                                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| OTHER PAY  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| LEAVE FUND REPAYMENT                             | \$ 5,749            | \$ 5,921            | \$ 6,099            | \$ 6,282            | \$ 6,471            | \$ 6,665            | \$ 6,865            | \$ 7,071            | \$ 7,283            | \$ 7,501            | \$ 7,726            |
| STANDBY PAY                                      | \$ 14,000           | \$ 14,420           | \$ 14,853           | \$ 15,298           | \$ 15,757           | \$ 16,230           | \$ 16,717           | \$ 17,218           | \$ 17,735           | \$ 18,267           | \$ 18,815           |
| CALL BACK PAY                                    | \$ 2,129            | \$ 2,193            | \$ 2,259            | \$ 2,326            | \$ 2,396            | \$ 2,468            | \$ 2,542            | \$ 2,618            | \$ 2,697            | \$ 2,778            | \$ 2,861            |
| CAFETERIA BENEFITS                               | \$ 139,648          | \$ 145,234          | \$ 151,043          | \$ 157,085          | \$ 163,368          | \$ 169,903          | \$ 176,699          | \$ 183,767          | \$ 191,118          | \$ 198,763          | \$ 206,713          |
| SPECIAL ASSIGNMENT                               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| LONGEVITY PAY                                    | \$ 10,508           | \$ 10,823           | \$ 11,148           | \$ 11,482           | \$ 11,827           | \$ 12,182           | \$ 12,547           | \$ 12,924           | \$ 13,311           | \$ 13,711           | \$ 14,122           |
| CELLULAR PHONE STIPEND                           | \$ 195              | \$ 201              | \$ 207              | \$ 213              | \$ 219              | \$ 226              | \$ 233              | \$ 240              | \$ 247              | \$ 254              | \$ 262              |
| RETIREE MEDICAL                                  | \$ 118,797          | \$ 123,549          | \$ 128,491          | \$ 133,630          | \$ 138,976          | \$ 144,535          | \$ 150,316          | \$ 156,329          | \$ 162,582          | \$ 169,085          | \$ 175,849          |
| UNEMPLOYMENT                                     | \$ 4,721            | \$ 4,910            | \$ 5,106            | \$ 5,310            | \$ 5,523            | \$ 5,744            | \$ 5,974            | \$ 6,213            | \$ 6,461            | \$ 6,719            | \$ 6,988            |
| WORKERSCOMPENSATION                              | \$ 33,848           | \$ 35,202           | \$ 36,610           | \$ 38,074           | \$ 39,597           | \$ 41,181           | \$ 42,829           | \$ 44,542           | \$ 46,323           | \$ 48,176           | \$ 50,103           |
| M&S: GENERAL OFFICE                              | \$ 1,000            | \$ 1,030            | \$ 1,061            | \$ 1,093            | \$ 1,126            | \$ 1,159            | \$ 1,194            | \$ 1,230            | \$ 1,267            | \$ 1,305            | \$ 1,344            |
| M&S: CHEM/PNTS/SOLV/LUBR                         | \$ 12,000           | \$ 12,480           | \$ 12,979           | \$ 13,498           | \$ 14,038           | \$ 14,600           | \$ 15,184           | \$ 15,791           | \$ 16,423           | \$ 17,080           | \$ 17,763           |
| M&S: CLEANING/CUSTODIAL                          | \$ 1,600            | \$ 1,648            | \$ 1,697            | \$ 1,748            | \$ 1,801            | \$ 1,855            | \$ 1,910            | \$ 1,968            | \$ 2,027            | \$ 2,088            | \$ 2,150            |
| M&S: COMMUNICATIONS                              | \$ 500              | \$ 515              | \$ 530              | \$ 546              | \$ 563              | \$ 580              | \$ 597              | \$ 615              | \$ 633              | \$ 652              | \$ 672              |
| M&S: ELECTRICAL/INSTRUMN                         | \$ 10,000           | \$ 10,300           | \$ 10,600           | \$ 10,927           | \$ 11,255           | \$ 11,593           | \$ 11,941           | \$ 12,299           | \$ 12,668           | \$ 13,048           | \$ 13,439           |
| M&S: FOOD SUPPLIES                               | \$ 100              | \$ 103              | \$ 106              | \$ 109              | \$ 113              | \$ 116              | \$ 119              | \$ 123              | \$ 127              | \$ 130              | \$ 134              |
| M&S: HORTICULTURE/IRRIGA                         | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| M&S: MECHANICAL/SHOP/BLD                         | \$ 27,000           | \$ 27,810           | \$ 28,644           | \$ 29,504           | \$ 30,389           | \$ 31,300           | \$ 32,239           | \$ 33,207           | \$ 34,203           | \$ 35,229           | \$ 36,286           |
| M&S: PUBLIC SAFETY                               | \$ 1,000            | \$ 1,030            | \$ 1,061            | \$ 1,093            | \$ 1,126            | \$ 1,159            | \$ 1,194            | \$ 1,230            | \$ 1,267            | \$ 1,305            | \$ 1,344            |
| ST&E: GENERAL OFFICE                             | \$ 1,000            | \$ 1,030            | \$ 1,061            | \$ 1,093            | \$ 1,126            | \$ 1,159            | \$ 1,194            | \$ 1,230            | \$ 1,267            | \$ 1,305            | \$ 1,344            |
| ST&E: COMMUNICATIONS                             | \$ 3,000            | \$ 3,090            | \$ 3,183            | \$ 3,278            | \$ 3,377            | \$ 3,478            | \$ 3,582            | \$ 3,690            | \$ 3,800            | \$ 3,914            | \$ 4,032            |
| ST&E: ELECTRICAL/INSTRUMN                        | \$ 3,000            | \$ 3,090            | \$ 3,183            | \$ 3,278            | \$ 3,377            | \$ 3,478            | \$ 3,582            | \$ 3,690            | \$ 3,800            | \$ 3,914            | \$ 4,032            |
| ST&E: HORTICULTURE/IRRIGA                        | \$ 500              | \$ 515              | \$ 530              | \$ 546              | \$ 563              | \$ 580              | \$ 597              | \$ 615              | \$ 633              | \$ 652              | \$ 672              |
| ST&E: MECHANICAL/SHOP/BLD                        | \$ 40,000           | \$ 41,200           | \$ 42,436           | \$ 43,709           | \$ 45,020           | \$ 46,371           | \$ 47,762           | \$ 49,195           | \$ 50,671           | \$ 52,191           | \$ 53,757           |
| ST&E: PUBLIC SAFETY                              | \$ 6,000            | \$ 6,180            | \$ 6,365            | \$ 6,556            | \$ 6,753            | \$ 6,956            | \$ 7,164            | \$ 7,379            | \$ 7,601            | \$ 7,829            | \$ 8,063            |
| ST&E: OTHER SM TOOLS/IMPL                        | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| BUILDING MAINTENANCE                             | \$ 34,809           | \$ 35,853           | \$ 36,929           | \$ 38,037           | \$ 39,178           | \$ 40,353           | \$ 41,564           | \$ 42,811           | \$ 44,095           | \$ 45,418           | \$ 46,780           |
| DUPLICATING                                      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| STORES   | \$ 9,810            | \$ 10,104           | \$ 10,407           | \$ 10,720           | \$ 11,041           | \$ 11,372           | \$ 11,714           | \$ 12,065           | \$ 12,427           | \$ 12,800           | \$ 13,184           |
| MIS SERVICES                                     | \$ 6,380            | \$ 6,571            | \$ 6,769            | \$ 6,972            | \$ 7,181            | \$ 7,396            | \$ 7,618            | \$ 7,847            | \$ 8,082            | \$ 8,324            | \$ 8,574            |
| EQUIP-CITY VEHICLE                               | \$ 26,613           | \$ 27,411           | \$ 28,234           | \$ 29,081           | \$ 29,953           | \$ 30,852           | \$ 31,777           | \$ 32,731           | \$ 33,713           | \$ 34,724           | \$ 35,766           |
| EQUIP-CITY VEHICLE REPL                          | \$ 79,531           | \$ 81,917           | \$ 84,374           | \$ 86,906           | \$ 89,513           | \$ 92,198           | \$ 94,964           | \$ 97,813           | \$ 100,747          | \$ 103,770          | \$ 106,883          |
| EQUIP REPLACEMENT - IS                           | \$ 792              | \$ 816              | \$ 840              | \$ 865              | \$ 891              | \$ 918              | \$ 946              | \$ 974              | \$ 1,003            | \$ 1,033            | \$ 1,064            |
| EQUIP RPLCMNT-PC HARDWA                          | \$ 1,086            | \$ 1,119            | \$ 1,152            | \$ 1,187            | \$ 1,222            | \$ 1,259            | \$ 1,297            | \$ 1,336            | \$ 1,376            | \$ 1,417            | \$ 1,459            |
| SOFTWARE REPLACEMENT                             | \$ 426              | \$ 439              | \$ 452              | \$ 466              | \$ 479              | \$ 494              | \$ 509              | \$ 524              | \$ 540              | \$ 556              | \$ 573              |
| TELEPHONE SYS REPLACEME                          | \$ 322              | \$ 332              | \$ 342              | \$ 352              | \$ 362              | \$ 373              | \$ 384              | \$ 396              | \$ 408              | \$ 420              | \$ 433              |
| INSURANCE - PROPERTY CHR                         | \$ 1,168            | \$ 1,203            | \$ 1,239            | \$ 1,276            | \$ 1,315            | \$ 1,354            | \$ 1,395            | \$ 1,436            | \$ 1,480            | \$ 1,524            | \$ 1,570            |
| INSURANCE - LIABILITY CHG                        | \$ 12,678           | \$ 13,058           | \$ 13,450           | \$ 13,854           | \$ 14,269           | \$ 14,697           | \$ 15,138           | \$ 15,592           | \$ 16,060           | \$ 16,542           | \$ 17,038           |
| MAIL RM OVERHEADSUPPORT                          | \$ 278              | \$ 286              | \$ 295              | \$ 304              | \$ 313              | \$ 322              | \$ 332              | \$ 342              | \$ 352              | \$ 363              | \$ 374              |
| <b>Subtotal: Wastewater Collection-P</b>         | <b>\$ 1,320,126</b> | <b>\$ 1,364,378</b> | <b>\$ 1,410,144</b> | <b>\$ 1,457,476</b> | <b>\$ 1,506,430</b> | <b>\$ 1,557,061</b> | <b>\$ 1,609,428</b> | <b>\$ 1,663,593</b> | <b>\$ 1,719,618</b> | <b>\$ 1,777,568</b> | <b>\$ 1,837,511</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

| Public Works - Wastewater Operat                 | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                | 2027                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Wastewater Collection-Pump Station</b>        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Sewer Fund - Maintenance &amp; Operations</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| M&RS: OFFICE EQUIPMENT                           | \$ 300              | \$ 309              | \$ 318              | \$ 328              | \$ 338              | \$ 348              | \$ 358              | \$ 369              | \$ 380              | \$ 391              | \$ 403              |
| M&RS: COMMUNICATIONEQUI                          | \$ 3,000            | \$ 3,090            | \$ 3,183            | \$ 3,278            | \$ 3,377            | \$ 3,478            | \$ 3,582            | \$ 3,690            | \$ 3,800            | \$ 3,914            | \$ 4,032            |
| M&RS: NON-OFFIC EQUIPMEN                         | \$ 10,000           | \$ 10,300           | \$ 10,609           | \$ 10,927           | \$ 11,255           | \$ 11,593           | \$ 11,941           | \$ 12,299           | \$ 12,668           | \$ 13,048           | \$ 13,439           |
| M&RS: BUILDING/FACILITIES                        | \$ 3,000            | \$ 3,090            | \$ 3,183            | \$ 3,278            | \$ 3,377            | \$ 3,478            | \$ 3,582            | \$ 3,690            | \$ 3,800            | \$ 3,914            | \$ 4,032            |
| M&RS: OTHER LAND IMPRVMT                         | \$ 1,000            | \$ 1,030            | \$ 1,061            | \$ 1,093            | \$ 1,126            | \$ 1,159            | \$ 1,194            | \$ 1,230            | \$ 1,267            | \$ 1,305            | \$ 1,344            |
| M&RS: UTIL SVCS INFRASTR                         | \$ 50,000           | \$ 51,500           | \$ 53,045           | \$ 54,636           | \$ 56,275           | \$ 57,964           | \$ 59,703           | \$ 61,494           | \$ 63,339           | \$ 65,239           | \$ 67,196           |
| M&RS: TRANSP INFRASTRUC                          | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| OTHER PROFESSIONAL SVCS                          | \$ 27,500           | \$ 28,325           | \$ 29,175           | \$ 30,050           | \$ 30,951           | \$ 31,880           | \$ 32,836           | \$ 33,822           | \$ 34,836           | \$ 35,881           | \$ 36,958           |
| MED-LAB EXAM SVC                                 | \$ 500              | \$ 515              | \$ 530              | \$ 546              | \$ 563              | \$ 580              | \$ 597              | \$ 615              | \$ 633              | \$ 652              | \$ 672              |
| MIS (OUTSIDE SERVICES)                           | \$ 5,000            | \$ 5,150            | \$ 5,305            | \$ 5,464            | \$ 5,628            | \$ 5,796            | \$ 5,970            | \$ 6,149            | \$ 6,334            | \$ 6,524            | \$ 6,720            |
| DAVIS WASTE REMOVAL                              | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| GAS & ELECTRIC                                   | \$ 35,000           | \$ 36,050           | \$ 37,132           | \$ 38,245           | \$ 39,393           | \$ 40,575           | \$ 41,792           | \$ 43,046           | \$ 44,337           | \$ 45,667           | \$ 47,037           |
| TELEPHONE SERVICE                                | \$ 500              | \$ 515              | \$ 530              | \$ 546              | \$ 563              | \$ 580              | \$ 597              | \$ 615              | \$ 633              | \$ 652              | \$ 672              |
| WATER & GARBAGE                                  | \$ 500              | \$ 515              | \$ 530              | \$ 546              | \$ 563              | \$ 580              | \$ 597              | \$ 615              | \$ 633              | \$ 652              | \$ 672              |
| CELLULAR PHONE SERVICE                           | \$ 5,000            | \$ 5,150            | \$ 5,305            | \$ 5,464            | \$ 5,628            | \$ 5,796            | \$ 5,970            | \$ 6,149            | \$ 6,334            | \$ 6,524            | \$ 6,720            |
| HAZARDOUS WASTE DISPOSAL                         | \$ 1,000            | \$ 1,030            | \$ 1,061            | \$ 1,093            | \$ 1,126            | \$ 1,159            | \$ 1,194            | \$ 1,230            | \$ 1,267            | \$ 1,305            | \$ 1,344            |
| SOLID WASTE                                      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| EQUIP OPER RENT/LEASE                            | \$ 4,000            | \$ 4,120            | \$ 4,244            | \$ 4,371            | \$ 4,502            | \$ 4,637            | \$ 4,776            | \$ 4,919            | \$ 5,067            | \$ 5,219            | \$ 5,376            |
| LAND/FACIL RENT/LEASE                            | \$ 86,767           | \$ 89,370           | \$ 92,051           | \$ 94,813           | \$ 97,657           | \$ 100,587          | \$ 103,604          | \$ 106,712          | \$ 109,914          | \$ 113,211          | \$ 116,608          |
| FEES/PERMITS REQUIRED                            | \$ 1,000            | \$ 1,030            | \$ 1,061            | \$ 1,093            | \$ 1,126            | \$ 1,159            | \$ 1,194            | \$ 1,230            | \$ 1,267            | \$ 1,305            | \$ 1,344            |
| PROPERTY TAX                                     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| DRIVER LICENSE FEE                               | \$ 300              | \$ 309              | \$ 318              | \$ 328              | \$ 338              | \$ 348              | \$ 358              | \$ 369              | \$ 380              | \$ 391              | \$ 403              |
| EDUCATION REIMBURSEMEN                           | \$ 200              | \$ 206              | \$ 212              | \$ 219              | \$ 225              | \$ 232              | \$ 239              | \$ 246              | \$ 253              | \$ 261              | \$ 269              |
| MEMBERSHIP FEES/DUES                             | \$ 800              | \$ 824              | \$ 849              | \$ 874              | \$ 900              | \$ 927              | \$ 955              | \$ 984              | \$ 1,013            | \$ 1,044            | \$ 1,075            |
| MISC TRAVEL/MEETINGS                             | \$ 100              | \$ 103              | \$ 106              | \$ 109              | \$ 113              | \$ 116              | \$ 119              | \$ 123              | \$ 127              | \$ 130              | \$ 134              |
| PROF LIC/APPL/FEES                               | \$ 1,000            | \$ 1,030            | \$ 1,061            | \$ 1,093            | \$ 1,126            | \$ 1,159            | \$ 1,194            | \$ 1,230            | \$ 1,267            | \$ 1,305            | \$ 1,344            |
| SUBSCRIPTION/PUBLICATION                         | \$ 300              | \$ 309              | \$ 318              | \$ 328              | \$ 338              | \$ 348              | \$ 358              | \$ 369              | \$ 380              | \$ 391              | \$ 403              |
| STAFF DEVELOPMNT/TRAININ                         | \$ 8,000            | \$ 8,240            | \$ 8,487            | \$ 8,742            | \$ 9,004            | \$ 9,274            | \$ 9,552            | \$ 9,839            | \$ 10,134           | \$ 10,438           | \$ 10,751           |
| UNIFORM PURCH/RENT/CLEA                          | \$ 5,000            | \$ 5,150            | \$ 5,305            | \$ 5,464            | \$ 5,628            | \$ 5,796            | \$ 5,970            | \$ 6,149            | \$ 6,334            | \$ 6,524            | \$ 6,720            |
| CAPOUTLY: VEHICLES                               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| HUMAN RESOURCES                                  | \$ (310,660)        | \$ (319,980)        | \$ (329,579)        | \$ (339,467)        | \$ (349,651)        | \$ (360,140)        | \$ (370,944)        | \$ (382,073)        | \$ (393,535)        | \$ (405,341)        | \$ (417,501)        |
| OTHER RESOURCES                                  | \$ (160,908)        | \$ (165,735)        | \$ (170,707)        | \$ (175,829)        | \$ (181,103)        | \$ (186,536)        | \$ (192,133)        | \$ (197,897)        | \$ (203,833)        | \$ (209,948)        | \$ (216,247)        |
| <b>Subtotal: Wastewater Collection-P</b>         | <b>\$ (219,801)</b> | <b>\$ (226,395)</b> | <b>\$ (233,187)</b> | <b>\$ (240,182)</b> | <b>\$ (247,388)</b> | <b>\$ (254,810)</b> | <b>\$ (262,454)</b> | <b>\$ (270,328)</b> | <b>\$ (278,437)</b> | <b>\$ (286,790)</b> | <b>\$ (295,394)</b> |
| <b>Total: Wastewater Collection-Pum</b>          | <b>\$ 1,100,325</b> | <b>\$ 1,137,983</b> | <b>\$ 1,176,957</b> | <b>\$ 1,217,294</b> | <b>\$ 1,259,042</b> | <b>\$ 1,302,251</b> | <b>\$ 1,346,974</b> | <b>\$ 1,393,265</b> | <b>\$ 1,441,180</b> | <b>\$ 1,490,777</b> | <b>\$ 1,542,117</b> |



CITY OF DAVIS  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

| Public Works - Wastewater Operat                 | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                | 2027                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Wastewater Pollution Control Plant</b>        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Sewer Fund - Maintenance &amp; Operations</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| SALARIES/WAGES                                   | \$ 827,132          | \$ 851,946          | \$ 877,504          | \$ 903,829          | \$ 930,944          | \$ 958,873          | \$ 987,639          | \$ 1,017,268        | \$ 1,047,786        | \$ 1,079,220        | \$ 1,111,596        |
| BENEFITS:LEAVE TIME                              | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| BENEFITS: INSURANCE                              | \$ 11,413           | \$ 11,870           | \$ 12,344           | \$ 12,838           | \$ 13,352           | \$ 13,886           | \$ 14,441           | \$ 15,019           | \$ 15,619           | \$ 16,244           | \$ 16,894           |
| BENEFITS: RETIREMENT                             | \$ 254,337          | \$ 264,510          | \$ 275,091          | \$ 286,095          | \$ 297,538          | \$ 309,440          | \$ 321,817          | \$ 334,690          | \$ 348,078          | \$ 362,001          | \$ 376,481          |
| SALARIES/WAGES                                   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| BENEFITS:LEAVE TIME                              | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| BENEFITS:RETIREMENT                              | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| SALARIES/WAGES                                   | \$ 115,841          | \$ 119,316          | \$ 122,896          | \$ 126,583          | \$ 130,380          | \$ 134,291          | \$ 138,320          | \$ 142,470          | \$ 146,744          | \$ 151,146          | \$ 155,681          |
| BENEFITS: INSURANCE                              | \$ 1,680            | \$ 1,747            | \$ 1,817            | \$ 1,890            | \$ 1,965            | \$ 2,044            | \$ 2,126            | \$ 2,211            | \$ 2,299            | \$ 2,391            | \$ 2,487            |
| BENEFITS:RETIREMENT                              | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| SALARIES/WAGES                                   | \$ 28,000           | \$ 28,840           | \$ 29,705           | \$ 30,596           | \$ 31,514           | \$ 32,460           | \$ 33,433           | \$ 34,436           | \$ 35,470           | \$ 36,534           | \$ 37,630           |
| ACCRUED COMPTIME 1.0                             | \$ 500              | \$ 515              | \$ 530              | \$ 546              | \$ 563              | \$ 580              | \$ 597              | \$ 615              | \$ 633              | \$ 652              | \$ 672              |
| ACCRUED COMPTIME 1.5                             | \$ 12,000           | \$ 12,360           | \$ 12,731           | \$ 13,113           | \$ 13,506           | \$ 13,911           | \$ 14,329           | \$ 14,758           | \$ 15,201           | \$ 15,657           | \$ 16,127           |
| COMPENSATORY TIME                                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| OTHER PAY  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| LEAVE FUND REPAYMENT                             | \$ 16,874           | \$ 17,380           | \$ 17,902           | \$ 18,439           | \$ 18,992           | \$ 19,562           | \$ 20,148           | \$ 20,753           | \$ 21,375           | \$ 22,017           | \$ 22,677           |
| STANDBY PAY                                      | \$ 11,500           | \$ 11,845           | \$ 12,200           | \$ 12,566           | \$ 12,943           | \$ 13,332           | \$ 13,732           | \$ 14,144           | \$ 14,568           | \$ 15,005           | \$ 15,455           |
| CALL BACK PAY                                    | \$ 5,000            | \$ 5,150            | \$ 5,305            | \$ 5,464            | \$ 5,628            | \$ 5,796            | \$ 5,970            | \$ 6,149            | \$ 6,334            | \$ 6,524            | \$ 6,720            |
| CAFETERIA BENEFITS                               | \$ 219,376          | \$ 228,151          | \$ 237,277          | \$ 246,768          | \$ 256,639          | \$ 266,904          | \$ 277,581          | \$ 288,684          | \$ 300,231          | \$ 312,240          | \$ 324,730          |
| LONGEVITY PAY                                    | \$ 18,621           | \$ 19,180           | \$ 19,755           | \$ 20,348           | \$ 20,958           | \$ 21,587           | \$ 22,234           | \$ 22,901           | \$ 23,589           | \$ 24,296           | \$ 25,025           |
| CELLULAR PHONE STIPEND                           | \$ 312              | \$ 324              | \$ 337              | \$ 351              | \$ 365              | \$ 380              | \$ 395              | \$ 411              | \$ 427              | \$ 444              | \$ 462              |
| RETIREE MEDICAL                                  | \$ 201,473          | \$ 209,532          | \$ 217,913          | \$ 226,630          | \$ 235,695          | \$ 245,123          | \$ 254,928          | \$ 265,125          | \$ 275,730          | \$ 286,759          | \$ 298,229          |
| UNEMPLOYMENT                                     | \$ 8,007            | \$ 8,327            | \$ 8,660            | \$ 9,007            | \$ 9,367            | \$ 9,742            | \$ 10,131           | \$ 10,537           | \$ 10,958           | \$ 11,396           | \$ 11,852           |
| WORKERS COMPENSATION                             | \$ 69,606           | \$ 72,390           | \$ 75,286           | \$ 78,297           | \$ 81,429           | \$ 84,686           | \$ 88,074           | \$ 91,597           | \$ 95,261           | \$ 99,071           | \$ 103,034          |
| M&S: GENERAL OFFICE                              | \$ 3,000            | \$ 3,090            | \$ 3,183            | \$ 3,278            | \$ 3,377            | \$ 3,478            | \$ 3,582            | \$ 3,690            | \$ 3,800            | \$ 3,914            | \$ 4,032            |
| M&S: CHEM/PNTS/SOLV/LUBR                         | \$ 130,000          | \$ 135,200          | \$ 140,608          | \$ 146,232          | \$ 152,082          | \$ 158,165          | \$ 164,491          | \$ 171,071          | \$ 177,914          | \$ 185,031          | \$ 192,432          |
| M&S: CLEANING/CUSTODIAL                          | \$ 4,500            | \$ 4,635            | \$ 4,774            | \$ 4,917            | \$ 5,065            | \$ 5,217            | \$ 5,373            | \$ 5,534            | \$ 5,700            | \$ 5,871            | \$ 6,048            |
| M&S: COMMUNICATIONS                              | \$ 10,000           | \$ 10,300           | \$ 10,609           | \$ 10,927           | \$ 11,255           | \$ 11,593           | \$ 11,941           | \$ 12,299           | \$ 12,668           | \$ 13,048           | \$ 13,439           |
| M&S: ELECTRICAL/INSTRUMN                         | \$ 15,000           | \$ 15,450           | \$ 15,914           | \$ 16,391           | \$ 16,883           | \$ 17,389           | \$ 17,911           | \$ 18,448           | \$ 19,002           | \$ 19,572           | \$ 20,159           |
| M&S: FOOD SUPPLIES                               | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| M&S: HORTICULTURE/IRRIGA                         | \$ 10,000           | \$ 10,300           | \$ 10,609           | \$ 10,927           | \$ 11,255           | \$ 11,593           | \$ 11,941           | \$ 12,299           | \$ 12,668           | \$ 13,048           | \$ 13,439           |
| M&S: LAB/ENGINEERING                             | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| M&S: MECHANICAL/ SHOP /BL                        | \$ 45,000           | \$ 46,350           | \$ 47,741           | \$ 49,173           | \$ 50,648           | \$ 52,167           | \$ 53,732           | \$ 55,344           | \$ 57,005           | \$ 58,715           | \$ 60,476           |
| M&S: PUBLIC SAFETY                               | \$ 2,500            | \$ 2,575            | \$ 2,652            | \$ 2,732            | \$ 2,814            | \$ 2,898            | \$ 2,985            | \$ 3,075            | \$ 3,167            | \$ 3,262            | \$ 3,360            |
| ST&E: GENERAL OFFICE                             | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| ST&E: CLEANING/CUSTODIAL                         | \$ 300              | \$ 309              | \$ 318              | \$ 328              | \$ 338              | \$ 348              | \$ 358              | \$ 369              | \$ 380              | \$ 391              | \$ 403              |
| ST&E: COMMUNICATIONS                             | \$ 4,000            | \$ 4,120            | \$ 4,244            | \$ 4,371            | \$ 4,502            | \$ 4,637            | \$ 4,776            | \$ 4,919            | \$ 5,067            | \$ 5,219            | \$ 5,376            |
| ST&E: ELECTRICAL/INSTRUMN                        | \$ 8,000            | \$ 8,240            | \$ 8,487            | \$ 8,742            | \$ 9,004            | \$ 9,274            | \$ 9,552            | \$ 9,839            | \$ 10,134           | \$ 10,438           | \$ 10,751           |
| ST&E: HORTICULTURE/IRRIGA                        | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| ST&E: LAB/ENGINEERING                            | \$ 3,000            | \$ 3,090            | \$ 3,183            | \$ 3,278            | \$ 3,377            | \$ 3,478            | \$ 3,582            | \$ 3,690            | \$ 3,800            | \$ 3,914            | \$ 4,032            |
| ST&E: MECHANICAL/SHOP /BL                        | \$ 50,000           | \$ 51,500           | \$ 53,045           | \$ 54,636           | \$ 56,275           | \$ 57,964           | \$ 59,703           | \$ 61,494           | \$ 63,339           | \$ 65,239           | \$ 67,196           |
| ST&E: PUBLIC SAFETY                              | \$ 5,000            | \$ 5,150            | \$ 5,305            | \$ 5,464            | \$ 5,628            | \$ 5,796            | \$ 5,970            | \$ 6,149            | \$ 6,334            | \$ 6,524            | \$ 6,720            |
| ST&E: OTHER SM TOOLS/IMPL                        | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| BUILDING MAINTENANCE                             | \$ 44,177           | \$ 45,502           | \$ 46,867           | \$ 48,273           | \$ 49,722           | \$ 51,213           | \$ 52,750           | \$ 54,332           | \$ 55,962           | \$ 57,641           | \$ 59,370           |
| DUPLICATING                                      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| POSTAL   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| STORES   | \$ 29,309           | \$ 30,188           | \$ 31,094           | \$ 32,027           | \$ 32,988           | \$ 33,977           | \$ 34,996           | \$ 36,046           | \$ 37,128           | \$ 38,242           | \$ 39,389           |
| MIS SERVICES                                     | \$ 19,788           | \$ 20,382           | \$ 20,993           | \$ 21,623           | \$ 22,272           | \$ 22,940           | \$ 23,628           | \$ 24,337           | \$ 25,067           | \$ 25,819           | \$ 26,593           |
| EQUIP-CITY VEHICLE                               | \$ 38,441           | \$ 39,594           | \$ 40,782           | \$ 42,006           | \$ 43,266           | \$ 44,564           | \$ 45,901           | \$ 47,278           | \$ 48,696           | \$ 50,157           | \$ 51,661           |
| EQUIP-CITY VEHICLE REPL                          | \$ 50,763           | \$ 52,286           | \$ 53,854           | \$ 55,470           | \$ 57,134           | \$ 58,848           | \$ 60,614           | \$ 62,432           | \$ 64,305           | \$ 66,234           | \$ 68,221           |
| EQUIP REPLACEMENT - IS                           | \$ 2,472            | \$ 2,546            | \$ 2,623            | \$ 2,701            | \$ 2,782            | \$ 2,866            | \$ 2,952            | \$ 3,040            | \$ 3,131            | \$ 3,225            | \$ 3,322            |
| EQUIP RPLCMNT-PC HARDWA                          | \$ 3,389            | \$ 3,491            | \$ 3,595            | \$ 3,703            | \$ 3,814            | \$ 3,929            | \$ 4,047            | \$ 4,168            | \$ 4,293            | \$ 4,422            | \$ 4,555            |
| <b>Subtotal: Wastewater Pollution Co</b>         | <b>\$ 2,290,311</b> | <b>\$ 2,367,982</b> | <b>\$ 2,448,342</b> | <b>\$ 2,531,486</b> | <b>\$ 2,617,512</b> | <b>\$ 2,706,521</b> | <b>\$ 2,798,621</b> | <b>\$ 2,893,919</b> | <b>\$ 2,992,530</b> | <b>\$ 3,094,571</b> | <b>\$ 3,200,164</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

| Public Works - Wastewater Operat                 | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                | 2027                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Wastewater Pollution Control Plant</b>        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Sewer Fund - Maintenance &amp; Operations</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| SOFTWARE REPLACEMENT                             | \$ 1,328            | \$ 1,368            | \$ 1,409            | \$ 1,451            | \$ 1,495            | \$ 1,540            | \$ 1,586            | \$ 1,633            | \$ 1,682            | \$ 1,733            | \$ 1,785            |
| TELEPHONE SYS REPLACEME                          | \$ 3,542            | \$ 3,648            | \$ 3,758            | \$ 3,870            | \$ 3,987            | \$ 4,106            | \$ 4,229            | \$ 4,356            | \$ 4,487            | \$ 4,622            | \$ 4,760            |
| INSURANCE - PROPERTY CHR                         | \$ 2,219            | \$ 2,286            | \$ 2,354            | \$ 2,425            | \$ 2,498            | \$ 2,572            | \$ 2,650            | \$ 2,729            | \$ 2,811            | \$ 2,895            | \$ 2,982            |
| INSURANCE - LIABILITY CHG                        | \$ 21,374           | \$ 22,015           | \$ 22,676           | \$ 23,356           | \$ 24,057           | \$ 24,778           | \$ 25,522           | \$ 26,287           | \$ 27,076           | \$ 27,888           | \$ 28,725           |
| MAIL RM OVERHEAD SUPPOR                          | \$ 615              | \$ 633              | \$ 652              | \$ 672              | \$ 692              | \$ 713              | \$ 734              | \$ 756              | \$ 779              | \$ 802              | \$ 827              |
| M&RS: OFFICE EQUIPMENT                           | \$ 500              | \$ 515              | \$ 530              | \$ 546              | \$ 563              | \$ 580              | \$ 597              | \$ 615              | \$ 633              | \$ 652              | \$ 672              |
| M&RS: COMMUNICATION EQU                          | \$ 5,000            | \$ 5,150            | \$ 5,305            | \$ 5,464            | \$ 5,628            | \$ 5,796            | \$ 5,970            | \$ 6,149            | \$ 6,334            | \$ 6,524            | \$ 6,720            |
| M&RS: NON-OFFIC EQUIPMEN                         | \$ 100,000          | \$ 103,000          | \$ 106,090          | \$ 109,273          | \$ 112,551          | \$ 115,927          | \$ 119,405          | \$ 122,987          | \$ 126,677          | \$ 130,477          | \$ 134,392          |
| M&RS: BUILDING/FACILITIES                        | \$ 15,000           | \$ 15,450           | \$ 15,914           | \$ 16,391           | \$ 16,883           | \$ 17,389           | \$ 17,911           | \$ 18,448           | \$ 19,002           | \$ 19,572           | \$ 20,159           |
| M&RS: OTHER LAND IMPRVMN                         | \$ 540,000          | \$ 556,200          | \$ 572,886          | \$ 590,073          | \$ 607,775          | \$ 626,008          | \$ 644,788          | \$ 664,132          | \$ 684,056          | \$ 704,578          | \$ 725,715          |
| M&RS: UTIL SVCS INFRASTR                         | \$ 55,000           | \$ 56,650           | \$ 58,350           | \$ 60,100           | \$ 61,903           | \$ 63,760           | \$ 65,673           | \$ 67,643           | \$ 69,672           | \$ 71,763           | \$ 73,915           |
| LEGAL  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| ADVERTISING                                      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CONSTRUCTION CONTRACT                            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| OTHER PROFESSIONAL SVCS                          | \$ 45,000           | \$ 46,350           | \$ 47,741           | \$ 49,173           | \$ 50,648           | \$ 52,167           | \$ 53,732           | \$ 55,344           | \$ 57,005           | \$ 58,715           | \$ 60,476           |
| LAB ANALYSIS SVC                                 | \$ 180,000          | \$ 185,400          | \$ 190,962          | \$ 196,691          | \$ 202,592          | \$ 208,669          | \$ 214,929          | \$ 221,377          | \$ 228,019          | \$ 234,859          | \$ 241,905          |
| MED-LAB EXAM SVC                                 | \$ 500              | \$ 515              | \$ 530              | \$ 546              | \$ 563              | \$ 580              | \$ 597              | \$ 615              | \$ 633              | \$ 652              | \$ 672              |
| PRINTING & BINDING                               | \$ 800              | \$ 824              | \$ 849              | \$ 874              | \$ 900              | \$ 927              | \$ 955              | \$ 984              | \$ 1,013            | \$ 1,044            | \$ 1,075            |
| PHOTO & BLUEPRINT                                | \$ 750              | \$ 773              | \$ 796              | \$ 820              | \$ 844              | \$ 869              | \$ 896              | \$ 922              | \$ 950              | \$ 979              | \$ 1,008            |
| MIS (OUTSIDE SERVICES)                           | \$ 20,000           | \$ 20,600           | \$ 21,218           | \$ 21,855           | \$ 22,510           | \$ 23,185           | \$ 23,881           | \$ 24,597           | \$ 25,335           | \$ 26,095           | \$ 26,878           |
| LAUNDRY SERVICES                                 | \$ 8,000            | \$ 8,240            | \$ 8,487            | \$ 8,742            | \$ 9,004            | \$ 9,274            | \$ 9,552            | \$ 9,839            | \$ 10,134           | \$ 10,438           | \$ 10,751           |
| GAS & ELECTRIC                                   | \$ 265,000          | \$ 272,950          | \$ 281,139          | \$ 289,573          | \$ 298,260          | \$ 307,208          | \$ 316,424          | \$ 325,917          | \$ 335,694          | \$ 345,765          | \$ 356,138          |
| TELEPHONE SERVICE                                | \$ 3,855            | \$ 3,971            | \$ 4,090            | \$ 4,212            | \$ 4,339            | \$ 4,469            | \$ 4,603            | \$ 4,741            | \$ 4,883            | \$ 5,030            | \$ 5,181            |
| WATER & GARBAGE                                  | \$ 55,000           | \$ 56,650           | \$ 58,350           | \$ 60,100           | \$ 61,903           | \$ 63,760           | \$ 65,673           | \$ 67,643           | \$ 69,672           | \$ 71,763           | \$ 73,915           |
| CELLULAR PHONE SERVICE                           | \$ 4,750            | \$ 4,893            | \$ 5,039            | \$ 5,190            | \$ 5,346            | \$ 5,507            | \$ 5,672            | \$ 5,842            | \$ 6,017            | \$ 6,198            | \$ 6,384            |
| HAZARDOUS WASTE DISPOSAL                         | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| OUTSIDE POSTAGE/DELIVERY                         | \$ 3,000            | \$ 3,090            | \$ 3,183            | \$ 3,278            | \$ 3,377            | \$ 3,478            | \$ 3,582            | \$ 3,690            | \$ 3,800            | \$ 3,914            | \$ 4,032            |
| EQUIP OPER RENT/LEASE                            | \$ 40,000           | \$ 41,200           | \$ 42,436           | \$ 43,709           | \$ 45,020           | \$ 46,371           | \$ 47,762           | \$ 49,195           | \$ 50,671           | \$ 52,191           | \$ 53,757           |
| LAND/FACIL RENT/LEASE                            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| FEES/PERMITS REQUIRED                            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| PROPERTY TAX                                     | \$ 40,000           | \$ 41,200           | \$ 42,436           | \$ 43,709           | \$ 45,020           | \$ 46,371           | \$ 47,762           | \$ 49,195           | \$ 50,671           | \$ 52,191           | \$ 53,757           |
| DRIVER LICENSE FEE                               | \$ 50               | \$ 52               | \$ 53               | \$ 55               | \$ 56               | \$ 58               | \$ 60               | \$ 61               | \$ 63               | \$ 65               | \$ 67               |
| EDUCATION REIMBURSEMEN                           | \$ 1,000            | \$ 1,030            | \$ 1,061            | \$ 1,093            | \$ 1,126            | \$ 1,159            | \$ 1,194            | \$ 1,230            | \$ 1,267            | \$ 1,305            | \$ 1,344            |
| MEMBERSHIP FEES/DUES                             | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| MISC TRAVEL/MEETINGS                             | \$ 250              | \$ 258              | \$ 265              | \$ 273              | \$ 281              | \$ 290              | \$ 299              | \$ 307              | \$ 317              | \$ 326              | \$ 336              |
| PROF LIC/APPL/FEES                               | \$ 2,000            | \$ 2,060            | \$ 2,122            | \$ 2,185            | \$ 2,251            | \$ 2,319            | \$ 2,388            | \$ 2,460            | \$ 2,534            | \$ 2,610            | \$ 2,688            |
| SUBSCRIPTION/PUBLICATION                         | \$ 300              | \$ 309              | \$ 318              | \$ 328              | \$ 338              | \$ 348              | \$ 358              | \$ 369              | \$ 380              | \$ 391              | \$ 403              |
| STAFF DEVELOPMNT/TRAININ                         | \$ 22,000           | \$ 22,660           | \$ 23,340           | \$ 24,040           | \$ 24,761           | \$ 25,504           | \$ 26,269           | \$ 27,057           | \$ 27,869           | \$ 28,705           | \$ 29,566           |
| UNIFORM PURCH/RENT/CLEA                          | \$ 13,000           | \$ 13,390           | \$ 13,792           | \$ 14,205           | \$ 14,632           | \$ 15,071           | \$ 15,523           | \$ 15,988           | \$ 16,468           | \$ 16,962           | \$ 17,471           |
| CAPOUTLY: MAINT EQUIPMEN                         | \$ 50,000           | \$ 51,500           | \$ 53,045           | \$ 54,636           | \$ 56,275           | \$ 57,964           | \$ 59,703           | \$ 61,494           | \$ 63,339           | \$ 65,239           | \$ 67,196           |
| <b>Subtotal: Wastewater Pollution Co</b>         | <b>\$ 1,501,833</b> | <b>\$ 1,546,888</b> | <b>\$ 1,593,295</b> | <b>\$ 1,641,093</b> | <b>\$ 1,690,326</b> | <b>\$ 1,741,036</b> | <b>\$ 1,793,267</b> | <b>\$ 1,847,065</b> | <b>\$ 1,902,477</b> | <b>\$ 1,959,551</b> | <b>\$ 2,018,338</b> |
| <b>Total: Wastewater Pollution Contr</b>         | <b>\$ 3,792,144</b> | <b>\$ 3,914,870</b> | <b>\$ 4,041,637</b> | <b>\$ 4,172,579</b> | <b>\$ 4,307,838</b> | <b>\$ 4,447,557</b> | <b>\$ 4,591,888</b> | <b>\$ 4,740,984</b> | <b>\$ 4,895,007</b> | <b>\$ 5,054,123</b> | <b>\$ 5,218,502</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

| Public Works - Wastewater Operat                 | 2017              | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              | 2024              | 2025              | 2026              | 2027              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Wastewater Pretreatment</b>                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Sewer Fund - Maintenance &amp; Operations</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| SALARIES/WAGES                                   | \$ 113,457        | \$ 116,861        | \$ 120,367        | \$ 123,978        | \$ 127,697        | \$ 131,528        | \$ 135,474        | \$ 139,538        | \$ 143,724        | \$ 148,036        | \$ 152,477        |
| BENEFITS:LEAVE TIME                              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| BENEFITS: INSURANCE                              | \$ 1,699          | \$ 1,767          | \$ 1,838          | \$ 1,911          | \$ 1,988          | \$ 2,067          | \$ 2,150          | \$ 2,236          | \$ 2,325          | \$ 2,418          | \$ 2,515          |
| BENEFITS: RETIREMENT                             | \$ 34,568         | \$ 35,951         | \$ 37,389         | \$ 38,884         | \$ 40,440         | \$ 42,057         | \$ 43,740         | \$ 45,489         | \$ 47,309         | \$ 49,201         | \$ 51,169         |
| SALARIES/WAGES                                   | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| ACCRUED COMPTIME I. 5                            | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| COMPENSATORY TIME                                | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| LEAVE FUND REPAYMENT                             | \$ 558            | \$ 575            | \$ 592            | \$ 610            | \$ 628            | \$ 647            | \$ 666            | \$ 686            | \$ 707            | \$ 728            | \$ 750            |
| STANDBY PAY                                      | \$ 550            | \$ 567            | \$ 583            | \$ 601            | \$ 619            | \$ 638            | \$ 657            | \$ 676            | \$ 697            | \$ 718            | \$ 739            |
| CALL BACK PAY                                    | \$ 100            | \$ 103            | \$ 106            | \$ 109            | \$ 113            | \$ 116            | \$ 119            | \$ 123            | \$ 127            | \$ 130            | \$ 134            |
| CAFETERIA BENEFITS                               | \$ 28,390         | \$ 29,242         | \$ 30,119         | \$ 31,023         | \$ 31,953         | \$ 32,912         | \$ 33,899         | \$ 34,916         | \$ 35,964         | \$ 37,043         | \$ 38,154         |
| SPECIAL ASSIGNMENT                               | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| LONGEVITY PAY                                    | \$ 786            | \$ 810            | \$ 834            | \$ 859            | \$ 885            | \$ 911            | \$ 939            | \$ 967            | \$ 996            | \$ 1,026          | \$ 1,056          |
| CELLULAR PHONE STIPEND                           | \$ 39             | \$ 41             | \$ 42             | \$ 44             | \$ 46             | \$ 47             | \$ 49             | \$ 51             | \$ 53             | \$ 56             | \$ 58             |
| RETIREE MEDICAL                                  | \$ 27,636         | \$ 28,741         | \$ 29,891         | \$ 31,087         | \$ 32,330         | \$ 33,623         | \$ 34,968         | \$ 36,367         | \$ 37,822         | \$ 39,335         | \$ 40,908         |
| UNEMPLOYMENT                                     | \$ 1,099          | \$ 1,143          | \$ 1,189          | \$ 1,236          | \$ 1,286          | \$ 1,337          | \$ 1,391          | \$ 1,446          | \$ 1,504          | \$ 1,564          | \$ 1,627          |
| WORKERSCOMPENSATION                              | \$ 2,151          | \$ 2,237          | \$ 2,327          | \$ 2,420          | \$ 2,516          | \$ 2,617          | \$ 2,722          | \$ 2,831          | \$ 2,944          | \$ 3,062          | \$ 3,184          |
| M&S: GENERAL OFFICE                              | \$ 400            | \$ 412            | \$ 424            | \$ 437            | \$ 450            | \$ 464            | \$ 478            | \$ 492            | \$ 507            | \$ 522            | \$ 538            |
| M&S: CHEM/PNTS/SOLV /LUBR                        | \$ 300            | \$ 312            | \$ 324            | \$ 337            | \$ 351            | \$ 365            | \$ 380            | \$ 395            | \$ 411            | \$ 427            | \$ 444            |
| M&S: COMMUNICATIONS                              | \$ 5,000          | \$ 5,000          | \$ 5,000          | \$ 5,000          | \$ 5,000          | \$ 5,000          | \$ 5,000          | \$ 5,000          | \$ 5,000          | \$ 5,000          | \$ 5,000          |
| M&S: CLEANING/CUSTODIAL                          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| M&S: LAB/ENGINEERING                             | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| M&S: MECHANICAL/SHOP/BLD                         | \$ 350            | \$ 361            | \$ 371            | \$ 382            | \$ 394            | \$ 406            | \$ 418            | \$ 430            | \$ 443            | \$ 457            | \$ 470            |
| M&S: PUBLIC SAFETY                               | \$ 1,000          | \$ 1,030          | \$ 1,061          | \$ 1,093          | \$ 1,126          | \$ 1,159          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          |
| ST&E: GENERAL OFFICE                             | \$ 250            | \$ 258            | \$ 265            | \$ 273            | \$ 281            | \$ 290            | \$ 299            | \$ 307            | \$ 317            | \$ 326            | \$ 336            |
| ST&E: COMMUNICATIONS                             | \$ 750            | \$ 773            | \$ 796            | \$ 820            | \$ 844            | \$ 869            | \$ 896            | \$ 922            | \$ 950            | \$ 979            | \$ 1,008          |
| ST&E: MECHANICAL/SHOP/BLD                        | \$ 2,000          | \$ 2,060          | \$ 2,122          | \$ 2,185          | \$ 2,251          | \$ 2,319          | \$ 2,388          | \$ 2,460          | \$ 2,534          | \$ 2,610          | \$ 2,688          |
| ST&E: PUBLIC SAFETY                              | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| BUILDING MAINTENANCE                             | \$ 1,311          | \$ 1,350          | \$ 1,391          | \$ 1,433          | \$ 1,476          | \$ 1,520          | \$ 1,565          | \$ 1,612          | \$ 1,661          | \$ 1,711          | \$ 1,762          |
| STORES   | \$ 1,093          | \$ 1,126          | \$ 1,160          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          | \$ 1,385          | \$ 1,426          | \$ 1,469          |
| MIS SERVICES                                     | \$ 814            | \$ 838            | \$ 864            | \$ 889            | \$ 916            | \$ 944            | \$ 972            | \$ 1,001          | \$ 1,031          | \$ 1,062          | \$ 1,094          |
| EQUIP-CITY VEHICLE                               | \$ 1,036          | \$ 1,067          | \$ 1,099          | \$ 1,132          | \$ 1,166          | \$ 1,201          | \$ 1,237          | \$ 1,274          | \$ 1,312          | \$ 1,352          | \$ 1,392          |
| EQUIP-CITY VEHICLE REPL                          | \$ 1,557          | \$ 1,604          | \$ 1,652          | \$ 1,701          | \$ 1,752          | \$ 1,805          | \$ 1,859          | \$ 1,915          | \$ 1,972          | \$ 2,032          | \$ 2,092          |
| EQUIP REPLACEMENT - IS                           | \$ 58             | \$ 60             | \$ 62             | \$ 63             | \$ 65             | \$ 67             | \$ 69             | \$ 71             | \$ 73             | \$ 76             | \$ 78             |
| EQUIP RPLCMNT-PC HARDWA                          | \$ 80             | \$ 82             | \$ 85             | \$ 87             | \$ 90             | \$ 93             | \$ 96             | \$ 98             | \$ 101            | \$ 104            | \$ 108            |
| SOFTWARE REPLACEMENT                             | \$ 32             | \$ 33             | \$ 34             | \$ 35             | \$ 36             | \$ 37             | \$ 38             | \$ 39             | \$ 41             | \$ 42             | \$ 43             |
| TELEPHONE SYS REPLACEME                          | \$ 161            | \$ 166            | \$ 171            | \$ 176            | \$ 181            | \$ 187            | \$ 192            | \$ 198            | \$ 204            | \$ 210            | \$ 216            |
| INSURANCE - PROPERTY CHR                         | \$ 222            | \$ 229            | \$ 236            | \$ 243            | \$ 250            | \$ 257            | \$ 265            | \$ 273            | \$ 281            | \$ 290            | \$ 298            |
| INSURANCE - LIABILITY CHG                        | \$ 2,616          | \$ 2,694          | \$ 2,775          | \$ 2,859          | \$ 2,944          | \$ 3,033          | \$ 3,124          | \$ 3,217          | \$ 3,314          | \$ 3,413          | \$ 3,516          |
| LEGAL  | \$ 1,000          | \$ 1,030          | \$ 1,061          | \$ 1,093          | \$ 1,126          | \$ 1,159          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          |
| ADVERTISING                                      | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| OTHER PROFESSIONAL SVCS                          | \$ 30,000         | \$ 30,900         | \$ 31,827         | \$ 32,782         | \$ 33,765         | \$ 34,778         | \$ 35,822         | \$ 36,896         | \$ 38,003         | \$ 39,143         | \$ 40,317         |
| LAB ANALYSIS SVC                                 | \$ 50,000         | \$ 51,500         | \$ 53,045         | \$ 54,636         | \$ 56,275         | \$ 57,964         | \$ 59,703         | \$ 61,494         | \$ 63,339         | \$ 65,239         | \$ 67,196         |
| PRINTING & BINDING                               | \$ 1,000          | \$ 1,030          | \$ 1,061          | \$ 1,093          | \$ 1,126          | \$ 1,159          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          |
| PHOTO & BLUEPRINT                                | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| TELEPHONE SERVICE                                | \$ 133            | \$ 137            | \$ 141            | \$ 145            | \$ 150            | \$ 154            | \$ 159            | \$ 164            | \$ 168            | \$ 174            | \$ 179            |
| CELLULAR PHONE SERVICE                           | \$ 400            | \$ 412            | \$ 424            | \$ 437            | \$ 450            | \$ 464            | \$ 478            | \$ 492            | \$ 507            | \$ 522            | \$ 538            |
| OUTSIDE POSTAGE/DELIVERY                         | \$ 200            | \$ 206            | \$ 212            | \$ 219            | \$ 225            | \$ 232            | \$ 239            | \$ 246            | \$ 253            | \$ 261            | \$ 269            |
| LAND/FACIL RENT/LEASE                            | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| EQUIP OPER RENT/LEASE                            | \$ 1,500          | \$ 1,545          | \$ 1,591          | \$ 1,639          | \$ 1,688          | \$ 1,739          | \$ 1,791          | \$ 1,845          | \$ 1,900          | \$ 1,957          | \$ 2,016          |
| FEES/PERMITS REQUIRED                            | \$ 10,000         | \$ 10,300         | \$ 10,609         | \$ 10,927         | \$ 11,255         | \$ 11,593         | \$ 11,941         | \$ 12,299         | \$ 12,668         | \$ 13,048         | \$ 13,439         |
| MEMBERSHIP FEES/DUES                             | \$ 200            | \$ 206            | \$ 212            | \$ 219            | \$ 225            | \$ 232            | \$ 239            | \$ 246            | \$ 253            | \$ 261            | \$ 269            |
| MISC TRAVEL/MEETINGS                             | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| PROF LIC/APPL/FEES                               | \$ 200            | \$ 206            | \$ 212            | \$ 219            | \$ 225            | \$ 232            | \$ 239            | \$ 246            | \$ 253            | \$ 261            | \$ 269            |
| SUBSCRIPTION/PUBLICATION                         | \$ 200            | \$ 206            | \$ 212            | \$ 219            | \$ 225            | \$ 232            | \$ 239            | \$ 246            | \$ 253            | \$ 261            | \$ 269            |
| STAFF DEVELOPMNT/TRAININ                         | \$ 2,000          | \$ 2,060          | \$ 2,122          | \$ 2,185          | \$ 2,251          | \$ 2,319          | \$ 2,388          | \$ 2,460          | \$ 2,534          | \$ 2,610          | \$ 2,688          |
| <b>Total: Wastewater Pretreatment</b>            | <b>\$ 329,896</b> | <b>\$ 340,318</b> | <b>\$ 351,079</b> | <b>\$ 362,192</b> | <b>\$ 373,667</b> | <b>\$ 385,516</b> | <b>\$ 397,753</b> | <b>\$ 410,389</b> | <b>\$ 423,439</b> | <b>\$ 436,916</b> | <b>\$ 450,834</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

| Public Works - Wastewater Operat   | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Industrial Wastewater Pretreatment |      |      |      |      |      |      |      |      |      |      |      |
| M&S: GENERAL OFFICE                | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total: Industrial Wastewater Pretr | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| Public Works - Wastewater Operat      | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       | 2026       | 2027       |
|---------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Wastewater Regulatory Management (5)  |            |            |            |            |            |            |            |            |            |            |            |
| Sewer Fund - Maintenance & Operations |            |            |            |            |            |            |            |            |            |            |            |
| SALARIES/WAGES                        | \$ 231,827 | \$ 238,782 | \$ 245,945 | \$ 253,324 | \$ 260,923 | \$ 268,751 | \$ 276,814 | \$ 285,118 | \$ 293,672 | \$ 302,482 | \$ 311,556 |
| SALARIES/WAGES                        | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| BENEFITS: INSURANCE                   | \$ 3,737   | \$ 3,886   | \$ 4,042   | \$ 4,204   | \$ 4,372   | \$ 4,547   | \$ 4,728   | \$ 4,918   | \$ 5,114   | \$ 5,319   | \$ 5,532   |
| BENEFITS: RETIREMENT                  | \$ 71,044  | \$ 73,886  | \$ 76,841  | \$ 79,915  | \$ 83,111  | \$ 86,436  | \$ 89,893  | \$ 93,489  | \$ 97,229  | \$ 101,118 | \$ 105,162 |
| SALARIES/WAGES                        | \$ 17,052  | \$ 17,564  | \$ 18,090  | \$ 18,633  | \$ 19,192  | \$ 19,768  | \$ 20,361  | \$ 20,972  | \$ 21,601  | \$ 22,249  | \$ 22,916  |
| BENEFITS: INSURANCE                   | \$ 247     | \$ 257     | \$ 267     | \$ 278     | \$ 289     | \$ 301     | \$ 313     | \$ 325     | \$ 338     | \$ 352     | \$ 366     |
| SALARIES/WAGES                        | \$ 300     | \$ 309     | \$ 318     | \$ 328     | \$ 338     | \$ 348     | \$ 358     | \$ 369     | \$ 380     | \$ 391     | \$ 403     |
| ACCRUED COMPTIME 1.5                  | \$ 500     | \$ 515     | \$ 530     | \$ 546     | \$ 563     | \$ 580     | \$ 597     | \$ 615     | \$ 633     | \$ 652     | \$ 672     |
| COMPENSATORY TIME                     | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| LEAVE FUND REPAYMENT                  | \$ 802     | \$ 826     | \$ 851     | \$ 876     | \$ 903     | \$ 930     | \$ 958     | \$ 986     | \$ 1,016   | \$ 1,046   | \$ 1,078   |
| STANDBY PAY                           | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| CALL BACK PAY                         | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| CAFETERIA BENEFITS                    | \$ 46,034  | \$ 47,875  | \$ 49,790  | \$ 51,782  | \$ 53,853  | \$ 56,007  | \$ 58,248  | \$ 60,578  | \$ 63,001  | \$ 65,521  | \$ 68,142  |
| SPECIAL ASSIGNMENT                    | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| LONGEVITY PAY                         | \$ 3,686   | \$ 3,797   | \$ 3,910   | \$ 4,028   | \$ 4,149   | \$ 4,273   | \$ 4,401   | \$ 4,533   | \$ 4,669   | \$ 4,809   | \$ 4,954   |
| CELLULAR PHONE STIPEND                | \$ 312     | \$ 324     | \$ 337     | \$ 351     | \$ 365     | \$ 380     | \$ 395     | \$ 411     | \$ 427     | \$ 444     | \$ 462     |
| RETIREE MEDICAL                       | \$ 56,469  | \$ 58,728  | \$ 61,077  | \$ 63,520  | \$ 66,061  | \$ 68,703  | \$ 71,451  | \$ 74,309  | \$ 77,282  | \$ 80,373  | \$ 83,588  |
| UNEMPLOYMENT                          | \$ 2,207   | \$ 2,295   | \$ 2,387   | \$ 2,483   | \$ 2,582   | \$ 2,685   | \$ 2,793   | \$ 2,904   | \$ 3,020   | \$ 3,141   | \$ 3,267   |
| WORKERS COMPENSATION                  | \$ 11,647  | \$ 12,113  | \$ 12,597  | \$ 13,101  | \$ 13,625  | \$ 14,170  | \$ 14,737  | \$ 15,327  | \$ 15,940  | \$ 16,577  | \$ 17,240  |
| M&S: GENERAL OFFICE                   | \$ 500     | \$ 515     | \$ 530     | \$ 546     | \$ 563     | \$ 580     | \$ 597     | \$ 615     | \$ 633     | \$ 652     | \$ 672     |
| M&S: COMMUNICATIONS                   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| M&S: MECHANICAL/SHOP/BLD              | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| M&S: RECREATION/SPECEVEN              | \$ 500     | \$ 515     | \$ 530     | \$ 546     | \$ 563     | \$ 580     | \$ 597     | \$ 615     | \$ 633     | \$ 652     | \$ 672     |
| ST&E: GENERAL OFFICE                  | \$ 500     | \$ 515     | \$ 530     | \$ 546     | \$ 563     | \$ 580     | \$ 597     | \$ 615     | \$ 633     | \$ 652     | \$ 672     |
| ST&E: COMMUNICATIONS                  | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| STORES                                | \$ 436     | \$ 449     | \$ 463     | \$ 476     | \$ 491     | \$ 505     | \$ 521     | \$ 536     | \$ 552     | \$ 569     | \$ 586     |
| MIS SERVICES                          | \$ 2,748   | \$ 2,830   | \$ 2,915   | \$ 3,003   | \$ 3,093   | \$ 3,186   | \$ 3,281   | \$ 3,380   | \$ 3,481   | \$ 3,586   | \$ 3,693   |
| EQUIP-CITY VEHICLE                    | \$ 2,661   | \$ 2,741   | \$ 2,823   | \$ 2,908   | \$ 2,995   | \$ 3,085   | \$ 3,177   | \$ 3,273   | \$ 3,371   | \$ 3,472   | \$ 3,576   |
| EQUIP-CITY VEHICLE REPL               | \$ 2,432   | \$ 2,505   | \$ 2,580   | \$ 2,658   | \$ 2,737   | \$ 2,819   | \$ 2,904   | \$ 2,991   | \$ 3,081   | \$ 3,173   | \$ 3,268   |
| EQUIP REPLACEMENT - IS                | \$ 255     | \$ 263     | \$ 271     | \$ 279     | \$ 287     | \$ 296     | \$ 304     | \$ 314     | \$ 323     | \$ 333     | \$ 343     |
| EQUIP RPLCMNT-PC HARDWA               | \$ 350     | \$ 361     | \$ 371     | \$ 382     | \$ 394     | \$ 406     | \$ 418     | \$ 430     | \$ 443     | \$ 457     | \$ 470     |
| SOFTWARE REPLACEMENT                  | \$ 136     | \$ 140     | \$ 144     | \$ 149     | \$ 153     | \$ 158     | \$ 162     | \$ 167     | \$ 172     | \$ 177     | \$ 183     |
| TELEPHONE SYS REPLACEME               | \$ 161     | \$ 166     | \$ 171     | \$ 176     | \$ 181     | \$ 187     | \$ 192     | \$ 198     | \$ 204     | \$ 210     | \$ 216     |
| INSURANCE - LIABILITY CHG             | \$ 6,716   | \$ 6,917   | \$ 7,125   | \$ 7,339   | \$ 7,559   | \$ 7,786   | \$ 8,019   | \$ 8,260   | \$ 8,508   | \$ 8,763   | \$ 9,026   |
| LEGAL                                 | \$ 10,000  | \$ 10,300  | \$ 10,609  | \$ 10,927  | \$ 11,255  | \$ 11,593  | \$ 11,941  | \$ 12,299  | \$ 12,668  | \$ 13,048  | \$ 13,439  |
| ADVERTISING                           | \$ 500     | \$ 515     | \$ 530     | \$ 546     | \$ 563     | \$ 580     | \$ 597     | \$ 615     | \$ 633     | \$ 652     | \$ 672     |
| OTHER PROFESSIONAL SVCS               | \$ 50,000  | \$ 51,500  | \$ 53,045  | \$ 54,636  | \$ 56,275  | \$ 57,964  | \$ 59,703  | \$ 61,494  | \$ 63,339  | \$ 65,239  | \$ 67,196  |
| PRINTING & BINDING                    | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| TELEPHONE SERVICE                     | \$ 200     | \$ 206     | \$ 212     | \$ 219     | \$ 225     | \$ 232     | \$ 239     | \$ 246     | \$ 253     | \$ 261     | \$ 269     |
| CELLULAR PHONE SERVICE                | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| OUTSIDE POSTAGE/DELIVERY              | \$ 100     | \$ 103     | \$ 106     | \$ 109     | \$ 113     | \$ 116     | \$ 119     | \$ 123     | \$ 127     | \$ 130     | \$ 134     |
| FEES/PERMITS REQUIRED                 | \$ 70,000  | \$ 72,100  | \$ 74,263  | \$ 76,491  | \$ 78,786  | \$ 81,149  | \$ 83,584  | \$ 86,091  | \$ 88,674  | \$ 91,334  | \$ 94,074  |
| EDUCATION REIMBURSEMENT               | \$ 1,200   | \$ 1,236   | \$ 1,273   | \$ 1,311   | \$ 1,351   | \$ 1,391   | \$ 1,433   | \$ 1,476   | \$ 1,520   | \$ 1,566   | \$ 1,613   |
| MEMBERSHIP FEES/DUES                  | \$ 90,000  | \$ 92,700  | \$ 95,481  | \$ 98,345  | \$ 101,296 | \$ 104,335 | \$ 107,465 | \$ 110,689 | \$ 114,009 | \$ 117,430 | \$ 120,952 |
| MISC TRAVEL/MEETINGS                  | \$ 200     | \$ 206     | \$ 212     | \$ 219     | \$ 225     | \$ 232     | \$ 239     | \$ 246     | \$ 253     | \$ 261     | \$ 269     |
| PROF LIC/APPL/FEES                    | \$ 200     | \$ 206     | \$ 212     | \$ 219     | \$ 225     | \$ 232     | \$ 239     | \$ 246     | \$ 253     | \$ 261     | \$ 269     |
| SUBSCRIPTION/PUBLICATION              | \$ 300     | \$ 309     | \$ 318     | \$ 328     | \$ 338     | \$ 348     | \$ 358     | \$ 369     | \$ 380     | \$ 391     | \$ 403     |
| STAFF DEVELOPMENT/TRAINI              | \$ 4,000   | \$ 4,120   | \$ 4,244   | \$ 4,371   | \$ 4,502   | \$ 4,637   | \$ 4,776   | \$ 4,919   | \$ 5,067   | \$ 5,219   | \$ 5,376   |
| Total: Wastewater Regulatory Man      | \$ 689,959 | \$ 712,575 | \$ 735,946 | \$ 760,097 | \$ 785,057 | \$ 810,851 | \$ 837,509 | \$ 865,060 | \$ 893,534 | \$ 922,964 | \$ 953,381 |

CITY OF DAVIS  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

| Public Works - Wastewater Operat                 | 2017              | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              | 2024              | 2025              | 2026              | 2027              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Laboratory Services</b>                       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Sewer Fund - Maintenance &amp; Operations</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| SALARIES/WAGES                                   | \$ 130,266        | \$ 134,174        | \$ 138,199        | \$ 142,345        | \$ 146,616        | \$ 151,014        | \$ 155,544        | \$ 160,211        | \$ 165,017        | \$ 169,968        | \$ 175,067        |
| BENEFITS:LEAVE TIME                              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| BENEFITS: INSURANCE                              | \$ 1,968          | \$ 2,047          | \$ 2,129          | \$ 2,214          | \$ 2,302          | \$ 2,394          | \$ 2,490          | \$ 2,590          | \$ 2,693          | \$ 2,801          | \$ 2,913          |
| SALARIES/WAGES                                   | \$ 40,016         | \$ 41,216         | \$ 42,453         | \$ 43,727         | \$ 45,038         | \$ 46,390         | \$ 47,781         | \$ 49,215         | \$ 50,691         | \$ 52,212         | \$ 53,778         |
| ACCRUED COMPTIME 1.5                             | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| COMPENSATORY TIME                                | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| LEAVE WITH PAY                                   | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| STANDBY PAY                                      | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| CALL BACK PAY                                    | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| BENEFITS: RETIREMENT                             | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| CAFETERIA BENEFITS                               | \$ 38,579         | \$ 40,122         | \$ 41,727         | \$ 43,396         | \$ 45,132         | \$ 46,937         | \$ 48,815         | \$ 50,767         | \$ 52,798         | \$ 54,910         | \$ 57,106         |
| SPECIAL ASSIGNMENT                               | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| LONGEVITY PAY                                    | \$ 1,597          | \$ 1,645          | \$ 1,694          | \$ 1,745          | \$ 1,797          | \$ 1,851          | \$ 1,907          | \$ 1,964          | \$ 2,023          | \$ 2,084          | \$ 2,146          |
| CELLULAR PHONE STIPEND                           | \$ 39             | \$ 41             | \$ 42             | \$ 44             | \$ 46             | \$ 47             | \$ 49             | \$ 51             | \$ 53             | \$ 56             | \$ 58             |
| RETIREE MEDICAL                                  | \$ 31,730         | \$ 32,999         | \$ 34,319         | \$ 35,692         | \$ 37,120         | \$ 38,604         | \$ 40,149         | \$ 41,755         | \$ 43,425         | \$ 45,162         | \$ 46,968         |
| UNEMPLOYMENT                                     | \$ 1,261          | \$ 1,311          | \$ 1,364          | \$ 1,418          | \$ 1,475          | \$ 1,534          | \$ 1,596          | \$ 1,659          | \$ 1,726          | \$ 1,795          | \$ 1,867          |
| WORKERS COMPENSATION                             | \$ 7,739          | \$ 8,049          | \$ 8,371          | \$ 8,705          | \$ 9,054          | \$ 9,416          | \$ 9,792          | \$ 10,184         | \$ 10,591         | \$ 11,015         | \$ 11,456         |
| M&S: GENERAL OFFICE                              | \$ 1,000          | \$ 1,030          | \$ 1,061          | \$ 1,093          | \$ 1,126          | \$ 1,159          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          |
| M&S: CHEM/PNTS/SOLV/LJBR                         | \$ 15,000         | \$ 15,600         | \$ 16,224         | \$ 16,873         | \$ 17,548         | \$ 18,250         | \$ 18,980         | \$ 19,739         | \$ 20,529         | \$ 21,350         | \$ 22,204         |
| M&S: CLEANING/CUSTODIAL                          | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| M&S: COMMUNICATIONS                              | \$ 2,000          | \$ 2,060          | \$ 2,122          | \$ 2,185          | \$ 2,251          | \$ 2,319          | \$ 2,388          | \$ 2,460          | \$ 2,534          | \$ 2,610          | \$ 2,688          |
| M&S: COMMUNICATIONS                              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| M&S: FOOD SUPPLIES                               | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| M&S: LAB/ENGINEERING                             | \$ 6,000          | \$ 6,180          | \$ 6,365          | \$ 6,556          | \$ 6,753          | \$ 6,956          | \$ 7,164          | \$ 7,379          | \$ 7,601          | \$ 7,829          | \$ 8,063          |
| M&S: PUBLIC SAFETY                               | \$ 600            | \$ 618            | \$ 637            | \$ 656            | \$ 675            | \$ 696            | \$ 716            | \$ 738            | \$ 760            | \$ 783            | \$ 806            |
| ST&E: GENERAL OFFICE                             | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| ST&E: CLEANING/CUSTODIAL                         | \$ 100            | \$ 103            | \$ 106            | \$ 109            | \$ 113            | \$ 116            | \$ 119            | \$ 123            | \$ 127            | \$ 130            | \$ 134            |
| ST&E: COMMUNICATIONS                             | \$ 1,000          | \$ 1,030          | \$ 1,061          | \$ 1,093          | \$ 1,126          | \$ 1,159          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          |
| ST&E: LAB/ENGINEERING                            | \$ 15,000         | \$ 15,450         | \$ 15,914         | \$ 16,391         | \$ 16,883         | \$ 17,389         | \$ 17,911         | \$ 18,448         | \$ 19,002         | \$ 19,572         | \$ 20,159         |
| ST&E: PUBLIC SAFETY                              | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| ST&E: OTHER SM TOOLS/IMPL                        | \$ 1,000          | \$ 1,030          | \$ 1,061          | \$ 1,093          | \$ 1,126          | \$ 1,159          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          |
| BUILDING MAINTENANCE                             | \$ 12,622         | \$ 13,001         | \$ 13,391         | \$ 13,792         | \$ 14,206         | \$ 14,632         | \$ 15,071         | \$ 15,523         | \$ 15,989         | \$ 16,469         | \$ 16,963         |
| INSURANCE - LIABILITY CHG                        | \$ 3,651          | \$ 3,761          | \$ 3,873          | \$ 3,990          | \$ 4,109          | \$ 4,233          | \$ 4,359          | \$ 4,490          | \$ 4,625          | \$ 4,764          | \$ 4,907          |
| M&RS: NON-OFFIC EQUIPMEN                         | \$ 6,000          | \$ 6,180          | \$ 6,365          | \$ 6,556          | \$ 6,753          | \$ 6,956          | \$ 7,164          | \$ 7,379          | \$ 7,601          | \$ 7,829          | \$ 8,063          |
| OTHER PROFESSIONAL SVCS                          | \$ 10,000         | \$ 10,300         | \$ 10,609         | \$ 10,927         | \$ 11,255         | \$ 11,593         | \$ 11,941         | \$ 12,299         | \$ 12,668         | \$ 13,048         | \$ 13,439         |
| MED-LAB EXAM SVS                                 | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| MIS (OUTSIDE SERVICES)                           | \$ 10,000         | \$ 10,300         | \$ 10,609         | \$ 10,927         | \$ 11,255         | \$ 11,593         | \$ 11,941         | \$ 12,299         | \$ 12,668         | \$ 13,048         | \$ 13,439         |
| LAUNDRY SERVICES                                 | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| CELLULAR PHONE SERVICE                           | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| HAZARDOUS WASTE DISPOSAL                         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| OUTSIDE POSTAGE/DELIVERY                         | \$ 2,000          | \$ 2,060          | \$ 2,122          | \$ 2,185          | \$ 2,251          | \$ 2,319          | \$ 2,388          | \$ 2,460          | \$ 2,534          | \$ 2,610          | \$ 2,688          |
| EQUIP OPER RENT/LEASE                            | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| FEES/PERMITS REQUIRED                            | \$ 3,000          | \$ 3,090          | \$ 3,183          | \$ 3,278          | \$ 3,377          | \$ 3,478          | \$ 3,582          | \$ 3,690          | \$ 3,800          | \$ 3,914          | \$ 4,032          |
| MEMBERSHIP FEES/DUES                             | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| PROF LIC/APPL/FEES                               | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| STAFF DEVELOPMNT/TRAININ                         | \$ 4,000          | \$ 4,120          | \$ 4,244          | \$ 4,371          | \$ 4,502          | \$ 4,637          | \$ 4,776          | \$ 4,919          | \$ 5,067          | \$ 5,219          | \$ 5,376          |
| UNIFORM PURCH/RENT/CLEA                          | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| <b>Total: Laboratory Services</b>                | <b>\$ 350,668</b> | <b>\$ 362,151</b> | <b>\$ 374,017</b> | <b>\$ 386,280</b> | <b>\$ 398,952</b> | <b>\$ 412,047</b> | <b>\$ 425,580</b> | <b>\$ 439,566</b> | <b>\$ 454,021</b> | <b>\$ 468,959</b> | <b>\$ 484,399</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

| Public Works - Wastewater Operat                 | 2017              | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              | 2024              | 2025              | 2026              | 2027              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Wetlands Management</b>                       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Sewer Fund - Maintenance &amp; Operations</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| SALARIES/WAGES                                   | \$ 53,707         | \$ 55,318         | \$ 56,978         | \$ 58,687         | \$ 60,448         | \$ 62,261         | \$ 64,129         | \$ 66,053         | \$ 68,034         | \$ 70,075         | \$ 72,178         |
| BENEFITS: LEAVE TIME                             | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| BENEFITS: INSURANCE                              | \$ 795            | \$ 827            | \$ 860            | \$ 894            | \$ 930            | \$ 967            | \$ 1,006          | \$ 1,046          | \$ 1,088          | \$ 1,132          | \$ 1,177          |
| BENEFITS: RETIREMENT                             | \$ 16,569         | \$ 17,232         | \$ 17,921         | \$ 18,638         | \$ 19,383         | \$ 20,159         | \$ 20,965         | \$ 21,804         | \$ 22,676         | \$ 23,583         | \$ 24,526         |
| SALARIES/WAGES                                   | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| ACCRUED COMPTIME 1.5                             | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| LEAVE WITH PAY                                   | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| STANDBY PAY                                      | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| CALL BACK PAY                                    | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| CAFETERIA BENEFITS                               | \$ 13,250         | \$ 13,780         | \$ 14,331         | \$ 14,904         | \$ 15,501         | \$ 16,121         | \$ 16,765         | \$ 17,436         | \$ 18,134         | \$ 18,859         | \$ 19,613         |
| LONGEVITY PAY                                    | \$ 1,290          | \$ 1,329          | \$ 1,369          | \$ 1,410          | \$ 1,452          | \$ 1,495          | \$ 1,540          | \$ 1,587          | \$ 1,634          | \$ 1,683          | \$ 1,734          |
| CELLULAR PHONE STIPEND                           | \$ 39             | \$ 41             | \$ 42             | \$ 44             | \$ 46             | \$ 47             | \$ 49             | \$ 51             | \$ 53             | \$ 56             | \$ 58             |
| RETIREE MEDICAL                                  | \$ 13,082         | \$ 13,605         | \$ 14,149         | \$ 14,715         | \$ 15,304         | \$ 15,916         | \$ 16,553         | \$ 17,215         | \$ 17,904         | \$ 18,620         | \$ 19,365         |
| UNEMPLOYMENT                                     | \$ 520            | \$ 541            | \$ 562            | \$ 585            | \$ 608            | \$ 633            | \$ 658            | \$ 684            | \$ 712            | \$ 740            | \$ 770            |
| WORKERS COMPENSATION                             | \$ 3,195          | \$ 3,323          | \$ 3,456          | \$ 3,594          | \$ 3,738          | \$ 3,887          | \$ 4,043          | \$ 4,204          | \$ 4,373          | \$ 4,547          | \$ 4,729          |
| M&S: GENERAL OFFICE                              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| M&S: CHEM/PNTS/SOLV/LIJB                         | \$ 2,000          | \$ 2,080          | \$ 2,163          | \$ 2,250          | \$ 2,340          | \$ 2,433          | \$ 2,531          | \$ 2,632          | \$ 2,737          | \$ 2,847          | \$ 2,960          |
| M&S: ELECTRICAL/INSTRUMN                         | \$ 2,000          | \$ 2,060          | \$ 2,122          | \$ 2,185          | \$ 2,251          | \$ 2,319          | \$ 2,388          | \$ 2,460          | \$ 2,534          | \$ 2,610          | \$ 2,688          |
| M&S: HORTICULTURE/IRRIGA                         | \$ 1,000          | \$ 1,030          | \$ 1,061          | \$ 1,093          | \$ 1,126          | \$ 1,159          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          |
| M&S: MECHANICAL/SHOP/BLD                         | \$ 2,000          | \$ 2,060          | \$ 2,122          | \$ 2,185          | \$ 2,251          | \$ 2,319          | \$ 2,388          | \$ 2,460          | \$ 2,534          | \$ 2,610          | \$ 2,688          |
| M&S: PUBLIC SAFETY                               | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| ST&E: ELECTRICAL/INSTRUMN                        | \$ 1,000          | \$ 1,030          | \$ 1,061          | \$ 1,093          | \$ 1,126          | \$ 1,159          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          |
| ST&E: HORTICULTURE/IRRIGA                        | \$ 1,000          | \$ 1,030          | \$ 1,061          | \$ 1,093          | \$ 1,126          | \$ 1,159          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          |
| ST&E: MECHANICAL/SHOP/BLD                        | \$ 1,000          | \$ 1,030          | \$ 1,061          | \$ 1,093          | \$ 1,126          | \$ 1,159          | \$ 1,194          | \$ 1,230          | \$ 1,267          | \$ 1,305          | \$ 1,344          |
| ST&E: PUBLIC SAFETY                              | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| ST&E: OTHER SM TOOLS/IMPL                        | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| BUILDING MAINTENANCE                             | \$ 3,156          | \$ 3,251          | \$ 3,348          | \$ 3,449          | \$ 3,552          | \$ 3,659          | \$ 3,768          | \$ 3,881          | \$ 3,998          | \$ 4,118          | \$ 4,241          |
| INSURANCE - LIABILITY CHG                        | \$ 961            | \$ 990            | \$ 1,020          | \$ 1,050          | \$ 1,082          | \$ 1,114          | \$ 1,147          | \$ 1,182          | \$ 1,217          | \$ 1,254          | \$ 1,292          |
| OTHER PROFESSIONAL SVCS                          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| GAS & ELECTRIC                                   | \$ 20,000         | \$ 20,600         | \$ 21,218         | \$ 21,855         | \$ 22,510         | \$ 23,185         | \$ 23,881         | \$ 24,597         | \$ 25,335         | \$ 26,095         | \$ 26,878         |
| CELLULAR PHONE SERVICE                           | \$ 500            | \$ 515            | \$ 530            | \$ 546            | \$ 563            | \$ 580            | \$ 597            | \$ 615            | \$ 633            | \$ 652            | \$ 672            |
| EQUIP OPER RENT/LEASE                            | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| MEMBERSHIP FEES/DUES                             | \$ 300            | \$ 309            | \$ 318            | \$ 328            | \$ 338            | \$ 348            | \$ 358            | \$ 369            | \$ 380            | \$ 391            | \$ 403            |
| MISC TRAVEL/MEETINGS                             | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| SUBSCRIPTION/PUBLICATION                         | \$ 200            | \$ 206            | \$ 212            | \$ 219            | \$ 225            | \$ 232            | \$ 239            | \$ 246            | \$ 253            | \$ 261            | \$ 269            |
| STAFF DEVELOPMNT/TRAININ                         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| <b>Total: Wetlands Management</b>                | <b>\$ 138,564</b> | <b>\$ 143,215</b> | <b>\$ 148,026</b> | <b>\$ 153,002</b> | <b>\$ 158,148</b> | <b>\$ 163,471</b> | <b>\$ 168,977</b> | <b>\$ 174,672</b> | <b>\$ 180,563</b> | <b>\$ 186,656</b> | <b>\$ 192,960</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

| Public Works - Wastewater Operat                            | 2017        | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              | 2024              | 2025                | 2026                | 2027                |
|---|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| <b>New Treatment Plant Expected Additional Future Costs</b> |             |                   |                   |                   |                   |                   |                   |                   |                     |                     |                     |
| <b>Sewer Fund - Maintenance &amp; Operations</b>            |             |                   |                   |                   |                   |                   |                   |                   |                     |                     |                     |
| ELECTRICITY   | \$ -        | \$ 400,000        | \$ 412,000        | \$ 424,360        | \$ 437,091        | \$ 450,204        | \$ 463,710        | \$ 477,621        | \$ 491,950          | \$ 506,708          | \$ 521,909          |
| CHEMICALS   | \$ -        | \$ 200,000        | \$ 208,000        | \$ 216,320        | \$ 224,973        | \$ 233,972        | \$ 243,331        | \$ 253,064        | \$ 263,186          | \$ 273,714          | \$ 284,662          |
| OTHER   | \$ -        | \$ 200,000        | \$ 206,000        | \$ 212,180        | \$ 218,545        | \$ 225,102        | \$ 231,855        | \$ 238,810        | \$ 245,975          | \$ 253,354          | \$ 260,955          |
| <b>Total: New Treatment Plant</b>                           | <b>\$ -</b> | <b>\$ 800,000</b> | <b>\$ 826,000</b> | <b>\$ 852,860</b> | <b>\$ 880,609</b> | <b>\$ 909,277</b> | <b>\$ 938,895</b> | <b>\$ 969,495</b> | <b>\$ 1,001,111</b> | <b>\$ 1,033,776</b> | <b>\$ 1,067,526</b> |

| Public Works - Wastewater Operat                 | 2017              | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              | 2024              | 2025              | 2026              | 2027              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Wastewater Inter-Dept Charges</b>             |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Sewer Fund - Maintenance &amp; Operations</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| OVERHEAD SUPPORT COST                            | \$ 109,183        | \$ 112,458        | \$ 115,832        | \$ 119,307        | \$ 122,886        | \$ 126,573        | \$ 130,370        | \$ 134,281        | \$ 138,310        | \$ 142,459        | \$ 146,733        |
| <b>Sewer Fund - Capital Replacement Reserve</b>  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| OVERHEAD SUPPORT COST                            | \$ 109,183        | \$ 112,458        | \$ 115,832        | \$ 119,307        | \$ 122,886        | \$ 126,573        | \$ 130,370        | \$ 134,281        | \$ 138,310        | \$ 142,459        | \$ 146,733        |
| HUMAN RESOURCES                                  | \$ 310,660        | \$ 319,980        | \$ 329,579        | \$ 339,467        | \$ 349,651        | \$ 360,140        | \$ 370,944        | \$ 382,073        | \$ 393,535        | \$ 405,341        | \$ 417,501        |
| OTHER RESOURCES                                  | \$ 160,908        | \$ 165,735        | \$ 170,707        | \$ 175,829        | \$ 181,103        | \$ 186,536        | \$ 192,133        | \$ 197,897        | \$ 203,833        | \$ 209,948        | \$ 216,247        |
| <b>Total: Wastewater Inter-Dept Char</b>         | <b>\$ 689,934</b> | <b>\$ 710,632</b> | <b>\$ 731,951</b> | <b>\$ 753,910</b> | <b>\$ 776,527</b> | <b>\$ 799,823</b> | <b>\$ 823,817</b> | <b>\$ 848,532</b> | <b>\$ 873,988</b> | <b>\$ 900,207</b> | <b>\$ 927,214</b> |

| Public Works - Wastewater Operat            | 2017              | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              | 2024              | 2025              | 2026              | 2027                |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| <b>Indirect Overhead Costs (1)</b>          |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                     |
| <b>Sewer Fund - Indirect Overhead Costs</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                     |
| CITY MANGER'S OFFICE                        | \$ 3,863          | \$ 3,978          | \$ 4,098          | \$ 4,221          | \$ 4,347          | \$ 4,478          | \$ 4,612          | \$ 4,750          | \$ 4,893          | \$ 5,040          | \$ 5,191            |
| BUDGET/FINANCIAL PLANNING                   | \$ 25,236         | \$ 25,993         | \$ 26,773         | \$ 27,576         | \$ 28,403         | \$ 29,255         | \$ 30,133         | \$ 31,037         | \$ 31,968         | \$ 32,927         | \$ 33,915           |
| FINANCE                                     | \$ 267,641        | \$ 275,671        | \$ 283,941        | \$ 292,459        | \$ 301,233        | \$ 310,270        | \$ 319,578        | \$ 329,165        | \$ 339,040        | \$ 349,211        | \$ 359,688          |
| PLANNING DIVISION                           | \$ 59,662         | \$ 61,452         | \$ 63,295         | \$ 65,194         | \$ 67,150         | \$ 69,164         | \$ 71,239         | \$ 73,376         | \$ 75,578         | \$ 77,845         | \$ 80,180           |
| PARKS DIVISION                              | \$ 54,741         | \$ 56,384         | \$ 58,075         | \$ 59,817         | \$ 61,612         | \$ 63,460         | \$ 65,364         | \$ 67,325         | \$ 69,345         | \$ 71,425         | \$ 73,568           |
| PW - ADMIN                                  | \$ 193,244        | \$ 199,042        | \$ 205,013        | \$ 211,163        | \$ 217,498        | \$ 224,023        | \$ 230,744        | \$ 237,666        | \$ 244,796        | \$ 252,140        | \$ 259,704          |
| PW - TRANSPORTATION                         | \$ 113,959        | \$ 117,378        | \$ 120,899        | \$ 124,526        | \$ 128,262        | \$ 132,110        | \$ 136,073        | \$ 140,155        | \$ 144,360        | \$ 148,691        | \$ 153,152          |
| FLEET AND GENERAL SERVIC                    | \$ 44,063         | \$ 45,385         | \$ 46,747         | \$ 48,149         | \$ 49,594         | \$ 51,082         | \$ 52,614         | \$ 54,192         | \$ 55,818         | \$ 57,493         | \$ 59,218           |
| <b>Total: Indirect Overhead Costs</b>       | <b>\$ 762,410</b> | <b>\$ 785,282</b> | <b>\$ 808,841</b> | <b>\$ 833,106</b> | <b>\$ 858,099</b> | <b>\$ 883,842</b> | <b>\$ 910,358</b> | <b>\$ 937,668</b> | <b>\$ 965,798</b> | <b>\$ 994,772</b> | <b>\$ 1,024,615</b> |

|   |                     |                     |                     |                     |                     |                      |                      |                      |                      |                      |                      |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Grand Total: Public Works Wastewater</b> | <b>\$ 7,853,900</b> | <b>\$ 8,907,027</b> | <b>\$ 9,194,455</b> | <b>\$ 9,491,319</b> | <b>\$ 9,797,937</b> | <b>\$ 10,114,635</b> | <b>\$ 10,441,750</b> | <b>\$ 10,779,632</b> | <b>\$ 11,128,641</b> | <b>\$ 11,489,151</b> | <b>\$ 11,861,548</b> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|

FORECASTING ASSUMPTIONS:

| ECONOMIC VARIABLES               | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  | 2026  | 2027  |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1 Customer Growth (6)            | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| 2 General Cost Inflation         | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3 Salaries Cost Inflation        | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 4 Benefits Cost Inflation        | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| 5 Electricity Cost Inflation (7) | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 6 Chemicals Cost Inflation       | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| 7 No Escalation                  | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

- Revenues reported per City Staff, revised data sent via email 10/14/2016. FY 2015/16 revenues are actuals; FY 2016/17 revenues are from the approved budget.
- Per City staff, Maintenance Fees for El Macero and North Davis Meadows are consumption based service fees (email 07/16/2015).
- Investment earnings were reported with data in (1). For all future years, they are calculated in the financial plan section of this model based on projected cash balances.
- Data source for expenses for FY 2015/16 and FY 2016/17 is from file: *Division 73 FY16-17 Budgets.xls*, provided by City staff (September 2016). Additional data source includes Division 7745 2016/17 Budget, provided by staff C. Inflationary factors are applied to project revenue and expenses in all future years.
- Formerly *Utility Reserve Management - Wastewater* is described as follows by City staff: "In essence 7320 is the program used for all efforts associated with either regulatory actions related to wastewater or NPDES permitting efforts including permitting fees, costs associated with compliance reporting, and memberships in multiple outside organizations advocating for appropriate regulation of wastewater facilities. Labor costs are associated with administrative support of the program, both at City Hall and within the Department. The majority (~90%) of material costs are associated with either membership fees for outside organizations, annual NPDES permit fees, or professional services (legal or technical) related to either current or future permitting issues." and "the majority of labor costs are within the Department's Financial Plan." (email 07/16/2015).
- Customer growth is set at 0.50% per staff recommendations; growth rates are the same as used for the Water utility (email 07/16/2015).
- Escalation in power costs is set at 3.00% per staff recommendations; the City of Davis has guaranteed non-escalating power costs for a significant portion of electricity used due to a solar project (email 07/16/2015).

CAPITAL FUNDING SUMMARY

| CAPITAL FUNDING FORECAST                              | Budget               |                      | Projected           |                      |                     |                     |                     |                     |                     |                     |                     |
|---|----------------------|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | FY 2015/16           | FY 2016/17           | FY 2017/18          | FY 2018/19           | FY 2019/20          | FY 2020/21          | FY 2021/22          | FY 2022/23          | FY 2023/24          | FY 2024/25          | FY 2025/26          |
| <b>Funding Sources:</b>                               |                      |                      |                     |                      |                     |                     |                     |                     |                     |                     |                     |
| Use of Capacity Fee Reserves                          | \$ -                 | \$ -                 | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Use of New SRF Loan Funding                           | -                    | -                    | -                   | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Use of New Revenue Bond Proceeds                      | -                    | -                    | -                   | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Use of Current SRF Loan Funding (1)                   | 20,020,335           | 28,483,126           | -                   | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Use of Capital R&R Reserves for new WWTP              | 283,857              | -                    | -                   | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Use of Capital R&R Reserves for all other planned CIP | 361,000              | 110,751              | 1,960,630           | 6,221,914            | 2,520,387           | 268,124             | 575,509             | 902,936             | 1,253,523           | 1,679,537           | 2,129,019           |
| Use of Rate Revenue                                   | 3,695,808            | 7,193,292            | 4,173,020           | 4,025,892            | 3,817,429           | 3,614,882           | 3,423,986           | 3,216,544           | 2,989,542           | 2,690,820           | 2,372,449           |
| <b>Total Sources of Capital Funds</b>                 | <b>\$ 24,361,000</b> | <b>\$ 35,787,169</b> | <b>\$ 6,133,650</b> | <b>\$ 10,247,806</b> | <b>\$ 6,337,817</b> | <b>\$ 3,883,005</b> | <b>\$ 3,999,496</b> | <b>\$ 4,119,480</b> | <b>\$ 4,243,065</b> | <b>\$ 4,370,357</b> | <b>\$ 4,501,467</b> |
| <b>Uses of Capital Funds:</b>                         |                      |                      |                     |                      |                     |                     |                     |                     |                     |                     |                     |
| Total Project Costs                                   | \$ 24,361,000        | \$ 35,787,169        | \$ 6,133,650        | \$ 10,247,806        | \$ 6,337,817        | \$ 3,883,005        | \$ 3,999,496        | \$ 4,119,480        | \$ 4,243,065        | \$ 4,370,357        | \$ 4,501,467        |
| <b>Capital Funding Surplus (Deficiency)</b>           | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>New SRF Loan Funding</b>                           | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>New Revenue Bond Proceeds</b>                      | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |

| Capital Improvement Program Funding | 2016          | 2017          | 2018         | 2019          | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         | 2026         |
|-------------------------------------|---------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Effective Annual Funding Amount     | \$ 24,361,000 | \$ 35,787,169 | \$ 6,133,650 | \$ 10,247,806 | \$ 6,337,817 | \$ 3,883,005 | \$ 3,999,496 | \$ 4,119,480 | \$ 4,243,065 | \$ 4,370,357 | \$ 4,501,467 |

| New WWTP Project (CIP #8219) | FY 2015/16           | FY 2016/17           | FY 2017/18          | FY 2018/19          | FY 2019/20  | FY 2020/21  | TOTAL                |
|------------------------------|----------------------|----------------------|---------------------|---------------------|-------------|-------------|----------------------|
| Reserve/Other Funds          | \$ 3,979,665         | \$ 4,872,043         | \$ 1,000,000        | \$ 1,000,000        | \$ -        | \$ -        | \$ 10,851,708        |
| SRF Funds                    | \$ 20,020,335        | \$ 28,483,126        | \$ -                | \$ -                | \$ -        | \$ -        | \$ 48,503,461        |
| <b>Total</b>                 | <b>\$ 24,000,000</b> | <b>\$ 33,355,169</b> | <b>\$ 1,000,000</b> | <b>\$ 1,000,000</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 59,355,169</b> |

Current SRF Funding data provided by City staff, via email, September 2016.

Total Included in this Analysis: \$ 59,355,169

Spent in FY 2014/15: \$ 18,742,447

Total: \$ 78,097,616



CITY OF DAVIS  
SEWER RATE STUDY  
Capital Improvement Plan Expenditures

EXHIBIT 2

CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program Costs (in Current-Year Dollars) (2):

| Project Description                                    | 2016                 | 2017                 | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                |
|--|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Wastewater CIP</b>                                  |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| CIP WWTP Pipe Gallery                                  | \$ -                 | \$ 30,000            | \$ 250,000          | \$ 500,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP 8275 Sewer Lift Stations                           | \$ 315,000           | \$ 650,000           | \$ 2,370,000        | \$ 2,370,000        | \$ 2,850,000        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP 8231 Annual Sewer Project                          | \$ -                 | \$ 250,000           | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          |
| CIP New Potable Water for WWTP                         | \$ -                 | \$ 67,000            | \$ 250,000          | \$ 750,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP Overland Flow Possibilities                        | \$ -                 | \$ 50,000            | \$ 50,000           | \$ 200,000          | \$ 750,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP Recycle Water / Reuse                              | \$ -                 | \$ 50,000            | \$ 50,000           | \$ 200,000          | \$ 750,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP Fiber Optic Cable from City                        | \$ -                 | \$ -                 | \$ 280,000          | \$ 3,114,540        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP 8166 Sanitary Sewer Line Rehabilitation            | \$ 46,000            | \$ 1,000,000         | \$ 1,000,000        | \$ 1,000,000        | \$ 1,000,000        | \$ 1,000,000        | \$ 1,000,000        | \$ 1,000,000        | \$ 1,000,000        | \$ 1,000,000        | \$ 1,000,000        |
| CIP Lateral Replacements                               | \$ -                 | \$ 200,000           | \$ 200,000          | \$ 200,000          | \$ 200,000          | \$ 200,000          | \$ 200,000          | \$ 200,000          | \$ 200,000          | \$ 200,000          | \$ 200,000          |
| CIP 8219 WWTP (3)                                      | \$ 24,000,000        | \$ 33,355,169        | \$ 1,000,000        | \$ 1,000,000        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Wastewater One Time Expenses</b>                    |                      |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| O&M for desig Chlorine Building Rehab                  | \$ -                 | \$ -                 | \$ 25,000           | \$ 75,000           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| O&M Vac Con Dump Station                               | \$ -                 | \$ -                 | \$ 30,000           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| O&M Rehab of Influent Wet Well                         | \$ -                 | \$ 75,000            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| O&M Evaluate Co-Gen                                    | \$ -                 | \$ 60,000            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| O&M Decommission overland flow treatment               | \$ -                 | \$ -                 | \$ 200,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| O&M Future Wastewater CIP Expenditures (4)             | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ 2,000,000        | \$ 2,000,000        | \$ 2,000,000        | \$ 2,000,000        | \$ 2,000,000        | \$ 2,000,000        |
| <b>Total: CIP Program Costs (Current-Year Dollars)</b> | <b>\$ 24,361,000</b> | <b>\$ 35,787,169</b> | <b>\$ 5,955,000</b> | <b>\$ 9,659,540</b> | <b>\$ 5,800,000</b> | <b>\$ 3,450,000</b> | <b>\$ 3,450,000</b> | <b>\$ 3,450,000</b> | <b>\$ 3,450,000</b> | <b>\$ 3,450,000</b> | <b>\$ 3,450,000</b> |

Capital Improvement Program Costs (in Future-Year Dollars) (5):

| Project Description                                      | 2016                 | 2017                 | 2018                | 2019                 | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                |
|--|----------------------|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Wastewater CIP</b>                                    |                      |                      |                     |                      |                     |                     |                     |                     |                     |                     |                     |
| CIP WWTP Pipe Gallery                                    | \$ -                 | \$ 30,000            | \$ 257,500          | \$ 530,450           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP 8275 Sewer Lift Stations                             | \$ 315,000           | \$ 650,000           | \$ 2,441,100        | \$ 2,514,333         | \$ 3,114,272        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP 8231 Annual Sewer Project                            | \$ -                 | \$ 250,000           | \$ 257,500          | \$ 265,225           | \$ 273,182          | \$ 281,377          | \$ 289,819          | \$ 298,513          | \$ 307,468          | \$ 316,693          | \$ 326,193          |
| CIP New Potable Water for WWTP                           | \$ -                 | \$ 67,000            | \$ 257,500          | \$ 795,675           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP Overland Flow Possibilities                          | \$ -                 | \$ 50,000            | \$ 51,500           | \$ 212,180           | \$ 819,545          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP Recycle Water / Reuse                                | \$ -                 | \$ 50,000            | \$ 51,500           | \$ 212,180           | \$ 819,545          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP Fiber Optic Cable from City                          | \$ -                 | \$ -                 | \$ 288,400          | \$ 3,304,215         | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| CIP 8166 Sanitary Sewer Line Rehabilitation              | \$ 46,000            | \$ 1,000,000         | \$ 1,030,000        | \$ 1,060,900         | \$ 1,092,727        | \$ 1,125,509        | \$ 1,159,274        | \$ 1,194,052        | \$ 1,229,874        | \$ 1,266,770        | \$ 1,304,773        |
| CIP Lateral Replacements                                 | \$ -                 | \$ 200,000           | \$ 206,000          | \$ 212,180           | \$ 218,545          | \$ 225,102          | \$ 231,855          | \$ 238,810          | \$ 245,975          | \$ 253,354          | \$ 260,955          |
| CIP 8219 WWTP (3)  | \$ 24,000,000        | \$ 33,355,169        | \$ 1,030,000        | \$ 1,060,900         | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Wastewater One Time Expenses</b>                      |                      |                      |                     |                      |                     |                     |                     |                     |                     |                     |                     |
| O&M for des Chlorine Building Rehab                      | \$ -                 | \$ -                 | \$ 25,750           | \$ 79,568            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| O&M Vac Con Dump Station                                 | \$ -                 | \$ -                 | \$ 30,900           | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| O&M Rehab of Influent Wet Well                           | \$ -                 | \$ 75,000            | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| O&M Evaluate Co-Gen                                      | \$ -                 | \$ 60,000            | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| O&M Decommission overland flow treatment                 | \$ -                 | \$ -                 | \$ 206,000          | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| -- Future Wastewater CIP Expenditures (4)                | \$ -                 | \$ -                 | \$ -                | \$ -                 | \$ -                | \$ 2,251,018        | \$ 2,318,548        | \$ 2,388,105        | \$ 2,459,748        | \$ 2,533,540        | \$ 2,609,546        |
| <b>Total: Capital Improvement Program Costs (Future)</b> | <b>\$ 24,361,000</b> | <b>\$ 35,787,169</b> | <b>\$ 6,133,650</b> | <b>\$ 10,247,806</b> | <b>\$ 6,337,817</b> | <b>\$ 3,883,005</b> | <b>\$ 3,999,496</b> | <b>\$ 4,119,480</b> | <b>\$ 4,243,065</b> | <b>\$ 4,370,357</b> | <b>\$ 4,501,467</b> |

FORECASTING ASSUMPTIONS:

| Economic Variables  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  | 2026  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Annual Construction Cost Inflation, Per Engineering News Record | 0.00% | 0.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Cumulative Construction Cost Multiplier from 2016               | 1.00  | 1.00  | 1.03  | 1.06  | 1.09  | 1.13  | 1.16  | 1.19  | 1.23  | 1.27  | 1.30  |

- (1) State Water Resource Control Board Installment Sales Agreement was issued December 16, 2014 for \$81,057,000. It is assumed that a portion of the loan funds were spent in FY 2014/15 for project costs not included in this analysis. See Exhibit 3.
- (2) Fiscal Year 2015/16 - 2020/21 capital project cost data was provided by City Staff on June 20, 2016 (file: sewer CIP 06172016.xlsx), and revised for FY 2021/22 through FY 2026/27 via client email (09/07/2016, re: Capital Improvement Program).
- (3) Project #8219 costs for the Wastewater Treatment Plant are represented based on the cash flow worksheet provided by City staff, and not the annual CIP budget (emailed 07/16/2015). This analysis assumes approximately \$18.7 million was spent in FY 2014/15.
- (4) Future year CIP expenditures are set to \$2 million through FY 2025/26.
- (5) Project costs are inflated by 3.0% per year, based on Engineering News Record estimates of construction cost inflation.
- (6) For reference purposes, the annual Construction Cost Inflation percentage is the 10 year average change in the Construction Cost Index for 2005-2015. Source: Engineering News Record website (<http://enr.construction.com>).

| EXISTING DEBT OBLIGATIONS                                | Budget     |            | Projected  |            |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|  | FY 2015/16 | FY 2016/17 | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 |
| Annual Repayment Schedules:                              |            |            |            |            |            |            |            |            |            |            |
| <b>Grand Total: Existing Annual Debt Service</b>         | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| <b>Grand Total: Existing Annual Coverage Requirement</b> | 0%         | 0%         | 0%         | 0%         | 0%         | 0%         | 0%         | 0%         | 0%         | 0%         |
| <b>Grand Total: Existing Debt Reserve Target</b>         | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |

FUTURE DEBT FINANCING ASSUMPTIONS:

| Long-Term Debt Terms                      | State Revolving Fund Loan | Revenue Bonds |
|---|---------------------------|---------------|
| Issuance Cost                             | 0.00%                     | 2.00%         |
| Annual Interest Cost (%)                  | 1.50%                     | 5.00%         |
| Term                                      | 30                        | 30            |
| Debt Reserve Funded?                      | Yes                       | Yes           |
| Coverage Requirement (% above annual pmt) | 20%                       | 25%           |

**TOTAL New SRF Funding**  
**\$ 48,503,461**

FUTURE DEBT OBLIGATIONS:

| Annual Repayment Schedules                             | 2016 | 2017 | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
|--|------|------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>SRF Loan Funding (1)</b>                            |      |      |              |              |              |              |              |              |              |              |
| Principal Payment                                      | \$ - | \$ - | \$ 1,348,232 | \$ 1,368,456 | \$ 1,388,982 | \$ 1,409,817 | \$ 1,430,964 | \$ 1,452,429 | \$ 1,474,215 | \$ 1,496,329 |
| Interest Payment                                       | -    | -    | 759,163      | 738,939      | 718,413      | 697,578      | 676,431      | 654,966      | 633,180      | 611,066      |
| <b>Subtotal: Annual Debt Service</b>                   | \$ - | \$ - | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 |
| <b>Revenue Bonds</b>                                   |      |      |              |              |              |              |              |              |              |              |
| Principal Payment                                      | \$ - | \$ - | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Interest Payment                                       | -    | -    | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Subtotal: Annual Debt Service</b>                   | \$ - | \$ - | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Grand Total: Future Annual Debt Service</b>         | \$ - | \$ - | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 |
| <b>Grand Total: Future Annual Coverage Requirement</b> | \$ - | \$ - | \$ 421,479   | \$ 421,479   | \$ 421,479   | \$ 421,479   | \$ 421,479   | \$ 421,479   | \$ 421,479   | \$ 421,479   |
| <b>Grand Total: Future Debt Reserve Target</b>         | \$ - | \$ - | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 |

TOTAL DEBT SERVICE:

| Annual Obligations          | 2016 | 2017 | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
|-----------------------------|------|------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Annual Debt Service         | \$ - | \$ - | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 |
| Annual Coverage Requirement | 0    | 0    | 421,479      | 421,479      | 421,479      | 421,479      | 421,479      | 421,479      | 421,479      | 421,479      |
| Total Debt Reserve Target   | \$ - | \$ - | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 | \$ 2,107,395 |

(1) State Water Resource Control Board Installment Sales Agreement, has an assumed coverage requirement of 0% and reserve requirement of the lesser of (i) ten percent of the aggregate principal debt service amount, (ii) the maximum annual debt service amount, or (iii) 125 percent the average annual debt service. A restricted reserve fund equal to one years debt service must be established prior to completion date of project. File: 8010-110 Executed ISA\_4-8-15.pdf, pg 20 and D-1.

CITY OF DAVIS  
SEWER RATE STUDY  
Debt Service

| EXISTING DEBT RECEIVABLES<br>Annual Payment Schedule:                                    | Budget      | Projected           |             |             |             |             |             |             |             |             |
|--|-------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | FY 2015/16  | FY 2016/17          | FY 2017/18  | FY 2018/19  | FY 2019/20  | FY 2020/21  | FY 2021/22  | FY 2022/23  | FY 2023/24  | FY 2024/25  |
| Interfund loan from Sewer fund to Water fund, \$5,000,000 (Fund 532 to Fund 512/513) (1) |             |                     |             |             |             |             |             |             |             |             |
| Principal Payment  | \$0         | \$5,000,000         | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Interest Payment   | \$ -        | \$ 50,125           | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| <b>Subtotal: Annual Debt Service</b>   | <b>\$ -</b> | <b>\$ 5,050,125</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> |
| Coverage Requirement (% above annual payment)  | 0%          | 0%                  | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          |
| Reserve Requirement (total fund balance) (1)   | \$ -        | \$ -                | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |

(1) Loan amount, termination date and annual interest from staff email. Source file: Client data revision email 9.30.15, 10:40am.pdf

**CITY OF DAVIS**  
**SEWER RATE STUDY**  
**Debt Service**

**New SRF Loan (\$48,503,461.00)**

| <b>Payment</b> | <b>Fiscal Year</b> | <b>Annual Payment</b> | <b>Additional Payments from Reserve Funds</b> | <b>Net Annual Payment</b> |
|----------------|--------------------|-----------------------|---|---------------------------|
| 1              | 2018               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 2              | 2019               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 3              | 2020               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 4              | 2021               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 5              | 2022               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 6              | 2023               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 7              | 2024               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 8              | 2025               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 9              | 2026               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 10             | 2027               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 11             | 2028               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 12             | 2029               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 13             | 2030               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 14             | 2031               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 15             | 2032               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 16             | 2033               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 17             | 2034               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 18             | 2035               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 19             | 2036               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 20             | 2037               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 21             | 2038               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 22             | 2039               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 23             | 2040               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 24             | 2041               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 25             | 2042               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 26             | 2043               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 27             | 2044               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 28             | 2045               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 29             | 2046               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| 30             | 2047               | \$ 2,107,395          | \$ -  | \$ 2,107,395              |
| <b>TOTAL</b>   |                    | <b>\$ 63,221,849</b>  | <b>\$ -</b>                                   | <b>\$ 63,221,849</b>      |

CITY OF DAVIS  
SEWER RATE STUDY  
Sewer Rates Under Existing Rate Schedule

EXHIBIT 4

| SEWER RATES - EXISTING RATE STRUCTURE |                                    |                                     | Current Rates (FY 2015/16)     |  |                           | Monthly Cap<br>(ccf) | Class Code | Parcel Land<br>Use |
|---------------------------------------|------------------------------------|-------------------------------------|--------------------------------|--|---------------------------|----------------------|------------|--------------------|
| Land Use                              | Type                               | Class                               | Monthly<br>Rate<br>(cost/unit) | Monthly<br>Base Rate<br>(cost/account) | Volume Rate<br>(cost/ccf) |                      |            |                    |
| Residential                           | Single Family                      | Dwelling Units                      | \$19.47                        | \$2.82                                 | \$3.02                    | 24                   | SF         | 100                |
| Residential                           | Condominium                        | Dwelling Units                      | \$14.82                        | \$2.82                                 | \$3.02                    | 19                   | M1         | 150                |
| Residential                           | Duplex                             | Dwelling Units                      | \$14.82                        | \$2.82                                 | \$3.02                    | 36                   | M2         | 200                |
| Residential                           | 3 Units                            | Dwelling Units                      | \$16.97                        | \$2.82                                 | \$3.02                    | 56                   | M3         | 300                |
| Residential                           | 4 Units                            | Dwelling Units                      | \$16.82                        | \$2.82                                 | \$3.02                    | 76                   | M4         | 400                |
| Residential                           | 5-10 Units                         | Dwelling Units                      | \$11.30                        | \$2.82                                 | \$3.02                    | 19 ccf/unit          | M5         | 500                |
| Residential                           | 11-19 Units                        | Dwelling Units                      | \$11.30                        | \$2.82                                 | \$3.02                    | 19 ccf/unit          | M5         | 600                |
| Residential                           | 20-49 Units                        | Dwelling Units                      | \$11.30                        | \$2.82                                 | \$3.02                    | 19 ccf/unit          | M5         | 700                |
| Residential                           | 50 or More Units                   | Dwelling Units                      | \$11.30                        | \$2.82                                 | \$3.02                    | 19 ccf/unit          | M5         | 800                |
| Residential                           | Mobile Home                        | Spaces plus other Dwelling Units    | \$11.52                        | \$2.82                                 | \$3.02                    | 19 ccf/unit          | MH         | 900                |
| Institutional                         | Churches                           | C3                                  | --                             | \$2.82                                 | \$5.34                    | --                   | CH         | 1,000              |
| Schools                               | DJUSD Schools                      | C3                                  | --                             | \$2.82                                 | \$5.34                    | --                   | CO         | 1,200              |
| Schools                               | Private Day Care                   | C3                                  | --                             | \$2.82                                 | \$5.34                    | --                   | SC         | 1,210              |
| Schools                               | Group Living                       | Conditional Use Permit occpts / 5** | --                             | N/A                                    | **                        | --                   | *          | 1,300              |
| Other                                 | Commercial                         | See classification table below      | --                             | \$2.82                                 | See table below           | --                   | CO         | 2,000              |
| Other                                 | Industrial                         | See classification table below      | --                             | \$2.82                                 | See table below           | --                   | IN         | 3,000              |
| Other                                 | Open Space                         | N/A                                 | --                             | N/A                                    | N/A                       | --                   | VP         | 4,600              |
| Other                                 | Open Space (Condo) With Building   | C3***                               | --                             | \$2.82                                 | \$5.34                    | --                   | VP         | 4,650              |
| Other                                 | Irrigation                         | N/A                                 | --                             | N/A                                    | N/A                       | --                   | VP         | 4,800              |
| Other                                 | Open Space(Condo) Without Building | C3***                               | --                             | \$2.82                                 | \$5.34                    | --                   | VP         | 4,850              |
| Other                                 | Agriculture                        | N/A                                 | --                             | N/A                                    | N/A                       | --                   | AG         | 5,200              |
| Public Use                            | City                               | N/A                                 | --                             | N/A                                    | N/A                       | --                   | PK         | 7,100              |
| Public Use                            | State Dept. of Forestry            | N/A                                 | --                             | N/A                                    | N/A                       | --                   | VP         | 7,420              |

**CITY OF DAVIS  
SEWER RATE STUDY  
Sewer Rates Under Existing Rate Schedule**

**EXHIBIT 4**

| User Class | Business Type                | Volume Rate (cost/ccf) |
|------------|------------------------------|------------------------|
| C-1        | Office                       | \$5.34                 |
| C-1        | Retail                       | \$5.34                 |
| C-1        | Motels                       | \$5.34                 |
| C-1        | Video                        | \$5.34                 |
| C-1        | Arcades                      | \$5.34                 |
| C-2        | Laundries                    | \$5.41                 |
| C-2        | Dry Cleaning                 | \$5.41                 |
| C-3        | Barbers/Beauty Shop          | \$5.34                 |
| C-3        | Churches                     | \$5.34                 |
| C-3        | Schools                      | \$5.34                 |
| C-3        | Daycare                      | \$5.34                 |
| C-3        | Printers                     | \$5.34                 |
| C-3        | News Publishers              | \$5.34                 |
| C-3        | Medical                      | \$5.34                 |
| C-3        | Dental                       | \$5.34                 |
| C-3        | Misc. Repair                 | \$5.34                 |
| C-3        | Manufacturing                | \$5.34                 |
| C-3        | Utility Companies            | \$5.34                 |
| C-3        | Nurseries                    | \$5.34                 |
| C-3        | Lumber/Hardware              | \$5.34                 |
| C-3        | Paint/Clay                   | \$5.34                 |
| C-3        | Storage                      | \$5.34                 |
| C-3        | Nursery Schools              | \$5.34                 |
| C-3        | Vet/Animal Care              | \$5.34                 |
| C-3        | Theatres                     | \$5.34                 |
| C-3        | Lodges (w/o food)            | \$5.34                 |
| C-4        | Convalescent Hospital        | \$5.58                 |
| C-5        | Auto Repair Shops            | \$5.69                 |
| C-5        | Service Stations             | \$5.69                 |
| C-5        | Auto Dealers                 | \$5.69                 |
| C-5        | Car Wash                     | \$5.69                 |
| C-5        | Mechanical Repairs (Gas Eng) | \$5.69                 |
| C-6        | Restaurants                  | \$7.62                 |
| C-6        | Fast Food Service            | \$7.62                 |
| C-7        | Industrial                   | \$5.72                 |

| User Class | Business Type              | Volume Rate (cost/ccf) |
|------------|----------------------------|------------------------|
| C-1        |                            | \$5.34                 |
| C-2        |                            | \$5.41                 |
| C-3        |                            | \$5.34                 |
| C-4        | Varies -<br>see full list. | \$5.58                 |
| C-5        |                            | \$5.69                 |
| C-6        |                            | \$7.62                 |
| C-7        |                            | \$5.72                 |

\* Choose the appropriate rate: M2, M3, M4 or M5

\*\* Example Conditional use permit allows 12 occupants 12/5 = 2.4 round up to 3 dwelling units.

\*\*\* If building e.g. pool house with cooking facilities or restrooms

Winter Water Usage (WWU) is determined by water consumption (volume) based on monthly meter reads (November - February usage).

1 acre = 43,560 Square Feet

748 Gallons = 1 CCF

**Water quality component.** In addition to the above sewer charges, a water quality component will be charged to all parcels (per square foot basis up to one hundred thousand square feet) according to the following:

- (1) Single-family and duplex residential parcels and mobile home parks: \$0.0000529 per parcel square foot per month.
- (2) Multifamily dwellings having more than two dwelling units and group dwelling facilities: \$0.00006818 per parcel square foot per month.
- (3) Schools, churches, day care facilities, open space parcels and department of forestry: \$0.0000271 per parcel square foot per month.
- (4) Commercials and industrial parcels: \$0.00009465 per parcel square foot per month.

**Rates for premises outside the city.**

- (1) The rates to be charged for city sanitary sewer furnished to individual premises outside the city shall be the same as those established for premises within the city, plus a surcharge of twenty percent.
- (2) In those cases where, by special agreement with the county, service is provided to areas outside the city through systems within a county service area, the rates to be charged shall be the same as city customers or as per agreements. (Ord. 2403 § 1, 2013)

Source: Davis Municipal Code (33.04.050 Schedule of charges.)

CITY OF DAVIS  
SEWER RATE STUDY  
Cost of Service Analysis

| Classification of Expenses                          |                            |                   |                   |                   |                   |                         |            |            |            |
|---|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|------------|------------|------------|
| Budget Categories                                   | Total Revenue Requirements | Flow              | Strength          |                   | Customer          | Basis of Classification |            |            |            |
|   | FY 2017/18                 | (VOL)             | (BOD)             | (TSS)             | (CA)              | (VOL)                   | (BOD)      | (TSS)      | (CA)       |
| <b>Public Works - Wastewater Operations</b>         |                            |                   |                   |                   |                   |                         |            |            |            |
| <b>Wastewater Collection-Pump Station</b>           |                            |                   |                   |                   |                   |                         |            |            |            |
| <b>Sewer Fund - Maintenance &amp; Operations</b>    |                            |                   |                   |                   |                   |                         |            |            |            |
| 490.01-01 SALARIES/WAGES                            | \$ 502,344                 | \$ 301,407        | \$ 75,352         | \$ 75,352         | \$ 50,234         | 60%                     | 15%        | 15%        | 10%        |
| 490.01-02 BENEFITS:LEAVE TIME                       | \$ -                       | \$ -              | \$ -              | \$ -              | \$ -              | 60%                     | 15%        | 15%        | 10%        |
| 490.01-03 BENEFITS: INSURANCE                       | \$ 6,395                   | \$ 3,837          | \$ 959            | \$ 959            | \$ 639            | 60%                     | 15%        | 15%        | 10%        |
| 490.01-04 BENEFITS: RETIREMENT                      | \$ 155,079                 | \$ 93,047         | \$ 23,262         | \$ 23,262         | \$ 15,508         | 60%                     | 15%        | 15%        | 10%        |
| 490.04-01 SALARIES/WAGES                            | \$ 40,845                  | \$ 24,507         | \$ 6,127          | \$ 6,127          | \$ 4,084          | 60%                     | 15%        | 15%        | 10%        |
| 490.04-02 BENEFITS:LEAVE TIME                       | \$ -                       | \$ -              | \$ -              | \$ -              | \$ -              | 60%                     | 15%        | 15%        | 10%        |
| 490.04-03 BENEFITS: INSURANCE                       | \$ 598                     | \$ 359            | \$ 90             | \$ 90             | \$ 60             | 60%                     | 15%        | 15%        | 10%        |
| 490.04-04 BENEFITS: RETIREMENT                      | \$ -                       | \$ -              | \$ -              | \$ -              | \$ -              | 60%                     | 15%        | 15%        | 10%        |
| 490.05-01 SALARIES/WAGES                            | \$ 20,839                  | \$ 12,503         | \$ 3,126          | \$ 3,126          | \$ 2,084          | 60%                     | 15%        | 15%        | 10%        |
| 490.05-02 ACCRUED COMPTIME 1.0                      | \$ 515                     | \$ 309            | \$ 77             | \$ 77             | \$ 52             | 60%                     | 15%        | 15%        | 10%        |
| 490.05-03 ACCRUED COMPTIME 1.5                      | \$ 2,060                   | \$ 1,236          | \$ 309            | \$ 309            | \$ 206            | 60%                     | 15%        | 15%        | 10%        |
| 490.10-13 COMPENSATORY TIME                         | \$ -                       | \$ -              | \$ -              | \$ -              | \$ -              | 60%                     | 15%        | 15%        | 10%        |
| 490.10-30 OTHER PAY                                 | \$ -                       | \$ -              | \$ -              | \$ -              | \$ -              | 60%                     | 15%        | 15%        | 10%        |
| 490.10-40 LEAVE FUND REPAYMENT                      | \$ 5,921                   | \$ 3,553          | \$ 888            | \$ 888            | \$ 592            | 60%                     | 15%        | 15%        | 10%        |
| 490.11-12 STANDBY PAY                               | \$ 14,420                  | \$ 8,652          | \$ 2,163          | \$ 2,163          | \$ 1,442          | 60%                     | 15%        | 15%        | 10%        |
| 490.11-13 CALL BACK PAY                             | \$ 2,193                   | \$ 1,316          | \$ 329            | \$ 329            | \$ 219            | 60%                     | 15%        | 15%        | 10%        |
| 490.12-01 CAFETERIA BENEFITS                        | \$ 145,234                 | \$ 87,140         | \$ 21,785         | \$ 21,785         | \$ 14,523         | 60%                     | 15%        | 15%        | 10%        |
| 490.12-08 SPECIAL ASSIGNMENT                        | \$ -                       | \$ -              | \$ -              | \$ -              | \$ -              | 60%                     | 15%        | 15%        | 10%        |
| 490.12-15 LONGEVITY PAY                             | \$ 10,823                  | \$ 6,494          | \$ 1,623          | \$ 1,623          | \$ 1,082          | 60%                     | 15%        | 15%        | 10%        |
| 490.12-17 CELLULAR PHONE STIPEND                    | \$ 201                     | \$ 121            | \$ 30             | \$ 30             | \$ 20             | 60%                     | 15%        | 15%        | 10%        |
| 490.13-10 RETIREE MEDICAL                           | \$ 123,549                 | \$ 74,129         | \$ 18,532         | \$ 18,532         | \$ 12,355         | 60%                     | 15%        | 15%        | 10%        |
| 490.13-11 UNEMPLOYMENT                              | \$ 4,910                   | \$ 2,946          | \$ 736            | \$ 736            | \$ 491            | 60%                     | 15%        | 15%        | 10%        |
| 490.13-12 WORKERSCOMPENSATION                       | \$ 35,202                  | \$ 21,121         | \$ 5,280          | \$ 5,280          | \$ 3,520          | 60%                     | 15%        | 15%        | 10%        |
| 490.23-10 M&S: GENERAL OFFICE                       | \$ 1,030                   | \$ 618            | \$ 155            | \$ 155            | \$ 103            | 60%                     | 15%        | 15%        | 10%        |
| 490.23-15 M&S: CHEM/PNTS/SOLV/LUBR                  | \$ 12,480                  | \$ 7,488          | \$ 1,872          | \$ 1,872          | \$ 1,248          | 60%                     | 15%        | 15%        | 10%        |
| 490.23-20 M&S: CLEANING/CUSTODIAL                   | \$ 1,648                   | \$ 989            | \$ 247            | \$ 247            | \$ 165            | 60%                     | 15%        | 15%        | 10%        |
| 490.23-25 M&S: COMMUNICATIONS                       | \$ 515                     | \$ 309            | \$ 77             | \$ 77             | \$ 52             | 60%                     | 15%        | 15%        | 10%        |
| 490.23-30 M&S: ELECTRICAL/INSTRUMNT                 | \$ 10,300                  | \$ 6,180          | \$ 1,545          | \$ 1,545          | \$ 1,030          | 60%                     | 15%        | 15%        | 10%        |
| 490.23-35 M&S: FOOD SUPPLIES                        | \$ 103                     | \$ 62             | \$ 15             | \$ 15             | \$ 10             | 60%                     | 15%        | 15%        | 10%        |
| 490.23-40 M&S: HORTICULTURE/IRRIGAT                 | \$ 2,060                   | \$ 1,236          | \$ 309            | \$ 309            | \$ 206            | 60%                     | 15%        | 15%        | 10%        |
| 490.23-50 M&S: MECHANICAL/SHOP/BLDG                 | \$ 27,810                  | \$ 16,686         | \$ 4,172          | \$ 4,172          | \$ 2,781          | 60%                     | 15%        | 15%        | 10%        |
| 490.23-55 M&S: PUBLIC SAFETY                        | \$ 1,030                   | \$ 618            | \$ 155            | \$ 155            | \$ 103            | 60%                     | 15%        | 15%        | 10%        |
| 490.25-10 ST&E: GENERAL OFFICE                      | \$ 1,030                   | \$ 618            | \$ 155            | \$ 155            | \$ 103            | 60%                     | 15%        | 15%        | 10%        |
| 490.25-25 ST&E: COMMUNICATIONS                      | \$ 3,090                   | \$ 1,854          | \$ 464            | \$ 464            | \$ 309            | 60%                     | 15%        | 15%        | 10%        |
| 490.25-30 ST&E: ELECTRICAL/INSTRUMN                 | \$ 3,090                   | \$ 1,854          | \$ 464            | \$ 464            | \$ 309            | 60%                     | 15%        | 15%        | 10%        |
| 490.25-40 ST&E: HORTICULTURE/IRRIGA                 | \$ 515                     | \$ 309            | \$ 77             | \$ 77             | \$ 52             | 60%                     | 15%        | 15%        | 10%        |
| 490.25-50 ST&E: MECHANICAL/SHOP/BLD                 | \$ 41,200                  | \$ 24,720         | \$ 6,180          | \$ 6,180          | \$ 4,120          | 60%                     | 15%        | 15%        | 10%        |
| 490.25-55 ST&E: PUBLIC SAFETY                       | \$ 6,180                   | \$ 3,708          | \$ 927            | \$ 927            | \$ 618            | 60%                     | 15%        | 15%        | 10%        |
| 490.25-70 ST&E: OTHER SM TOOLS/IMPL                 | \$ 2,060                   | \$ 1,236          | \$ 309            | \$ 309            | \$ 206            | 60%                     | 15%        | 15%        | 10%        |
| 490.41-01 BUILDING MAINTENANCE                      | \$ 35,853                  | \$ 21,512         | \$ 5,378          | \$ 5,378          | \$ 3,585          | 60%                     | 15%        | 15%        | 10%        |
| 490.41-10 DUPLICATING                               | \$ -                       | \$ -              | \$ -              | \$ -              | \$ -              | 60%                     | 15%        | 15%        | 10%        |
| 490.41-12 STORES                                    | \$ 10,104                  | \$ 6,063          | \$ 1,516          | \$ 1,516          | \$ 1,010          | 60%                     | 15%        | 15%        | 10%        |
| 490.41-15 MIS SERVICES                              | \$ 6,571                   | \$ 3,943          | \$ 986            | \$ 986            | \$ 657            | 60%                     | 15%        | 15%        | 10%        |
| 490.41-25 EQUIP-CITY VEHICLE                        | \$ 27,411                  | \$ 16,447         | \$ 4,112          | \$ 4,112          | \$ 2,741          | 60%                     | 15%        | 15%        | 10%        |
| 490.41-29 EQUIP-CITY VEHICLE REPL                   | \$ 81,917                  | \$ 49,150         | \$ 12,288         | \$ 12,288         | \$ 8,192          | 60%                     | 15%        | 15%        | 10%        |
| 490.41-30 EQUIP REPLACEMENT - IS                    | \$ 816                     | \$ 489            | \$ 122            | \$ 122            | \$ 82             | 60%                     | 15%        | 15%        | 10%        |
| 490.41-32 EQUIP RPLCMNT-PC HARDWARE                 | \$ 1,119                   | \$ 671            | \$ 168            | \$ 168            | \$ 112            | 60%                     | 15%        | 15%        | 10%        |
| 490.41-34 SOFTWARE REPLACEMENT                      | \$ 439                     | \$ 263            | \$ 66             | \$ 66             | \$ 44             | 60%                     | 15%        | 15%        | 10%        |
| 490.41-37 TELEPHONE SYS REPLACEMENT                 | \$ 332                     | \$ 199            | \$ 50             | \$ 50             | \$ 33             | 60%                     | 15%        | 15%        | 10%        |
| 490.41-41 INSURANCE - PROPERTY CHR                  | \$ 1,203                   | \$ 722            | \$ 180            | \$ 180            | \$ 120            | 60%                     | 15%        | 15%        | 10%        |
| 490.41-42 INSURANCE - LIABILITY CHG                 | \$ 13,058                  | \$ 7,835          | \$ 1,959          | \$ 1,959          | \$ 1,306          | 60%                     | 15%        | 15%        | 10%        |
| 490.41-45 MAIL RM OVERHEADSUPPORT                   | \$ 286                     | \$ 172            | \$ 43             | \$ 43             | \$ 29             | 60%                     | 15%        | 15%        | 10%        |
| <b>Subtotal: Wastewater Collection-Pump Station</b> | <b>\$ 1,364,378</b>        | <b>\$ 818,627</b> | <b>\$ 204,657</b> | <b>\$ 204,657</b> | <b>\$ 136,438</b> | <b>60%</b>              | <b>15%</b> | <b>15%</b> | <b>10%</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Cost of Service Analysis

| Classification of Expenses                             |                            |                     |                    |                    |                    |                         |            |            |            |
|--|----------------------------|---------------------|--------------------|--------------------|--------------------|-------------------------|------------|------------|------------|
| Budget Categories                                      | Total Revenue Requirements | Flow                | Strength           |                    | Customer           | Basis of Classification |            |            |            |
|  | FY 2017/18                 | (VOL)               | (BOD)              | (TSS)              | (CA)               | (VOL)                   | (BOD)      | (TSS)      | (CA)       |
| <b>Public Works - Wastewater Operations, continued</b> |                            |                     |                    |                    |                    |                         |            |            |            |
| <b>Wastewater Collection-Pump Station</b>              |                            |                     |                    |                    |                    |                         |            |            |            |
| <b>Sewer Fund - Maintenance &amp; Operations</b>       |                            |                     |                    |                    |                    |                         |            |            |            |
| 490.43-10 M&RS: OFFICE EQUIPMENT                       | \$ 309                     | \$ 185              | \$ 46              | \$ 46              | \$ 31              | 60%                     | 15%        | 15%        | 10%        |
| 490.43-15 M&RS: COMMUNICATIONEQUIP                     | \$ 3,090                   | \$ 1,854            | \$ 464             | \$ 464             | \$ 309             | 60%                     | 15%        | 15%        | 10%        |
| 490.43-20 M&RS: NON-OFFIC EQUIPMENT                    | \$ 10,300                  | \$ 6,180            | \$ 1,545           | \$ 1,545           | \$ 1,030           | 60%                     | 15%        | 15%        | 10%        |
| 490.43-25 M&RS: BUILDING/FACILITIES                    | \$ 3,090                   | \$ 1,854            | \$ 464             | \$ 464             | \$ 309             | 60%                     | 15%        | 15%        | 10%        |
| 490.43-30 M&RS: OTHER LAND IMPRVMT                     | \$ 1,030                   | \$ 618              | \$ 155             | \$ 155             | \$ 103             | 60%                     | 15%        | 15%        | 10%        |
| 490.43-35 M&RS: UTIL SVCS INFRASTR                     | \$ 51,500                  | \$ 30,900           | \$ 7,725           | \$ 7,725           | \$ 5,150           | 60%                     | 15%        | 15%        | 10%        |
| 490.43-40 M&RS: TRANSP INFRASTRUCTR                    | \$ 2,060                   | \$ 1,236            | \$ 309             | \$ 309             | \$ 206             | 60%                     | 15%        | 15%        | 10%        |
| 490.45-50 OTHER PROFESSIONAL SVCS                      | \$ 28,325                  | \$ 16,995           | \$ 4,249           | \$ 4,249           | \$ 2,833           | 60%                     | 15%        | 15%        | 10%        |
| 490.46-02 MED-LAB EXAM SVC                             | \$ 515                     | \$ 309              | \$ 77              | \$ 77              | \$ 52              | 60%                     | 15%        | 15%        | 10%        |
| 490.46-10 MIS (OUTSIDE SERVICES)                       | \$ 5,150                   | \$ 3,090            | \$ 773             | \$ 773             | \$ 515             | 60%                     | 15%        | 15%        | 10%        |
| 490.48-01 DAVIS WASTE REMOVAL                          | \$ -                       | \$ -                | \$ -               | \$ -               | \$ -               | 60%                     | 15%        | 15%        | 10%        |
| 490.48-05 GAS & ELECTRIC                               | \$ 36,050                  | \$ 21,630           | \$ 5,408           | \$ 5,408           | \$ 3,605           | 60%                     | 15%        | 15%        | 10%        |
| 490.48-06 TELEPHONE SERVICE                            | \$ 515                     | \$ 309              | \$ 77              | \$ 77              | \$ 52              | 60%                     | 15%        | 15%        | 10%        |
| 490.48-07 WATER & GARBAGE                              | \$ 515                     | \$ 309              | \$ 77              | \$ 77              | \$ 52              | 60%                     | 15%        | 15%        | 10%        |
| 490.48-08 CELLULAR PHONE SERVICE                       | \$ 5,150                   | \$ 3,090            | \$ 773             | \$ 773             | \$ 515             | 60%                     | 15%        | 15%        | 10%        |
| 490.48-10 HAZARDOUS WASTE DISPOSAL                     | \$ 1,030                   | \$ 618              | \$ 155             | \$ 155             | \$ 103             | 60%                     | 15%        | 15%        | 10%        |
| 490.48-19 SOLID WASTE                                  | \$ -                       | \$ -                | \$ -               | \$ -               | \$ -               | 60%                     | 15%        | 15%        | 10%        |
| 490.49-10 EQUIP OPER RENT/LEASE                        | \$ 4,120                   | \$ 2,472            | \$ 618             | \$ 618             | \$ 412             | 60%                     | 15%        | 15%        | 10%        |
| 490.49-20 LAND/FACIL RENT/LEASE                        | \$ 89,370                  | \$ 53,622           | \$ 13,406          | \$ 13,406          | \$ 8,937           | 60%                     | 15%        | 15%        | 10%        |
| 490.50-08 FEES/PERMITS REQUIRED                        | \$ 1,030                   | \$ 618              | \$ 155             | \$ 155             | \$ 103             | 60%                     | 15%        | 15%        | 10%        |
| 490.52-02 PROPERTY TAX                                 | \$ -                       | \$ -                | \$ -               | \$ -               | \$ -               | 60%                     | 15%        | 15%        | 10%        |
| 490.54-01 DRIVER LICENSE FEE                           | \$ 309                     | \$ 185              | \$ 46              | \$ 46              | \$ 31              | 60%                     | 15%        | 15%        | 10%        |
| 490.54-02 EDUCATION REIMBURSEMENT                      | \$ 206                     | \$ 124              | \$ 31              | \$ 31              | \$ 21              | 60%                     | 15%        | 15%        | 10%        |
| 490.54-03 MEMBERSHIP FEES/DUES                         | \$ 824                     | \$ 494              | \$ 124             | \$ 124             | \$ 82              | 60%                     | 15%        | 15%        | 10%        |
| 490.54-04 MISC TRAVEL/MEETINGS                         | \$ 103                     | \$ 62               | \$ 15              | \$ 15              | \$ 10              | 60%                     | 15%        | 15%        | 10%        |
| 490.54-05 PROF LIC/APPL/FEES                           | \$ 1,030                   | \$ 618              | \$ 155             | \$ 155             | \$ 103             | 60%                     | 15%        | 15%        | 10%        |
| 490.54-06 SUBSCRIPTION/PUBLICATIONS                    | \$ 309                     | \$ 185              | \$ 46              | \$ 46              | \$ 31              | 60%                     | 15%        | 15%        | 10%        |
| 490.54-07 STAFF DEVELOPMNT/TRAINING                    | \$ 8,240                   | \$ 4,944            | \$ 1,236           | \$ 1,236           | \$ 824             | 60%                     | 15%        | 15%        | 10%        |
| 490.54-09 UNIFORM PURCH/RENT/CLEAN                     | \$ 5,150                   | \$ 3,090            | \$ 773             | \$ 773             | \$ 515             | 60%                     | 15%        | 15%        | 10%        |
| 490.61-00 CAPOUTLY: VEHICLES                           | \$ -                       | \$ -                | \$ -               | \$ -               | \$ -               | 60%                     | 15%        | 15%        | 10%        |
| 910.19-99 HUMAN RESOURCES                              | \$ (319,980)               | \$ (191,988)        | \$ (47,997)        | \$ (47,997)        | \$ (31,998)        | 60%                     | 15%        | 15%        | 10%        |
| 910.95-15 OTHER RESOURCES                              | \$ (165,735)               | \$ (99,441)         | \$ (24,860)        | \$ (24,860)        | \$ (16,574)        | 60%                     | 15%        | 15%        | 10%        |
| <b>Subtotal: Wastewater Collection-Pump Station</b>    | <b>\$ (226,395)</b>        | <b>\$ (135,837)</b> | <b>\$ (33,959)</b> | <b>\$ (33,959)</b> | <b>\$ (22,640)</b> | <b>60%</b>              | <b>15%</b> | <b>15%</b> | <b>10%</b> |
| <b>Total: Wastewater Collection-Pump Station</b>       | <b>\$ 1,137,983</b>        | <b>\$ 682,790</b>   | <b>\$ 170,697</b>  | <b>\$ 170,697</b>  | <b>\$ 113,798</b>  | <b>60%</b>              | <b>15%</b> | <b>15%</b> | <b>10%</b> |



CITY OF DAVIS  
SEWER RATE STUDY  
Cost of Service Analysis

| Classification of Expenses                             |                            |                     |                   |                   |                   |                         |            |            |            |
|--|----------------------------|---------------------|-------------------|-------------------|-------------------|-------------------------|------------|------------|------------|
| Budget Categories                                      | Total Revenue Requirements | Flow                | Strength          |                   | Customer          | Basis of Classification |            |            |            |
|  | FY 2017/18                 | (VOL)               | (BOD)             | (TSS)             | (CA)              | (VOL)                   | (BOD)      | (TSS)      | (CA)       |
| <b>Public Works - Wastewater Operations, continued</b> |                            |                     |                   |                   |                   |                         |            |            |            |
| <b>Wastewater Pollution Control Plant</b>              |                            |                     |                   |                   |                   |                         |            |            |            |
| <b>Sewer Fund - Maintenance &amp; Operations</b>       |                            |                     |                   |                   |                   |                         |            |            |            |
| 490.01-01 SALARIES/WAGES                               | \$ 851,946                 | \$ 511,168          | \$ 127,792        | \$ 127,792        | \$ 85,195         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.01-02 BENEFITS:LEAVE TIME                          | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.01-03 BENEFITS: INSURANCE                          | \$ 11,870                  | \$ 7,122            | \$ 1,780          | \$ 1,780          | \$ 1,187          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.01-04 BENEFITS: RETIREMENT                         | \$ 264,510                 | \$ 158,706          | \$ 39,677         | \$ 39,677         | \$ 26,451         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.02-01 SALARIES/WAGES                               | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.02-02 BENEFITS:LEAVE TIME                          | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.02-04 BENEFITS:RETIREMENT                          | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.04-01 SALARIES/WAGES                               | \$ 119,316                 | \$ 71,590           | \$ 17,897         | \$ 17,897         | \$ 11,932         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.04-03 BENEFITS: INSURANCE                          | \$ 1,747                   | \$ 1,048            | \$ 262            | \$ 262            | \$ 175            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.04-04 BENEFITS:RETIREMENT                          | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.05-01 SALARIES/WAGES                               | \$ 28,840                  | \$ 17,304           | \$ 4,326          | \$ 4,326          | \$ 2,884          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.05-02 ACCRUED COMPTIME 1.0                         | \$ 515                     | \$ 309              | \$ 77             | \$ 77             | \$ 52             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.05-03 ACCRUED COMPTIME 1.5                         | \$ 12,360                  | \$ 7,416            | \$ 1,854          | \$ 1,854          | \$ 1,236          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.10-13 COMPENSATORY TIME                            | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.10-30 OTHER PAY                                    | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.10-40 LEAVE FUND REPAYMENT                         | \$ 17,380                  | \$ 10,428           | \$ 2,607          | \$ 2,607          | \$ 1,738          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.11-12 STANDBY PAY                                  | \$ 11,845                  | \$ 7,107            | \$ 1,777          | \$ 1,777          | \$ 1,185          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.11-13 CALL BACK PAY                                | \$ 5,150                   | \$ 3,090            | \$ 773            | \$ 773            | \$ 515            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.12-01 CAFETERIA BENEFITS                           | \$ 228,151                 | \$ 136,891          | \$ 34,223         | \$ 34,223         | \$ 22,815         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.12-15 LONGEVITY PAY                                | \$ 19,180                  | \$ 11,508           | \$ 2,877          | \$ 2,877          | \$ 1,918          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.12-17 CELLULAR PHONE STIPEND                       | \$ 324                     | \$ 195              | \$ 49             | \$ 49             | \$ 32             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.13-10 RETIREE MEDICAL                              | \$ 209,532                 | \$ 125,719          | \$ 31,430         | \$ 31,430         | \$ 20,953         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.13-11 UNEMPLOYMENT                                 | \$ 8,327                   | \$ 4,996            | \$ 1,249          | \$ 1,249          | \$ 833            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.13-12 WORKERS COMPENSATION                         | \$ 72,390                  | \$ 43,434           | \$ 10,859         | \$ 10,859         | \$ 7,239          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-10 M&S: GENERAL OFFICE                          | \$ 3,090                   | \$ 1,854            | \$ 464            | \$ 464            | \$ 309            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-15 M&S: CHEM/PNTS/SOLV/LUBR                     | \$ 135,200                 | \$ 81,120           | \$ 20,280         | \$ 20,280         | \$ 13,520         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-20 M&S: CLEANING/CUSTODIAL                      | \$ 4,635                   | \$ 2,781            | \$ 695            | \$ 695            | \$ 464            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-25 M&S: COMMUNICATIONS                          | \$ 10,300                  | \$ 6,180            | \$ 1,545          | \$ 1,545          | \$ 1,030          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-30 M&S: ELECTRICAL/INSTRUMNT                    | \$ 15,450                  | \$ 9,270            | \$ 2,318          | \$ 2,318          | \$ 1,545          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-35 M&S: FOOD SUPPLIES                           | \$ 2,060                   | \$ 1,236            | \$ 309            | \$ 309            | \$ 206            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-40 M&S: HORTICULTURE/IRRIGA                     | \$ 10,300                  | \$ 6,180            | \$ 1,545          | \$ 1,545          | \$ 1,030          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-45 M&S: LAB/ENGINEERING                         | \$ 2,060                   | \$ 1,236            | \$ 309            | \$ 309            | \$ 206            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-50 M&S: MECHANICAL/ SHOP /BLDG                  | \$ 46,350                  | \$ 27,810           | \$ 6,953          | \$ 6,953          | \$ 4,635          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-55 M&S: PUBLIC SAFETY                           | \$ 2,575                   | \$ 1,545            | \$ 386            | \$ 386            | \$ 258            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-10 ST&E: GENERAL OFFICE                         | \$ 2,060                   | \$ 1,236            | \$ 309            | \$ 309            | \$ 206            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-20 ST&E: CLEANING/CUSTODIAL                     | \$ 309                     | \$ 185              | \$ 46             | \$ 46             | \$ 31             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-25 ST&E: COMMUNICATIONS                         | \$ 4,120                   | \$ 2,472            | \$ 618            | \$ 618            | \$ 412            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-30 ST&E: ELECTRICAL/INSTRUMN                    | \$ 8,240                   | \$ 4,944            | \$ 1,236          | \$ 1,236          | \$ 824            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-40 ST&E: HORTICULTURE/IRRIGA                    | \$ 2,060                   | \$ 1,236            | \$ 309            | \$ 309            | \$ 206            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-45 ST&E: LAB/ENGINEERING                        | \$ 3,090                   | \$ 1,854            | \$ 464            | \$ 464            | \$ 309            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-50 ST&E: MECHANICAL/SHOP /BLD                   | \$ 51,500                  | \$ 30,900           | \$ 7,725          | \$ 7,725          | \$ 5,150          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-55 ST&E: PUBLIC SAFETY                          | \$ 5,150                   | \$ 3,090            | \$ 773            | \$ 773            | \$ 515            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-70 ST&E: OTHER SM TOOLS/IMPL                    | \$ 2,060                   | \$ 1,236            | \$ 309            | \$ 309            | \$ 206            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-01 BUILDING MAINTENANCE                         | \$ 45,502                  | \$ 27,301           | \$ 6,825          | \$ 6,825          | \$ 4,550          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-10 DUPLICATING                                  | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-11 POSTAL                                       | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-12 STORES                                       | \$ 30,188                  | \$ 18,113           | \$ 4,528          | \$ 4,528          | \$ 3,019          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-15 MIS SERVICES                                 | \$ 20,382                  | \$ 12,229           | \$ 3,057          | \$ 3,057          | \$ 2,038          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-25 EQUIP-CITY VEHICLE                           | \$ 39,594                  | \$ 23,757           | \$ 5,939          | \$ 5,939          | \$ 3,959          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-29 EQUIP-CITY VEHICLE REPL                      | \$ 52,286                  | \$ 31,372           | \$ 7,843          | \$ 7,843          | \$ 5,229          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-30 EQUIP REPLACEMENT - IS                       | \$ 2,546                   | \$ 1,528            | \$ 382            | \$ 382            | \$ 255            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-32 EQUIP RPLCMNT-PC HARDWARE                    | \$ 3,491                   | \$ 2,094            | \$ 524            | \$ 524            | \$ 349            | 60%                     | 15.0%      | 15.0%      | 10%        |
| <b>Subtotal: Wastewater Pollution Control Plant</b>    | <b>\$ 2,367,982</b>        | <b>\$ 1,420,789</b> | <b>\$ 355,197</b> | <b>\$ 355,197</b> | <b>\$ 236,798</b> | <b>60%</b>              | <b>15%</b> | <b>15%</b> | <b>10%</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Cost of Service Analysis

| Classification of Expenses                             |                            |                     |                   |                   |                   |                         |            |            |            |
|--|----------------------------|---------------------|-------------------|-------------------|-------------------|-------------------------|------------|------------|------------|
| Budget Categories                                      | Total Revenue Requirements | Flow                | Strength          |                   | Customer          | Basis of Classification |            |            |            |
|  | FY 2017/18                 | (VOL)               | (BOD)             | (TSS)             | (CA)              | (VOL)                   | (BOD)      | (TSS)      | (CA)       |
| <b>Public Works - Wastewater Operations, continued</b> |                            |                     |                   |                   |                   |                         |            |            |            |
| <b>Wastewater Pollution Control Plant</b>              |                            |                     |                   |                   |                   |                         |            |            |            |
| <b>Sewer Fund - Maintenance &amp; Operations</b>       |                            |                     |                   |                   |                   |                         |            |            |            |
| 490.41-34 SOFTWARE REPLACEMENT                         | \$ 1,368                   | \$ 821              | \$ 205            | \$ 205            | \$ 137            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-37 TELEPHONE SYS REPLACEMENT                    | \$ 3,648                   | \$ 2,189            | \$ 547            | \$ 547            | \$ 365            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-41 INSURANCE - PROPERTY CHRG                    | \$ 2,286                   | \$ 1,371            | \$ 343            | \$ 343            | \$ 229            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-42 INSURANCE - LIABILITY CHG                    | \$ 22,015                  | \$ 13,209           | \$ 3,302          | \$ 3,302          | \$ 2,202          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-45 MAIL RM OVERHEAD SUPPORT                     | \$ 633                     | \$ 380              | \$ 95             | \$ 95             | \$ 63             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.43-10 M&RS: OFFICE EQUIPMENT                       | \$ 515                     | \$ 309              | \$ 77             | \$ 77             | \$ 52             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.43-15 M&RS: COMMUNICATION EQUIP                    | \$ 5,150                   | \$ 3,090            | \$ 773            | \$ 773            | \$ 515            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.43-20 M&RS: NON-OFFIC EQUIPMENT                    | \$ 103,000                 | \$ 61,800           | \$ 15,450         | \$ 15,450         | \$ 10,300         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.43-25 M&RS: BUILDING/FACILITIES                    | \$ 15,450                  | \$ 9,270            | \$ 2,318          | \$ 2,318          | \$ 1,545          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.43-30 M&RS: OTHER LAND IMPRVMT                     | \$ 556,200                 | \$ 333,720          | \$ 83,430         | \$ 83,430         | \$ 55,620         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.43-35 M&RS: UTIL SVCS INFRASTR                     | \$ 56,650                  | \$ 33,990           | \$ 8,498          | \$ 8,498          | \$ 5,665          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.45-02 LEGAL  | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.45-07 ADVERTISING                                  | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.45-30 CONSTRUCTION CONTRACT                        | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.45-50 OTHER PROFESSIONAL SVCS                      | \$ 46,350                  | \$ 27,810           | \$ 6,953          | \$ 6,953          | \$ 4,635          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.46-01 LAB ANALYSIS SVC                             | \$ 185,400                 | \$ 111,240          | \$ 27,810         | \$ 27,810         | \$ 18,540         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.46-02 MED-LAB EXAM SVC                             | \$ 515                     | \$ 309              | \$ 77             | \$ 77             | \$ 52             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.46-05 PRINTING & BINDING                           | \$ 824                     | \$ 494              | \$ 124            | \$ 124            | \$ 82             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.46-06 PHOTO & BLUEPRINT                            | \$ 773                     | \$ 464              | \$ 116            | \$ 116            | \$ 77             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.46-10 MIS (OUTSIDE SERVICES)                       | \$ 20,600                  | \$ 12,360           | \$ 3,090          | \$ 3,090          | \$ 2,060          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.48-02 LAUNDRY SERVICES                             | \$ 8,240                   | \$ 4,944            | \$ 1,236          | \$ 1,236          | \$ 824            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.48-05 GAS & ELECTRIC                               | \$ 272,950                 | \$ 163,770          | \$ 40,943         | \$ 40,943         | \$ 27,295         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.48-06 TELEPHONE SERVICE                            | \$ 3,971                   | \$ 2,382            | \$ 596            | \$ 596            | \$ 397            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.48-07 WATER & GARBAGE                              | \$ 56,650                  | \$ 33,990           | \$ 8,498          | \$ 8,498          | \$ 5,665          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.48-08 CELLULAR PHONE SERVICE                       | \$ 4,893                   | \$ 2,936            | \$ 734            | \$ 734            | \$ 489            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.48-10 HAZARDOUS WASTE DISPOSAL                     | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.48-11 OUTSIDE POSTAGE/DELIVERY                     | \$ 3,090                   | \$ 1,854            | \$ 464            | \$ 464            | \$ 309            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.49-10 EQUIP OPER RENT/LEASE                        | \$ 41,200                  | \$ 24,720           | \$ 6,180          | \$ 6,180          | \$ 4,120          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.49-20 LAND/FACIL RENT/LEASE                        | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.50-08 FEES/PERMITS REQUIRED                        | \$ -                       | \$ -                | \$ -              | \$ -              | \$ -              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.52-02 PROPERTY TAX                                 | \$ 41,200                  | \$ 24,720           | \$ 6,180          | \$ 6,180          | \$ 4,120          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-01 DRIVER LICENSE FEE                           | \$ 52                      | \$ 31               | \$ 8              | \$ 8              | \$ 5              | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-02 EDUCATION REIMBURSEMENT                      | \$ 1,030                   | \$ 618              | \$ 155            | \$ 155            | \$ 103            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-03 MEMBERSHIP FEES/DUES                         | \$ 2,060                   | \$ 1,236            | \$ 309            | \$ 309            | \$ 206            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-04 MISC TRAVEL/MEETINGS                         | \$ 258                     | \$ 155              | \$ 39             | \$ 39             | \$ 26             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-05 PROF LIC/APPL/FEES                           | \$ 2,060                   | \$ 1,236            | \$ 309            | \$ 309            | \$ 206            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-06 SUBSCRIPTION/PUBLICATIONS                    | \$ 309                     | \$ 185              | \$ 46             | \$ 46             | \$ 31             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-07 STAFF DEVELOPMNT/TRAINING                    | \$ 22,660                  | \$ 13,596           | \$ 3,399          | \$ 3,399          | \$ 2,266          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-09 UNIFORM PURCH/RENT/CLEAN                     | \$ 13,390                  | \$ 8,034            | \$ 2,009          | \$ 2,009          | \$ 1,339          | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.62-00 CAPOUTLY: MAINT EQUIPMENT                    | \$ 51,500                  | \$ 30,900           | \$ 10,300         | \$ 10,300         | \$ -              | 60%                     | 20.0%      | 20.0%      | 0%         |
| <b>Subtotal: Wastewater Pollution Control Plant</b>    | <b>\$ 1,546,888</b>        | <b>\$ 928,133</b>   | <b>\$ 234,608</b> | <b>\$ 234,608</b> | <b>\$ 149,539</b> | <b>60%</b>              | <b>15%</b> | <b>15%</b> | <b>10%</b> |
| <b>Total: Wastewater Pollution Control Plant</b>       | <b>\$ 3,914,870</b>        | <b>\$ 2,348,922</b> | <b>\$ 589,806</b> | <b>\$ 589,806</b> | <b>\$ 386,337</b> | <b>60%</b>              | <b>15%</b> | <b>15%</b> | <b>10%</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Cost of Service Analysis

| Classification of Expenses                             |                            |                   |                  |                  |             |                         |            |            |           |
|--|----------------------------|-------------------|------------------|------------------|-------------|-------------------------|------------|------------|-----------|
| Budget Categories                                      | Total Revenue Requirements | Flow              | Strength         |                  | Customer    | Basis of Classification |            |            |           |
|  | FY 2017/18                 | (VOL)             | (BOD)            | (TSS)            | (CA)        | (VOL)                   | (BOD)      | (TSS)      | (CA)      |
| <b>Public Works - Wastewater Operations, continued</b> |                            |                   |                  |                  |             |                         |            |            |           |
| <b>Wastewater Pretreatment</b>                         |                            |                   |                  |                  |             |                         |            |            |           |
| <b>Sewer Fund - Maintenance &amp; Operations</b>       |                            |                   |                  |                  |             |                         |            |            |           |
| 490.01-01 SALARIES/WAGES                               | \$ 116,861                 | \$ 81,802         | \$ 17,529        | \$ 17,529        | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.01-02 BENEFITS:LEAVE TIME                          | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.01-03 BENEFITS: INSURANCE                          | \$ 1,767                   | \$ 1,237          | \$ 265           | \$ 265           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.01-04 BENEFITS: RETIREMENT                         | \$ 35,951                  | \$ 25,166         | \$ 5,393         | \$ 5,393         | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.05-01 SALARIES/WAGES                               | \$ 515                     | \$ 361            | \$ 77            | \$ 77            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.05-03 ACCRUED COMPTIME I. 5                        | \$ 515                     | \$ 361            | \$ 77            | \$ 77            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.10-13 COMPENSATORY TIME                            | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.10-40 LEAVE FUND REPAYMENT                         | \$ 575                     | \$ 402            | \$ 86            | \$ 86            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.11-12 STANDBY PAY                                  | \$ 567                     | \$ 397            | \$ 85            | \$ 85            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.11-13 CALL BACK PAY                                | \$ 103                     | \$ 72             | \$ 15            | \$ 15            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.12-01 CAFETERIA BENEFITS                           | \$ 29,242                  | \$ 20,469         | \$ 4,386         | \$ 4,386         | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.12-08 SPECIAL ASSIGNMENT                           | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.12-15 LONGEVITY PAY                                | \$ 810                     | \$ 567            | \$ 121           | \$ 121           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.12-17 CELLULAR PHONE STIPEND                       | \$ 41                      | \$ 28             | \$ 6             | \$ 6             | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.13-10 RETIREE MEDICAL                              | \$ 28,741                  | \$ 20,119         | \$ 4,311         | \$ 4,311         | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.13-11 UNEMPLOYMENT                                 | \$ 1,143                   | \$ 800            | \$ 171           | \$ 171           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.13-12 WORKERSCOMPENSATION                          | \$ 2,237                   | \$ 1,566          | \$ 336           | \$ 336           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.23-10 M&S: GENERAL OFFICE                          | \$ 412                     | \$ 288            | \$ 62            | \$ 62            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.23-15 M&S: CHEM/PNTS/SOLV /LUBR                    | \$ 312                     | \$ 218            | \$ 47            | \$ 47            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.23-25 M&S: COMMUNICATIONS                          | \$ 5,000                   | \$ 3,500          | \$ 750           | \$ 750           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.23-30 M&S: CLEANING/CUSTODIAL                      | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.23-45 M&S: LAB/ENGINEERING                         | \$ 515                     | \$ 361            | \$ 77            | \$ 77            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.23-50 M&S: MECHANICAL/SHOP/BLDG                    | \$ 361                     | \$ 252            | \$ 54            | \$ 54            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.23-55 M&S: PUBLIC SAFETY                           | \$ 1,030                   | \$ 721            | \$ 155           | \$ 155           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.25-10 ST&E: GENERAL OFFICE                         | \$ 258                     | \$ 180            | \$ 39            | \$ 39            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.25-25 ST&E: COMMUNICATIONS                         | \$ 773                     | \$ 541            | \$ 116           | \$ 116           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.25-50 ST&E: MECHANICAL/SHOP/BLD                    | \$ 2,060                   | \$ 1,442          | \$ 309           | \$ 309           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.25-55 ST&E: PUBLIC SAFETY                          | \$ 515                     | \$ 361            | \$ 77            | \$ 77            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-01 BUILDING MAINTENANCE                         | \$ 1,350                   | \$ 945            | \$ 203           | \$ 203           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-12 STORES                                       | \$ 1,126                   | \$ 788            | \$ 169           | \$ 169           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-15 MIS SERVICES                                 | \$ 838                     | \$ 587            | \$ 126           | \$ 126           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-25 EQUIP-CITY VEHICLE                           | \$ 1,067                   | \$ 747            | \$ 160           | \$ 160           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-29 EQUIP-CITY VEHICLE REPL                      | \$ 1,604                   | \$ 1,123          | \$ 241           | \$ 241           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-30 EQUIP REPLACEMENT - IS                       | \$ 60                      | \$ 42             | \$ 9             | \$ 9             | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-32 EQUIP RPLCMNT-PC HARDWARE                    | \$ 82                      | \$ 58             | \$ 12            | \$ 12            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-34 SOFTWARE REPLACEMENT                         | \$ 33                      | \$ 23             | \$ 5             | \$ 5             | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-37 TELEPHONE SYS REPLACEMENT                    | \$ 166                     | \$ 116            | \$ 25            | \$ 25            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-41 INSURANCE - PROPERTY CHRG                    | \$ 229                     | \$ 160            | \$ 34            | \$ 34            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.41-44 INSURANCE - LIABILITY CHG                    | \$ 2,694                   | \$ 1,886          | \$ 404           | \$ 404           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.45-02 LEGAL  | \$ 1,030                   | \$ 721            | \$ 155           | \$ 155           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.45-07 ADVERTISING                                  | \$ 515                     | \$ 361            | \$ 77            | \$ 77            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.45-50 OTHER PROFESSIONAL SVCS                      | \$ 30,900                  | \$ 21,630         | \$ 4,635         | \$ 4,635         | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.46-01 LAB ANALYSIS SVC                             | \$ 51,500                  | \$ 36,050         | \$ 7,725         | \$ 7,725         | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.46-05 PRINTING & BINDING                           | \$ 1,030                   | \$ 721            | \$ 155           | \$ 155           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.46-06 PHOTO & BLUEPRINT                            | \$ 515                     | \$ 361            | \$ 77            | \$ 77            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.48-06 TELEPHONE SERVICE                            | \$ 137                     | \$ 96             | \$ 21            | \$ 21            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.48-08 CELLULAR PHONE SERVICE                       | \$ 412                     | \$ 288            | \$ 62            | \$ 62            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.48-11 OUTSIDE POSTAGE/DELIVERY                     | \$ 206                     | \$ 144            | \$ 31            | \$ 31            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.49-20 LAND/FACIL RENT/LEASE                        | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.49-10 EQUIP OPER RENT/LEASE                        | \$ 1,545                   | \$ 1,082          | \$ 232           | \$ 232           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.50-08 FEES/PERMITS REQUIRED                        | \$ 10,300                  | \$ 7,210          | \$ 1,545         | \$ 1,545         | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.54-03 MEMBERSHIP FEES/DUES                         | \$ 206                     | \$ 144            | \$ 31            | \$ 31            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.54-04 MISC TRAVEL/MEETINGS                         | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.54-05 PROF LIC/APPL/FEES                           | \$ 206                     | \$ 144            | \$ 31            | \$ 31            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.54-06 SUBSCRIPTION/PUBLICATIONS                    | \$ 206                     | \$ 144            | \$ 31            | \$ 31            | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| 490.54-07 STAFF DEVELOPMNT/TRAINING                    | \$ 2,060                   | \$ 1,442          | \$ 309           | \$ 309           | \$ -        | 70%                     | 15.0%      | 15.0%      | 0%        |
| <b>Total: Wastewater Pretreatment</b>                  | <b>\$ 340,318</b>          | <b>\$ 238,222</b> | <b>\$ 51,048</b> | <b>\$ 51,048</b> | <b>\$ -</b> | <b>70%</b>              | <b>15%</b> | <b>15%</b> | <b>0%</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Cost of Service Analysis

| Classification of Expenses                             |                            |             |             |             |             |                         |           |           |           |
|--|----------------------------|-------------|-------------|-------------|-------------|-------------------------|-----------|-----------|-----------|
| Budget Categories                                      | Total Revenue Requirements | Flow        | Strength    |             | Customer    | Basis of Classification |           |           |           |
|  | FY 2017/18                 | (VOL)       | (BOD)       | (TSS)       | (CA)        | (VOL)                   | (BOD)     | (TSS)     | (CA)      |
| <b>Public Works - Wastewater Operations, continued</b> |                            |             |             |             |             |                         |           |           |           |
| <b>Industrial Wastewater Pretreatment</b>              |                            |             |             |             |             |                         |           |           |           |
| 490.23-10 M&S: GENERAL OFFICE                          | \$ -                       | \$ -        | \$ -        | \$ -        | \$ -        | 55%                     | 22.5%     | 22.5%     | 0%        |
| <b>Total: Industrial Wastewater Pretreatment</b>       | <b>\$ -</b>                | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>0%</b>               | <b>0%</b> | <b>0%</b> | <b>0%</b> |

| <b>Public Works - Wastewater Operations, continued</b> |                   |                   |                   |                   |             |            |            |            |           |
|--|-------------------|-------------------|-------------------|-------------------|-------------|------------|------------|------------|-----------|
| <b>Wastewater Regulatory Management (5)</b>            |                   |                   |                   |                   |             |            |            |            |           |
| <b>Sewer Fund - Maintenance &amp; Operations</b>       |                   |                   |                   |                   |             |            |            |            |           |
| 490.01-01 SALARIES/WAGES                               | \$ 238,782        | \$ 167,147        | \$ 35,817         | \$ 35,817         | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.01-02 SALARIES/WAGES                               | \$ -              | \$ -              | \$ -              | \$ -              | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.01-03 BENEFITS: INSURANCE                          | \$ 3,886          | \$ 2,721          | \$ 583            | \$ 583            | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.01-04 BENEFITS: RETIREMENT                         | \$ 73,886         | \$ 51,720         | \$ 11,083         | \$ 11,083         | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.04-01 SALARIES/WAGES                               | \$ 17,564         | \$ 12,294         | \$ 2,635          | \$ 2,635          | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.04-03 BENEFITS: INSURANCE                          | \$ 257            | \$ 180            | \$ 39             | \$ 39             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.05-01 SALARIES/WAGES                               | \$ 309            | \$ 216            | \$ 46             | \$ 46             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.05-03 ACCRUED COMPTIME 1.5                         | \$ 515            | \$ 361            | \$ 77             | \$ 77             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.10-13 COMPENSATORY TIME                            | \$ -              | \$ -              | \$ -              | \$ -              | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.10-40 LEAVE FUND REPAYMENT                         | \$ 826            | \$ 578            | \$ 124            | \$ 124            | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.11-12 STANDBY PAY                                  | \$ -              | \$ -              | \$ -              | \$ -              | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.11-13 CALL BACK PAY                                | \$ -              | \$ -              | \$ -              | \$ -              | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.12-01 CAFETERIA BENEFITS                           | \$ 47,875         | \$ 33,513         | \$ 7,181          | \$ 7,181          | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.12-08 SPECIAL ASSIGNMENT                           | \$ -              | \$ -              | \$ -              | \$ -              | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.12-15 LONGEVITY PAY                                | \$ 3,797          | \$ 2,658          | \$ 569            | \$ 569            | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.12-17 CELLULAR PHONE STIPEND                       | \$ 324            | \$ 227            | \$ 49             | \$ 49             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.13-10 RETIREE MEDICAL                              | \$ 58,728         | \$ 41,109         | \$ 8,809          | \$ 8,809          | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.13-11 UNEMPLOYMENT                                 | \$ 2,295          | \$ 1,607          | \$ 344            | \$ 344            | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.13-12 WORKERS COMPENSATION                         | \$ 12,113         | \$ 8,479          | \$ 1,817          | \$ 1,817          | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.23-10 M&S: GENERAL OFFICE                          | \$ 515            | \$ 361            | \$ 77             | \$ 77             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.23-25 M&S: COMMUNICATIONS                          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.23-50 M&S: MECHANICAL/SHOP/BLDG                    | \$ -              | \$ -              | \$ -              | \$ -              | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.23-60 M&S: RECREATION/SPECEVENT                    | \$ 515            | \$ 361            | \$ 77             | \$ 77             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.25-10 ST&E: GENERAL OFFICE                         | \$ 515            | \$ 361            | \$ 77             | \$ 77             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.25-25 ST&E: COMMUNICATIONS                         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.41-12 STORES                                       | \$ 449            | \$ 314            | \$ 67             | \$ 67             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.41-15 MIS SERVICES                                 | \$ 2,830          | \$ 1,981          | \$ 425            | \$ 425            | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.41-25 EQUIP-CITY VEHICLE                           | \$ 2,741          | \$ 1,919          | \$ 411            | \$ 411            | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.41-29 EQUIP-CITY VEHICLE REPL                      | \$ 2,505          | \$ 1,753          | \$ 376            | \$ 376            | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.41-30 EQUIP REPLACEMENT - IS                       | \$ 263            | \$ 184            | \$ 39             | \$ 39             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.41-32 EQUIP RPLCMNT-PC HARDWARE                    | \$ 361            | \$ 252            | \$ 54             | \$ 54             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.41-34 SOFTWARE REPLACEMENT                         | \$ 140            | \$ 98             | \$ 21             | \$ 21             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.41-37 TELEPHONE SYS REPLACEMENT                    | \$ 166            | \$ 116            | \$ 25             | \$ 25             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.41-42 INSURANCE - LIABILITY CHG                    | \$ 6,917          | \$ 4,842          | \$ 1,038          | \$ 1,038          | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.45-02 LEGAL  | \$ 10,300         | \$ 7,210          | \$ 1,545          | \$ 1,545          | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.45-07 ADVERTISING                                  | \$ 515            | \$ 361            | \$ 77             | \$ 77             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.45-50 OTHER PROFESSIONAL SVCS                      | \$ 51,500         | \$ 36,050         | \$ 7,725          | \$ 7,725          | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.46-05 PRINTING & BINDING                           | \$ -              | \$ -              | \$ -              | \$ -              | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.48-06 TELEPHONE SERVICE                            | \$ 206            | \$ 144            | \$ 31             | \$ 31             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.48-08 CELLULAR PHONE SERVICE                       | \$ -              | \$ -              | \$ -              | \$ -              | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.48-11 OUTSIDE POSTAGE/DELIVERY                     | \$ 103            | \$ 72             | \$ 15             | \$ 15             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.50-08 FEES/PERMITS REQUIRED                        | \$ 72,100         | \$ 50,470         | \$ 10,815         | \$ 10,815         | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.54-02 EDUCATION REIMBURSEMENT                      | \$ 1,236          | \$ 865            | \$ 185            | \$ 185            | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.54-03 MEMBERSHIP FEES/DUES                         | \$ 92,700         | \$ 64,890         | \$ 13,905         | \$ 13,905         | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.54-04 MISC TRAVEL/MEETINGS                         | \$ 206            | \$ 144            | \$ 31             | \$ 31             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.54-05 PROF LIC/APPL/FEES                           | \$ 206            | \$ 144            | \$ 31             | \$ 31             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.54-06 SUBSCRIPTION/PUBLICATIONS                    | \$ 309            | \$ 216            | \$ 46             | \$ 46             | \$ -        | 70%        | 15%        | 15%        | 0%        |
| 490.54-07 STAFF DEVELOPMENT/TRAINING                   | \$ 4,120          | \$ 2,884          | \$ 618            | \$ 618            | \$ -        | 70%        | 15%        | 15%        | 0%        |
| <b>Total: Wastewater Regulatory Management</b>         | <b>\$ 712,575</b> | <b>\$ 498,802</b> | <b>\$ 106,886</b> | <b>\$ 106,886</b> | <b>\$ -</b> | <b>70%</b> | <b>15%</b> | <b>15%</b> | <b>0%</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Cost of Service Analysis

| Classification of Expenses                             |                            |                   |                  |                  |                  |                         |            |            |            |
|--|----------------------------|-------------------|------------------|------------------|------------------|-------------------------|------------|------------|------------|
| Budget Categories                                      | Total Revenue Requirements | Flow              | Strength         |                  | Customer         | Basis of Classification |            |            |            |
|  | FY 2017/18                 | (VOL)             | (BOD)            | (TSS)            | (CA)             | (VOL)                   | (BOD)      | (TSS)      | (CA)       |
| <b>Public Works - Wastewater Operations, continued</b> |                            |                   |                  |                  |                  |                         |            |            |            |
| <b>Laboratory Services</b>                             |                            |                   |                  |                  |                  |                         |            |            |            |
| <b>Sewer Fund - Maintenance &amp; Operations</b>       |                            |                   |                  |                  |                  |                         |            |            |            |
| 490.01-01 SALARIES/WAGES                               | \$ 134,174                 | \$ 80,504         | \$ 20,126        | \$ 20,126        | \$ 13,417        | 60%                     | 15%        | 15%        | 10%        |
| 490.01-02 BENEFITS:LEAVE TIME                          | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.01-03 BENEFITS: INSURANCE                          | \$ 2,047                   | \$ 1,228          | \$ 307           | \$ 307           | \$ 205           | 60%                     | 15%        | 15%        | 10%        |
| 490.01-04 SALARIES/WAGES                               | \$ 41,216                  | \$ 24,730         | \$ 6,182         | \$ 6,182         | \$ 4,122         | 60%                     | 15%        | 15%        | 10%        |
| 490.05-01 ACCRUED COMPTIME 1.5                         | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.05-03 COMPENSATORY TIME                            | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.10-13 LEAVE WITH PAY                               | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.10-18 STANDBY PAY                                  | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.11-12 CALL BACK PAY                                | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.11-13 BENEFITS: RETIREMENT                         | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.12-01 CAFETERIA BENEFITS                           | \$ 40,122                  | \$ 24,073         | \$ 6,018         | \$ 6,018         | \$ 4,012         | 60%                     | 15%        | 15%        | 10%        |
| 490.12-08 SPECIAL ASSIGNMENT                           | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.12-15 LONGEVITY PAY                                | \$ 1,645                   | \$ 987            | \$ 247           | \$ 247           | \$ 164           | 60%                     | 15%        | 15%        | 10%        |
| 490.12-17 CELLULAR PHONE STIPEND                       | \$ 41                      | \$ 24             | \$ 6             | \$ 6             | \$ 4             | 60%                     | 15%        | 15%        | 10%        |
| 490.13-10 RETIREE MEDICAL                              | \$ 32,999                  | \$ 19,800         | \$ 4,950         | \$ 4,950         | \$ 3,300         | 60%                     | 15%        | 15%        | 10%        |
| 490.13-11 UNEMPLOYMENT                                 | \$ 1,311                   | \$ 787            | \$ 197           | \$ 197           | \$ 131           | 60%                     | 15%        | 15%        | 10%        |
| 490.13-12 WORKERS COMPENSATION                         | \$ 8,049                   | \$ 4,829          | \$ 1,207         | \$ 1,207         | \$ 805           | 60%                     | 15%        | 15%        | 10%        |
| 490.23-10 M&S: GENERAL OFFICE                          | \$ 1,030                   | \$ 618            | \$ 155           | \$ 155           | \$ 103           | 60%                     | 15%        | 15%        | 10%        |
| 490.23-15 M&S: CHEM/PNTS/SOLV/LJBR                     | \$ 15,600                  | \$ 9,360          | \$ 2,340         | \$ 2,340         | \$ 1,560         | 60%                     | 15%        | 15%        | 10%        |
| 490.23-20 M&S: CLEANING/CUSTODIAL                      | \$ 515                     | \$ 309            | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15%        | 15%        | 10%        |
| 490.23-25 M&S: COMMUNICATIONS                          | \$ 2,060                   | \$ 1,236          | \$ 309           | \$ 309           | \$ 206           | 60%                     | 15%        | 15%        | 10%        |
| 490.23-30 M&S: COMMUNICATIONS                          | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.23-35 M&S: FOOD SUPPLIES                           | \$ 515                     | \$ 309            | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15%        | 15%        | 10%        |
| 490.23-45 M&S: LAB/ENGINEERING                         | \$ 6,180                   | \$ 3,708          | \$ 927           | \$ 927           | \$ 618           | 60%                     | 15%        | 15%        | 10%        |
| 490.23-55 M&S: PUBLIC SAFETY                           | \$ 618                     | \$ 371            | \$ 93            | \$ 93            | \$ 62            | 60%                     | 15%        | 15%        | 10%        |
| 490.25-10 ST&E: GENERAL OFFICE                         | \$ 515                     | \$ 309            | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15%        | 15%        | 10%        |
| 490.25-20 ST&E: CLEANING/CUSTODIAL                     | \$ 103                     | \$ 62             | \$ 15            | \$ 15            | \$ 10            | 60%                     | 15%        | 15%        | 10%        |
| 490.25-25 ST&E: COMMUNICATIONS                         | \$ 1,030                   | \$ 618            | \$ 155           | \$ 155           | \$ 103           | 60%                     | 15%        | 15%        | 10%        |
| 490.25-45 ST&E: LAB/ENGINEERING                        | \$ 15,450                  | \$ 9,270          | \$ 2,318         | \$ 2,318         | \$ 1,545         | 60%                     | 15%        | 15%        | 10%        |
| 490.25-55 ST&E: PUBLIC SAFETY                          | \$ 515                     | \$ 309            | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15%        | 15%        | 10%        |
| 490.25-70 ST&E: OTHER SM TOOLS/IMPL                    | \$ 1,030                   | \$ 618            | \$ 155           | \$ 155           | \$ 103           | 60%                     | 15%        | 15%        | 10%        |
| 490.41-01 BUILDING MAINTENANCE                         | \$ 13,001                  | \$ 7,800          | \$ 1,950         | \$ 1,950         | \$ 1,300         | 60%                     | 15%        | 15%        | 10%        |
| 490.41-42 INSURANCE - LIABILITY CHG                    | \$ 3,761                   | \$ 2,256          | \$ 564           | \$ 564           | \$ 376           | 60%                     | 15%        | 15%        | 10%        |
| 490.43-20 M&RS: NON-OFFIC EQUIPMENT                    | \$ 6,180                   | \$ 3,708          | \$ 927           | \$ 927           | \$ 618           | 60%                     | 15%        | 15%        | 10%        |
| 490.45-50 OTHER PROFESSIONAL SVCS                      | \$ 10,300                  | \$ 6,180          | \$ 1,545         | \$ 1,545         | \$ 1,030         | 60%                     | 15%        | 15%        | 10%        |
| 490.46-02 MED-LAB EXAM SVS                             | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.46-10 MIS (OUTSIDE SERVICES)                       | \$ 10,300                  | \$ 6,180          | \$ 1,545         | \$ 1,545         | \$ 1,030         | 60%                     | 15%        | 15%        | 10%        |
| 490.48-02 LAUNDRY SERVICES                             | \$ 515                     | \$ 309            | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15%        | 15%        | 10%        |
| 490.48-08 CELLULAR PHONE SERVICE                       | \$ 515                     | \$ 309            | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15%        | 15%        | 10%        |
| 490.48-10 HAZARDOUS WASTE DISPOSAL                     | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.48-11 OUTSIDE POSTAGE/DELIVERY                     | \$ 2,060                   | \$ 1,236          | \$ 309           | \$ 309           | \$ 206           | 60%                     | 15%        | 15%        | 10%        |
| 490.49-10 EQUIP OPER RENT/LEASE                        | \$ -                       | \$ -              | \$ -             | \$ -             | \$ -             | 60%                     | 15%        | 15%        | 10%        |
| 490.50-08 FEES/PERMITS REQUIRED                        | \$ 3,090                   | \$ 1,854          | \$ 464           | \$ 464           | \$ 309           | 60%                     | 15%        | 15%        | 10%        |
| 490.54-03 MEMBERSHIP FEES/DUES                         | \$ 515                     | \$ 309            | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15%        | 15%        | 10%        |
| 490.54-05 PROF LIC/APPL/FEES                           | \$ 515                     | \$ 309            | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15%        | 15%        | 10%        |
| 490.54-07 STAFF DEVELOPMNT/TRAINING                    | \$ 4,120                   | \$ 2,472          | \$ 618           | \$ 618           | \$ 412           | 60%                     | 15%        | 15%        | 10%        |
| 490.54-09 UNIFORM PURCH/RENT/CLEAN                     | \$ 515                     | \$ 309            | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15%        | 15%        | 10%        |
| <b>Total: Laboratory Services</b>                      | <b>\$ 362,151</b>          | <b>\$ 217,291</b> | <b>\$ 54,323</b> | <b>\$ 54,323</b> | <b>\$ 36,215</b> | <b>60%</b>              | <b>15%</b> | <b>15%</b> | <b>10%</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Cost of Service Analysis

| Classification of Expenses                             |                            |                  |                  |                  |                  |                         |            |            |            |
|--|----------------------------|------------------|------------------|------------------|------------------|-------------------------|------------|------------|------------|
| Budget Categories                                      | Total Revenue Requirements | Flow             | Strength         |                  | Customer         | Basis of Classification |            |            |            |
|  | FY 2017/18                 | (VOL)            | (BOD)            | (TSS)            | (CA)             | (VOL)                   | (BOD)      | (TSS)      | (CA)       |
| <b>Public Works - Wastewater Operations, continued</b> |                            |                  |                  |                  |                  |                         |            |            |            |
| <b>Wetlands Management</b>                             |                            |                  |                  |                  |                  |                         |            |            |            |
| <b>Sewer Fund - Maintenance &amp; Operations</b>       |                            |                  |                  |                  |                  |                         |            |            |            |
| 490.01-01 SALARIES/WAGES                               | \$ 55,318                  | \$ 33,191        | \$ 8,298         | \$ 8,298         | \$ 5,532         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.01-02 BENEFITS:LEAVE TIME                          | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.01-03 BENEFITS: INSURANCE                          | \$ 827                     | \$ 496           | \$ 124           | \$ 124           | \$ 83            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.01-04 BENEFITS: RETIREMENT                         | \$ 17,232                  | \$ 10,339        | \$ 2,585         | \$ 2,585         | \$ 1,723         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.05-01 SALARIES/WAGES                               | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.05-03 ACCRUED COMPTIME 1.5                         | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.10-18 LEAVE WITH PAY                               | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.11-12 STANDBY PAY                                  | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.11-13 CALL BACK PAY                                | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.12-01 CAFETERIA BENEFITS                           | \$ 13,780                  | \$ 8,268         | \$ 2,067         | \$ 2,067         | \$ 1,378         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.12-15 LONGEVITY PAY                                | \$ 1,329                   | \$ 797           | \$ 199           | \$ 199           | \$ 133           | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.12-17 CELLULAR PHONE STIPEND                       | \$ 41                      | \$ 24            | \$ 6             | \$ 6             | \$ 4             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.13-10 RETIREE MEDICAL                              | \$ 13,605                  | \$ 8,163         | \$ 2,041         | \$ 2,041         | \$ 1,361         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.13-11 UNEMPLOYMENT                                 | \$ 541                     | \$ 324           | \$ 81            | \$ 81            | \$ 54            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.13-12 WORKERS COMPENSATION                         | \$ 3,323                   | \$ 1,994         | \$ 498           | \$ 498           | \$ 332           | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-10 M&S: GENERAL OFFICE                          | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-15 M&S: CHEM/PNTS/SOLV/LIJBR                    | \$ 2,080                   | \$ 1,248         | \$ 312           | \$ 312           | \$ 208           | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-30 M&S: ELECTRICAL/INSTRUMNT                    | \$ 2,060                   | \$ 1,236         | \$ 309           | \$ 309           | \$ 206           | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-40 M&S: HORTICULTURE/IRRIGAT                    | \$ 1,030                   | \$ 618           | \$ 155           | \$ 155           | \$ 103           | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-50 M&S: MECHANICAL/SHOP/BLDG                    | \$ 2,060                   | \$ 1,236         | \$ 309           | \$ 309           | \$ 206           | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.23-55 M&S: PUBLIC SAFETY                           | \$ 515                     | \$ 309           | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-30 ST&E: ELECTRICAL/INSTRUMN                    | \$ 1,030                   | \$ 618           | \$ 155           | \$ 155           | \$ 103           | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-40 ST&E: HORTICULTURE/IRRIGA                    | \$ 1,030                   | \$ 618           | \$ 155           | \$ 155           | \$ 103           | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-50 ST&E: MECHANICAL/SHOP/BLD                    | \$ 1,030                   | \$ 618           | \$ 155           | \$ 155           | \$ 103           | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-55 ST&E: PUBLIC SAFETY                          | \$ 515                     | \$ 309           | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.25-70 ST&E: OTHER SM TOOLS/IMPL                    | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-01 BUILDING MAINTENANCE                         | \$ 3,251                   | \$ 1,950         | \$ 488           | \$ 488           | \$ 325           | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.41-42 INSURANCE - LIABILITY CHG                    | \$ 990                     | \$ 594           | \$ 148           | \$ 148           | \$ 99            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.45-50 OTHER PROFESSIONAL SVCS                      | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.48-05 GAS & ELECTRIC                               | \$ 20,600                  | \$ 12,360        | \$ 3,090         | \$ 3,090         | \$ 2,060         | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.48-08 CELLULAR PHONE SERVICE                       | \$ 515                     | \$ 309           | \$ 77            | \$ 77            | \$ 52            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.49-10 EQUIP OPER RENT/LEASE                        | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-03 MEMBERSHIP FEES/DUES                         | \$ 309                     | \$ 185           | \$ 46            | \$ 46            | \$ 31            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-04 MISC TRAVEL/MEETINGS                         | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-06 SUBSCRIPTION/PUBLICATIONS                    | \$ 206                     | \$ 124           | \$ 31            | \$ 31            | \$ 21            | 60%                     | 15.0%      | 15.0%      | 10%        |
| 490.54-07 STAFF DEVELOPMNT/TRAINING                    | \$ -                       | \$ -             | \$ -             | \$ -             | \$ -             | 60%                     | 15.0%      | 15.0%      | 10%        |
| <b>Total: Wetlands Management</b>                      | <b>\$ 143,215</b>          | <b>\$ 85,929</b> | <b>\$ 21,482</b> | <b>\$ 21,482</b> | <b>\$ 14,322</b> | <b>60%</b>              | <b>15%</b> | <b>15%</b> | <b>10%</b> |

CITY OF DAVIS  
SEWER RATE STUDY  
Cost of Service Analysis

| Classification of Expenses                                  |                            |                     |                     |                     |                   |                         |              |              |              |
|---|----------------------------|---------------------|---------------------|---------------------|-------------------|-------------------------|--------------|--------------|--------------|
| Budget Categories   | Total Revenue Requirements | Flow                | Strength            |                     | Customer          | Basis of Classification |              |              |              |
|   | FY 2017/18                 | (VOL)               | (BOD)               | (TSS)               | (CA)              | (VOL)                   | (BOD)        | (TSS)        | (CA)         |
| <b>Public Works - Wastewater Operations, continued</b>      |                            |                     |                     |                     |                   |                         |              |              |              |
| <b>New Treatment Plant Expected Additional Future Costs</b> |                            |                     |                     |                     |                   |                         |              |              |              |
| <b>Sewer Fund - Maintenance &amp; Operations</b>            |                            |                     |                     |                     |                   |                         |              |              |              |
| ELECTRICITY   | \$ 400,000                 | \$ 320,000          | \$ 40,000           | \$ 40,000           | \$ -              | 80%                     | 10%          | 10%          | 0%           |
| CHEMICALS   | \$ 200,000                 | \$ 20,000           | \$ 90,000           | \$ 90,000           | \$ -              | 10%                     | 45%          | 45%          | 0%           |
| OTHER   | \$ 200,000                 | \$ 100,000          | \$ 50,000           | \$ 50,000           | \$ -              | 50%                     | 25%          | 25%          | 0%           |
| <b>Total: New Treatment Plant</b>                           | <b>\$ 800,000</b>          | <b>\$ 440,000</b>   | <b>\$ 180,000</b>   | <b>\$ 180,000</b>   | <b>\$ -</b>       | <b>55%</b>              | <b>23%</b>   | <b>23%</b>   | <b>0%</b>    |
| <b>Public Works - Wastewater Operations, continued</b>      |                            |                     |                     |                     |                   |                         |              |              |              |
| <b>Wastewater Inter-Dept Charges</b>                        |                            |                     |                     |                     |                   |                         |              |              |              |
| <b>Sewer Fund - Maintenance &amp; Operations</b>            |                            |                     |                     |                     |                   |                         |              |              |              |
| OVERHEAD SUPPORT COST                                       | \$ 112,458                 | \$ 67,475           | \$ 16,869           | \$ 16,869           | \$ 11,246         | 60%                     | 15.0%        | 15.0%        | 10%          |
| <b>Sewer Fund - Capital Replacement Reserve</b>             | <b>\$ -</b>                | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>       | <b>60%</b>              | <b>15.0%</b> | <b>15.0%</b> | <b>10%</b>   |
| OVERHEAD SUPPORT COST                                       | \$ 112,458                 | \$ 67,475           | \$ 16,869           | \$ 16,869           | \$ 11,246         | 60%                     | 15.0%        | 15.0%        | 10%          |
| HUMAN RESOURCES   | \$ 319,980                 | \$ 191,988          | \$ 47,997           | \$ 47,997           | \$ 31,998         | 60%                     | 15.0%        | 15.0%        | 10%          |
| OTHER RESOURCES   | \$ 165,735                 | \$ 99,441           | \$ 24,860           | \$ 24,860           | \$ 16,574         | 60%                     | 15.0%        | 15.0%        | 10%          |
| <b>Total: Wastewater Inter-Dept Charges</b>                 | <b>\$ 710,632</b>          | <b>\$ 426,379</b>   | <b>\$ 106,595</b>   | <b>\$ 106,595</b>   | <b>\$ 71,063</b>  | <b>60%</b>              | <b>15%</b>   | <b>15%</b>   | <b>10%</b>   |
| <b>Public Works - Wastewater Operations, continued</b>      |                            |                     |                     |                     |                   |                         |              |              |              |
| <b>Indirect Overhead Costs (1)</b>                          |                            |                     |                     |                     |                   |                         |              |              |              |
| <b>Sewer Fund - Indirect Overhead Costs</b>                 |                            |                     |                     |                     |                   |                         |              |              |              |
| CITY MANGER'S OFFICE  | \$ 3,978                   | \$ 2,387            | \$ 597              | \$ 597              | \$ 398            | 60%                     | 15.0%        | 15.0%        | 10%          |
| BUDGET/FINANCIAL PLANNING                                   | \$ 25,993                  | \$ 15,596           | \$ 3,899            | \$ 3,899            | \$ 2,599          | 60%                     | 15.0%        | 15.0%        | 10%          |
| FINANCE   | \$ 275,671                 | \$ 165,402          | \$ 41,351           | \$ 41,351           | \$ 27,567         | 60%                     | 15.0%        | 15.0%        | 10%          |
| PLANNING DIVISION   | \$ 61,452                  | \$ 36,871           | \$ 9,218            | \$ 9,218            | \$ 6,145          | 60%                     | 15.0%        | 15.0%        | 10%          |
| PARKS DIVISION  | \$ 56,384                  | \$ 33,830           | \$ 8,458            | \$ 8,458            | \$ 5,638          | 60%                     | 15.0%        | 15.0%        | 10%          |
| PW - ADMIN  | \$ 199,042                 | \$ 119,425          | \$ 29,856           | \$ 29,856           | \$ 19,904         | 60%                     | 15.0%        | 15.0%        | 10%          |
| PW - TRANSPORTATION   | \$ 117,378                 | \$ 70,427           | \$ 17,607           | \$ 17,607           | \$ 11,738         | 60%                     | 15.0%        | 15.0%        | 10%          |
| FLEET AND GENERAL SERVICES                                  | \$ 45,385                  | \$ 27,231           | \$ 6,808            | \$ 6,808            | \$ 4,539          | 60%                     | 15.0%        | 15.0%        | 10%          |
| <b>Total: Indirect Overhead Costs</b>                       | <b>\$ 785,282</b>          | <b>\$ 471,169</b>   | <b>\$ 117,792</b>   | <b>\$ 117,792</b>   | <b>\$ 78,528</b>  | <b>60%</b>              | <b>15%</b>   | <b>15%</b>   | <b>10%</b>   |
| <b>Grand Total: Public Works Wastewater Oper</b>            | <b>\$ 8,907,027</b>        | <b>\$ 5,409,506</b> | <b>\$ 1,398,629</b> | <b>\$ 1,398,629</b> | <b>\$ 700,263</b> | <b>61%</b>              | <b>16%</b>   | <b>16%</b>   | <b>8%</b>    |
| <b>Debt Service Payments</b>                                |                            |                     |                     |                     |                   |                         |              |              |              |
| Debt Service Obligation                                     | \$ -                       | \$ -                | \$ -                | \$ -                | \$ -              | 60%                     | 20%          | 20%          | 0%           |
| Debt Service Obligation                                     | \$ -                       | \$ -                | \$ -                | \$ -                | \$ -              | 60%                     | 20%          | 20%          | 0%           |
| SRF Loan Debt Service Payments                              | \$ 2,107,395               | \$ 1,053,697        | \$ 526,849          | \$ 526,849          | \$ -              | 50%                     | 25%          | 25%          | 0%           |
| <b>Total Debt Service Payments</b>                          | <b>\$ 2,107,395</b>        | <b>\$ 1,053,697</b> | <b>\$ 526,849</b>   | <b>\$ 526,849</b>   | <b>\$ -</b>       | <b>50%</b>              | <b>25%</b>   | <b>25%</b>   | <b>0%</b>    |
| <b>Capital Expenditures</b>                                 |                            |                     |                     |                     |                   |                         |              |              |              |
| Rate Funded Capital Expenditures                            | \$ 4,173,020               | \$ 2,921,114        | \$ 625,953          | \$ 625,953          | \$ -              | 70%                     | 15%          | 15%          | 0%           |
| <b>TOTAL REVENUE REQUIREMENTS</b>                           | <b>\$ 15,187,442</b>       | <b>\$ 9,384,317</b> | <b>\$ 2,551,431</b> | <b>\$ 2,551,431</b> | <b>\$ 700,263</b> | <b>62%</b>              | <b>17%</b>   | <b>17%</b>   | <b>4.61%</b> |
| <b>Less Non-Rate Revenues</b>                               |                            |                     |                     |                     |                   |                         |              |              |              |
| Sewer Service Fee   | \$ -                       | \$ -                | \$ -                | \$ -                | \$ -              | 60%                     | 10%          | 10%          | 20%          |
| Sewer Tap/Latr/ Instl Fee                                   | \$ (4,000)                 | \$ (2,400)          | \$ (400)            | \$ (400)            | \$ (800)          | 60%                     | 10%          | 10%          | 20%          |
| Sewer Maint/ El Macero (2)                                  | \$ (250,000)               | \$ (150,000)        | \$ (25,000)         | \$ (25,000)         | \$ (50,000)       | 60%                     | 10%          | 10%          | 20%          |
| Sewer Maint/ No Davis Meadows (2)                           | \$ (80,000)                | \$ (48,000)         | \$ (8,000)          | \$ (8,000)          | \$ (16,000)       | 60%                     | 10%          | 10%          | 20%          |
| Pretreatment Fees   | \$ (165,983)               | \$ (99,590)         | \$ (16,598)         | \$ (16,598)         | \$ (33,197)       | 60%                     | 10%          | 10%          | 20%          |
| Tower Lease / Verizon: Howitt Ranch                         | \$ (14,256)                | \$ (8,554)          | \$ (1,426)          | \$ (1,426)          | \$ (2,851)        | 60%                     | 10%          | 10%          | 20%          |
| Land Lease: Open Space Crops                                | \$ (44,329)                | \$ (26,597)         | \$ (4,433)          | \$ (4,433)          | \$ (8,866)        | 60%                     | 10%          | 10%          | 20%          |
| Interest Earned - Calculated on Financial Plan              | \$ (165,372)               | \$ (99,223)         | \$ (16,537)         | \$ (16,537)         | \$ (33,074)       | 60%                     | 10%          | 10%          | 20%          |
| <b>NET REVENUE REQUIREMENTS</b>                             | <b>\$ 14,463,502</b>       | <b>\$ 8,949,953</b> | <b>\$ 2,479,037</b> | <b>\$ 2,479,037</b> | <b>\$ 555,475</b> |                         |              |              |              |
| <b>Allocation of Revenue Requirements</b>                   | <b>100.0%</b>              | <b>61.9%</b>        | <b>17.1%</b>        | <b>17.1%</b>        | <b>3.8%</b>       |                         |              |              |              |
| <i>Net Revenue Requirements from Financial Plan</i>         | \$ -                       | \$ -                | \$ -                | \$ -                | \$ -              |                         |              |              |              |

CITY OF DAVIS  
SEWER RATE STUDY  
Cost of Service Analysis

| Classification of Expenses |                            |       |          |       |          |                         |       |       |      |
|----------------------------|----------------------------|-------|----------|-------|----------|-------------------------|-------|-------|------|
| Budget Categories          | Total Revenue Requirements | Flow  | Strength |       | Customer | Basis of Classification |       |       |      |
|                            | FY 2017/18                 | (VOL) | (BOD)    | (TSS) | (CA)     | (VOL)                   | (BOD) | (TSS) | (CA) |

| Classification of Expenses, continued        |                      |                     |                     |                     |                   |
|--|----------------------|---------------------|---------------------|---------------------|-------------------|
| Adjustments to Classification of Expenses    |                      |                     |                     |                     |                   |
| Adjustment for Current Rate Level:           | Total                | (VOL)               | (BOD)               | (TSS)               | (CA)              |
| FY 2017/18 Target Rate Rev. After Rate Incre | \$ 14,463,502        |                     |                     |                     |                   |
| Projected Rate Revenue at Current Rates      | \$ 14,463,502        |                     |                     |                     |                   |
| FY 2017/18 Projected Rate Adjustment         | 0.00%                |                     |                     |                     |                   |
| <b>Adjusted Net Revenue Req'ts</b>           | <b>\$ 14,463,502</b> | <b>\$ 8,949,953</b> | <b>\$ 2,479,037</b> | <b>\$ 2,479,037</b> | <b>\$ 555,475</b> |
| <i>Percent of Revenue</i>                    |                      | <i>61.9%</i>        | <i>17.1%</i>        | <i>17.1%</i>        | <i>3.8%</i>       |

| Rate-Design Adjustments to Fixed/Variable | 100%         | 65.0%       | 15.0%       | 15.0%       | 5.0%      |
|---|--------------|-------------|-------------|-------------|-----------|
| Rate-Design Adjustments to Fixed/Variable | \$14,463,502 | \$9,401,276 | \$2,169,525 | \$2,169,525 | \$723,175 |

Variable (Volumetric Rates) 65.0%  
Fixed Charges 35.0%

**Existing Allocation of Fixed vs. Variable Charges**

|                  |                      |             |
|------------------|----------------------|-------------|
| Variable Charges | \$ 8,574,910         | 61%         |
| Fixed Charges    | \$ 5,475,448         | 39%         |
| <b>Total</b>     | <b>\$ 14,050,358</b> | <b>100%</b> |

*Debt Service Footnotes:*

(2) State Water Resource Control Board loan (known as the Water Pollution Control Plant Expansion & Upgrade Project), has an assumed coverage requirement of 0% and reserve requirement of 10%. But per client email this SRF Loan has been paid off and the loan information has been removed per source file: *Client data revision email 9.30.15 10.40am.pdf*

(3) State Water Resource Control Board Installment Sales Agreement, has an assumed coverage requirement of 0% and reserve requirement of the lesser of (i) ten percent of the aggregate principal debt service amount, (ii) the maximum annual debt service amount, or (iii) 125 percent the average annual debt service. A restricted reserve fund equal to one years debt service must be established prior to completion date of project. File: 8010-110 Executed ISA\_4-8-15.pdf, pg 20 and D-1.

*Non-Rate Revenue Footnotes:*

(2) Per City staff, Maintenance Fees for El Macero and North Davis Meadows are consumption based service fees (email 07/16/2015).



**CITY OF DAVIS**  
**SEWER RATE STUDY**  
**Sewer Cost of Service Analysis**

| <b>Development of the Volume Allocation Factor</b> |  |   |   |                              |
|--|--|---|---|------------------------------|
| <b>Customer Class</b>                              | <b>FY 2015/16<br/>Annual Water<br/>Consumption<br/>(ccf)<sup>1</sup></b> | <b>FY 2015/16<br/>Avg. WINTER<br/>Water Use<br/>(ccf/mo.)<sup>2</sup></b> | <b>Estimated<br/>FY 2015/16<br/>Winter-<br/>Based<br/>Annual Vol.<br/>(ccf/mo.)<sup>3</sup></b> | <b>Percent of<br/>Volume</b> |
| <b>Residential Classes</b>                         |  |   |   |                              |
| Single Family                                      | 1,373,838  | 102,582   | 1,230,987   | 45.2%                        |
| Condo  | 48,897   | 5,463   | 65,552  | 2.4%                         |
| Duplex   | 77,219   | 7,494   | 89,932  | 3.3%                         |
| Triplex  | 12,253   | 1,263   | 15,152  | 0.6%                         |
| Quadplex   | 23,114   | 2,592   | 31,104  | 1.1%                         |
| 5+ Units   | 694,558  | 66,973  | 803,676   | 29.5%                        |
| Mobile Home Park                                   | 36,052   | 3,302   | 39,620  | 1.5%                         |
| <b>Non-Residential Classes</b>                     |  |   |   |                              |
| Office/Retail                                      | 130,837  | 11,980  | 143,756   | 5.3%                         |
| Laundry  | 2,434  | 299   | 3,588   | 0.1%                         |
| All Other  | 218,917  | 10,968  | 131,616   | 4.8%                         |
| Conv. Hospital                                     | 22,588   | 2,165   | 25,976  | 1.0%                         |
| Auto/Service Station                               | 27,981   | 2,623   | 31,476  | 1.2%                         |
| Restaurants  | 84,872   | 8,388   | 100,652   | 3.7%                         |
| Industrial   | 7,936  | 226   | 2,712   | 0.1%                         |
| City Accounts                                      | 6,404  | 1,601   | 6,404   | 0.2%                         |
| <b>Total</b>                                       | <b>2,767,900</b>   | <b>227,918</b>  | <b>2,722,203</b>  | <b>100%</b>                  |

(1) Consumption data was provided by the City in file: Consumption Reads July 2015 to May 2016.xls emailed September 2016.

(2) Average winter water use is for the lowest four months.

(3) Estimated annual volume is based on Average Winter Water Consumption for all customers.

**CITY OF DAVIS**  
**SEWER RATE STUDY**  
**Sewer Cost of Service Analysis**

| Summary of Annual Water Use and Billable Volume - Development of the Volumetric Allocation Factor |   |   |                            |  |                            |
|---|---|---|----------------------------|--|----------------------------|
| Customer Class  | Estimated FY 2015/16 Winter-Based Annual Vol. (ccf/yr.) (1) | Adjusted Annual FY 2015/16 Volume Total (ccf) (2) | Percent of Adjusted Volume | 4-Month Billable Volume FY 2015/16 (below Cap) (3) | Percent of Billable Volume |
| <b>Residential Classes</b>  |   |   |                            |  |                            |
| Single Family   | 1,230,987   | 957,538   | 45.2%                      | 1,112,976  | 46.0%                      |
| Condo   | 65,552  | 50,990  | 2.4%                       | 42,828   | 1.8%                       |
| Duplex  | 89,932  | 69,955  | 3.3%                       | 74,472   | 3.1%                       |
| Triplex   | 15,152  | 11,786  | 0.6%                       | 12,456   | 0.5%                       |
| Quadplex  | 31,104  | 24,195  | 1.1%                       | 24,900   | 1.0%                       |
| 5+ Units  | 803,676   | 625,149   | 29.5%                      | 671,340  | 27.8%                      |
| Mobile Home Park  | 39,620  | 30,819  | 1.5%                       | 33,888   | 1.4%                       |
| <b>Non-Residential Classes</b>  |   |   |                            |  |                            |
| Office/Retail   | 143,756   | 111,822   | 5.3%                       | 143,756  | 5.9%                       |
| Laundry   | 3,588   | 2,791   | 0.1%                       | 3,588  | 0.1%                       |
| All Other   | 131,616   | 102,379   | 4.8%                       | 131,616  | 5.4%                       |
| Conv. Hospital  | 25,976  | 20,206  | 1.0%                       | 25,976   | 1.1%                       |
| Auto/Service Station  | 31,476  | 24,484  | 1.2%                       | 31,476   | 1.3%                       |
| Restaurants   | 100,652   | 78,293  | 3.7%                       | 100,652  | 4.2%                       |
| Industrial  | 2,712   | 2,110   | 0.1%                       | 2,712  | 0.1%                       |
| City Accounts   | 6,404   | 4,981   | 0.2%                       | 6,404  | 0.3%                       |
| <b>Total</b>  | <b>2,722,203</b>  | <b>2,117,498</b>                                  | <b>100%</b>                | <b>2,419,040</b>                                   | <b>100%</b>                |

(1) Consumption data was provided by the City in file: Consumption Reads July 2015 to May 2016.xls.

Estimated annual volume is based on Average Winter Water Consumption for all customers.

(2) Includes an assumed water conservation of 0%.

(3) Billable Annual Volume, calculated using avg winter water use below the cap (FY 2015/16 billing data).

| Customer Category | Monthly Caps (ccf) (Current) |
|-------------------|------------------------------|
| Single Family     | 24                           |
| Condo             | 19                           |
| Duplex            | 36                           |
| Triplex           | 56                           |
| Quadplex          | 76                           |
| 5+ units          | 19 ccf/unit                  |
| Mobile Home Park  | 19 ccf/unit                  |

| Average Winter Consumption | 4-Month Billable Volume |
|----------------------------|-------------------------|
|                            |                         |

**CITY OF DAVIS**  
**SEWER RATE STUDY**  
**Sewer Cost of Service Analysis**

| Summary of Annual Flow and Strength Characteristics by Customer Class (BOD):<br>Development of the Strength Allocation Factor |                      |   |                           |                         |                  |   |                           |                         |                  |
|---|----------------------|---|---------------------------|-------------------------|------------------|---|---------------------------|-------------------------|------------------|
| Customer Class  | Adjusted Annual Flow | Biochemical Oxygen Demand (BOD)             |                           |                         |                  | Total Suspended Solids (TSS)                |                           |                         |                  |
|   |                      | Average Strength Factor (mg/l) <sup>1</sup> | Calculated BOD (lbs./yr.) | Adjusted BOD (lbs./yr.) | Percent of Total | Average Strength Factor (mg/l) <sup>1</sup> | Calculated TSS (lbs./yr.) | Adjusted TSS (lbs./yr.) | Percent of Total |
| Single Family   | 957,538              | 250   | 1,493,357                 | 1,331,558               | 44.0%            | 250   | 1,493,357                 | 1,938,294               | 46.2%            |
| Condo   | 50,990               | 250   | 79,524                    | 70,908                  | 2.3%             | 250   | 79,524                    | 103,217                 | 2.5%             |
| Duplex  | 69,955               | 250   | 109,100                   | 97,279                  | 3.2%             | 250   | 109,100                   | 141,606                 | 3.4%             |
| Triplex   | 11,786               | 250   | 18,381                    | 16,390                  | 0.5%             | 250   | 18,381                    | 23,858                  | 0.6%             |
| Quadplex  | 24,195               | 250   | 37,733                    | 33,645                  | 1.1%             | 250   | 37,733                    | 48,976                  | 1.2%             |
| 5+ Units  | 625,149              | 250   | 974,970                   | 869,336                 | 28.7%            | 250   | 974,970                   | 1,265,456               | 30.1%            |
| Mobile Home Park  | 30,819               | 250   | 48,065                    | 42,857                  | 1.4%             | 250   | 48,065                    | 62,385                  | 1.5%             |
| Office/Retail   | 111,822              | 130   | 90,686                    | 80,860                  | 2.7%             | 80  | 55,807                    | 72,434                  | 1.7%             |
| Laundry   | 2,791                | 150   | 2,612                     | 2,329                   | 0.1%             | 110   | 1,915                     | 2,486                   | 0.1%             |
| All Other   | 102,379              | 130   | 83,028                    | 74,032                  | 2.4%             | 130   | 83,028                    | 107,765                 | 2.6%             |
| Conv. Hospital  | 20,206               | 250   | 31,512                    | 28,098                  | 0.9%             | 100   | 12,605                    | 16,361                  | 0.4%             |
| Auto/Service Station  | 24,484               | 180   | 27,493                    | 24,514                  | 0.8%             | 280   | 42,767                    | 55,509                  | 1.3%             |
| Restaurants   | 78,293               | 800   | 390,735                   | 348,401                 | 11.5%            | 550   | 268,630                   | 348,667                 | 8.3%             |
| Industrial  | 2,110                | 485   | 6,383                     | 5,691                   | 0.2%             | 425   | 5,593                     | 7,259                   | 0.2%             |
| City Accounts   | 4,981                | 130   | 4,040                     | 3,602                   | 0.1%             | 80  | 2,486                     | 3,227                   | 0.1%             |
| <b>Total</b>  | <b>2,117,498</b>     |   | <b>3,397,617</b>          | <b>3,029,500</b>        | <b>100%</b>      |   | <b>3,233,960</b>          | <b>4,197,500</b>        | <b>100%</b>      |
| Target, from WWTP Data <sup>2</sup>   |                      |   | 3,029,500 BOD (lbs./yr.)  |                         |                  |   | 4,197,500 TSS (lbs./yr.)  |                         |                  |
|   |                      |   | 0.892 BOD Adj. Factor     |                         |                  |   | 1.298 TSS Adj. Factor     |                         |                  |

(1) Average strength factors for BOD and TSS are based on the State Water Resources Control Board Revenue Program Guidelines, Appendix G. NBS has adjusted residential strength factors to reflect an increase in concentrations due to lower hydraulic flows resulting from water conservation.

(2) WWTP flow data provided by City staff, via email, September 2016.

**CITY OF DAVIS**  
**SEWER RATE STUDY**  
**Sewer Cost of Service Analysis**

| <b>Development of the Customer Allocation Factor</b> |                                       |                                  |  |                                       |
|--|---------------------------------------|----------------------------------|--|---------------------------------------|
| <b>Customer Class</b>                                | <b>Number of Accounts<sup>1</sup></b> | <b>Percent of Total Accounts</b> | <b>Number of Billing Units<sup>2</sup></b> | <b>Percent of Total Billing Units</b> |
| Single Family  | 12,829                                | 84.2%                            | 12,836                                     | 44.9%                                 |
| Condo  | 803                                   | 5.3%                             | 810  | 2.8%                                  |
| Duplex   | 565                                   | 3.7%                             | 1,134                                      | 4.0%                                  |
| Triplex  | 60                                    | 0.4%                             | 180  | 0.6%                                  |
| Quadplex   | 89                                    | 0.6%                             | 356  | 1.2%                                  |
| 5+ Units   | 226                                   | 1.5%                             | 11,255                                     | 39.3%                                 |
| Mobile Home Park                                     | 5                                     | 0.0%                             | 565  | 2.0%                                  |
| Office/Retail  | 237                                   | 1.6%                             | 389  | 1.4%                                  |
| Laundry  | 2                                     | 0.0%                             | 2  | 0.0%                                  |
| All Other  | 240                                   | 1.6%                             | 533  | 1.9%                                  |
| Conv. Hospital                                       | 3                                     | 0.0%                             | 3  | 0.0%                                  |
| Auto/Service Station                                 | 50                                    | 0.3%                             | 62   | 0.2%                                  |
| Restaurants  | 88                                    | 0.6%                             | 239  | 0.8%                                  |
| Industrial   | 9                                     | 0.1%                             | 225  | 0.8%                                  |
| City Accounts  | 25                                    | 0.2%                             | 25   | 0.1%                                  |
| <b>Total</b>   | <b>15,231</b>                         | <b>100.0%</b>                    | <b>28,614</b>                              | <b>100.0%</b>                         |

(1) Number of accounts and number of billing units from Source File: *Consumption Reads July 2015 to May 2016.xls* emailed September 2016.

(2) Billing units from June 30, 2016, file: *Sewer Charges.xlsx*.

**Customer Related Costs**: Costs associated with having a customer on the sewer system. These costs vary with the addition or deletion of customers on the system. Examples: Meter-reading, Postage and billing.

| <b>Total Current Revenue by Customer Class</b> |                                 |                           |
|--|---------------------------------|---------------------------|
| <b>Customer Class</b>                          | <b>Total Revenue FY 2014/15</b> | <b>% of Total Revenue</b> |
| Single Family                                  | \$ 7,198,658                    | 51.0%                     |
| Condo  | \$ 454,719                      | 3.2%                      |
| Duplex   | \$ 477,827                      | 3.4%                      |
| Triplex  | \$ 83,043                       | 0.6%                      |
| Quadplex                                       | \$ 157,296                      | 1.1%                      |
| 5+ Units                                       | \$ 3,577,506                    | 25.4%                     |
| Mobile Home Park                               | \$ 190,410                      | 1.4%                      |
| Office/Retail                                  | \$ 581,205                      | 4.1%                      |
| Laundry  | \$ 31,275                       | 0.2%                      |
| All Other                                      | \$ 324,769                      | 2.3%                      |
| Conv. Hospital                                 | \$ 120,691                      | 0.9%                      |
| Auto/Service Station                           | \$ 127,954                      | 0.9%                      |
| Restaurants                                    | \$ 706,254                      | 5.0%                      |
| Industrial                                     | \$ 18,751                       | 0.1%                      |
| City Accounts                                  | \$ 51,538                       | 0.4%                      |
| <b>Total</b>                                   | <b>\$ 14,101,896</b>            | <b>100.0%</b>             |

CITY OF DAVIS  
 SEWER RATE STUDY  
 Sewer Cost of Service Analysis

| Allocation of FY 2017/18 Rev. Reqts. by Customer Class - Commercial Billed on Winter Usage |                                |                     |                     |                   |                                    |                             |
|--|--------------------------------|---------------------|---------------------|-------------------|------------------------------------|-----------------------------|
| Customer Class   | Cost Classification Components |                     |                     | Customer Related  | Cost-of-Service Net Revenue Reqts. | % of COS Net Revenue Reqts. |
|  | Volume                         | Treatment           |                     |                   |                                    |                             |
|  |                                | BOD                 | TSS                 |                   |                                    |                             |
| <b>Net Revenue Requirements <sup>1</sup></b>   | <b>\$ 9,401,276</b>            | <b>\$ 2,169,525</b> | <b>\$ 2,169,525</b> | <b>\$ 723,175</b> | <b>\$ 14,463,502</b>               | <b>--</b>                   |
|  | 65.0%                          | 15.0%               | 15.0%               | 5.0%              | 100.0%                             |                             |
| Single Family  | \$ 4,325,433                   | \$ 953,573          | \$ 1,001,829        | \$ 609,127        | \$ 6,889,962                       | 47.6%                       |
| Condo  | \$ 166,445                     | \$ 50,779           | \$ 53,349           | \$ 38,127         | \$ 308,700                         | 2.1%                        |
| Duplex   | \$ 289,425                     | \$ 69,665           | \$ 73,190           | \$ 26,826         | \$ 459,107                         | 3.2%                        |
| Triplex  | \$ 48,409                      | \$ 11,737           | \$ 12,331           | \$ 2,849          | \$ 75,326                          | 0.5%                        |
| Quadplex   | \$ 96,771                      | \$ 24,094           | \$ 25,314           | \$ 4,226          | \$ 150,404                         | 1.0%                        |
| 5+ Units   | \$ 2,609,073                   | \$ 622,560          | \$ 654,065          | \$ 10,731         | \$ 3,896,429                       | 26.9%                       |
| Mobile Home Park   | \$ 131,701                     | \$ 30,691           | \$ 32,244           | \$ 237            | \$ 194,874                         | 1.3%                        |
| Office/Retail  | \$ 558,689                     | \$ 57,907           | \$ 37,438           | \$ 11,253         | \$ 665,286                         | 4.6%                        |
| Laundry  | \$ 13,944                      | \$ 1,668            | \$ 1,285            | \$ 95             | \$ 16,992                          | 0.1%                        |
| All Other  | \$ 511,508                     | \$ 53,017           | \$ 55,700           | \$ 11,395         | \$ 631,620                         | 4.4%                        |
| Conv. Hospital   | \$ 100,952                     | \$ 20,122           | \$ 8,456            | \$ 142            | \$ 129,673                         | 0.9%                        |
| Auto/Service Station   | \$ 122,327                     | \$ 17,555           | \$ 28,690           | \$ 2,374          | \$ 170,947                         | 1.2%                        |
| Restaurants  | \$ 391,171                     | \$ 249,501          | \$ 180,213          | \$ 4,178          | \$ 825,063                         | 5.7%                        |
| Industrial   | \$ 10,540                      | \$ 4,076            | \$ 3,752            | \$ 427            | \$ 18,795                          | 0.1%                        |
| City Accounts  | \$ 24,888                      | \$ 2,580            | \$ 1,668            | \$ 1,187          | \$ 30,323                          | 0.2%                        |
| <b>Total</b>   | <b>\$ 9,401,276</b>            | <b>\$ 2,169,525</b> | <b>\$ 2,169,525</b> | <b>\$ 723,175</b> | <b>\$ 14,463,502</b>               | <b>100%</b>                 |

1. Revenue requirement for each customer class is determined by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.

\$-Amt Check    \$       -    \$       -    \$       -    \$       -    \$       -

CITY OF DAVIS  
SEWER RATE STUDY  
Sewer Cost of Service Analysis

| Customer Class                                      | No. of Accounts <sup>1</sup> | No. of Billing Units (HEU's) <sup>1</sup> | Billable Annual Volume (ccf) <sup>1,2</sup> | Annual Revenue Requirements |                               |  |                                  |  | Mo. Base Rate (\$/mo./Acct) <sup>5</sup><br>(Customer Related) | Mo. Fixed Charge Per Billing Unit | Volumetric Charge (\$/ccf) |
|---|------------------------------|---|---|-----------------------------|-------------------------------|--|----------------------------------|--|--|-----------------------------------|----------------------------|
|   |                              |   |   | Total                       | Customer Related <sup>4</sup> | Remaining Costs <sup>3</sup> (Allocated to Fixed & Vol.) |                                  |  |  |                                   |                            |
|   |                              |   |   |                             |                               | Remaining Costs (Total less Customer) <sup>3</sup>       | Fixed (% applies to Resid. only) | Volumetric (% applies to Resid. only) <sup>4</sup> |  |                                   |                            |
| <b>Rate Design Alt. #1 (35% Fixed/65% Variable)</b> |                              |   |   | <b>100%</b>                 | <b>5%</b>                     | <b>95%</b>   | <b>35%</b>                       | <b>65%</b>   |  |                                   |                            |
| Single Family                                       | 12,893                       | 12,900                                    | 1,118,541                                   | \$ 6,889,962                | \$609,127                     | \$6,280,835  | \$2,198,292                      | \$4,082,542  | \$3.94   | \$14.20                           | \$3.70                     |
| Condo   | 807                          | 814                                       | 43,042                                      | 308,700                     | \$38,127                      | \$270,574  | \$94,701                         | \$175,873  | \$3.94   | \$9.69                            | \$3.70                     |
| Duplex  | 568                          | 1,140                                     | 74,844                                      | 459,107                     | \$26,826                      | \$432,281  | \$151,298                        | \$280,983  | \$3.94   | \$11.06                           | \$3.70                     |
| Triplex   | 60                           | 181                                       | 12,518                                      | 75,326                      | \$2,849                       | \$72,477   | \$25,367                         | \$47,110   | \$3.94   | \$11.69                           | \$3.70                     |
| Quadplex  | 89                           | 358                                       | 25,025                                      | 150,404                     | \$4,226                       | \$146,179  | \$51,163                         | \$95,016   | \$3.94   | \$11.92                           | \$3.70                     |
| 5+ Units  | 227                          | 11,311                                    | 674,697                                     | 3,896,429                   | \$10,731                      | \$3,885,699  | \$1,359,995                      | \$2,525,704  | \$3.94   | \$10.02                           | \$3.70                     |
| Mobile Home Park                                    | 5                            | 568                                       | 34,057                                      | 194,874                     | \$237                         | \$194,637  | \$68,123                         | \$126,514  | \$3.94   | \$10.00                           | \$3.70                     |
| Office/Retail                                       | 238                          | 391                                       | 144,475                                     | 665,286                     | \$11,253                      | \$654,034  | -                                | \$654,034  | \$3.94   | -                                 | \$4.53                     |
| Laundry   | 2                            | 2   | 3,606                                       | 16,992                      | \$95                          | \$16,897   | -                                | \$16,897   | \$3.94   | -                                 | \$4.69                     |
| All Other   | 241                          | 536                                       | 132,274                                     | 631,620                     | \$11,395                      | \$620,224  | -                                | \$620,224  | \$3.94   | -                                 | \$4.69                     |
| Conv. Hospital                                      | 3                            | 3   | 26,106                                      | 129,673                     | \$142                         | \$129,530  | -                                | \$129,530  | \$3.94   | -                                 | \$4.96                     |
| Auto/Service Station                                | 50                           | 62  | 31,633                                      | 170,947                     | \$2,374                       | \$168,573  | -                                | \$168,573  | \$3.94   | -                                 | \$5.33                     |
| Restaurants   | 88                           | 240                                       | 101,155                                     | 825,063                     | \$4,178                       | \$820,884  | -                                | \$820,884  | \$3.94   | -                                 | \$8.12                     |
| Industrial  | 9                            | 226                                       | 2,726                                       | 18,795                      | \$427                         | \$18,368   | -                                | \$18,368   | \$3.94   | -                                 | \$6.74                     |
| City Accounts                                       | 25                           | 25  | 6,436                                       | 30,323                      | \$1,187                       | \$29,136   | -                                | \$29,136   | \$3.94   | -                                 | \$4.53                     |
| <b>Total</b>  | <b>15,307</b>                | <b>28,757</b>                             | <b>2,431,135</b>                            | <b>\$ 14,463,502</b>        | <b>\$ 723,175</b>             | <b>\$ 13,740,327</b>                                     | <b>\$ 3,948,938</b>              | <b>\$ 9,791,388</b>                                | --   | --                                | --                         |

Percent of Revenue from Fixed vs. Volumetric Charges      100.0%      5.0%      95.0%      27.3%      67.7%      TRUE

1. Number of Accounts, Billing Units (HEU's) and Billable Annual Volume have been adjusted to reflect projected growth at the City (0.50 percent annually).
2. Billable annual volume is based on **Average Winter Water Consumption** for all customers (below the billing cap (per unit) for residential customers).
3. The remaining costs are allocated to fixed and volumetric rates.
4. Adjusted proportionally to number of accounts so that total customer costs equal the percentage used in this rate design.
5. Total customer costs divided by total number of accounts.

**CITY OF DAVIS**  
**SEWER RATE STUDY**  
**Sewer Cost of Service Analysis**

| Customer Class                                      | No. of Accounts <sup>1</sup> | No. of Billing Units (HEU's) <sup>1</sup> | Billable Annual Volume (ccf) <sup>1, 2</sup> | Annual Revenue Requirements |                               |  |                                  |  | Mo. Base Rate (\$/mo./Acct) <sup>5</sup><br>(Customer Related) | Mo. Fixed Charge Per Billing Unit | Volumetric Charge (\$/ccf) |
|---|------------------------------|---|--|-----------------------------|-------------------------------|--|----------------------------------|--|--|-----------------------------------|----------------------------|
|   |                              |   |  | Total                       | Customer Related <sup>4</sup> | Remaining Costs <sup>3</sup> (Allocated to Fixed & Vol.) |                                  |  |  |                                   |                            |
|   |                              |   |  |                             |                               | Remaining Costs (Total less Customer) <sup>3</sup>       | Fixed (% applies to Resid. only) | Volumetric (% applies to Resid. only) <sup>4</sup> |  |                                   |                            |
| <b>Rate Design Alt. #2 (45% Fixed/55% Variable)</b> |                              |   |  | <b>100%</b>                 | <b>5%</b>                     | <b>95%</b>   | <b>45%</b>                       | <b>55%</b>   |  |                                   |                            |
| Single Family                                       | 12,893                       | 12,900                                    | 1,118,541                                    | \$ 6,889,962                | \$609,127                     | \$6,280,835  | \$2,826,376                      | \$3,454,459  | \$3.94   | \$18.26                           | \$3.13                     |
| Condo   | 807                          | 814                                       | 43,042                                       | 308,700                     | \$38,127                      | \$270,574  | \$121,758                        | \$148,815  | \$3.94   | \$12.46                           | \$3.13                     |
| Duplex  | 568                          | 1,140                                     | 74,844                                       | 459,107                     | \$26,826                      | \$432,281  | \$194,526                        | \$237,755  | \$3.94   | \$14.22                           | \$3.13                     |
| Triplex   | 60                           | 181                                       | 12,518                                       | 75,326                      | \$2,849                       | \$72,477   | \$32,615                         | \$39,862   | \$3.94   | \$15.02                           | \$3.13                     |
| Quadplex  | 89                           | 358                                       | 25,025                                       | 150,404                     | \$4,226                       | \$146,179  | \$65,780                         | \$80,398   | \$3.94   | \$15.32                           | \$3.13                     |
| 5+ Units  | 227                          | 11,311                                    | 674,697                                      | 3,896,429                   | \$10,731                      | \$3,885,699  | \$1,748,564                      | \$2,137,134  | \$3.94   | \$12.88                           | \$3.13                     |
| Mobile Home Park                                    | 5                            | 568                                       | 34,057                                       | 194,874                     | \$237                         | \$194,637  | \$87,587                         | \$107,050  | \$3.94   | \$12.85                           | \$3.13                     |
| Office/Retail                                       | 238                          | 391                                       | 144,475                                      | 665,286                     | \$11,253                      | \$654,034  | -                                | \$654,034  | \$3.94   | -                                 | \$4.53                     |
| Laundry   | 2                            | 2   | 3,606  | 16,992                      | \$95                          | \$16,897   | -                                | \$16,897   | \$3.94   | -                                 | \$4.69                     |
| All Other   | 241                          | 536                                       | 132,274                                      | 631,620                     | \$11,395                      | \$620,224  | -                                | \$620,224  | \$3.94   | -                                 | \$4.69                     |
| Conv. Hospital                                      | 3                            | 3   | 26,106                                       | 129,673                     | \$142                         | \$129,530  | -                                | \$129,530  | \$3.94   | -                                 | \$4.96                     |
| Auto/Service Station                                | 50                           | 62  | 31,633                                       | 170,947                     | \$2,374                       | \$168,573  | -                                | \$168,573  | \$3.94   | -                                 | \$5.33                     |
| Restaurants   | 88                           | 240                                       | 101,155                                      | 825,063                     | \$4,178                       | \$820,884  | -                                | \$820,884  | \$3.94   | -                                 | \$8.12                     |
| Industrial  | 9                            | 226                                       | 2,726  | 18,795                      | \$427                         | \$18,368   | -                                | \$18,368   | \$3.94   | -                                 | \$6.74                     |
| City Accounts                                       | 25                           | 25  | 6,436  | 30,323                      | \$1,187                       | \$29,136   | -                                | \$29,136   | \$3.94   | -                                 | \$4.53                     |
| <b>Total</b>  | <b>15,307</b>                | <b>28,757</b>                             | <b>2,431,135</b>                             | <b>\$ 14,463,502</b>        | <b>\$ 723,175</b>             | <b>\$ 13,740,327</b>                                     | <b>\$ 5,077,206</b>              | <b>\$ 8,663,120</b>                                | <b>--</b>  | <b>--</b>                         | <b>--</b>                  |

*Percent of Revenue from Fixed vs. Volumetric Charges*      100.0%      5.0%      95.0%      35.1%      59.9%      TRUE

1. Number of Accounts, Billing Units (HEU's) and Billable Annual Volume have been adjusted to reflect projected growth at the City (0.50 percent annually).
2. Billable annual volume is based on **Average Winter Water Consumption** for all customers (below the billing cap (per unit) for residential customers).
3. The remaining costs are allocated to fixed and volumetric rates.
4. Adjusted proportionally to number of accounts so that total customer costs equal the percentage used in this rate design.
5. Total customer costs divided by total number of accounts.

**CITY OF DAVIS**  
**SEWER RATE STUDY**  
**Sewer Cost of Service Analysis**

| Customer Class                                      | No. of Accounts <sup>1</sup> | No. of Billing Units (HEU's) <sup>1</sup> | Billable Annual Volume (ccf) <sup>1,2</sup> | Annual Revenue Requirements |                               |  |                                  |  | Mo. Base Rate (\$/mo./Acct) <sup>5</sup><br>(Customer Related) | Mo. Fixed Charge Per Billing Unit | Volumetric Charge (\$/ccf) |
|---|------------------------------|---|---|-----------------------------|-------------------------------|--|----------------------------------|--|--|-----------------------------------|----------------------------|
|   |                              |   |   | Total                       | Customer Related <sup>4</sup> | Remaining Costs <sup>3</sup> (Allocated to Fixed & Vol.) |                                  |  |  |                                   |                            |
|   |                              |   |   |                             |                               | Remaining Costs (Total less Customer) <sup>3</sup>       | Fixed (% applies to Resid. only) | Volumetric (% applies to Resid. only) <sup>4</sup> |  |                                   |                            |
| <b>Rate Design Alt. #3 (50% Fixed/50% Variable)</b> |                              |   |   | <b>100%</b>                 | <b>5%</b>                     | <b>95%</b>   | <b>50%</b>                       | <b>50%</b>   |  |                                   |                            |
| Single Family                                       | 12,893                       | 12,900                                    | 1,118,541                                   | \$ 6,889,962                | \$609,127                     | \$6,280,835  | \$3,140,417                      | \$3,140,417  | \$3.94   | \$20.29                           | \$2.85                     |
| Condo   | 807                          | 814                                       | 43,042                                      | 308,700                     | \$38,127                      | \$270,574  | \$135,287                        | \$135,287  | \$3.94   | \$13.85                           | \$2.85                     |
| Duplex  | 568                          | 1,140                                     | 74,844                                      | 459,107                     | \$26,826                      | \$432,281  | \$216,140                        | \$216,140  | \$3.94   | \$15.80                           | \$2.85                     |
| Triplex   | 60                           | 181                                       | 12,518                                      | 75,326                      | \$2,849                       | \$72,477   | \$36,239                         | \$36,239   | \$3.94   | \$16.69                           | \$2.85                     |
| Quadplex  | 89                           | 358                                       | 25,025                                      | 150,404                     | \$4,226                       | \$146,179  | \$73,089                         | \$73,089   | \$3.94   | \$17.02                           | \$2.85                     |
| 5+ Units  | 227                          | 11,311                                    | 674,697                                     | 3,896,429                   | \$10,731                      | \$3,885,699  | \$1,942,849                      | \$1,942,849  | \$3.94   | \$14.31                           | \$2.85                     |
| Mobile Home Park                                    | 5                            | 568                                       | 34,057                                      | 194,874                     | \$237                         | \$194,637  | \$97,318                         | \$97,318   | \$3.94   | \$14.28                           | \$2.85                     |
| Office/Retail                                       | 238                          | 391                                       | 144,475                                     | 665,286                     | \$11,253                      | \$654,034  | -                                | \$654,034  | \$3.94   | -                                 | \$4.53                     |
| Laundry   | 2                            | 2   | 3,606                                       | 16,992                      | \$95                          | \$16,897   | -                                | \$16,897   | \$3.94   | -                                 | \$4.69                     |
| All Other   | 241                          | 536                                       | 132,274                                     | 631,620                     | \$11,395                      | \$620,224  | -                                | \$620,224  | \$3.94   | -                                 | \$4.69                     |
| Conv. Hospital                                      | 3                            | 3   | 26,106                                      | 129,673                     | \$142                         | \$129,530  | -                                | \$129,530  | \$3.94   | -                                 | \$4.96                     |
| Auto/Service Station                                | 50                           | 62  | 31,633                                      | 170,947                     | \$2,374                       | \$168,573  | -                                | \$168,573  | \$3.94   | -                                 | \$5.33                     |
| Restaurants   | 88                           | 240                                       | 101,155                                     | 825,063                     | \$4,178                       | \$820,884  | -                                | \$820,884  | \$3.94   | -                                 | \$8.12                     |
| Industrial  | 9                            | 226                                       | 2,726                                       | 18,795                      | \$427                         | \$18,368   | -                                | \$18,368   | \$3.94   | -                                 | \$6.74                     |
| City Accounts                                       | 25                           | 25  | 6,436                                       | 30,323                      | \$1,187                       | \$29,136   | -                                | \$29,136   | \$3.94   | -                                 | \$4.53                     |
| <b>Total</b>  | <b>15,307</b>                | <b>28,757</b>                             | <b>2,431,135</b>                            | <b>\$ 14,463,502</b>        | <b>\$ 723,175</b>             | <b>\$ 13,740,327</b>                                     | <b>\$ 5,641,340</b>              | <b>\$ 8,098,986</b>                                | --   | --                                | --                         |

*Percent of Revenue from Fixed vs. Volumetric Charges*      100.0%      5.0%      95.0%      39.0%      56.0%      TRUE

1. Number of Accounts, Billing Units (HEU's) and Billable Annual Volume have been adjusted to reflect projected growth at the City (0.50 percent annually).
2. Billable annual volume is based on **Average Winter Water Consumption** for all customers (below the billing cap (per unit) for residential customers).
3. The remaining costs are allocated to fixed and volumetric rates.
4. Adjusted proportionally to number of accounts so that total customer costs equal the percentage used in this rate design.
5. Total customer costs divided by total number of accounts.



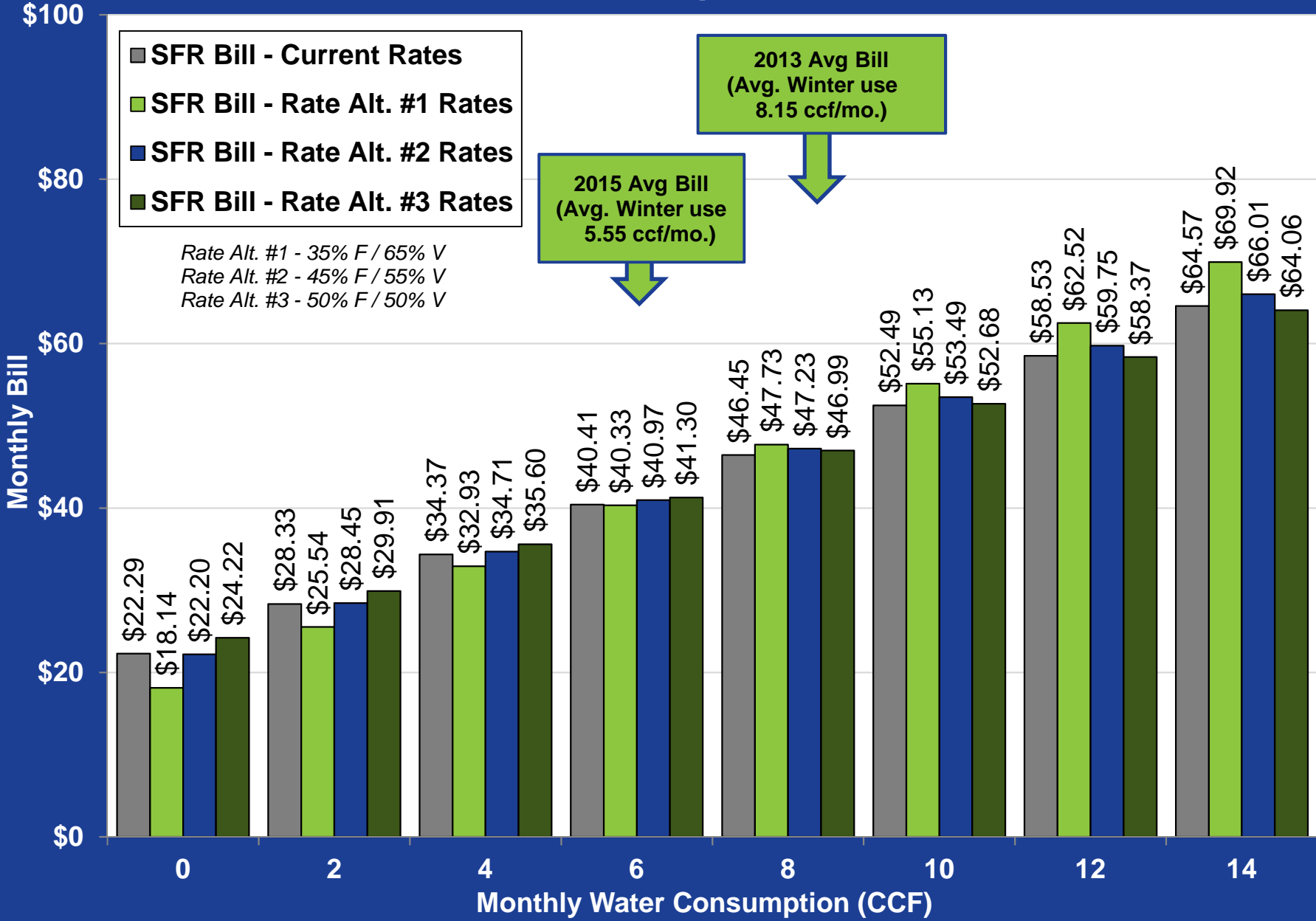
CITY OF DAVIS  
 SEWER RATE STUDY  
 Sewer Cost of Service Analysis/Rate Design  
 First Draft: Do Not Cite or Distribute

Rate Alternative = 2

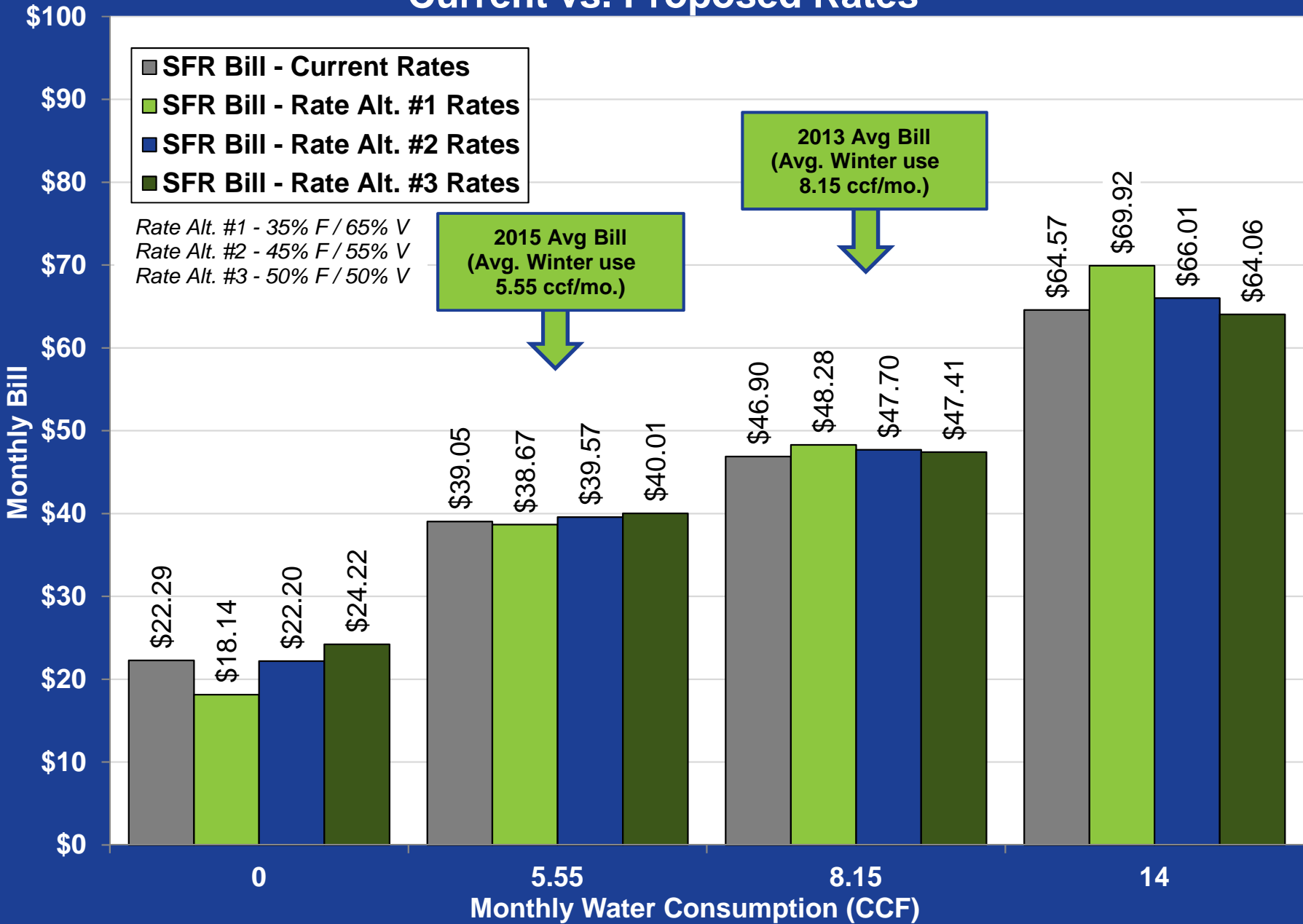
Current vs. Proposed Sewer Rates (Monthly )

| Sewer Rate Schedule   | Monthly Cap (ccf) | Current Rates | Recommended Sewer Rates |         |         |         |         |
|---|-------------------|---------------|-------------------------|---------|---------|---------|---------|
| <i>Projected Increase in Rate Revenue per Financial Plan:</i>   |                   |               | 0.00%                   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |
| <b>Monthly Base Service Charge (All Customer Classes)</b>       |                   |               |                         |         |         |         |         |
| Monthly Base Rate (cost per account)                            |                   | \$2.82        | \$3.94                  | \$3.94  | \$3.94  | \$3.94  | \$3.94  |
| <b>Monthly Fixed Service Charge (Residential Only, \$/unit)</b> |                   |               |                         |         |         |         |         |
| Single Family   |                   | \$19.47       | \$18.26                 | \$18.26 | \$18.26 | \$18.26 | \$18.26 |
| Condo   |                   | \$14.82       | \$12.46                 | \$12.46 | \$12.46 | \$12.46 | \$12.46 |
| Duplex  |                   | \$14.82       | \$14.22                 | \$14.22 | \$14.22 | \$14.22 | \$14.22 |
| Triplex   |                   | \$16.97       | \$15.02                 | \$15.02 | \$15.02 | \$15.02 | \$15.02 |
| Quadplex  |                   | \$16.82       | \$15.32                 | \$15.32 | \$15.32 | \$15.32 | \$15.32 |
| 5+ Units  |                   | \$11.30       | \$12.88                 | \$12.88 | \$12.88 | \$12.88 | \$12.88 |
| Mobile Home Park  |                   | \$11.30       | \$12.85                 | \$12.85 | \$12.85 | \$12.85 | \$12.85 |
| <b>Volumetric Charge (\$/ccf) - Based on Winter Water Use</b>   |                   |               |                         |         |         |         |         |
| Residential   |                   |               |                         |         |         |         |         |
| Single Family   |                   | 24            | \$3.02                  | \$3.13  | \$3.13  | \$3.13  | \$3.13  |
| Condo   |                   | 19            | \$3.02                  | \$3.13  | \$3.13  | \$3.13  | \$3.13  |
| Duplex  |                   | 36            | \$3.02                  | \$3.13  | \$3.13  | \$3.13  | \$3.13  |
| Triplex   |                   | 56            | \$3.02                  | \$3.13  | \$3.13  | \$3.13  | \$3.13  |
| Quadplex  |                   | 76            | \$3.02                  | \$3.13  | \$3.13  | \$3.13  | \$3.13  |
| 5+ Units  |                   | 19 ccf/unit   | \$3.02                  | \$3.13  | \$3.13  | \$3.13  | \$3.13  |
| Mobile Home Park  |                   | 19 ccf/unit   | \$3.02                  | \$3.13  | \$3.13  | \$3.13  | \$3.13  |
| Commercial (100% Volumetric Based on Winter Water Use)          |                   |               |                         |         |         |         |         |
| Office/Retail   |                   | --            | \$5.34                  | \$4.53  | \$4.53  | \$4.53  | \$4.53  |
| Laundry   |                   | --            | \$5.41                  | \$4.69  | \$4.69  | \$4.69  | \$4.69  |
| All Other   |                   | --            | \$5.34                  | \$4.69  | \$4.69  | \$4.69  | \$4.69  |
| Conv. Hospital  |                   | --            | \$5.58                  | \$4.96  | \$4.96  | \$4.96  | \$4.96  |
| Auto/Service Station  |                   | --            | \$5.69                  | \$5.33  | \$5.33  | \$5.33  | \$5.33  |
| Restaurants   |                   | --            | \$7.62                  | \$8.12  | \$8.12  | \$8.12  | \$8.12  |
| Industrial  |                   | --            | \$5.72                  | \$6.74  | \$6.74  | \$6.74  | \$6.74  |
| City Accounts   |                   | --            | \$5.34                  | \$4.53  | \$4.53  | \$4.53  | \$4.53  |

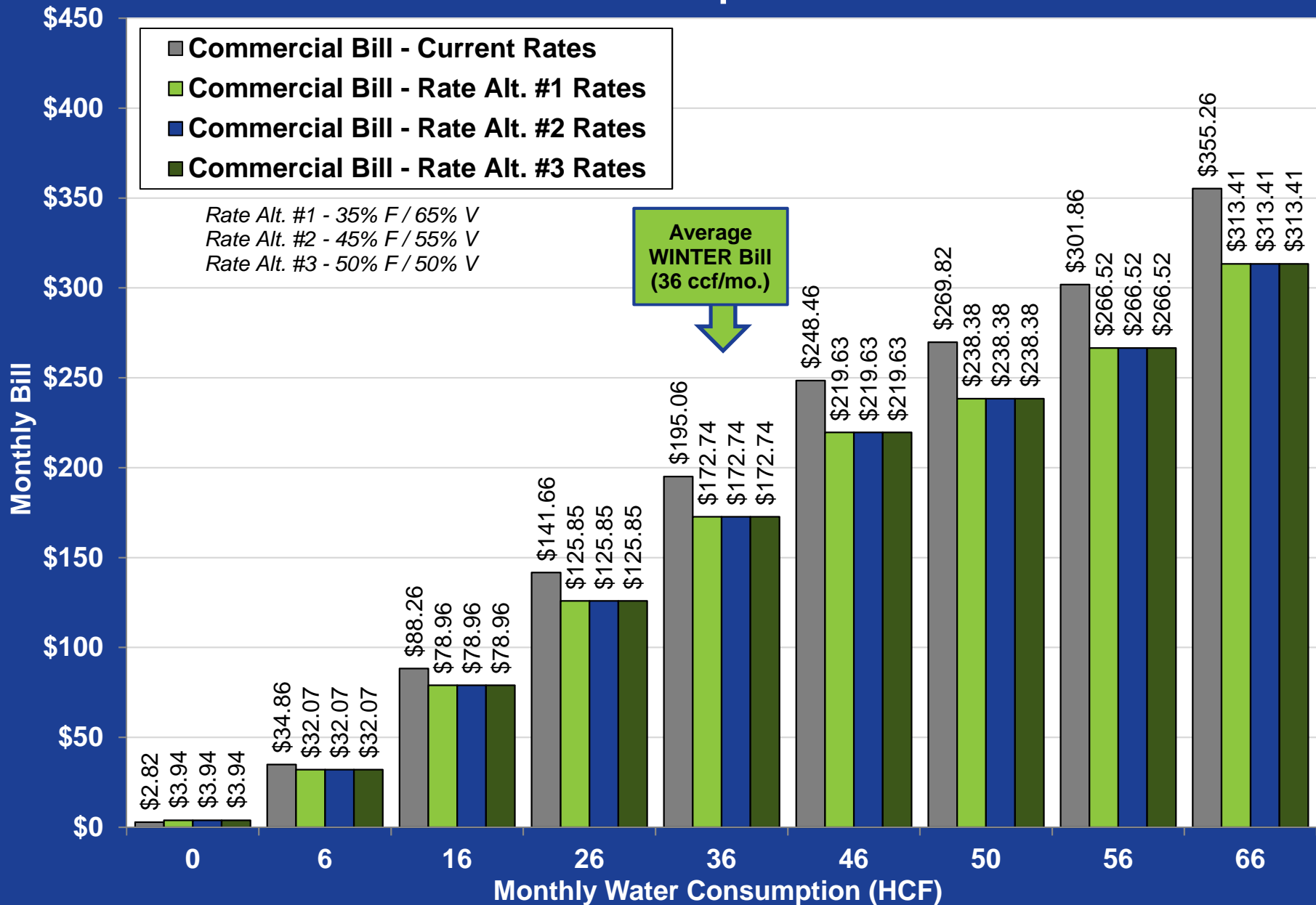
# Residential Sewer Bill Comparison Current vs. Proposed Rates



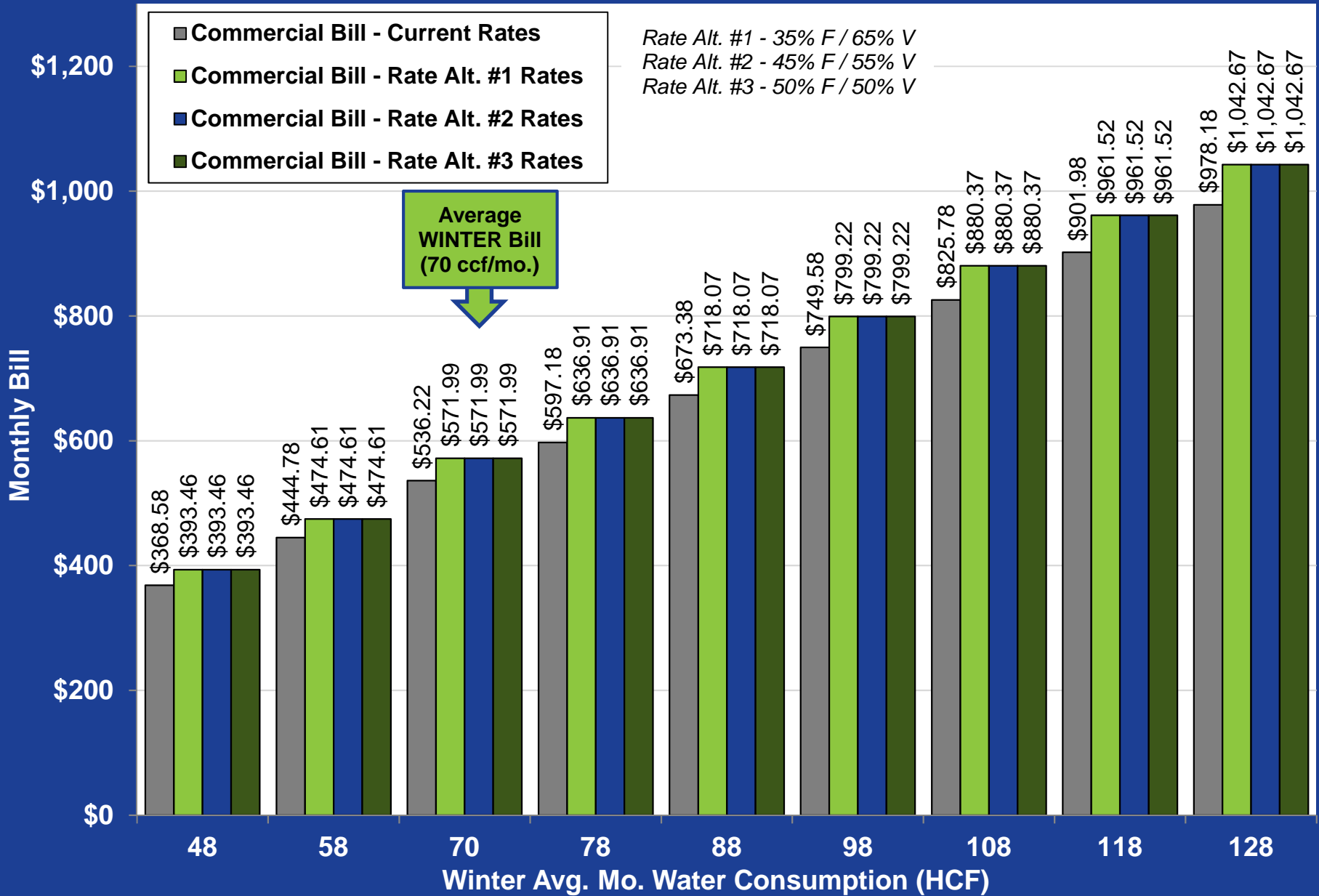
# Residential Sewer Bill Comparison Current vs. Proposed Rates



# Commercial (Office/Retail, C-1) Sewer Bill Comparison Current vs. Proposed Rates



# Commercial (Restaurant, C-6) Sewer Bill Comparison Current vs. Proposed Rates



**CITY OF DAVIS**  
**SEWER RATE STUDY**  
**Customer Data - FY 2015/16**

| <b>Sewer FY 2015/16 Consumption Data used for City of Davis Sewer Rates:</b> |                           |                 |                |               |               |                            |
|--|---------------------------|-----------------|----------------|---------------|---------------|----------------------------|
| <b>Summary of Consumption by Class</b>                                       | Consumption<br>(ccf/year) | <u>Accounts</u> | Avg. ccf/month |               |               | Winter-to-<br>Annual Ratio |
|  |                           |                 | <u>Annual</u>  | <u>Winter</u> | <u>Summer</u> |                            |
| Single Family  | 1,373,838                 | 12,829          | 10             | 6             | 14            | 61.6%                      |
| Condo  | 48,897                    | 803             | 6              | 5             | 6             | 92.2%                      |
| Duplex   | 77,219                    | 565             | 12             | 10            | 15            | 80.1%                      |
| Triplex  | 12,253                    | 60              | 19             | 16            | 20            | 85.0%                      |
| Quadplex   | 23,114                    | 89              | 24             | 22            | 25            | 92.5%                      |
| 5+ Units   | 694,558                   | 226             | 279            | 222           | 325           | 79.6%                      |
| Mobile Home Park   | 36,052                    | 5               | 655            | 495           | 888           | 75.6%                      |
| C-1 Office/Retail  | 130,837                   | 237             | 50             | 38            | 65            | 75.5%                      |
| C-2 Laundry  | 2,434                     | 2               | 111            | 112           | 116           | 101.3%                     |
| C-3 All Other  | 218,917                   | 240             | 79             | 33            | 127           | 41.0%                      |
| C-4 Conv. Hospital   | 22,588                    | 3               | 684            | 541           | 886           | 79.1%                      |
| C-5 Auto/Service Station   | 27,981                    | 50              | 51             | 39            | 60            | 77.3%                      |
| C-6 Restaurants  | 84,872                    | 88              | 88             | 71            | 102           | 81.5%                      |
| C-7 Industrial   | 7,936                     | 9               | 80             | 19            | 155           | 23.5%                      |
| City Accounts (at C-1 rates)   | 6,404                     | 25              |                |               |               |                            |
| <b>Grand Total</b>   | <b>2,767,900</b>          | <b>15,231</b>   |                |               |               |                            |

CITY OF DAVIS  
SEWER RATE STUDY  
Customer Data - FY 2014/15

| Sewer FY 2014/15 Consumption Data used for City of Davis Sewer Rates: |                           |               |                |        |        |                            |
|---|---------------------------|---------------|----------------|--------|--------|----------------------------|
| Summary of Consumption by Class                                       | Consumption<br>(ccf/year) | Accounts      | Avg. ccf/month |        |        | Winter-to-<br>Annual Ratio |
|   |                           |               | Annual         | Winter | Summer |                            |
| Single Family   | 1,738,463                 | 13,041        | 11             | 6      | 18     | 54.8%                      |
| Condo   | 46,508                    | 1,228         | 5              | 4      | 6      | 88.1%                      |
| Duplex  | 101,185                   | 571           | 15             | 11     | 21     | 70.7%                      |
| Triplex   | 15,813                    | 60            | 22             | 17     | 28     | 79.3%                      |
| Quadplex  | 26,803                    | 90            | 25             | 21     | 31     | 83.3%                      |
| 5+ Units  | 764,576                   | 228           | 282            | 230    | 337    | 81.6%                      |
| Mobile Home Park  | 43,684                    | 5             | 728            | 520    | 1,038  | 71.4%                      |
| C-1 Office/Retail   | 128,936                   | 248           | 45             | 32     | 62     | 70.3%                      |
| C-2 Laundry   | 2,999                     | 3             | 125            | 107    | 158    | 85.2%                      |
| C-3 All Other   | 89,074                    | 159           | 47             | 28     | 74     | 60.3%                      |
| C-4 Conv. Hospital  | 22,762                    | 32            | 632            | 535    | 733    | 84.6%                      |
| C-5 Auto/Service Station  | 22,668                    | 50            | 38             | 30     | 48     | 78.8%                      |
| C-6 Restaurants   | 95,925                    | 89            | 91             | 82     | 104    | 90.3%                      |
| C-7 Industrial  | 5,021                     | 9             | 70             | 43     | 100    | 62.0%                      |
| <b>Grand Total</b>  | <b>3,104,417</b>          | <b>15,813</b> |                |        |        |                            |

| FY 2014/15 Data           |                     |                     |                      |
|---------------------------|---------------------|---------------------|----------------------|
| Revenue by Customer Class | Fixed Charges       | Variable Charges    | Total                |
| Single Family             | \$ 3,352,572        | \$ 3,846,087        | \$ 7,198,658         |
| Condo                     | \$ 251,441          | \$ 203,279          | \$ 454,719           |
| Duplex                    | \$ 219,118          | \$ 258,709          | \$ 477,827           |
| Triplex                   | \$ 38,248           | \$ 44,795           | \$ 83,043            |
| Quadplex                  | \$ 76,191           | \$ 81,105           | \$ 157,296           |
| 5+ Units                  | \$ 1,441,422        | \$ 2,136,085        | \$ 3,577,506         |
| Mobile Home Park          | \$ 77,680           | \$ 112,730          | \$ 190,410           |
| C-1 Office/Retail         | \$ 8,342            | \$ 572,863          | \$ 581,205           |
| C-2 Laundry               | \$ 101              | \$ 31,174           | \$ 31,275            |
| C-3 All Other             | \$ 5,374            | \$ 319,395          | \$ 324,769           |
| C-4 Conv. Hospital        | \$ 101              | \$ 120,591          | \$ 120,691           |
| C-5 Auto/Service Station  | \$ 1,679            | \$ 126,274          | \$ 127,954           |
| C-6 Restaurants           | \$ 2,990            | \$ 703,264          | \$ 706,254           |
| C-7 Industrial            | \$ 190              | \$ 18,560           | \$ 18,751            |
| <b>Total</b>              | <b>\$ 5,475,448</b> | <b>\$ 8,574,910</b> | <b>\$ 14,050,358</b> |
| All Classes               | 39%                 | 61%                 |                      |
| Residential Only          | 45%                 | 55%                 |                      |

**CITY OF DAVIS**  
**SEWER RATE STUDY**  
**Wastewater Treatment Plant Data**

| <b>Current Flows (as of September 2016)</b> |        |                              |           |
|---|--------|------------------------------|-----------|
| Average Daily Flow (mgd)                    | 4.34   | Total Flow (million gallons) | 1,584.1   |
| Average BOD (lbs./day)                      | 8,300  | Total BOD (lbs./yr)          | 3,029,500 |
| Average TSS (lbs./day)                      | 11,500 | Total TSS (lbs./yr)          | 4,197,500 |

Client Data Source: Table 3, Innovation Centers 021115 np1 TM\_WWTP Capacity\_Final 040215.pdf & client emails (July 2015).

| Month/Year                      | # Days/ Month | Average Flow (MGD) (1) | Total Flow (MG) | TSS Loading (lbs./day) | TSS Loading (lbs./mo.) | BOD Average (mg/L) (1) | BOD Loading (lbs./day) (1) | BOD Loading (lbs./mo.) |
|---------------------------------|---------------|------------------------|-----------------|------------------------|------------------------|------------------------|----------------------------|------------------------|
| Jan-13                          | 31            | 4.42                   | 137.02          | 12,007                 | 372,206                | 205                    | 7,600                      | 235,600                |
| Feb-13                          | 28            | 4.42                   | 123.76          | 11,807                 | 330,603                | 205                    | 7,600                      | 212,800                |
| Mar-13                          | 31            | 4.42                   | 137.02          | 11,393                 | 353,168                | 205                    | 7,600                      | 235,600                |
| Apr-13                          | 30            | 4.42                   | 132.60          | 11,651                 | 349,529                | 205                    | 7,600                      | 228,000                |
| May-13                          | 31            | 4.42                   | 137.02          | 11,605                 | 359,746                | 205                    | 7,600                      | 235,600                |
| Jun-13                          | 30            | 4.42                   | 132.60          | 11,192                 | 335,758                | 205                    | 7,600                      | 228,000                |
| Jul-13                          | 31            | 4.42                   | 137.02          | 10,759                 | 333,541                | 205                    | 7,600                      | 235,600                |
| Aug-13                          | 31            | 4.42                   | 137.02          | 10,758                 | 333,507                | 205                    | 7,600                      | 235,600                |
| Sep-13                          | 30            | 4.42                   | 132.60          | 10,888                 | 326,629                | 205                    | 7,600                      | 228,000                |
| Oct-13                          | 31            | 4.42                   | 137.02          | 11,534                 | 357,553                | 205                    | 7,600                      | 235,600                |
| Nov-13                          | 30            | 4.42                   | 132.60          | 11,328                 | 339,830                | 205                    | 7,600                      | 228,000                |
| Dec-13                          | 31            | 4.42                   | 137.02          | 10,339                 | 320,501                | 205                    | 7,600                      | 235,600                |
| <b>2013 Monthly Average</b>     |               | <b>4.42</b>            | <b>134.44</b>   | <b>11,272</b>          | <b>342,714</b>         | <b>205</b>             | <b>7,600</b>               | <b>231,167</b>         |
| Jan-14                          | 31            | 3.78                   | 117.18          | 11,145                 | 345,484                | 258                    | 8,100                      | 251,100                |
| Feb-14                          | 28            | 3.78                   | 105.84          | 11,600                 | 324,788                | 258                    | 8,100                      | 226,800                |
| Mar-14                          | 31            | 3.78                   | 117.18          | 11,173                 | 346,359                | 258                    | 8,100                      | 251,100                |
| Apr-14                          | 30            | 3.78                   | 113.40          | 11,531                 | 345,924                | 258                    | 8,100                      | 243,000                |
| May-14                          | 31            | 3.78                   | 117.18          | 10,905                 | 338,051                | 258                    | 8,100                      | 251,100                |
| Jun-14                          | 30            | 3.78                   | 113.40          | 9,936                  | 298,087                | 258                    | 8,100                      | 243,000                |
| Jul-14                          | 31            | 3.78                   | 117.18          | 9,237                  | 286,338                | 258                    | 8,100                      | 251,100                |
| Aug-14                          | 31            | 3.78                   | 117.18          | 9,181                  | 284,612                | 258                    | 8,100                      | 251,100                |
| Sep-14                          | 30            | 3.78                   | 113.40          | 9,235                  | 277,064                | 258                    | 8,100                      | 243,000                |
| Oct-14                          | 31            | 3.78                   | 117.18          | 10,128                 | 313,968                | 258                    | 8,100                      | 251,100                |
| Nov-14                          | 30            | 3.78                   | 113.40          | 9,941                  | 298,222                | 258                    | 8,100                      | 243,000                |
| Dec-14                          | 31            | 3.78                   | 117.18          | 10,071                 | 312,205                | 258                    | 8,100                      | 251,100                |
| <b>2014 Monthly Average</b>     |               | <b>3.78</b>            | <b>114.98</b>   | <b>10,340</b>          | <b>314,258</b>         | <b>258</b>             | <b>8,100</b>               | <b>246,375</b>         |
| Jan-15                          | 31            | 4.34                   | 134.54          | 10,120                 | 313,711                | 219                    | 7,900                      | 244,900                |
| Feb-15                          | 28            | 4.34                   | 121.52          | 10,460                 | 292,888                | 219                    | 7,900                      | 221,200                |
| Mar-15                          | 31            | 4.34                   | 134.54          | 9,884                  | 306,403                | 219                    | 7,900                      | 244,900                |
| Apr-15                          | 30            | 4.34                   | 130.20          | 9,982                  | 299,459                | 219                    | 7,900                      | 237,000                |
| May-15                          | 31            | 4.34                   | 134.54          | 9,903                  | 306,987                | 219                    | 7,900                      | 244,900                |
| Jun-15                          | 30            | 4.34                   | 130.20          | 9,087                  | 272,623                | 219                    | 7,900                      | 237,000                |
| Jul-15                          | 31            | 4.34                   | 134.54          | 9,901                  | 306,929                | 219                    | 7,900                      | 244,900                |
| <b>2015 YTD Monthly Average</b> |               | <b>4.34</b>            | <b>131.44</b>   | <b>9,905</b>           | <b>299,857</b>         | <b>219</b>             | <b>7,900</b>               | <b>239,257</b>         |

(1) Value is the annual average, as calculated in Table 1, Technical Memorandum, Impacts of Innovation Center/Nishi Property Development on Wastewater Treatment Plant

| <b>Five Year Average (2010 - 2014)</b> |        |                              |           |
|--|--------|------------------------------|-----------|
| Average Daily Flow                     | 4.34   | Total Flow (million gallons) | 1,584.1   |
| Average BOD (mg/L)                     | 219    | Total BOD (lbs./yr)          | 2,883,500 |
| Average BOD (lbs./day)                 | 7,900  |                              |           |
| <b>FY 2013-14 Summary</b>              |        |                              |           |
| Average TSS (lbs./day)                 | 10,991 | Total TSS (lbs./yr)          | 4,011,795 |

Per City staff:  
The new plant is designed for the following TSS capacity:  
Average Annual Load 11,500 lb./day  
Max Month 13,800 lb./day  
Max Daily Load 20,700 lb./day