REGULAR CITY COUNCIL MEETING AGENDA

City Hall - Council Chambers
4381 Broadway St., Suite 201, American Canyon
January 16, 2024
6:30 PM

Mayor: Leon Garcia
Vice Mayor: David Oro
Councilmembers: Mariam Aboudamous, Mark Joseph, Pierre Washington

Tonight's meeting is a limited public forum. American Canyon promotes respectful and responsible behavior among its meeting participants, whether they are present in person or remotely. Using offensive language or remarks that promote, foster, or perpetuate discrimination based on race, creed, color, age, religion, gender marital status, status regarding public assistance, national origin, physical or mental disability or sexual orientation/gender identification, as well as any other category protected by federal, state or local laws will not be tolerated. In the case of an occurrence, the speaker will be immediately disconnected from the microphone.

City Council and other public meetings will be conducted in person at City Hall, 4381 Broadway, Suite 201, American Canyon, CA 94503. This meeting is also available via Zoom Teleconferencing as a convenience for public participation. This meeting will be broadcast live to residents on Napa Valley TV, on our website here and on YouTube here. Should technical issues with Zoom occur, please select another viewing option.

PUBLIC PARTICIPATION

Oral comments, during the meeting: Oral comments can be made in person during Open and Closed Session. A Zoom Webinar has been established for public comments made via zoom, during Open Session only. To give your public comment via zoom, connect via the below Zoom link and use the "raise your hand" tool, or call into the zoom meeting at 408-638-0968 and press *9 to "raise your hand" when the item is called. To avoid confusion, all hands raised outside of Public Comment periods will be lowered.

Written comments, via eComments: Please submit written comments through the eComments link, located on the Meetings & Agendas page of our website here. Comments will be available to council members in real time. To allow for review of comments, eComments will close at 3:00 pm on the day of the meeting. All comments received will be posted online and become part of the meeting record.

Zoom Meeting Link: Click here.
Webinar ID: 849 9699 3806 Passcode: 12345

The above-identified measures exceed all legal requirements for participation in public comment, including those imposed by the Ralph M. Brown Act. For more information, please call the Office of the City Clerk at (707) 647-4369 or email cityclerk@cityofamericancanyon.org.

AGENDA MATERIALS: City Council agenda materials are published 72 hours prior to the meeting and are available to the public via the City's website at www.cityofamericancanyon.org.

AMERICANS WITH DISABILITIES ACT: The City Council will provide materials in appropriate

alternative formats to comply with the Americans with Disabilities Act. Please send a written request to City Clerk at 4381 Broadway, Suite 201, American Canyon, CA 94503 or by email to cityclerk@cityofamericancanyon.org. Include your name, address, phone number and brief description of the requested materials, as well as your preferred alternative format or auxiliary aid, at least three calendar days before the meeting.

5:00 P.M. – CLOSED SESSION

The mayor will call the meeting to order and conduct roll call. Council will immediately convene into Closed Session after hearing any public comment on Closed Session items. At 6:30 p.m. the Council will reconvene into Open Session and then resume Closed Session at the end of the meeting to address outstanding items, if necessary.

CALL TO ORDER - CLOSED SESSION

ROLL CALL - CLOSED SESSION

PUBLIC COMMENTS - CLOSED SESSION ITEMS

This time is reserved for members of the public to address the City Council on Closed Session Items only. Comments must be made in person and are limited to 3 minutes. Comments for items on the Open Session agenda will be taken when the item is called in Open Session. Comments for Items not on the Closed Session or Open Session agenda will be heard during the Open Session Public Comment period.

MEETING RECESS - COUNCIL TO CONVENE IN CLOSED SESSION

5:00 P.M. CLOSED SESSION ITEMS

1. **Conference with Legal Counsel - Existing Litigation. Authorized pursuant to Government Code Section 54956.9(d)(1):**
   a. ***City of American Canyon v. City of Vallejo, et al*. (Sacramento Superior Court Case No. 34-2022-00327471).**
   b. ***City of American Canyon v. Leon Dale Schmidt* (Napa County Superior Court Cases No. 22CV001041 and 23PR00161).**
   c. ***Center for Biological Diversity v. City of American Canyon et al*. (Napa County Superior Court Case No. 23CV000511).**
   d. ***Golden State Environmental Justice Alliance v. City of American Canyon et al.* (Napa Superior Court Case No. 23CV000510).**
   e. ***City of Vallejo v. City of American Canyon et al*. (Napa County Superior Court Case No. 23CV000517).**
   f. ***City of Vallejo v. City of American Canyon et al*. (Napa County Superior Court Case No. 23CV001600).**

2. **Conference with Legal Counsel – Anticipated Litigation. Authorized pursuant to Government Code Section 54956.9 (d)(2). Two (2) Matters.**

6:30 P.M. OPEN SESSION - REGULAR MEETING

CALL TO ORDER - COUNCIL TO RECONVENE IN OPEN SESSION

PLEDGE OF ALLEGIANCE

ROLL CALL - OPEN SESSION

REPORT ON CLOSED SESSION/CONFIRMATION OF REPORTABLE ACTION

PROCLAMATIONS AND PRESENTATIONS

There are no Proclamation or Presentation items.

PUBLIC COMMENTS - ITEMS NOT ON CLOSED SESSION OR OPEN SESSION AGENDA

This time is reserved for members of the public to address the City Council on items that are not on the Closed Session or Open Session agenda and are within the subject matter jurisdiction of the City Council. Comments are limited to 3 minutes. Comments for items on the Open Session agenda will be taken when the item is called in Open Session.The City Council is prohibited by law from taking any action on matters discussed that are not on the agenda, and no adverse conclusions should be drawn if the City Council does not respond to public comment at this time.

AGENDA CHANGES

The Mayor and Council may change the order of the Agenda or request discussion of a Consent Item. A member of the Public may request discussion of a Consent Item by making that request during Public Comment.

CONSENT CALENDAR

3. Minutes of December 19, 2023

Recommendation: Approve the minutes of the Regular City Council meeting of December 19, 2023.

4. Measure T MOE and Equivalent Fund Certification

Recommendation: Take the following actions related to Measure "T" (The Napa Countywide Road Maintenance Act):

1. Adopt a Resolution approving the Maintenance of Effort (MOE) certification of $370,015 as required under Measure "T" Program (The Napa Countywide Road Maintenance Act)
2. Adopt a Resolution approving certification of Equivalent Fund expenditures under the Measure "T" Program (The Napa Countywide Road Maintenance Act).

5. Cooperative Agreement for the American Canyon State Route 29 Corridor Improvement Project

Recommendation: Adopt a resolution authorizing the City Manager to execute Cooperative Agreement 04-2957 with Caltrans and Napa Valley Transportation Authority for Project Approval and Environmental Document phase services associated with the American Canyon State Route 29 Corridor Improvement Project.

6. Report Upon Return from Closed Session

Recommendation: Approve the Report Upon Return from Closed Session for the City Council meeting of December 19, 2023.

7. Regional Climate Action and Adaptation Plan

Recommendation: Adopt a Minute Order increasing FY 23/24 General Fund appropriations

by $8,641 to cover American Canyon's share of the cost for Napa Countywide Climate Action Committee to prepare a Regional Climate Action and Adaptation Plan (RCAAP) with the source of funding being the General Fund Undesignated Fund Balance.

8. Watson Ranch Master Backbone Infrastructure (MBI) Phase 1 Improvements Project
Recommendation:

Adopt a Resolution of the City Council of the City of American Canyon for partial acceptance of the public improvements associated with the Watson Ranch Master Backbone Infrastructure (MBI) Phase 1 Improvements Project.

PUBLIC HEARINGS

There are no Public Hearing items.

BUSINESS

9. Utility Rate Changes
Recommendation: Adopt a Resolution of Intention to adopt new utility rates, setting a public hearing date for April 2, 2024, and directing the issuance of Notices of a Proposition 218 Public Hearing to all utility customers and property owners within the City of American Canyon's service area.

10. Annual Comprehensive Financial Report and Year-end Financial Results
Recommendation: Receive and file the Annual Comprehensive Financial Report and related communications from the City's external auditor for Fiscal Year 2022-23.

MANAGEMENT AND STAFF ORAL REPORTS

11. Parks and Community Services Commission Mid-Year Update
Recommendation: Receive an oral update regarding the Parks and Community Services Commission's FY2024/25 Work Plan.

12. Maintenance and Utilities Department, Sewer/Wastewater Division Update
Recommendation: Receive a Presentation on Maintenance and Utilities Department, Sewer/Wastewater Division Update.

13. Measure K Update

MAYOR/COUNCIL COMMENTS AND COMMITTEE REPORTS

The Mayor and Council may comment on matters of public concern and announce matters of public interest; no collective council action will be taken.

14. City Council Committee Report - Councilmember Mark Joseph

FUTURE AGENDA ITEMS

15. Future Agenda Items of Note:

<u>February 2, 2024, Special City Council Meeting. 9:00 a.m.</u>
Update Sustainability Goal (Financial and Environmental)
Financial Forecast (FY 24/25 Budget and beyond)
Citywide Staffing, Technology and Service Delivery

<u>February 6, 2024, Regular City Council Meeting. 6:30 p.m.</u>
Proclamation Black History Month
Napa Valley Transportation Authority Presentation on Measure X
Air Quality Standards of Review

<u>February 20, 2024, Regular City Council Meeting. 6:30 p.m.</u>
Mid-Year Budget Update
Eco-Center Long-Term Lease

<u>State of the City Road Show:</u>
February 21: Online presentation (evening)
February 22: Active Adult Center (morning)
March 1: ACHS Presentation (daytime)
March 12: Chamber of Commerce (lunchtime)

<u>March 5, 2024 Regular City Council Meeting. 6:30 p.m.</u>
Proclamation National Women's History Month
Proclamation American Red Cross Month
Annual Police Report
Annual Communications Report

<u>March 19, 2024 Regular City Council Meeting. 6:30 p.m.</u>
Proclamation Acknowledging Ramadan
Housing Element: Annual Report and Zone Changes
Circulation Element Review*

Note: Council requested items are marked "*"

ADJOURNMENT

CERTIFICATION

I, Taresa Geilfuss, City Clerk for the City of American Canyon, do hereby declare that the foregoing agenda of the City Council was posted in compliance with the Brown Act prior to the meeting date.

_____
Taresa Geilfuss, CMC, City Clerk

CITY OF AMERICAN CANYON
REGULAR CITY COUNCIL MEETING

ACTION MINUTES
December 19, 2023

5:00 P.M. – CLOSED SESSION

CALL TO ORDER - CLOSED SESSION
The City Council meeting was called to order at 5:00 p.m.

ROLL CALL - CLOSED SESSION
Present: Councilmember Mariam Aboudamous, Councilmember Mark Joseph, Councilmember David Oro, Vice Mayor Pierre Washington, Mayor Leon Garcia
Absent: None
Excused: None

PUBLIC COMMENTS - CLOSED SESSION ITEMS
Mayor Garcia called for Closed Session public comments. Written comments: none. Oral comments: none. The public comments period was closed.

MEETING RECESS - COUNCIL TO CONVENE IN CLOSED SESSION
Council recessed to Closed Session.

5:00 P.M. CLOSED SESSION ITEMS

1. Conference with Legal Counsel - Existing Litigation. Authorized pursuant to Government Code Section 54956.9(d)(1):

a. City of American Canyon v. City of Vallejo, et al. (Sacramento Superior Court Case No. 34-2022-00327471).
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d. Golden State Environmental Justice Alliance v. City of American Canyon et al. (Napa Superior Court Case No. 23CV000510).
e. City of Vallejo v. City of American Canyon et al. (Napa County Superior Court Case No. 23CV000517).
f. City of Vallejo v. City of American Canyon et al. (Napa County Superior Court Case No. 23CV001600).

2. Conference with Legal Counsel – Anticipated Litigation. Authorized pursuant to Government Code Section 54956.9 (d)(2). Two (2) Matters.

6:30 P.M. OPEN SESSION - REGULAR MEETING

CALL TO ORDER - COUNCIL TO RECONVENE IN OPEN SESSION

The City Council meeting was called to order at 6:38 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ROLL CALL - OPEN SESSION

Present: Councilmember Mariam Aboudamous, Councilmember Mark Joseph, Councilmember David Oro, Vice Mayor Pierre Washington, Mayor Leon Garcia
Absent: None
Excused: None

REPORT ON CLOSED SESSION/CONFIRMATION OF REPORTABLE ACTION

A report on Closed Session and confirmation of reportable action was given by City Attorney William Ross.

PROCLAMATIONS AND PRESENTATIONS

There were no Proclamation or Presentation Items.

PUBLIC COMMENTS - ITEMS NOT ON CLOSED SESSION OR OPEN SESSION AGENDA

Mayor Garcia called for public comments. Written comments: none. Oral comments: Richard Sifuentes was called to speak; Sherry Tennyson was called to speak; Justin Hamilton Hole was called to speak. The public comments period was closed.

AGENDA CHANGES

There were no changes to the agenda.

CONSENT CALENDAR

Action: Motion to adopt CONSENT CALENDAR made by Councilmember Mark Joseph, seconded by Councilmember David Oro, and CARRIED by roll call vote.

Ayes: Councilmember Mariam Aboudamous, Councilmember Mark Joseph, Councilmember David Oro, Vice Mayor Pierre Washington, Mayor Leon Garcia
Nays: None
Abstain: None
Absent: None
Excused: None

4. Minutes of December 5, 2023
Action: Approved the minutes of December 5, 2023.

5. Report Upon Return from Closed Session
Action: Approved the Report Upon Return from Closed Session from the meeting of December 5, 2023.

6. Local Appointments List of Boards, Commissions and Committees 2024 Vacancies
Action: Approved the Local Appointments List of Boards, Commissions and Committees 2024 Vacancies.

PUBLIC HEARINGS

There were no Public Hearing Items.

BUSINESS

7. Solid Waste Hauling and Disposal

Council received a staff report from City Manager Jason Holley, with Recology General Manager Derek Nelson available for questions. Mayor Garcia called for public comments. Written comments: none. Oral comments: Fran Lemos was called to speak; Justin Hamilton Hole was called to speak; Janelle Sellick was called to speak. The public comments period was closed.

8. Selection of Vice Mayor and City Council Committee Appointments for 2024

Council received a staff report from City Clerk Taresa Geilfuss. Mayor Garcia called for public comments. Written comments: none. Oral comments: none. The public comments period was closed.

> **Action:** Motion to adopt Minute Order 2023-19 nominating Councilmember David Oro as Vice Mayor to serve for a one-year term, January to December 2024 made by Vice Mayor Pierre Washington, seconded by Councilmember Mark Joseph, and CARRIED by roll call vote.
>
> **Ayes:** Councilmember Mariam Aboudamous, Councilmember Mark Joseph, Councilmember David Oro, Vice Mayor Pierre Washington, Mayor Leon Garcia
> **Nays:** None
> **Abstain:** None
> **Absent:** None
> **Excused:** None

Action: Motion to adopt Minute Order 2023-20 approving the 2024 City Council Appointments List as submitted made by Councilmember Mark Joseph, seconded by Vice Mayor Pierre Washington, and CARRIED by roll call vote.

Ayes: Councilmember Mariam Aboudamous, Councilmember Mark Joseph, Councilmember David Oro, Vice Mayor Pierre Washington, Mayor Leon Garcia
Nays: None
Abstain: None
Absent: None
Excused: None

MANAGEMENT AND STAFF ORAL REPORTS

Council received oral updates from Finance Director Juan Gomez and Community Development Director Brent Cooper.

MAYOR/COUNCIL COMMENTS AND COMMITTEE REPORTS

Council members announced items of interest.

9. City Council Committee Report - Councilmember Mark Joseph

FUTURE AGENDA ITEMS

ADJOURNMENT

The meeting was adjourned with Council singing Christmas carols at 7:35 p.m.

CERTIFICATION

Respectfully Submitted,

_____
Taresa Geilfuss, CMC, City Clerk

CITY OF AMERICAN CANYON

City Council Community Update

DECEMBER 19, 2023 CITY COUNCIL MEETING

Staff Updates

- Received an update from **Finance Director Juan Gomez**
- Received an update from **Community Development Director Brent Cooper**



City Action

- Reviewed an updated **Recology American Canyon Franchise Agreement**.
- Appointed **David Oro** as **Vice Mayor** for a one-year term starting in January.
- Approved the **2024 City Council Appointments List**.

Next time...

Join our ***January 16*** meeting to learn more about:

- National Community Survey
- Utility Rates
- Climate Action Committee - Additional RCAP Funding

View presentations, agenda packets and meeting details:

CityofAmericanCanyon.org/Meetings

TITLE

Measure T MOE and Equivalent Fund Certification

RECOMMENDATION

Take the following actions related to Measure "T" (The Napa Countywide Road Maintenance Act):

1. Adopt a Resolution approving the Maintenance of Effort (MOE) certification of $370,015 as required under Measure "T" Program (The Napa Countywide Road Maintenance Act)
2. Adopt a Resolution approving certification of Equivalent Fund expenditures under the Measure "T" Program (The Napa Countywide Road Maintenance Act).

CONTACT

Erica Ahmann Smithies, P.E., Public Works Director
Juan Gomez, Finance Director

BACKGROUND & ANALYSIS

The 2012 "Napa Countywide Road Maintenance Act" (also known as "Measure T") imposes a ½ cent sales tax to pay for road repairs countywide. The Napa Valley Transportation Authority – Tax Agency (NVTATA) distributes these sales tax revenues over time and the City of American Canyon receives 7.7% of the sales tax revenues per year, as of July 1, 2018.

Maintenance of Effort (MOE)

The intent of Measure "T" is to supplement, not supplant, existing local general fund revenues being used for the transportation improvements. American Canyon must demonstrate expending a minimum amount known as the "maintenance of effort" or "MOE" of local general fund revenues on transportation improvements.

The MOE is the calculated average for fiscal years 2007-08, 2008-09, and 2009-10 for "Local Streets and Roads Maintenance" and supporting infrastructure within the public right-of-way. Examples include pavement sealing, overlays, reconstruction, storm drainage, sidewalks, and associated infrastructure.

American Canyon's MOE is calculated to be $370,015. This amount will remain constant throughout the term of Measure T. Each year American Canyon must certify to NVTA-TA Authority that it expended funds equal to the amount of the MOE on eligible transportation improvements. As

described in the Resolution and detailed in Exhibits “A”, “B”, “C”, “D”, “E”, and “F”, American Canyon spent more than $370,015 in General Fund revenues on eligible transportation improvements when using the three-year average for FY 2020-21, FY 2021-22, and FY 2022-23.

Equivalent Fund

All agencies must collectively commit non-Measure T funds towards Class I Bicycle Facilities equivalent to 6.67% of the estimated total revenue of Measure T. Qualifying funding sources for 6.67% Equivalent Fund projects can be in the form of local general funds, formula specific funds, and Class I facility contributions by private development.

The City must provide a copy of the Equivalent Fund Class I Bicycle Facilities Expenditure Resolution approved by the City's governing body, along with backup documentation, showing the qualifying funding spent on Class I Bicycle Facilities for the prior fiscal year. The resolution will certify applicable expenditures for the prior fiscal year and be used by NVTA-TA in tracking the program participants' collective contribution towards the required Class I Facility spending over the term of the Measure T program.

Funds certified during this certification cycle include Fiscal Year 2022-23. The table below provides a summary of the Equivalent Fund expenditures, the Class I projects, and the sources of funding:

Fiscal Year	Project	Funding Source	Amount
2022-23	Devlin Road Class I	Local Funds (Development, NLP Phase 2)	$119,340.00
2022-23	Newell Drive Class I	Local Funds (Development, Canyon Estates)	$91,050.00
2022-23	Rio Del Mar Class I	Local Funds (Development, Watson Ranch)	$252,000.00
2022-23	Rolling Hills Drive Class I	Local Funds (Development, Watson Ranch)	$171,000.00
2022-23	Mallen Way Class I	Local Funds (Development, Watson Ranch)	$210,000.00
2022-23	Artisan Subdivision Class I	Local Funds (Development, Watson Ranch)	$39,000.00
		Total Contributions	**$882,390.00**

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

Maintenance of Effort (MOE)

By adopting the Maintenance of Effort Resolution and submitting the certification to NVTA-TA, the City of American Canyon will remain eligible to continue collecting 7.7% of the annual revenues available through the collection of the ½ cent sales tax. This amount for FY 2022-23 was approximately $2.0 million.

Equivalent Fund

There is no financial impact associated with this action.

ENVIRONMENTAL REVIEW

The proposed actions are a mandatory component of compliance with Measure "T" and is not a "project" as defined by CEQA. Moreover, the action is exempt consistent with CEQA Guidelines Section 15378(b) as a government funding mechanism.

ATTACHMENTS:

1. Resolution Measure T FY 2022-23 MOE Certification
2. Exhibit A. Measure T FY 2022-23 Summary Trial Balance
3. Exhibit B. Measure T FY 2022-23 Additional FTE Direct Project Time
4. Exhibit C. Measure T FY 2020-21 Summary Trial Balance
5. Exhibit D. Measure T FY 2021-22 Summary Trial Balance
6. Exhibit E - Measure T MOE Calculation - FY 2022-23
7. Exhibit F. Measure T MOE Certification Form - AmCan - FY 2022-23
8. Exhibit G. American Canyon MOE Attch 1 Measure T MOE Calc (FINAL)
9. Resolution - Measure T Equivalent Fund Certification and Exhibit A

RESOLUTION NO. 2024-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON APPROVING THE MAINTENANCE OF EFFORT (MOE) CERTIFICATION OF $370,015 AS REQUIRED UNDER MEASURE "T" (THE NAPA COUNTYWIDE ROAD MAINTENANCE ACT)

WHEREAS, on November 6, 2012 the voters of Napa County passed the Napa Countywide Road Maintenance Act, also known as Measure T, which imposes a half cent transaction and use (sales) tax to provide supplemental funding for road maintenance as detailed in the Measure T Expenditure Plan; and

WHEREAS, the Napa Valley Transportation Authority – Tax Authority (NVTA-TA) is the designated agency that administers and oversees Measure T revenues; and

WHEREAS, the City of American Canyon is an eligible recipient of Measure T funds; and

WHEREAS, the tax proceeds will be used to pay for the projects outlined in the Measure T Expenditure Plan allocated to the County of Napa and the cities and towns within Napa County ("Local Agencies") as set forth in Measure T; and

WHEREAS, under the Measure T Expenditure Plan, Measure T funds are provided to the Local Agencies to be used for streets and roads projects as defined in the Measure; and

WHEREAS, the City of American Canyon has entered into a Master Agreement with NVTA-TA that outlines procedures for Measure T expenditures, and

WHEREAS, the City of American Canyon has determined and certified to NVTA-TA the average maintenance of effort amount for Fiscal Years 2007-08, 2008-09, and 2009-10, consistent with the criteria set forth in Section 9 of Ordinance No. 2012-01, including a memorandum detailing the supporting financial documentation and the methodology utilized to calculate the average fiscal year street and roads costs; and

WHEREAS, by January 31st each calendar year, the City of American Canyon must certify to, and provide NVTA-TA a copy of supporting documentation as well as a Resolution approved by the governing body of the City of American Canyon, including backup documentation, demonstrating that the Maintenance of Effort was met the prior fiscal year based on the average of the prior three fiscal years; and

WHEREAS, Measure T project(s) will comply with the requirements under the California Environmental Quality Act (California Code Sections 21000 et seq.; as implemented through California Regulations Title 14, Chapter 3, Sections 15000 et seq.)

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of American Canyon does resolve as follows:

1. The City Council of the City of American Canyon hereby certifies the Maintenance of Effort amount

of $370,015 has been met as set forth in Exhibits “A”, “B”, “C”, “D”, “E”, “F”, and “G”, and authorizes the Public Works Director to file the amount with NVTA-TA.

2. The Resolution is hereby adopted and becomes effective and in full force immediately upon adoption.

PASSED, APPROVED and **ADOPTED** at a regularly scheduled meeting of the City Council of the City of American Canyon held on the 16th day of January 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Leon Garcia, Mayor

ATTEST:

_____
Taresa Geilfuss, CMC, City Clerk

APPROVE AS TO FORM:

_____
William D. Ross, City Attorney

General Ledger

Summary Trial Balance

User: iubaldo
Printed: 01/08/2024 - 11:43AM
Period: 01 to 15, 2023

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 100	100 GENERAL FUND					
REVENUE						
Dept 50	PUBLIC WORKS					
100-50-520-35170	Developer Contribution In Lieu	0.00	0.00	0.00	0.00	0.00
100-50-520-36330	Insurance Reimbursements	30,000.00	0.00	0.00	11,004.74	-11,004.74
100-50-520-36390	Misc Revenues - Other	0.00	0.00	0.00	217.14	-217.14
100-50-520-37260	Transfer In from Gas Tax	300,000.00	0.00	0.00	300,000.00	-300,000.00
100-50-520-37270	Transfer In from Measure A	0.00	0.00	0.00	0.00	0.00
	100-50 REVENUE Totals:	330,000.00	0.00	0.00	311,221.88	-311,221.88
	REVENUE Totals:	330,000.00	0.00	0.00	311,221.88	-311,221.88
EXPENSE						
Dept 50	PUBLIC WORKS					
100-50-520-41110	Wages - Full time	199,247.89	0.00	209,831.09	11,957.56	197,873.53
100-50-520-41120	Wages - Part Time	0.00	0.00	0.00	0.00	0.00
100-50-520-41140	Wages - Overtime	3,000.00	0.00	2,279.50	23.07	2,256.43
100-50-520-41210	Health Insurance	17,166.00	0.00	17,661.66	0.00	17,661.66
100-50-520-41230	Health-In-Lieu	7,200.00	0.00	6,412.50	0.00	6,412.50
100-50-520-41240	Cafeteria Plan Section 125	9,330.60	0.00	8,945.04	0.00	8,945.04
100-50-520-41250	PERS Retirement	44,503.71	0.00	41,591.41	803.88	40,787.53
100-50-520-41260	Social Security & Medicare	3,128.79	0.00	3,303.23	188.91	3,114.32
100-50-520-41270	Worker Comp Insurance	8,296.07	0.00	8,200.28	0.00	8,200.28
100-50-520-41290	Benefits - Other	0.00	0.00	879.85	34.75	845.10
100-50-520-42150	Info Tech Support Services	3,000.00	0.00	701.82	0.00	701.82
100-50-520-42190	Misc Contractual Services	10,000.00	0.00	5,771.71	0.00	5,771.71
100-50-520-42310	General Repairs & Maint	168,000.00	0.00	110,455.25	2,584.86	107,870.39
100-50-520-42315	Reimbursable Repairs	30,000.00	0.00	7,000.00	0.00	7,000.00
100-50-520-42425	Membership Dues & Subscription	4,750.00	0.00	1,972.30	0.00	1,972.30

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
100-50-520-42430	Conferences - Training	6,500.00	0.00	3,142.93	20.00	3,122.93
100-50-520-42484	ISF - Fleet	67,596.00	0.00	67,580.00	0.00	67,580.00
100-50-520-42485	ISF - Info Tech	19,873.00	0.00	19,909.00	0.00	19,909.00
100-50-520-42487	ISF - Legal Services	4,292.00	0.00	4,286.00	0.00	4,286.00
100-50-520-43110	Office Supplies	1,000.00	0.00	701.86	36.18	665.68
100-50-520-43115	Operating Supplies	143,000.00	0.00	133,044.45	13,359.35	119,685.10
100-50-520-43210	Utilities - Gas & Elec	102,121.00	0.00	104,850.94	4,210.06	100,640.88
100-50-520-43220	Util-PhonesPgrsInternetCable	1,655.00	0.00	1,435.99	0.00	1,435.99
	100-50 EXPENSE Totals:	853,660.06	0.00	759,956.81	33,218.62	726,738.19
	EXPENSE Totals:	853,660.06	0.00	759,956.81	33,218.62	726,738.19
	Fund 100 Totals:	-523,660.06	0.00	759,956.81	344,440.50	415,516.31
	Report Totals:	-523,660.06	0.00	759,956.81	344,440.50	415,516.31

Project Management
CIP Project Accounting
TR21-0100 2021 Annual Pavement

User: iubaldo
Printed: 01/05/24 14:42:21
Fiscal Year 2023 - Periods 01 to 15
Date Range 07/01/22 to 06/30/23

Tran Date	**Sort Field**	**Description**	**Hours**	
	TR21-0100	2021 Annual Pavement Mgmt Proj		
Tran Date	Account No	Name	Description	Total Amt
07/28/22		David Miller	55MillerD Employee Benefit	52.62
08/11/22		David Miller	55MillerD Employee Benefit	10.72
07/28/22		David Miller	55MillerD Employee Gross	652.86
08/11/22		David Miller	55MillerD Employee Gross	132.99
07/01/22		Kristine Joy Delos Santos	55DelosSan Employee Benefit	42.31
12/15/22		Kristine Joy Delos Santos	55DelosSan Employee Benefit	19.28
02/09/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	162.43
02/23/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	207.56
03/09/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	41.08
03/23/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	144.39
07/01/22		Kristine Joy Delos Santos	55DelosSan Employee Gross	133.30
12/15/22		Kristine Joy Delos Santos	55DelosSan Employee Gross	56.65
02/09/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	509.85
02/23/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	651.48
03/09/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	141.63
03/23/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	453.20
07/14/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	27.37
07/28/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	67.27
08/11/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	209.94
08/25/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	51.72
09/08/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	74.89
09/22/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	102.97
10/06/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	346.33
10/20/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	617.80
11/03/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	271.45
11/17/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	205.92
12/01/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	18.73
12/15/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	146.36
12/29/22		Ronald V Ranada Jr	55RanadaR Employee Benefit	19.72
01/12/23		Ronald V Ranada Jr	55RanadaR Employee Benefit	15.30
01/26/23		Ronald V Ranada Jr	55RanadaR Employee Benefit	19.53
02/09/23		Ronald V Ranada Jr	55RanadaR Employee Benefit	58.59
02/23/23		Ronald V Ranada Jr	55RanadaR Employee Benefit	119.91
03/09/23		Ronald V Ranada Jr	55RanadaR Employee Benefit	156.19
05/04/23		Ronald V Ranada Jr	55RanadaR Employee Benefit	39.05
07/14/22		Ronald V Ranada Jr	55RanadaR Employee Gross	101.24
07/28/22		Ronald V Ranada Jr	55RanadaR Employee Gross	742.39
08/11/22		Ronald V Ranada Jr	55RanadaR Employee Gross	776.14
08/25/22		Ronald V Ranada Jr	55RanadaR Employee Gross	217.56
09/08/22		Ronald V Ranada Jr	55RanadaR Employee Gross	290.08
09/22/22		Ronald V Ranada Jr	55RanadaR Employee Gross	398.86

10/06/22		Ronald V Ranada Jr	55RanadaR Employee Gross	1,341.62
10/20/22		Ronald V Ranada Jr	55RanadaR Employee Gross	2,393.16
11/03/22		Ronald V Ranada Jr	55RanadaR Employee Gross	1,051.54
11/17/22		Ronald V Ranada Jr	55RanadaR Employee Gross	797.72
12/01/22		Ronald V Ranada Jr	55RanadaR Employee Gross	72.52
12/15/22		Ronald V Ranada Jr	55RanadaR Employee Gross	580.16
12/29/22		Ronald V Ranada Jr	55RanadaR Employee Gross	217.56
01/12/23		Ronald V Ranada Jr	55RanadaR Employee Gross	72.52
01/26/23		Ronald V Ranada Jr	55RanadaR Employee Gross	72.52
02/09/23		Ronald V Ranada Jr	55RanadaR Employee Gross	217.56
02/23/23		Ronald V Ranada Jr	55RanadaR Employee Gross	471.38
03/09/23		Ronald V Ranada Jr	55RanadaR Employee Gross	580.16
05/04/23		Ronald V Ranada Jr	55RanadaR Employee Gross	145.04
07/01/22		Virginia Leija	71LeijaV Employee Benefit	5.65
07/14/22		Virginia Leija	71LeijaV Employee Benefit	13.67
07/28/22		Virginia Leija	71LeijaV Employee Benefit	17.91
08/11/22		Virginia Leija	71LeijaV Employee Benefit	12.25
08/25/22		Virginia Leija	71LeijaV Employee Benefit	19.32
09/08/22		Virginia Leija	71LeijaV Employee Benefit	33.93
09/22/22		Virginia Leija	71LeijaV Employee Benefit	45.71
10/06/22		Virginia Leija	71LeijaV Employee Benefit	73.98
10/20/22		Virginia Leija	71LeijaV Employee Benefit	56.55
11/03/22		Virginia Leija	71LeijaV Employee Benefit	52.78
11/17/22		Virginia Leija	71LeijaV Employee Benefit	40.53
02/09/23		Virginia Leija	71LeijaV Employee Benefit	10.37
07/01/22		Virginia Leija	71LeijaV Employee Gross	390.00
07/14/22		Virginia Leija	71LeijaV Employee Gross	942.50
07/28/22		Virginia Leija	71LeijaV Employee Gross	1,235.00
08/11/22		Virginia Leija	71LeijaV Employee Gross	845.00
08/25/22		Virginia Leija	71LeijaV Employee Gross	1,332.50
09/08/22		Virginia Leija	71LeijaV Employee Gross	2,340.00
09/22/22		Virginia Leija	71LeijaV Employee Gross	3,152.50
10/06/22		Virginia Leija	71LeijaV Employee Gross	5,102.50
10/20/22		Virginia Leija	71LeijaV Employee Gross	3,900.00
11/03/22		Virginia Leija	71LeijaV Employee Gross	3,640.00
11/17/22		Virginia Leija	71LeijaV Employee Gross	2,795.00
02/09/23		Virginia Leija	71LeijaV Employee Gross	715.00
	TR21-0100	2021 Annual Pavement Mgmt Proj	TOTAL	43,293.77

Sum of Total A	Column Labels		
Name	Employee Benefit	Employee Gross	Grand Total
David Miller	63.34	785.85	849.19
Kristine Joy D	617.05	1,946.11	2,563.16
Ronald V Rana	2,569.04	10,539.73	13,108.77
Virginia Leija	382.65	26,390.00	26,772.65
Grand Total	**3,632.08**	**39,661.69**	**43,293.77**

Project Management
CIP Project Accounting
TR22-0300 2022 Annual Pavement

User: iubaldo
Printed: 01/05/24 14:41:21
Fiscal Year 2023 - Periods 01 to 15
Date Range 07/01/22 to 06/30/23

Tran Date	**Sort Field**	**Description**	**Hours**	
	TR22-0300	2022 Annual Pavement Project		
Tran Date	Account No	Name	Description	Total Amt
01/12/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	226.60
01/12/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	72.19
01/26/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	368.23
01/26/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	117.31
02/09/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	56.65
02/09/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	18.06
02/23/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	736.45
02/23/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	234.64
03/09/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	453.20
03/09/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	131.47
03/23/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	793.10
03/23/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	252.68
04/06/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	2,124.38
04/06/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	676.82
04/20/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	1,048.03
04/20/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	333.89
05/04/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	991.38
05/04/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	315.86
05/18/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	963.05
05/18/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	306.84
06/01/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	3,059.10
06/01/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	974.62
06/15/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	2,350.98
06/15/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	749.02
06/29/23		Kristine Joy Delos Santos	55DelosSan Employee Gross	3,399.00
06/29/23		Kristine Joy Delos Santos	55DelosSan Employee Benefit	313.04
04/06/23		Vendon McLeod	55McleodV Employee Gross	74.62
04/06/23		Vendon McLeod	55McleodV Employee Benefit	32.21
06/01/23		Vendon McLeod	55McleodV Employee Gross	242.52
06/01/23		Vendon McLeod	55McleodV Employee Benefit	101.83
06/29/23		Vendon McLeod	55McleodV Employee Gross	410.41
06/29/23		Vendon McLeod	55McleodV Employee Benefit	37.80
05/18/23		Ronald V Ranada Jr	55RanadaR Employee Gross	72.52
05/18/23		Ronald V Ranada Jr	55RanadaR Employee Benefit	19.07
06/01/23		Ronald V Ranada Jr	55RanadaR Employee Gross	725.20
06/01/23		Ronald V Ranada Jr	55RanadaR Employee Benefit	193.69
06/15/23		Ronald V Ranada Jr	55RanadaR Employee Gross	543.90

06/15/23		Ronald V Ranada Jr	55RanadaR Employee Benefit	145.29
06/29/23		Ronald V Ranada Jr	55RanadaR Employee Gross	1,958.04
06/29/23		Ronald V Ranada Jr	55RanadaR Employee Benefit	177.40
	TR22-0300	2022 Annual Pavement Project	**TOTAL**	**25,801.09**

Sum of Total Amt	**Column Labels**		
Name	**Employee Be**	**Employee Gross**	**Grand Total**
Kristine Joy Delos Santos	4,496.44	16,570.15	21,066.59
Ronald V Ranada Jr	535.45	3,299.66	3,835.11
Vendon McLeod	171.84	727.55	899.39
Grand Total	**5,203.73**	**20,597.36**	**25,801.09**

General Ledger

Summary Trial Balance

User: lbogard
Printed: 11/22/2021 - 4:08PM
Period: 01 to 15, 2021

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 100	100 GENERAL FUND					
REVENUE						
Dept 40	PW UTILITIES AND MAINTENANC					
100-40-520-36330	Insurance Reimbursements	0.00	0.00	0.00	11,455.53	-11,455.53
100-40-520-37260	Transfer In from Gas Tax	300,000.00	0.00	0.00	300,000.00	-300,000.00
100-40-520-37270	Transfer In from Measure A	0.00	0.00	0.00	0.00	0.00
	100-40 REVENUE Totals:	300,000.00	0.00	0.00	311,455.53	-311,455.53
	REVENUE Totals:	300,000.00	0.00	0.00	311,455.53	-311,455.53
EXPENSE						
Dept 40	PW UTILITIES AND MAINTENANC					
100-40-520-41110	Wages - Full time	167,500.00	0.00	168,105.11	1,462.01	166,643.10
100-40-520-41120	Wages - Part Time	0.00	0.00	0.00	0.00	0.00
100-40-520-41140	Wages - Overtime	2,800.00	0.00	1,524.21	0.00	1,524.21
100-40-520-41210	Health Insurance	16,400.00	0.00	18,511.12	0.00	18,511.12
100-40-520-41230	Health-In-Lieu	7,400.00	0.00	7,350.00	0.00	7,350.00
100-40-520-41240	Cafeteria Plan Section 125	8,800.00	0.00	8,847.44	0.00	8,847.44
100-40-520-41250	PERS Retirement	36,100.00	0.00	36,730.90	649.13	36,081.77
100-40-520-41260	Social Security & Medicare	2,700.00	0.00	2,691.47	23.28	2,668.19
100-40-520-41270	Worker Comp Insurance	13,700.00	0.00	13,689.55	0.00	13,689.55
100-40-520-41290	Benefits - Other	700.00	0.00	717.06	5.47	711.59
100-40-520-42150	Info Tech Support Services	2,700.00	0.00	1,201.30	0.00	1,201.30
100-40-520-42190	Misc Contractual Services	28,900.00	0.00	10,813.81	0.00	10,813.81
100-40-520-42310	General Repairs & Maint	97,000.00	0.00	77,384.11	64.17	77,319.94
100-40-520-42315	Reimbursable Repairs	30,000.00	0.00	27,343.89	0.00	27,343.89
100-40-520-42425	Membership Dues & Subscription	5,000.00	0.00	2,063.48	0.00	2,063.48
100-40-520-42430	Conferences - Training	1,000.00	0.00	833.10	0.00	833.10
100-40-520-42484	ISF - Fleet	92,900.00	0.00	139,350.00	46,450.00	92,900.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
100-40-520-42485	ISF - Info Tech	3,100.00	0.00	4,650.00	1,550.00	3,100.00
100-40-520-42487	ISF - Legal Services	5,800.00	0.00	8,700.00	2,900.00	5,800.00
100-40-520-43110	Office Supplies	1,000.00	0.00	405.43	0.00	405.43
100-40-520-43115	Operating Supplies	45,320.00	0.00	37,990.35	0.00	37,990.35
100-40-520-43210	Utilities - Gas & Elec	83,700.00	0.00	99,680.59	4,654.70	95,025.89
100-40-520-43220	Util-PhonesPgrsInternetCable	2,100.00	0.00	1,527.32	0.00	1,527.32
	100-40 EXPENSE Totals:	654,620.00	0.00	670,110.24	57,758.76	612,351.48
	EXPENSE Totals:	654,620.00	0.00	670,110.24	57,758.76	612,351.48
	Fund 100 Totals:	-354,620.00	0.00	670,110.24	369,214.29	300,895.95
	Report Totals:	-354,620.00	0.00	670,110.24	369,214.29	300,895.95

General Ledger

Summary Trial Balance

User: jcruz
Printed: 12/22/2022 - 9:15AM
Period: 01 to 15, 2022



Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 100	100 GENERAL FUND					
REVENUE						
Dept 50	PUBLIC WORKS					
100-50-520-35170	Developer Contribution In Lieu	0.00	0.00	0.00	0.00	0.00
100-50-520-36330	Insurance Reimbursements	30,000.00	0.00	0.00	3,974.00	-3,974.00
100-50-520-37260	Transfer In from Gas Tax	300,000.00	0.00	0.00	300,000.00	-300,000.00
100-50-520-37270	Transfer In from Measure A	0.00	0.00	0.00	0.00	0.00
	100-50 REVENUE Totals:	330,000.00	0.00	0.00	303,974.00	-303,974.00
	REVENUE Totals:	330,000.00	0.00	0.00	303,974.00	-303,974.00
EXPENSE						
Dept 50	PUBLIC WORKS					
100-50-520-41110	Wages - Full time	212,965.00	0.00	203,818.63	0.00	203,818.63
100-50-520-41120	Wages - Part Time	0.00	0.00	0.00	0.00	0.00
100-50-520-41140	Wages - Overtime	3,327.00	0.00	2,040.60	0.00	2,040.60
100-50-520-41210	Health Insurance	19,168.00	0.00	19,100.02	0.00	19,100.02
100-50-520-41230	Health-In-Lieu	7,200.00	0.00	7,200.00	0.00	7,200.00
100-50-520-41240	Cafeteria Plan Section 125	9,580.00	0.00	9,579.60	0.00	9,579.60
100-50-520-41250	PERS Retirement	41,289.00	0.00	41,085.20	0.00	41,085.20
100-50-520-41260	Social Security & Medicare	3,285.00	0.00	3,230.72	0.00	3,230.72
100-50-520-41270	Worker Comp Insurance	10,602.00	0.00	10,601.24	0.00	10,601.24
100-50-520-41290	Benefits - Other	807.00	0.00	781.23	0.00	781.23
100-50-520-42150	Info Tech Support Services	3,050.00	0.00	1,402.32	0.00	1,402.32
100-50-520-42190	Misc Contractual Services	10,200.00	0.00	8,162.92	186.35	7,976.57
100-50-520-42310	General Repairs & Maint	135,000.00	0.00	108,155.25	0.00	108,155.25
100-50-520-42315	Reimbursable Repairs	30,000.00	0.00	17,176.00	0.00	17,176.00
100-50-520-42425	Membership Dues & Subscription	5,000.00	0.00	2,307.51	0.00	2,307.51
100-50-520-42430	Conferences - Training	6,000.00	0.00	3,139.09	0.00	3,139.09

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
100-50-520-42484	ISF - Fleet	133,600.00	0.00	133,600.00	0.00	133,600.00
100-50-520-42485	ISF - Info Tech	3,600.00	0.00	3,600.00	0.00	3,600.00
100-50-520-43110	Office Supplies	1,000.00	0.00	1,144.73	0.00	1,144.73
100-50-520-43115	Operating Supplies	100,000.00	0.00	91,963.63	164.75	91,798.88
100-50-520-43210	Utilities - Gas & Elec	114,992.00	0.00	106,744.50	0.00	106,744.50
100-50-520-43220	Util-PhonesPgrsInternetCable	1,462.00	0.00	1,351.49	0.00	1,351.49
	100-50 EXPENSE Totals:	852,127.00	0.00	776,184.68	351.10	775,833.58
	EXPENSE Totals:	852,127.00	0.00	776,184.68	351.10	775,833.58
	Fund 100 Totals:	-522,127.00	0.00	776,184.68	304,325.10	471,859.58
	Report Totals:	-522,127.00	0.00	776,184.68	304,325.10	471,859.58

Measure T MOE Certification
City of American Canyon

		2007-08	2008-09	2009-10	2020-21	2020-21 Additional Direct Project Cost - Annual Pavement Management Project (TR20-0100)	2021-22	2021-22 Additional Direct Project Cost - TR19-0400, TR20-0100, TR21-0100	2022-23	2022-23 Additional Direct Project Cost - TR21-0100, TR22-0300, TR24-0400
GROSS GENERAL FUND EXPENSES - 100-50-520										
41110	FT Salaries				166,643.10		203,818.63		197,873.53	
41120	PT Salaries				-		-		-	
41140	Overtime				1,524.21		2,040.60		2,256.43	
41210	Health Insurance				18,511.12		19,100.02		17,661.66	
41220	Dental Ins				-					
41230	Health In-lieu				7,350.00		7,200.00		6,412.50	
41240	Cafeteria Plan				8,847.44		9,579.60		8,945.04	
41250	PERS				36,081.77		41,085.20		40,787.53	
41260	Social Security				2,668.19		3,230.72		3,114.32	
41270	Worker's Comp				13,689.55		10,601.24		8,200.28	
41290	Benefits - Other				711.59		781.23		845.10	
	total salaries	237,132.63	231,844.29	184,519.29	245,197.16	77,029.85	246,863.09	41,003.86	260,389.01	60,259.05
	total benefits	94,217.81	92,924.43	78,075.68	111,645.79	23,786.13	99,174.76	7,596.75	94,802.24	8,835.81
42130	Engineering Contract Services		11,863.80		-		-			
42150	Information Technology Services	-	2,104.00	1,791.84	1,201.30		1,402.32		701.82	
42160	Other Professional Services	8,815.12	9,495.15	19,841.16	-		-		-	
42180	Temp Agency Services	-	9,125.81		-		-		-	
42190	Misc. Contractual Services	2,779.05	3,863.36	9,231.06	10,813.81		7,976.57		5,771.71	
42310	General Repairs and Maintenance	80,148.21	76,939.39	25,588.35	77,319.94		108,155.25		107,870.39	
	Street Sweeping - citywide cleaning only	40,343.36	63,142.49	57,946.68	-		-		-	
42315	Reimbursable Repairs				27,343.89		17,176.00		7,000.00	
42425	Membership Dues	584.68	1,295.00	889.75	2,063.48		2,307.51		1,972.30	
42430	Training	4,238.70	3,998.67	1,810.47	833.10		3,139.09		3,122.93	
42440	Equipment Rental	1,107.48	3,820.47	1,361.43	-		-		-	
42484	ISF: Fleet				92,900.00		133,600.00		67,580.00	
42485	ISF: IT				3,100.00		3,600.00		19,909.00	
	ISF: Building Maintenance				-		-		-	
42490	Other Services	79.67	163.81	75.99	-		-		-	
43110	Office Supplies	258.10	158.71	308.16	405.43		1,144.73		665.68	
43115	Operating Supplies	95,727.85	149,380.83	71,659.95	37,990.35		91,798.88		119,685.10	
43125	Small Tools & Equipment	3,374.71	679.61	7,742.38	-		-			
43190	Other Supplies	4,028.08	3,732.47	1,091.79	-		-			
43210	Electricity	99,704.86	102,124.48	105,216.70	95,025.89		106,744.50		100,640.88	
43220	Telephone	2,302.57	3,903.40	1,734.65	1,527.32		1,351.49		1,435.99	
46120	Major Equipment	30,649.47	-	-	-		-		-	
47110	Support Services (Finance, HR, etc.)	86,600.00	98,780.00	69,200.00	-		-		-	
48110	Fleet	38,100.00	33,940.00	30,900.00	-		-		-	
48110	Public Works Administration	24,750.00	133,680.00	82,240.65	-		-		-	
48110	Liability Insurance - streets	15,340.00	11,500.00	7,200.00	-		-		-	
48120	Retiree Health	24,200.00	9,600.00	26,800.00	-		-		-	
48140	Transfers to Other Funds	8,100.00	8,000.00	-	-		-		-	
	Subtotal	902,582.35	1,066,060.17	785,225.98	707,367.46		824,434.19		791,547.05	
EXPENSE EXCLUSIONS										
	One-Time Expenses: Capital Purchase	(30,649.47)	-	-	-				-	
	One-time Expenses: Street Sweeping	(40,343.36)	(63,142.49)	(57,946.68)	-				-	
	Reimbursable Repairs				(27,343.89)		(17,176.00)		(7,000.00)	
	Retiree Health Insurance	(24,200.00)	(9,600.00)	(26,800.00)	-				-	
	Support Services (Finance, HR)	(86,600.00)	(98,780.00)	(69,200.00)	-				-	
	Employee home purchase	(8,100.00)	(8,000.00)	-	-				-	
ELIGIBLE STREET MAINTENANCE EXPENSES		709,007.00	807,364.00	655,995.00	680,023.57		807,258.19		784,547.05	
LESS: REVENUES RECEIVED FROM OTHER SOURCES										
	Miscellaneous Revenues	13,629.46	3,037.94	3,654.34	11,455.53		3,974.00		11,221.88	
	Prop 1B		400,000.00							
	Gas tax	214,000.00	214,000.00	214,000.00	300,000.00		300,000.00		300,000.00	
NET GENERAL FUND EXPENDITUIRES ON ELIGIBLE STREET MAINTENANCE EXPENSES										
		481,377.54	190,326.06	438,340.66	368,568.04		503,284.19		473,325.17	
			370,015		MOE Not Met		MOE Met		MOE Met	
					(1,446.71)		-		-	
					3-Year Average		3-Year Average		3-Year Average	
					416,844.92		425,044.89		448,392.47	
					MOE Met		MOE Met		MOE Met	
					-		-		-	

City of American Canyon
Measure T Maintenance of Effort (MOE) Certification for Fiscal Year 2022-2023

NVTA-TA Approved MOE	$	370,015.00
MOE Amount Certified for FY 2022-23	$	473,325.17
MOE Amount Certified for FY 2021-22	$	503,284.19
MOE Amount Certified for FY 2020-21	$	368,568.04
3-Year Average MOE Amount FY 21-23	$	448,392.47
Measure T funds Received in FY 2022-23	$	1,985,005.91
Measure T funds Expended in FY 2022-23	$	1,051,704.23
Measure T funds Balance in Account	$	4,095,190.10

	(1)		(2)	(1)		(2)	(1)		(2)
	2007/2008	**Proration**	**MOE**	**2008/2009**	**Proration**	**MOE**	**2009/2010**	**Proration**	**MOE**
GENERAL FUND EXPENSES - (GL 101-50-520-xxxxx)									
41110-40 FT, PT, OT Salaries	415,598	57%	237,133	352,598	61%	213,335	210,413	84%	175,743
41210 Health Insurance	61,963	57%	35,355	60,732	61%	36,745	37,266	84%	31,126
41220 Dental Ins	173	57%	99	-	61%	-		84%	-
41230 Health In-lieu		57%	-	-	61%	-		84%	-
41240 Cafeteria Plan	17,733	57%	10,118	16,384	61%	9,913	9,792	84%	8,179
41250 PERS	51,683	57%	29,490	45,666	61%	27,630	26,735	84%	22,330
41260 Social Security	9,585	57%	5,469	6,358	61%	3,847	3,683	84%	3,076
41270 Worker's Comp	22,361	57%	12,759	21,454	61%	12,980	13,428	84%	11,216
41290 Benefits - Other	255	57%	146	114	61%	69	219	84%	183
42130 Engineering Contract Services	69,310	0%	-	54,319	0%	-	19,158	0%	-
42150 Information Technology Services	-	57%	-	2,104	61%	1,273	1,792	84%	1,497
42160 Other Professional Services	8,815	57%	5,030	9,495	61%	5,745	19,841	84%	16,572
42180 Temp Agency Services	-	57%	-	9,126	61%	5,521	-	84%	-
42190 Misc. Contractual Services	2,779	57%	1,586	3,863	61%	2,337	9,231	84%	7,710
42310 General Repairs and Maintenance	80,148	100%	80,148	76,939	100%	76,939	25,588	100%	25,588
42310 Street Sweeping	40,343	0%	-	63,142	0%	-	57,947	0%	-
42425 Membership Dues	585	57%	334	1,295	61%	784	890	84%	743
42430 Training	4,239	57%	2,419	3,999	61%	2,419	1,810	84%	1,512
42440 Equipment Rental	1,107	57%	632	3,820	61%	2,312	1,361	84%	1,137
42490 Other Services	80	57%	45	164	61%	99	76	84%	63
43110 Office Supplies	258	57%	147	159	61%	96	308	84%	257
43115 Operating Supplies	95,728	100%	95,728	159,710	100%	159,710	71,660	100%	71,660
43125 Small Tools & Equipment	3,375	57%	1,926	680	61%	411	7,742	84%	6,467
43190 Other Supplies	4,028	57%	2,298	3,732	61%	2,258	1,092	84%	912
43210 Electricity	99,705	57%	56,890	102,124	61%	61,789	105,217	84%	87,880
43220 Telephone	2,303	57%	1,314	3,903	61%	2,362	1,735	84%	1,449
46120 Major Equipment	30,649	57%	17,488	-	61%	-	-	84%	-
47110 Support Services (Finance, HR, etc.)	86,600	57%	49,412	98,780	61%	59,766	69,200	84%	57,798
48110 Fleet	38,100	57%	21,739	33,940	61%	20,535	30,900	84%	25,809
48110 Public Works Administration	24,750	57%	14,122	133,680	61%	80,882	82,241	84%	68,690
48110 Liability Insurance - streets	15,340	57%	8,753	11,500	61%	6,958	7,200	84%	6,014
48120 Retiree Health	24,200	57%	13,808	9,600	61%	5,808	26,800	84%	22,384
48140 Transfers to Other Funds	8,100	57%	4,622	8,000	61%	4,840	-	84%	-
Subtotal Expenses	1,219,892		709,007	1,297,381		807,364	843,325		655,995

NON-GENERAL FUND REVENUE	FY 2007/8	FY 2008/9	FY 2009/10
Miscellaneous Revenues	13,629	3,038	3,654
Prop 1B	-	400,000	-
Gas tax	214,000	214,000	214,000
Subtotal Revenue	227,629	617,038	217,654
General Fund MOE (GF Expenses Less Non-GF Revenue)	**481,377**	**190,326**	**438,340**

Average General Fund MOE **$ 370,015**

RESOLUTION NO. 2024-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON APPROVING CERTIFICATION OF 6.67% EQUIVALENT FUND EXPENDITURES UNDER THE MEASURE "T" PROGRAM (THE NAPA COUNTYWIDE ROAD MAINTENANCE ACT)

WHEREAS, on November 6, 2012 the voters of Napa County passed the Napa Countywide Road Maintenance Act, also known as Measure T, which imposes a half cent transaction and use (sales) tax to provide supplemental funding for road maintenance as detailed in the Measure T Expenditure Plan; and

WHEREAS, the Napa Valley Transportation Authority – Tax Authority (NVTA-TA) is the designated agency that administers and oversees Measure T revenues; and

WHEREAS, the City of American Canyon is an eligible recipient of Measure T funds; and

WHEREAS, the tax proceeds will be used to pay for the projects outlined in the Measure T Expenditure Plan allocated to the County of Napa and the cities and towns within Napa County ("Local Agencies") as set forth in Measure T; and

WHEREAS, under the Measure T Expenditure Plan, Measure T funds are provided to the Local Agencies to be used for streets and roads projects as defined in the Measure; and

WHEREAS, the City of American Canyon has entered into a Master Agreement, as amended, with NVTA-TA that outlines procedures for Measure T expenditures, and

WHEREAS, the City of American Canyon shall determine and certify to NVTA-TA the annual spending towards qualifying Class I Bicycle Facilities, consistent with the criteria set forth in Section 3 B of Ordinance No. 1201-01, including a memorandum detailing the supporting financial documentation and the methodology utilized to calculate the total spending and funding source; and

WHEREAS, the amount set forth in Exhibit "A" will be deemed the "Equivalent Fund Spending for Class I Bicycle Facilities" of the City of American Canyon, which must be maintained annually throughout the term of the Measure from qualifying local general funds, formula specific funds, and Class I facility contributions by private development; and

WHEREAS, by January 31st each calendar year, the City of American Canyon must certify to, and provide NVTA-TA a copy of supporting documentation as well as a Resolution approved by the governing body of the City of American Canyon, including backup documentation, demonstrating that the Equivalent Fund Class I Bicycle Facilities spending occurred during the prior fiscal year; and

WHEREAS, Measure T project(s) will comply with the requirements under the California Environmental Quality Act (California Code Sections 21000 et seq.; as implemented through California Regulations Title 14, Chapter 3, Sections 15000 et seq.)

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of American Canyon does resolve as follows:

1. The City Council of the City of American Canyon hereby certifies the Equivalent Fund Class I Bicycle Facilities expenditures for Fiscal Year 2022-23 in Exhibit A.

2. The Resolution is hereby adopted and becomes effective and in full force immediately upon adoption.

PASSED, APPROVED and **ADOPTED** at a regularly scheduled meeting of the City Council of the City of American Canyon held on the 16th day of January, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Leon Garcia, Mayor

ATTEST:

_____
Taresa Geilfuss, CMC, City Clerk

APPROVE AS TO FORM:

_____
William D. Ross, City Attorney

EXHIBIT A

List of Equivalent Fund Expenditures for Class I Trails

Fiscal Year	**Project**	**Funding Source**	**Amount**
2022-23	Devlin Road Class I	Local Funds (Development: NLP Phase II)	$119,340.00
2022-23	Newell Drive Class I	Local Funds (Development: Canyon Estates)	$91,050.00
2022-23	Rio Del Mar Class I	Local Funds (Development: Watson Ranch)	$252,000.00
2022-23	Rolling Hills Drive Class I	Local Funds (Development: Watson Ranch)	$171,000.00
2022-23	Mallen Way Class I	Local Funds (Development: Watson Ranch)	$210,000.00
2022-23	Artisan Subdivision Class I	Local Funds (Development: Watson Ranch)	$39,000.00
		Total Contributions	**$882,390.00**

TITLE

Cooperative Agreement for the American Canyon State Route 29 Corridor Improvement Project

RECOMMENDATION

Adopt a resolution authorizing the City Manager to execute Cooperative Agreement 04-2957 with Caltrans and Napa Valley Transportation Authority for Project Approval and Environmental Document phase services associated with the American Canyon State Route 29 Corridor Improvement Project.

CONTACT

Erica Ahmann Smithies, P.E., Public Works Director

BACKGROUND & ANALYSIS

American Canyon State Route 29 Corridor Improvement Project

The Napa Valley Transportation Authority (NVTA), in cooperation with the California Department of Transportation (Caltrans) and the City of American Canyon (City), proposes roadway improvements along State Route 29 (SR 29) within much of the City limits to address various operational and safety needs along the SR 29 corridor.

In May 2020, NVTA completed the SR 29 Comprehensive Multimodal Corridor Plan. Subsequently, a Project Study Report on the SR 29 corridor in American Canyon was initiated, proposing key enhancements such as improved signal infrastructure and roundabouts. This revision aligned the corridor planning process with the funding requirements outlined in SB 1, meeting the Comprehensive Multimodal Corridor Plan (CMCP) guidelines established by the California Transportation Commission in December 2018.

Following completion of the CMCP update, NVTA moved forward with work to complete a Project Study Report – Project Development Support (PSR-PSD), also referred to as the project initiation document (PID), focusing on a segment of the SR-29 corridor in American Canyon between Napa Junction Road and American Canyon Road. The PID adhered to Caltrans' Project Development Procedures Manual, evaluating high-level project alternatives, defining scope, cost, and schedule for each option.

Next Steps

In February 2023, Caltrans and NVTA finalized the PID, identifying three alternatives, two build and one no-build. The build alternatives propose the following improvements:

- Alternative 1: Enhancements to existing intersection signal infrastructure, featuring transit signal priority for queue jump lanes to optimize traffic flow and operational efficiency.
- Alternative 2: Replace five of six signalized intersections along the corridor with roundabouts, increasing overall circulation whilst providing traffic calming and enhanced intersection safety for all users.

Both build alternatives will construct enhanced transit stops, relocate existing overhead utilities, and replace/construct new bicycle and pedestrian facilities.

The next stage of project development is the Project Approval and Environmental Document (PA&ED) phase. This phase of work will further refine the build alternatives identified during the PID, select a preferred build alternative, and produce two key project deliverables - a Project Report securing Caltrans approval and an environmental document ensuring compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).

The PA&ED phase requires extensive preliminary engineering and public engagement to obtain project approval and environmental clearance. NVTA released a request for proposals for professional consultant engineering services for the PA&ED phase on October 23, 2023. An evaluation committee, comprising representatives from NVTA, City of American Canyon, County of Napa, and Caltrans, was established to assess proposals.

On December 1, 2023 NVTA received three proposal in response to the solicitation, followed by interviews with the two most qualified proposers on December 4, 2023. The evaluation committee ultimately found the team proposed by Kimley-Horn and Associates the most qualified, based on technical expertise, relevant project experience and understanding of the work to be done. NVTA will be recommending award of contract with Kimley-Horn & Associates to the NVTA Board on January 17, 2024.

The forthcoming Project Approval and Environmental Document (PA&ED) phase will refine the proposed alternatives, selecting a preferred option and producing vital project deliverables.

<u>Cooperative Agreement</u>

The project exists in Caltrans right of way; therefore it is necessary to enter into a cooperative agreement with Caltrans to define roles and responsibilities around project delivery, funding, and oversite. NVTA will be taking lead on the project with Caltrans in regard to establishing the scope of work and securing financial resources to fund the work. The City's responsibilities, as outlined in the agreement, are primarily focused on project coordination with NVTA, community outreach, public meetings, and circulation of environmental documentation. The cooperative agreement is still in a draft form and may be subject to additional minor modifications that will be reviewed and mutually

agreed upon by each agency prior to final signature.

In April 2023, both NVTA and the City submitted letters to Caltrans proposing the use of approximately $1 million in funding previously paid by American Canyon to Caltrans pursuant to a 2006 Settlement Agreement to support the PA&ED phase of the project. Caltrans concurred with the proposed requests and acknowledged this project will fulfill the Settlement Agreement and Release commitment by prioritizing Class I bike facilities along State Route 29 and providing pedestrian crossing improvements at major intersections. In addition to the settlement funding, NVTA secured $750,000 in Regional Measure 3 funding and $3 million in One Bay Areas Grant Cycle 3 funding for a total budget of $4,705,000. Planned project expenditures for the PA&ED phase are not expected to exceed $4,683,632.

Funding for this phase of the project is comprised of the following:

Source	Party	Fund Type	Total
State	Caltrans	Settlement	$955,000
Local	NVTA	Regional Measure 3 (RM3)	$750,000
Local-Federal	NVTA	One Bay Area Grant Cycle 3 (OBAG3)	$3,000,000

Staff recommends City Council authorize the City Manager to execute Cooperative Agreement 04-2957 with Caltrans and Napa Valley Transportation Authority for PA&ED phase services associated with the American Canyon State Route 29 Corridor Improvement Project, ensuring continued progress on this critical corridor project.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Transportation: "Improve the transportation network within the City to alleviate congestion and enhance the quality of life for the community."

FISCAL IMPACT

There is no direct fiscal impact to the City. However, Caltrans will be committing $955,000 of settlement funding resulting from 2006 litigation between the City and Caltrans towards the completion of the PA&ED phase services.

ENVIRONMENTAL REVIEW

None

ATTACHMENTS:

1. Resolution - Caltrans and Napa Valley Transportation Authority
2. Draft NVTA/City/Caltrans Cooperative Agreement SR29 PAED
3. 2006 Settlement Agreement and 2023 City, NVTA and Caltrans Correspondence.pdf

RESOLUTION NO. 2024-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE COOPERATIVE AGREEMENT 04-2957 WITH CALTRANS AND NAPA VALLEY TRANSPORTATION AUTHORITY FOR PROJECT APPROVAL AND ENVIRONMENTAL DOCUMENT PHASE SERVICES ASSOCIATED WITH THE AMERICAN CANYON STATE ROUTE 29 CORRIDOR IMPROVEMENT PROJECT

WHEREAS, the Napa Valley Transportation Authority (NVTA), in cooperation with the California Department of Transportation (Caltrans) and the City of American Canyon (City), proposes roadway improvements along State Route 29 (SR 29) within much of the City limits to address various operational and safety needs along the SR 29 corridor; and

WHEREAS, the proposed SR29 corridor improvements will include transit, bicycle, pedestrian infrastructure and beautification; and

WHEREAS, in 2023 Caltrans and NVTA completed a project initiation document (PID) focusing on a segment of the SR 29 corridor in American Canyon between Napa Junction Road and American Canyon Road; and

WHEREAS, the next stage of project development is the Project Approval and Environmental Document (PA&ED) phase. This phase of work will further refine the build alternatives identified during the PID, select a preferred build alternative, and produce two key project deliverables - a Project Report securing Caltrans approval and an environmental document ensuring compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA); and

WHEREAS, when a project exists in Caltrans right of way, a cooperative agreement is necessary between all partes to define roles and responsibilities around project delivery, funding and oversight; and

WHEREAS, NVTA will be taking lead on the project with Caltrans in regard to establishing the scope of work and securing financial resources to fund the work while the City's responsibilities, as outlined in the agreement, will be primarily focused on project coordination with NVTA, community outreach, public meetings, and circulation of environmental documentation; and

WHEREAS, in Cooperative Agreement 04-2957 Caltrans will commit $955,000 of settlement funding previously paid by the City to Caltrans pursuant to a 2006 Settlement Agreement and Release to support the PA&ED phase of the project; and

WHEREAS, NVTA has secured and committed an additional $750,000 in Regional Measure 3 funding and $3,000,000 in One Bay Areas Grant Cycle 3 funding for a total budget of $4,705,000; and

WHEREAS, planned expenditures for the PA&ED phase of the project are not anticipated to exceed $4,683,632.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of American Canyon hereby authorizes the City Manager to execute Cooperative Agreement 04-2957 with Caltrans and Napa Valley

Transportation Authority for Project Approval and Environmental Document phase services associated with the American Canyon State Route 29 Corridor Improvement Project.

PASSED, APPROVED and **ADOPTED** at a regularly scheduled meeting of the City Council of the City of American Canyon held on the 16th day of January, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Leon Garcia, Mayor

ATTEST:

_____
Taresa Geilfuss, CMC, City Clerk

APPROVE AS TO FORM:

_____
William D. Ross, City Attorney

COOPERATIVE AGREEMENT COVER SHEET

Work Description

SR 29 AMERICAN CANYON MULTI-MODAL CORRIDOR IMPROVEMENT PROJECT WOULD MAKE ROADWAY IMPROVEMENTS ALONG STATE ROUTE 29 (SR 29) BETWEEN POST MILES 0.69 AND 2.05. PROPOSED IMPROVEMENTS INCLUDE TRANSIT, BICYCLE AND PEDESTRIAN INFRASTRUCTURE. THREE ALTERNATIVES WERE DEVELOPED DURING THE PROJECT STUDY REPORT-PROJECT DEVELOPMENT SUPPORT PHASE, 2 BUILD AND 1 NO BUILD. BUILD ALTERNATIVE 1 EVALUATES IMPROVEMENT OF EXISTING SIGNALIZED INTERSECITONS INCLUDING SIGNAL OPERATIONAL IMPROVEMENTS, ADAPTIVE TECHNOLOGY, AND QUEUE JUMPS WITH AUXILARY LANES. BUILD ALTERNATIVE 2 EVALUATES INTERSECTION OPERATIONAL IMPROVEMENTS BY REPLACING EXISTING SIGNALIZED INTERSECITONS WITH ROUNDABOUTS. STREET BEAUTIFICATION, BIKE AND PEDESTRIAN INFRASTRASTRUCTURE, AND SIGNAGE AND WAYFINDING IMPROVEMENTS ARE PROPOSED UNDER BOTH BUILD ALTERNATIVES

Contact Information

CALTRANS

Amani Meligy, Regional Project Manager for Napa County

111 Grand Avenue

Oakland, CA 94612

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NAPA VALLEY TRANSPORTATION AUTHORITY

Danielle Schmitz, Capital Development & Planning

625 Burnell Street

Napa, CA 94559

Office Phone: (707) 259-5968

Email: dschmitz@nvta.ca.gov

CITY OF AMERICAN CANYON

Erica Ahmann Smithies, Public Works Director

Napa, CA 94559

Office Phone: (707) 647-4360

Email: esmithies@cityofamericancanyon.org

COOPERATIVE AGREEMENT

This AGREEMENT, executed on and effective from _____, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and:

Napa Valley Transportation Authority, a public corporation/entity, referred to hereinafter as NVTA and

City of American Canyon, a public corporation/entity, referred to hereinafter as CITY

An individual signatory agency in this AGREEMENT is referred to as a PARTY. Collectively, the signatory agencies in this AGREEMENT are referred to as PARTIES.

RECITALS

1. PARTIES are authorized to enter into a cooperative agreement for improvements to the State Highway System per the California Streets and Highways Code, Sections 114 and 130.

2. For the purpose of this AGREEMENT, *SR 29 American Canyon Multi-modal Corridor Improvement Project would make roadway improvements along State Route 29 (SR 29) between Post miles 0.69 and 2.05. Proposed improvements include transit, bicycle and pedestrian infrastructure. Three alternatives were developed during the Project Study Report-Project Development Support phase, 2 build and 1 no build. Build alternative 1 evaluates improvement of existing signalized intersections including signal operational improvements, adaptive technology, and queue jumps with auxiliary lanes. Build alternative 2 evaluates intersection operational improvements by replacing existing signalized intersections with roundabouts. Street beautification, bike and pedestrian infrastructure, and signage and wayfinding improvements are proposed under both build alternatives* will be referred to hereinafter as PROJECT. The PROJECT scope of work is defined in the project initiation and approval documents (e.g. Project Study Report, Design Engineering Evaluation Report, or Project Report).

3. All obligations and responsibilities assigned in this AGREEMENT to complete the following PROJECT COMPONENT will be referred to hereinafter as WORK:

   - PROJECT APPROVAL AND ENVIRONMENTAL DOCUMENT (PA&ED)

   Each PROJECT COMPONENT is defined in the CALTRANS Workplan Standards Guide as a distinct group of activities/products in the project planning and development process.

4. The term AGREEMENT, as used herein, includes this document and any attachments, exhibits, and amendments.

   This AGREEMENT is separate from and does not modify or replace any other cooperative agreement or memorandum of understanding between the PARTIES regarding the PROJECT.

   PARTIES intend this AGREEMENT to be their final expression that supersedes any oral understanding or writings pertaining to the WORK. The requirements of this AGREEMENT will preside over any conflicting requirements in any documents that are made an express part of this AGREEMENT.

   If any provisions in this AGREEMENT are found by a court of competent jurisdiction to be, or are in fact, illegal, inoperative, or unenforceable, those provisions do not render any or all other AGREEMENT provisions invalid, inoperative, or unenforceable, and those provisions will be automatically severed from this AGREEMENT.

   Except as otherwise provided in the AGREEMENT, PARTIES will execute a written amendment if there are any changes to the terms of this AGREEMENT.

   PARTIES agree to sign a CLOSURE STATEMENT to terminate this AGREEMENT. However, all indemnification, document retention, audit, claims, environmental commitment, legal challenge, maintenance and ownership articles will remain in effect until terminated or modified in writing by mutual agreement or expire by the statute of limitations.

5. No PROJECT deliverables have been completed prior to this AGREEMENT.

6. In this AGREEMENT capitalized words represent defined terms, initialisms, or acronyms.

7. PARTIES hereby set forth the terms, covenants, and conditions of this AGREEMENT.

RESPONSIBILITIES

Sponsorship

8. A SPONSOR is responsible for establishing the scope of the PROJECT and securing the financial resources to fund the WORK. A SPONSOR is responsible for securing additional funds when necessary or implementing PROJECT changes to ensure the WORK can be completed with the funds committed in this AGREEMENT.

   PROJECT changes, as described in the CALTRANS Project Development Procedures Manual, will be approved by CALTRANS as the owner/operator of the State Highway System.

9. NVTA is the SPONSOR for the WORK in this AGREEMENT.

Implementing Agency

10. The IMPLEMENTING AGENCY is the PARTY responsible for managing the scope, cost, schedule, and quality of the work activities and products of a PROJECT COMPONENT.

    - NVTA is the Project Approval and Environmental Document (PA&ED) IMPLEMENTING AGENCY.

      PA&ED includes the completion of the Final Environmental Document and the Project Report (documenting the project alternative selection).

11. NVTA will provide a Quality Management Plan (QMP) for the WORK in every PROJECT COMPONENT that they are implementing. The QMP describes the IMPLEMENTING AGENCY's quality policy and how it will be used. The QMP will include a process for resolving disputes between the PARTIES at the team level. The QMP is subject to CALTRANS review and concurrence.

12. Any PARTY responsible for completing WORK will make its personnel and consultants that prepare WORK available to help resolve WORK-related problems and changes for the entire duration of the PROJECT including PROJECT work that may occur under separate agreements.

Funding

13. Funding sources, PARTIES committing funds, funding amounts, and invoicing/payment details are documented in the Funding Summary section of this AGREEMENT.

    PARTIES will amend this AGREEMENT by updating and replacing the Funding Summary, in its entirety, each time the funding details change. Funding Summary replacements will be executed by a legally authorized representative of the respective PARTIES. The most current fully executed Funding Summary supersedes any previous Funding Summary created for this AGREEMENT.

14. PARTIES will not be reimbursed for costs beyond the funding commitments in this AGREEMENT.

15. Unless otherwise documented in the Funding Summary, overall liability for project costs within a PROJECT COMPONENT, subject to program limitations, will be in proportion to the amount contributed to that PROJECT COMPONENT by each fund type.

16. Unless otherwise documented in the Funding Summary, any savings recognized within a PROJECT COMPONENT will be credited or reimbursed, when allowed by policy or law, in proportion to the amount contributed to that PROJECT COMPONENT by each fund type.

17. WORK costs, except those that are specifically excluded in this AGREEMENT, are to be paid from the funds obligated in the Funding Summary. Costs that are specifically excluded from the funds obligated in this AGREEMENT are to be paid by the PARTY incurring the costs from funds that are independent of this AGREEMENT.

CALTRANS' Quality Management

18. CALTRANS, as the owner/operator of the State Highway System (SHS), will perform quality management work including Quality Management Assessment (QMA) and owner/operator approvals for the portions of WORK within the existing and proposed SHS right-of-way.

19. CALTRANS' Quality Management Assessment (QMA) efforts are to ensure that NVTA's quality assurance results in WORK that is in accordance with the applicable standards and the PROJECT's quality management plan (QMP). QMA does not include any efforts necessary to develop or deliver WORK or any validation by verifying or rechecking WORK.

    When CALTRANS performs QMA, it does so for its own benefit. No one can assign liability to CALTRANS due to its QMA.

20. CALTRANS, as the owner/operator of the State Highway System, will approve WORK products in accordance with CALTRANS policies and guidance and as indicated in this AGREEMENT.

21. Per National Environmental Policy Act (NEPA) assignment and California Environmental Quality Act (CEQA) statutes, CALTRANS will perform environmental document quality control and NEPA assignment review procedures for environmental documentation. CALTRANS quality control and quality assurance procedures for all environmental documents are described in Chapter 38 of the Standard Environmental Reference (SER), available at https://dot.ca.gov/programs/environmental-analysis/standard-environmental-reference-ser/volume-1-guidance-for-compliance/ch-38-nepa-assignment. This also includes the independent judgment analysis and determination under CEQA that the environmental documentation meets CEQA requirements.

22. NVTA will provide WORK-related products and supporting documentation upon CALTRANS' request for the purpose of CALTRANS' quality management work.

23. NVTA and CITY, including any employee, agent, consultant or sub-consultant retained by the NVTA and CITY, shall implement uniform document control policies necessary to retain all records and electronically stored information associated with the WORK, including but not limited to those records identified in California Public Resources Code, Section 21167.6, and including email and attachments, in a manner consistent with the CALTRANS Uniform Filing System and the "Final Caltrans Environmental Records Retention Policy", available at https://dot.ca.gov/-/media/dot-media/programs/environmental-analysis/documents/ser/nepa-recordretention-policy-final-a11y.pdf. These records, along with an index of the records, shall be provided to CALTRANS within 60 days of CALTRANS' written request.

CEQA/NEPA Lead Agency

24. NVTA is the CEQA Lead Agency for the PROJECT.

25. CALTRANS is a CEQA Responsible Agency for the PROJECT.

26. CALTRANS is the NEPA Lead Agency for the PROJECT.

Environmental Permits, Approvals and Agreements

27. PARTIES will comply with the commitments and conditions set forth in the environmental documentation, environmental permits, approvals, and applicable agreements as those commitments and conditions apply to each PARTY's responsibilities in this AGREEMENT.

28. Unless otherwise assigned in this AGREEMENT, the IMPLEMENTING AGENCY for a PROJECT COMPONENT is responsible for all PROJECT COMPONENT WORK associated with coordinating, obtaining, implementing, renewing, and amending the PROJECT permits, agreements, and approvals whether they are identified in the planned project scope of work or become necessary in the course of completing the PROJECT.

29. It is expected that the PROJECT requires the following environmental permits/approvals:

ENVIRONMENTAL PERMITS/REQUIREMENTS
404, US Army Corps Of Engineers
401, Regional Water Quality Control Board
National Pollutant Discharge Elimination System (NPDES), State Water Resources Control Board

Project Approval and Environmental Document (PA&ED)

30. As the PA&ED IMPLEMENTING AGENCY, NVTA is responsible for all PA&ED WORK except those activities and responsibilities that are assigned to another PARTY and those activities that are excluded under this AGREEMENT.

31. CALTRANS will be responsible for completing the following PA&ED activities:

CALTRANS Work Breakdown Structure Identifier (If Applicable)	AGREEMENT Funded Cost
100.10.10.xx Quality Management	No
165.15.15.xx Essential Fish Habitat Consultation	Yes
165.15.15.xx Section 7 Consultation	Yes
165.25.25 Approval to Circulate Resolution	Yes
180.10.05.45 Section 7 Consultation	Yes
180.15.05 Record of Decision (NEPA)	Yes

32. Any PARTY preparing environmental documentation, including studies and reports, will ensure that qualified personnel remain available to help resolve environmental issues and perform any necessary work to ensure that the PROJECT remains in environmental compliance.

33. NVTA will provide written notice of the initiation of environmental studies to the NEPA Lead Agency prior to completing any other PA&ED phase work.

California Environmental Quality Act (CEQA)

34. The CEQA Lead Agency will determine the type of CEQA documentation and will cause that documentation to be prepared in accordance with CEQA requirements.

35. Any PARTY involved in the preparation of CEQA documentation will prepare the documentation to meet CEQA requirements and follow the CEQA Lead Agency's standards that apply to the CEQA process.

36. CALTRANS is a CEQA Responsible Agency for the PROJECT and is responsible for review, comment, and concurrence on all environmental documentation (including, but not limited to, studies, reports, public notices, and public meeting materials, determinations, administrative drafts, and final environmental documents) at appropriate stages of development prior to approval and public availability.

37. Any PARTY preparing any portion of the CEQA documentation, including any studies and reports, will submit that portion of the documentation to the CEQA Lead Agency for review, comment, and approval at appropriate stages of development prior to public availability.

38. If the CEQA Lead Agency makes any changes to the CEQA documentation, the CEQA Lead Agency will allow CALTRANS to review, comment, and concur on those changes prior to the CEQA Lead Agency's approval at appropriate stages of development prior to public availability.

39. If the CEQA Lead Agency makes any changes to CEQA-related public notices, then the CEQA Lead Agency will allow CALTRANS to review, comment, and concur on those changes prior to publication and circulation.

40. The CEQA Lead Agency will attend all CEQA-related public meetings.

41. If a PARTY who is not the CEQA Lead Agency holds a public meeting about the PROJECT, that PARTY must clearly state its role in the PROJECT and the identity of the CEQA Lead Agency on all meeting publications. All meeting publications must also inform the attendees that public comments collected at the meetings are not part of the CEQA public review process.

    That PARTY will submit all meeting advertisements, agendas, exhibits, handouts, and materials to the CEQA Lead Agency for review, comment, and approval at least ten (10) working days prior to publication or use. If that PARTY makes any changes to the materials, it will allow the CEQA Lead Agency to review, comment on, and approve those changes at least three (3) working days prior to the public meeting date.

    The CEQA Lead Agency maintains final editorial control with respect to text or graphics that could lead to public confusion over CEQA-related roles and responsibilities.

National Environmental Policy Act (NEPA)

42. Pursuant to Chapter 3 of Title 23, United States Code, Sections 326 and 327, CALTRANS is the NEPA Lead Agency for the PROJECT. CALTRANS is responsible for NEPA compliance, will determine the type of NEPA documentation, and will cause that documentation to be prepared in accordance with NEPA requirements.

    CALTRANS, as the NEPA Lead Agency for PROJECT, is responsible for the review, comment, and approval of all environmental documentation (including, but not limited to, studies, reports, public notices, and public meeting materials, determinations, administrative drafts, and final environmental documents) at appropriate stages of development prior to approval and public availability.

    When required as NEPA Lead Agency, CALTRANS will conduct consultation and coordination and obtain, renew, or amend approvals pursuant to the Federal Endangered Species Act, and Essential Fish Habitat.

    When required as NEPA Lead Agency, CALTRANS will conduct consultation and coordination approvals pursuant to Section 106 of the National Historic Preservation Act.

43. Any PARTY involved in the preparation of NEPA documentation will follow FHWA and CALTRANS standards that apply to the NEPA process including, but not limited to, the guidance provided in the FHWA Environmental Toolkit (available at http://environment.fhwa.dot.gov/index.asp) and the CALTRANS Standard Environmental Reference.

44. Any PARTY preparing any portion of the NEPA documentation (including, but not limited to, studies, reports, public notices, and public meeting materials, determinations, administrative drafts, and final environmental documents) will submit that portion of the documentation to CALTRANS for CALTRANS' review, comment, and approval prior to public availability.

45. NVTA and CITY will prepare, publicize, and circulate all NEPA-related public notices, except Federal Register notices. NVTA will submit all notices to CALTRANS for CALTRANS' review, comment, and approval prior to publication and circulation.

    CALTRANS will work with the appropriate federal agency to publish notices in the Federal Register.

46. The NEPA Lead Agency will attend all NEPA-related public meetings.

47. NVTA and CITY will submit all NEPA-related public meeting materials to CALTRANS for CALTRANS' review, comment, and approval at least ten (10) working days prior to the public meeting date.

48. If a PARTY who is not the NEPA Lead Agency holds a public meeting about the PROJECT, that PARTY must clearly state its role in the PROJECT and the identity of the NEPA Lead Agency on all meeting publications. All meeting publications must also inform the attendees that public comments collected at the meetings are not part of the NEPA public review process.

    That PARTY will submit all meeting advertisements, agendas, exhibits, handouts, and materials to the NEPA Lead Agency for review, comment, and approval at least ten (10) working days prior to publication or use. If that PARTY makes any changes to the materials, it will allow the NEPA Lead Agency to review, comment on, and approve those changes at least three (3) working days prior to the public meeting date.

    The NEPA Lead Agency has final approval authority with respect to text or graphics that could lead to public confusion over NEPA-related roles and responsibilities.

49. NVTA and CITY will ensure that the PROJECT is included in the approved Federal Statewide Transportation Improvement Program (FSTIP) prior to the NEPA Lead Agency's approval of the environmental document.

Schedule

50. PARTIES will manage the WORK schedule to ensure the timely use of committed funds and to ensure compliance with any environmental permits, right-of-way agreements, construction contracts, and any other commitments. PARTIES will communicate schedule risks or changes as soon as they are identified and will actively manage and mitigate schedule risks.

51. The IMPLEMENTING AGENCY for each PROJECT COMPONENT will furnish PARTIES with written monthly progress reports during the completion of the WORK.

Additional Provisions

Standards

52. PARTIES will perform all WORK in accordance with federal and California laws, regulations, and standards; Federal Highway Administration (FHWA) standards; and CALTRANS standards. CALTRANS standards include, but are not limited to, the guidance provided in the:

- CADD Users Manual
- CALTRANS policies and directives
- Plans Preparation Manual
- Project Development Procedures Manual (PDPM)
- Workplan Standards Guide
- Standard Environmental Reference
- Highway Design Manual
- Encroachment Permits Manual

Noncompliant Work

53. CALTRANS retains the right to reject noncompliant WORK. NVTA agrees to suspend WORK upon request by CALTRANS for the purpose of protecting public safety, preserving property rights, and ensuring that all WORK is in the best interest of the State Highway System.

Qualifications

54. Each PARTY will ensure that personnel participating in WORK are appropriately qualified or licensed to perform the tasks assigned to them.

Consultant Selection

55. NVTA and CITY will invite CALTRANS to participate in the selection of any consultants that participate in the WORK.

Encroachment Permits

56. CALTRANS will issue, upon proper application, the encroachment permits required for WORK within State Highway System (SHS) right-of-way. NVTA, CITY, their contractors, consultants, agents, and utility owners will not work within the SHS right-of-way without an encroachment permit which specifically allows them to do so. CALTRANS will provide encroachment permits to NVTA and CITY at no cost. CALTRANS will provide encroachment permits to utility owners at no cost. If the encroachment permit and this AGREEMENT conflict, the requirements of this AGREEMENT will prevail.

57. The IMPLEMENTING AGENCY for a PROJECT COMPONENT will coordinate, prepare, obtain, implement, renew, and amend any encroachment permits needed to complete the WORK.

Protected Resources

58. If any PARTY discovers unanticipated cultural, archaeological, paleontological, or other protected resources during WORK, all WORK in that area will stop and that PARTY will notify all PARTIES within 24 hours of discovery. WORK may only resume after a qualified professional has evaluated the nature and significance of the discovery and CALTRANS approves a plan for its removal or protection.

Disclosures

59. PARTIES will hold all administrative drafts and administrative final reports, studies, materials, and documentation relied upon, produced, created, or utilized for the WORK in confidence to the extent permitted by law and where applicable, the provisions of California Government Code, Section 7921.505(c)(5) will protect the confidentiality of such documents in the event that said documents are shared between PARTIES.

    PARTIES will not distribute, release, or share said documents with anyone other than employees, agents, and consultants who require access to complete the WORK without the written consent of the PARTY authorized to release them, unless required or authorized to do so by law.

60. If a PARTY receives a public records request pertaining to the WORK, that PARTY will notify PARTIES within five (5) working days of receipt and make PARTIES aware of any disclosed public records.

Hazardous Materials

61. HM-1 is hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law, irrespective of whether it is disturbed by the PROJECT or not.

    HM-2 is hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law only if disturbed by the PROJECT.

    The management activities related to HM-1 and HM-2, including and without limitation, any necessary manifest requirements and disposal facility designations are referred to herein as HM-1 MANAGEMENT and HM-2 MANAGEMENT respectively.

62. If HM-1 or HM-2 is found the discovering PARTY will immediately notify all other PARTIES.

63. CALTRANS, independent of the PROJECT, is responsible for any HM-1 found within the existing State Highway System right-of-way. CALTRANS will undertake, or cause to be undertaken, HM-1 MANAGEMENT with minimum impact to the PROJECT schedule.

    CALTRANS will pay, or cause to be paid, the cost of HM-1 MANAGEMENT for HM-1 found within the existing State Highway System right-of-way with funds that are independent of the funds committed in this AGREEMENT.

64. If HM-1 is found within the PROJECT limits and outside the existing State Highway System right-of-way, responsibility for such HM-1 rests with the owner(s) of the parcel(s) on which the HM-1 is found. NVTA, in concert with the local agency having land use jurisdiction, will ensure that HM-1 MANAGEMENT is undertaken with minimum impact to PROJECT schedule.

    The cost of HM-1 MANAGEMENT for HM-1 found within the PROJECT limits and outside the existing State Highway System right-of-way will be paid from funds that are independent of the funds committed in this AGREEMENT and will be the responsibility of the owner(s) of the parcel(s) where the HM-1 is located.

65. The CONSTRUCTION IMPLEMENTING AGENCY is responsible for HM‑2 MANAGEMENT within the PROJECT limits.

NVTA, CITY and CALTRANS will comply with the Soil Management Agreement for Aerially Deposited Lead Contaminated Soils (Soil Management Agreement) executed between CALTRANS and the California Department of Toxic Substances Control (DTSC). Under Section 3.2 of the Soil Management Agreement, CALTRANS and NVTA each retain joint and severable liability for noncompliance with the provisions of the Soil Management Agreement. NVTA will assume all responsibilities assigned to CALTRANS in the Soil Management Agreement during PROJECT COMPONENTS for which they are the IMPLEMENTING AGENCY except for final placement and burial of soil within the State right-of-way, per Section 4.5 of the Soil Management Agreement, which is subject to CALTRANS concurrence and reporting to DTSC which will be performed by CALTRANS.

66. CALTRANS' acquisition or acceptance of title to any property on which any HM-1 or HM-2 is found will proceed in accordance with CALTRANS' policy on such acquisition.

Claims

67. Any PARTY that is responsible for completing WORK may accept, reject, compromise, settle, or litigate claims arising from the WORK without concurrence from the other PARTY.

68. PARTIES will confer on any claim that may affect the WORK or PARTIES' liability or responsibility under this AGREEMENT in order to retain resolution possibilities for potential future claims. No PARTY will prejudice the rights of another PARTY until after PARTIES confer on the claim.

69. If the WORK expends state or federal funds, each PARTY will comply with the Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards of 2 CFR, Part 200. PARTIES will ensure that any for-profit consultant hired to participate in the WORK will comply with the requirements in 48 CFR, Chapter 1, Part 31. When state or federal funds are expended on the WORK these principles and requirements apply to all funding types included in this AGREEMENT.

Accounting and Audits

70. PARTIES will maintain, and will ensure that any consultant hired by PARTIES to participate in WORK will maintain, a financial management system that conforms to Generally Accepted Accounting Principles (GAAP), and that can properly accumulate and segregate incurred PROJECT costs and billings.

71. PARTIES will maintain and make available to each other all WORK-related documents, including financial data, during the term of this AGREEMENT.

    PARTIES will retain all WORK-related records for three (3) years after the final voucher.

    PARTIES will require that any consultants hired to participate in the WORK will comply with this Article.

72. PARTIES have the right to audit each other in accordance with generally accepted governmental audit standards.

    CALTRANS, the State Auditor, FHWA (if the PROJECT utilizes federal funds), and NVTA will have access to all WORK -related records of each PARTY, and any consultant hired by a PARTY to participate in WORK, for audit, examination, excerpt, or transcription.

    The examination of any records will take place in the offices and locations where said records are generated and/or stored and will be accomplished during reasonable hours of operation. The auditing PARTY will be permitted to make copies of any WORK-related records needed for the audit.

    The audited PARTY will review the draft audit, findings, and recommendations, and provide written comments within thirty (30) calendar days of receipt.

    Upon completion of the final audit, PARTIES have forty-five (45) calendar days to refund or invoice as necessary in order to satisfy the obligation of the audit.

    Any audit dispute not resolved by PARTIES is subject to mediation. Mediation will follow the process described in the General Conditions section of this AGREEMENT.

73. If the WORK expends state or federal funds, each PARTY will undergo an annual audit in accordance with the Single Audit Act in the Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as defined in 2 CFR, Part 200.

74. When a PARTY reimburses a consultant for WORK with state or federal funds, the procurement of the consultant and the consultant overhead costs will be in accordance with the Local Assistance Procedures Manual, Chapter 10.

Interruption of Work

75. If WORK stops for any reason, IMPLEMENTING AGENCY will place the PROJECT right-of-way in a safe and operable condition acceptable to CALTRANS.

76. If WORK stops for any reason, each PARTY will continue with environmental commitments included in the environmental documentation, permits, agreements, or approvals that are in effect at the time that WORK stops, and will keep the PROJECT in environmental compliance until WORK resumes.

Penalties, Judgments and Settlements

77. The cost of awards, judgments, fines, interest, penalties, attorney's fees, and/or settlements generated by the WORK are considered WORK costs.

78. The cost of legal challenges to the environmental process or documentation are considered WORK costs.

79. Any PARTY whose action or lack of action causes the levy of fines, interest, or penalties will indemnify and hold all other PARTIES harmless per the terms of this AGREEMENT.

Project Files

80. NVTA and CITY will furnish CALTRANS with the Project History Files related to the PROJECT facilities on State Highway System within sixty (60) days following the completion of each PROJECT COMPONENT. NVTA will assure that the Project History File is prepared and submitted in compliance with the Project Development Procedures Manual, Chapter 7. All material will be submitted neatly in a three-ring binder and in PDF format.

GENERAL CONDITIONS

81. All portions of this AGREEMENT, including the Recitals Section, are enforceable.

Venue

82. PARTIES understand that this AGREEMENT is in accordance with and governed by the Constitution and laws of the State of California. This AGREEMENT will be enforceable in the State of California. Any PARTY initiating legal action arising from this AGREEMENT will file and maintain that legal action in the Superior Court of the county in which the CALTRANS district office that is signatory to this AGREEMENT resides, or in the Superior Court of the county in which the PROJECT is physically located.

Exemptions

83. All CALTRANS' obligations and commitments under this AGREEMENT are subject to the appropriation of resources by the Legislature, the State Budget Act authority, programming and allocation of funds by the California Transportation Commission (CTC).

Indemnification

84. Neither CALTRANS nor any of its officers and employees, are responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by NVTA, its contractors, sub-contractors, and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon NVTA under this AGREEMENT. It is understood and agreed that NVTA and CITY, to the extent permitted by law, will defend, indemnify, and save harmless CALTRANS and all of their officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by NVTA, CITY, its contractors, sub-contractors, and/or its agents under this AGREEMENT.

85. Neither NVTA, CITY nor any of its officers and employees, are responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by CALTRANS, its contractors, sub-contractors, and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon CALTRANS under this AGREEMENT. It is understood and agreed that CALTRANS, to the extent permitted by law, will defend, indemnify, and save harmless NVTA, CITY and all of their officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by CALTRANS, its contractors, sub-contractors, and/or its agents under this AGREEMENT.

Non-parties

86. PARTIES do not intend this AGREEMENT to create a third party beneficiary or define duties, obligations, or rights for entities not signatory to this AGREEMENT. PARTIES do not intend this AGREEMENT to affect their legal liability by imposing any standard of care for fulfilling the WORK different from the standards imposed by law.

87. PARTIES will not assign or attempt to assign obligations to entities not signatory to this AGREEMENT without an amendment to this AGREEMENT.

Ambiguity and Performance

88. Neither PARTY will interpret any ambiguity contained in this AGREEMENT against the other PARTY. PARTIES waive the provisions of California Civil Code, Section 1654.

    A waiver of a PARTY's performance under this AGREEMENT will not constitute a continuous waiver of any other provision.

89. A delay or omission to exercise a right or power due to a default does not negate the use of that right or power in the future when deemed necessary.

Defaults

90. If any PARTY defaults in its performance of the WORK, a non-defaulting PARTY will request in writing that the default be remedied within thirty (30) calendar days. If the defaulting PARTY fails to do so, the non-defaulting PARTY may initiate dispute resolution.

Dispute Resolution

91. PARTIES will first attempt to resolve AGREEMENT disputes at the PROJECT team level as described in the Quality Management Plan. If they cannot resolve the dispute themselves, the CALTRANS District Director and the Executive Officer of NVTA will attempt to negotiate a resolution. If PARTIES do not reach a resolution, PARTIES' legal counsel will initiate mediation. PARTIES agree to participate in mediation in good faith and will share equally in its costs.

    Neither the dispute nor the mediation process relieves PARTIES from full and timely performance of the WORK in accordance with the terms of this AGREEMENT. However, if any PARTY stops fulfilling its obligations, any other PARTY may seek equitable relief to ensure that the WORK continues.

    Except for equitable relief, no PARTY may file a civil complaint until after mediation, or forty-five (45) calendar days after filing the written mediation request, whichever occurs first.

    PARTIES will file any civil complaints in the Superior Court of the county in which the CALTRANS District Office signatory to this AGREEMENT resides or in the Superior Court of the county in which the PROJECT is physically located.

92. PARTIES maintain the ability to pursue alternative or additional dispute remedies if a previously selected remedy does not achieve resolution.

Prevailing Wage

93. When WORK falls within the Labor Code § 1720(a)(1) definition of "public works" in that it is construction, alteration, demolition, installation, or repair; or maintenance work under Labor Code § 1771, PARTIES will conform to the provisions of Labor Code §§ 1720-1815, and all applicable provisions of California Code of Regulations, Title 8, Division 1, Chapter 8, Subchapter 3, Articles 1-7. PARTIES will include prevailing wage requirements in contracts for public work and require contractors to include the same prevailing wage requirements in all subcontracts.

Work performed by a PARTY's own employees is exempt from the Labor Code's Prevailing Wage requirements.

If WORK is paid for, in whole or part, with federal funds and is of the type of work subject to federal prevailing wage requirements, PARTIES will conform to the provisions of the Davis-Bacon and Related Acts, 40 U.S.C. §§ 3141-3148.

When applicable, PARTIES will include federal prevailing wage requirements in contracts for public works. WORK performed by a PARTY's employees is exempt from federal prevailing wage requirements.

SIGNATURES

PARTIES are authorized to enter into this AGREEMENT and have delegated to the undersigned the authority to execute this AGREEMENT on behalf of the respective agencies and hereby covenants to have followed all the necessary legal requirements to validly execute this AGREEMENT. By signing below, the PARTIES each expressly agree to execute this AGREEMENT electronically.

The PARTIES acknowledge that executed copies of this AGREEMENT may be exchanged by facsimile or email, and that such copies shall be deemed to be effective as originals.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

_____
Robert Effinger
Acting Deputy District Director, Design

Verification of funds and authority:

_____
Jeffrey Kuehnel
District Budget Manager

Certified as to financial terms and policies:

_____
Nadine Karavan
HQ Accounting Supervisor

NAPA VALLEY TRANSPORTATION AUTHORITY

_____
Kate Miller
Executive Director

Attest:

_____
Laura Sanderlin
Board Secretary

Approved as to form and procedure:

_____
Osman Mufti
NVTA General Counsel

CITY OF AMERICAN CANYON

_____

Jason B. Holley
City Manager

Attest:

_____

Taresa Geilfuss
City Clerk

Approved as to form and procedure:

_____

William D. Ross
City Attorney

FUNDING SUMMARY NO. 01

FUNDING TABLE

v. 1

Source	Party	Fund Type	PA&ED Totals
STATE	CALTRANS	Settlement	955,000
LOCAL-FEDERAL	NVTA	RSTP	3,000,000
Totals			3,955,000

[M]Non-federal match

SPENDING SUMMARY

v 2

Fund Type	PA&ED		Totals
	CALTRANS	NVTA	
Settlement	0	955,000	955,000
RSTP	500,000	2,500,000	3,000,000
Totals	500,000	3,455,000	3,955,000

Funding

1. If there are insufficient funds available in this AGREEMENT to place the PROJECT right-of-way in a safe and operable condition, the appropriate IMPLEMENTING AGENCY will fund these activities until such time as PARTIES amend this AGREEMENT.

   That IMPLEMENTING AGENCY may request reimbursement for these costs during the amendment process.

2. If there are insufficient funds in this AGREEMENT to implement the obligations and responsibilities of this AGREEMENT, including the applicable commitments and conditions included in the PROJECT environmental documentation, permits, agreements, and/or approvals that are in effect at a time that WORK stops, each PARTY accepts responsibility to fund their respective WORK until such time as PARTIES amend this AGREEMENT.

   Each PARTY may request reimbursement for these costs during the amendment process.

3. The cost of any engineering support performed by CALTRANS includes all direct and applicable indirect costs. CALTRANS calculates indirect costs based solely on the type of funds used to pay support costs. State and federal funds administered by CALTRANS are subject to the current Program Functional Rate. All other funds are subject to the current Program Functional Rate and the current Administration Rate. The Program Functional Rate and Administration Rate are adjusted periodically.

4. If the WORK is funded with state or federal funds, any PARTY seeking CALTRANS reimbursement of indirect costs must submit an indirect cost rate proposal and central service cost allocation plan (if any) in accordance with Local Assistance Procedures Manual, 2 CFR, Part 200 and Chapter 5. These documents are to be submitted annually to CALTRANS' Audits and Investigations for review and acceptance prior to CALTRANS' reimbursement of indirect costs.

5. Travel, per diem, and third-party contract reimbursements for WORK are to be paid from the funds in this AGREEMENT only after the contractor performs the work and incurs said costs.

Payments for travel and per diem will not exceed the rates paid rank and file state employees under current California Department of Human Resources (CalHR) rules current at the effective date of this AGREEMENT.

If NVTA invoices for rates in excess of CalHR rates, NVTA will fund the cost difference and reimburse CALTRANS for any overpayment.

6. In accordance with the CALTRANS Federal-Aid Project Funding Guidelines, PARTIES must obtain approval from the Federal Highway Administration prior to any PROJECT funding changes that that will change the federal share of funds.

7. Notwithstanding the terms of this AGREEMENT, PARTIES agree to abide by the funding guidelines for all contributed funds that are programmed and allocated by the CTC.

Invoicing and Payment

8. PARTIES will invoice for funds where the SPENDING SUMMARY shows that one PARTY provides funds for use by another PARTY. PARTIES will pay invoices within forty-five (45) calendar days of receipt of invoice when not paying with Electronic Funds Transfer (EFT). When paying with EFT, NVTA will pay invoices within five (5) calendar days of receipt of invoice.

9. If NVTA has received EFT certification from CALTRANS then NVTA will use the EFT mechanism and follow all EFT procedures to pay all invoices issued from CALTRANS.

10. When a PARTY is reimbursed for actual cost, invoices will be submitted each month for the prior month's expenditures. After all PROJECT COMPONENT WORK is complete, PARTIES will submit a final accounting of all PROJECT COMPONENT costs. Based on the final accounting, PARTIES will invoice or refund as necessary to satisfy the financial commitments of this AGREEMENT.

11. If an executed Program Supplement Agreement (PSA) or STIP Planning, Programming, and Monitoring Program Fund Transfer Agreement (PPM) exists for this PROJECT then NVTA will abide by the billing and payment conditions detailed for the fund types identified in the PSA or PPM.

12. If CALTRANS reimburses NVTA for any costs later determined to be unallowable, NVTA will reimburse those funds.

Project Approval and Environmental Document (PA&ED)

13. PARTIES will invoice and reimburse for actual costs incurred and paid.

California Department of Transportation

DISTRICT 4
P.O. BOX 23660, MS–1A | OAKLAND, CA 94623-0660
(510) 286-5900 | FAX (510) 286-6301 | TTY 711
www.dot.ca.gov

June 15, 2023

Ms. Kate Miller
Executive Director
Napa Valley Transportation Authority
625 Burnell Street
Napa, CA 94559

Dear Ms. Miller,

Thank you for your recent letter on April 7,2023, proposing $1,000,000 in settlement funds from the 2006 lawsuit between City of American Canyon and Caltrans to be a part of funding plan for the Project Approval and Environmental Document (PA&ED) phase of the State Route (SR) 29 American Canyon Operational and Multimodal Improvements Project (the proposed project), sponsored by Napa Valley Transportation Authority (NVTA).

As stated in the Settlement Agreement and Release of April 6, 2006, the $1,000,000 settlement funds (the Fee Amount) shall be used by the Department (Caltrans) with consultation with the City, for capital improvements to improve traffic conditions on State Route 29 within the City of American Canyon.

Caltrans acknowledges that NVTA and City of American Canyon will fulfill the Settlement Agreement and Release commitment by prioritizing class 1 bike facility along SR 29 and providing pedestrian crossing improvements at major intersections of SR 29 as logical phasing opportunities of the proposed project, and hence Caltrans supports the proposal from NVTA and City of American Canyon to use remainder of $1,000,000 settlement funds toward the proposed project PA&ED phase, after $45,000 was spent on SR 29 Adaptive Signal Control System Study in 2022.

Caltrans appreciates NVTA's ongoing partnership and we look forward to collaborating on furthering the Caltrans mission to provide a safe and reliable transportation network that serves all people and respects the environment. If you have any questions or concerns, please contact Amani Meligy, Regional Project Manager, Napa County at (510) 715-8393.

Sincerely,

David Ambuehl

FOR DINA A. EL-TAWANSY
District Director

Attachment: The Settlement Agreement and Release

c:
Danielle Schmitz, NVTA Director - Capital Development & Planning
Doanh Nguyen, Deputy District Director, Caltrans District 4 – Program & Project Management
Rui (Ricky) Gao, District Division Chief, Project Management North, Caltrans District 4
Amani Meligy, Regional Project Manager, Napa County, Caltrans District 4

SETTLEMENT. AGREEMENT AND RELEASE

RECITALS

A. This Settlement Agreement and Release (hereinafter "Agreement") is made and entered into with respect to litigation entitled *City of American Canyon v. State of California, Department of Transportation, et al., Napa County Superior Court* Case No. 26-31317 (the "ACTION") by and between Petitioner City of American Canyon (hereinafter "CITY"), Respondents State of California, Department of Transportation (hereinafter "DEPARTMENT"), Respondent Bijan Sartipi, in his capacity as DEPARTMENT District Director, Division 4 (collectively "RESPONDENTS"), and Real Parties-in-Interest LAKE STREET VENTURES, LLC, a California limited liability corporation, and WAL-MART STORES, INC., a Delaware corporation (collectively, "REAL PARTIES"). CITY, RESPONDENTS, and REAL PARTIES are sometimes referred to collectively as the "PARTIES."

B. Whereas, on July 14, 2005 the CITY submitted to the DEPARTMENT Encroachment Permit application No. 0405-NMC1367 for the intersection of State Route 29 and Eucalyptus Drive (the "SR 29/Eucalyptus Permit"). The SR. 29/Eucalyptus Permit was to provide access between a CITY approved mixed use development known as the Napa Junction Mixed Use Project Phases I & II (the "PROJECT") and State Route 29.

C. Whereas, on August 25, 2005, the CITY submitted to the DEPARTMENT Encroachment Permit application No. 0405-NMCJ1634 for the intersection of State Route 29 and North Napa Junction Road, for the PROJECT (the "North Napa Junction Permit").

D. Whereas, on August 25, 2005, the CITY submitted to the DEPARTMENT Encroachment Permit application No. 0405-NMC1637 for a right turn in (ingress) and right turn out (egress) from the PROJECT (the "Right Turn in/Right Turn out Permit"). The SR/29 Eucalyptus Permit, the North Napa Junction Permit and the Right Turn in/Right Turn out Encroachment Permit Applications are collectively referred to as the "PERMITS."

E. Whereas the PERMITS constitute all permits and/or discretionary approvals required from the DEPARTMENT for the PROJECT, as the PROJECT is described in the applications submitted for the PERMITS.

F. Whereas, on October 28, 2005, the CITY filed the ACTION against RESPONDENTS, naming the REAL PARTIES with an interest in the ACTION.

G. Whereas CITY informally furnished RESPONDENTS with a copy of the ACTION and RESPONDENTS generally deny the allegations in the ACTION but nonetheless in conjunction with REAL PARTIES seek to reach a resolution concerning the requested relief with respect to the PERMITS in the ACTION.

H. Whereas, the PARTIES desire to resolve the disputes regarding the PERMITS, secure all approvals and resolve any and all claims, financial or otherwise, by the DEPARTMENT pertaining to Phases I and II of the PROJECT, and to terminate the ACTION, including claims for costs and attorney's fees set forth in the ACTION.

I. Whereas, the PARTIES agree that the CITY: (1) conducted an environmental analysis under the provisions of the California Environmental Quality Act (Public Resources Code section 21000 et seq., ("CEQA")) concurrent with the initial CITY approval of the Project in December of 2003, which was not challenged; and, (2) has completed an additional environmental analysis under CEQA for the Project in conjunction with a Design Review and

Sign Program for a Wal-Mart Supercenter within the Project in October of 2004 which was challenged but confirmed to comply with applicable law by the Napa County Superior Court in the matter entitled *American Canyon Community United for Responsible Growth v. City of American Canyon*, Napa County Superior Court Case No. 26.-27462.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

1. Recitals. The foregoing Recitals are incorporated into this Agreement by this reference.

2. Payment of Traffic Fee; Issuance of Permits. As set forth below, in exchange for and as full and complete consideration for the DEPARTMENT'S approval and issuance of the PERMITS, the CITY agrees to pay to the DEPARTMENT a traffic impact fee in the amount of $1,000,000,00 (the "Fee Amount"). The Fee Amount shall be used by the DEPARTMENT, with consultation from the CITY, for capital improvements to improve traffic conditions on State Route 29 within the City of American Canyon.

3. Establishment of Escrow. Within five (5) business days from the date this Agreement is executed by all of the PARTIES, an escrow will be established at the sole cost of the CITY, with Gary Ragghianti, Esq., 874 4th Street, Suite D, San Rafael, CA 94901 (the "Escrow Officer"). Within ten (10) business days following the opening of escrow:

A. The CITY shall deposit with the Escrow Officer: (1) a dismissal with prejudice of the ACTION; and (2) the Fee Amount.

B. RESPONDENTS shall deposit with the Escrow Officer the approved, final and issued PERMITS (The SR/29 Eucalyptus Permit, the North Napa Junction Permit and the Right Turn in/Right Turn out Encroachment Permit.)

4. Duties of Escrow Officer. Within two (2) business days of the receipt of all of the items set forth in paragraph 3 above (including subdivisions A and B), the Escrow Officer shall deliver the Fee Amount to the DEPARTMENT, deliver the PERMITS to the CITY, and shall file the dismissal of the ACTION with the Napa County Superior Court, with copies served on each of the PARTIES.

5. Automatic Termination of the Escrow. If all of the items set forth in paragraphs 3.A. and 3.B. above have not been submitted into escrow within fifteen (15) business days following the opening of escrow, the Escrow Officer shall return to the submitting party any items previously deposited into escrow and shall close the escrow.

6. Use of the Fee Amount. Nothing in this agreement is or implies agreement to a specific use for the Fee Amount. The DEPARTMENT, working in consultation with the CITY, shall use the Fee Amount to improve traffic conditions on State Route 29 within the City of American Canyon, consistent with the DEPARTMENT'S policies for Transportation Planning and Programming.

7. Attorney's Fees and Costs. The PARTIES agree to respectively bear their own attorneys' fees and costs incurred in connection with the ACTION and this Agreement.

8. Release of Claims by CITY. Subject to the execution of this Agreement by all PARTIES and the CITY'S receipt of the PERMITS, CITY unconditionally releases and forever discharges RESPONDENTS and REAL PARTIES, and each of them, and all of their

present or former directors, partners, principals, employees, officers, trustees, members, elected or appointed officials, agents, attorneys, successors, and assigns of and from any and all claims and demands with respect to the PERMITS as alleged in the ACTION.

9. Release of Claims By RESPONDENTS. Subject to the execution of this Agreement by all PARTIES and receipt of the Fee Amount and proof of the CITY'S dismissal of the ACTION with prejudice, RESPONDENTS unconditionally release and forever discharge CITY, its elected officials, officers, employees and agents, and REAL PARTIES, their present or former directors, partners, principals, employees, officers, trustees, members, agents, attorneys, successors, and assigns of and from any and all claims and demands with respect to the traffic impacts associated with the PROJECT as the PROJECT is defined in the applications submitted for the PERMITS.

10. Release of Claims By REAL PARTIES. Subject to the execution of this Agreement by all parties, the CITY'S receipt of the PERMITS, and proof of the CITY'S dismissal of the ACTION with prejudice, REAL PARTIES unconditionally release and forever discharge RESPONDENTS, and each of them, and all of their departments, present or former employees, officers, trustees, members, elected or appointed officials, agents, attorneys, successors, and assigns of and from any and all claims and demands with respect to the PERMITS as set forth in the ACTION.

11. Unknown or Different Facts or Law. The PARTIES acknowledge that they may discover facts or law different from, or in addition to, the facts or law they know or believe to exist with respect to the released claims. They agree, nonetheless, that this Agreement and the releases contained herein shall be and remain effective in all respects notwithstanding such different or additional facts or law. It is specifically understood and agreed that this is a full

and final release applying to all claims unknown and unanticipated by CITY against RESPONDENTS and REAL PARTIES, and RESPONDENTS against CITY and REAL PARTIES, and REAL PARTIES against RESPONDENTS arising out of or in any way relating to or connected with those facts and damages described with respect to the PERMITS in the ACTION, as well as those known or disclosed, whether included or not in the prayers of said pleadings.

12. California Civil Code Section 1542 Waiver. As a further consideration and inducement for this settlement, CITY, RESPONDENTS and REAL PARTIES hereby expressly waive all rights or benefits which the parties may have in the future under the provisions of section 1542 of the Civil Code of the State of California, which provides:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which, if known to him or her, must have materially affected his settlement with the debtor.**

CITY, RESPONDENTS and REAL PARTIES acknowledge that they have read all of this Agreement, including the above Civil Code section, and fully understand both the Agreement and Civil Code section 1542. CITY, RESPONDENTS and REAL PARTIES waive any benefits and rights granted to them pursuant to Civil Code section 1542 in connection with the ACTION.

13. Agreement to Cooperate. CITY, RESPONDENTS and REAL PARTIES agree to cooperate and to take all supplementary steps to give full force and effect to the terms and intent of this Agreement.

14. No Prior Assignments of Released Claim. Each of the PARTIES represents and warrants that it has not assigned to any other person or entity any released claim.

15. No Admissions. By entering into this Agreement, CITY, RESPONDENTS and REAL PARTIES do not admit that they have engaged in, or are now engaging in, any unlawful conduct. It is understood that this Agreement is not an admission of liability, and that CITY, RESPONDENTS and REAL PARTIES specifically deny liability in the ACTION and intend merely to avoid further litigation and expense by entering into this Agreement. The parties agree that it is their mutual intention that neither this Agreement, nor any terms hereof, shall be offered to establish liability in any other or future proceedings against any of the parties, except in a proceeding to enforce this Agreement.

16. Modifications. This Agreement may be amended only by written instrument executed by all parties.

17. Notices.

(a) How Delivered. With the exception of consultation as contemplated in paragraphs 2 and 6 in this Agreement, all notices and other communications required or permitted by this Agreement shall be made in writing and delivered by personal, overnight express or courier service, with a written receipt, or sent by registered or certified mail in a sealed envelope, postage prepaid; return receipt requested. In addition to the foregoing, notice may be given by electronic mail or other form of electronic transmission.

(b) Where Delivered. All such notices shall be sent in accordance with the following provision:

If to DEPARTMENT:	Bijan Sartipi, District Director District 4 Department of Transportation 111 Grand Avenue Oakland, CA 94623-0660 [E-mail to be provided]
With a copy to:	Tony Anziano, Asst. Chief Counsel California Department of Transportation Legal Division – MS 57 595 Market Street, Suite 1700 San Francisco, CA 94105 tony_anziano@dot.ca.gov
If to CITY OF AMERICAN CANYON:	Dayle Keller, Interim City Manager City of American Canyon 300 Crawford Way American Canyon, CA 94503 dkeller@ci.american-canyon.ca.us
With a copy to:	William D. Ross, Esq. Law Offices of William D. Ross

	520 S. Grand Ave., Suite 300, Los Angeles, California 90071 wross@lawross.com
If to LAKE STREET VENTURES, LLC:	Michael Stoner 1050 University Drive, Suite 210 Menlo Park, CA 94025 michael@lakestreetventures.com
With a copy to:	Arthur Friedman, Esq. Judy Davidoff, Esq. Steefel, Levitt & Weiss One Embarcadero Center, 30th Floor San Francisco, CA 94111 afriedman@steefel.com jdavidoff@steefel.com
If to WAL-MART STORES, INC.	Arthur Friedman, Esq. Judy Davidoff, Esq. Steefel, Levitt & Weiss One Embarcadero Center, 30th Floor San Francisco, CA 94111

afriedman@steefel.com

jdavidoff@steefel.com

(c) Change Of Address. Any party may change any notice address by notice to the other parties.

18. Interpretation and Construction Agreement. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. The parties acknowledge they have had an opportunity to review and discuss each term of this Agreement with legal counsel in the negotiations, preparations and review of this Agreement and, therefore, that any ambiguities shall not be resolved against the drafting party.

19. Entire Agreement. This Agreement constitutes the entire agreement between the PARTIES on the subjects covered by it, and supersedes any prior written or oral communications on the same subjects made by anyone.

20. Severability of Provisions. If any of the provisions of this Agreement shall be held or adjudged invalid, this Agreement shall be construed as if it did not contain such provision(s), and the rights and obligations of the parties shall be construed and enforced accordingly.

21. Counterparts. This Agreement may be executed in counterparts, which, taken together, shall constitute one and the same Agreement.

22. No Additional Inducement. The PARTIES represent and warrant that no promise, inducement or representation has been made to them except as expressly set forth herein, and that this Agreement is executed without reliance on any promise, inducement or

representation except as expressly set forth herein. This Agreement is fully and voluntarily entered into by the parties.

23. Governing Law. California Law shall govern this Agreement and its interpretation.

24. Consent to Jurisdiction and Venue. The PARTIES mutually agree that the California courts shall have jurisdiction regarding this Agreement, and further agree that venue for any action arising out of, or relating to, this Agreement, shall lie exclusively with the Napa County Superior Court.

25. Time of the Essence. Time is expressly declared to be of the essence in this Agreement.

26. Authority to Bind Entities. Each person executing this Agreement on behalf of an entity represents and warrants that he or she has the full authority to enter into this' Agreement on behalf of that entity, and that this Agreement when fully executed shall constitute a binding obligation on behalf of that entity.

IN WITNESS WHEREOF, the parties execute this Agreement on the date indicated opposite his/her signature below.

Dated: March _____, 2006
April 6, 06

STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION-DEPARTMENT and BIJAN SARTIPI

By: _____

Bijan Sartipi, District Director

Dated: March 22, 2006

CITY OF AMERICAN CANYON

By: Cecil Bruce Shaver

Cecil Shaver, its Mayor

Dated: March _____, 2006

LAKE STREET VENTURES, LLC

By: _____

Michael Stoner, its Principal

Dated: March 24, 2006

WAL-MART STORES, INC.

By: _____

Its: Vice President

Approved as to legal terms only
by Nancye Bellusson for George Bass
WAL-MART LEGAL DEPT.
Date: 3-24-06

NAPA VALLEY TRANSPORTATION AUTHORITY

April 7, 2023

Ms. Dina El-Tawansy
District 4 Director, Caltrans
111 Grand Avenue
Oakland, CA 94612

Re: SR 29 American Canyon PAED Funding Plan

Dear Dina,

Napa Valley Transportation Authority is committed to the improvements identified in the SR 29 American Canyon Operational and Multi-modal Improvements Project Initiation Document (PID), approved on February 3, 2023 (04-NAP-29 PM 0.69/PM 2.05). The City of American Canyon is supportive of using the $1 million in settlement funds from the 2006 lawsuit between City of American Canyon and Caltrans on the PAED phase of the project that is being led by NVTA. The $1 million in funds will complete the funding plan for the environmental phase, with $4 million in total committed to the project. Below is the breakdown of funds for the environmental phase.

Table 1. Funding Plan for PAED for SR 29 American Canyon

Source	Amount ($1,000s)
OBAG 3 local funds	$2,000
OBAG 3 regional funds	$1,000
American Canyon/Caltrans Settlement	$1,000
Total	$4,000

NVTA is committed to the project and using the $1 million in settlement funds to complete the PAED phase. NVTA has $3 million committed from One Bay Area Grant (OBAG) Cycle 3 funds programmed at the Metropolitan Transportation Commission (MTC) on March 22, 2023. NVTA plans on releasing a work order for the environmental work in June 2023, if bids for the environmental come in over $4 million, NVTA is prepared to fund the shortfall with Regional Measure 3 funds or other local funds.

Thank you for partnering with NVTA and the City of American Canyon on this important transportation project. Please contact Danielle Schmitz, Director of Capital Development and Planning, at dschmitz@nvta.ca.gov with any questions or concerns.

Sincerely,

Kate Miller
Executive Director

cc: Ricky Gao, Caltrans
Amani Meligy, Caltrans

CITY OF AMERICAN CANYON
CITY MANAGER'S OFFICE

April 13, 2023

Ms. Dina El-Tawansy
District 4 Director, Caltrans
111 Grand Avenue
Oakland, CA 94612

Re: American Canyon Supports Use of "Settlement Funds" for the PAED Phase of the "SR 29 American Canyon Operational and Multimodal Improvements Project".

Dear Ms. El-Tawansy,

The Napa Valley Transportation Authority's (NVTA) *Countywide Transportation Plan: Advancing Mobility, 2045* identifies State Route 29 (SR 29) as a crucial corridor for regional travel in southern Napa County that needs multimodal operational and safety improvements to improve traffic conditions. The City of American Canyon supports the capital improvements identified for this corridor in the *SR 29 American Canyon Operational and Multimodal Improvements Project Initiation Document* (PID) approved on February 3, 2023 (04-NAP-29 PM 0.69/PM 2.05).

With respect to proposed use of the "settlement funds" (ie. the "$1,000,000 Fee Amount"[1] previously paid by American Canyon pursuant to that certain Settlement Agreement and Release[2]), American Canyon further supports Caltrans' use of these funds - including up to the original total $1,000,000 Fee Amount - on the Project Approval/Environmental Document (PAED) Phase" of the SR 29 American Canyon Operational and Multi-modal Improvements Project, currently being led by the NVTA.

The $1 million in settlement funds will complete the funding budget for the PAED Phase, with $4 million in total committed to the Project. Once the PAED Phase is complete, additional phases can be undertaken, and then ultimately capital improvements can be completed to improve traffic conditions on SR 29. American Canyon is committed to the Project and using upward of $1 million in settlement funds to complete the PAED phase.

[1] *"In exchange for and as full and complete consideration for the DEPARTMENT'S approval and issuance of the PERMITS, the CITY agrees to pay to the DEPARTMENT a traffic impact fee in the amount of $1,000,000,00 (the "Fee Amount")"*
[2] *City of American Canyon v. State of California, Department of Transportation, et al.,* Napa County Superior Court Case No. 2631317.

CITY OF AMERICAN CANYON
CITY MANAGER'S OFFICE

Thank you for partnering with NVTA and American Canyon on this important transportation project.

Please contact me with any questions or concerns.

Jason Holley, City Manager

C/c: City Attorney Bill Ross
Erica Smithies, Public Works Director
Kate Miller, Executive Director, Napa Valley Transportation Authority
Ricky Gao, Caltrans
Mayor and Council

California Department of Transportation

DISTRICT 4
P.O. BOX 23660, MS–1A | OAKLAND, CA 94623-0660
(510) 286-5900 | FAX (510) 286-6301 | TTY 711
www.dot.ca.gov

June 15, 2023

Mr. Jason Holly
City Manager
City of American Canyon
4381 Broadway Street, Suite 201
American Canyon, CA 94503

Dear Mr. Holly,

Thank you for your recent letter on April 13,2023, supporting $1,000,000 in settlement funds from the 2006 lawsuit between City of American Canyon and Caltrans to be a part of funding plan for the Project Approval and Environmental Document (PAED) Phase of the State Route 29 American Canyon Operational and Multimodal Improvements Project (the proposed project), sponsored by Napa Valley Transportation Authority (NVTA).

As stated in the Settlement Agreement and Release of April 6, 2006, the $1,000,000 settlement funds (the Fee Amount) shall be used by the Department (Caltrans) with consultation with the City, for capital improvements to improve traffic conditions on State Route 29 within the City of American Canyon.

Caltrans acknowledges that NVTA and City of American Canyon will fulfill the Settlement Agreement and Release commitment by prioritizing class 1 bike facility along SR 29 and providing pedestrian crossing improvements at major intersections of SR 29 as logical phasing opportunities of the proposed project, and hence Caltrans supports the proposal from NVTA and City of American Canyon to use remainder of $1,000,000 settlement funds toward the proposed project PA&ED phase, after $45,000 was spent on SR 29 Adaptive Signal Control System Study in 2022.

Caltrans appreciates City of American Canyon's ongoing partnership and we look forward to collaborating on furthering the Caltrans mission to provide a safe and reliable transportation network that serves all people and respects the environment. If you have any questions or concerns, please contact Amani Meligy, Regional Project Manager, Napa County at (510) 715-8393.

Sincerely,

David Ambuehl

FOR DINA A. EL-TAWANSY
District Director

Attachment: The Settlement Agreement and Release

c:

Bill Ross, City Attorney
Erica Smithies, Public Works Director
Kate Miller, Executive Director, Napa Valley Transportation Authority
Danielle Schmitz, NVTA Director - Capital Development & Planning
Doanh Nguyen, Deputy District Director, Caltrans District 4 – Program & Project Management
Rui (Ricky) Gao, District Division Chief, Project Management North, Caltrans District 4
Amani Meligy, Regional Project Manager, Napa County, Caltrans District 4

SETTLEMENT. AGREEMENT AND RELEASE

RECITALS

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H. Whereas, the PARTIES desire to resolve the disputes regarding the PERMITS, secure all approvals and resolve any and all claims, financial or otherwise, by the DEPARTMENT pertaining to Phases I and II of the PROJECT, and to terminate the ACTION, including claims for costs and attorney's fees set forth in the ACTION.

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Sign Program for a Wal-Mart Supercenter within the Project in October of 2004 which was challenged but confirmed to comply with applicable law by the Napa County Superior Court in the matter entitled *American Canyon Community United for Responsible Growth v. City of American Canyon*, Napa County Superior Court Case No. 26.-27462.

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3. Establishment of Escrow. Within five (5) business days from the date this Agreement is executed by all of the PARTIES, an escrow will be established at the sole cost of the CITY, with Gary Ragghianti, Esq., 874 4th Street, Suite D, San Rafael, CA 94901 (the "Escrow Officer"). Within ten (10) business days following the opening of escrow:

A. The CITY shall deposit with the Escrow Officer: (1) a dismissal with prejudice of the ACTION; and (2) the Fee Amount.

B. RESPONDENTS shall deposit with the Escrow Officer the approved, final and issued PERMITS (The SR/29 Eucalyptus Permit, the North Napa Junction Permit and the Right Turn in/Right Turn out Encroachment Permit.)

4. Duties of Escrow Officer. Within two (2) business days of the receipt of all of the items set forth in paragraph 3 above (including subdivisions A and B), the Escrow Officer shall deliver the Fee Amount to the DEPARTMENT, deliver the PERMITS to the CITY, and shall file the dismissal of the ACTION with the Napa County Superior Court, with copies served on each of the PARTIES.

5. Automatic Termination of the Escrow. If all of the items set forth in paragraphs 3.A. and 3.B. above have not been submitted into escrow within fifteen (15) business days following the opening of escrow, the Escrow Officer shall return to the submitting party any items previously deposited into escrow and shall close the escrow.

6. Use of the Fee Amount. Nothing in this agreement is or implies agreement to a specific use for the Fee Amount. The DEPARTMENT, working in consultation with the CITY, shall use the Fee Amount to improve traffic conditions on State Route 29 within the City of American Canyon, consistent with the DEPARTMENT'S policies for Transportation Planning and Programming.

7. Attorney's Fees and Costs. The PARTIES agree to respectively bear their own attorneys' fees and costs incurred in connection with the ACTION and this Agreement.

8. Release of Claims by CITY. Subject to the execution of this Agreement by all PARTIES and the CITY'S receipt of the PERMITS, CITY unconditionally releases and forever discharges RESPONDENTS and REAL PARTIES, and each of them, and all of their

present or former directors, partners, principals, employees, officers, trustees, members, elected or appointed officials, agents, attorneys, successors, and assigns of and from any and all claims and demands with respect to the PERMITS as alleged in the ACTION.

9. Release of Claims By RESPONDENTS. Subject to the execution of this Agreement by all PARTIES and receipt of the Fee Amount and proof of the CITY'S dismissal of the ACTION with prejudice, RESPONDENTS unconditionally release and forever discharge CITY, its elected officials, officers, employees and agents, and REAL PARTIES, their present or former directors, partners, principals, employees, officers, trustees, members, agents, attorneys, successors, and assigns of and from any and all claims and demands with respect to the traffic impacts associated with the PROJECT as the PROJECT is defined in the applications submitted for the PERMITS.

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11. Unknown or Different Facts or Law. The PARTIES acknowledge that they may discover facts or law different from, or in addition to, the facts or law they know or believe to exist with respect to the released claims. They agree, nonetheless, that this Agreement and the releases contained herein shall be and remain effective in all respects notwithstanding such different or additional facts or law. It is specifically understood and agreed that this is a full

and final release applying to all claims unknown and unanticipated by CITY against RESPONDENTS and REAL PARTIES, and RESPONDENTS against CITY and REAL PARTIES, and REAL PARTIES against RESPONDENTS arising out of or in any way relating to or connected with those facts and damages described with respect to the PERMITS in the ACTION, as well as those known or disclosed, whether included or not in the prayers of said pleadings.

12. California Civil Code Section 1542 Waiver. As a further consideration and inducement for this settlement, CITY, RESPONDENTS and REAL PARTIES hereby expressly waive all rights or benefits which the parties may have in the future under the provisions of section 1542 of the Civil Code of the State of California, which provides:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which, if known to him or her, must have materially affected his settlement with the debtor.**

CITY, RESPONDENTS and REAL PARTIES acknowledge that they have read all of this Agreement, including the above Civil Code section, and fully understand both the Agreement and Civil Code section 1542. CITY, RESPONDENTS and REAL PARTIES waive any benefits and rights granted to them pursuant to Civil Code section 1542 in connection with the ACTION.

13. Agreement to Cooperate. CITY, RESPONDENTS and REAL PARTIES agree to cooperate and to take all supplementary steps to give full force and effect to the terms and intent of this Agreement.

14. No Prior Assignments of Released Claim. Each of the PARTIES represents and warrants that it has not assigned to any other person or entity any released claim.

15. No Admissions. By entering into this Agreement, CITY, RESPONDENTS and REAL PARTIES do not admit that they have engaged in, or are now engaging in, any unlawful conduct. It is understood that this Agreement is not an admission of liability, and that CITY, RESPONDENTS and REAL PARTIES specifically deny liability in the ACTION and intend merely to avoid further litigation and expense by entering into this Agreement. The parties agree that it is their mutual intention that neither this Agreement, nor any terms hereof, shall be offered to establish liability in any other or future proceedings against any of the parties, except in a proceeding to enforce this Agreement.

16. Modifications. This Agreement may be amended only by written instrument executed by all parties.

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(a) How Delivered. With the exception of consultation as contemplated in paragraphs 2 and 6 in this Agreement, all notices and other communications required or permitted by this Agreement shall be made in writing and delivered by personal, overnight express or courier service, with a written receipt, or sent by registered or certified mail in a sealed envelope, postage prepaid; return receipt requested. In addition to the foregoing, notice may be given by electronic mail or other form of electronic transmission.

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If to DEPARTMENT:	Bijan Sartipi, District Director District 4 Department of Transportation 111 Grand Avenue Oakland, CA 94623-0660 [E-mail to be provided]
With a copy to:	Tony Anziano, Asst. Chief Counsel California Department of Transportation Legal Division – MS 57 595 Market Street, Suite 1700 San Francisco, CA 94105 tony_anziano@dot.ca.gov
If to CITY OF AMERICAN CANYON:	Dayle Keller, Interim City Manager City of American Canyon 300 Crawford Way American Canyon, CA 94503 dkeller@ci.american-canyon.ca.us
With a copy to:	William D. Ross, Esq. Law Offices of William D. Ross

520 S. Grand Ave., Suite 300, Los Angeles, California 90071

wross@lawross.com

If to LAKE STREET VENTURES, LLC:

Michael Stoner

1050 University Drive, Suite 210

Menlo Park, CA 94025

michael@lakestreetventures.com

With a copy to:

Arthur Friedman, Esq.

Judy Davidoff, Esq.

Steefel, Levitt & Weiss

One Embarcadero Center, 30th Floor

San Francisco, CA 94111

afriedman@steefel.com

jdavidoff@steefel.com

If to WAL-MART STORES, INC.

Arthur Friedman, Esq.

Judy Davidoff, Esq.

Steefel, Levitt & Weiss

One Embarcadero Center, 30th Floor

San Francisco, CA 94111

afriedman@steefel.com

jdavidoff@steefel.com

(c) Change Of Address. Any party may change any notice address by notice to the other parties.

18. Interpretation and Construction Agreement. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. The parties acknowledge they have had an opportunity to review and discuss each term of this Agreement with legal counsel in the negotiations, preparations and review of this Agreement and, therefore, that any ambiguities shall not be resolved against the drafting party.

19. Entire Agreement. This Agreement constitutes the entire agreement between the PARTIES on the subjects covered by it, and supersedes any prior written or oral communications on the same subjects made by anyone.

20. Severability of Provisions. If any of the provisions of this Agreement shall be held or adjudged invalid, this Agreement shall be construed as if it did not contain such provision(s), and the rights and obligations of the parties shall be construed and enforced accordingly.

21. Counterparts. This Agreement may be executed in counterparts, which, taken together, shall constitute one and the same Agreement.

22. No Additional Inducement. The PARTIES represent and warrant that no promise, inducement or representation has been made to them except as expressly set forth herein, and that this Agreement is executed without reliance on any promise, inducement or

representation except as expressly set forth herein. This Agreement is fully and voluntarily entered into by the parties.

23. Governing Law. California Law shall govern this Agreement and its interpretation.

24. Consent to Jurisdiction and Venue. The PARTIES mutually agree that the California courts shall have jurisdiction regarding this Agreement, and further agree that venue for any action arising out of, or relating to, this Agreement, shall lie exclusively with the Napa County Superior Court.

25. Time of the Essence. Time is expressly declared to be of the essence in this Agreement.

26. Authority to Bind Entities. Each person executing this Agreement on behalf of an entity represents and warrants that he or she has the full authority to enter into this' Agreement on behalf of that entity, and that this Agreement when fully executed shall constitute a binding obligation on behalf of that entity.

IN WITNESS WHEREOF, the parties execute this Agreement on the date indicated opposite his/her signature below.

Dated: March _____, 2006
April 6, 06

STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION-DEPARTMENT and BIJAN SARTIPI

By: _____

Bijan Sartipi, District Director

Dated: March 22, 2006

CITY OF AMERICAN CANYON

By: Cecil Bruce Shaver

Cecil Shaver, its Mayor

Dated: March _____, 2006

LAKE STREET VENTURES, LLC

By: _____

Michael Stoner, its Principal

Dated: March 24, 2006

WAL-MART STORES, INC.

By: _____

Its: Vice President

Approved as to legal terms only
by Nancye Bellusson for George Bass
WAL-MART LEGAL DEPT.
Date: 3-24-06

NAPA VALLEY TRANSPORTATION AUTHORITY

April 7, 2023

Ms. Dina El-Tawansy
District 4 Director, Caltrans
111 Grand Avenue
Oakland, CA 94612

Re: SR 29 American Canyon PAED Funding Plan

Dear Dina,

Napa Valley Transportation Authority is committed to the improvements identified in the SR 29 American Canyon Operational and Multi-modal Improvements Project Initiation Document (PID), approved on February 3, 2023 (04-NAP-29 PM 0.69/PM 2.05). The City of American Canyon is supportive of using the $1 million in settlement funds from the 2006 lawsuit between City of American Canyon and Caltrans on the PAED phase of the project that is being led by NVTA. The $1 million in funds will complete the funding plan for the environmental phase, with $4 million in total committed to the project. Below is the breakdown of funds for the environmental phase.

Table 1. Funding Plan for PAED for SR 29 American Canyon

Source	Amount ($1,000s)
OBAG 3 local funds	$2,000
OBAG 3 regional funds	$1,000
American Canyon/Caltrans Settlement	$1,000
Total	$4,000

NVTA is committed to the project and using the $1 million in settlement funds to complete the PAED phase. NVTA has $3 million committed from One Bay Area Grant (OBAG) Cycle 3 funds programmed at the Metropolitan Transportation Commission (MTC) on March 22, 2023. NVTA plans on releasing a work order for the environmental work in June 2023, if bids for the environmental come in over $4 million, NVTA is prepared to fund the shortfall with Regional Measure 3 funds or other local funds.

Thank you for partnering with NVTA and the City of American Canyon on this important transportation project. Please contact Danielle Schmitz, Director of Capital Development and Planning, at dschmitz@nvta.ca.gov with any questions or concerns.

Sincerely,

Kate Miller
Executive Director

cc: Ricky Gao, Caltrans
Amani Meligy, Caltrans

CITY OF AMERICAN CANYON
CITY MANAGER'S OFFICE

April 13, 2023

Ms. Dina El-Tawansy
District 4 Director, Caltrans
111 Grand Avenue
Oakland, CA 94612

Re: American Canyon Supports Use of "Settlement Funds" for the PAED Phase of the "SR 29 American Canyon Operational and Multimodal Improvements Project".

Dear Ms. El-Tawansy,

The Napa Valley Transportation Authority's (NVTA) *Countywide Transportation Plan: Advancing Mobility, 2045* identifies State Route 29 (SR 29) as a crucial corridor for regional travel in southern Napa County that needs multimodal operational and safety improvements to improve traffic conditions. The City of American Canyon supports the capital improvements identified for this corridor in the *SR 29 American Canyon Operational and Multimodal Improvements Project Initiation Document* (PID) approved on February 3, 2023 (04-NAP-29 PM 0.69/PM 2.05).

With respect to proposed use of the "settlement funds" (ie. the "$1,000,000 Fee Amount"[1] previously paid by American Canyon pursuant to that certain Settlement Agreement and Release[2]), American Canyon further supports Caltrans' use of these funds - including up to the original total $1,000,000 Fee Amount - on the Project Approval/Environmental Document (PAED) Phase" of the SR 29 American Canyon Operational and Multi-modal Improvements Project, currently being led by the NVTA.

The $1 million in settlement funds will complete the funding budget for the PAED Phase, with $4 million in total committed to the Project. Once the PAED Phase is complete, additional phases can be undertaken, and then ultimately capital improvements can be completed to improve traffic conditions on SR 29. American Canyon is committed to the Project and using upward of $1 million in settlement funds to complete the PAED phase.

[1] *"In exchange for and as full and complete consideration for the DEPARTMENT'S approval and issuance of the PERMITS, the CITY agrees to pay to the DEPARTMENT a traffic impact fee in the amount of $1,000,000,00 (the "Fee Amount")"*
[2] *City of American Canyon v. State of California, Department of Transportation, et al.,* Napa County Superior Court Case No. 2631317.

CITY OF AMERICAN CANYON
CITY MANAGER'S OFFICE

Thank you for partnering with NVTA and American Canyon on this important transportation project.

Please contact me with any questions or concerns.

Jason Holley, City Manager

C/c: City Attorney Bill Ross
Erica Smithies, Public Works Director
Kate Miller, Executive Director, Napa Valley Transportation Authority
Ricky Gao, Caltrans
Mayor and Council

Response Letter to NVTA_American Canyon Settlement Funds 06152023_RG

Final Audit Report 2023-06-16

Created:	2023-06-15
By:	Cecilia Gutierrez (s135761@dot.ca.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAApZPRpJQSlq27os8CpFddZzuOmTPxTqQZ

"Response Letter to NVTA_American Canyon Settlement Funds 06152023_RG" History

Document created by Cecilia Gutierrez (s135761@dot.ca.gov)
2023-06-15 - 2:30:13 PM GMT

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2023-06-15 - 2:32:42 PM GMT

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2023-06-15 - 2:59:22 PM GMT

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Document emailed to Cecilia Gutierrez (cecilia.gutierrez@dot.ca.gov) for acceptance
2023-06-15 - 3:00:51 PM GMT

Document accepted by Cecilia Gutierrez (cecilia.gutierrez@dot.ca.gov)
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William D. Ross
David P. Schwarz
Kypros G. Hostetter
Christina M. Bellardo

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File No: 199/6

December 20, 2023

VIA E-MAIL
The Honorable Leon Garcia, Mayor
and Members of the City Council
City of American Canyon
4381 Broadway, Suite 201
American Canyon, CA 94503

Re: Report Upon Return from Closed Session; Regular City Council Closed Session Meeting of the American Canyon City Council of December 19, 2023

Dear Mayor Garcia and Members of the City Council:

This communication sets forth reportable action, if any, of the City Council ("Council") of the City of American Canyon ("City"), consistent with provisions of the Ralph M. Brown Opening Meeting Act (Government Code Section 54950, *et seq*.) resulting from the Closed Session of the Regular City Council Closed Session Meeting of December 19, 2023, consistent with Government Code Section 54957.1.

Mayor Leon Garcia called the meeting to order in Open Session at 5:00 p.m. and after ascertaining that there were no public comments on Closed Session matters, the Council then adjourned to Closed Session at 5:00 p.m.

There were two matters agendized for City Closed Session consideration:

1. Conference with Legal Counsel – Existing Litigation
Authorized Pursuant to Government Code Section 54956.9(d)(1):

   a. *City of American Canyon v. City of Vallejo, et al.* (Sacramento Superior Court Case No. 34-2022-00327471);

   b. *City of American Canyon v. Leon Dale Schmidt*, (Napa County Superior Court Case No. 22CV001041 and 23PR00161);

   c. *Center for Biological Diversity v. City of American Canyon et al.* (Napa County Superior Court Case No. 23CV000511);

d. *Golden State Environmental Justice Alliance v. City of American Canyon et al.* (Napa County Superior Court Case No. 23CV000510);

e. *City of Vallejo v. City of American Canyon et al.* (Napa County Superior Court Case No. 23CV000517); and,

f. *City of Vallejo v. City of American Canyon et al.* (Napa County Superior Court Case No. 23CV001600).

2. Conference with Legal Counsel – Anticipated Litigation
Authorized Pursuant to Government Code Section No. 54956.9(d)(2)
Two Matters.

With respect to Closed Session Agenda Item No. 1.a. through 1.e, there was no reportable action by your Council under the common law attorney-client privilege and that provided by Government Code Section 54956.9(d)(1).

With respect to Closed Session Agenda Item No. 1.f., although there was direction given to the City Attorney and City Staff, there was no reportable action under the common law attorney-client privilege and that provided by Government Code Section 54956.9(d)(1).

With respect to Closed Session Agenda Item No. 2., there was no reportable action under the common law attorney-client privilege and that provided by Government Code Section 54956.9(d)(2).

Your Council concluded the Closed Session at 6:28 p.m.

In Open Session, it was indicated that a written report upon return from Closed Session consistent with Government Code Section 54957.1, would be prepared concerning the matters agendized for Closed Session.

This communication should be reviewed under the Consent portion of the Agenda of your next Regular or Special City Council Meeting.

Should you have questions concerning this Report, it may be taken off the Consent calendar when agendized in the future, or our office may be contacted in the interim.

Very truly yours,

William D. Ross
City Attorney

WDR:jf

cc: Jason B. Holley, City Manager
Maria Ojeda, Assistant City Manager
Taresa Geilfuss, City Clerk
Cherri Walton, Deputy City Clerk

TITLE

Regional Climate Action and Adaptation Plan

RECOMMENDATION

Adopt a Minute Order increasing FY 23/24 General Fund appropriations by $8,641 to cover American Canyon's share of the cost for Napa Countywide Climate Action Committee to prepare a Regional Climate Action and Adaptation Plan (RCAAP) with the source of funding being the General Fund Undesignated Fund Balance.

CONTACT

Leon Garcia, Mayor
Mark Joseph, Council Member

Jason Holley, City Manager

BACKGROUND & ANALYSIS

In June 2019, Napa County; the Cities of American Canyon, Calistoga, Napa, and St. Helena; and the Town of Yountville adopted Resolutions regarding the "Countywide Commitment to Address Climate Change." The Resolutions proposed to: (1) address climate change in their respective General Plans, consistent with State guidelines; (2) form a committee to identify countywide goals and strategies for addressing climate change, including an updated greenhouse gas (GHG) inventory, countywide GHG goals and timelines, and common GHG reduction standards for each jurisdiction to adopt independently; and (3) identify potential threats and funding to improve community resiliency.

Thereafter, all six jurisdictions came together to form the Napa Countywide Climate Action Committee (CAC). The CAC consists of two elected appointees from each of the jurisdictions. The CAC is supported by County staff. The CAC was formalized in December 2020 through a Joint Powers Agreement (JPA).

Since then, the CAC has prepared a regional greenhouse gas (GHG) inventory, recommended a building reach code, and solicited regional and state funding for its activities. The GHG inventory estimates current GHG emission by jurisdiction, as well as estimates for future emissions through

2030.

Greenhouse Gas Inventory

At their April 23, 2021 meeting, the CAC requested the preparation an updated regional GHG emissions inventory for all six jurisdictions. The CAC also requested an inventory of short-lived climate pollutants (SLCP) and an evaluation of the potential for carbon sequestration within Napa County. In October 2021, the CAC requested staff proceed with both additional tasks, with the cost to be allocated based on the cost-sharing formula agreed to in the existing JPA.

On June 18, 2021, the County received a grant from the Bay Area Air Quality Management District (BAAQMD) in the amount of $50,000 to prepare the GHG inventory. As a result of a competitive solicitation, the County selected Ascent Environmental to prepare the GHG inventory. The regional funding was sufficient to cover the cost of the GHG inventory, but does not cover the cost of the two additional tasks.

Work on the GHG inventory, short-lived climate pollutants, and carbon sequestration memorandum is complete. The cost of the additional work is as follows:

- $7,400 for additional coordination with staff;
- $2,960 for one additional CAC meeting; and
- $13,750 for additional work related to the short-lived climate pollutant study.

The additional work totaled $24,100. In accordance with the JPA, the cost of the additional work is to be allocated as follows:

- Napa County: $7,953
- City of Napa: $7,206
- **City of American Canyon: $3,085**
- City of St. Helena: $2,048
- City of Yountville: $1,808

Regional Climate Action and Adaptation Plan (RCAAP)

Reducing GHG emissions requires effective inter-governmental coordination of various strategies and implementation measures. Actions will be more effective and efficient if carried out consistently amongst CAC members. The CAC believes preparation of a Regional Climate Action and Adaptation Plan (RCAAP) will provide the goals, timelines, and measurable actions to reduce future GHG emissions. In addition, the RCAAP will include resiliency strategies to effectively respond to climate change events.

At the October 6, 2022 Napa County League of Governments (NCLOG) meeting, there was broad support for proceeding with an RCAAP to provide a policy and implementation framework for reducing GHG emissions. There was also general agreement that each jurisdiction should consider the proposal for a RCAAP at a future Council/Board meeting to guide CAC representatives as they move forward.

At their May 16, 2023 meeting, the County Board of Supervisors directed County staff to begin work on the RCAAP. At their May 26, 2023, meeting, the CAC made the preparation of the RCAAP its top priority for the 2023-2024 Fiscal Year. County staff worked with staff from the cities/town, the Napa Valley Transportation Authority, and the Napa County Resource Conservation District to prepare the RFP.

The County received two RCAAP proposals. While both are well-qualified, the reviewers unanimously recommend Ascent Environmental. The CAC unanimously affirmed recommendation on November 27, 2023.

The proposed contract with Ascent Environmental is for a maximum of $599,660. Fortunately, State Senator Dodd obtained $500,000 in State funding to prepare the RCAAP. The JPA cost-sharing formula allocates remaining costs ($99,660) as follows:

- Napa County: $32,888
- City of Napa: $29,798
- **City of American Canyon: $12,756**
- City of St. Helena: $8,471
- City of Calistoga: $8,272
- City of Yountville: $7,475

Lastly, Ascent will *evaluate* the options for compliance with California Environmental Quality Act (CEQA) when adopting the RCAAP. However, if an Environmental Impact Report (EIR) is required, this would cost additional $250,000 to $400,000 (of which American Canyon's cost would be between $30,000 and $50,000). The additional cost of an EIR is not currently budgeted and would likely be borne by the JPA member jurisdictions (unless additional outside funding is secured).

Manager Holley and American Canyon CAC appointees Garcia and Joseph recommend the Council approve additional appropriations in the amount of $12,756 to cover American Canyon's share of the additional costs of the GHG Inventory and the RRCAP. This recommendation is based on the fact American Canyon will benefit by having an RCAAP to rely upon in its ongoing General Plan Update (and future development approvals) and preparing a 'standalone' climate action plan would cost substantially more than American Canyon's proposed share of the RCAAP.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Organizational Effectiveness: "Deliver exemplary government services."

FISCAL IMPACT

Since the FY 23/24 Budget already includes $7,200 for this item, the result of Recommended Action will increase FY 23/24 General Fund Expenditures by $8,641 with the source of funding being the General Fund Undesignated Fund Balance. The Recommended Action will reduce the amount the General Fund Undesignated Fund Balance available for other uses, the impact of which will be

discussed in further detail in conjunction with the Mid-Year Budget Update in February.

ENVIRONMENTAL REVIEW

The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

ATTACHMENTS:

None

TITLE

Watson Ranch Master Backbone Infrastructure (MBI) Phase 1 Improvements Project

RECOMMENDATION

Adopt a Resolution of the City Council of the City of American Canyon for partial acceptance of the public improvements associated with the Watson Ranch Master Backbone Infrastructure (MBI) Phase 1 Improvements Project.

CONTACT

Erica Ahmann Smithies, P.E., Public Works Director/City Engineer

Edison Bisnar, P.E., Senior Civil Engineer

BACKGROUND & ANALYSIS

On November 7, 2023, The City of American Canyon City Council partially accepted all the public improvements associated with the Watson Ranch Master Backbone Infrastructure Phase 1 Improvements, for operation and maintenance, with the exception of the punch list repair items for sidewalk, concrete and minor pavement repairs, CC Resolution 2023-84.

On January 9, 2024, Public Works went to the site to inspect if the punch list repair items are satisfied. The repairs were made but some items in the original punch list were left out and were not addressed. Public Works created additional punch list items (Exhibit A).

On January 16, 2024, the developer (AC 1) and contractor (ECS) submitted a promissory note stating that the outstanding punch list items will be completed by February 12, 2024 for an estimated cost

of $23,650.

Because all public improvements have been completed, and punch list repair items completed by the approved date, Public Works recommends the Watson Ranch Master Backbone Infrastructure (MBI) Phase 1 Improvements Project accepted into the City's system for operation and maintenance.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

All costs associated with the operation and maintenance of the public facilities will be the responsibility of the City.

ENVIRONMENTAL REVIEW

Pursuant to the California Environmental Quality Act, the Final Environmental Impact Report for the Project was presented at a noticed public hearing held on October 4, 2018. The Planning Commission adopted Resolution 2018-19 recommending that the City Council adopt the Mitigation Monitoring and Reporting Program.

ATTACHMENTS:

Watson Ranch Public Improvements Final Acceptance Resolution.pdf
Exhibit A Backbone Punch List Report 01-10-24.pdf

RESOLUTION NO. 2024 - _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON FOR FINAL ACCEPTANCE OF THE PUBLIC IMPROVEMENTS ASSOCIATED WITH THE WATSON RANCH MASTER BACKBONE INFRASTRUCTURE (MBI) PHASE 1 IMPROVEMENTS PROJET.

WHEREAS, on November 7, 2023, The City of American Canyon City Council partially accepted all the public improvements associated with the Watson Ranch Master Backbone Infrastructure Phase 1 Improvements, for operation and maintenance, with the exception of the punch list repair items for sidewalk, concrete and minor pavement repairs, CC Resolution 2023-84.; and

WHEREAS, on January 9, 2024, Public Works went to the site to inspect if the punch list repair items are satisfied. The repairs were made but some items in the original punch list were left out and were not addressed. Public Works created additional punch list items (Exhibit A).; and

WHEREAS, On January 16, 2024, the developer (AC 1) and contractor (ECS) submitted a promissory note stating that the outstanding punch list items will be completed by February 12, 2024 for an estimated cost of $23,650.; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of American Canyon hereby accepts all the public improvements into the City's system for operation and maintenance.

PASSED, APPROVED and **ADOPTED** at a regularly scheduled meeting of the City Council of the City of American Canyon held on the 16th day of January 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Leon Garcia, Mayor

ATTEST:

_____
Taresa Geilfuss, CMC, Interim City Clerk

APPROVED AS TO FORM:

_____
William D. Ross, City Attorney

Attachments:
Resolution
Exhibit A: Backbone Punch List Report 01-10-24

CITY OF AMERICAN CANYON
PUBLIC WORKS DEPARTMENT

Watson Ranch Phase 1 (Backbone)
Corrective Action / Punch List Report
01-10-2024

Punch List Items								
Item #	Category	Description	Date Created	Completed	Days to Resolution	Attached Files (before / after)	Attached Photos (before / after)	Urgency
115	Concrete	ROLLINGHILLS 14+75	Jan 09 2024 08:39 am	[ ]	1	0/0	1/0	Level 1
116	Misc.	Back up sidewalk ROLLINGHILLS 14+50 area	Jan 09 2024 08:42 am	[ ]	1	0/0	0/0	Level 1
117	Concrete	ROLLINGHILLS @ Frontier st. Trip hazard	Jan 09 2024 08:45 am	[ ]	1	0/0	1/0	Level 1
118	Concrete	ROLLINGHILLS 13+20 lt cl joint trench boxcracking conc.	Jan 09 2024 08:47 am	[ ]	1	0/0	2/0	Level 1
119	Concrete	ROLLINGHILLS @EVA RD. CONCRETE CRACKED	Jan 09 2024 08:51 am	[ ]	1	0/0	1/0	Level 1
120	Concrete	ROLLINGHILLS sta. 17+40 trip hazard @ joint trench vaul	Jan 09 2024 08:54 am	[ ]	1	0/0	1/0	Level 1
121	Concrete	ROLLINGHILLS sta 17+95 lt cl chipped concrete	Jan 09 2024 08:56 am	[ ]	1	0/0	1/0	Level 1
122	Concrete	Clean/grind latent concrete at repaired areas of walks	Jan 09 2024 08:59 am	[ ]	1	0/0	2/0	Level 1
123	Concrete	ROLLINGHILLS 23+45 sidewalk cracking	Jan 09 2024 09:03 am	[ ]	1	0/0	2/0	Level 1
124	Concrete	ROLLINGHILLS 25+10 , 25+60	Jan 09 2024 09:08 am	[ ]	1	0/0	1/0	Level 1
125	Striping/Legends	Bike path medallions per details sheet 69	Jan 09 2024 09:11 am	[ ]	1	0/0	0/0	Level 1
126	Storm Drain	Inlet medallions on catch basins and drain inlets	Jan 09 2024 09:14 am	[ ]	1	0/0	0/0	Level 1

Item #	Category	Description	Date Created	Completed	Days to Res	Att Files	Att Photos	Urgency
127	Utilities	RDM 29+60 RT CL AT transformer	Jan 09 2024 09:17 am	[ ]	1	0/0	1/0	Level 1
128	Concrete	RDM 30+40 CHIP REPAIR	Jan 09 2024 09:19 am	[ ]	1	0/0	1/0	Level 1
129	Concrete	RDM 30+40 CHIP REPAIR	Jan 09 2024 09:19 am	[ ]	1	0/0	0/0	Level 1
130	Concrete	RDM 31+20 TO 31+85+/- CENTERLINE JOINT OF SW	Jan 09 2024 09:22 am	[ ]	1	0/0	3/0	Level 1
131	Concrete	RDM 38+75 rt cl 50' rt cl+/-	Jan 09 2024 09:27 am	[ ]	1	0/0	1/0	Level 1
132	Concrete	RDM 40+45 TRIP HAZARD	Jan 09 2024 09:30 am	[ ]	1	0/0	1/0	Level 1
133	Concrete	RDM 42+75 FILL EDGE OF WALK	Jan 09 2024 09:33 am	[ ]	1	0/0	1/0	Level 1
134	Concrete	Mallen rd. Crack repair	Jan 09 2024 09:37 am	[ ]	1	0/0	1/0	Level 1
135	Landscaping	MALLEN 16+65 IRR DAMAGED BY WHEEL TRAFFIC	Jan 09 2024 09:40 am	[ ]	1	0/0	1/0	Level 1
136	Traffic Signal	Mallen @RDM reset sign post	Jan 09 2024 09:42 am	[ ]	1	0/0	1/0	Level 1
137	Storm Drain	Catchbasin and DI inlets require cleaning	Jan 09 2024 09:45 am	[ ]	1	0/0	3/0	Level 1
138	Concrete	Rdm 39+80 lt cl	Jan 09 2024 09:48 am	[ ]	1	0/0	1/0	Level 1
139	Concrete	RDM STA 30+40 SID3WALK CRACKING	Jan 09 2024 09:51 am	[ ]	1	0/0	3/0	Level 1
140	Striping/Legends	RDM CENTER MEDIAN @ MARCUS RD.	Jan 09 2024 09:57 am	[ ]	1	0/0	0/0	Level 1
141	Concrete	Marcuss rd. @ 250 Marcuss. Sidewal, cracked	Jan 09 2024 09:58 am	[ ]	1	0/0	1/0	Level 1
142	Concrete	Maarcuss rd. 15+50 lt cl sidewalk chipped	Jan 09 2024 10:02 am	[ ]	1	0/0	1/0	Level 1
143	Concrete	Marcuss rd. At speed table lt cl	Jan 09 2024 10:04 am	[ ]	1	0/0	1/0	Level 1
144	Asphalt	Cleanliness of streets and adjacent areas	Jan 09 2024 10:06 am	[ ]	1	0/0	9/0	Level 1

TITLE

Utility Rate Changes

RECOMMENDATION

Adopt a Resolution of Intention to adopt new utility rates, setting a public hearing date for April 2, 2024, and directing the issuance of Notices of a Proposition 218 Public Hearing to all utility customers and property owners within the City of American Canyon's service area.

CONTACT

Erica Ahmann Smithies, P.E., Public Works Director
Juan Gomez, Finance Director

BACKGROUND & ANALYSIS

Tonight's item is the first step in a required two-step process. It is both informational and procedural in nature. Importantly, final action to implement proposed utility rates changes will not occur after the Council independently considers and then approves changes in conjunction with a Protest Hearing on April 2, 2024. Any changes to utility rates will not go into effect until after the Council approves such changes consistent with Proposition 218. Said differently, tonight staff is only recommending the Council authorize the initiation of a procedure to notify ratepayers of potential utility rate changes. Staff is not recommending the Council approve any changes to utility rates tonight.

Background

The City of American Canyon's utility infrastructure includes a network of treatment plants, pipes, tanks, pump stations, fire hydrants, meters, and other facilities. Through this valuable infrastructure, the City provides safe and reliable drinking water, collects and treats wastewater, and produces recycled water for reuse, advancing sustainability efforts. Skilled labor, quality materials, and reliable equipment are necessary to operate and maintain the utility systems and facilitate water purchases from the Cities of Napa and Vallejo, as well as the State Water Project.

As a result of external cost pressures; including inflation, new regulatory measures, water supply challenges, aging infrastructure, and more, the cost of providing these essential services continues to increase, requiring staff to review the long-term sustainability of these Enterprise Funds. The last rate study for the Sewer Enterprise Fund was completed in 2007 and has increased yearly by CPI

since 2011. Although CPI increases may cover some expenses, it has not kept up with increases in expansion costs, personnel costs, and treatment chemical costs. Also, there are no established recycled water rates at this time which is needed to cover operational costs and service loans made to this fund for startup costs. In summary, the current utility rates do not bring in sufficient revenue to cover the cost of providing reliable water and wastewater services. Since rates are the primary funding source, with no taxes used for these services, the City must consider a potential rate increase for water and wastewater as well as establishing new rates for recycled water.

Analysis

The City Council established the Utility Rate Advisory Committee on November 15, 2022. Since then, the committee has met several times with staff to understand the City's utility needs and the costs of providing service while collaborating with staff to prepare a recommendation for the City Council. Proposed utility rates were developed based on the City's costs to provide the service and considering future annual operating costs and budgeted repair and replacement expenses by evaluating the prior years' audited financial data. The proposed utility rates represent an increase in existing utility rates that will support a cost-of-service structure consistent with current law.

The City's Utility Rate Study was prepared by independent consulting firm NBS and contains a detailed description of the analysis which serves as the basis for the committee's recommendation.

The City's ability to adjust rates is governed by Proposition 218. In 1996, California voters approved Proposition 218 which requires a specific process for cities to impose or increase certain types of fees. The provisions of Proposition 218 set forth in Article XIII D of the California Constitution provide that certain types of "Property Related Fees" are subject to a "majority protest" process.

The provisions of Proposition 218 set criteria for property-related fees for refuse, water, and sewer services. The fees must be set so that:

- The revenues generated by the fee do not exceed the cost of service.
- No property owner's fee exceeds his/her proportionate share of the costs.
- The City does not impose a property-related fee for a service that is not available to the property owner.

In preparation of the Proposition 218 process, City Council will be provided a presentation of the proposed water rates, as well as the proposed utility rate schedules for each of the respective utilities to meet the City's operational expenses and necessary long-term capital program needs.

Proposed City residential rate increase in comparison to other agencies are as follows:

Water Rates - Regional Comparison*				
Agency	**Fixed Rate**	**Volumetric Rate**	**Monthly Bill**	**Annual Bill**

City of Napa	$26.02	$28.59	$54.61	$655.33
City of Petaluma	$20.03	$34.99	$55.02	$660.24
City of Benicia	$26.59	$38.78	$65.37	$784.38
City of American Canyon (Current)	$26.56	$53.39	$79.95	$959.40
City of American Canyon (Proposed - Year 1)	**$31.32**	**$52.17**	**$83.49**	**$1,001.82**
City of Vallejo	$51.72	$33.32	$85.04	$1,020.48
City of St. Helena	$67.75	$41.93	$109.68	$1,316.16
Town of Yountville	$93.76	$22.49	$116.25	$1,394.94
City of Calistoga	$62.82	$94.22	$157.04	$1,884.48
***Rates based on 7 HCF (Avg SFR usage)**				

Sewer Rates - Regional Comparison*				
Agency	**Fixed Rate**	**Volumetric Rate**	**Monthly Bill**	**Annual Bill**
City of American Canyon (Current)	$60.48		$60.48	$725.76
Napa Sanitation District	$61.55		$61.55	$738.60
Town of Yountville	$65.42		$65.42	$785.04
Vallejo Flood & Wastewater District	$73.74		$73.74	$884.88
City of American Canyon (Proposed - Year 1)	$75.29		$75.29	$903.44
City of Benicia	$58.07	$23.80	$81.87	$982.38
City of Petaluma	$39.85	$66.15	$106.00	$1,272.00
City of Calistoga	$106.24		$106.24	$1,274.88
City of St. Helena	$89.63	$69.23	$158.86	$1,906.32
***Rates based on 7 HCF (Avg SFR usage)**				

If adopted, the new rates would become effective with each customer's first billing period that begins May 2024. The first bills reflecting the new rates will not be received by customers until June 2024. Scheduled annual increases then occur in January each year through 2028.

Conclusion

Staff recommends that the City Council adopt a resolution that sets a public hearing date of April 2, 2024, for the utility rate increase in conformance with Proposition 218 and directing Staff to commence the 45-day protest process consistent with Proposition 218. A notice including procedures for submitting a written protest will be mailed to all property owners shown on the last equalized property tax assessment roll of all property owners and customers within the City of American Canyon service area. Owners will be informed that if they wish to protest the proposed new rates, they must submit their written protest to the City Clerk in advance or on the night of the public hearing prior to the close of the hearing. The notice will include information about the

various utility services, the reason for the proposed rate increase, as well as the current rates and proposed rates.

Additional public outreach planned includes the publishing of a dedicated page on the City's website (www.cityofamcan.org/water). English, Spanish, and Tagalog versions of the notice will be available on the page. The page will also include the American Canyon Utility Rate Study containing the analysis which serves as the basis for rate structure, customer resources – including Frequently Asked Questions (FAQs), low-income customer options, an online bill impact calculator, a printable protest letter, and visual infographics to inform customers how rates are spent and cost comparison of regularly purchased products with a gallon of water. A poster with the key messaging and QR Code to the website will be posted in the lobby at City Hall, and other key public areas in the community. A large postcard mailer of similar content will be mailed to all residences in American Canyon via the United States Postal Service Every Door Delivery Mail service.

In addition to the notice, website page, poster, and large postcard mailer, City staff will include public outreach messaging in the City Manager's Update, social media platforms, and utility bill inserts.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

There is no fiscal impact related to this item. The goal of the rate study is to provide adequate funding for operational expenses and necessary long-term capital program needs. As Enterprise Funds, the Water, Sewer and Recycled Water Funds should be self-sustaining, the attached rate study ensures that these funds achieve the goal of long-term fiscal and operational sustainability.

ENVIRONMENTAL REVIEW

Not applicable.

ATTACHMENTS:

1. Resolution Setting a Public Hearing
2. Draft Proposition 218 Notice 2024 - Proposed Utility Rates
3. Amercian Canyon Rate Study Report

RESOLUTION NO. 2024- XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON, CALIFORNIA DECLARING ITS INTENTION TO ADOPT NEW UTILITY RATES, SETTING A PUBLIC HEARING DATE FOR APRIL 2, 2024, AND DIRECTING THE ISSUANCE OF NOTICES OF A PROPOSITION 218 PUBLIC HEARING TO ALL UTILITY CUSTOMERS AND PROPERTY OWNERS WITHIN THE CITY OF AMERICAN CANYON'S SERVICE AREA

WHEREAS, the City of American Canyon's utility infrastructure includes a network of treatment plants, pipes, tanks, pump stations, fire hydrants, meters, and other facilities; and

WHEREAS, through this valuable infrastructure, the City provides safe and reliable drinking water, collects and treats wastewater, and produces recycled water for reuse, advancing sustainability efforts; and

WHEREAS, skilled labor, quality materials, and reliable equipment are necessary to operate and maintain the utility systems and facilitate water purchases from the Cities of Napa and Vallejo, as well as the State Water Project; and

WHEREAS, the City's current utility rates, comprised of Water, Wastewater, and Recycled Water Enterprise Funds, do not bring in sufficient revenue to cover operating and capital costs; and

WHEREAS, water rates have not increased since 2018, wastewater rates have not increased since 2009, and there are no established recycled water rates; and

WHEREAS, a Utility Rate Study was prepared by an independent consulting firm, NBS, and contains a detailed description and analysis of the proposed utility rates per the respective enterprise fund; and

WHEREAS, the City and the Utility Rate Advisory Committee (URAC) have conducted a detailed fiscal analysis of the utility rates and developed recommendations regarding adjustments to the utility rates in order to comply with state law; and

WHEREAS, these rate adjustments will help ensure the health and safety of the community while protecting the City's financial health; and

WHEREAS, the City Council intends to adopt a utility rate structure proposed by the analysis following the procedures required by Proposition 218, article XIII D, section 6 of the California Constitution; and

NOW THEREFORE BE IT RESOLVED that the American Canyon City Council does hereby resolve as follows:

1. The City hereby initiates proceedings to adopt adjusted utility rates in accordance with the recommendation of the Utility Rate Advisory Committee and pursuant to the Utility Rate Study and as attached hereto as Exhibit A.

2. The City Council hereby fixes the 2nd day of April 2024, at 6:30 p.m. at the Chambers of the City Council, City Hall, 4381 Broadway Street, 2nd Floor, American Canyon, California 94503, as the time and place for a public hearing ("Public Hearing") on the proposed utility rate adjustments.

3. The City Clerk is hereby instructed to provide notice of the proposed utility rate adjustments in conformity with Proposition 218.

4. At the April 2, 2024 Public Hearing, the City Council shall consider all objections or protests, if any to the proposed utility rate adjustments, and any person shall be permitted to present written or oral testimony. Although oral comments at the Public Hearing will not qualify as a formal protest, the City Council welcomes community input during the Public Hearing.

5. At the conclusion of the Public Hearing, all protests submitted will be tabulated in conformity with the City's tabulation guidelines.

6. A majority protest exists if protests are submitted in opposition to the proposed utility rate adjustments by a majority (50% plus 1) of property owners and utility customers.

7. If there is a majority protest against the imposition of the utility rate adjustments, the City Council shall not adopt the changes to the current utility rates.

PASSED, APPROVED and **ADOPTED** at a regularly scheduled meeting of the City Council of the City of American Canyon held on the 16th day of January, 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Leon Garcia, Mayor

ATTEST:

_____
Taresa Geilfuss, CMC, City Clerk

APPROVED AS TO FORM:

_____
William D. Ross, City Attorney

DRAFT NOTICE CONTENT (PRE-DESIGN)

NOTICE TO PROPERTY OWNERS
PUBLIC HEARING ABOUT PROPOSED UTILITY SERVICE FEE RATE INCREASES
APRIL 2, 2024, AT 6:30 PM
CITY HALL COUNCIL CHAMBERS, 4381 BROADWAY, 2ND FLOOR, AMERICAN CANYON, CA 94503
FULL NOTICE AND MORE INFORMATION AT WWW.CITYOFAMERICANCANYON.ORG/WATER | (707) 647-4364

[INSERT TAGALOG TRANSLATION OF NOTICE TO PROPERTY OWNERS AND NOTIFICATION OF AVAILABILITY OF FULL NOTICE CONTENT, AND ASSISTANCE AT CITY HALL, ON WEBSITE OR VIA PHONE.]

[INSERT SPANISH TRANSLATION OF NOTICE TO PROPERTY OWNERS AND NOTIFICATION OF AVAILABILITY OF FULL NOTICE CONTENT, AND ASSISTANCE AT CITY HALL, ON WEBSITE OR VIA PHONE.]

The City of American Canyon City Council will hold a public hearing on Tuesday, April 2, 2024, at 6:30 PM, at the City Council Chambers located at 4381 Broadway, 2nd floor in American Canyon, to consider adopting increases in the rates for its water, sewer, and recycled water service fees. The proposed increase will apply to all parcels that receive water and sewer services from the City of American Canyon.

American Canyon is committed to transparency throughout this process. To learn more about the research and reasons behind the proposed rate increase, visit www.CityOfAmericanCanyon.org/Water.

PROPOSED RATE INCREASES

American Canyon provides services to 5,786 residential and commercial water customers and 5,052 residential and commercial sewer customers. American Canyon's utility infrastructure includes a network of treatment plants, pipes, tanks, pump stations, fire hydrants, meters, and other facilities. Through this valuable infrastructure, American Canyon provides safe and reliable drinking water, collects and treats wastewater, and produces recycled water for reuse, advancing sustainability efforts. Skilled labor, quality materials, and reliable equipment are necessary to operate and maintain the utility systems and facilitate water purchases from the Cities of Napa and Vallejo, as well as the State Water Project.

As a result of external cost pressures; including inflation, new regulatory measures, water supply challenges, aging infrastructure, and more, the cost of providing these essential services continues to increase. The last rate study for the Sewer Enterprise Fund was completed in 2007 and has increased yearly by CPI since 2011. Although CPI increases cover some expenses, it has not kept up with increases in expansion costs, personnel costs, and treatment chemical costs. The last rate study for the Water Enterprise was completed in 2018, with the last increase in January 2023. Current rates do not bring in sufficient revenue to cover the cost of providing reliable water and wastewater services. Since rates are the primary funding source, with no taxes used for these services, American Canyon must consider a potential rate increase.

The City Council established the Utility Rate Advisory Committee on November 15, 2022. Since then, the committee has met several times with staff to understand the City's utility needs and the costs of providing service while collaborating with staff to prepare a recommendation for the City Council. Proposed utility rates were developed based on the City's costs to provide the service and considering future annual operating costs and budgeted repair and replacement expenses by evaluating the prior years' audited financial data. The proposed utility rates represent an increase in existing utility rates that will support a cost-of-service structure consistent with current law.

The American Canyon Utility Rate Study was prepared by independent consulting firm NBS and contains a detailed

description of the analysis which serves as the basis for the committee's recommendation. The Study is available online at www.CityOfAmericanCanyon.org/Water or can be reviewed in person at City Hall (4381 Broadway).

If adopted, the new rates would become effective with each customer's first billing period, which begins in May 2024. If adopted, the new rates would become effective with each customer's first billing period, which begins in May 2024. The first bills reflecting the new rates will not be received by customers until June 2024. Scheduled annual increases then occur in January each year through 2028.

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Service Charges (in $/mo)						
Residential Use						
< 1" meter	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$26.56	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$26.56	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$26.56	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$26.56	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$26.56	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$26.56	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Multi-Family, Commercial and Landscape						
< 1" meter	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter (Residential)	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter (Commercial)	$44.42	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$88.75	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$141.99	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$283.98	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$443.74	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$887.48	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$1,420.06	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Private Fire Protection						
< 1" meter	$13.28	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$13.28	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$13.28	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$13.28	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$13.28	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$13.28	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$13.28	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$13.28	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Temporary Hydrant Meters						
< 1" meter	$283.98	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$283.98	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$283.98	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$283.98	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$283.98	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$283.98	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$283.98	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$283.98	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Raw Water						
< 1" meter	*n/a*	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$44.42	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	*n/a*	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$141.99	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	*n/a*	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$443.74	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$887.48	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	*n/a*	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Variable Charges for All Water Consumed (in $/hcf)						
Residential Use						
Tier 1 (0 - 6 units)	$7.54	$7.07	$7.70	$8.40	$8.73	$8.99
Tier 2 (> 6 units)	$8.15	$9.76	$10.64	$11.60	$12.06	$12.42
Multi-Family, Commercial and Landscape	$7.72	$7.62	$8.30	$9.05	$9.41	$9.70
Private Fire Protection	$3.86	$7.62	$8.30	$9.05	$9.41	$9.70
Temporary Hydrant Meters						
Potable	$7.72	$7.62	$8.30	$9.05	$9.41	$9.70
Recycled	$0.90	$6.69	$7.36	$8.10	$8.50	$8.93
Raw Water	$3.44	$7.62	$8.30	$9.05	$9.41	$9.70

Sewer Rate Schedule	Description	Current Rates	Proposed Sewer Rates				
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Residential - Monthly Fixed Service Charges							
Single Family Residential	Per Dwelling Unit	$60.48	$75.26	$90.31	$101.14	$113.28	$113.28
Multi-Family Residential	Per Dwelling Unit	$45.36	$49.25	$59.10	$66.19	$74.14	$74.14
Commercial Customers							
Monthly Fixed Service Charge	Per Account	$60.48	$136.63	$163.95	$183.63	$205.66	$205.66
Volumetric Charge	Per HCF	$5.40	$2.45	$2.94	$3.29	$3.69	$3.69
Industrial Customers							
Monthly Fixed Charge							
Hess Collection Winery		*n/a*	$338	$405	$454	$508	$508
AmCan Beverage (Coca-Cola)		*n/a*	$15,836	$19,004	$21,284	$23,838	$23,838
Mezzetta Processing Facility		*n/a*	$4,584	$5,501	$6,161	$6,900	$6,900
Volumetric Charge							
Hess Collection Winery	Per 1,000 gal sewage flow	*n/a*	$1.04	$1.25	$1.40	$1.57	$1.57
AmCan Beverage (Coca-Cola)		*n/a*	$1.40	$1.68	$1.88	$2.11	$2.11
Mezzetta Processing Facility		*n/a*	$3.75	$4.50	$5.03	$5.64	$5.64

Recycled Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Service Charges (in $/mo)						
< 1" meter	$26.56	$38.89	$42.78	$47.05	$49.41	$51.88
1" meter	$44.42	$64.81	$71.29	$78.42	$82.34	$86.46
1 1/2" meter	$88.75	$129.62	$142.58	$156.84	$164.69	$172.92
2" meter	$141.99	$207.40	$228.14	$250.95	$263.50	$276.67
3" meter	$283.98	$414.79	$456.27	$501.90	$526.99	$553.34
4" meter	$443.74	$648.11	$712.92	$784.22	$823.43	$864.60
6" meter	$887.48	$1,296.23	$1,425.85	$1,568.43	$1,646.85	$1,729.20
8" meter	$1,420.06	$2,073.96	$2,281.36	$2,509.49	$2,634.97	$2,766.71
Commodity Charges for All Water Consumed (in $/hcf)						
Variable Charge	$0.90	$6.69	$7.36	$8.10	$8.50	$8.93
Variable Charge - Self-Haul	*n/a*	$4.00	$4.41	$4.85	$5.09	$5.34

HOW TO FILE A PROTEST AGAINST THE PROPOSED RATE CHANGES

Any property owner of record whose property is subject to the proposed new rates for the City's utility service fees may submit a written protest against the proposed rate increases. Only one written protest will be counted per identified parcel. To be valid, each written protest must:

- State that the identified property owner is in opposition to the proposed rate increases;
- Provide the location of the identified parcel (by assessor's parcel number, street address, or customer account);
- Include the name and original signature of the property owner submitting the protest; and
- If the person protesting was not shown on Napa County's last equalized assessment roll as the property owner of record, provide written evidence that the person is the property owner (example: current copy of city services bill).

Written protests may be submitted by mail or in person to: City of American Canyon, Attention: City Clerk, 4381 Broadway, Suite 201 American Canyon, CA 94503. Any protest submitted via e-mail or other electronic means will not qualify as a written protest. Written protests may also be submitted at the public hearing (date and time noted above). All written protests must be submitted to the City prior to the conclusion of the public comment portion of the public hearing.

At the public hearing, the City Council will accept and consider all written protests and hear all oral comments on the proposed rate increases. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. At the conclusion of the public hearing, the City Council will consider adoption of the proposed changes as follows:

(1) If less than a majority of property owners or ratepayers file a protest, the City Council will consider increasing water rates, effective June 1, 2024.

(2) If a majority of affected property owners or ratepayers protest the increase before the conclusion of a required public hearing, the City is prohibited by law from increasing water rates.

Please note that there is a 120-day statute of limitations from the effective date of the resolution or ordinance adopting the rates to challenge any of the rates described herein.

DRAFT

CITY OF AMERICAN CANYON

Report for:

Sewer, Water, and Recycled Water Enterprise Rate Studies

January 2024

NBS
helping communities fund tomorrow

nbsgov.com

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1. Purpose and Overview of the Study

1.1 Purpose

The City of American Canyon (City) retained NBS to conduct a comprehensive rate study for its water, recycled water, and sewer enterprise funds. The City had a number of objectives and goals in mind for this study including meeting revenue requirements, reviewing current rate structures based on recent consumption data, funding capital improvements and changes in costs, and complying with certain legal requirements (e.g., California Constitution Article XIII D, Section 6, which is commonly referred to as Proposition 218 [Prop 218]). The City's broader objectives in this study include ensuring adequate funding for operating and capital costs, maintaining reasonable reserves, ensuring revenue stability in utility rates, and developing new recycled water and drought rates to reflect the revenue requirements at various stages of water conservation. The rates resulting from this study were developed in a manner that is consistent with industry standard cost-of-service principles. In addition to documenting the rate study methodology, this report is provided with the intent to assist the City in its continuing effort to maintain transparent communications with the residents and community it serves.

In developing new rates for the City's enterprise funds, NBS worked cooperatively with City staff and the City Council (Council) in selecting the appropriate rate alternatives that address the City's goals and objectives. Based on input provided by City staff, NBS proposes the rates summarized in this report. The Council has the final decision regarding the adoption of the proposed rates and whether to proceed with the Proposition 218 approval process.

1.2 The City of American Canyon Background

The City of American Canyon was incorporated in 1992 and is located in southern Napa County about thirty-five miles northeast of San Francisco.

WATER UTILITY

The City provides potable water service to approximately 6,825 metered customers. Of these potable water customers, residential customers represent approximately 90%, including single-family and multi-family users. Recent consumption records indicate that residential households use 59% of total water sold compared to all other non-residential customers who use the remaining 41%. The City's existing potable water system includes treatment, storage, pumping, and distribution infrastructure serving residential, industrial, commercial, and agricultural customers.[1]

The City relies on several sources of water to meet its needs including water from the State Water Project, water from the cities of Vallejo and Napa, and recycled water produced at the City's Water Reclamation Facility (WRF). The primary source of water is from the State Water Project (61%) via the North Bay Aqueduct, while the remaining supply consists of treated water from the cities of Vallejo and Napa as well as raw water from the City of Vallejo. The City has also partnered with the Sites Reservoir Project in 2017 to construct an off-river reservoir that will capture excess water from major storms that can be utilized during drier periods. This project is in the final stages of environmental review.

[1] Source: *https://www.cityofamericancanyon.org/ home/showpublisheddocument/17957*.

RECYCLED WATER UTILITY

The City owns and operates a complementary water and wastewater utility infrastructure that includes water reclamation and water reuse within the City limits. The current area served with recycled water is approximately 5 square miles with an overall potential service area of over 14 square miles, including potential customers within Napa County just outside City limits along the northern boundary.[2] The City currently serves public schools, public parks, industrial, commercial, and agricultural users, and produces approximately 80 million gallons of recycled water each year primarily for outdoor use. The City provides recycled water service to 76 customers.

Using recycled water for irrigation saves electricity, using one quarter of the energy needed to pump groundwater, and dramatically reduces the consumption of potable water. The additional treatment of wastewater at the reclamation plant also reduces nitrates which could otherwise impact the groundwater basin. As with reclaimed water providers throughout California, the City's recycled water rates tries to be competitive with other sources of irrigation water while ideally recovering basic operating costs.

SEWER UTILITY

The City currently provides sewer service to customers located within the City limits, as well as the Airport Industrial Area and a few areas within the unincorporated County area. The City completed construction of the Water Reclamation Facility (WRF) in 2002 to treats domestic and industrial wastewater flows.

Currently, the sewer utility services approximately 6,100 connections; the vast majority (77%) of which are single-family residential users. The remainder of the customers are primarily multi-family residential users (21%) and a handful of commercial and industrial users (3%). The current area served is approximately 6.3 square miles with an overall potential service area of over 8.5 square miles and includes approximately 53 miles of sewer mains, five pump stations, and 5 miles of sewer force main.[3]

1.3 Overview of the Study

Comprehensive rate studies, such as this one, typically include three components: (1) preparation of a financial plan that identifies the net revenue requirements for the utility; (2) analysis of the cost to serve each customer class, and (3) the rate structure design. These steps are shown in **Figure 1** and are intended to follow industry standards. They reflect the fundamental principles of cost-of-service rate making embodied in the American Water Works Association's (AWWA) *Principles of Water Rates, Fees, and Charges*,[4] also referred to as Manual M1 for water rates and the Water Environment Federation's (WEF) *Financing and Charges for Wastewater Systems*, Manual of Practice No. 27[5] or sewer rates. They also address requirements under Proposition 218 that rates do not exceed the cost of providing the service and be proportionate to the cost of providing service for all customers. In terms of the chronology of the study, these three steps represent the order in which they were performed in this Study.

[2] Source: *https://www.cityofamericancanyon.org/home/showpublisheddocument/9735*.
[3] Source: *https://www.cityofamericancanyon.org/home/showpublisheddocument/9733*.
[4] *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, American Water Works Association, 7th Edition, 2017.
[5] *Financing and Charges for Wastewater Systems*, Manual of Practice No. 27, Water Environment Federation, 4th Edition, 2018.

Figure 1. Primary Components of a Rate Study



NBS projected revenues and expenditures, developed net revenue requirements, performed cost-of-service rate analyses, and developed new water, recycled water, and sewer rates for the City using this approach. The following sections in this report present an overview of the methodologies, assumptions, and data used along with the financial plans and rates developed. Detailed tables and figures documenting the development of the proposed rates are provided in the Appendices.

The City provided NBS with the data necessary to conduct the study, including historical, current, and projected revenues and expenditures, number of customer accounts, and water consumption data along with other operational and capital cost information.

FINANCIAL PLAN

As a part of the rate study, NBS projected revenues and expenditures on a cash-flow basis for the next five (5) years. The amount of rate revenue required, that will allow reserves to be maintained at the recommended levels, is known as the net revenue requirement. As current rate revenue falls short of the net revenue requirement, rate adjustments - or more accurately, adjustments in the total revenue collected from rates - are recommended. This report presents an overview of the methodologies, assumptions, and data used along with the financial plan and proposed rates developed in this study.[6]

COST-OF-SERVICE ANALYSIS

The basic purpose of the cost-of-service analysis (COSA) is to fairly and equitably allocate costs to customer classes. The cost-of-service analysis consists of two major components: (1) the classification of expenses, and (2) the allocation of costs to customer classes. For example, a key task is the "classification" of the water revenue requirements into the following categories:

- Commodity related costs
- Recycled water related costs
- Capacity related costs
- Customer service related costs
- Fire Protection related costs

[6] The complete financial plans are available in the *Appendices*.

In addition, here are the categories used in the "classification" of the sewer revenue requirements :

- Flow related costs
- Strength related costs
- Customer service related costs

These cost allocation factors represent the types of cost allocations in the cost of service. Further details are discussed below and documented in the *Appendices*.

RATE DESIGN ANALYSIS

During the rate design phase of the study, NBS and City staff worked together to develop rate alternatives to meet the City's objectives. It is important for the City to send proper price signals to its customers about the actual cost of providing service. This objective is typically addressed through both the magnitude of the rate adjustments and the rate structure design. In other words, both the amount of revenue collected and the way in which the revenue is collected from customers are important.

Several criteria are typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been well documented in a number of rate-setting manuals, such as AWWA's Manual M1. The foundation for evaluating rate structures is generally credited to James C. Bonbright in *Principles of Public Utility Rates*,[7] which outlines pricing policies, theories, and economic concepts along with various rate designs. The following is a simplified list of the attributes of a sound rate structure:

- Rates should be easy to understand from the customer's perspective.
- Rates should be easy to administer from the utility's perspective.
- Rates should promote the efficient allocation of the resource.
- Rates should be equitable and non-discriminating (i.e., cost based).
- There should be continuity in the rate making philosophy over time.
- Addressing other utility policies (e.g., conservation and economic development).
- Rates should provide month-to-month and year-to-year revenue stability.

RATE STRUCTURE TERMINOLOGY

This section covers basic rate design criteria that NBS and City staff considered as a part of their review of the rate structure alternatives. One of the most fundamental points in considering rate structures is the relationship between fixed and variable costs. Fixed costs, such as debt service and personnel costs, typically do not vary with the amount of water consumed. In contrast, variable costs, such as the cost of purchased water, chemicals, and electricity, tend to change with the quantity of water sold. The vast majority of rate structures contain a fixed, or minimum, charge in combination with a volumetric charge.

- **Fixed Charges** – Fixed charges can be called base charges, minimum monthly charges, customer charges, fixed meter charges, etc. Fixed charges for water utilities typically increase by meter

[7] James C. Bonbright, Albert L. Danielsen, and David R. Kamerschen, *Principles of Public Utility Rates*, Arlington, VA: Public Utilities Report, Inc., Second Edition, 1988, pp. 383-384.

size. For example, a customer with a 2-inch meter has a fixed meter charge that is more than five times greater than the typical residential customer based on the safe operating capacity of the meter.[8] Since a large portion of utility costs are typically related to meeting capacity requirements, individual capacity demands are important in establishing equitable rates for customers.

- **Variable (Consumption-Based) Charges** – In contrast to fixed charges, variable costs, such as purchased water, groundwater replenishment costs, and the cost of electricity used in pumping water and chemicals for treatment, tend to change with the quantity of water produced. For a water utility, variable charges are calculated based on a metered consumption per unit price (e.g., per 100 cubic feet, or HCF).
- **Uniform (Single-Tier) Water Rates** – There are significant variations in the basic philosophy of variable charge rate structure alternatives. Under a uniform (single tier) rate structure, the cost per unit does not change with consumption and, therefore, provides a simple and straightforward approach from the customer's perspective and in terms of the City's rate administration.
- **Tiered Water Charges** – In contrast to a uniform tier, a tiered (or inclining block) rate structure attempts to send a price signal to customers that the cost of water increases as more water is consumed and is considered to be a more conservation-oriented rate structure. Tiered water rates are encouraged by state law and regulatory mandates but are also intended to represent the higher costs for customers who contribute more to peak usage and place greater demands on the system. The types of higher costs reflected in the higher tiers may include:
    - *Conservation Program Costs* - These are cost intended to encourage customers to eliminate inefficient and wasteful water use, and otherwise reduce consumption during peak periods.
    - *Purchased Water Costs* - When consumption exceeds the amount of water rights the City is allocated, the City may incur additional costs for replacement water in order to meet that increased demand. That replacement water comes at a higher cost.
    - *Energy Costs* - During summer months, the City may pay more in electric charges to pump, treat, and deliver water, and have a higher percentage of its energy bill in higher electricity "tiers."
    - *Higher Maintenance Costs* - Peak periods tend to have higher number of service calls, capacity costs, and system maintenance issues when the water system is running at peak demand.

REGULATORY ISSUES

Drought and Water Conservation – On January 17, 2014, Governor Jerry Brown declared a State of Emergency throughout California due to severe drought conditions. On April 1, 2015, the Governor issued Executive Order B-29-15 mandating statewide water conservation of 25 percent. The specific conservation mandate for each community in California varied from 4 to 36 percent. Beginning in June 2016,

[8] *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, pp. 151-152.

communities like the City were allowed to "self-certify" that they had sufficient supply to meet customer demand for three years but were no longer mandated to achieve a specific conservation target.

While conservation is good from a supply and environmental standpoint, it places added financial pressure on the water utility. Consumption impacts both revenue and expenses and with positive conservation efforts continuing to be a priority for the City, revenue declines could put the water utility at risk in the future without changes in the consumption charges. To help offset these risks, the drought rates proposed in this study account for various stages of water conservation to allow the City to continue meeting its financial obligations going forward. The drought rates would be intended to go into effect whenever the City declares it is in a specific stage of its adopted drought mitigation plan.

KEY FINANCIAL ASSUMPTIONS

The following is a summary of the key financial assumptions used in the analyses. The following capital and operational fund targets reflect input from City staff in order to meet specific utility objectives:

- **Funding of Capital Projects** – The capital improvement costs will be funded with a combination of cash in reserves and the additional revenue generated from the proposed rate increases. The capital projects listed in the financial plan are from the City's capital improvement plan. The analysis assumes:
    - Capital costs attributable to existing customers are funded by rate revenue.
    - Capital costs attributable to growth are funded through revenue from the capacity fee reserves.
- **Reserve Targets** – For each utility (i.e., water, recycled water, and sewer) the City maintains reserves for operations, capital, and other specific needs. The details of each utility's reserve targets are covered in their respective section of this report.
- **Inflation and Growth Projections** – Assumptions were made in the analysis with regard to cost inflation in order to project future revenues and expenses for the study period. The following inflation factors were used in the analysis:
    - Customer growth is estimated at 1.80% per year.
    - General cost inflation is set at 3.0% annually.
    - Labor cost inflation is set at 3.5% annually.
    - Energy cost inflation is set at 7.44% annually.
    - Electricity cost inflation is set at 5.64% annually.
    - Fuel & Utilities cost inflation is set at 5.24% annually.
    - Construction cost inflation is set at 3.5% annually.

These inflation factors are based on long-term trends; therefore, the City should re-examine these factors in another year to assess whether short-term trends are a better reflection of the costs going forward.

2. Water Rate Study

2.1 Key Water Rate Study Issues

The City's water rate analysis was undertaken with a few specific objectives, including:

- Generating sufficient revenue to meet anticipated operating and maintenance costs and fund necessary capital improvement projects for the next five years.
- Continuing with a rate design that promotes revenue stability.
- Developing drought rates.
- Verifying that the City's tiered volumetric rates are cost of service based.
- Encouraging water conservation with a tiered rate structure.
- Maintaining adequate reserve levels to ensure continuity in operations.
- Complying with the legal requirements of Proposition 218 to ensure the cost of providing service is properly allocated amongst user classifications.

NBS developed various water rate alternatives as requested by City staff over the course of this study. All rate structure alternatives relied on industry standards and cost-of-service principles. The fixed and volume-based charges were calculated based on the net revenue requirements, number of customer accounts, water consumption and estimated water discharge, and other relevant data provided by the City.

The following are the basic components included in this analysis:

- **Developing Cost Allocations** – The water revenue requirements were "functionalized" into five categories: (1) commodity (or volume-based) costs; (2) recycled water costs; (3) fixed capacity costs; (4) customer service costs; and (5) fire protection costs. These functionalized costs were then used to develop unit costs based on various factors, such as water consumption, peaking factors, and number of accounts by meter size.
- **Determining Revenue Requirements by Customer Class** – The total revenue that needs to be collected from each customer class was determined using the functional costs and allocation factors. For example, customer costs are allocated based on the number of meters, while volume-related costs are allocated based on the water consumption of each customer class. Once the costs are allocated and the net revenue requirement for each customer class is determined, collecting the revenue requirements from each customer class is addressed within the rate design.
- **Evaluating Rate Design (Fixed vs. Variable Charges)** – The revenue requirements for each customer class are collected through a combination of fixed monthly service charges and volumetric rates. Based on direction from City staff, the rates proposed in this report will collect 40% of the rate revenue from the fixed charge and 60% from the variable charges.

2.2 Financial Plan

It is important for municipal utilities to not only collect sufficient revenues every year, but to also maintain reasonable reserves to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate adjustments are governed by the need to

meet operating and capital costs as well as maintain reasonable reserve funds. The current state of the City's water utility, with regard to these objectives, is as follows:

- **Meeting Net Revenue Requirements**: For FY 2023/24 through FY 2027/28, the projected net revenue requirement (that is, total annual expenses plus debt service and rate-funded capital costs, less non-rate revenues) for the water system is approximately $13.4 million per year. The net revenue requirement includes interfund transfers for debt service and capital projects totaling $3.5 million annually and are expected to continue over the next five years. As a result, the water utility is financially sound and requires only minimal rate adjustments over the 5-year rate adoption period. However, it is important to note that the utility would be facing a deficit that would grow to $3.7 million by the end of this period if these contributions were to cease.
- **Building and Maintaining Reserve Funds**: Reserve funds provide a basis for a utility to cope with fiscal emergencies, such as revenue shortfalls, asset failure, and natural disasters, among other events. Reserve policies provide guidelines for sound financial management, with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and unexpected emergencies.
- NBS along with City staff have chosen to set the following reserve targets:
    - **Operating Reserve** equal to 90 days of operating and maintenance expenses, or approximately $1.9 million in FY 2023/24. An operating reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures, such as those caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (e.g., volumetric charges), and - particularly in periods of economic distress - changes or trends in the age of receivables.
    - **Capital Rehabilitation & Replacement Reserve**, at a minimum, should equal 3% of net capital assets, or approximately $1.9 million in FY 2023/24. This reserve is intended to be a cash resource set aside to address long-term capital system replacement and rehabilitation needs.
- **Funding Capital Improvement Projects**: The City must also be able to fund necessary capital improvements in order to maintain current service levels. City staff has identified roughly $20.2 million in expected capital expenditures for the next five years (FY 2023/24 through FY 2027/28) which is an average of $4 million in capital expenditures annually. Beyond FY 2027/28, an average of $4 million in capital expenditures is expected annually (future year value). With the recommended rate increases, these capital expenditures can be funded without draining existing reserves.
- **Inflation and Growth Projections:** Assumptions regarding cost inflation were made in order to project future revenues and expenses for the study period. Customer growth is expected to be nearly 1.80% annually. This factor was used in the analysis for some revenues and expenses, and all other inflation factors are based on the Consumer Price Index for all urban consumers in the San Francisco area.[9]
- **Impact of Annual Rate Adjustment Date:** The financial plan assumes that rate adjustments occur in January of each year. This means that only about half of the planned revenue to be

[9] Website: *https://www.bls.gov/cpi/.*

collected from the rate adjustment listed for one fiscal year will be collected in that year. For example, in Year 1, there is a 9.0% increase in rate revenue planned which means that the rates are developed to recover $10.3 million. However, due to the timing of when the rates will go into effect, the financial plan results in only $9.7 million in rate revenue that will be collected for FY 2023/24 due to the mid- year implementation.

- **Figure 2** summarizes the sources and uses of funds, net revenue requirements, and the annual percent adjustments in total rate revenue recommended for the next 5 years.

Figure 2. Summary of Water Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget	Projected	5-Year Projected Rate Period				
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sources of Water Funds							
Rate Revenue Under Prevailing Rates	$ 8,410,172	$ 9,606,729	$ 9,441,640	$ 9,611,590	$ 9,774,987	$ 9,941,161	$ 10,110,161
Non-Rate Revenues	664,001	485,241	473,600	482,125	490,321	498,656	507,134
Interest Earnings	(212,625)	118,212	275,008	87,285	61,319	56,589	58,325
Total Sources of Funds	**$ 8,861,548**	**$ 10,210,182**	**$ 10,190,248**	**$ 10,180,999**	**$ 10,326,626**	**$ 10,496,407**	**$ 10,675,619**
Uses of Water Funds							
560 - Water Treatment Plant	$ 1,483,133	$ 2,275,892	$ 2,088,189	$ 3,357,121	$ 2,228,382	$ 2,302,054	$ 2,378,221
565 - Water Distribution	991,284	1,343,387	1,536,149	1,586,987	1,639,520	1,693,803	1,749,895
50 - Public Works	1,356,080	316,973	366,768	378,613	390,854	403,506	416,582
Water Purchases	3,380,850	4,385,210	3,602,218	3,674,262	3,747,748	3,822,703	3,899,157
Non-Operating Expenses	1,263,894	1,507,202	2,206,123	2,207,963	2,171,674	2,237,313	2,304,938
Debt Service	523,735	744,109	820,140	823,637	1,468,278	2,523,408	3,014,261
Rate-Funded Capital Expenses	251,795	2,790,541	4,566,877	1,523,075	1,565,040	754,328	665,707
Total Use of Funds	**$ 9,250,771**	**$ 13,363,314**	**$ 15,186,464**	**$ 13,551,658**	**$ 13,211,497**	**$ 13,737,114**	**$ 14,428,761**
Surplus (Deficiency) before Rate Increase	**$ (389,223)**	**$ (3,153,132)**	**$ (4,996,216)**	**$ (3,370,659)**	**$ (2,884,870)**	**$ (3,240,707)**	**$ (3,753,142)**
Additional Revenue from Rate Increases[1]	-	-	212,437	1,336,492	2,361,290	3,190,413	3,710,759
Surplus (Deficiency) after Rate Increase	**$ (389,223)**	**$ (3,153,132)**	**$ (4,783,779)**	**$ (2,034,168)**	**$ (523,580)**	**$ (50,295)**	**$ (42,383)**
Projected Annual Rate Increase	***0.00%***	***0.00%***	***9.00%***	***9.00%***	***9.00%***	***4.00%***	***3.00%***
Cumulative Rate Increases	*0.00%*	*0.00%*	*9.00%*	*18.81%*	*29.50%*	*34.68%*	*38.72%*
Net Revenue Requirement[2]	**$ 8,799,395**	**$ 12,759,861**	**$ 14,393,795**	**$ 12,938,188**	**$ 12,610,375**	**$ 13,132,387**	**$ 13,813,821**

1. Assumes new rates are implemented April 1, 2024.
2. Total use of funds less non-rate revenues and interest earnings.

Figure 3 summarizes the projected reserve fund balances and reserve targets for the City's unrestricted funds. A detailed version of the proposed 5-year financial plan is included in *Appendix A*. The tables in the appendix include the revenue requirement, reserve funds, revenue sources, proposed rate adjustments, capital improvement program, and the proposed rate adjustments needed to meet City's funding requirements.

Figure 3. Summary of Primary Water Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget	Projected	5-Year Projected Rate Period				
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Operating Reserve							
Ending Balance	$ 3,245,347	$ 6,423,257	$ 4,142,536	$ 2,278,487	$ 1,930,446	$ 2,055,691	$ 2,188,848
Recommended Minimum Target	*1,803,000*	*2,080,000*	*1,898,000*	*2,249,000*	*2,002,000*	*2,056,000*	*2,111,000*
Capital Rehabilitation & Replacement Reserve							
Ending Balance	$ 35,571	$ 4,217,199	$ 2,118,478	$ 2,079,900	$ 2,079,900	$ 2,079,900	$ 2,079,900
Recommended Minimum Target	*1,420,700*	*1,548,600*	*1,870,900*	*2,079,900*	*2,260,500*	*2,370,700*	*2,458,100*
Total Ending Balance	**$ 3,280,918**	**$ 10,640,455**	**$ 6,261,013**	**$ 4,358,387**	**$ 4,010,346**	**$ 4,135,591**	**$ 4,268,748**
Total Recommended Minimum Target	***$ 3,223,700***	***$ 3,628,600***	***$ 3,768,900***	***$ 4,328,900***	***$ 4,262,500***	***$ 4,426,700***	***$ 4,569,100***

2.3 Cost-of-Service Analysis

Once the net revenue requirements are determined, the cost-of-service analysis (COSA) proportionately distributes the revenue requirements to each of the customer classes. The COSA consists of two major components: (1) the classification of expenses, and (2) the allocation of costs to each customer class. Costs are classified corresponding to the function they serve. All costs in the City's budget are allocated to each component of the rate structure in proportion to the level of service required by customers. The level of service is related to the volume and strength of the water treated, infrastructure capacity, and customer service. These costs are based on allocation factors, such as water consumption, number of meters, and

customer class. Ultimately, a COSA is intended to result in rates that are proportional to the cost of providing service to each customer class.

FUNCTIONALIZATION AND CLASSIFICATION OF COSTS

Most costs are not typically allocated just to fixed or variable categories but allocated to multiple functions of water service. The functionalization and classification process provides the basis for allocating costs to various customer classes based on the cost causation (classification) components described below:

- **Commodity related costs** are costs associated with the change in the volume of water produced and delivered. These commonly include the costs of water quality testing, energy related to pumping for transmission and distribution, and source of supply.
- **Capacity related costs** are costs associated with sizing facilities to meet the maximum, or peak, demand. This includes both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events.
- **Customer related costs** are costs associated with having a customer connected to the water system, such as meter reading, postage, billing, and other administrative duties.
- **Recycled Water related costs** are costs associated with the collection, treatment, and delivery of recycled water. Recycled water customers have separate fixed and volumetric rates which are discussed further in Section 3.
- **Fire Protection related costs** are costs associated with providing sufficient capacity in the system for fire meters and other operating and maintenance costs of providing water to properties for private fire service protection.
- The City's budgeted costs were reviewed and allocated to these cost causation components which are used as the basis for establishing new water rates and translated to fixed and variable charges. Tables in the *Appendices* show how the City's expenses were classified and allocated to these cost causation components. In the analysis, these cost causation components are also considered to be either fixed or variable.

FIXED AND VARIABLE COSTS

Ideally, utilities should recover all of their fixed costs from fixed charges and all of their variable costs from volumetric charges. When this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses. When rates are set in this manner, they provide greater revenue stability for the utility. However, other factors are often considered when designing water rates, such as community values, water conservation goals, ease of understanding, and ease of administration.[10]

NBS functionalized the City's costs into categories that can be more generally grouped into fixed and variable costs. This analysis resulted in a cost distribution that is approximately 56% fixed and 44% variable (i.e., volumetric or source specific). However, the City has decided on a rate structure that collects 40% of the net revenue requirement from fixed rates and 60% from volumetric charges. This rate structure will

[10] *Principles of Water Rates, Fees, and Charges,* Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, pp. 6 and 96.

provide financial stability for the City, while maintaining a tiered rate structure that encourages water conservation. Proposed new rates are based on these allocations.

Figure 4 summarizes how costs are allocated to each cost component and used to establish new water rates. **Figure 5** shows the resulting cost allocation to each cost classification component. The remaining revenue requirements are allocated to capacity, customer, and fire protection cost categories.

Figure 4. Allocation Percentages of Revenue Requirements

Classification Components	(40% Fixed / 60% Variable) Cost-of-Service Net Revenue Requirements *(FY 2023/24)*	
Commodity-Related Costs	$ 6,174,833	*60.0%*
Capacity-Related Costs	3,709,181	*36.0%*
Customer-Related Costs	300,640	*3.0%*
Fire Protection-Related Costs	106,734	*1.0%*
Net Revenue Requirement	**$ 10,291,388**	*100.0%*

Figure 5. Allocated Net Revenue Requirements

Customer Classes	Classification Components				Cost of Service Net Rev. Req'ts	% of COS Net Revenue Req'ts
	VARIABLE	*FIXED*				
	Commodity-Related Costs	Capacity-Related Costs	Customer-Related Costs	Fire Protection-Related Costs		
Residential	$ 3,092,204	$ 1,565,159	$ 214,963	$ -	$ 4,872,326	*47.3%*
Multi-Family	546,290	1,777,034	56,075	-	2,379,400	*23.1%*
Commercial	1,943,118	221,463	15,109	-	2,179,689	*21.2%*
Landscape	323,989	38,794	3,216	-	365,999	*3.6%*
Private Fire Protection	139,154	77,779	10,792	106,734	334,458	*3.2%*
Temporary Hydrant Meters	50,606	16,254	352		67,213	*0.7%*
Raw Water	79,472	12,699	132	-	92,303	*0.9%*
Total Net Revenue Requirement	**$ 6,174,833**	**$ 3,709,181**	**$ 300,640**	**$ 106,734**	**$ 10,291,388**	**100%**

2.4 Characteristics of Water Customers by Customer Class

Customer classes are typically determined by grouping customers with similar demand characteristics into categories that reflect the cost differentials to serve each type of customer. Customer classes are most often identified as single family, multi-family, commercial, landscape, etc., and the City follows this common methodology. The rates proposed in this report follow a similar structure where the fixed charges within each customer class vary by meter size. Variable rates are tiered (two tiers) for single family residential (SFR); all non-residential customers are charged a uniform volumetric rate. The only exception is that fire protection meters are subject to a different fixed charge by meter size that is less than the standard water meter charge.

The amount of consumption, the peaking factors, and the number of meters by size are used to allocate costs as a part of COSA to allocate costs to customer classes and determine the appropriate rate structures for each. These components of the COSA are presented in the following figures.

Commodity related costs are costs associated with the total annual consumption of water by customer class. **Figure 6** below summarizes the most recent consumption data by customer class and represents the expected percent of consumption over the 5-year rate period.

Figure 6. Water Consumption by Customer Class

Development of the Volumetric/Variable Allocation Factor[1]				
Customer Class	**FY 2021/22 Consumption (hcf)**	**% Adjustment for Conservation[2]**	**Est. FY 2021/22 Volume Adjusted for Conservation**	**FY 2021/22 % of Total Volume**
Residential	507,339	20.0%	405,871	**50.1%**
Multi-Family	89,630	20.0%	71,704	**8.8%**
Commercial	318,808	20.0%	255,046	**31.5%**
Landscape	53,157	20.0%	42,526	**5.2%**
Private Fire Protection	22,831	20.0%	18,265	**2.3%**
Temporary Hydrant Meters	8,303	20.0%	6,642	**0.8%**
Raw Water	13,039	20.0%	10,431	**1.3%**
Total	**1,013,107**		**810,486**	**100%**

1. Consumption data is based on the City of American Canyon's billing data.
2. A conservation factor of 20% included in table above based on the "20 by 2020" law passed in 2009. Source: *https://www.ca-ilg.org* .

Figure 7 shows the capacity allocation factors for each customer class.

Figure 7. Capacity Factors by Customer Class

Customer Class	Meter Size[1]	No. of Meters	Hydraulic Capacity Factors[2]	Total Equivalent Meters	% of EDUs
Residential		**4,880**		**4,930**	**42.2%**
	< 1" meter	1,986	*1.00*	1,986	
	1" meter	2,875	*1.00*	2,875	
	1 1/2" meter	7	*2.00*	14	
	2" meter	9	*3.20*	29	
	3" meter	1	*6.40*	6	
	4" meter	2	*10.00*	20	
Multi-Family		**556**		**5,598**	**47.9%**
	1 1/2" meter	20	*2.00*	40	
	2" meter	201	*3.20*	643	
	3" meter	96	*6.40*	614	
	4" meter	48	*10.00*	480	
	6" meter	191	*20.00*	3,820	
Commercial		**343**		**698**	**6.0%**
	< 1" meter	102	*1.00*	102	
	1" meter	88	*1.00*	88	
	1 1/2" meter	54	*2.00*	108	
	2" meter	81	*3.20*	259	
	3" meter	11	*6.40*	70	
	4" meter	7	*10.00*	70	
Landscape		**73**		**122**	**1.0%**
	< 1" meter	13	*1.00*	13	
	1" meter	30	*1.00*	30	
	1 1/2" meter	14	*2.00*	28	
	2" meter	16	*3.20*	51	
Private Fire Protection		**245**		**245**	**2.1%**
	< 1" meter	245	*1.00*	245	
Temporary Hydrant Meters		**8**		**51**	**0.4%**
	3" meter	8	*6.40*	51	
Raw Water		**3**		**40**	**0.3%**
	4" meter	2	*10.00*	20	
	6" meter	1	*20.00*	20	
Total		**6,108**		**11,684**	**100%**

1. Meter by class and size are based on June 2022 customer billing data.
2. Source: *Principles of Water Rates, Fees, and Charges* , Manual M1, AWWA, Table B-1.

Figure 8 shows the number of meters for each customer class. The percentage of total customers by customer class is then used to develop the customer allocation factors in order to allocate customer costs. Customer costs are those costs associated with having customers connected to the water system and include costs related to meter reading, postage, and billing.

Figure 8. Number of Meters by Customer Class

Development of the Customer Allocation Factor		
Customer Class	**No. of Meters/Accounts FY 2021/22[1]**	**% of Total Meters**
Residential	4,880	**71.5%**
Multi-Family[2]	1,273	**18.7%**
Commercial	343	**5.0%**
Landscape	73	**1.1%**
Private Fire Protection	245	**3.6%**
Temporary Hydrant Meters	8	**0.1%**
Raw Water	3	**0.0%**
Total	**6,825**	**100.0%**

1. Meter count data is based on the City's billing data for June 2022.
2. Multi-family residential customers are by dwelling units.

2.5 Rate Design Analysis

The process of evaluating the water rate structure provides the opportunity to review and incorporate rate-design objectives and policies, including revenue stability, equity among customers, and water conservation. NBS discussed several water rate alternatives and methodologies with City Staff over the course of this study, such as the percentage of revenue collected from fixed vs. variable charges and differentiating rates by customer class. Ultimately, City staff selected a rate alternative that is similar to the results of the COSA that includes a fixed service charge based on customer class and meter size. The following sections describe this process. The selected rate structure also maintains the existing two tiers for single family residential customers and proposes a uniform tier for all other customer classes.

The following sections describe how the proposed water rates were developed.

DEVELOPMENT OF PROPOSED RATES

Fixed Service Charges

The fixed meter charge recognizes that the water utility incurs fixed costs regardless of whether customers actually use water. There are two components that comprise the fixed meter charge: (1) the customer component, and (2) the capacity component. The customer components are those costs related to reading and maintaining meters, customer billing and collection, and other customer service-related costs. The capacity component recovers costs associated with sizing the water system to ensure there is sufficient capacity in the system to meet peak demand. A user class with higher peaking (capacity) needs is allocated a proportionately higher share of the capacity related costs compared to customer classes with lower peaking needs.

Meter sizes have different fixed charges based on their capacity requirements, where larger meters have the potential to use more of the system's capacity[11] or, said differently, they can have higher peaking factors compared to smaller meters. The potential capacity demanded (peaking) is proportional to the maximum hydraulic flow through each meter size based on the hydraulic capacity ratios established by AWWA.[12] The AWWA capacity ratios used for this report are shown in **Figure 9**.

Figure 9. Hydraulic Capacity Factors

Meter Size	Standard Meters	
	Meter Capacity (gpm)[1]	Equivalency to 1 inch
	Displacement Meters	
5/8 inch	20	1.00
3/4 inch	30	1.00
1 inch	50	1.00
1 1/2 inch	100	2.00
2 inch	160	3.20
	Compound Class I Meters	
3 inch	320	6.40
4 inch	500	10.00
6 inch	1,000	20.00
8 inch	1,600	32.00
	Turbine Class II Meters	
10 inch	4,200	84.00
12 inch	5,300	106.00

1. Per AWWA, M1 Manual, Table B-1.

The actual number of meters by size is multiplied by the corresponding capacity ratios to calculate equivalent meters. The number of equivalent meters is used as a proxy for the potential demand that each customer can place on the water system. **Figure 10** summarizes the number of meters, the hydraulic capacity factors, and the number of equivalent meters (i.e., the number of meters multiplied by the hydraulic capacity factor) by customer class and meter size.

Figure 10. Equivalent Meters

Number of Meters by Class and Size[1]	FY 2023/24								Total
	<1" meter	1" meter	1 1/2" meter	2" meter	3" meter	4" meter	6" meter	8" meter	
Residential	1,986	2,875	7	9	1	2	0	0	4,880
Multi-Family	0	0	20	201	96	48	191	0	556
Landscape	13	30	14	16	0	0	0	0	73
Commercial	102	88	54	81	11	7	0	0	343
Private Fire Protection	245	0	0	0	0	0	0	0	245
Temporary Hydrant Meters	0	0	0	0	8	0	0	0	8
Raw Water	0	0	0	0	0	2	1	0	3
Total Meters/Accounts	**2,346**	**2,993**	**95**	**307**	**116**	**59**	**192**	**0**	**6,108**
Hydraulic Capacity Factor[2]	*1.00*	*1.00*	*2.00*	*3.20*	*6.40*	*10.00*	*20.00*	*32.00*	
Total Equivalent Meters	**2,346**	**2,993**	**190**	**982**	**742**	**590**	**3,840**	**0**	**11,684**

1. Meter by Class and Size are based on June 2022 customer billing data.
2. Source: *Principles of Water Rates, Fees, and Charges* , Manual M1, AWWA, Table B-1.

Using the costs allocated to each customer class from Figure 5, **Figure 11** shows the calculation of the fixed monthly service charges for all customer classes based on meter size. As previously mentioned, the customer service charge is calculated by dividing the customer service-related costs by the total number of meters, whereas the fixed capacity charge is calculated by dividing the capacity-related costs by the total number of equivalent meters for each meter size.

[11] System capacity is the system's ability to supply water to all delivery points at the time when demanded.

[12] *Principles of Water Rates, Fees and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, p. 386. *Water Meters – Selection, Installation, Testing and Maintenance*, Manual M6, AWWA, 5th Edition, 2012, pp. 63-65.

Figure 11. Calculation of Fixed Service Charges (Residential)

Number of Meters by Class and Size	FY 2023/24								Total
	< 1" meter	1" meter	1 1/2" meter	2" meter	3" meter	4" meter	6" meter	8" meter	
Monthly Fixed Service Charges									
Customer Costs ($/Acct/month)	$4.10	$4.10	$4.10	$4.10	$4.10	$4.10	$4.10	$4.10	
Capacity Costs ($/Acct/month)	$27.22	$27.22	$54.43	$87.09	$174.19	$272.17	$544.33	$870.93	
Total Monthly Meter Charge	**$31.32**	**$31.32**	**$58.53**	**$91.19**	**$178.29**	**$276.27**	**$548.43**	**$875.03**	
Annual Fixed Costs Allocated to Monthly Meter Charges									
Customer Costs	$ 300,640								
Capacity Costs	3,815,915								
Total Fixed Meter Costs	$ 4,116,555								
Annual Revenue from Monthly Meter Charges									
Customer Charges	$ 115,491	$ 147,298	$ 4,676	$ 15,111	$ 5,710	$ 2,904	$ 9,450	$ -	**$ 300,640**
Capacity Charges	$ 766,330	$ 977,381	$ 62,054	$ 320,851	$ 242,467	$ 192,693	$ 1,254,139	$ -	**$ 3,815,915**
Total Revenue from Monthly Meter Charges	**$ 881,821**	**$ 1,124,680**	**$ 66,730**	**$ 335,961**	**$ 248,177**	**$ 195,597**	**$ 1,263,590**	**$ -**	**$ 4,116,555**

Volumetric Rates

Currently, the City uses a 2-tier rate structure for residential customers (i.e., single family customers), while all non-residential customers are charged a uniform, or single tier, volumetric rate. The following sections of this report describe how the tiered rates were developed.

Source of Supply

The City has three primary sources of supply: (1) State Water Project (SWP); (2) Cities of Napa and Vallejo treated water; and (3) City of Vallejo raw water. **Figure 12** shows how these supply sources are allocated to each tier. A description of how this allocation was developed is included in *Appendix A*.

Figure 12. Summary of Supply Sources Allocated to Tiers

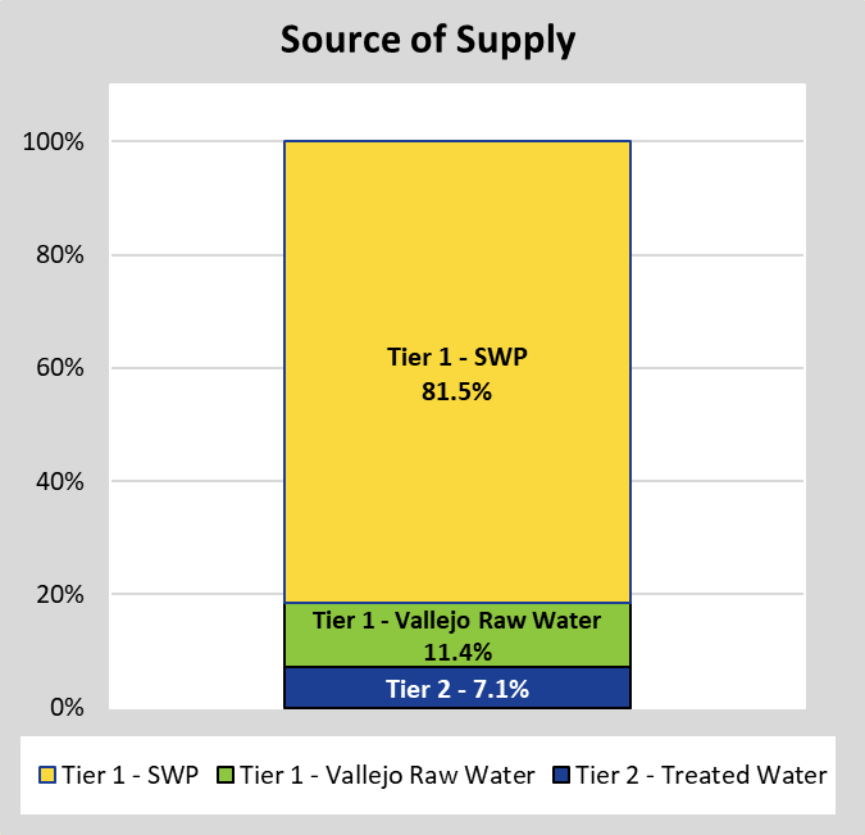


Figure 13 shows the amount of each source of supply that is included in the tiers for residential customers.

Figure 13. Allocated Consumption from Each Source of Supply

Source of Supply	Total Contracted Purchases		Acre Feet as a % of Total
	In AF	In HCF	
SWP (Contracted Purchase)	3,590	1,563,804	81.5%
Vallejo Raw Water (Contracted Purchase)	500	217,800	11.4%
Treated Water (Contracted Purchase)[1]	313	136,181	7.1%
Totals	**4,403**	**1,917,785**	**100.0%**

Residential Tiered Rates

Before the tiered rates could be developed, expected consumption in each tier was determined, and tier breakpoints were established. The breakpoint for Tier 1 was set so that expected consumption within each tier would most closely match the allocated consumption by that source. That is, the amount of expected consumption in Tier 1 would correspond to the amount of water from SWP and the City of Vallejo (raw water) could supply. Similarly, expected consumption in Tier 2 corresponds to the amount of treated water supply from the cities of Napa and Vallejo.

For residential customers, the tier breakpoints were identified by first determining the quantity available in each tier (see Figure 13). Once the quantity of water by tier is determined, individual customer billing records are analyzed to determine what tier breakpoint would maximize the use of water in each tier. The resulting breakpoint was determined to be the 6 HCF as shown in **Figure 14**. The amount of estimated consumption in Tier 1 differs slightly from the allocated consumption due to the fact that monthly reads for all customers are not precise.

Figure 14. Tier Breakpoints for Residential Customers

Residential Tiers	Consumption	% of Consumption	Avg. Monthly Consumption FY 2020/21 (hcf)	Tier Breakpoint (hcf)
Tier 1 - SWP & Vallejo Raw Water	322,836	79.5%		6.00
Tier 2 - Treated Water (Napa & Vallejo)	83,035	20.5%		
Total	**405,871**	**100.0%**	7.0	

Once the expected consumption by tier was determined, the expenses assigned to commodity-related costs, previously shown in Figure 4, were spread over the expected consumption resulting in the rates shown in **Figure 15.**

Figure 15. Tiered Rates for FY 2023/24

Source of Supply	Supply Costs Allocated to Residential Tiered Rates	Source of Supply Costs	Other Costs Allocated to Vol. Rates	Total Costs Allocated	FY 2020/21 Consumption	Residential Rates ($/HCF)
Residential Tiered Rate Costs	*(1)*	*(2)*	*(3)*	*(4)*	*(5)*	(6)
Tier 1 - SWP & Vallejo Raw Water	66.8%	$ 716,792	$ 1,700,817	$ 2,417,610	406,110	**$5.95**
Tier 2 - Treated Water (Napa & Vallejo)	33.2%	356,039	844,816	1,200,856	201,720	**$5.95**
Total Residential Tiered Rate Costs	**100.0%**	**$ 1,072,831**	**$ 2,545,634**	**$ 3,618,465**	**607,830**	

Uniform Rates

Expected consumption in the uniform tier accounts for the remaining amount of supply from all three water sources. **Figure 16** identifies the uniform tier rate per unit of water for all non-residential customers.

Figure 16. Uniform Tier Rates for FY 2023/24

Customer Classes	Number of Meters[1]	Water Consumption (hcf/yr)[2]	Total Target Rev. Req't from Vol. Charges	% of Total Rate Revenue	Uniform Commodity Rates ($/hcf)	*Proposed Rate Structure*
Residential	4,880	405,871	$ 3,092,204	*30.0%*	*n/a*	*2 Tiers*
Multi-Family	1,273	71,704	546,290	*5.3%*	$7.619	*Uniform*
Commercial	343	255,046	1,943,118	*18.9%*	$7.619	*Uniform*
Landscape	73	42,526	323,989	*3.1%*	$7.619	*Uniform*
Private Fire Protection	245	18,265	139,154	*1.4%*	$7.619	*Uniform*
Temporary Hydrant Meters	8	6,642	50,606	*0.5%*	$7.619	*Uniform*
Raw Water	3	10,431	79,472	*0.8%*	$7.619	*Uniform*
Total Potable Water	**6,825**	**810,486**	**$ 6,174,833**	***60%***		

1. Consumption data is based on the City of American Canyon's billing data.
2. Water consumption is actual consumption for FY 2021/22 and includes an adjustment of 20% for conservation. See Table 28.

The rate for each unit of water is determined by dividing costs to recover, or total target revenue requirements, per tier by the estimated consumption. The tiered rates per HCF are identified as follows:

- ***Residential Tier 1*** is equal to the costs for water from the SWP and the raw water from the City of Vallejo.
- ***Residential Tier 2*** is equal to the treated water costs for the cities of Napa and Vallejo.
- ***Uniform Tier*** is equal to all remaining water supply costs not allocated to residential customers from SWP and the cities of Napa and Vallejo.

2.6 Proposed Water Rates

Currently, all customers are subject to a fixed service charge that varies by meter size and volumetric charges based on consumption for the various customer classes. The cost-of-service analysis (COSA) by nature "re-balances" how costs are allocated between customer classes and, as a result, there are uneven adjustments in the first year of the 5-year rate adoption period. In contrast, in the subsequent four years of the rate planning period, proposed charges are simply adjusted by the proposed adjustment in total rate revenue needed to meet projected revenue requirements.

Figure 17 provides a comparison of the current and proposed water rates for FY 2023/24 through 2027/28 for each customer class and meter size. Projected rates for FY 2023/24[13] reflect adjustments based on the COSA. More detailed tables on the development of the proposed water rates are documented in *Appendix A*.

[13] All rate adjustments are scheduled to be effective on January 1st except Year 1 which will be implemented on April 1, 2024.

Figure 17. Current and Proposed Water Rates

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Service Charges (in $/mo)						
Residential Use						
< 1" meter	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$26.56	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$26.56	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$26.56	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$26.56	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$26.56	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$26.56	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Multi-Family, Commercial and Landscape						
< 1" meter	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter (Residential)	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter (Commercial)	$44.42	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$88.75	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$141.99	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$283.98	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$443.74	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$887.48	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$1,420.06	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Private Fire Protection						
< 1" meter	$13.28	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$13.28	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$13.28	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$13.28	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$13.28	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$13.28	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$13.28	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$13.28	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Temporary Hydrant Meters						
< 1" meter	$283.98	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$283.98	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$283.98	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$283.98	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$283.98	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$283.98	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$283.98	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$283.98	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Raw Water						
< 1" meter	*n/a*	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$44.42	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	*n/a*	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$141.99	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	*n/a*	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$443.74	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$887.48	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	*n/a*	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65

2.7 Comparison of Current and Proposed Water Bills

Figure 18 and **Figure 19** compare a range of monthly water bills under the current and proposed water rates for residential and commercial customers. These monthly bills are based on typical meter sizes and highlight the average consumption levels for each customer.

Figure 18. Monthly Water Bill Comparison for Residential Customers

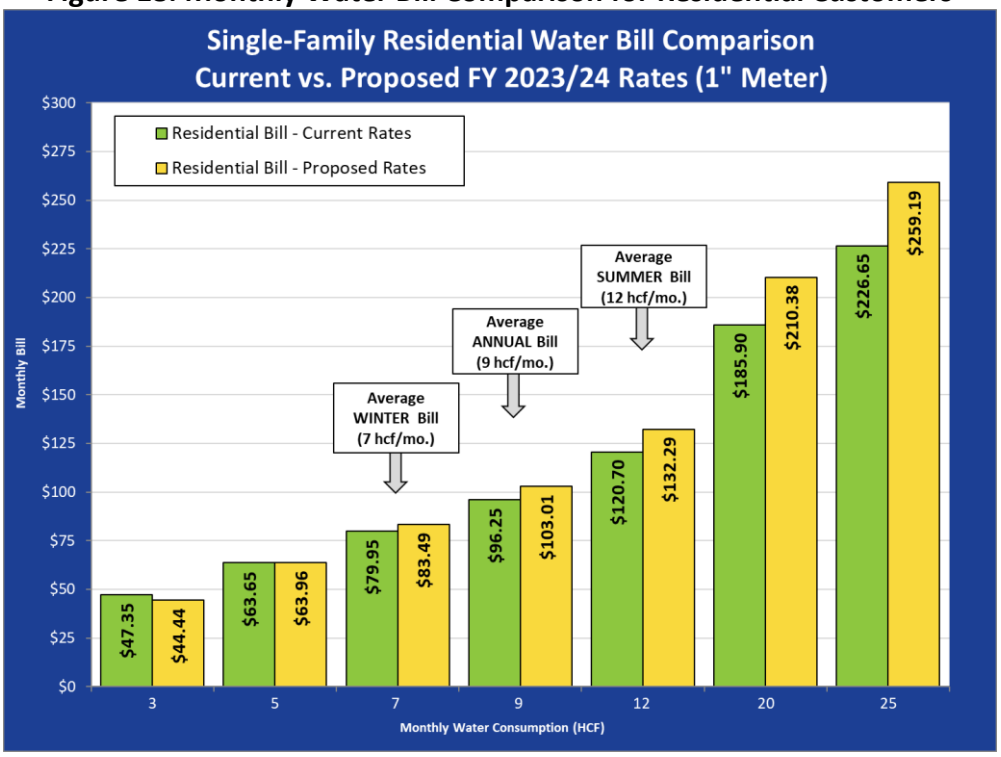
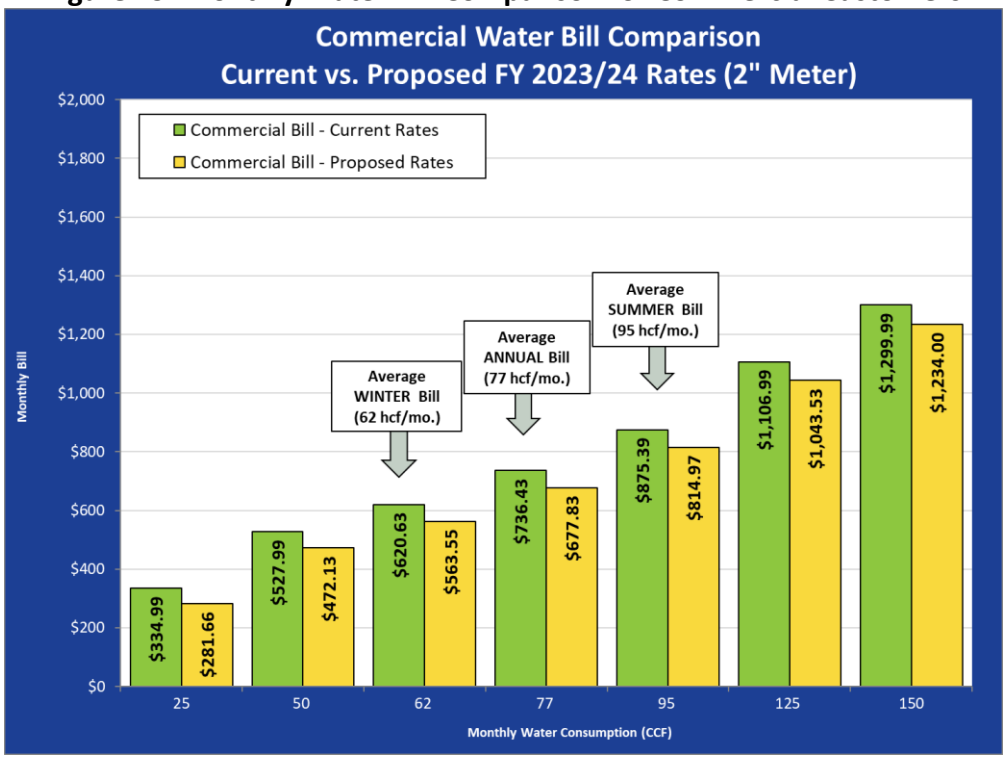


Figure 19. Monthly Water Bill Comparison for Commercial Customers



2.8 Drought Rates

The City is obligated to meet its annual net revenue requirements to keep the utility operating and functional regardless of whether consumption levels decline due to conservation or other unexpected events (e.g., unseasonal weather, natural disasters, etc.). At the request of the City, drought rates have been developed so that if total consumption should decrease further due to an increase in conservation required by the state, another regulatory agency, or if the City Council declares that it is in more severe drought stages, the City's water utility would still be kept whole, financially. In the event that consumption decreases beyond projected baseline consumption levels, some costs will also decrease, and the proposed drought rates have taken this reduced revenue need into consideration.[14]

Figure 20 shows the expenses directly impacted by conservation over the next five years. Because these expenses are a significant portion of the City's budget, drought rates will offset the loss of variable revenue, if needed and implemented by the City in different stages of drought severity.

Figure 20. Expenses Directly Impacted by Conservation

Description	Commodity-Related Costs				
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
City of Napa	$ 278,000	$ 283,560	$ 289,231	$ 295,016	$ 300,916
North Bay Aqueduct	3,203,000	3,267,060	3,332,401	3,399,049	3,467,030
City of Vallejo	121,218	123,642	126,115	128,638	131,210
Total:	**$ 3,602,218**	**$ 3,674,262**	**$ 3,747,748**	**$ 3,822,703**	**$ 3,899,157**

Figure 21 shows the calculation of the updated commodity costs for each percentage of conservation the City is looking to achieve with the drought rates for FY 2023/24. **Figure 22** presents the proposed drought surcharge that would replace the uniform volumetric rate (shown in Figure 17) at each stage of conservation through FY 2027/28.

The projected monthly revenues should be based on the FY 2020/21 monthly consumption levels adjusted for conservation and the volumetric rate. Key aspects of the drought rates include:

- The drought surcharge was developed using water usage for FY 2020/21, the same assumption used in the proposed volumetric rates.
- The City Council must activate the drought rate surcharge. If the surcharge is activated, it will remain in effect as necessary and will be reviewed by the City Council at a minimum of every six (6) months for determination of necessity until the surcharge is deactivated.
- The drought rate surcharge is added to the uniform volumetric rate on a per unit basis to cover the cost of water service during times of mandated conservation and/or extreme water supply shortage.

[14] Details regarding the calculation of the drought rates can be found in *Appendix A*.

Figure 21. Projected Consumption at Baseline and Each Successive Drought Stage

2021/22 Consumption Assumptions[1]					
Shortage Level	Percent Shortage Range	Shortage Response Action	Potable Water Consumption (AF/yr.)	Potable Water Consumption (hcf/yr.)	Difference to Baseline (hcf)
Baseline Consumption[2]			**1,861**	**810,486**	**0**
1	Up to 10%	Voluntary Conservation	1,675	729,437	(81,049)
2	Up to 20%	Water Alert	1,488	648,388	(162,097)
3	Up to 30%	Water Emergency	1,302	567,340	(243,146)
4	Up to 40%	Critical Water Emergency	1,116	486,291	(324,194)
5	Up to 50%	Severe Water Emergency	930	405,243	(405,243)
6	>50%	Catastrophic Interruption of Water Suppl	744	324,194	(486,291)

1. Drought stages based on the City's Water Conservation Plan. Source files: *2._Redlines_Ordinance_Water_Conservation_Plan_Chapter_13.14 (4).pdf* & *3._Table_8-1_Water_Shortage_Contingency_Plan_Levels.pdf* .
2. This represents the baseline consumption for FY 2021/22 consumption (excludes recycled water). Conservation percentage for each drought stage is relative to the baseline consumption.

Figure 22. Proposed Drought Rates

Drought Rate Schedule *(in $/hcf)*	Current Rates	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
10% Conservation	*n/a*	$7.97	$8.89	$9.90	$10.49	$11.00
20% Conservation	*n/a*	$8.41	$9.43	$10.56	$11.21	$11.78
30% Conservation	*n/a*	$8.98	$10.13	$11.41	$12.14	$12.77
40% Conservation	*n/a*	$9.73	$11.07	$12.54	$13.38	$14.10
50% Conservation	*n/a*	$10.79	$12.37	$14.12	$15.11	$15.95
60% Conservation	*n/a*	$12.38	$14.33	$16.49	$17.70	$18.74

3. Recycled Water Rate Study

3.1 Key Recycled Water Rate Study Issues

Recycled water rates face a unique set of challenges in determining what rates should be charged. Regardless of actual system costs, rates cannot exceed what the "market" can bear, or else recycled water customers will likely use alternative sources. This has often resulted in setting these rates arbitrarily low so that they do not exceed the costs of alternative sources (or exceed potable prices). Actual costs are also unclear because typically wastewater customers often benefit from reclaimed water as it tends to reduce wastewater disposal costs.

The primary issues addressed in this study for the recycled water system were: (1) ensuring rates generate a reasonable level of revenue to pay for operating costs of the system, and (2) establishing reasonable rates that are competitive with other sources of irrigation water while ideally recovering basic operating costs. Currently, the City does not have separate fixed and volumetric charges for recycled water customers, so NBS worked with City staff to determine the appropriate cost allocations of sewer treatment and distribution costs that recycled water customers should pay. The following sections describe the results of this analysis.

3.2 Recycled Water Utility Revenue Requirements

A cost-of-service analysis was performed, and rates were designed to collect 80% of the rate revenue from variable rates and 20% from fixed rates. Recycled water connections represent about 1.1% of all the City's meters. **Figure 23** summarizes the sources and uses of funds, net revenue requirements, and the annual percent adjustments in total rate revenue recommended for the next 5 years, and **Figure 24** summarizes the recycled water revenue requirements for FY 20203/24.

Figure 23. Summary of Recycled Water Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Projected FY 2022/23	5-Year Projected Rate Period FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sources of Water Funds						
Rate Revenue Under Prevailing Rates	$ 203,365	$ 207,000	$ 210,726	$ 214,308	$ 217,952	$ 221,657
Interest Earnings	3,468	22,343	2,195	7,873	4,912	2,640
Total Sources of Funds	**$ 206,833**	**$ 229,343**	**$ 212,921**	**$ 222,182**	**$ 222,864**	**$ 224,297**
Uses of Water Funds						
Fund 580 - Recycled Water Operations	$ 874,700	$ 893,163	$ 797,921	$ 823,477	$ 849,857	$ 877,086
Interfund Loan Repayment	-	198,566	198,566	267,497	267,497	267,497
Rate-Funded Capital Expenses	-	-	-	-	-	-
Total Use of Funds	**$ 874,700**	**$ 1,091,728**	**$ 996,487**	**$ 1,090,974**	**$ 1,117,354**	**$ 1,144,583**
Surplus (Deficiency) before Rate Increase	**$ (667,867)**	**$ (862,386)**	**$ (783,566)**	**$ (868,793)**	**$ (894,490)**	**$ (920,286)**
Additional Revenue from Rate Increases[1]	-	129,375	563,692	652,033	728,149	788,637
Surplus (Deficiency) after Rate Increase	**$ (667,867)**	**$ (733,011)**	**$ (219,874)**	**$ (216,759)**	**$ (166,341)**	**$ (131,650)**
Projected Annual Rate Increase	***0.00%***	***250.00%***	***10.00%***	***10.00%***	***5.00%***	***5.00%***
Cumulative Rate Increases	*0.00%*	*250.00%*	*285.00%*	*323.50%*	*344.68%*	*366.91%*
Net Revenue Requirement[2]	**$ 871,232**	**$ 1,069,386**	**$ 994,292**	**$ 1,083,101**	**$ 1,112,441**	**$ 1,141,943**

1. Assumes new rates are implemented April 1, 2024.
2. Total use of funds less interest earnings.

Figure 24. Summary of Recycled Water Revenue Requirements for FY 2023/24

Recycled Water Classification Components	Cost-of-Service Net Revenue Requirements *(2023/24)*	
Variable (Collected from Vol. Rates)	$ 855,509	***80%***
Fixed (Collected from Fixed Charges)	213,877	20%
Net Revenue Requirement	**$ 1,069,386**	*100%*

3.3 Proposed Recycled Water Rates

Fixed Charges

Fixed charges have been calculated in the same manner as potable water fixed charges. **Figure 25** shows the calculation of the monthly fixed meter charges. In total, the fixed and variable charges collect the target revenue from recycled water customers as shown previously in Figure 24.

Figure 25. Recycled Water Fixed Rate Calculation

Number of RW Meters by Class and Size[1]	FY 2023/24 < 1" meter	1" meter	1 1/2" meter	2" meter	3" meter	4" meter	6" meter	8" meter	Total
Recycled Water									
Recycled Water	2	13	14	28	13	6	0	0	76
Total Meters/Accounts	**2**	**13**	**14**	**28**	**13**	**6**	**0**	**0**	**76**
Hydraulic Capacity Factor[2]	*1.00*	*1.67*	*3.33*	*5.33*	*10.67*	*16.67*	*33.33*	*53.33*	
Total Equivalent Meters	**2**	**22**	**47**	**149**	**139**	**100**	**0**	**0**	**458**
Monthly Fixed Service Charges									
Fixed Charge ($/EM/month)[3]	$38.89	$38.89	$38.89	$38.89	$38.89	$38.89	$38.89	$38.89	
Fixed Monthly Charge	**$38.89**	**$64.81**	**$129.62**	**$207.40**	**$414.79**	**$648.11**	**$1,296.23**	**$2,073.96**	
Annual Fixed Costs Allocated to Monthly Meter Charges									
Total Revenue from RW Meter Charges	**$ 933**	**$ 10,111**	**$ 21,777**	**$ 69,685**	**$ 64,708**	**$ 46,664**	**$ -**	**$ -**	**$ 213,877**

1. Meter by Class and Size are based on June 2022 customer billing data.
2. Source: *Principles of Water Rates, Fees, and Charges* , Manual M1, AWWA, Table B-1.
3. Cost per month per equivalent meter. Monthly fixed charges are set for each meter size using the hydraulic capacity factors and total equivalent meters.

Given the amount of consumption relative to the number of meters in the recycled water system, it is expected that 80% of the rate revenue will be collected from the variable charge. **Figure 26** calculates the volumetric rate per HCF and the fixed monthly charge per equivalent meter (monthly fixed charges will be based on meter size).

Figure 26. Recycled Water Variable Rate Calculation

Recycled Water Customers	Cost Allocation Factors: Annual RW Consumption	Equivalent Meters[1]: No. of Equiv. Meters	Equivalent Meters[1]: % of Equiv. Meters	Cost Classifications: Variable Costs[2]	Fixed Costs[3]	Net Revenue Req'ts	RW Volumetric Rate ($/hcf)[4]	RW Fixed Charges *($/Eq. Meter/ Month)*[5]
Recycled Water								
Recycled Water	127,857	458	100.0%	$ 855,509	$ 213,877	$ 1,069,386	$6.69	$38.89
Total Net Revenue Requirement	**127,857**	**458**	**100.0%**	**$ 855,509**	**$ 213,877**	**$ 1,069,386**	--	--

1. Number of meters by size times the hydraulic capacity factor for each meter size. Source: AWWA, Manual M1, Table B-1 & AWWA, Manual M6, Table 5-3.
2. Total Variable Costs times the proportional share of annual RW consumption.
3. Fixed costs times the percent of equivalent meters.
4. Total Variable Costs divided by Total Annual RW Consumption.
5. Total Fixed Costs divided by total Equivalent Meters. This provides the basis for monthly fixed charges for each meter size.

3.4 Current vs. Proposed Recycled Water Rates

Using the same hydraulic capacity factors listed in Figure 9, monthly fixed charges were developed for each meter size. **Figure 27** shows the current and proposed recycled water rates for FY 2023/24 through FY 2027/28. The self-haul rate was based on the current self-rate, then escalated at the same rate as the delivered recycled water.

Figure 27. Current and Proposed Recycled Water Rates

Recycled Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Service Charges (in $/mo)						
< 1" meter	$26.56	$38.89	$42.78	$47.05	$49.41	$51.88
1" meter	$44.42	$64.81	$71.29	$78.42	$82.34	$86.46
1 1/2" meter	$88.75	$129.62	$142.58	$156.84	$164.69	$172.92
2" meter	$141.99	$207.40	$228.14	$250.95	$263.50	$276.67
3" meter	$283.98	$414.79	$456.27	$501.90	$526.99	$553.34
4" meter	$443.74	$648.11	$712.92	$784.22	$823.43	$864.60
6" meter	$887.48	$1,296.23	$1,425.85	$1,568.43	$1,646.85	$1,729.20
8" meter	$1,420.06	$2,073.96	$2,281.36	$2,509.49	$2,634.97	$2,766.71
Commodity Charges for All Water Consumed (in $/hcf)						
Variable Charge	$0.90	$6.69	$7.36	$8.10	$8.50	$8.93
Variable Charge - Self-Haul	*n/a*	$4.00	$4.41	$4.85	$5.09	$5.34

4. Sewer Rate Study

4.1 Key Sewer Rate Study Issues

The City manages a wastewater system for approximately 6,150 customers within its service area. The City owns and operates the American Canyon Water Reclamation Facility (WRF) that collects and treats wastewater for both domestic and industrial customers. The City's wastewater rate analysis was undertaken with a few specific objectives, including:

- Ensuring equity among customer classes by collecting rate revenue through the cost-of-service process based on both fixed monthly charges and volumetric rates.
- Maintain adequate reserve levels to ensure continuity in operations.
- Provide greater revenue stability for the utility, due to the level of capital investment planned over the next five years.
- Comply with Prop 218 requirements to ensure cost-of-service are properly allocated amongst user classifications.

4.2 Financial Plan

Similar to the water utility, it is important for the wastewater utility to ensure rates provide sufficient funding to cover operating and maintenance costs, planned capital expenditures, and maintain reasonable reserves. The wastewater utility's rate increases are governed by these needs, and the current state of City's wastewater utility is as follows:

- **Meeting Net Revenue Requirements:** For FY 2023/24 through FY 2027/28, the projected net revenue requirements (that is, total operating expenses plus rate-funded capital costs less non-rate revenues) for the City averages approximately $8.5 million, annually. If no rate adjustments are implemented, the City is projected to average a $3.3 million deficit each year.
- **Maintaining Reserve Funds:** Reserve funds provide a basis for a utility to cope with fiscal emergencies such as revenue shortfalls, asset failure, and natural disasters, among other events. Reserve policies provide guidelines for sound financial management, with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and emergencies. NBS recommends that the City target a minimum of approximately $2.5 million in unrestricted reserve funds over the 5-year period. The reserve funds for the sewer utility are considered unrestricted reserves and consist of the following:
    - **Operating Reserve** should equal approximately 90 days of operating expenses, or approximately $1.8 million annually. An operating reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Fluctuations in revenue can be caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (such as volumetric charges), and – particularly in periods of economic distress – changes or trends in age of receivables.

- **Capital Rehabilitation & Replacement Reserve** should equal approximately 3% of net capital assets which is approximately $936,000 in FY 2023/24. This reserve is set aside to address long-term capital system replacement and rehabilitation needs.

Rate revenue increases will be needed throughout the 5-year rate adoption period in order to fully fund all operating expenses and planned capital projects as well as maintain reserves at the recommended targets. **Figure 28** summarizes the sources and uses of funds, net revenue requirements, and the recommended annual increases in wastewater rate revenue proposed for the next 5 years.

Figure 28. Summary of Wastewater Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Projected	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sources of Sewer Funds						
Rate Revenue Under Prevailing Rates	$ 4,953,527	$ 5,042,690	$ 5,128,416	$ 5,215,599	$ 5,304,264	$ 5,394,436
Additional Revenue from Rate Increases	-	630,336	1,923,156	3,077,203	4,141,569	4,755,735
Total: Rate Revenue	**4,953,527**	**5,673,026**	**7,051,572**	**8,292,802**	**9,445,833**	**10,150,172**
Interest Earnings	18,883	120,000	22,911	22,211	24,657	21,576
Total: Sources of Funds	**$ 4,972,410**	**$ 5,793,026**	**$ 7,074,483**	**$ 8,315,013**	**$ 9,470,491**	**$ 10,171,748**
Uses of Sewer Funds						
Operating Expenses	$ 6,723,898	$ 6,260,396	$ 6,503,425	$ 6,723,889	$ 9,410,800	$ 7,188,544
Rate-Funded Capital Expenses	3,201,161	2,573,447	197,942	1,111,368	14,992	2,230,867
Total: Use of Funds	**$ 9,925,058**	**$ 8,833,843**	**$ 6,701,367**	**$ 7,835,256**	**$ 9,425,791**	**$ 9,419,410**
Projected Increases in Rate Revenue	***0.00%***	***25.00%***	***20.00%***	***12.00%***	***12.00%***	***0.00%***
Cumulative Rate Increases	*0.00%*	*25.00%*	*50.00%*	*68.00%*	*88.16%*	*88.16%*
Net Revenue Requirement[1]	**$ 10,015,965**	**$ 8,830,324**	**$ 6,802,043**	**$ 7,935,240**	**$ 9,536,723**	**$ 9,541,748**

1. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from sewer rates.

Figure 29 summarizes the projected reserve fund balances and reserve targets for the sewer utility's unrestricted funds. A more detailed version of the utility's proposed 5-year financial plan is included in *Appendix C*. The appendix tables include revenue requirements, reserve funds, revenue sources, proposed rate increases, and the City's capital improvement program. As Figure 28 shows, given the proposed rate increases, reserves are well over the minimum target balances.

Figure 29. Summary of Sewer Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Projected	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Unrestricted Reserves						
Operating Reserve						
Ending Balance	$ 1,988,288	$ 1,677,226	$ 1,626,000	$ 1,805,087	$ 1,579,529	$ 1,797,000
Recommended Minimum Target	*1,681,000*	*1,565,000*	*1,626,000*	*1,681,000*	*2,353,000*	*1,797,000*
Capital Rehabilitation & Replacement Reserve						
Ending Balance	$ 862,031	$ 882,962	$ 1,047,302	$ 1,088,664	$ 1,088,664	$ 1,341,869
Recommended Minimum Target	*852,000*	*936,000*	*968,000*	*1,060,000*	*1,156,000*	*1,255,000*
Total Ending Balance	**$ 2,850,319**	**$ 2,560,188**	**$ 2,673,302**	**$ 2,893,751**	**$ 2,668,194**	**$ 3,138,869**
Total Recommended Minimum Target	***$ 2,533,000***	***$ 2,501,000***	***$ 2,594,000***	***$ 2,741,000***	***$ 3,509,000***	***$ 3,052,000***

4.3 Cost-of-Service Analysis

Once the net revenue requirements are determined, the cost-of-service analysis (COSA) proportionately distributes the revenue requirements to each of the customer classes. COSA consists of the classification of expenses and then the allocation of those expenses to customer classes based on allocation factors, such as water consumption and number of equivalent dwelling units (EDUs), or accounts. Ultimately, a COSA is intended to result in rates that are proportional to the cost of providing service to each customer class.

CLASSIFICATION OF COSTS

As previously noted, costs are classified into the following categories: (1) flow-related costs; (2) strength-related costs (BOD and TSS); and (3) customer-related costs. Most costs are typically allocated to more than one of these categories. The City's budgeted costs were reviewed and allocated to these basic categories which serve as the basis for calculating the fixed and variable charges. Tables in *Appendix C* show how the City's expenses were classified and allocated to these cost-causation components.

Based on the City's projected costs, the COSA resulted in a distribution that is approximately 90% fixed and 10% variable. Currently, the City's rate structure collects 100% of the rate revenue from fixed charges for residential customers and either fixed or variable charges for commercial customers, depending on which is greater.

Figure 30 summarizes the allocation of the net revenue requirements to each cost causation component for the proposed rate structure. More detail on the development of the allocation factors that resulted in this summary will be covered in the following section.

Figure 30. Allocation of Revenue Requirements by Customer Class

Customer Class	Cost Classification Components				Cost-of-Service Net Revenue Reqts.	% of COS Net Revenue Reqts.
	Volume	BOD	TSS	Customer		
Net Revenue Requirements [1]	*$ 630,336*	*$ 2,708,464*	*$ 2,708,464*	*$ 256,099*	*$ 6,303,363*	--
	10.0%	*43.0%*	*43.0%*	*4.1%*	*100.0%*	
Residential Customers						
All Other Customers	$ 422,522	$ 1,818,832	$ 1,816,129	$ 195,975	$ 4,253,457	*67.5%*
Multi-Family Residential	72,373	311,544	311,081	52,635	747,633	*11.9%*
All Other Customers						
Commercial	$ 58,589	$ 432,359	$ 431,717	$ 7,365	$ 930,030	*14.8%*
Industrial						
Hess Collection Winery	$ 4,365	$ 2,292	$ 1,148	$ 42	$ 7,847	*0.1%*
AmCan Beverage (Coca-Cola)	54,715	104,539	94,572	42	253,867	*4.0%*
Mezzetta Processing Facility	17,773	38,898	53,817	42	110,528	*1.8%*
Total:	$ 630,336	$ 2,708,464	$ 2,708,464	$ 256,099	$ 6,303,363	100%

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.

CHARACTERISTICS OF CUSTOMERS BY CLASS

Customer classes are determined by combining customers with similar demand characteristics and types of use into categories that reflect the cost differentials to serve each type of customer. The most recent water consumption data was used to estimate the amount of flow that each customer class sends to the City's Water Reclamation Facility (WRF). Volumetric charges for all customer classes were based on the average winter water consumption for the three lowest months of use.[15] For non-residential customers that do not have typical (i.e., residential) effluent strengths, volumetric rates reflect both their estimated flow and the appropriate non-residential effluent strengths.

Figure 31 shows the development of the flow (or volume) allocation factors by customer class calculated by taking the lowest consecutive 3-month water usage for FY 2020/21 and annualizing the usage per customer class.

[15] Lowest consecutive winter months are January through March 2021.

Figure 31. Development of the Flow Allocation Factor

Customer Class[1]	Design Capacity					Total Annual Volume						
	Flow MGD	BOD mg/l	TSS mg/l	BOD lbs/day	TSS lbs/day	Flow MG	BOD mg/l[4]	BOD lbs	% of Total BOD	TSS mg/l[4]	TSS lbs	% of Total TSS
Residential Customers												
Single Family Residential	0.97	175	175	1,409	1,409	352	*n/a*	514,224	**69.4%**	*n/a*	514,224	**69.8%**
Multi-Family Residential	0.17	175	175	241	241	60	*n/a*	88,080	**11.9%**	*n/a*	88,080	**12.0%**
All Other Customers												
Commercial	0.13	300	300	335	335	49	*n/a*	122,237	**16.5%**	*n/a*	122,237	**16.6%**
Industrial[5]												
Hess Collection Winery	0.01	50	30	4	2	4	8.6	260	**0.0%**	2.3	70	**0.0%**
AmCan Beverage (Coca-Cola)	0.13	200	220	209	229	46	23.1	8,782	**1.2%**	5.3	1,998	**0.3%**
Mezzetta Processing Facility	0.04	150	220	51	74	15	61.7	7,631	**1.0%**	81.2	10,035	**1.4%**
Total:	**1.44**			**2,248**	**2,291**	**526**		**741,214**	**100.0%**		**736,644**	**100.0%**

1. Customer data provided by the City for FY 2021/22. Source file: *FY 2021-22 Summary by Rate Code - Detailed v2.xlsx*.
2. SFR, MFR, and Industrial customers are based on the number of dwelling units and all other customers are based on the number of accounts.
3. Annual consumption for all customer classes based on average winter water consumption.
4. Annual volume and strength factors provided by the City. Source file: *SIU 2 year data.xlsx*.
5. Flow for industrial customer is based on wastewater flow. Strength factors are based on input from City staff and lower than expected due to customers' pretreatment process. Source file: INF-001 & SIU Flow.xlsx.

Determining Customer Class Effluent Strengths

Effluent strength factors for each customer class were estimated by using the *Revenue Program Guidelines*[16] issued by the State Water Resources Control Board (SWRCB) as described below:

- Residential customers were assigned BOD and TSS strength factors of 175 mg/l which is within the normal range for residential users.
- Commercial customers were assigned BOD and TSS strength factors of 150 mg/l.

Figure 32 summarizes the development of the customer allocation factor.

Figure 32. Development of the Customer Allocation Factor

Customer Class	Number of Dwelling Units / Accounts[1]	Percent of Total
Residential Customers		
Single Family Residential	4,710	**76.5%**
Multi-Family Residential	1,265	**20.6%**
All Other Customers		
Commercial	177	**2.9%**
Industrial[1]		
Hess Collection Winery	1	**0.0%**
AmCan Beverage (Coca-Cola)	1	**0.0%**
Mezzetta Processing Facility	1	**0.0%**
Total:	**6,155**	**100.0%**

1. SFR, MFR, and Industrial customers are based on the number of dwelling units and all other customers are based on the number of accounts.

4.4 Rate Design Analysis

The process of evaluating the sewer rate structure provides the opportunity to incorporate a number of rate-design objectives and policies, including revenue stability, equity among customer classes, and water

[16] *Revenue Program Guidelines*: Commercial User Strength Characteristics, State Water Resources Control Board, Appendix G, page G-21. Site: *https://www.waterboards.ca.gov/publications_forms/publications/general/docs/srf_wastewater_facilities _b.pdf.*

conservation. The overall objective is to improve the fairness and equity of the rate design and ensure costs were being appropriately collected from each customer class. During the course of the study, NBS discussed several sewer rate alternatives and methodologies with City staff, such as the percentage of revenue collected from fixed vs. variable charges and differentiating rates by customer class. The proposed rates were developed based on input provided by City staff and the City Council.

FIXED CHARGES

The fixed charge recognizes that the sewer utility incurs fixed costs regardless of whether customers send any wastewater into the City's collection system. There are three factors used to develop the fixed charge: 1) the number of dwelling units for residential customers; 2) the number of accounts for non-residential customers; and 3) the annual revenue requirement. The monthly fixed charge is calculated by taking the 90% fixed rate multiplied by the annual revenue requirement which is then divided by the number of dwelling units for residential customers and accounts for commercial customers and billing periods per year.

VARIABLE CHARGES

The variable charges, on the other hand, are calculated by taking the remaining 10% portion of the net revenue requirement in each customer class and dividing it by the estimated effluent volume produced based on annualized average winter water use for both residential and non-residential customer classes.

The proposed sewer rates in this study were developed with the goal of developing a new rate structure that consists of both a fixed and variable rate component based on the number of dwelling units or accounts (for customer-related costs) and the water consumption for all customer classes. **Figure 33** compares the current and proposed rates for FY 2023/24 through FY 2027/28 by customer class. Projected rates for future years, with implementation date of April 1 in Year and then January 1 each year thereafter. These rates reflect adjustments based on the following factors: 1) the cost-of-service analysis, 2) the 90% fixed and 10% variable rate design structure; and 3) the recommended annual percentage increases in rate revenue. More detailed tables on the development of the proposed rates are documented in *Appendix C*.

Figure 33. Current vs. Proposed Sewer Rates

Sewer Rate Schedule[1,2]	Description	Current Rates	Proposed Sewer Rates				
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Residential - Monthly Fixed Service Charges							
Single Family Residential	Per Dwelling Unit	$60.48	$75.26	$90.31	$101.14	$113.28	$113.28
Multi-Family Residential	Per Dwelling Unit	$45.36	$49.25	$59.10	$66.19	$74.14	$74.14
Commercial Customers[3]							
Monthly Fixed Service Charge	Per Account	$60.48	$136.63	$163.95	$183.63	$205.66	$205.66
Volumetric Charge	Per HCF	$5.40	$2.45	$2.94	$3.29	$3.69	$3.69
Industrial Customers							
Monthly Fixed Charge							
Hess Collection Winery		*n/a*	$338	$405	$454	$508	$508
AmCan Beverage (Coca-Cola)		*n/a*	$15,836	$19,004	$21,284	$23,838	$23,838
Mezzetta Processing Facility		*n/a*	$4,584	$5,501	$6,161	$6,900	$6,900
Volumetric Charge							
Hess Collection Winery	Per 1,000 gal sewage flow	*n/a*	$1.04	$1.25	$1.40	$1.57	$1.57
AmCan Beverage (Coca-Cola)		*n/a*	$1.40	$1.68	$1.88	$2.11	$2.11
Mezzetta Processing Facility		*n/a*	$3.75	$4.50	$5.03	$5.64	$5.64

1. Sewer rates are set according to the average monthly water use for January to March of the previous calendar year. New customers are charged at the average winter water use rate (standard) and adjusted the following year if applicable.
2. The fixed charge includes a monthly customer charge per account.
3. Current rates for commercial customers are charged the higher of the fixed or variable rate. Proposed rates have both a fixed and volumetric charge per commercial customer.

4.5 Comparison of Current and Proposed Sewer Bills

The following figures compare monthly sewer bills under current and proposed rates for various customers over the 5-year rate period.

Figure 34. Single Family Sewer Bill Comparison

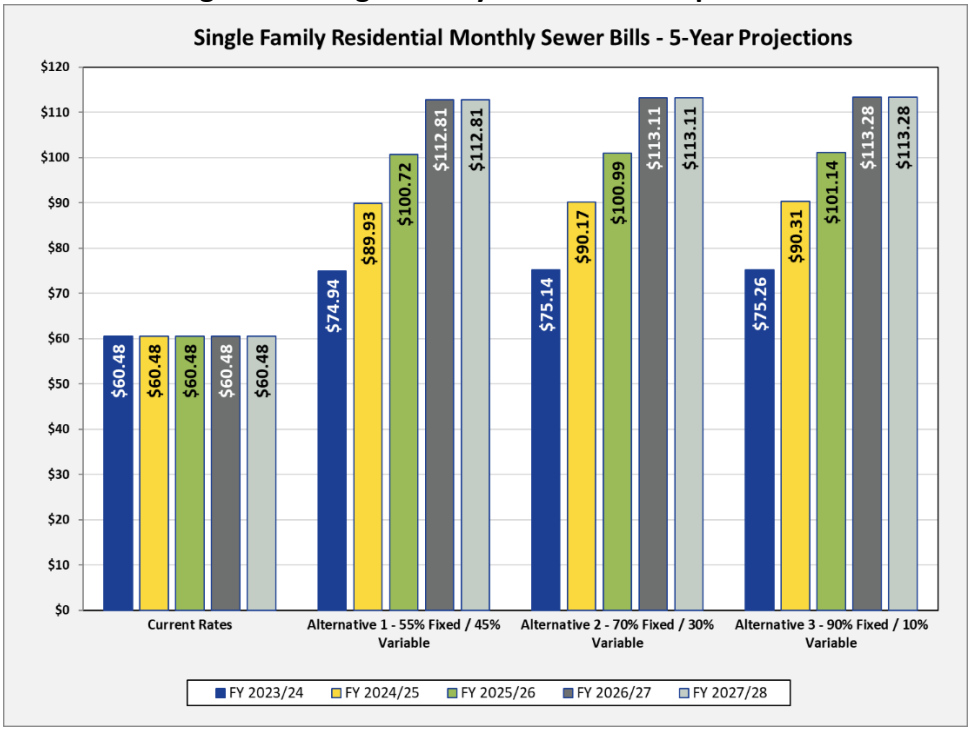


Figure 35. Multi-Family Residential Sewer Bill Comparison

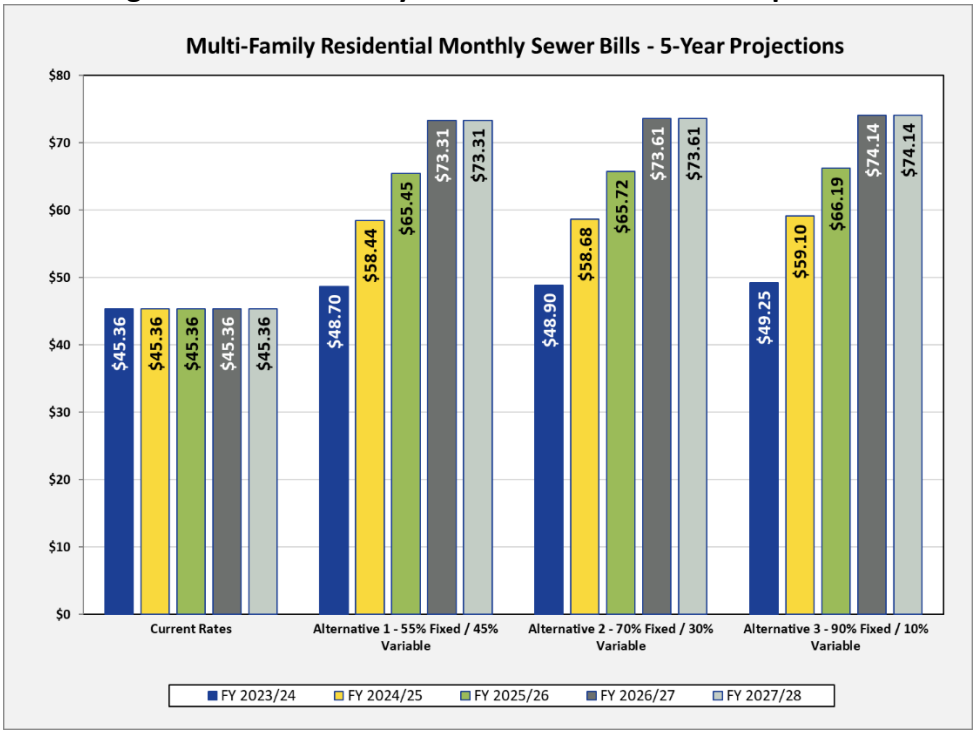
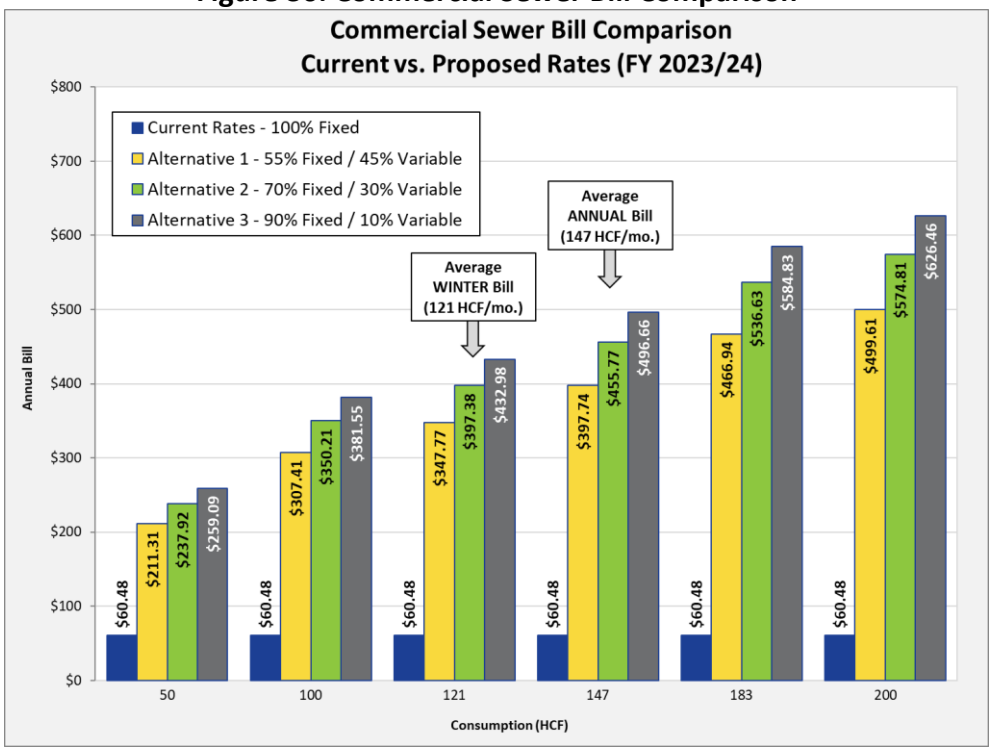


Figure 36. Commercial Sewer Bill Comparison



5. Recommendations and Next Steps

5.1 Consultant Recommendations

NBS recommends the City take the following actions:

- **Approve and Accept this Study:** NBS recommends the City Council formally approve and adopt this Study and its recommendations and proceed with the next steps outlined below to implement the proposed rates. This will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates.
- **Implement Recommended Levels of Rate Increases and Proposed Rates:** Based on successfully meeting the Proposition 218 procedural requirements, the City should proceed with implementing the 5-year schedule of proposed rates (including drought rates) and rate increases previously shown in Figure 17, Figure 22, Figure 27, and Figure 33. This will help ensure the continued financial health of City's utilities.

5.2 Next steps

Annually Review Rates and Revenue – Any time an agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements—particularly those related to environmental regulations that can significantly affect capital improvements and repair and replacement costs.

Note: The attached Technical Appendices provide more detailed information on the analysis of the financial plan, revenue requirements, cost-of-service, and the rate design analyses that have been summarized in this report.

5.3 NBS' Principal Assumptions and Considerations

In preparing this report and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions, and events that may occur in the future. This information and these assumptions, including the City's budgets, capital improvement costs, customer accounts and consumption, and information from City staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

Technical Appendices

Appendix A. Water Rate Study Tables and Figures

TABLE 1 : FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY	Actuals	Budget	5-Year Projected Rate Period					Projected				
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Sources of Water Funds												
Rate Revenue: [1]												
Water Sales - Meter Use Fees	$ 8,362,554	$ 9,526,729	$ 9,360,200	$ 9,528,684	$ 9,690,671	$ 9,855,413	$ 10,022,955	$ 10,193,345	$ 10,366,632	$ 10,532,498	$ 10,701,018	$ 10,872,234
Water Sales - Metered Water	47,619	80,000	81,440	82,906	84,315	85,749	87,206	88,689	90,197	91,640	93,106	94,596
Non-Rate Revenue:												
Grant - State/Local	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Earnings[2]	(212,625)	118,212	275,008	87,285	61,319	56,589	58,325	60,169	56,736	48,854	37,654	23,863
Miscellaneous Revenues	570,024	372,950	359,300	365,767	371,985	378,309	384,740	391,281	397,933	404,300	410,769	417,341
Late Penalties / Interest	93,977	112,291	114,300	116,357	118,335	120,347	122,393	124,474	126,590	128,615	130,673	132,764
Interfund Transfer In (Loan Repayment)	-	-	44,061	44,061	49,482	49,482	49,482	49,482	49,482	49,482	49,482	49,482
Total Sources of Funds	**$ 8,861,548**	**$ 10,210,182**	**$ 10,234,309**	**$ 10,225,060**	**$ 10,376,108**	**$ 10,545,889**	**$ 10,725,101**	**$ 10,907,439**	**$ 11,087,569**	**$ 11,255,388**	**$ 11,422,701**	**$ 11,590,279**
Uses of Water Funds												
Operating Expenses: [1]												
Water Operations:												
560 - Water Treatment Plant	$ 1,483,133	$ 2,275,892	$ 2,088,189	$ 3,357,121	$ 2,228,382	$ 2,302,054	$ 2,378,221	$ 2,456,970	$ 2,538,391	$ 2,622,580	$ 2,709,633	$ 2,799,651
565 - Water Distribution	991,284	1,343,387	1,536,149	1,586,987	1,639,520	1,693,803	1,749,895	1,807,858	1,867,753	1,929,647	1,993,606	2,059,700
50 - Public Works	1,356,080	316,973	366,768	378,613	390,854	403,506	416,582	430,096	444,064	458,500	473,420	488,842
Water Purchases	3,380,850	4,385,210	3,602,218	3,674,262	3,747,748	3,822,703	3,899,157	3,977,140	4,056,683	4,137,816	4,220,573	4,304,984
Subtotal: Water Supply & Distribution: Expenses:	$ 7,211,347	$ 8,321,462	$ 7,593,324	$ 8,996,983	$ 8,006,504	$ 8,222,065	$ 8,443,854	$ 8,672,063	$ 8,906,891	$ 9,148,543	$ 9,397,232	$ 9,653,176
Non-Operating Expenses: [3]												
Transfer To General Fund	1,263,894	1,507,202	2,206,123	2,207,963	2,171,674	2,237,313	2,304,938	2,374,610	2,446,390	2,520,343	2,596,533	2,675,030
Subtotal: Non-Operating Expenses:	$ 1,263,894	$ 1,507,202	$ 2,206,123	$ 2,207,963	$ 2,171,674	$ 2,237,313	$ 2,304,938	$ 2,374,610	$ 2,446,390	$ 2,520,343	$ 2,596,533	$ 2,675,030
Other Expenditures:												
Existing Debt Service	$ 523,735	$ 744,109	$ 820,140	$ 823,637	$ 1,468,278	$ 2,523,408	$ 3,014,261	$ 3,269,396	$ 3,287,122	$ 3,227,021	$ 3,128,082	$ 103,586
New Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Rate-Funded Capital Expenses	251,795	2,790,541	4,566,877	1,523,075	1,565,040	754,328	665,707	952,128	1,201,396	1,421,386	1,618,317	1,797,260
Subtotal: Other Expenditures	$ 775,530	$ 3,534,650	$ 5,387,017	$ 2,346,712	$ 3,033,319	$ 3,277,736	$ 3,679,968	$ 4,221,524	$ 4,488,517	$ 4,648,407	$ 4,746,399	$ 1,900,846
Total Uses of Water Funds	**$ 9,250,771**	**$ 13,363,314**	**$ 15,186,464**	**$ 13,551,658**	**$ 13,211,497**	**$ 13,737,114**	**$ 14,428,761**	**$ 15,268,197**	**$ 15,841,798**	**$ 16,317,293**	**$ 16,740,164**	**$ 14,229,052**
plus: Revenue from Rate Increases[4]	-	-	212,437	1,336,492	2,361,290	3,190,413	3,710,759	3,981,564	4,049,251	4,114,039	4,179,863	4,246,741
Annual Surplus/(Deficit)	**$ (389,223)**	**$ (3,153,132)**	**$ (4,739,718)**	**$ (1,990,107)**	**$ (474,099)**	**$ (813)**	**$ 7,099**	**$ (379,194)**	**$ (704,979)**	**$ (947,866)**	**$ (1,137,600)**	**$ 1,607,968**
Net Revenue Req't. *(Total Uses less Non-Rate Revenue)*	**$ 8,799,395**	**$ 12,759,861**	**$ 14,393,795**	**$ 12,938,188**	**$ 12,610,375**	**$ 13,132,387**	**$ 13,813,821**	**$ 14,642,792**	**$ 15,211,058**	**$ 15,686,042**	**$ 16,111,587**	**$ 13,605,603**
Total Rate Revenue After Rate Increases	**$ 8,410,172**	**$ 9,606,729**	**$ 10,291,388**	**$ 11,419,530**	**$ 12,658,891**	**$ 13,389,056**	**$ 14,025,170**	**$ 14,263,598**	**$ 14,506,079**	**$ 14,738,176**	**$ 14,973,987**	**$ 15,213,571**
Projected Annual Rate Revenue Increase	***0.00%***	***0.00%***	***9.00%***	***9.00%***	***9.00%***	***4.00%***	***3.00%***	***0.00%***	***0.00%***	***0.00%***	***0.00%***	***0.00%***
Cumulative Increase from Annual Revenue Increases	*0.00%*	*0.00%*	*9.00%*	*18.81%*	*29.50%*	*34.68%*	*38.72%*	*38.72%*	*38.72%*	*38.72%*	*38.72%*	*38.72%*
Debt Coverage After Rate Increase	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*

1. Revenue and expenses for FY 2021/22 through FY 2023/24 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions located in Table 10. Source files: *Fund 510 Water Operations.xlsx* , *FY2023-24 Exp Budget Water.xlsx* , and *Fund 510 - 580 FY 23-24 Budget Status as of 09-19-2023.xlsx* .
2. Interest earnings for FY 2021/22 and FY 2022/23 are from the City's Budget. For all other years, it is calculated based on historical LAIF returns.
3. These expenses are from source file: *1 - Budget - Water.xlsx* .
4. Revenue from rate increases assumes an implementation date of April 1, 2024 for new rates. For each year thereafter, the assumption is that new rates will be implemented on January 1st of each year.

1	*<-- Select Financial Plan Scenario Here*

Financial Plan Alternatives		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
1	Alternative 1 - Full Cost Recovery Rate Increases[1]	*0.00%*	*0.00%*	*9.00%*	*9.00%*	*9.00%*	*4.00%*	*3.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
2	Alternative 2 - Phased-in Rate Increases[2]	*0.00%*	*0.00%*	*7.00%*	*7.00%*	*7.00%*	*7.00%*	*6.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
3	Alternative 3 - Minimal Rate Increases[3]	*0.00%*	*0.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
4	Alternative 4 - No Rate Increases	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*

1. Alternative 1: Scenario 1 - Rates needed to meet all revenue requirements and meet the target reserve levels (Large increase followed by smaller increases).
2. Alternative 2: Scenario 2 - Large increases phased In over two years, followed by smaller increases (Reserves drop below target level).
3. Alternative 3: Scenario 3 - Smaller increases (Reserves drop below target level).

TABLE 2 : RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Actuals	Projected	5-Year Projected Rate Period					Projected				
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Unrestricted Reserve:												
Total Beginning Cash[1]	**$ 3,670,141**	**$ 13,667,530**	**$ 10,874,673**									
Operating Reserve												
Beginning Reserve Balance	$ 3,634,570	$ 13,667,530	$ 10,874,673	$ 4,142,536	$ 2,278,487	$ 1,930,446	$ 2,055,691	$ 2,188,848	$ 1,935,712	$ 1,356,792	$ 534,984	$ (476,558)
Plus: Net Cash Flow (After Rate Increases)	(389,223)	(3,153,132)	(4,739,718)	(1,990,107)	(474,099)	(813)	7,099	(379,194)	(704,979)	(947,866)	(1,137,600)	1,607,968
Plus: Transfer in of Debt Reserve Surplus	-	-	-	-	-	-	-	-	-	-	-	-
Plus: Transfer in from Capital and Infrastructure Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Plus: Transfer in from Capacity Fee Reserve (Interfund Loan)	-	126,058	126,058	126,058	126,058	126,058	126,058	126,058	126,058	126,058	126,058	-
Less: Transfer out to Capital and Infrastructure Reserve	-	(4,217,199)	(2,118,478)	-	-	-	-	-	-	-	-	-
Ending Operating Reserve Balance	***$ 3,245,347***	***$ 6,423,257***	***$ 4,142,536***	***$ 2,278,487***	***$ 1,930,446***	***$ 2,055,691***	***$ 2,188,848***	***$ 1,935,712***	***$ 1,356,792***	***$ 534,984***	***$ (476,558)***	***$ 1,131,410***
Target Ending Balance (90-days of O&M)[2]	*$ 1,803,000*	*$ 2,080,000*	*$ 1,898,000*	*$ 2,249,000*	*$ 2,002,000*	*$ 2,056,000*	*$ 2,111,000*	*$ 2,168,000*	*$ 2,227,000*	*$ 2,287,000*	*$ 2,349,000*	*$ 2,413,000*
Capital Rehabilitation & Replacement Reserve												
Beginning Reserve Balance	$ 35,571	$ -	$ -	$ 2,118,478	$ 2,079,900	$ 2,079,900	$ 2,079,900	$ 2,079,900	$ 2,079,900	$ 2,079,900	$ 2,079,900	$ 2,079,900
Plus: Grant Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Plus: Transfer of Operating Reserve Surplus	-	4,217,199	2,118,478	-	-	-	-	-	-	-	-	-
Less: Transfer out to Operating Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Less: Use of Reserves for Capital Projects	-	-	-	(38,578)	-	-	-	-	-	-	-	-
Ending Capital and Infrastructure Reserve Balance	***$ 35,571***	***$ 4,217,199***	***$ 2,118,478***	***$ 2,079,900***	***$ 2,079,900***	***$ 2,079,900***	***$ 2,079,900***	***$ 2,079,900***	***$ 2,079,900***	***$ 2,079,900***	***$ 2,079,900***	***$ 2,079,900***
Target Ending Balance (3% of net assets)[3]	*$ 1,420,700*	*$ 1,548,600*	*$ 1,870,900*	*$ 2,079,900*	*$ 2,260,500*	*$ 2,370,700*	*$ 2,458,100*	*$ 2,548,200*	*$ 2,641,000*	*$ 2,736,700*	*$ 2,835,300*	*$ 2,937,000*
Ending Balance - Excl. Restricted Reserves	***$ 3,280,918***	***$ 10,640,455***	***$ 6,261,013***	***$ 4,358,387***	***$ 4,010,346***	***$ 4,135,591***	***$ 4,268,748***	***$ 4,015,612***	***$ 3,436,692***	***$ 2,614,884***	***$ 1,603,342***	***$ 3,211,310***
Min. Target Ending Balance -Excl. Restricted Reserves	***$ 3,223,700***	***$ 3,628,600***	***$ 3,768,900***	***$ 4,328,900***	***$ 4,262,500***	***$ 4,426,700***	***$ 4,569,100***	***$ 4,716,200***	***$ 4,868,000***	***$ 5,023,700***	***$ 5,184,300***	***$ 5,350,000***
Ending Surplus/(Deficit) Compared to Reserve Targets	***$ 57,218***	***$ 7,011,855***	***$ 2,492,113***	***$ 29,487***	***$ (252,154)***	***$ (291,109)***	***$ (300,352)***	***$ (700,588)***	***$ (1,431,308)***	***$ (2,408,816)***	***$ (3,580,958)***	***$ (2,138,690)***

1. Beginning cash balances provided by City staff for Fund 510 - Water Operations. Source files: *4 - Current Cash and Fund Balance - Water 12062021.xlsx* & *Beg Fund Balance FY23- Water.xls* .
2. The target ending balance is set equal to 90-days of O&M expenses. Source file: *4 - Current Cash and Fund Balance - Water 12062021.xlsx* .
3. The target ending balance is set equal to 3% of net capital assets. See *Exhibit 2 (CIP)* for details.

TABLE 3 : RESERVE FUND SUMMARY, cont.

SUMMARY OF CASH ACTIVITY	Actuals	Projected	5-Year Projected Rate Period					Projected				
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Restricted Reserve: [1]												
Capacity Fee Reserve												
Beginning Reserve Balance	$5,688,050	$6,284,390	$6,333,173	$ 6,397,366	$ 11,290,006	$ 9,761,564	$ 8,534,556	$ 7,552,200	$ 6,768,455	$ 6,145,989	$ 5,653,746	$ 5,267,306
Plus: Interest Earnings	77,699	157,110	158,329	87,388	154,221	133,343	116,582	103,163	92,457	83,954	77,230	71,951
Plus: Capacity Fee Revenue	1,252,878	332,954	1,662,778	7,785,325	915,300	930,860	946,685	962,778	979,146	994,812	1,010,729	1,026,901
Less: Transfer out to Operating Reserve (Interfund Loan)	-	(126,058)	(126,058)	(126,058)	(126,058)	(126,058)	(126,058)	(126,058)	(126,058)	(126,058)	(126,058)	-
Less: Use of Reserves for Capital Projects	-	-	(1,630,856)	(2,854,016)	(2,471,905)	(2,165,153)	(1,919,564)	(1,723,628)	(1,568,012)	(1,444,951)	(1,348,341)	(1,273,232)
Ending Connection Fee Fund Balance	***$ 7,018,626***	***$ 6,648,395***	***$ 6,397,366***	***$ 11,290,006***	***$ 9,761,564***	***$ 8,534,556***	***$ 7,552,200***	***$ 6,768,455***	***$ 6,145,989***	***$ 5,653,746***	***$ 5,267,306***	***$ 5,092,926***
Target Ending Balance (3% of net assets) [3]	*$ 1,420,700*	*$ 1,548,600*	*$ 1,870,900*	*$ 2,079,900*	*$ 2,260,500*	*$ 2,370,700*	*$ 2,458,100*	*$ 2,548,200*	*$ 2,641,000*	*$ 2,736,700*	*$ 2,835,300*	*$ 2,937,000*
Debt Reserve												
Beginning Reserve Balance	$ 1,151,405	$ 122,586	$ 125,651	$ 128,792	$ 130,551	$ 132,335	$ 134,142	$ 135,975	$ 137,832	$ 139,715	$ 141,623	$ 143,558
Plus: Reserve Funding from New Debt Obligations	-	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	15,728	3,065	3,141	1,759	1,783	1,808	1,832	1,857	1,883	1,909	1,935	1,961
Less: Transfer of Surplus to Operating Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Ending Debt Reserve Balance	***$ 1,167,133***	***$ 125,651***	***$ 128,792***	***$ 130,551***	***$ 132,335***	***$ 134,142***	***$ 135,975***	***$ 137,832***	***$ 139,715***	***$ 141,623***	***$ 143,558***	***$ 145,519***
Target Ending Balance	*$ 71,827*	*$ 72,068*	*$ 72,053*	*$ 71,580*	*$ 70,175*	*$ 66,417*	*$ 53,204*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Annual Interest Earnings Rate [2]	*1.37%*	*2.50%*	*2.50%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*

1. The beginning cash balances provided by the City. Source file: *4 - Current Cash and Fund Balance - Water 12062021.xlsx , Beg Fund Balance FY23- Water.xls, & Beg Fund Balance FY23- Recycled Water.xls* .
2. The target ending balance is set equal to 3% of net capital assets. See *Exhibit 2 (CIP)* for details.
3. Historical interest earning rates are per the average annual yields for funds invested in LAIF (2017-2021). The source is the California State Treasurer's website: *https://www.treasurer.ca.gov/pmia-laif/historical/annual.asp* .

CHART 1

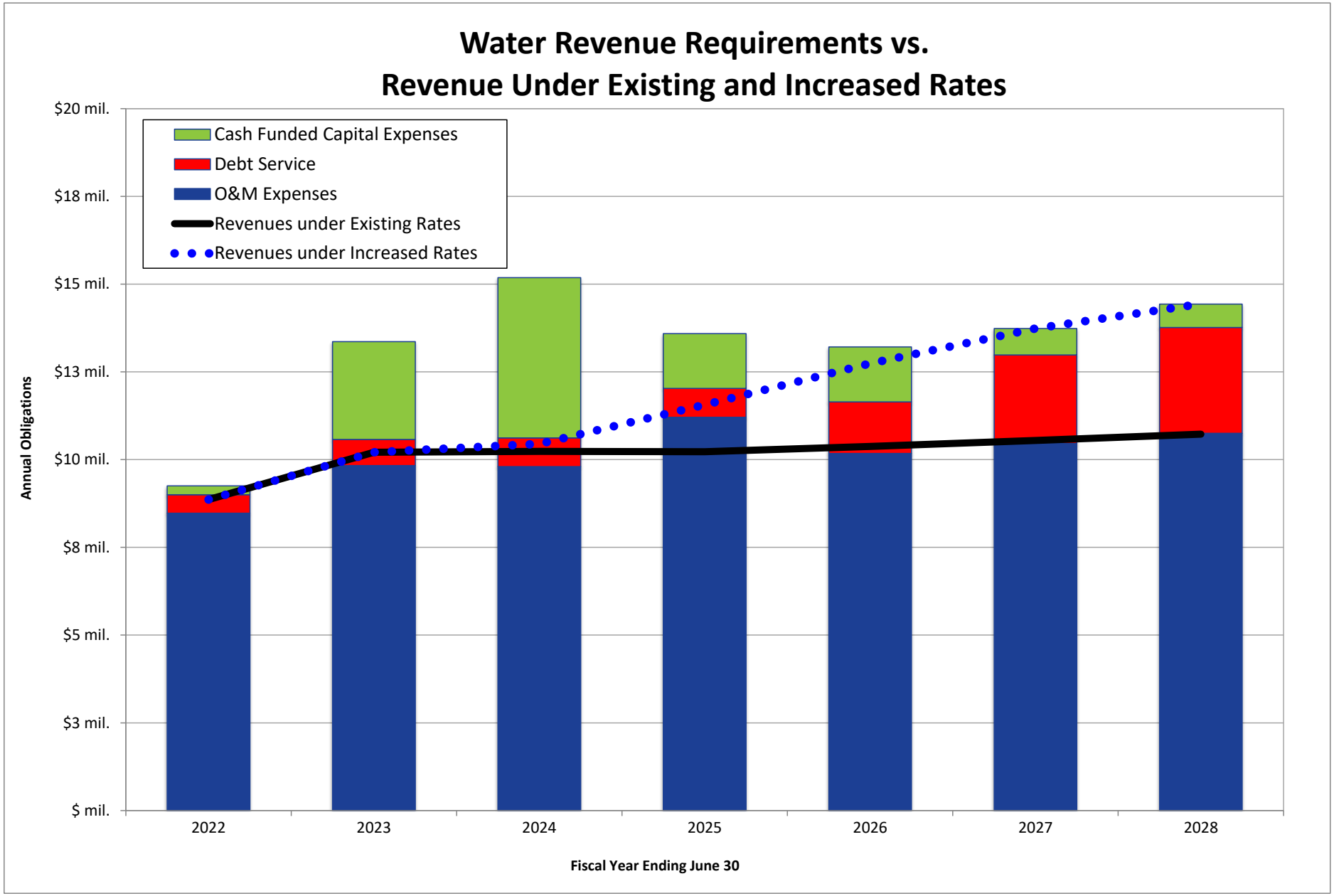

Water Revenue Requirements vs.
Revenue Under Existing and Increased Rates
Cash Funded Capital Expenses
Debt Service
O&M Expenses
Revenues under Existing Rates
Revenues under Increased Rates
$20 mil.
$18 mil.
$15 mil.
$13 mil.
$10 mil.
$8 mil.
$5 mil.
$3 mil.
$ mil.
Annual Obligations
2022
2023
2024
2025
2026
2027
2028
Fiscal Year Ending June 30

CHART 2

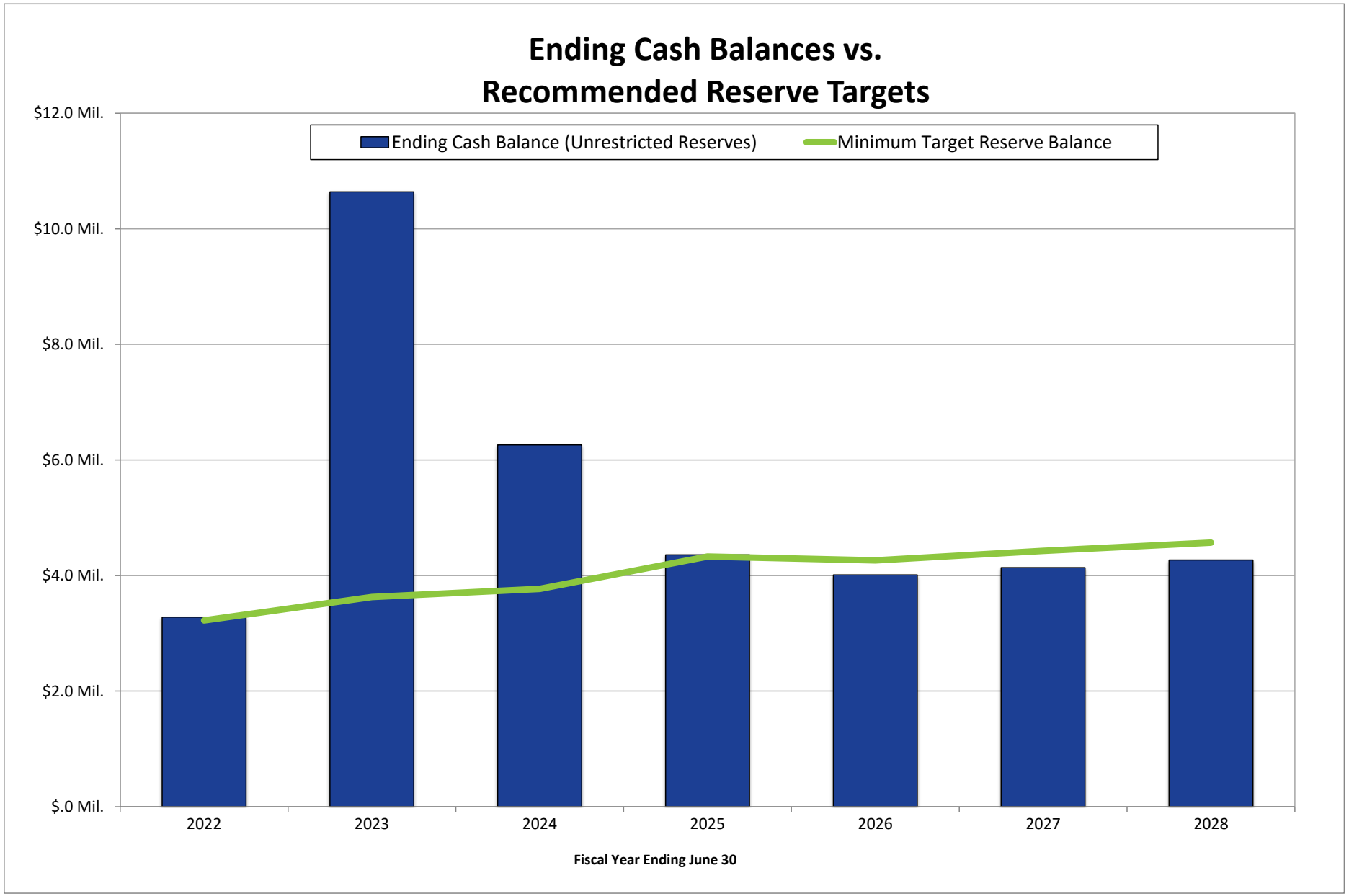

Ending Cash Balances vs.
Recommended Reserve Targets
$12.0 Mil.
$10.0 Mil.
$8.0 Mil.
$6.0 Mil.
$4.0 Mil.
$2.0 Mil.
$.0 Mil.
Ending Cash Balance (Unrestricted Reserves)
Minimum Target Reserve Balance
2022
2023
2024
2025
2026
2027
2028
Fiscal Year Ending June 30

CHART 3

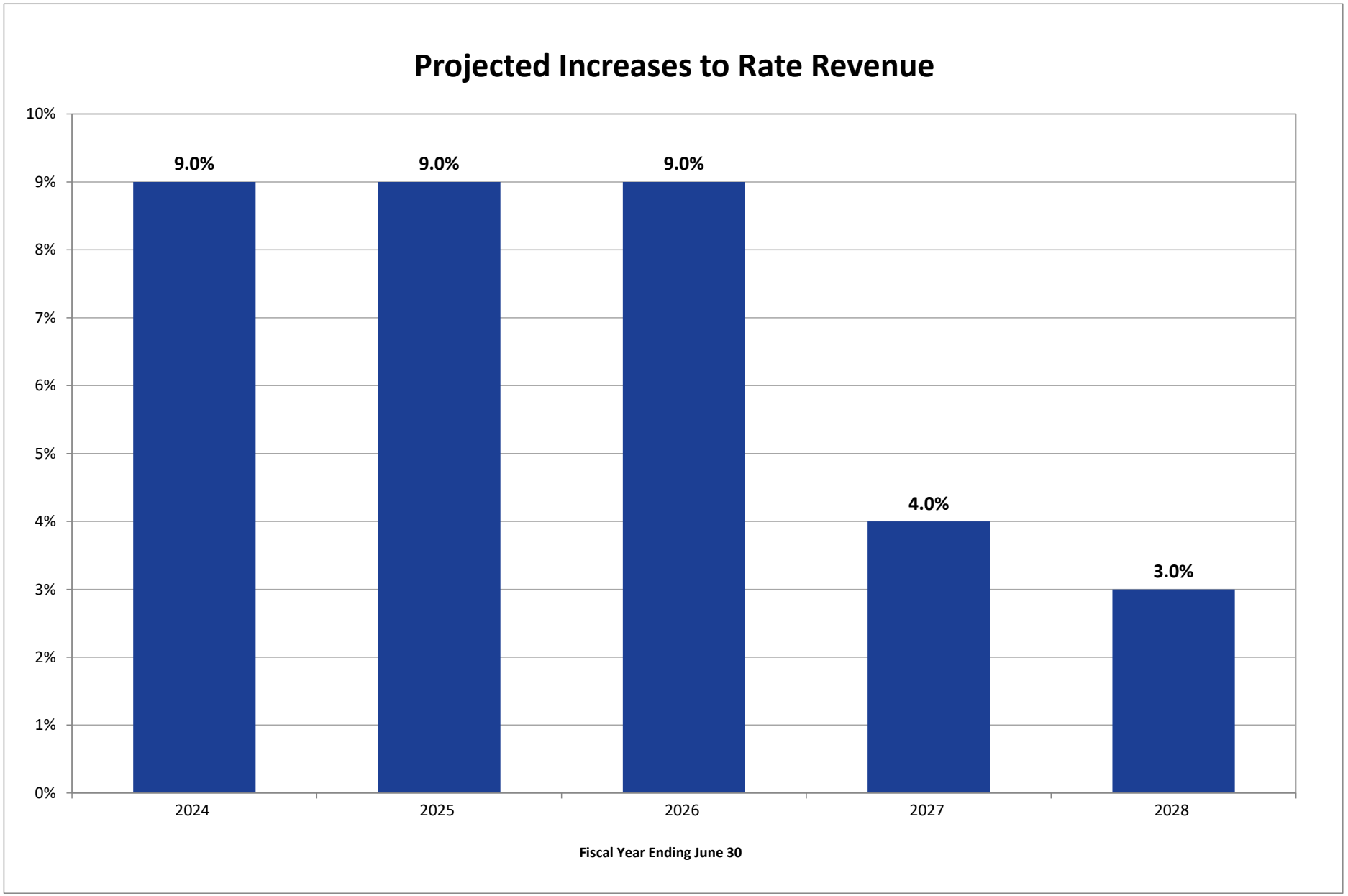

Projected Increases to Rate Revenue
10%
9%
8%
7%
6%
5%
4%
3%
2%
1%
0%
9.0%
9.0%
9.0%
4.0%
3.0%
2024
2025
2026
2027
2028
Fiscal Year Ending June 30

CHART 4

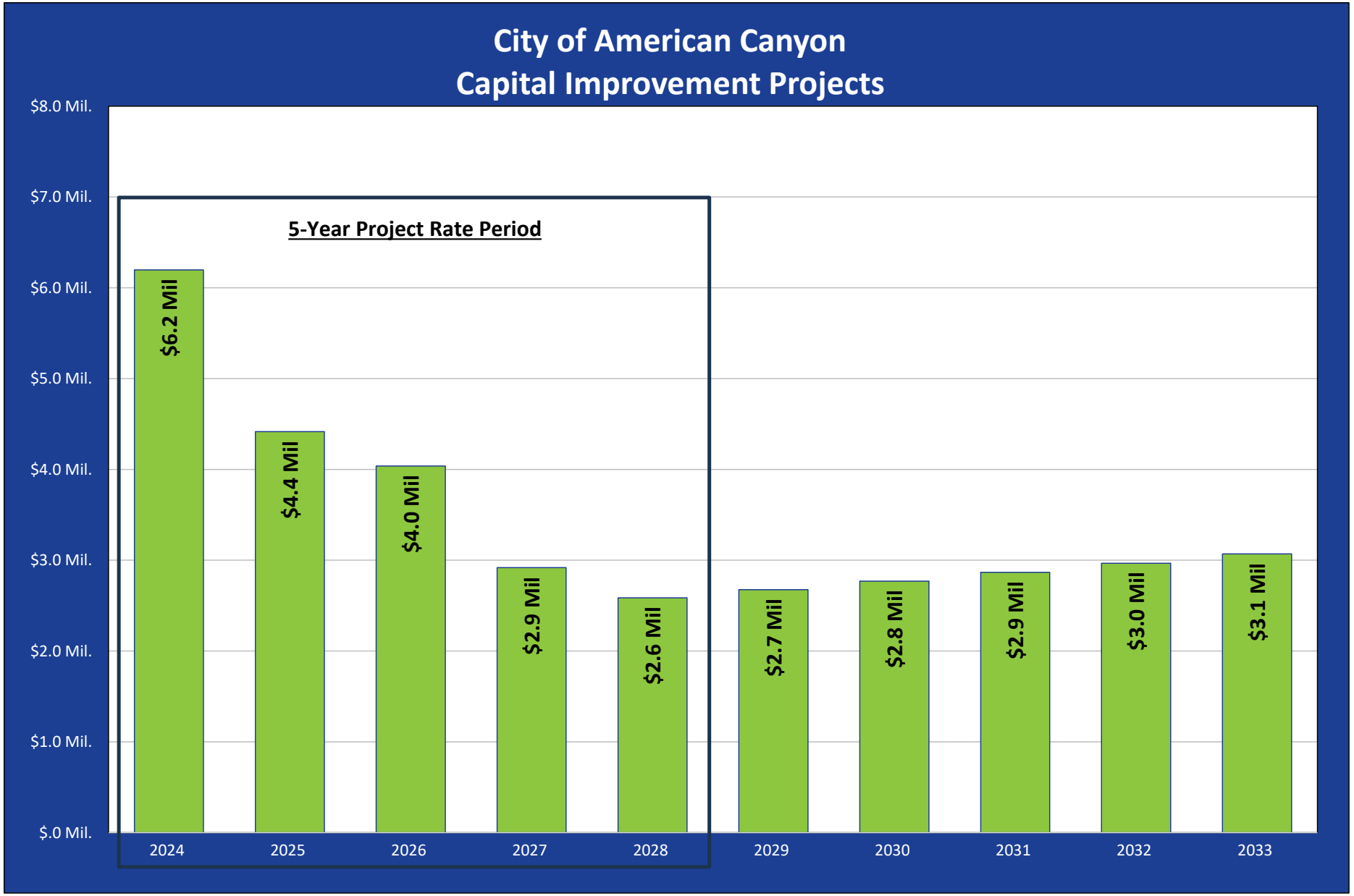

City of American Canyon
Capital Improvement Projects
$8.0 Mil.
$7.0 Mil.
$6.0 Mil.
$5.0 Mil.
$4.0 Mil.
$3.0 Mil.
$2.0 Mil.
$1.0 Mil.
$.0 Mil.
5-Year Project Rate Period
$6.2 Mil
$4.4 Mil
$4.0 Mil
$2.9 Mil
$2.6 Mil
$2.7 Mil
$2.8 Mil
$2.9 Mil
$3.0 Mil
$3.1 Mil
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033

TABLE 4 : REVENUE FORECAST[1]

DESCRIPTION	Basis	Actuals	Budget	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Rate Revenue													
Water Service Charge - Potable	1	$ 8,362,554	$ 9,526,729	$ 9,360,200	$ 9,528,684	$ 9,690,671	$ 9,855,413	$ 10,022,955	$ 10,193,345	$ 10,366,632	$ 10,532,498	$ 10,701,018	$ 10,872,234
Water Service Charge - Raw	1	47,619	80,000	81,440	82,906	84,315	85,749	87,206	88,689	90,197	91,640	93,106	94,596
Other Revenue													
Grant - State/Local	1	-	-	-	-	-	-	-	-	-	-	-	-
Interest Earnings	See FP	(212,625)	118,212	-	-	-	-	-	-	-	-	-	-
Charges for Services	9	329,720	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	1	240,304	352,950	359,300	365,767	371,985	378,309	384,740	391,281	397,933	404,300	410,769	417,341
Late Penalties / Interest	1	93,977	112,291	114,300	116,357	118,335	120,347	122,393	124,474	126,590	128,615	130,673	132,764
Insurance Reimbursements	9	-	20,000	-	-	-	-	-	-	-	-	-	-
Fund Transfer In													
Interfund Transfer In (Loan Repayment)	9	-	-	44,061	44,061	49,482	49,482	49,482	49,482	49,482	49,482	49,482	49,482
Capacity Fee Revenue													
Water Capacity Fees	1	1,252,878	332,954	1,662,778	7,785,325	915,300	930,860	946,685	962,778	979,146	994,812	1,010,729	1,026,901
Interest Earnings	1	114,219	282,378	50,000	50,900	51,765	52,645	53,540	54,450	55,376	56,262	57,162	58,077
TOTAL: REVENUE		**$ 10,228,645**	**$ 10,825,513**	**$ 11,672,079**	**$ 17,974,001**	**$ 11,281,855**	**$ 11,472,805**	**$ 11,667,002**	**$ 11,864,499**	**$ 12,065,355**	**$ 12,257,609**	**$ 12,452,939**	**$ 12,651,394**

TABLE 5 : REVENUE SUMMARY

DESCRIPTION	Basis	Actuals	Budget	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Rate Revenue													
Water Service Charge - Potable		$ 8,362,554	$ 9,526,729	$ 9,360,200	$ 9,528,684	$ 9,690,671	$ 9,855,413	$ 10,022,955	$ 10,193,345	$ 10,366,632	$ 10,532,498	$ 10,701,018	$ 10,872,234
Water Service Charge - Raw		47,619	80,000	81,440	82,906	84,315	85,749	87,206	88,689	90,197	91,640	93,106	94,596
Other Revenue													
Grant - State/Local		-	-	-	-	-	-	-	-	-	-	-	-
Interest Earnings		(212,625)	118,212	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues		570,024	372,950	359,300	365,767	371,985	378,309	384,740	391,281	397,933	404,300	410,769	417,341
Late Penalties / Interest		93,977	112,291	114,300	116,357	118,335	120,347	122,393	124,474	126,590	128,615	130,673	132,764
Interfund Transfer In (Loan Repayment)		-	-	44,061	44,061	49,482	49,482	49,482	49,482	49,482	49,482	49,482	49,482
Capacity Fee Revenue													
Water Capacity Fees		1,252,878	332,954	1,662,778	7,785,325	915,300	930,860	946,685	962,778	979,146	994,812	1,010,729	1,026,901
Interest Earnings		114,219	282,378	50,000	50,900	51,765	52,645	53,540	54,450	55,376	56,262	57,162	58,077
TOTAL: REVENUE		**$ 10,228,645**	**$ 10,825,513**	**$ 11,672,079**	**$ 17,974,001**	**$ 11,281,855**	**$ 11,472,805**	**$ 11,667,002**	**$ 11,864,499**	**$ 12,065,355**	**$ 12,257,609**	**$ 12,452,939**	**$ 12,651,394**

TABLE 6 : OPERATING EXPENSE FORECAST[1]

DESCRIPTION	Basis	Actuals FY 2021/22	Budget FY 2022/23	5-Year Projected Rate Period FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Projected FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Fund 510 - Water Operations													
560 - Water Treatment Plant													
Wages - Full time	3	$ 419,960	$ 650,026	$ 612,238	$ 633,667	$ 655,845	$ 678,800	$ 702,558	$ 727,147	$ 752,597	$ 778,938	$ 806,201	$ 834,418
Wages - Overtime	3	10,703	9,000	9,000	9,315	9,641	9,978	10,328	10,689	11,063	11,451	11,851	12,266
Health Insurance	3	73,246	98,213	95,546	98,890	102,351	105,933	109,641	113,478	117,450	121,561	125,815	130,219
Health-In-Lieu	3	-	7,200	9,690	10,029	10,380	10,743	11,119	11,509	11,911	12,328	12,760	13,206
Cafeteria Plan Section 125	3	15,149	22,812	24,587	25,448	26,338	27,260	28,214	29,202	30,224	31,282	32,377	33,510
Social Security & Medicare	3	6,835	9,861	9,374	9,703	10,042	10,394	10,757	11,134	11,524	11,927	12,344	12,776
Worker Comp Insurance	3	32,904	37,114	49,859	51,604	53,410	55,280	57,215	59,217	61,290	63,435	65,655	67,953
Benefits - Other	3	1,125	754	1,106	1,145	1,185	1,226	1,269	1,314	1,360	1,407	1,457	1,508
Info Tech Support Services	2	40,818	16,400	116,200	119,686	123,277	126,975	130,784	134,708	138,749	142,911	147,199	151,615
Professional Services	2	132,912	190,900	366,400	377,392	388,714	400,375	412,386	424,758	437,501	450,626	464,145	478,069
Temp Agency Services	2	-	1,000	-	-	-	-	-	-	-	-	-	-
Misc Contractual Services	2	4,962	54,600	59,200	60,976	62,805	64,689	66,630	68,629	70,688	72,809	74,993	77,243
General Repairs & Maint	2	220,338	500,000	53,800	55,414	57,076	58,789	60,552	62,369	64,240	66,167	68,152	70,197
Advertising	2	4,908	2,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
Postage/Mail/Copy/Printing Svc	2	8,482	2,000	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Membership Dues & Subscription	2	2,430	2,800	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175
Conferences - Training	2	8,946	10,000	13,500	13,905	14,322	14,752	15,194	15,650	16,120	16,603	17,101	17,614
Rentals - Equipment/Space	2	4,305	17,500	3,700	3,811	3,925	4,043	4,164	4,289	4,418	4,551	4,687	4,828
Regulatory Compliance Permits	2	29,461	3,500	-	-	-	-	-	-	-	-	-	-
Office Supplies	2	2,929	4,000	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
Operating Supplies	2	347,712	460,250	488,400	503,052	518,144	533,688	549,699	566,189	583,175	600,670	618,691	637,251
Water Plant Membrane Filters	2	-	-	-	1,200,000	-	-	-	-	-	-	-	-
Utilities - Gas & Elec	5	61,656	88,273	73,000	77,116	81,465	86,059	90,912	96,038	101,454	107,175	113,218	119,603
Util-PhonesPgrsInternetCable	2	5,422	5,281	5,800	5,974	6,153	6,338	6,528	6,724	6,926	7,133	7,347	7,568
Major Equipment	2	15,000	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay-Contra Account	9	(40,761)	-	-	-	-	-	-	-	-	-	-	-
PERS Retirement	3	73,689	82,408	60,588	62,708	64,903	67,175	69,526	71,959	74,478	77,085	79,783	82,575
Subtotal - Water Treatment Plant		**$ 1,483,133**	**$ 2,275,892**	**$ 2,088,189**	**$ 3,357,121**	**$ 2,228,382**	**$ 2,302,054**	**$ 2,378,221**	**$ 2,456,970**	**$ 2,538,391**	**$ 2,622,580**	**$ 2,709,633**	**$ 2,799,651**

TABLE 7 : OPERATING EXPENSE FORECAST, cont.[1]

DESCRIPTION	Basis	Actuals	Budget	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
565 - Water Distribution													
Wages - Full time	3	$ 426,369	$ 450,085	$ 544,808	$ 563,876	$ 583,612	$ 604,038	$ 625,180	$ 647,061	$ 669,708	$ 693,148	$ 717,408	$ 742,517
Wages - Overtime	3	24,335	3,000	3,000	3,105	3,214	3,326	3,443	3,563	3,688	3,817	3,950	4,089
Health Insurance	3	43,356	84,864	110,792	114,670	118,683	122,837	127,137	131,586	136,192	140,959	145,892	150,998
Health-In-Lieu	3	14,200	-	-	-	-	-	-	-	-	-	-	-
Cafeteria Plan Section 125	3	21,165	21,222	27,459	28,420	29,415	30,444	31,510	32,613	33,754	34,936	36,158	37,424
Social Security & Medicare	3	7,057	6,834	8,298	8,588	8,889	9,200	9,522	9,855	10,200	10,557	10,927	11,309
Worker Comp Insurance	3	44,905	38,373	58,411	60,455	62,571	64,761	67,028	69,374	71,802	74,315	76,916	79,608
Benefits - Other	3	1,354	1,797	1,901	1,968	2,036	2,108	2,182	2,258	2,337	2,419	2,503	2,591
Info Tech Support Services	2	5,422	82,100	84,600	87,138	89,752	92,445	95,218	98,075	101,017	104,047	107,169	110,384
Professional Services	2	932	50,000	52,000	53,560	55,167	56,822	58,526	60,282	62,091	63,953	65,872	67,848
Misc Contractual Services	2	6,051	8,900	9,300	9,579	9,866	10,162	10,467	10,781	11,105	11,438	11,781	12,134
General Repairs & Maint	2	177,364	341,000	375,100	386,353	397,944	409,882	422,178	434,844	447,889	461,326	475,165	489,420
Reimbursable Repairs	2	-	20,000	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095
Postage/Mail/Copy/Printing Svc	2	-	3,500	3,499	3,604	3,712	3,823	3,938	4,056	4,178	4,303	4,432	4,565
Membership Dues & Subscription	2	1,312	3,100	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175
Conferences - Training	2	8,755	7,000	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133
Rentals - Equipment/Space	2	5,206	13,000	13,000	13,390	13,792	14,205	14,632	15,071	15,523	15,988	16,468	16,962
Office Supplies	2	1,660	800	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Operating Supplies	2	15,671	33,000	33,200	34,196	35,222	36,279	37,367	38,488	39,643	40,832	42,057	43,318
Water Meters	7	98,208	100,000	100,000	103,500	107,123	110,872	114,752	118,769	122,926	127,228	131,681	136,290
Util-PhonesPgrsInternetCable	5	3,960	3,673	4,100	4,331	4,575	4,833	5,106	5,394	5,698	6,019	6,359	6,717
Major Equipment	2	15,000	-	-	-	-	-	-	-	-	-	-	-
PERS Retirement	3	69,004	71,139	74,481	77,088	79,786	82,578	85,468	88,460	91,556	94,760	98,077	101,510
Subtotal -Water Distribution		**$ 991,284**	**$ 1,343,387**	**$ 1,536,149**	**$ 1,586,987**	**$ 1,639,520**	**$ 1,693,803**	**$ 1,749,895**	**$ 1,807,858**	**$ 1,867,753**	**$ 1,929,647**	**$ 1,993,606**	**$ 2,059,700**

TABLE 8 : OPERATING EXPENSE FORECAST, cont.[1]

DESCRIPTION	Basis	Actuals FY 2021/22	Budget FY 2022/23	5-Year Projected Rate Period FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Projected FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
50 - Public Works													
810 - Non Departmental													
Wages - Full time	3	$ 113,357	$ 122,711	$ 128,293	$ 132,783	$ 137,430	$ 142,240	$ 147,219	$ 152,371	$ 157,704	$ 163,224	$ 168,937	$ 174,850
Wages - Overtime	3	954	-	-	-	-	-	-	-	-	-	-	-
Allowances	3	1,811	1,920	1,920	1,987	2,057	2,129	2,203	2,280	2,360	2,443	2,528	2,617
Health Insurance	3	18,856	19,929	21,244	21,987	22,757	23,553	24,378	25,231	26,114	27,028	27,974	28,953
Cafeteria Plan Section 125	3	4,227	3,919	4,312	4,463	4,619	4,781	4,948	5,122	5,301	5,486	5,678	5,877
Social Security & Medicare	3	1,747	1,864	2,038	2,109	2,183	2,259	2,338	2,420	2,505	2,592	2,683	2,777
Worker Comp Insurance	3	7,901	7,179	9,825	10,169	10,525	10,893	11,274	11,669	12,077	12,500	12,937	13,390
OPEB	3	80,835	32,051	47,537	49,201	50,923	52,705	54,550	56,459	58,435	60,480	62,597	64,788
Pension Expense	3	(223,456)	-	-	-	-	-	-	-	-	-	-	-
Benefits - Other	3	1,371	-	-	-	-	-	-	-	-	-	-	-
Info Tech Support Services	2	-	-	33,414	34,416	35,449	36,512	37,608	38,736	39,898	41,095	42,328	43,598
Professional Services	2	42,173	100,000	66,586	68,584	70,641	72,760	74,943	77,191	79,507	81,892	84,349	86,880
Postage/Mail/Copy/Printing Svc	2	-	-	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
Bad Debt Expense	2	(11,826)	-	-	-	-	-	-	-	-	-	-	-
Membership Dues & Subscription	2	425	2,500	2,600	2,678	2,758	2,841	2,926	3,014	3,105	3,198	3,294	3,392
Regulatory Compliance Permits	2	-	-	-	-	-	-	-	-	-	-	-	-
Services - Cash for Grass	2	17,463	10,000	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Services - Toilet Rebates	9	5,300	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Services - Washer Rebates	2	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	2	-	500	500	515	530	546	563	580	597	615	633	652
Operating Supplies	2	750	3,000	-	-	-	-	-	-	-	-	-	-
Utilities - Water	5	2,155	1,401	2,500	2,641	2,790	2,947	3,113	3,289	3,474	3,670	3,877	4,096
City of Napa	8	178,426	200,000	278,000	283,560	289,231	295,016	300,916	306,934	313,073	319,335	325,721	332,236
North Bay Aqueduct	8	2,142,501	2,000,000	3,203,000	3,267,060	3,332,401	3,399,049	3,467,030	3,536,371	3,607,098	3,679,240	3,752,825	3,827,881
City of Vallejo	8	1,059,922	2,185,210	121,218	123,642	126,115	128,638	131,210	133,834	136,511	139,241	142,026	144,867
AC Recycled Water	2	10,000	-										
Depreciation	2	1,282,037	-										
Transfer to Gen Fund Support Sv	2	766,412	918,214	1,124,203	1,157,929	1,192,667	1,228,447	1,265,300	1,303,259	1,342,357	1,382,628	1,424,107	1,466,830
Transfer To General Fund - Oth	9	57,195	60,000	160,000	100,000	-	-	-	-	-	-	-	-
Retiree Health Benefits	3	60,100	48,831	74,980	77,605	80,321	83,132	86,042	89,053	92,170	95,396	98,735	102,191
PERS Retirement	3	17,037	16,089	16,257	16,826	17,415	18,024	18,655	19,308	19,984	20,683	21,407	22,156
ISF - Bldg Maint	2	77,400	218,944	325,219	334,976	345,025	355,376	366,037	377,018	388,328	399,978	411,978	424,337
ISF - Fleet	2	238,950	178,643	354,173	364,798	375,742	387,014	398,625	410,584	422,901	435,588	448,656	462,115
ISF - Info Tech	2	18,000	44,874	54,709	56,350	58,041	59,782	61,575	63,423	65,325	67,285	69,304	71,383
ISF - Legal Services	2	28,800	21,607	96,582	99,479	102,464	105,538	108,704	111,965	115,324	118,784	122,347	126,018
Subtotal - Non Departmental		**$ 6,000,824**	**$ 6,209,385**	**$ 6,175,109**	**$ 6,260,838**	**$ 6,310,276**	**$ 6,463,522**	**$ 6,620,677**	**$ 6,781,846**	**$ 6,947,136**	**$ 7,116,658**	**$ 7,290,526**	**$ 7,468,856**
TOTAL: WATER OPERATIONS EXPENSES		**$ 8,475,241**	**$ 9,828,665**	**$ 9,799,447**	**$ 11,204,947**	**$ 10,178,178**	**$ 10,459,378**	**$ 10,748,792**	**$ 11,046,673**	**$ 11,353,281**	**$ 11,668,886**	**$ 11,993,765**	**$ 12,328,206**

TABLE 9 : OPERATING EXPENSE FORECAST, cont.[1] *(for information only)*

DESCRIPTION	Basis	Actuals FY 2021/22	Budget FY 2022/23	5-Year Projected Rate Period FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Projected FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
CAPITAL PROJECTS													
Intra-fund Transfer Out Water	7	$ 89,642	$ 85,675	$ 2,038,185	$ 2,109,521	$ 2,183,355	$ 2,259,772	$ 2,338,864	$ 2,420,724	$ 2,505,450	$ 2,593,141	$ 2,683,900	$ 2,777,837
Intra-fund Transfer Out Recycled	7	-	-	120,000	124,200	128,547	133,046	137,703	142,522	147,511	152,674	158,017	163,548
Misc. Contractual Services (Dept 450)	2	400,000	50,000	-	-	-	-	-	-	-	-	-	-
Transfer Cap Projs Fund - Gen	7	-	-	596,000	616,860	638,450	660,796	683,924	707,861	732,636	758,278	784,818	812,287
Transfer Cap Proj - Water	7	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Cap Proj - Wastewater	7	(155,893)	412,280	250,000	258,750	267,806	277,179	286,881	296,922	307,314	318,070	329,202	340,724
Transfer Cap Proj - Recycled	7	-	-	917,509	949,622	982,859	1,017,259	1,052,863	1,089,713	1,127,853	1,167,328	1,208,185	1,250,471
Subtotal - Capital Projects		**$ 333,749**	**$ 547,955**	**$ 3,921,694**	**$ 4,058,954**	**$ 4,201,017**	**$ 4,348,053**	**$ 4,500,235**	**$ 4,657,743**	**$ 4,820,764**	**$ 4,989,490**	**$ 5,164,123**	**$ 5,344,867**

TABLE 10 : FORECASTING ASSUMPTIONS

INFLATION FACTORS[2]	Basis	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Customer Growth[3]	1	--	1.80%	1.80%	1.80%	1.70%	1.70%	1.70%	1.70%	1.70%	1.60%	1.60%	1.60%
General Cost Inflation[4]	2	--	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Labor Cost Inflation[5]	3	--	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Energy[6]	4	--	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%
Electricty[7]	5	--	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%
Fuel & Utilities[8]	6	--	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%
Construction Cost Inflation[9]	7	--	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Water Purchases[10]	8	--	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
No Escalation	9	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenue and expenses for FY 2021/22 through FY 2023/24 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions located in Table 10. Source files: *Fund 510 Water Operations.xlsx* , *FY 22 Fund 520 Water Cap Revenue Detailed Trial Balance* , & *FY 23 Fund 520 Water Cap Revenue Detailed Trial Balance* .
2. Expenses are inflated each year by the following annual inflation factor categories.
3. Customer growth is based on service area population growth through FY 2039/40. Source file: *American Canyon 2015 UWMP.pdf* , page 26.
4. General cost inflation is based on the 5-year average annual change in the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-Hayward, CA area.
5. Labor cost inflation is based on the 5-year average annual change in the Quarterly Census of Employment and Wages for San Francisco County, CA.
6. Energy cost inflation is based on the 5-year average annual change in the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-Hayward, CA area.
7. Electricity cost inflation is based on the 5-year average change in the Consumer Price Index for San Francisco County.
8. Fuel & Utilities cost inflation is based on the 5-year average annual change in the Consumer Price Index - Average Price Data for Fuels and related products and power. This factor is used for utility costs other than electricity.
9. Construction cost Inflation is the 10-year average change in the Construction Cost Index for 2012-2022. Source: Engineering News Record website (*http://enr.construction.com*).
10. Water purchases growth is estimated at 2% annually. Source file: *Water cost projections.xlsx* .

TABLE 11 : CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Actuals	Budget	5-Year Projected Rate Period					Projected				
Funding Sources:	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Use of Capacity Fee Reserves	-	-	1,630,856	2,854,016	2,471,905	2,165,153	1,919,564	1,723,628	1,568,012	1,444,951	1,348,341	1,273,232
SRF Loan Funding	-	-	-	-	-	-	-	-	-	-	-	-
Use of New Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Use of Capital Rehabilitation and Replacement Reserve	-	-	-	38,578	-	-	-	-	-	-	-	-
Rate Revenue	251,795	2,790,541	4,566,877	1,523,075	1,565,040	754,328	665,707	952,128	1,201,396	1,421,386	1,618,317	1,797,260
Total Sources of Capital Funds	**$ 251,795**	**$ 2,790,541**	**$ 6,197,733**	**$ 4,415,669**	**$ 4,036,946**	**$ 2,919,481**	**$ 2,585,271**	**$ 2,675,756**	**$ 2,769,407**	**$ 2,866,337**	**$ 2,966,658**	**$ 3,070,492**
Uses of Capital Funds:												
Total Project Costs	$ 251,795	$ 2,790,541	$ 6,197,733	$ 4,415,669	$ 4,036,946	$ 2,919,481	$ 2,585,271	$ 2,675,756	$ 2,769,407	$ 2,866,337	$ 2,966,658	$ 3,070,492
Capital Funding Surplus (Deficiency)	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***

CAPITAL IMPROVEMENT PROGRAM FUNDING OPTIONS

Capital Improvement Program Funding Choice	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Effective Annual Funding Amount	$ 251,795	$ 2,790,541	$ 6,197,733	$ 4,415,669	$ 4,036,946	$ 2,919,481	$ 2,585,271	$ 2,675,756	$ 2,769,407	$ 2,866,337	$ 2,966,658	$ 3,070,492

CAPITAL IMPROVEMENT PROGRAM

TABLE 12 : CAPITAL IMPROVEMENT PROGRAM COSTS (*in Current-Year Dollars*)[1]

Project No.	Description	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Capital Projects [2]													
TR23-0100	Knightsbridge Rehab and Water Main Replacement	$ -	$ -	$ 505,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TR24-0300	ARPA Rancho Del Mar Paving and Utility Improvements	-	-	1,162,000	-	-	-	-	-	-	-	-	-
WW16-0300	SCADA		-	250,000	-	-	-	-	-	-	-	-	-
UM20-0100	Engi Energy Services Contract Budget Expense Remaining	162,280	-	-	-	-	-	-	-	-	-	-	-
WA24-0100	Rio Del Mar Water Main Upgrade	-	-	45,000	360,000	-	-	-	-	-	-	-	-
WA24-0200	North Kelly Road Water Main	-	-	-	145,000	-	-	-	-	-	-	-	-
WA25-0100	Hanna Drive Water Main Repl.	-	-	-	-	550,000	-	-	-	-	-	-	-
WA26-0100	Northampton Water Main Repl.	-	-	-	-	-	650,000	-	-	-	-	-	-
NEW	Water Treatment Plant Shop	-	-	75,000	-	-	-	-	-	-	-	-	-
NEW	WTP Filter Media Replacement and Underdrain Repair	-	-	350,000	-	-	-	-	-	-	-	-	-
NEW	Parks - Irrigation Controller Upgrade (RW)	-	-	200,000	-	-	-	-	-	-	-	-	-
NEW	Solids Handling at WTP	-	-	100,000	900,000	-	-	-	-	-	-	-	-
Master Plan Projects - Potable Water [3]													
W1	Zone 1 Storage	$ -	$ -	$ 343,000	$ 343,000	$ 343,000	$ 343,000	$ -	$ -	$ -	$ -	$ -	$ -
W2	Annual Water Main Replacements	-	1,500,000	1,455,000	995,000	950,000	850,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
W3	Annual Water Service Replacements	81,000	81,000	81,000	81,000	-	-	-	-	-	-	-	-
W4	High Pressure Zone System	-	1,024,000	1,024,000	1,024,000	1,024,000	-	-	-	-	-	-	-
W8	Replace Transmission Mains Near SR29	-	-	-	-	196,000	196,000	196,000	196,000	196,000	196,000	196,000	196,000
W9	Replace Oat Hill Transmission Main	-	-	-	-	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000
W11	Fire Flows in Hess Drive	-	-	-	-	79,000	79,000	79,000	79,000	79,000	79,000	79,000	79,000
W13	Main Zone Reliability Improvements	-	-	-	-	129,000	129,000	129,000	129,000	129,000	129,000	129,000	129,000
Estimated Future Projects													
Future Projects[4]		-	-	-	-	-	-	-	-	-	-	-	-
Total: CIP Program Costs *(Future-Year Dollars)*		**$ 243,280**	**$ 2,605,000**	**$ 5,590,000**	**$ 3,848,000**	**$ 3,399,000**	**$ 2,375,000**	**$ 2,032,000**	**$ 2,032,000**	**$ 2,032,000**	**$ 2,032,000**	**$ 2,032,000**	**$ 2,032,000**

TABLE 13 : CAPITAL IMPROVEMENT PROGRAM COSTS (*in Future-Year Dollars*)[5]

Project No.	Description	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Capital Projects [2]													
TR23-0100	Knightsbridge Rehab and Water Main Replacement	$ -	$ -	$ 559,903	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TR24-0300	ARPA Rancho Del Mar Paving and Utility Improvements	-	-	1,288,330	-	-	-	-	-	-	-	-	-
WW16-0300	SCADA	-	-	277,179	-	-	-	-	-	-	-	-	-
UM20-0100	Engi Energy Services Contract Budget Expense Remaining	167,960	-	-	-	-	-	-	-	-	-	-	-
WA24-0100	Rio Del Mar Water Main Upgrade	-	-	49,892	413,108	-	-	-	-	-	-	-	-
WA24-0200	North Kelly Road Water Main	-	-	-	166,391	-	-	-	-	-	-	-	-
WA25-0100	Hanna Drive Water Main Repl.	-	-	-	-	653,227	-	-	-	-	-	-	-
WA26-0100	Northampton Water Main Repl.	-	-	-	-	-	799,016	-	-	-	-	-	-
NEW	Water Treatment Plant Shop	-	-	83,154	-	-	-	-	-	-	-	-	-
NEW	WTP Filter Media Replacement and Underdrain Repair	-	-	388,051	-	-	-	-	-	-	-	-	-
NEW	Parks - Irrigation Controller Upgrade (RW)	-	-	221,744	-	-	-	-	-	-	-	-	-
NEW	Solids Handling at WTP	-	-	110,872	1,032,771	-	-	-	-	-	-	-	-
Master Plan Projects - Potable Water [3]													
W1	Zone 1 Storage	$ -	$ -	$ 380,290	$ 393,600	$ 407,376	$ 421,635	$ -	$ -	$ -	$ -	$ -	$ -
W2	Annual Water Main Replacements	-	1,606,838	1,613,185	1,141,785	1,128,302	1,044,867	1,908,419	1,975,214	2,044,346	2,115,898	2,189,955	2,266,603
W3	Annual Water Service Replacements	83,835	86,769	89,806	92,949	-	-	-	-	-	-	-	-
W4	High Pressure Zone System	-	1,096,934	1,135,327	1,175,064	1,216,191	-	-	-	-	-	-	-
W8	Replace Transmission Mains Near SR29	-	-	-	-	232,787	240,934	249,367	258,095	267,128	276,477	286,154	296,169
W9	Replace Oat Hill Transmission Main	-	-	-	-	152,024	157,345	162,852	168,552	174,451	180,557	186,876	193,417
W11	Fire Flows in Hess Drive	-	-	-	-	93,827	97,111	100,510	104,028	107,669	111,437	115,338	119,374
W13	Main Zone Reliability Improvements	-	-	-	-	153,212	158,574	164,124	169,868	175,814	181,967	188,336	194,928
Estimated Future Projects													
Future Projects[4]		-	-	-	-	-	-	-	-	-	-	-	-
Total: CIP Program Costs *(Future-Year Dollars)*		**$ 251,795**	**$ 2,790,541**	**$ 6,197,733**	**$ 4,415,669**	**$ 4,036,946**	**$ 2,919,481**	**$ 2,585,271**	**$ 2,675,756**	**$ 2,769,407**	**$ 2,866,337**	**$ 2,966,658**	**$ 3,070,492**

TABLE 14 : FORECASTING ASSUMPTIONS

Economic Variables	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Annual Construction Cost Inflation, Per Engineering News Record[6]	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*
Cumulative Construction Cost Multiplier from FY 2021/22	*1.04*	*1.07*	*1.11*	*1.15*	*1.19*	*1.23*	*1.27*	*1.32*	*1.36*	*1.41*	*1.46*	*1.51*

1. Capital project costs were provided by City Staff in source file: *Water Projects.pdf.*
2. Capital projects costs for FY 2021/22 and FY 2022/23 are from source files: 11. *CIP Budget vs Expense Report FY 2021-2022 through Oct 2021.pdf* & *Water FY 2023-2027.xlsx* .
3. The City's Water Master Plan projects were scheduled to begin in 2016; however, the study only includes costs from FY 2021/22 through FY 2034/35. Source file: *2016 Potable Water Master Plan.pdf* , page 53.
4. Future project costs beyond FY 2034/35 are calculated based on the City's 10-year average.
5. Capital improvement projects are inflated to future year estimated costs with ENR CCI for the region. Source: Engineering News Record website (*http://enr.construction.com*).
6. For reference purposes, the annual Construction Cost Inflation percentage is the 10-year average change in the Construction Cost Index for September 2012-2022 (3.5%). Source: Engineering News Record website *(http://enr.construction.com).*

TABLE 15 : EXISTING DEBT OBLIGATIONS

EXISTING DEBT OBLIGATIONS	Actuals	Budget	5-Year Projected Rate Period					Projected				
Annual Repayment Schedules:	**FY 2021/22**	**FY 2022/23**	**FY 2023/24**	**FY 2024/25**	**FY 2025/26**	**FY 2026/27**	**FY 2027/28**	**FY 2028/29**	**FY 2029/30**	**FY 2030/31**	**FY 2031/32**	**FY 2032/33**
SWRCB (California Department of Water Resources): Contract No. D-GLC 46[1]												
Principal Payment	$ 70,382	$ 72,142	$ 73,946	$ 75,794	$ 77,689	$ 79,631	$ 53,204	$ -	$ -	$ -	$ -	$ -
Interest Payment	24,084	22,324	20,521	18,672	16,777	14,835	12,844	-	-	-	-	-
Subtotal: Annual Debt Service	**$ 94,466**	**$ 94,466**	**$ 94,466**	**$ 94,466**	**$ 94,466**	**$ 94,466**	**$ 66,048**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Coverage Requirement ($-Amnt above annual payment)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reserve Requirement[2]	$ 71,827	$ 72,068	$ 72,053	$ 71,580	$ 70,175	$ 66,417	$ 53,204	$ -	$ -	$ -	$ -	$ -
Banc of America Public Capital Corp Agreement (ENGIE) - Loan Amount $5,209,209[3]												
Principal Payment	$ 5,520	$ 66,788	$ 63,992	$ 68,673	$ 73,583	$ 75,042	$ 82,720	$ 88,430	$ 78,658	$ 84,010	$ 89,620	$ 94,771
Interest Payment	23,749	22,854	21,682	20,498	19,229	17,900	16,494	14,966	13,463	12,011	10,462	8,815
Subtotal: Annual Debt Service	**$ 29,269**	**$ 89,642**	**$ 85,674**	**$ 89,171**	**$ 92,812**	**$ 92,941**	**$ 99,214**	**$ 103,396**	**$ 92,122**	**$ 96,021**	**$ 100,082**	**$ 103,586**
Coverage Requirement ($-Amnt above annual payment)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reserve Requirement (total fund balance)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sites Reservoir Project - Debt Amount $20,586,000[4]												
Principal Payment	$ 400,000	$ 560,000	$ 640,000	$ 640,000	$ 1,281,000	$ 2,336,000	$ 2,849,000	$ 3,166,000	$ 3,195,000	$ 3,131,000	$ 3,028,000	$ -
Interest Payment	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	**$ 400,000**	**$ 560,000**	**$ 640,000**	**$ 640,000**	**$ 1,281,000**	**$ 2,336,000**	**$ 2,849,000**	**$ 3,166,000**	**$ 3,195,000**	**$ 3,131,000**	**$ 3,028,000**	**$ -**
Coverage Requirement ($-Amnt above annual payment)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reserve Requirement (total fund balance)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total: Existing Annual Debt Service	**$ 523,735**	**$ 744,109**	**$ 820,140**	**$ 823,637**	**$ 1,468,278**	**$ 2,523,408**	**$ 3,014,261**	**$ 3,269,396**	**$ 3,287,122**	**$ 3,227,021**	**$ 3,128,082**	**$ 103,586**
Grand Total: Existing Annual Coverage Requirement	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total: Existing Debt Reserve Target	**$ 71,827**	**$ 72,068**	**$ 72,053**	**$ 71,580**	**$ 70,175**	**$ 66,417**	**$ 53,204**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

TABLE 16 : WATER UTILITY EXISTING DEBT OBLIGATIONS, cont.

EXISTING DEBT OBLIGATIONS	Actuals	Budget	5-Year Projected Rate Period					Projected				
Annual Repayment Schedules:	**FY 2021/22**	**FY 2022/23**	**FY 2023/24**	**FY 2024/25**	**FY 2025/26**	**FY 2026/27**	**FY 2027/28**	**FY 2028/29**	**FY 2029/30**	**FY 2030/31**	**FY 2031/32**	**FY 2032/33**
Interfund Loans (For Information Only)												
Water Operations to Water Capacity Fund												
Advance from Water Operations 510 to Water Capacity 520												
Original Loan Amount (June 1, 2008)	**$ 1,000,000**											
Accrued Interest (LAIF Rate + 2%)	**132,325**											
Annual Debt Service[5]		*$126,058*	*$ 126,058*	*$ 126,058*	*$ 126,058*	*$ 126,058*	*$ 126,058*	*$ 126,058*	*$ 126,058*	*$ 126,058*	*$ 126,058*	**$** -
Water Operations to Recycled Water Fund												
Advance from Water Operations 510 to Recycled Water Operations 580												
Original Loan Amount (September 21, 2021)	**$ 128,189**											
Accrued Interest (LAIF Rate + 2%)	**11,706**											
Annual Debt Service[6]					*$ 5,421*	*$ 5,421*	*$ 5,421*	*$ 5,421*	*$ 5,421*	*$ 5,421*	*$ 5,421*	*$ 5,421*
Water Operations to Recycled Water Fund												
Advance from Water Operations 510 to Recycled Water Operations 580												
Original Loan Amount (June 20, 2023)	**$ 1,136,140**											
Accrued Interest (LAIF Rate + 2%)	**981**											
Annual Debt Service[7]			*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*

1. Construction loan issued by the State under the Davis-Grunsky Act. Source files: *5 - Debt Service Schedules.xlsx* & *6 - Davis Grunsky Agreement $2,050,000 Loan Dec 9 1974.pdf* .
2. The City is required to maintain a debt reserve fund equal to the average annual payment of the total outstanding loan balance. Source file: *6 - Davis Grunsky Agreement $2,050,000 Loan Dec 9 1974.pdf* , pp. 11-12 .
3. Equipment lease/purchase loan issued by the Banc of America Public Capital Corp to cover energy efficiency projects to City facilities. Water utility portion is 24.64%, or $1,283,549.10 (Principal). Source file: *6 - ENGIE Closing Documents.pdf* .
4. Debt service for the City's portion of costs related to the Sites Reservoir Project. Source files: Email from City staff dated 9-19-2022 & *Sites-2021-Draft-Plan-of-Finance.pdf* , Table 6A, page 27.
5. Funds advanced to purchase water rights. Repayment scheduled to begin FY 2022/23.
6. Funds advanced for Green Island Recycled Waterline Project. Repayment scheduled to begin FY 2025/26.
7. Funds advanced for the Recycled Water Expansion Project, Project no. RW17-0100. Repayment scheduled to begin FY 2023/24.

TABLE 17 : EXISTING ANNUAL DEBT OBLIGATIONS TO BE SATISFIED BY WATER RATES

Annual Obligations	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Existing Annual Debt Service	*$ 523,735*	*$ 744,109*	*$ 820,140*	*$ 823,637*	*$ 1,468,278*	*$ 2,523,408*	*$ 3,014,261*	*$ 3,269,396*	*$ 3,287,122*	*$ 3,227,021*	*$ 3,128,082*	*$ 103,586*
Existing Annual Coverage Requirement	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Existing Debt Reserve Target	*$ 71,827*	*$ 72,068*	*$ 72,053*	*$ 71,580*	*$ 70,175*	*$ 66,417*	*$ 53,204*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*

TABLE 18 : CURRENT WATER RATE SCHEDULE

Water Rate Schedule[1]	Current Rates Jan. 1, 2023
Monthly Fixed Service Charges	
Residential Use	$26.56
Multi-Family, Commercial and Landscape	
< 1" meter	$26.56
1" meter (Residential)	$26.56
1" meter (Commercial)	$44.42
1 1/2" meter	$88.75
2" meter	$141.99
3" meter	$283.98
4" meter	$443.74
6" meter	$887.48
8" meter	$1,420.06
Private Fire Protection	$13.28
Temporary Hydrant Meters	$283.98
Raw Water	
1" meter	$44.42
2" meter	$141.99
4" meter	$443.74
6" meter	$887.48
Variable Charges for All Water Consumed (in $/hcf) [2]	
Residential Use	
Tier 1 (0 - 10 units)	$7.54
Tier 2 (> 10 units)	$8.15
Multi-Family, Commercial and Landscape	$7.72
Private Fire Protection	$3.86
Temporary Hydrant Meters	
Potable	$7.72
Recycled	$0.90
Raw Water	$3.44

1. Rates available on the City website. Source: *https://www.cityofamericancanyon.org* .
2. HCF = hundred cubic feet (748 gallons).

TABLE 19 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Fire Protection	Basis of Classification			
	FY 2023/24	(COM)	(CAP)	(CA)	(FP)	(COM)	(CAP)	(CA)	(FP)
Fund 510 - Water Operations									
560 - Water Treatment Plant									
Wages - Full Time	$ 612,238	$ 306,119	$ 223,160	$ 61,224	$ 21,736	50.0%	36.4%	10.0%	3.6%
Wages - Overtime	9,000	4,500	3,280	900	320	50.0%	36.4%	10.0%	3.6%
Health Insurance	95,546	47,773	34,826	9,555	3,392	50.0%	36.4%	10.0%	3.6%
Health-In-Lieu	9,690	4,845	3,532	969	344	50.0%	36.4%	10.0%	3.6%
Cafeteria Plan Section 125	24,587	12,294	8,962	2,459	873	50.0%	36.4%	10.0%	3.6%
Social Security & Medicare	9,374	4,687	3,417	937	333	50.0%	36.4%	10.0%	3.6%
Worker Comp Insurance	49,859	24,930	18,174	4,986	1,770	50.0%	36.4%	10.0%	3.6%
Benefits - Other	1,106	553	403	111	39	50.0%	36.4%	10.0%	3.6%
Info Tech Support Services	116,200	58,100	42,355	11,620	4,125	50.0%	36.4%	10.0%	3.6%
Professional Services	366,400	183,200	133,552	36,640	13,008	50.0%	36.4%	10.0%	3.6%
Misc Contractual Services	59,200	29,600	21,578	5,920	2,102	50.0%	36.4%	10.0%	3.6%
General Repairs & Maint	53,800	26,900	19,610	5,380	1,910	50.0%	36.4%	10.0%	3.6%
Advertising	6,000	3,000	2,187	600	213	50.0%	36.4%	10.0%	3.6%
Postage/Mail/Copy/Printing Svc	2,000	1,000	729	200	71	50.0%	36.4%	10.0%	3.6%
Membership Dues & Subscription	3,200	1,600	1,166	320	114	50.0%	36.4%	10.0%	3.6%
Conferences - Training	13,500	6,750	4,921	1,350	479	50.0%	36.4%	10.0%	3.6%
Rentals - Equipment/Space	3,700	1,850	1,349	370	131	50.0%	36.4%	10.0%	3.6%
Office Supplies	25,000	12,500	9,112	2,500	888	50.0%	36.4%	10.0%	3.6%
Operating Supplies	488,400	244,200	178,021	48,840	17,339	50.0%	36.4%	10.0%	3.6%
Water Plant Membrane Filters	-	-	-	-	-	50.0%	36.4%	10.0%	3.6%
Utilities - Gas & Elec	73,000	36,500	26,608	7,300	2,592	50.0%	36.4%	10.0%	3.6%
Util-Phonespgrsinternetcable	5,800	2,900	2,114	580	206	50.0%	36.4%	10.0%	3.6%
Pers Retirement	60,588	30,294	22,084	6,059	2,151	50.0%	36.4%	10.0%	3.6%
Subtotal - Water Treatment Plant	**$ 2,088,189**	**$ 1,044,094**	**$ 761,140**	**$ 208,819**	**$ 74,135**	**50.0%**	**36.4%**	**10.0%**	**3.6%**

TABLE 20 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Fire Protection	Basis of Classification			
	FY 2023/24	(COM)	(CAP)	(CA)	(FP)	(COM)	(CAP)	(CA)	(FP)
Fund 510 - Water Operations									
565 - Water Distribution									
Wages - Full Time	$ 544,808	$ 272,404	$ 198,581	$ 54,481	$ 19,342	50.0%	36.4%	10.0%	3.6%
Wages - Overtime	3,000	1,500	1,093	300	107	50.0%	36.4%	10.0%	3.6%
Health Insurance	110,792	55,396	40,384	11,079	3,933	50.0%	36.4%	10.0%	3.6%
Cafeteria Plan Section 125	27,459	13,730	10,009	2,746	975	50.0%	36.4%	10.0%	3.6%
Social Security & Medicare	8,298	4,149	3,025	830	295	50.0%	36.4%	10.0%	3.6%
Worker Comp Insurance	58,411	29,205	21,291	5,841	2,074	50.0%	36.4%	10.0%	3.6%
Benefits - Other	1,901	951	693	190	67	50.0%	36.4%	10.0%	3.6%
Info Tech Support Services	84,600	42,300	30,837	8,460	3,003	50.0%	36.4%	10.0%	3.6%
Professional Services	52,000	26,000	18,954	5,200	1,846	50.0%	36.4%	10.0%	3.6%
Misc Contractual Services	9,300	4,650	3,390	930	330	50.0%	36.4%	10.0%	3.6%
General Repairs & Maint	375,100	187,550	136,723	37,510	13,317	50.0%	36.4%	10.0%	3.6%
Reimbursable Repairs	20,000	10,000	7,290	2,000	710	50.0%	36.4%	10.0%	3.6%
Postage/Mail/Copy/Printing Svc	3,499	1,750	1,275	350	124	50.0%	36.4%	10.0%	3.6%
Membership Dues & Subscription	3,200	1,600	1,166	320	114	50.0%	36.4%	10.0%	3.6%
Conferences - Training	7,000	3,500	2,551	700	249	50.0%	36.4%	10.0%	3.6%
Rentals - Equipment/Space	13,000	6,500	4,738	1,300	462	50.0%	36.4%	10.0%	3.6%
Office Supplies	2,000	1,000	729	200	71	50.0%	36.4%	10.0%	3.6%
Operating Supplies	33,200	16,600	12,101	3,320	1,179	50.0%	36.4%	10.0%	3.6%
Water Meters	100,000	50,000	36,450	10,000	3,550	50.0%	36.4%	10.0%	3.6%
Util-Phonespgrsinternetcable	4,100	2,050	1,494	410	146	50.0%	36.4%	10.0%	3.6%
Pers Retirement	74,481	37,240	27,148	7,448	2,644	50.0%	36.4%	10.0%	3.6%
Subtotal -Water Distribution	**$ 1,536,149**	**$ 768,074**	**$ 559,923**	**$ 153,615**	**$ 54,537**	**50.0%**	**36.4%**	**10.0%**	**3.6%**

TABLE 21 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Fire Protection	Basis of Classification			
	FY 2023/24	(COM)	(CAP)	(CA)	(FP)	(COM)	(CAP)	(CA)	(FP)
50 - Public Works									
810 - Non Departmental									
Wages - Full Time	$ 128,293	$ 64,146	$ 46,762	$ 12,829	$ 4,555	50.0%	36.4%	10.0%	3.6%
Allowances	1,920	960	700	192	68	50.0%	36.4%	10.0%	3.6%
Health Insurance	21,244	10,622	7,743	2,124	754	50.0%	36.4%	10.0%	3.6%
Cafeteria Plan Section 125	4,312	2,156	1,572	431	153	50.0%	36.4%	10.0%	3.6%
Social Security & Medicare	2,038	1,019	743	204	72	50.0%	36.4%	10.0%	3.6%
Worker Comp Insurance	9,825	4,912	3,581	982	349	50.0%	36.4%	10.0%	3.6%
Opeb	47,537	23,769	17,327	4,754	1,688	50.0%	36.4%	10.0%	3.6%
Info Tech Support Services	33,414	16,707	12,179	3,341	1,186	50.0%	36.4%	10.0%	3.6%
Professional Services	66,586	33,293	24,270	6,659	2,364	50.0%	36.4%	10.0%	3.6%
Postage/Mail/Copy/Printing Svc	6,000	3,000	2,187	600	213	50.0%	36.4%	10.0%	3.6%
Membership Dues & Subscription	2,600	1,300	948	260	92	50.0%	36.4%	10.0%	3.6%
Services - Cash For Grass	30,000	15,000	10,935	3,000	1,065	50.0%	36.4%	10.0%	3.6%
Services - Toilet Rebates	10,000	5,000	3,645	1,000	355	50.0%	36.4%	10.0%	3.6%
Office Supplies	500	250	182	50	18	50.0%	36.4%	10.0%	3.6%
Utilities - Water	2,500	1,250	911	250	89	50.0%	36.4%	10.0%	3.6%
City Of Napa	278,000	278,000	-	-	-	100.0%	0.0%	0.0%	0.0%
North Bay Aqueduct	3,203,000	3,203,000	-	-	-	100.0%	0.0%	0.0%	0.0%
City Of Vallejo	121,218	121,218	-	-	-	100.0%	0.0%	0.0%	0.0%
Transfer To Gen Fund Support Sv	1,124,203	562,102	409,770	112,420	39,912	50.0%	36.4%	10.0%	3.6%
Transfer To General Fund - Oth	160,000	80,000	58,320	16,000	5,680	50.0%	36.4%	10.0%	3.6%
Retiree Health Benefits	74,980	37,490	27,330	7,498	2,662	50.0%	36.4%	10.0%	3.6%
Pers Retirement	16,257	8,128	5,926	1,626	577	50.0%	36.4%	10.0%	3.6%
Isf - Bldg Maint	325,219	162,610	118,542	32,522	11,546	50.0%	36.4%	10.0%	3.6%
Isf - Fleet	354,173	177,087	129,095	35,417	12,574	50.0%	36.4%	10.0%	3.6%
Isf - Info Tech	54,709	27,355	19,941	5,471	1,942	50.0%	36.4%	10.0%	3.6%
Isf - Legal Services	96,582	48,291	35,204	9,658	3,429	50.0%	36.4%	10.0%	3.6%
Subtotal - Non Departmental	**$ 6,175,109**	**$ 4,888,664**	**$ 937,813**	**$ 257,289**	**$ 91,343**	**79.2%**	**15.2%**	**4.2%**	**1.5%**
Total: Water Operations Expenses	**$ 9,799,447**	**$ 6,700,833**	**$ 2,258,877**	**$ 619,723**	**$ 220,015**	**68.4%**	**23.1%**	**6.3%**	**2.2%**
TOTAL: WATER OPERATIONS EXPENSES	**$ 9,799,447**	**$ 6,700,833**	**$ 2,258,877**	**$ 619,723**	**$ 220,015**	**68.4%**	**23.1%**	**6.3%**	**2.2%**

TABLE 22 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses, continued									
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Fire Protection	Basis of Classification			
	FY 2023/24	(COM)	(CAP)	(CA)	(FP)	(COM)	(CAP)	(CA)	(FP)
Debt Service Payments									
Outstanding Debt	$ 820,140	$ -	$ 820,140	$ -	$ -	0.0%	100.0%	0.0%	0.0%
New Debt Issue - SRF Loan	-	-	-	-	-	0.0%	100.0%	0.0%	0.0%
New Debt Issue - Revenue Bond	-	-	-	-	-	0.0%	100.0%	0.0%	0.0%
Total Debt Service Payments	**$ 820,140**	**$ -**	**$ 820,140**	**$ -**	**$ -**	**0.0%**	**100.0%**	**0.0%**	**0.0%**
Capital Expenditures									
Rate Funded Capital Expenses	$ 4,566,877	$ -	$ 4,566,877	$ -	$ -	0.0%	100.0%	0.0%	0.0%
TOTAL REVENUE REQUIREMENTS	**$ 15,186,464**	**$ 6,700,833**	**$ 7,645,894**	**$ 619,723**	**$ 220,015**	**44.1%**	**50.3%**	**4.1%**	**1.4%**
Less: Non-Rate Revenues									
Other Revenue									
Grant - State/Local	$ -	$ -	$ -	$ -	$ -	44.1%	50.3%	4.1%	1.4%
Interest Earnings	(275,008)	(121,344)	(138,458)	(11,222)	(3,984)	44.1%	50.3%	4.1%	1.4%
Miscellaneous Revenues	(359,300)	(158,537)	(180,896)	(14,662)	(5,205)	44.1%	50.3%	4.1%	1.4%
Late Penalties / Interest	(114,300)	(50,433)	(57,546)	(4,664)	(1,656)	44.1%	50.3%	4.1%	1.4%
Interfund Transfer In (Loan Repayment)	(44,061)	(19,441)	(22,183)	(1,798)	(638)	44.1%	50.3%	4.1%	1.4%
NET REVENUE REQUIREMENTS	**$ 14,393,795**	**$ 6,351,077**	**$ 7,246,811**	**$ 587,376**	**$ 208,531**				
Allocation of Revenue Requirements	**100.0%**	**44.1%**	**50.3%**	**4.1%**	**1.4%**				

TABLE 23 : ADJUSTMENT TO CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses, continued Adjustments to Classification of Expenses					
Adjustment for Current Rate Level:	**Total**	**(COM)**	**(CAP)**	**(CA)**	**(FP)**
Test Year (FY 2023/24) Target Rate Rev. After Rate Increases	$ 10,291,388				
Projected Rate Revenue at Current Rates	$ 9,441,640				
Test Year (FY 2023/24) Projected Rate Adjustment	9.00%				
Adjusted Net Revenue Req'ts	**$ 10,291,388**	**$ 4,540,943**	**$ 5,181,381**	**$ 419,967**	**$ 149,097**
Percent of Revenue	*100.0%*	*44.1%*	*50.3%*	*4.1%*	*1.4%*

TABLE 24 : NET REVENUE REQUIREMENTS PER COSA RESULTS

Net Revenue Requirements - Per COSA Results 56% Fixed / 44% Variable	**Total Rate Revenue Requirements FY 2023/24** ***(Excluding Recycled Water)***	**Commodity Related Costs**			**Fixed Costs**		
		SWP	**Raw Water**	**Treated Water**	**Capacity Related Costs**	**Customer Related Costs**	**Fire Protection Related Costs**
Rate-Design Adjustments to Fixed/Variable %	**100.0%**	**44.1%**			**50.3%**	**4.1%**	**1.4%**
Rate-Design Adjustments to Fixed/Variable ($)	**$10,291,388**	**$3,702,785**	**$515,708**	**$322,450**	**$5,181,381**	**$419,967**	**$149,097**

TABLE 25 : NET REVENUE REQUIREMENTS PER COSA RESULTS - ALTERNATIVE 1

Rate-Design Adjustments to Fixed/Variable %	100.0%	40.0%			54.1%	4.4%	1.6%
Rate-Design Adjustments to Fixed/Variable ($)	$10,291,388	$3,356,730	$467,511	$292,314	$5,563,772	$450,961	$160,100

TABLE 26 : NET REVENUE REQUIREMENTS - (40% FIXED/60% VOLUMETRIC) - ALTERNATIVE 2

Rate-Design Adjustments to Fixed/Variable %	100.0%	60.0%			36.0%	2.9%	1.0%
Rate-Design Adjustments to Fixed/Variable ($)	$10,291,388	$5,035,095	$701,267	$438,471	$3,709,181	$300,640	$106,734

TABLE 27 : NET REVENUE REQUIREMENTS - (20% FIXED/80% VOLUMETRIC) - ALTERNATIVE 3

Rate-Design Adjustments to Fixed/Variable %	100.0%	80.0%			18.0%	1.5%	0.5%
Rate-Design Adjustments to Fixed/Variable ($)	$10,291,388	$6,713,459	$935,022	$584,629	$1,854,591	$150,320	$53,367

TABLE 28 : DEVELOPMENT OF THE COMMODITY ALLOCATION FACTOR

Development of the Volumetric/Variable Allocation Factor[1]				
Customer Class	**FY 2021/22 Consumption (hcf)**	**% Adjustment for Conservation[2]**	**Est. FY 2021/22 Volume Adjusted for Conservation**	**FY 2021/22 % of Total Volume**
Residential	507,339	20.0%	405,871	**50.1%**
Multi-Family	89,630	20.0%	71,704	**8.8%**
Commercial	318,808	20.0%	255,046	**31.5%**
Landscape	53,157	20.0%	42,526	**5.2%**
Private Fire Protection	22,831	20.0%	18,265	**2.3%**
Temporary Hydrant Meters	8,303	20.0%	6,642	**0.8%**
Raw Water	13,039	20.0%	10,431	**1.3%**
Total	**1,013,107**		**810,486**	**100%**

1. Consumption data is based on the City of American Canyon's billing data.
2. A conservation factor of 20% included in table above based on the "20 by 2020" law passed in 2009.
   Source: *https://www.ca-ilg.org* .

Commodity Related Costs: *Costs associated with the total consumption (flow) of water over a specified period of time (e.g. annual).*

TABLE 29 : DEVELOPMENT OF THE CAPACITY ALLOCATION FACTORS

Development of the CAPACITY Allocation Factors					
Customer Class	**Meter Size[1]**	**No. of Meters**	**Hydraulic Capacity Factors[2]**	**Total Equivalent Meters**	**% of EDUs**
Residential		**4,880**		**4,930**	**42.2%**
	< 1" meter	1,986	*1.00*	1,986	
	1" meter	2,875	*1.00*	2,875	
	1 1/2" meter	7	*2.00*	14	
	2" meter	9	*3.20*	29	
	3" meter	1	*6.40*	6	
	4" meter	2	*10.00*	20	
Multi-Family		**556**		**5,598**	**47.9%**
	1 1/2" meter	20	*2.00*	40	
	2" meter	201	*3.20*	643	
	3" meter	96	*6.40*	614	
	4" meter	48	*10.00*	480	
	6" meter	191	*20.00*	3,820	
Commercial		**343**		**698**	**6.0%**
	< 1" meter	102	*1.00*	102	
	1" meter	88	*1.00*	88	
	1 1/2" meter	54	*2.00*	108	
	2" meter	81	*3.20*	259	
	3" meter	11	*6.40*	70	
	4" meter	7	*10.00*	70	
Landscape		**73**		**122**	**1.0%**
	< 1" meter	13	*1.00*	13	
	1" meter	30	*1.00*	30	
	1 1/2" meter	14	*2.00*	28	
	2" meter	16	*3.20*	51	
Private Fire Protection		**245**		**245**	**2.1%**
	< 1" meter	245	*1.00*	245	
Temporary Hydrant Meters		**8**		**51**	**0.4%**
	3" meter	8	*6.40*	51	
Raw Water		**3**		**40**	**0.3%**
	4" meter	2	*10.00*	20	
	6" meter	1	*20.00*	20	
Total		**6,108**		**11,684**	**100%**

1. Meter by class and size are based on June 2022 customer billing data.
2. Source: *Principles of Water Rates, Fees, and Charges* , Manual M1, AWWA, Table B-1.

Capacity Related Costs: *Costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.*

TABLE 30 : DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTORS

Development of the Customer Allocation Factor		
Customer Class	**No. of Meters/Accounts FY 2021/22[1]**	**% of Total Meters**
Residential	4,880	**71.5%**
Multi-Family[2]	1,273	**18.7%**
Commercial	343	**5.0%**
Landscape	73	**1.1%**
Private Fire Protection	245	**3.6%**
Temporary Hydrant Meters	8	**0.1%**
Raw Water	3	**0.0%**
Total	**6,825**	**100.0%**

1. Meter count data is based on the City's billing data for June 2022.
2. Multi-family residential customers are by dwelling units.

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

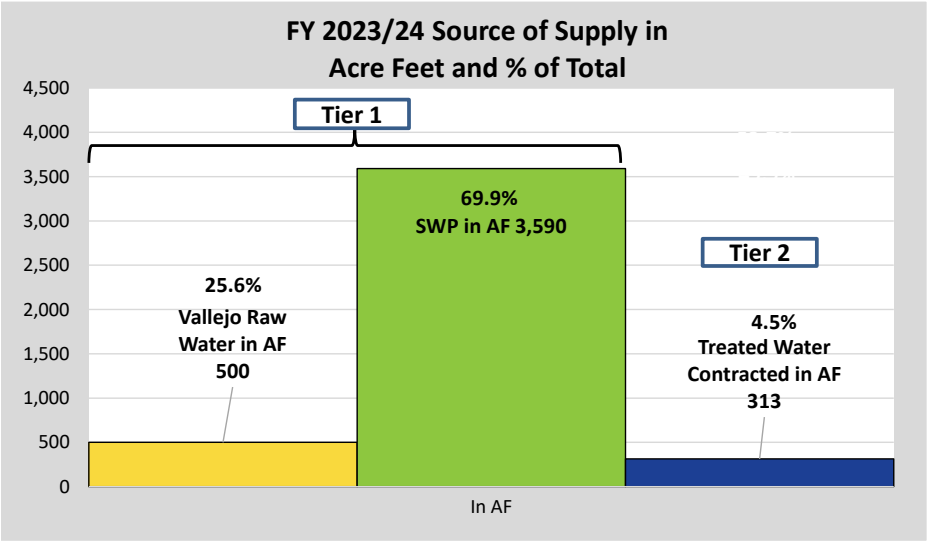
TABLE 31 : FY 2023/24 WATER SUPPLY BY SOURCE

Source of Supply	Total Contracted Purchases		Acre Feet as a % of Total	Total Cost (FY 2023/24)	Cost as a % of Total Cost
	In AF	In HCF			
SWP (Contracted Purchase)	3,590	1,563,804	81.5%	$ 2,727,590	75.7%
Vallejo Raw Water (Contracted Purchase)	500	217,800	11.4%	138,033	3.8%
Treated Water (Contracted Purchase)[1]	313	136,181	7.1%	737,049	20.5%
Totals	**4,403**	**1,917,785**	**100.0%**	**$ 3,602,672**	**100%**

1. This includes Vallejo Treated Water and City of Napa Treat and Wheel. Source files: *Water cost projections.xlsx* .

TABLE 32 : UNIT COSTS BY SOURCE OF SUPPLY

Source of Supply	Quantity (AF)	Total Cost	Rate ($/AF)
SWP (Tier 1)	3,590	$ 2,727,590	$ 760
Vallejo Raw Water (Tier 1)	500	138,033	$ 276
Treated Water (Tier 2)	313	737,049	$ 2,358
Total Water Supply (AF)	**4,403**	**$ 3,602,672**	
Unit Costs ($/HCF)	**Quantity (HCF)**	**Total Cost**	**Rate ($/HCF)**
Tier 1 - SWP & Vallejo Raw Water	1,781,604	$ 1,129,112	**$ 0.63**
Tier 2 - Treated Water (Napa & Vallejo)	136,181	737,049	**$ 5.41**
Blended Cost (all water) per hcf			*$ 1.88*
Total Estimated Quantity (hcf)	**1,917,785**	**$ 1,866,161**	**810,486**
Estimated Residential Consumption			**405,871**
Total FY 2023/24 % of Total Volume			***50.1%***



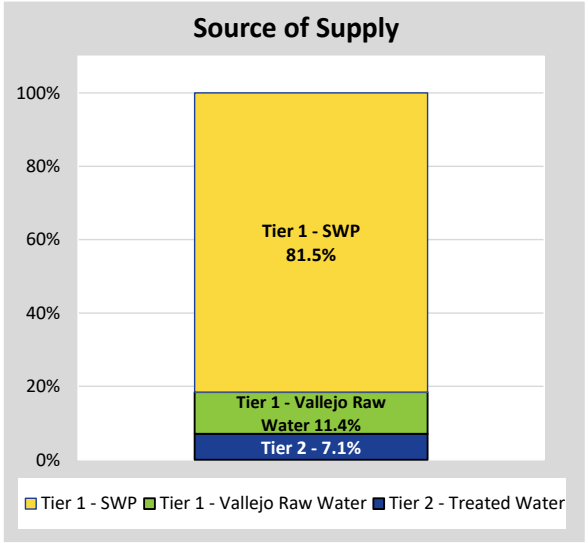


TABLE 33 : ALLOCATION OF WATER REVENUE REQUIREMENTS

Classification Components	ALTERNATIVE 1 (50% Fixed / 50% Variable) Cost-of-Service Net Revenue Requirements *(FY 2023/24)*		ALTERNATIVE 2 (40% Fixed / 60% Variable) Cost-of-Service Net Revenue Requirements *(FY 2023/24)*		ALTERNATIVE 3 (20% Fixed / 80% Variable) Cost-of-Service Net Revenue Requirements *(FY 2023/24)*	
Commodity-Related Costs	$ 4,116,555	*40.0%*	$ 6,174,833	*60.0%*	$ 8,233,110	*80.0%*
Capacity-Related Costs	5,563,772	*54.1%*	3,709,181	*36.0%*	1,854,591	*18.0%*
Customer-Related Costs	450,961	*4.4%*	300,640	*3.0%*	150,320	*1.5%*
Fire Protection-Related Costs	160,100	*1.6%*	106,734	*1.0%*	53,367	*0.5%*
Net Revenue Requirement	**$ 10,291,388**	*100.0%*	**$ 10,291,388**	*100.0%*	**$ 10,291,388**	*100.0%*
	Unadjusted Net Rev. Req'ts.		*Unadjusted Net Rev. Req'ts.*		*Unadjusted Net Rev. Req'ts.*	
	40.0%	*total variable*	*60.0%*	*total variable*	*80.0%*	*total variable*
	60.0%	*total fixed*	*40.0%*	*total fixed*	*20.0%*	*total fixed*
	100.0%		*100.0%*		*100.0%*	

TABLE 34 : ALLOCATION OF UNADJUSTED NET REVENUE REQUIREMENTS - FY 2023/24

Net Revenue Requirements (ALTERNATIVE 1 - 60% Fixed / 40% Variable)						
Customer Classes	Classification Components				Cost of Service Net Rev. Req'ts	% of COS Net Revenue Req'ts
	VARIABLE	*FIXED*				
	Commodity-Related Costs	Capacity-Related Costs	Customer-Related Costs	Fire Protection-Related Costs		
Residential	$ 2,061,469	$ 2,347,738	$ 322,445	$ -	$ 4,731,653	*46.0%*
Multi-Family	364,193	2,665,551	84,113	-	3,113,858	*30.3%*
Commercial	1,295,412	332,194	22,664	-	1,650,269	*16.0%*
Landscape	215,993	58,191	4,823	-	279,007	*2.7%*
Private Fire Protection	92,769	116,668	16,188	160,100	385,726	*3.7%*
Temporary Hydrant Meters	33,738	24,381	529		58,647	*0.6%*
Raw Water	52,981	19,048	198	-	72,227	*0.7%*
Total Net Revenue Requirement	**$ 4,116,555**	**$ 5,563,772**	**$ 450,961**	**$ 160,100**	**$ 10,291,388**	**100%**
Total Net Revenue Requirement by Classification Component	*VARIABLE* *$4,116,555*	*FIXED* *$6,174,833*			*$10,291,388*	

TABLE 35 : ALLOCATION OF UNADJUSTED NET REVENUE REQUIREMENTS - FY 2023/24

Net Revenue Requirements (ALTERNATIVE 2 - 40% Fixed / 60% Variable)						
Customer Classes	**Classification Components**				**Cost of Service Net Rev. Req'ts**	**% of COS Net Revenue Req'ts**
	VARIABLE	***FIXED***				
	Commodity-Related Costs	**Capacity-Related Costs**	**Customer-Related Costs**	**Fire Protection-Related Costs**		
Residential	$ 3,092,204	$ 1,565,159	$ 214,963	$ -	$ 4,872,326	*47.3%*
Multi-Family	546,290	1,777,034	56,075	-	2,379,400	*23.1%*
Commercial	1,943,118	221,463	15,109	-	2,179,689	*21.2%*
Landscape	323,989	38,794	3,216	-	365,999	*3.6%*
Private Fire Protection	139,154	77,779	10,792	106,734	334,458	*3.2%*
Temporary Hydrant Meters	50,606	16,254	352		67,213	*0.7%*
Raw Water	79,472	12,699	132	-	92,303	*0.9%*
Total Net Revenue Requirement	**$ 6,174,833**	**$ 3,709,181**	**$ 300,640**	**$ 106,734**	**$ 10,291,388**	**100%**
Total Net Revenue Requirement by Classification Component	*VARIABLE $6,174,833*	*FIXED $4,116,555*			*$10,291,388*	

TABLE 36 : ALLOCATION OF UNADJUSTED NET REVENUE REQUIREMENTS - FY 2023/24

Net Revenue Requirements (ALTERNATIVE 3 - 20% Fixed / 80% Variable)						
Customer Classes	**Classification Components**				**Cost of Service Net Rev. Req'ts**	**% of COS Net Revenue Req'ts**
	VARIABLE	***FIXED***				
	Commodity-Related Costs	**Capacity-Related Costs**	**Customer-Related Costs**	**Fire Protection-Related Costs**		
Residential	$ 4,122,938	$ 782,579	$ 107,482	$ -	$ 5,013,000	*48.7%*
Multi-Family	728,387	888,517	28,038	-	1,644,942	*16.0%*
Commercial	2,590,823	110,731	7,555	-	2,709,109	*26.3%*
Landscape	431,985	19,397	1,608	-	452,990	*4.4%*
Private Fire Protection	185,538	38,889	5,396	53,367	283,191	*2.8%*
Temporary Hydrant Meters	67,475	8,127	176		75,778	*0.7%*
Raw Water	105,963	6,349	66	-	112,378	*1.1%*
Total Net Revenue Requirement	**$ 8,233,110**	**$ 1,854,591**	**$ 150,320**	**$ 53,367**	**$ 10,291,388**	**100%**
Total Net Revenue Requirement by Classification Component	*VARIABLE $8,233,110*	*FIXED $2,058,278*			*$10,291,388*	

TABLE 37 : COST-OF-SERVICE SUMMARY OF REVENUE REQUIREMENTS

Customer Class	Alternative 1 - Allocated Costs		Alternative 2 - Allocated Costs		Alternative 3 - Allocated Costs	
	FY 2023/24 COS Rev. Req't	% of COS Rev. Req't.	FY 2023/24 COS Rev. Req't	% of COS Rev. Req't.	FY 2023/24 COS Rev. Req't	% of COS Rev. Req't.
Residential	$ 4,731,653	46.0%	$ 4,872,326	47.3%	$ 5,013,000	48.7%
Multi-Family	3,113,858	30.3%	2,379,400	23.1%	1,644,942	16.0%
Commercial	1,650,269	16.0%	2,179,689	21.2%	2,709,109	26.3%
Landscape	279,007	2.7%	365,999	3.6%	452,990	4.4%
Private Fire Protection	385,726	3.7%	334,458	3.2%	283,191	2.8%
Temporary Hydrant Meters	58,647	0.6%	67,213	0.7%	75,778	0.7%
Raw Water	72,227	0.7%	92,303	0.9%	112,378	1.1%
Total	**$ 10,291,388**	**100%**	**$ 10,291,388**	**100%**	**$ 10,291,388**	**100%**

TABLE 38 : METER EQUIVALENCY FACTORS USED IN FIXED CHARGES CALCULATION

Meter Size	Standard Meters	
	Meter Capacity (gpm)[1]	Equivalency to 1 inch
	Displacement Meters	
5/8 inch	20	1.00
3/4 inch	30	1.00
1 inch	50	1.00
1 1/2 inch	100	2.00
2 inch	160	3.20
	Compound Class I Meters	
3 inch	320	6.40
4 inch	500	10.00
6 inch	1,000	20.00
8 inch	1,600	32.00
	Turbine Class II Meters	
10 inch	4,200	84.00
12 inch	5,300	106.00

1. Per AWWA, M1 Manual, Table B-1.

TABLE 39 : CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES FOR FY 2023/24

Net Revenue Requirements (ALTERNATIVE 2 - 40% Fixed / 60% Variable)

Number of Meters by Class and Size[1]	FY 2023/24								Total
	< 1" meter	1" meter	1 1/2" meter	2" meter	3" meter	4" meter	6" meter	8" meter	
Residential	1,986	2,875	7	9	1	2	0	0	4,880
Multi-Family	0	0	20	201	96	48	191	0	556
Landscape	13	30	14	16	0	0	0	0	73
Commercial	102	88	54	81	11	7	0	0	343
Private Fire Protection	245	0	0	0	0	0	0	0	245
Temporary Hydrant Meters	0	0	0	0	8	0	0	0	8
Raw Water	0	0	0	0	0	2	1	0	3
Total Meters/Accounts	**2,346**	**2,993**	**95**	**307**	**116**	**59**	**192**	**0**	**6,108**
Hydraulic Capacity Factor[2]	*1.00*	*1.00*	*2.00*	*3.20*	*6.40*	*10.00*	*20.00*	*32.00*	
Total Equivalent Meters	**2,346**	**2,993**	**190**	**982**	**742**	**590**	**3,840**	**0**	**11,684**

Number of Meters by Class and Size[1]	FY 2023/24								Total
	< 1" meter	1" meter	1 1/2" meter	2" meter	3" meter	4" meter	6" meter	8" meter	
Monthly Fixed Service Charges									
Customer Costs ($/Acct/month)[3]	$4.10	$4.10	$4.10	$4.10	$4.10	$4.10	$4.10	$4.10	
Capacity Costs ($/Acct/month)[4]	$27.22	$27.22	$54.43	$87.09	$174.19	$272.17	$544.33	$870.93	
Total Monthly Meter Charge	**$31.32**	**$31.32**	**$58.53**	**$91.19**	**$178.29**	**$276.27**	**$548.43**	**$875.03**	
Annual Fixed Costs Allocated to Monthly Meter Charges									
Customer Costs	$ 300,640								
Capacity Costs	3,815,915								
Total Fixed Meter Costs	$ 4,116,555								
Annual Revenue from Monthly Meter Charges									
Customer Charges	$ 115,491	$ 147,298	$ 4,676	$ 15,111	$ 5,710	$ 2,904	$ 9,450	$ -	**$ 300,640**
Capacity Charges	$ 766,330	$ 977,381	$ 62,054	$ 320,851	$ 242,467	$ 192,693	$ 1,254,139	$ -	**$ 3,815,915**
Total Revenue from Monthly Meter Charges	**$ 881,821**	**$ 1,124,680**	**$ 66,730**	**$ 335,961**	**$ 248,177**	**$ 195,597**	**$ 1,263,590**	**$ -**	**$ 4,116,555**

1. Meter by Class and Size are based on June 2022 customer billing data.
2. Source: *Principles of Water Rates, Fees, and Charges* , Manual M1, AWWA, Table B-1.
3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

TABLE 40 : FIXED CHARGES REVENUE CHECK

Number of Meters by Class and Size	FY 2023/24								Total
	< 1"	1"	1 1/2"	2"	3"	4"	6"	8"	
Potable Water									
Residential	1,986	2,875	7	9	1	2	0	0	4,880
Multi-Family	0	0	20	201	96	48	191	0	556
Commercial	102	88	54	81	11	7	0	0	343
Landscape	13	30	14	16	0	0	0	0	73
Private Fire	245	0	0	0	0	0	0	0	245
Temp Meter	0	0	0	0	8	0	0	0	8
Raw Water	0	0	0	0	0	2	1	0	3
Recycled Water									
Recycled Water	2	13	14	28	13	6	0	0	76
Total Meters/Accounts	**2,348**	**3,006**	**109**	**335**	**129**	**65**	**192**	**0**	**6,184**

TABLE 41 : PROJECTED FIXED REVENUE CHECK

Net Revenue Requirements (ALTERNATIVE 2 - 40% Fixed / 60% Variable)

Projected Revenue From Fixed Charges by Customer Class	FY 2023/24								
	< 1"	1"	1 1/2"	2"	3"	4"	6"	8"	
All Customers by Meter Size	***$31.32***	***$31.32***	***$58.53***	***$91.19***	***$178.29***	***$276.27***	***$548.43***	***$875.03***	
Revenue from Fixed Charges									
Potable Water									
Residential	$ 746,526	$ 1,080,333	$ 4,917	$ 9,849	$ 2,139	$ 6,630	$ -	$ -	**$ 1,850,395**
Multi-Family	-	-	14,048	219,962	205,387	159,130	1,257,008	-	**1,855,536**
Commercial	38,334	33,072	37,931	88,641	23,534	23,206	-	-	**244,718**
Landscape	4,886	11,275	9,834	17,509	-	-	-	-	**43,503**
Private Fire	92,076	-	-	-	-	-	-	-	**92,076**
Temp Meter	-	-	-	-	17,116	-	-	-	**17,116**
Raw Water	-	-	-	-	-	6,630	6,581	-	**13,212**
Total Revenue - Fixed Charges									***$ 4,116,555***

TABLE 42 : PROJECTED FIXED REVENUE CHECK

Customer Class	Net Revenue Requirements (ALTERNATIVE 2 - 40% Fixed / 60%		
	COS Rev. Req't	Expected Revenue	Over/(Under) Collected
Potable Water			
Residential	$ -	$ 1,850,395	$ 1,850,395
Multi-Family	-	1,855,536	1,855,536
Commercial	-	244,718	244,718
Landscape	-	43,503	43,503
Private Fire	-	92,076	92,076
Temp Meter	-	17,116	17,116
Raw Water	-	13,212	13,212
Total	**$ -**	**$ 4,116,555**	**$ 4,116,555**

TABLE 43 : PROPOSED VOLUMETRIC CHARGES FOR FY 2023/24

Net Revenue Requirements (ALTERNATIVE 2 - 40% Fixed / 60% Variable)						
Customer Classes	**Number of Meters[1]**	**Water Consumption (hcf/yr)[2]**	**Total Target Rev. Req't from Vol. Charges**	**% of Total Rate Revenue**	**Uniform Commodity Rates ($/hcf)**	***Proposed Rate Structure***
Residential	4,880	405,871	$ 3,092,204	*30.0%*	*n/a*	*2 Tiers*
Multi-Family	1,273	71,704	546,290	*5.3%*	$7.619	*Uniform*
Commercial	343	255,046	1,943,118	*18.9%*	$7.619	*Uniform*
Landscape	73	42,526	323,989	*3.1%*	$7.619	*Uniform*
Private Fire Protection	245	18,265	139,154	*1.4%*	$7.619	*Uniform*
Temporary Hydrant Meters	8	6,642	50,606	*0.5%*	$7.619	*Uniform*
Raw Water	3	10,431	79,472	*0.8%*	$7.619	*Uniform*
Total Potable Water	**6,825**	**810,486**	**$ 6,174,833**	***60%***		

1. Consumption data is based on the City of American Canyon's billing data.
2. Water consumption is actual consumption for FY 2021/22 and includes an adjustment of 20% for conservation. See Table 28.

TABLE 44 : RESIDENTIAL & MOBILE HOME TIER BREAK ADJUSTMENTS

Residential Tiers[1]	**Consumption**	**% of Consumption[2]**	**Avg. Monthly Consumption FY 2020/21 (hcf)[3]**	**Tier Breakpoint (hcf)[4]**
Tier 1 - SWP & Vallejo Raw Water	322,836	79.5%		6.00
Tier 2 - Treated Water (Napa & Vallejo)	83,035	20.5%		
Total	**405,871**	**100.0%**	7.0	

1. SWP & Vallejo raw water are included in Tier 1 and all treated water (Napa & Vallejo) is in Tier 2. The FY 2021/22 consumption data are actuals and includes a 20% conservation factor. See *Allocation Factors* Tab, Table 28.
2. See *Source of Supply* Tab for details on how the percentage of consumption was calculated.
3. Annual residential consumption divided by total residential meters divided by 12 months.
4. Tier 2 breakpoint is the percentage of Tier 1 consumption times the *Avg. Monthly Consumption* , rounded to the nearest integer in hcf.

TABLE 45 : ALLOCATION OF SOURCE OF SUPPLY COSTS TO SINGLE FAMILY TIERED RATES

Source of Supply	**Water Supply by Source (hcf)[1]**	**% Alloc. by Class[2]**	**Cost ($/hcf)[3]**	**Total Supply Costs**	**Residential Share of Supply**
Tier 1 - SWP & Vallejo Raw Water					
Residential	**892,183**	**50.1%**	**$0.63**	**$ 565,431**	**$ 565,431**
All Other Classes	889,421	49.9%	$0.63	563,680	*N.A.*
Total SWP & Vallejo Raw Water	**1,781,604**	**100.0%**	***N.A.***	**$ 1,129,112**	***N.A.***
Tier 2 - Treated Water (Napa & Vallejo)					
Residential	**68,196**	**50.1%**	**$5.41**	**$ 369,096**	**$ 369,096**
All Other Classes	67,985	49.9%	$5.41	367,953	*N.A.*
Total Treated Water (Napa & Vallejo)	**136,181**	**100.0%**	***N.A.***	**$ 737,049**	***N.A.***
Grand Total	**1,917,785**			**$ 1,866,161**	**$ 934,527**

1. Total Contracted Supply Purchase Costs are from the *Source of Supply* Tab, Table 31.
2. Residential consumption for FY 2021/22 is from the *Allocation Factors* Tab, Table 28.
3. Contracted Supply Costs are from the *Source of Supply* Tab, Table 32.

TABLE 46 : RESIDENTIAL TIERED RATES

Source of Supply	Supply Costs Allocated to Residential Tiered Rates[1]	Source of Supply Costs[2]	Other Costs Allocated to Vol. Rates	Total Costs Allocated[3]	FY 2020/21 Consumption[4]	Residential Rates ($/HCF)[5]
Residential Tiered Rate Costs	*(1)*	*(2)*	*(3)*	*(4)*	*(5)*	(6)
Tier 1 - SWP & Vallejo Raw Water	79.5%	$ 565,431	$ 1,716,250	$ 2,281,681	322,836	**$7.07**
Tier 2 - Treated Water (Napa & Vallejo)	20.5%	369,096	441,426	810,523	83,035	**$9.76**
Total Residential Tiered Rate Costs	**100.0%**	**$ 934,527**	**$ 2,157,676**	**$ 3,092,204**	**405,871**	

1. Percentage of annual supply based on contracted purchases from *Source of Supply* Tab, Table 31.
2. See Table 45.
3. Total Variable Costs allocated to residential customers (*Proposed Fixed Charges* Tab, Table 33) less their Source of Supply Costs. NBS assumed these other costs are proportionally allocated to Tier 1 and Tier 2.
4. FY 2021/22 volume adjusted for conservation is from the *Allocation Factors* Tab, Table 28.

TABLE 47 : ESTIMATED VOLUMETRIC REVENUE BY CUSTOMER CLASS

Customer Class	Estimated Consumption (hcf)	Estimated Variable Revenue	% of Variable Rate Revenue	Estimated Fixed Revenue	Total Estimated Revenue	Cost of Service Net Revenue Req'ts
Potable Water						
Residential						
Tier 1 - SWP & Vallejo Raw Water	322,836	$ 2,459,588	*40%*	$ 1,471,833	$ 3,931,421	$ 3,875,526
Tier 2 - Treated Water (Napa & Vallejo)	83,035	632,616	*10%*	378,561	1,011,177	996,800
Multi-Family	71,704	546,290	*9%*	1,855,536	2,401,826	2,379,400
Commercial	255,046	1,943,118	*31%*	244,718	2,187,836	2,179,689
Landscape	42,526	323,989	*5%*	43,503	367,493	365,999
Private Fire Protection	18,265	139,154	*2%*	92,076	231,229	334,458
Temporary Hydrant Meters	6,642	50,606	*1%*	17,116	67,722	67,213
Raw Water	10,431	79,472	*1%*	13,212	92,684	92,303
Grand Total	**810,486**	**$ 6,174,833**	***100%***	**$ 4,116,555**	**$ 10,291,388**	**$ 10,291,388**

TABLE 48 : ASSUMPTIONS USED IN DROUGHT RATE ANALYSIS

2021/22 Consumption Assumptions[1]					
Shortage Level	Percent Shortage Range	Shortage Response Action	Potable Water Consumption (AF/yr.)	Potable Water Consumption (hcf/yr.)	Difference to Baseline (hcf)
	Baseline Consumption[2]		**1,861**	**810,486**	**0**
1	Up to 10%	Voluntary Conservation	1,675	729,437	(81,049)
2	Up to 20%	Water Alert	1,488	648,388	(162,097)
3	Up to 30%	Water Emergency	1,302	567,340	(243,146)
4	Up to 40%	Critical Water Emergency	1,116	486,291	(324,194)
5	Up to 50%	Severe Water Emergency	930	405,243	(405,243)
6	>50%	Catastrophic Interruption of Water Supplies	744	324,194	(486,291)

1. Drought stages based on the City's Water Conservation Plan. Source files: *2._Redlines_Ordinance_Water_Conservation_Plan_Chapter_13.14 (4).pdf* & *3._Table_8-1_Water_Shortage_Contingency_Plan_Levels.pdf* .
2. This represents the baseline consumption for FY 2021/22 consumption (excludes recycled water). Conservation percentage for each drought stage is relative to the baseline consumption.

TABLE 49 : EXPENSES DIRECTLY IMPACTED BY FUTURE MANDATED WATER USE REDUCTION

Expenses Directly Effected By Consumption Changes					
Description	Commodity-Related Costs				
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
City of Napa	$ 278,000	$ 283,560	$ 289,231	$ 295,016	$ 300,916
North Bay Aqueduct	3,203,000	3,267,060	3,332,401	3,399,049	3,467,030
City of Vallejo	121,218	123,642	126,115	128,638	131,210
Total:	**$ 3,602,218**	**$ 3,674,262**	**$ 3,747,748**	**$ 3,822,703**	**$ 3,899,157**

TABLE 50 : CALCULATION OF DROUGHT RATES FOR FY 2023/24

Proposed Alternative - (40% Fixed / 60% Variable)						
Conservation Goal	Water Consumption (hcf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation[1]	Target Rev. Req't from Vol. Charges	Drought Surcharge *($/hcf)*	Uniform Commodity Rates *($/hcf)*
0%	810,486	$ 6,174,833	$ -	$ 6,174,833	$0.00	$7.62
Up to 10%	729,437	6,174,833	(360,222)	5,814,611	$0.35	$7.97
Up to 20%	648,388	6,174,833	(720,444)	5,454,389	$0.79	$8.41
Up to 30%	567,340	6,174,833	(1,080,665)	5,094,167	$1.36	$8.98
Up to 40%	486,291	6,174,833	(1,440,887)	4,733,945	$2.12	$9.73
Up to 50%	405,243	6,174,833	(1,801,109)	4,373,724	$3.17	$10.79
>50%	324,194	6,174,833	(2,161,331)	4,013,502	$4.76	$12.38

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

TABLE 51 : CALCULATION OF DROUGHT RATES FOR FY 2024/25

Proposed Alternative - (40% Fixed / 60% Variable)						
Conservation Goal	Water Consumption (hcf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation[1]	Target Rev. Req't from Vol. Charges	Drought Surcharge *($/hcf)*	Uniform Commodity Rates *($/hcf)*
0%	810,486	$ 6,851,718	$ -	$ 6,851,718	$0.00	$8.45
Up to 10%	729,437	6,851,718	(367,426)	6,484,291	$0.44	$8.89
Up to 20%	648,388	6,851,718	(734,852)	6,116,865	$0.98	$9.43
Up to 30%	567,340	6,851,718	(1,102,279)	5,749,439	$1.68	$10.13
Up to 40%	486,291	6,851,718	(1,469,705)	5,382,013	$2.61	$11.07
Up to 50%	405,243	6,851,718	(1,837,131)	5,014,587	$3.92	$12.37
>50%	324,194	6,851,718	(2,204,557)	4,647,160	$5.88	$14.33

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

TABLE 52 : CALCULATION OF DROUGHT RATES FOR FY 2025/26

Proposed Alternative - (40% Fixed / 60% Variable)						
Conservation Goal	Water Consumption (hcf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation[1]	Target Rev. Req't from Vol. Charges	Drought Surcharge *($/hcf)*	Uniform Commodity Rates *($/hcf)*
0%	810,486	$ 7,595,335	$ -	$ 7,595,335	$0.00	$9.37
Up to 10%	729,437	7,595,335	(374,775)	7,220,560	$0.53	$9.90
Up to 20%	648,388	7,595,335	(749,550)	6,845,785	$1.19	$10.56
Up to 30%	567,340	7,595,335	(1,124,324)	6,471,010	$2.03	$11.41
Up to 40%	486,291	7,595,335	(1,499,099)	6,096,236	$3.16	$12.54
Up to 50%	405,243	7,595,335	(1,873,874)	5,721,461	$4.75	$14.12
>50%	324,194	7,595,335	(2,248,649)	5,346,686	$7.12	$16.49

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

TABLE 53 : CALCULATION OF DROUGHT RATES FOR FY 2026/27

Proposed Alternative - (40% Fixed / 60% Variable)						
Conservation Goal	Water Consumption (hcf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation[1]	Target Rev. Req't from Vol. Charges	Drought Surcharge *($/hcf)*	Uniform Commodity Rates *($/hcf)*
0%	810,486	$ 8,033,434	$ -	$ 8,033,434	$0.00	$9.91
Up to 10%	729,437	8,033,434	(382,270)	7,651,163	$0.58	$10.49
Up to 20%	648,388	8,033,434	(764,541)	7,268,893	$1.30	$11.21
Up to 30%	567,340	8,033,434	(1,146,811)	6,886,623	$2.23	$12.14
Up to 40%	486,291	8,033,434	(1,529,081)	6,504,353	$3.46	$13.38
Up to 50%	405,243	8,033,434	(1,911,351)	6,122,082	$5.20	$15.11
>50%	324,194	8,033,434	(2,293,622)	5,739,812	$7.79	$17.70

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

TABLE 54 : CALCULATION OF DROUGHT RATES FOR FY 2027/28

Proposed Alternative - (40% Fixed / 60% Variable)

Conservation Goal	Water Consumption (hcf/yr.)	Baseline Rev. Req't from Vol. Charges	Cost Reduction Due to Conservation[1]	Target Rev. Req't from Vol. Charges	Drought Surcharge *($/hcf)*	Uniform Commodity Rates *($/hcf)*
0%	810,486	$ 8,415,102	$ -	$ 8,415,102	$0.00	$10.38
Up to 10%	729,437	8,415,102	(389,916)	8,025,186	$0.62	$11.00
Up to 20%	648,388	8,415,102	(779,831)	7,635,271	$1.39	$11.78
Up to 30%	567,340	8,415,102	(1,169,747)	7,245,355	$2.39	$12.77
Up to 40%	486,291	8,415,102	(1,559,663)	6,855,439	$3.71	$14.10
Up to 50%	405,243	8,415,102	(1,949,578)	6,465,524	$5.57	$15.95
>50%	324,194	8,415,102	(2,339,494)	6,075,608	$8.36	$18.74

1. Cost reduction equals the conservation goal percentage multiplied by expenses directly effected by consumption charges.

TABLE 55 : CURRENT VS. PROPOSED WATER RATES - FIXED CHARGES

Water Rate Schedule	Current Rates	*Net Revenue Requirements (ALTERNATIVE 2 - 40% Fixed / 60% Variable)* Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Projected Increase in Rate Revenue per Financial Plan:		*9.00%*	*9.00%*	*9.00%*	*4.00%*	*3.00%*
Monthly Fixed Service Charges (in $/mo)						
Residential Use						
< 1" meter	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$26.56	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$26.56	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$26.56	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$26.56	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$26.56	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$26.56	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Multi-Family, Commercial and Landscape						
< 1" meter	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter (Residential)	$26.56	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter (Commercial)	$44.42	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$88.75	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$141.99	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$283.98	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$443.74	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$887.48	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$1,420.06	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Private Fire Protection						
< 1" meter	$13.28	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$13.28	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$13.28	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$13.28	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$13.28	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$13.28	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$13.28	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$13.28	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Temporary Hydrant Meters						
< 1" meter	$283.98	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$283.98	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	$283.98	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$283.98	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	$283.98	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$283.98	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$283.98	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	$283.98	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65
Raw Water						
< 1" meter	*n/a*	$31.32	$34.14	$37.21	$38.70	$39.86
1" meter	$44.42	$31.32	$34.14	$37.21	$38.70	$39.86
1 1/2" meter	*n/a*	$58.53	$63.80	$69.55	$72.33	$74.50
2" meter	$141.99	$91.19	$99.40	$108.35	$112.68	$116.06
3" meter	*n/a*	$178.29	$194.33	$211.82	$220.30	$226.91
4" meter	$443.74	$276.27	$301.13	$328.23	$341.36	$351.60
6" meter	$887.48	$548.43	$597.79	$651.59	$677.66	$697.99
8" meter	*n/a*	$875.03	$953.78	$1,039.63	$1,081.21	$1,113.65

TABLE 56 : CURRENT VS. PROPOSED WATER RATES - VARIABLE CHARGES

Water Rate Schedule	Current Rates	*Net Revenue Requirements (ALTERNATIVE 2 - 40% Fixed / 60% Variable)* Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Projected Increase in Rate Revenue per Financial Plan:		*9.00%*	*9.00%*	*9.00%*	*4.00%*	*3.00%*
Variable Charges for All Water Consumed (in $/hcf)						
Residential Use						
Tier 1 (0 - 6 units)	$7.54	$7.07	$7.70	$8.40	$8.73	$8.99
Tier 2 (> 6 units)	$8.15	$9.76	$10.64	$11.60	$12.06	$12.42
Multi-Family, Commercial and Landscape	$7.72	$7.62	$8.30	$9.05	$9.41	$9.70
Private Fire Protection	$3.86	$7.62	$8.30	$9.05	$9.41	$9.70
Temporary Hydrant Meters						
Potable	$7.72	$7.62	$8.30	$9.05	$9.41	$9.70
Recycled	$0.90	$6.69	$7.36	$8.10	$8.50	$8.93
Raw Water	$3.44	$7.62	$8.30	$9.05	$9.41	$9.70

TABLE 57 : CURRENT VS. PROPOSED DROUGHT RATES

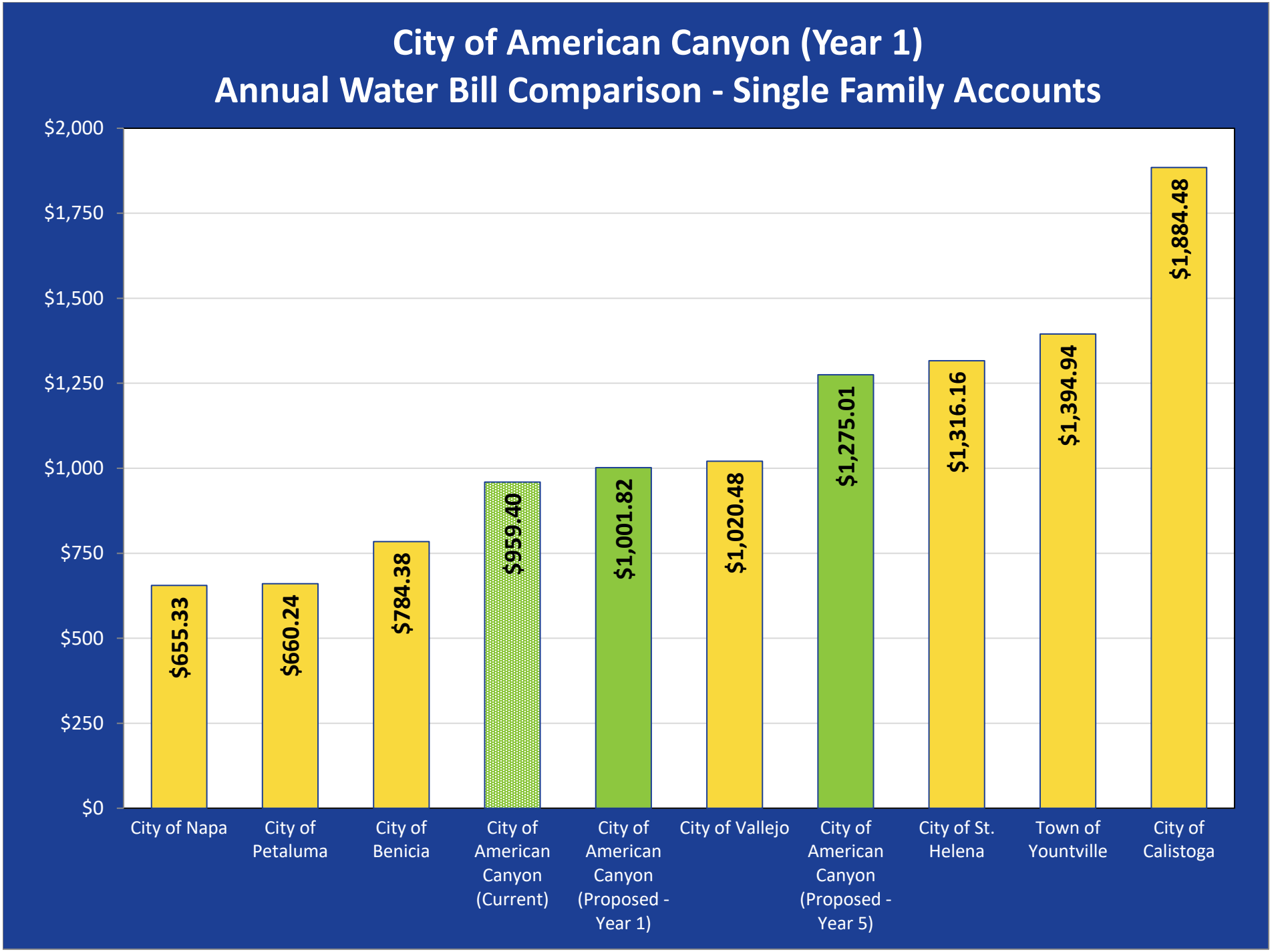
Drought Rate Schedule *(in $/hcf)*	Current Rates	*Net Revenue Requirements (ALTERNATIVE 2 - 40% Fixed / 60% Variable)* FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
10% Conservation	*n/a*	$7.97	$8.89	$9.90	$10.49	$11.00
20% Conservation	*n/a*	$8.41	$9.43	$10.56	$11.21	$11.78
30% Conservation	*n/a*	$8.98	$10.13	$11.41	$12.14	$12.77
40% Conservation	*n/a*	$9.73	$11.07	$12.54	$13.38	$14.10
50% Conservation	*n/a*	$10.79	$12.37	$14.12	$15.11	$15.95
60% Conservation	*n/a*	$12.38	$14.33	$16.49	$17.70	$18.74

TABLE 58 : RATES AND DROUGHT SURCHARGE FOR EACH DROUGHT STAGE

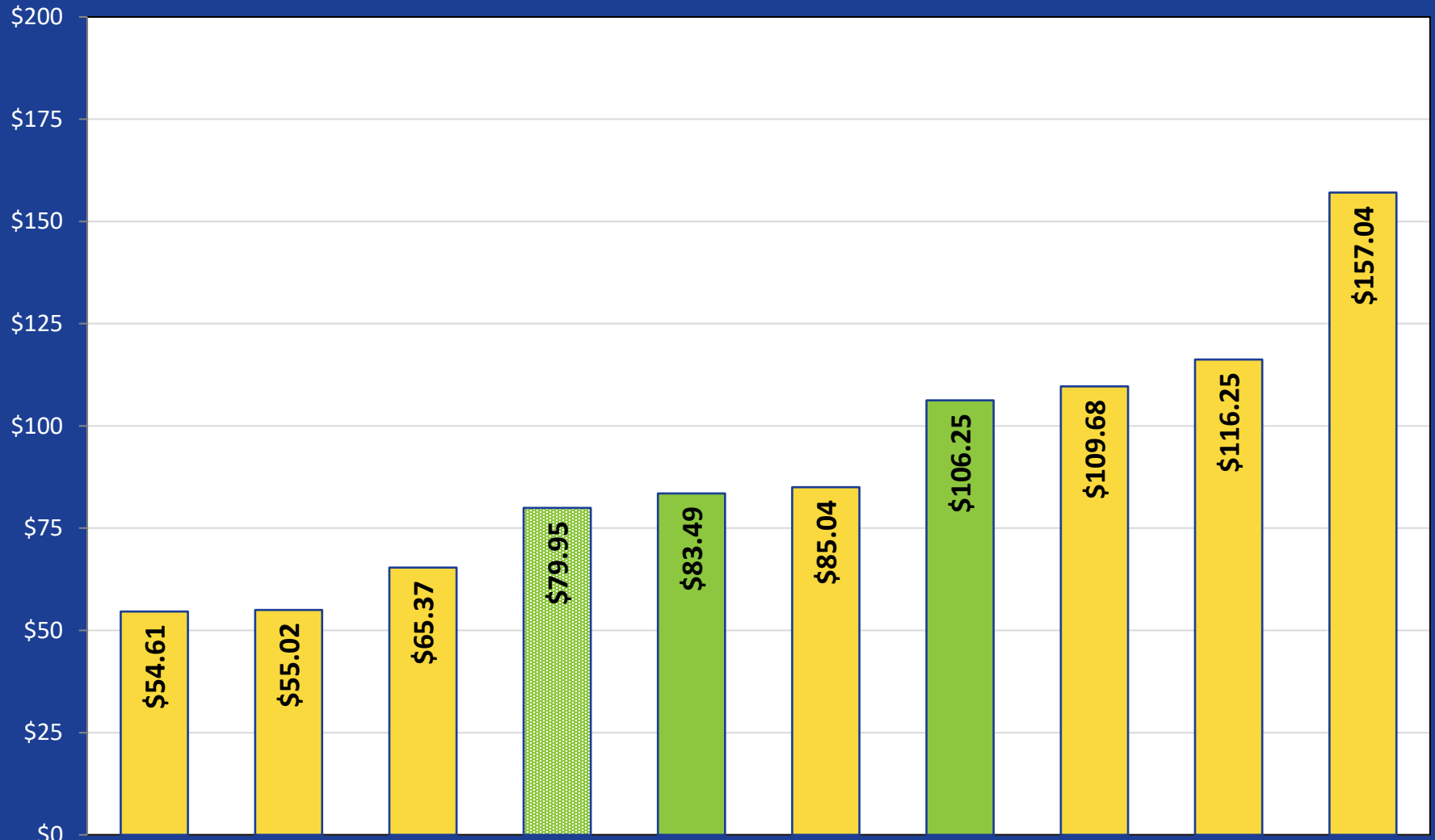
Proposed Drought Rates										
Drought Rate Schedule[1]	**FY 2023/24**		**FY 2024/25**		**FY 2025/26**		**FY 2026/27**		**FY 2027/28**	
Uniform Rate for All Customers	**$7.62**		**$8.30**		**$9.05**		**$9.41**		**$9.70**	
Water Consumption Baseline (hcf/yr)[2]	**810,486 hcf**		**810,486 hcf**		**810,486 hcf**		**810,486 hcf**		**810,486 hcf**	
Conservation Target	*Drought Surcharge [3]*	*Drought Rate [4]*	*Drought Surcharge [3]*	*Drought Rate [4]*	*Drought Surcharge [3]*	*Drought Rate [4]*	*Drought Surcharge [3]*	*Drought Rate [4]*	*Drought Surcharge [3]*	*Drought Rate [4]*
No Conservation	$0.00	$7.62	$0.00	$8.45	$0.00	$9.37	$0.00	$9.91	$0.00	$10.38
Up to 10%	$0.35	$7.97	$0.44	$8.89	$0.53	$9.90	$0.58	$10.49	$0.62	$11.00
Up to 20%	$0.79	$8.41	$0.98	$9.43	$1.19	$10.56	$1.30	$11.21	$1.39	$11.78
Up to 30%	$1.36	$8.98	$1.68	$10.13	$2.03	$11.41	$2.23	$12.14	$2.39	$12.77
Up to 40%	$2.12	$9.73	$2.61	$11.07	$3.16	$12.54	$3.46	$13.38	$3.71	$14.10
Up to 50%	$3.17	$10.79	$3.92	$12.37	$4.75	$14.12	$5.20	$15.11	$5.57	$15.95
>50%	$4.76	$12.38	$5.88	$14.33	$7.12	$16.49	$7.79	$17.70	$8.36	$18.74

1. ACTIVATION - The Drought Surcharge will NOT be added on water bills unless approved by the City Council. If the surcharge is activated, it will remain in effect as necessary and will be reviewed by the City Council at least monthly for a determination of necessity until the surcharge is deactivated.
2. Baseline water consumption is based on water usage for FY 2020/21, the same assumption used in the proposed volumetric rates.
3. Drought Surcharge is added to the Uniform Rate on a per unit basis to cover the cost of water service during times of State mandated conservation and/or extreme water supply shortage, resulting in water consumption below the established baseline.
4. The Drought Rate equals the Volumetric Rate plus Volumetric Surcharge. This does not include pumping charges which will apply where applicable.

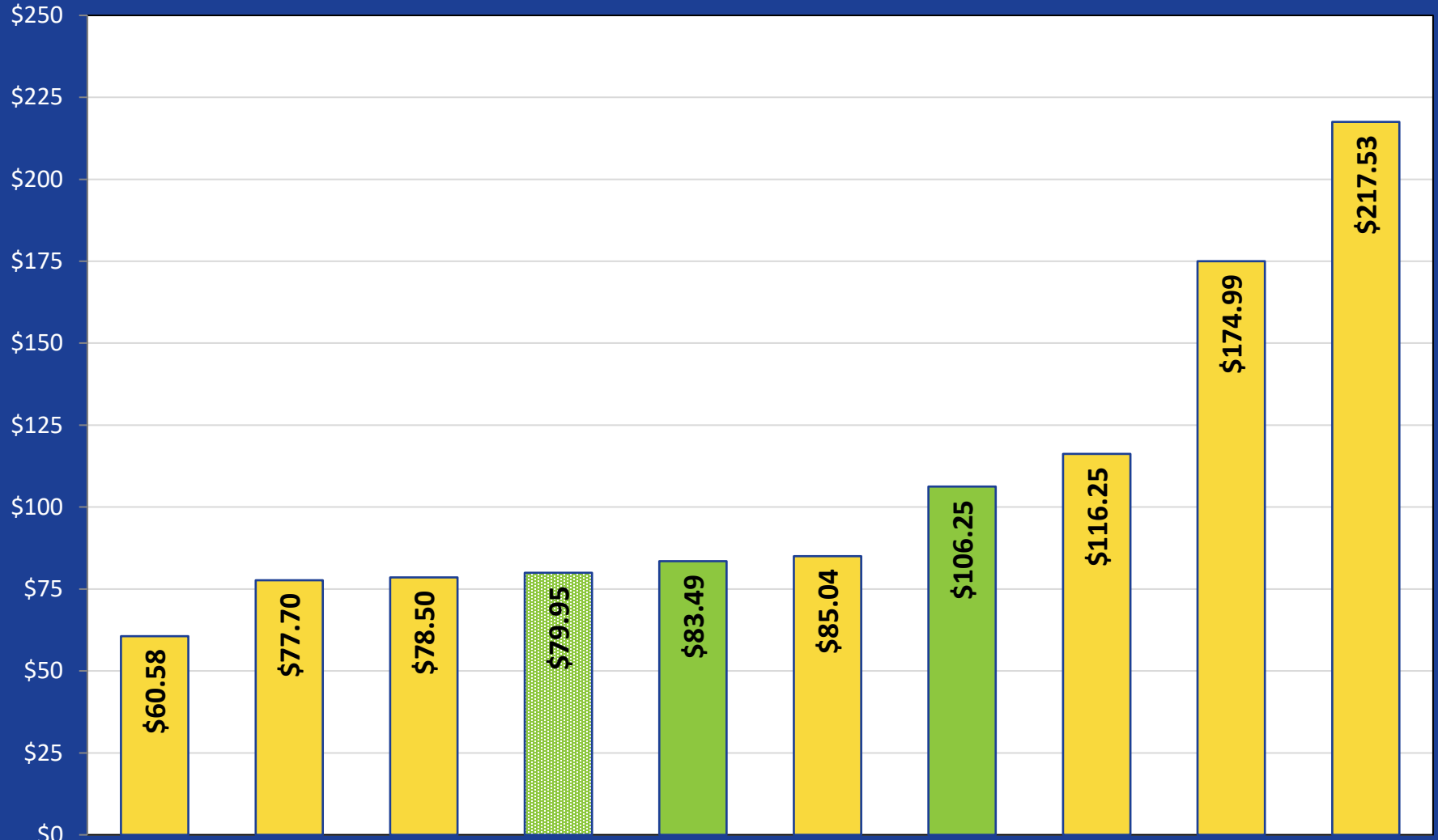
City of American Canyon (Year 1)
Annual Water Bill Comparison - Single Family Accounts



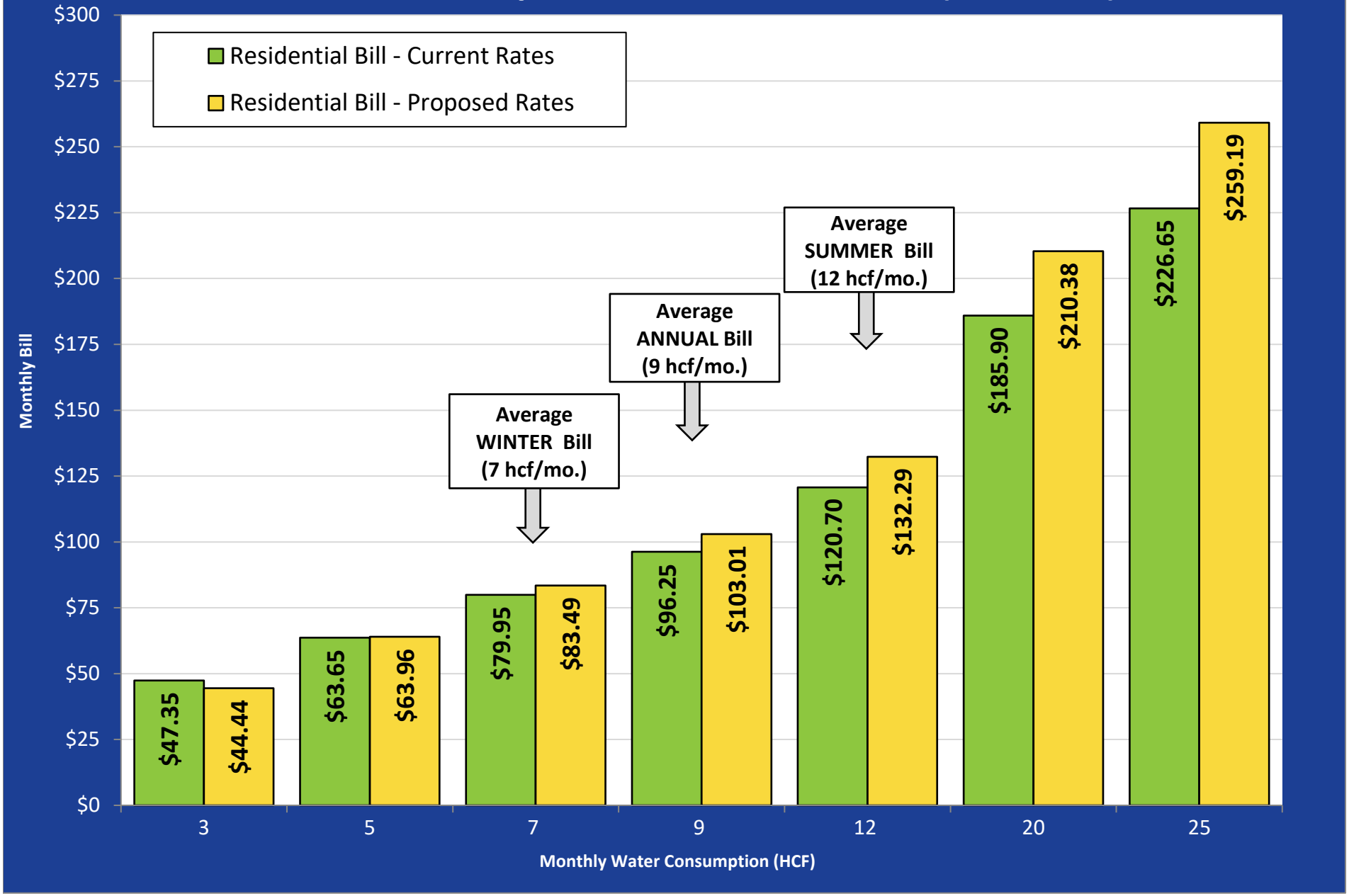
City of American Canyon (Year 1 & 5)
Monthly Water Bill Comparison - Single Family Accounts



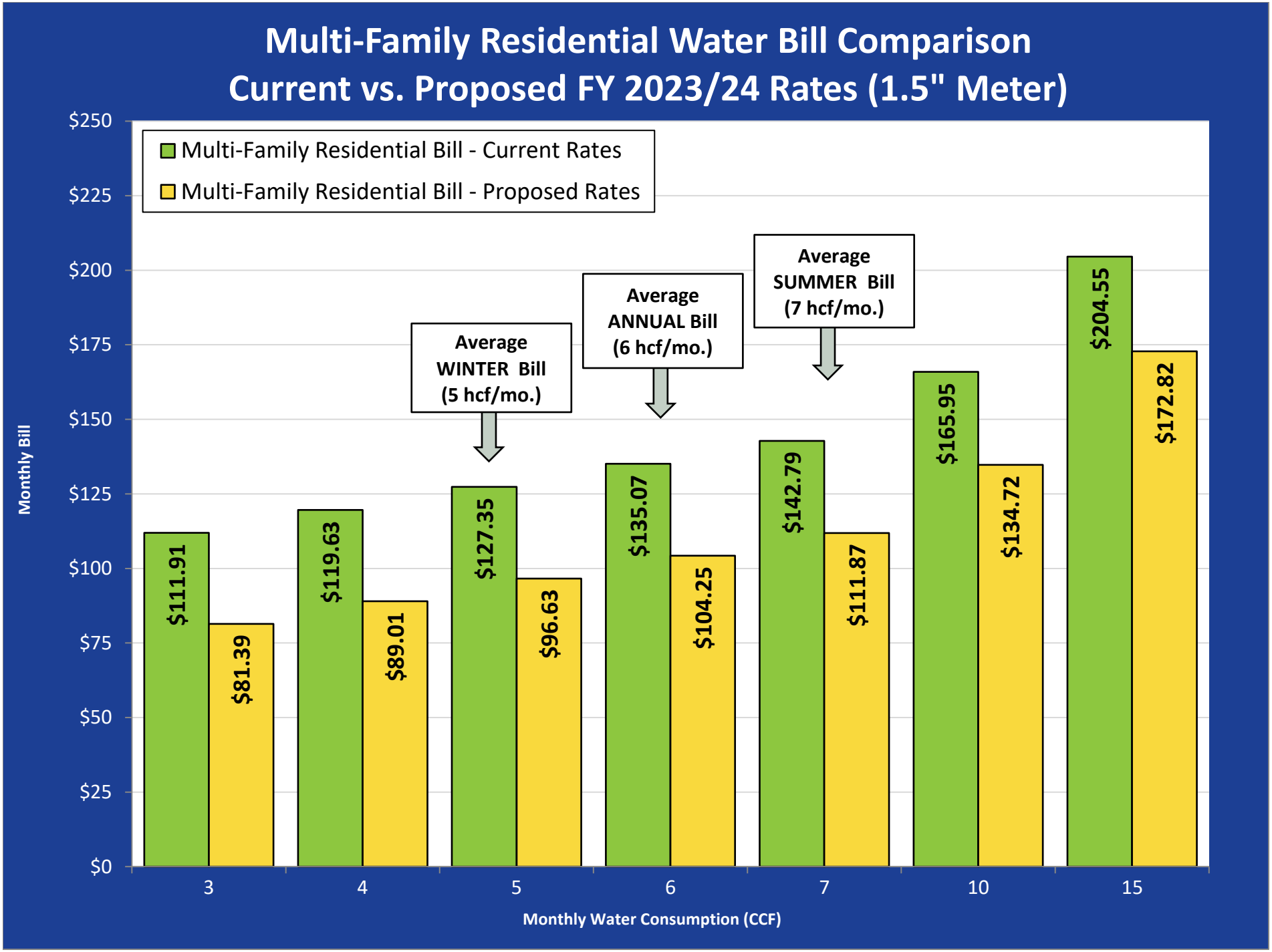
City of American Canyon (Year 1 & 5)
Monthly Water Bill Comparison - Single Family Accounts

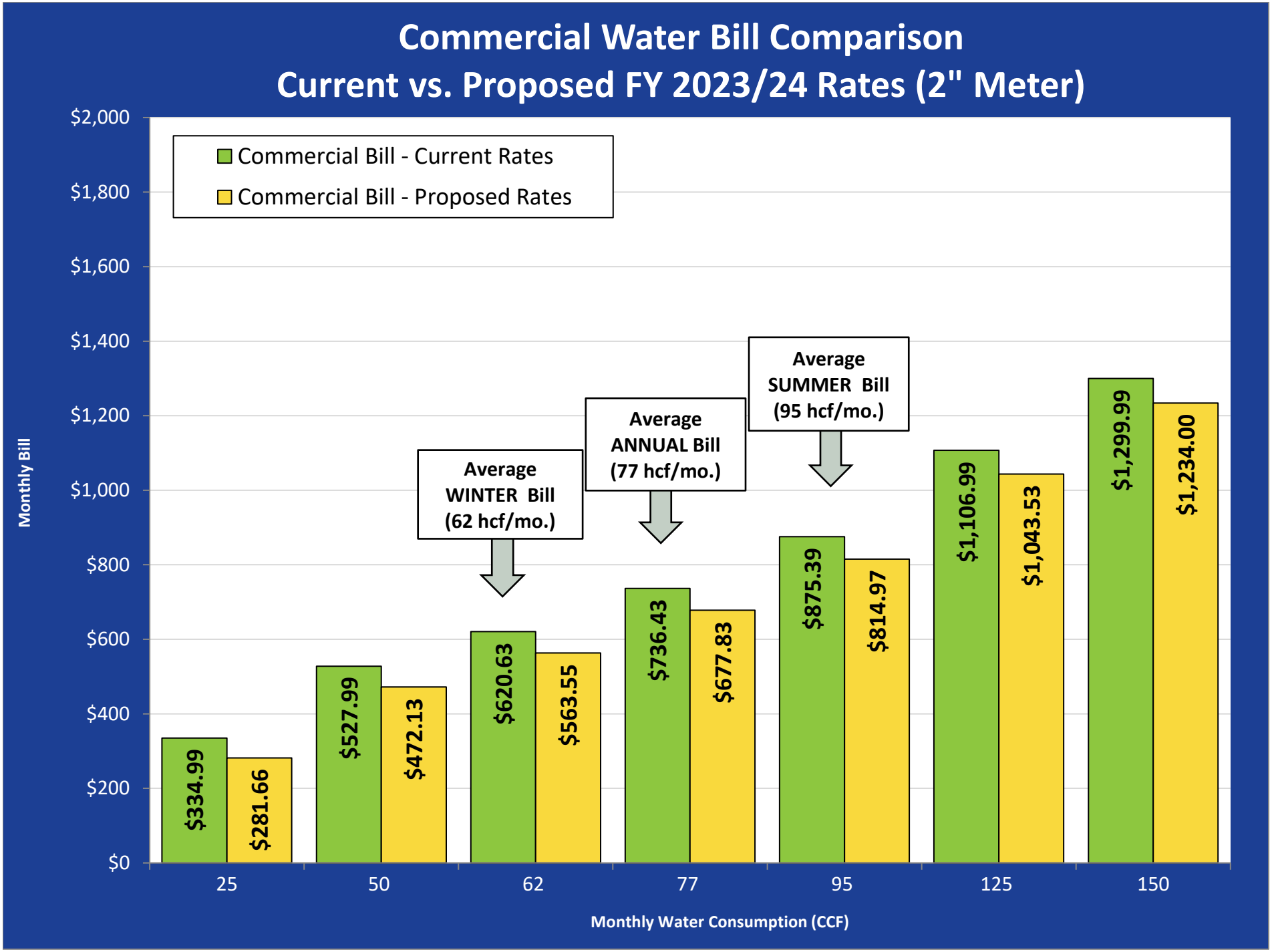


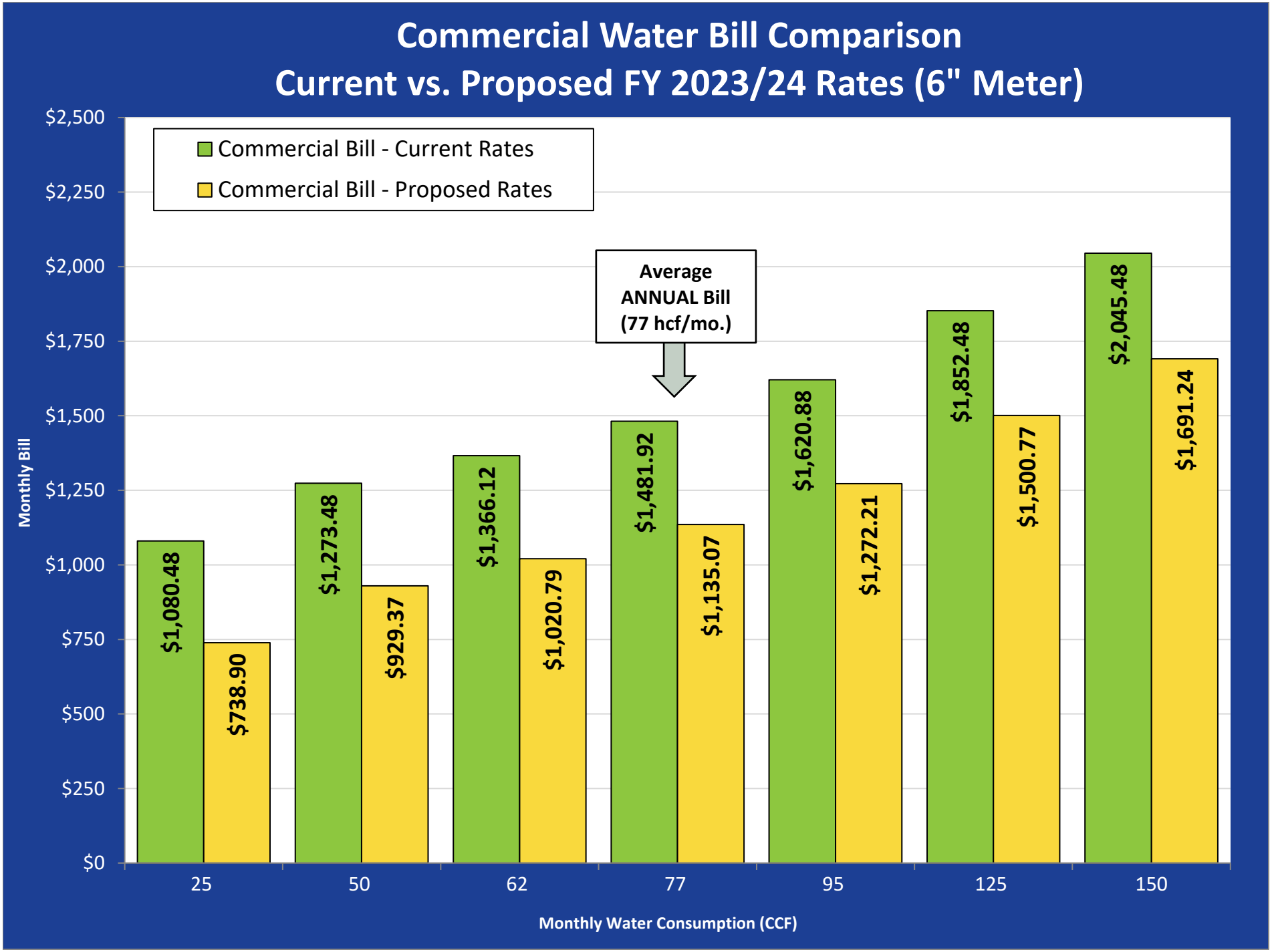
Single-Family Residential Water Bill Comparison
Current vs. Proposed FY 2023/24 Rates (1" Meter)



Multi-Family Residential Water Bill Comparison
Current vs. Proposed FY 2023/24 Rates (1.5" Meter)




Commercial Water Bill Comparison
Current vs. Proposed FY 2023/24 Rates (2" Meter)
Commercial Bill - Current Rates
Commercial Bill - Proposed Rates
Monthly Bill
$2,000
$1,800
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
Average WINTER Bill (62 hcf/mo.)
Average ANNUAL Bill (77 hcf/mo.)
Average SUMMER Bill (95 hcf/mo.)
$334.99
$281.66
$527.99
$472.13
$620.63
$563.55
$736.43
$677.83
$875.39
$814.97
$1,106.99
$1,043.53
$1,299.99
$1,234.00
25
50
62
77
95
125
150
Monthly Water Consumption (CCF)


Commercial Water Bill Comparison
Current vs. Proposed FY 2023/24 Rates (6" Meter)
Commercial Bill - Current Rates
Commercial Bill - Proposed Rates
Average ANNUAL Bill (77 hcf/mo.)
Monthly Bill
$2,500
$2,250
$2,000
$1,750
$1,500
$1,250
$1,000
$750
$500
$250
$0
$1,080.48
$738.90
$1,273.48
$929.37
$1,366.12
$1,020.79
$1,481.92
$1,135.07
$1,620.88
$1,272.21
$1,852.48
$1,500.77
$2,045.48
$1,691.24
25
50
62
77
95
125
150
Monthly Water Consumption (CCF)

Appendix B. Recycled Water Rate Study Tables and Figures

TABLE 1 : FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY	Actuals	Budget	5-Year Projected Rate Period					Projected				
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Sources of Water Funds												
Rate Revenue: [1]												
Water Sales - Recycled Water Charges	$ 151,038	$ 203,365	$ 207,000	$ 210,726	$ 214,308	$ 217,952	$ 221,657	$ 225,425	$ 229,257	$ 232,925	$ 236,652	$ 240,439
Non-Rate Revenue:												
Interest Earnings[2]	4,101	3,468	22,343	2,195	7,873	4,912	2,640	842	-	-	-	-
Total Sources of Funds	**$ 155,140**	**$ 206,833**	**$ 229,343**	**$ 212,921**	**$ 222,182**	**$ 222,864**	**$ 224,297**	**$ 226,267**	**$ 229,257**	**$ 232,925**	**$ 236,652**	**$ 240,439**
Uses of Water Funds												
Operating Expenses: [1]												
Water Operations:												
Fund 580 - Recycled Water Operations	$ 272,644	$ 874,700	$ 893,163	$ 797,921	$ 823,477	$ 849,857	$ 877,086	$ 905,193	$ 934,206	$ 964,155	$ 995,069	$ 1,026,980
Other Expenditures:												
Existing Debt Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interfund Loan Repayment[3]	-	-	198,566	198,566	267,497	267,497	267,497	267,497	267,497	267,497	267,497	267,497
Rate-Funded Capital Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal: Other Expenditures	$ -	$ -	$ 198,566	$ 198,566	$ 267,497	$ 267,497	$ 267,497	$ 267,497	$ 267,497	$ 267,497	$ 267,497	$ 267,497
Total Uses of Water Funds	**$ 272,644**	**$ 874,700**	**$ 1,091,728**	**$ 996,487**	**$ 1,090,974**	**$ 1,117,354**	**$ 1,144,583**	**$ 1,172,690**	**$ 1,201,703**	**$ 1,231,652**	**$ 1,262,566**	**$ 1,294,477**
plus: Revenue from Rate Increases[4]	-	-	129,375	563,692	652,033	728,149	788,637	827,104	841,165	854,623	868,297	882,190
Annual Surplus/(Deficit)	**$ (117,504)**	**$ (667,867)**	**$ (733,011)**	**$ (219,874)**	**$ (216,759)**	**$ (166,341)**	**$ (131,650)**	**$ (119,320)**	**$ (131,281)**	**$ (144,103)**	**$ (157,617)**	**$ (171,849)**
Net Revenue Req't. *(Total Uses less Non-Rate Revenue)*	**$ 268,543**	**$ 871,232**	**$ 1,069,386**	**$ 994,292**	**$ 1,083,101**	**$ 1,112,441**	**$ 1,141,943**	**$ 1,171,848**	**$ 1,201,703**	**$ 1,231,652**	**$ 1,262,566**	**$ 1,294,477**

1. Revenue and expenses for FY 2021/22 through FY 2023/24 provided by the City.
   Revenues and expenses for all other years are escalated based on the forecasting assumptions located in Table 67.
   Source files: Fund 580 Recycled Water Operations.xlsx & *FY2023-24 Exp Budget Recycled Water.xlsx* .
2. Interest earnings for FY 2021/22 and FY 2022/23 are from the City's Budget. For all other years, it is calculated based on historical LAIF returns.
3. Repayment of interfund loans advanced by Wastewater Capacity 550 to Recycled Water Operations 540 for various project. See *Exhibit 3 (Debt)* for more details.
4. Revenue from rate increases assumes an implementation date of April 1, 2024 for new rates. For each year thereafter, the assumption is that new rates will be implemented on January 1st of each year.

1	*<-- Select Financial Plan Scenario Here*												
Financial Plan Alternatives		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
1	Alternative 1 - Full Cost Recovery Rate Increases[1]	*0.00%*	*0.00%*	*250.00%*	*10.00%*	*10.00%*	*5.00%*	*5.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
2	Alternative 2 - Phased-in Rate Increases[2]	*0.00%*	*0.00%*	*20.00%*	*20.00%*	*5.00%*	*2.00%*	*2.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
3	Alternative 3 - Minimal Rate Increases[3]	*0.00%*	*0.00%*	*15.00%*	*15.00%*	*10.00%*	*5.00%*	*5.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
4	Alternative 4 - No Rate Increases	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*

1. Alternative 1: Scenario 1 - Rates needed to meet all revenue requirements and meet the target reserve levels (Large increase followed by smaller increases).
2. Alternative 2: Scenario 2 - Large increases phased In over two years, followed by smaller increases (Reserves drop below target level).
3. Alternative 3: Scenario 3 - Smaller increases (Reserves drop below target level).

TABLE 2 : RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Actuals	Projected	5-Year Projected Rate Period					Projected				
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Unrestricted Reserve:												
Total Beginning Cash[1]	**$ 105,383**	**$ 549,510**										
Operating Reserve												
Beginning Reserve Balance	$ 105,383	$ 549,510	$ 650,000	$ (83,011)	$ (302,885)	$ (519,644)	$ (685,985)	$ (817,634)	$ (936,954)	$ (1,068,236)	$ (1,212,339)	$ (1,369,955)
Plus: Net Cash Flow (After Rate Increases)	(117,504)	(667,867)	(733,011)	(219,874)	(216,759)	(166,341)	(131,650)	(119,320)	(131,281)	(144,103)	(157,617)	(171,849)
Plus: Transfer in from Capital and Infrastructure Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Less: Transfer out to Capital and Infrastructure Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Ending Operating Reserve Balance	***$ (12,121)***	***$ (118,357)***	***$ (83,011)***	***$ (302,885)***	***$ (519,644)***	***$ (685,985)***	***$ (817,634)***	***$ (936,954)***	***$ (1,068,236)***	***$ (1,212,339)***	***$ (1,369,955)***	***$ (1,541,804)***
Target Ending Balance (90-days of O&M)[2]	*$ 68,000*	*$ 219,000*	*$ 223,000*	*$ 199,000*	*$ 206,000*	*$ 212,000*	*$ 219,000*	*$ 226,000*	*$ 234,000*	*$ 241,000*	*$ 249,000*	*$ 257,000*
Capital Rehabilitation & Replacement Reserve												
Beginning Reserve Balance	$ -	$ -	$ 243,704	$ 243,704	$ 879,258	$ 879,258	$ 879,258	$ 879,258	$ 879,258	$ 879,258	$ 879,258	$ 879,258
Plus: Transfer of Operating Reserve Surplus	-	-	-	-	-	-	-	-	-	-	-	-
Less: Transfer out to Operating Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-
Ending Capital and Infrastructure Reserve Balance	***$ -***	***$ 243,704***	***$ 243,704***	***$ 879,258***	***$ 879,258***	***$ 879,258***	***$ 879,258***	***$ 879,258***	***$ 879,258***	***$ 879,258***	***$ 879,258***	***$ 879,258***
Target Ending Balance (3% of net assets)[3]	*$ 1,420,700*	*$ 1,548,600*	*$ 1,870,900*	*$ 2,079,900*	*$ 2,260,500*	*$ 2,370,700*	*$ 2,458,100*	*$ 2,548,200*	*$ 2,641,000*	*$ 2,736,700*	*$ 2,835,300*	*$ 2,937,000*
Ending Balance - Excl. Restricted Reserves	***$ (12,121)***	***$ 125,346***	***$ 160,693***	***$ 576,373***	***$ 359,614***	***$ 193,273***	***$ 61,624***	***$ (57,696)***	***$ (188,977)***	***$ (333,081)***	***$ (490,697)***	***$ (662,546)***
Min. Target Ending Balance -Excl. Restricted Reserves	***$ 1,488,700***	***$ 1,767,600***	***$ 2,093,900***	***$ 2,278,900***	***$ 2,466,500***	***$ 2,582,700***	***$ 2,677,100***	***$ 2,774,200***	***$ 2,875,000***	***$ 2,977,700***	***$ 3,084,300***	***$ 3,194,000***
Ending Surplus/(Deficit) Compared to Reserve Targets	***$ (1,500,821)***	***$ (1,642,254)***	***$ (1,933,207)***	***$ (1,702,527)***	***$ (2,106,886)***	***$ (2,389,427)***	***$ (2,615,476)***	***$ (2,831,896)***	***$ (3,063,977)***	***$ (3,310,781)***	***$ (3,574,997)***	***$ (3,856,546)***
Annual Interest Earnings Rate[4]	*1.37%*	*2.50%*	*2.50%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*

1. Beginning cash balances provided by City staff for Fund 580 - Recycled Water Operations. Source file: *4 - Current Cash and Fund Balance - Recycled Water 12062021.xlsx* , *Beg Fund Balance FY23- Water.xls* , & *Beg Fund Balance FY23- Recycled Water.xls* .
2. The target ending balance is set equal to 90-days of O&M expenses. Source file: *4 - Current Cash and Fund Balance - Water 12062021.xlsx* .
3. The target ending balance is set equal to 3% of net capital assets. See *Exhibit 2 (CIP)* for details.
4. Historical interest earning rates are per the average annual yields for funds invested in LAIF (2017-2021). The source is the California State Treasurer's website: *https://www.treasurer.ca.gov/pmia-laif/historical/annual.asp* .

CHART 1

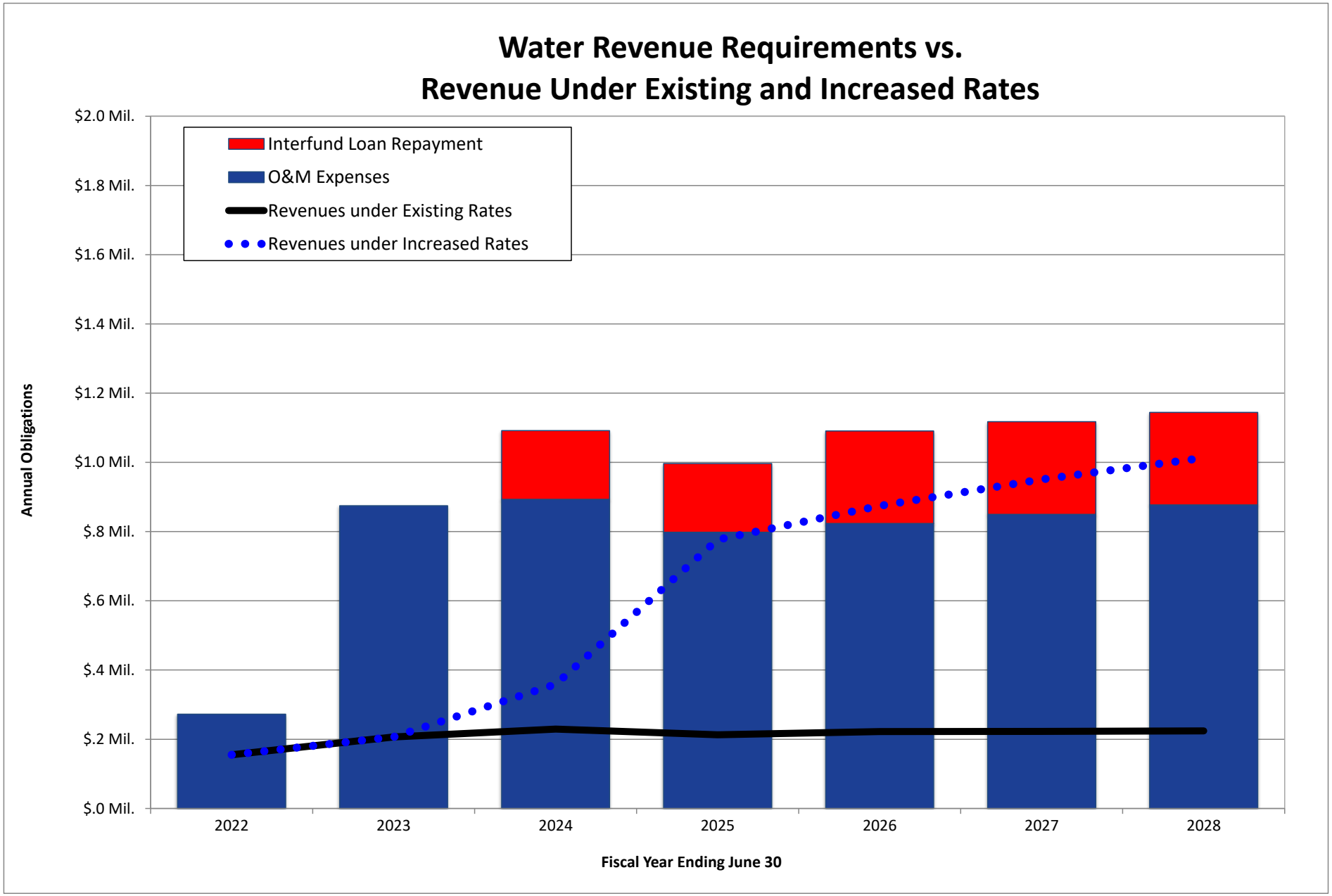

Water Revenue Requirements vs.
Revenue Under Existing and Increased Rates
Interfund Loan Repayment
O&M Expenses
Revenues under Existing Rates
Revenues under Increased Rates
$2.0 Mil.
$1.8 Mil.
$1.6 Mil.
$1.4 Mil.
$1.2 Mil.
$1.0 Mil.
$.8 Mil.
$.6 Mil.
$.4 Mil.
$.2 Mil.
$.0 Mil.
Annual Obligations
2022
2023
2024
2025
2026
2027
2028
Fiscal Year Ending June 30

CHART 2

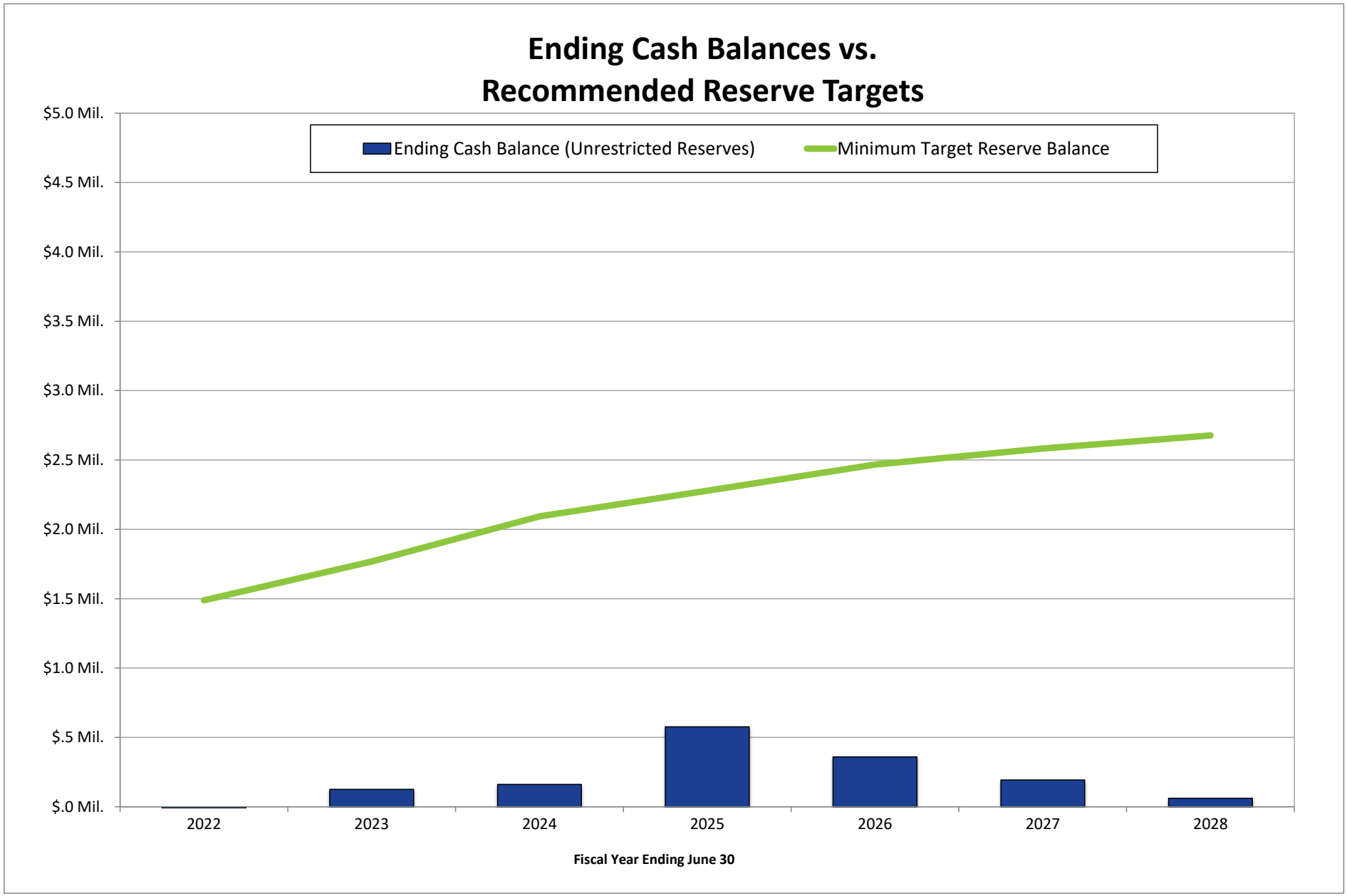

Ending Cash Balances vs.
Recommended Reserve Targets
Ending Cash Balance (Unrestricted Reserves)
Minimum Target Reserve Balance
$5.0 Mil.
$4.5 Mil.
$4.0 Mil.
$3.5 Mil.
$3.0 Mil.
$2.5 Mil.
$2.0 Mil.
$1.5 Mil.
$1.0 Mil.
$.5 Mil.
$0.0 Mil.
2022
2023
2024
2025
2026
2027
2028
Fiscal Year Ending June 30

CHART 3

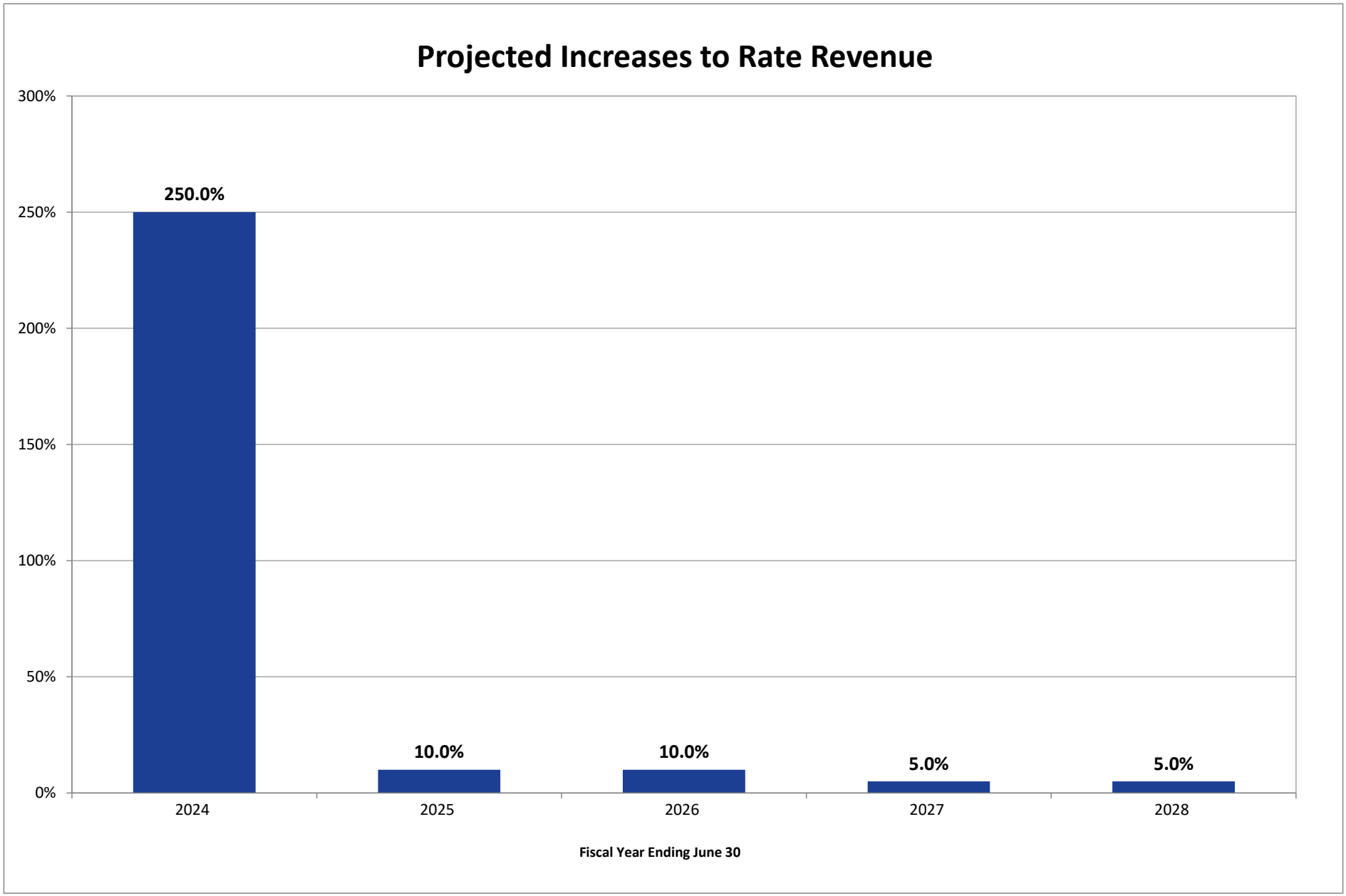

Projected Increases to Rate Revenue
300%
250%
200%
150%
100%
50%
0%
250.0%
10.0%
10.0%
5.0%
5.0%
2024
2025
2026
2027
2028
Fiscal Year Ending June 30

TABLE 3 : REVENUE FORECAST[1]

DESCRIPTION	Basis	Actuals	Budget	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Rate Revenue													
Water Service Charge - Recycled Water	1	$ 151,038	$ 203,365	$ 207,000	$ 210,726	$ 214,308	$ 217,952	$ 221,657	$ 225,425	$ 229,257	$ 232,925	$ 236,652	$ 240,439
Other Revenue													
Interest Earnings	See FP	4,101	3,468	-	-	-	-	-	-	-	-	-	-
TOTAL: REVENUE		**$ 155,140**	**$ 206,833**	**$ 207,000**	**$ 210,726**	**$ 214,308**	**$ 217,952**	**$ 221,657**	**$ 225,425**	**$ 229,257**	**$ 232,925**	**$ 236,652**	**$ 240,439**

TABLE 4 : OPERATING EXPENSE FORECAST[1]

DESCRIPTION	Basis	Actuals	Budget	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Fund 580 - Recycled Water Operations													
Wages - Full time	3	$ -	$ 24,231	$ 209,085	$ 216,403	$ 223,977	$ 231,816	$ 239,930	$ 248,327	$ 257,019	$ 266,015	$ 275,325	$ 284,961
Health Insurance	3	-	5,720	35,576	36,821	38,109	39,443	40,824	42,253	43,731	45,262	46,846	48,486
Health-In_Lieu	3	-	-	2,280	2,360	2,442	2,528	2,616	2,708	2,803	2,901	3,002	3,107
Cafeteria Plan Section 125	3	-	1,120	9,599	9,935	10,282	10,642	11,015	11,400	11,799	12,212	12,640	13,082
PERS Retirement	3	-	1,982	26,843	27,782	28,755	29,761	30,803	31,881	32,997	34,152	35,347	36,584
Benefits - Other	3	-	-	471	488	505	522	541	560	579	599	620	642
Social Security & Medicare	3	-	368	3,204	3,316	3,432	3,552	3,677	3,805	3,938	4,076	4,219	4,367
Worker Comp Insurance	3	-	532	22,467	23,254	24,067	24,910	25,782	26,684	27,618	28,585	29,585	30,621
Info Tech Support Services	2	-	-	54,000	55,620	57,289	59,007	60,777	62,601	64,479	66,413	68,406	70,458
Professional Services	2	13,511	44,997	51,000	52,530	54,106	55,729	57,401	59,123	60,897	62,724	64,605	66,543
Misc Contractual Services	2	-	300,000	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Temp Agency Services	2	-	-	-	-	-	-	-	-	-	-	-	-
General Repairs & Maint	2	-	20,000	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095
Postage/Mail/Copy/Printing Svc	2	-	1,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Membership Dues & Subscription	2	-	500	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
Conferences - Training	2	-	1,600	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Office Supplies	2	-	500	500	515	530	546	563	580	597	615	633	652
Operating Supplies	2	-	42,000	123,000	126,690	130,491	134,405	138,438	142,591	146,868	151,274	155,813	160,487
AC Recycled Water	2	36,360	150,000	-	-	-	-	-	-	-	-	-	-
Depreciation	2	222,773	-	-	-	-	-	-	-	-	-	-	-
Depreciation - Infrastructure	2	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	2	-	100,000	-	-	-	-	-	-	-	-	-	-
Major Equipment	8	-	70,000	70,000	-	-	-	-	-	-	-	-	-
Transfers Out To Other Funds	8	-	60,000	50,000	-	-	-	-	-	-	-	-	-
Retiree Health Benefits	3	-	112	1,973	2,042	2,114	2,188	2,264	2,344	2,426	2,510	2,598	2,689
OPEB	3	-	84	1,251	1,295	1,340	1,387	1,436	1,486	1,538	1,592	1,647	1,705
ISF - Bldg Maint	2	-	26,927	39,873	41,069	42,301	43,570	44,877	46,224	47,610	49,039	50,510	52,025
ISF - Legal Services	2	-	518	23,705	24,416	25,149	25,903	26,680	27,481	28,305	29,154	30,029	30,930
Capital Outlay-Contra Account	8	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Gen Fnd Support Sv	2	-	22,510	138,336	142,486	146,761	151,163	155,698	160,369	165,180	170,136	175,240	180,497
Interest Payments for Internal Loans	See Exh. 3	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL: RECYCLED WATER OPERATIONS EXPENSES		**$ 272,644**	**$ 874,700**	**$ 893,163**	**$ 797,921**	**$ 823,477**	**$ 849,857**	**$ 877,086**	**$ 905,193**	**$ 934,206**	**$ 964,155**	**$ 995,069**	**$ 1,026,980**

TABLE 5 : FORECASTING ASSUMPTIONS

INFLATION FACTORS[2]	Basis	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Customer Growth[3]	1	--	1.80%	1.80%	1.80%	1.70%	1.70%	1.70%	1.70%	1.70%	1.60%	1.60%	1.60%
General Cost Inflation[4]	2	--	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Labor Cost Inflation[5]	3	--	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Energy[6]	4	--	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%
Electricty[7]	5	--	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%
Fuel & Utilities[8]	6	--	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%
Construction Cost Inflation[9]	7	--	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
No Escalation	8	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenue and expenses for FY 2021/22 through FY 2023/24 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions located in Table 67. Source files: *Fund 580 Recycled Water Operations.xlsx & FY2023-24 Exp Budget Recycled Water.*
2. Expenses are inflated each year by the following annual inflation factor categories.
3. Customer growth is based on service area population growth through FY 2039/40. Source file: *American Canyon 2015 UWMP.pdf* , page 26.
4. General cost inflation is based on the 5-year average annual change in the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-Hayward, CA area.
5. Labor cost inflation is based on the 5-year average annual change in the Quarterly Census of Employment and Wages for San Francisco County, CA.
6. Energy cost inflation is based on the 5-year average annual change in the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-Hayward, CA area.
7. Electricity cost inflation is based on the 5-year average change in the Consumer Price Index for San Francisco County.
8. Fuel & Utilities cost inflation is based on the 5-year average annual change in the Consumer Price Index - Average Price Data for Fuels and related products and power. This factor is used for utility costs other than electricity.
9. Construction cost Inflation is the 10-year average change in the Construction Cost Index for 2012-2022. Source: Engineering News Record website (*http://enr.construction.com*).

TABLE 6 : CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Actuals	Budget	5-Year Projected Rate Period					Projected				
Funding Sources:	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Grants[1]	$ 235,463	$ 243,704	$ 385,279	$ 635,554	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Use of Capacity Fee Reserves	-	-	-	16,812	1,989,375	2,059,003	2,131,068	1,756,623	1,818,105	1,881,739	1,947,600	2,015,766
SRF Loan Funding	-	-	-	-	-	-	-	-	-	-	-	-
Use of New Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Use of Capital Rehabilitation and Replacement Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Rate Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funds	**$ 235,463**	**$ 243,704**	**$ 385,279**	**$ 652,367**	**$ 1,989,375**	**$ 2,059,003**	**$ 2,131,068**	**$ 1,756,623**	**$ 1,818,105**	**$ 1,881,739**	**$ 1,947,600**	**$ 2,015,766**
Uses of Capital Funds:												
Total Project Costs	$ 235,463	$ 243,704	$ 385,279	$ 652,367	$ 1,989,375	$ 2,059,003	$ 2,131,068	$ 1,756,623	$ 1,818,105	$ 1,881,739	$ 1,947,600	$ 2,015,766
Capital Funding Surplus (Deficiency)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

1. Grant from American Rescue Plan Act (ARPA) Funds through Napa County for the Recycled Water System Expansion Project (RW17-0100). Source file: *RESOLUTION 2022-58.pdf* .

CAPITAL IMPROVEMENT PROGRAM FUNDING OPTIONS

Capital Improvement Program Funding Choice	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Effective Annual Funding Amount	$ 235,463	$ 243,704	$ 385,279	$ 652,367	$ 1,989,375	$ 2,059,003	$ 2,131,068	$ 1,756,623	$ 1,818,105	$ 1,881,739	$ 1,947,600	$ 2,015,766

CAPITAL IMPROVEMENT PROGRAM

TABLE 7 : CAPITAL IMPROVEMENT PROGRAM COSTS (*in Current-Year Dollars*)[1]

Project No.	Description	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Capital Projects [2]													
NEW	Recycled Water Fill Stations	$ -	$ -	$ 120,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Master Plan Projects - Recycled Water [3]													
RW1	Tower / Devlin / South Kelly Road	$ 137,500	$ 137,500	$ 137,500	$ 137,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RW2	Spikerush Circle	31,000	31,000	31,000	31,000	-	-	-	-	-	-	-	-
RW3	Benton Way	59,000	59,000	59,000	59,000	-	-	-	-	-	-	-	-
RW4	Pelleria Drive	-	-	-	32,000	32,000	32,000	32,000	-	-	-	-	-
RW5	Jim Oswald Way / Mezzetta Court / Green Island Road	-	-	-	121,000	121,000	121,000	121,000	-	-	-	-	-
RW6	Hanna Drive	-	-	-	76,000	76,000	76,000	76,000	-	-	-	-	-
RW7	Dodd / Klamath Court	-	-	-	24,000	24,000	24,000	24,000	-	-	-	-	-
RW8	Lombard / Hess Road	-	-	-	88,000	88,000	88,000	88,000	-	-	-	-	-
RW9	Watson Lane	-	-	-	-	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
RW10	Main / South Napa Junction Road	-	-	-	-	299,000	299,000	299,000	299,000	299,000	299,000	299,000	299,000
RW11	Newell Drive	-	-	-	-	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000
RW12	PS Upgrade	-	-	-	-	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
RW13	Paoli Loop Road / Northern Vineyards	-	-	-	-	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
RW14	Eucalyptus Drive	-	-	-	-	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000
RW15	Broadway / Donaldson Way	-	-	-	-	347,000	347,000	347,000	347,000	347,000	347,000	347,000	347,000
Estimated Future Projects													
Future Projects[4]		-	-	-	-	-	-	-	-	-	-	-	-
Total: CIP Program Costs *(Future-Year Dollars)*		**$ 227,500**	**$ 227,500**	**$ 347,500**	**$ 568,500**	**$ 1,675,000**	**$ 1,675,000**	**$ 1,675,000**	**$ 1,334,000**	**$ 1,334,000**	**$ 1,334,000**	**$ 1,334,000**	**$ 1,334,000**

TABLE 8 : CAPITAL IMPROVEMENT PROGRAM COSTS (*in Future-Year Dollars*)[5]

Project No.	Description	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Capital Projects [2]													
NEW	Recycled Water Fill Stations	$ -	$ -	$ 133,046	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Master Plan Projects - Recycled Water [3]													
RW1	Tower / Devlin / South Kelly Road	$ 142,313	$ 147,293	$ 152,449	$ 157,784	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RW2	Spikerush Circle	32,085	33,208	34,370	35,573	-	-	-	-	-	-	-	-
RW3	Benton Way	61,065	63,202	65,414	67,704	-	-	-	-	-	-	-	-
RW4	Pelleria Drive	-	-	-	36,721	38,006	39,336	40,713	-	-	-	-	-
RW5	Jim Oswald Way / Mezzetta Court / Green Island Road	-	-	-	138,850	143,710	148,740	153,946	-	-	-	-	-
RW6	Hanna Drive	-	-	-	87,212	90,264	93,423	96,693	-	-	-	-	-
RW7	Dodd / Klamath Court	-	-	-	27,541	28,504	29,502	30,535	-	-	-	-	-
RW8	Lombard / Hess Road	-	-	-	100,982	104,516	108,174	111,961	-	-	-	-	-
RW9	Watson Lane	-	-	-	-	160,338	165,949	171,758	177,769	183,991	190,431	197,096	203,994
RW10	Main / South Napa Junction Road	-	-	-	-	355,118	367,547	380,411	393,726	407,506	421,769	436,531	451,810
RW11	Newell Drive	-	-	-	-	243,476	251,997	260,817	269,946	279,394	289,173	299,294	309,769
RW12	PS Upgrade	-	-	-	-	95,015	98,340	101,782	105,345	109,032	112,848	116,798	120,885
RW13	Paoli Loop Road / Northern Vineyards	-	-	-	-	166,276	172,096	178,119	184,353	190,806	197,484	204,396	211,550
RW14	Eucalyptus Drive	-	-	-	-	152,024	157,345	162,852	168,552	174,451	180,557	186,876	193,417
RW15	Broadway / Donaldson Way	-	-	-	-	412,127	426,552	441,481	456,933	472,925	489,478	506,609	524,341
Estimated Future Projects													
Future Projects[4]		-	-	-	-	-	-	-	-	-	-	-	-
Total: CIP Program Costs *(Future-Year Dollars)*		**$ 235,463**	**$ 243,704**	**$ 385,279**	**$ 652,367**	**$ 1,989,375**	**$ 2,059,003**	**$ 2,131,068**	**$ 1,756,623**	**$ 1,818,105**	**$ 1,881,739**	**$ 1,947,600**	**$ 2,015,766**

TABLE 9 : FORECASTING ASSUMPTIONS

Economic Variables	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Annual Construction Cost Inflation, Per Engineering News Record[6]	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*
Cumulative Construction Cost Multiplier from FY 2021/22	*1.04*	*1.07*	*1.11*	*1.15*	*1.19*	*1.23*	*1.27*	*1.32*	*1.36*	*1.41*	*1.46*	*1.51*

1. Capital project costs were provided by City Staff in source file: *Water Projects.pdf.*
2. Capital projects costs for FY 2021/22 and FY 2022/23 are from source files: 11. *CIP Budget vs Expense Report FY 2021-2022 through Oct 2021.pdf* .
3. The City's Recycled Water Master Plan projects were scheduled to begin in 2016; however, the study only includes costs from FY 2021/22 through FY 2034/35. Source file: *2016 Recycled Water Master Plan.pdf* , page 63.
4. Future project costs beyond FY 2034/35 are calculated based on the City's 10-year average.
5. Capital improvement projects are inflated to future year estimated costs with ENR CCI for the region. Source: Engineering News Record website (*http://enr.construction.com*).
6. For reference purposes, the annual Construction Cost Inflation percentage is the 10-year average change in the Construction Cost Index for September 2012-2022 (3.5%). Source: Engineering News Record website *(http://enr.construction.com).*

TABLE 10 : EXISTING DEBT OBLIGATIONS

EXISTING DEBT OBLIGATIONS	Actuals	Budget	5-Year Projected Rate Period					Projected				
Annual Repayment Schedules:	**FY 2021/22**	**FY 2022/23**	**FY 2023/24**	**FY 2024/25**	**FY 2025/26**	**FY 2026/27**	**FY 2027/28**	**FY 2028/29**	**FY 2029/30**	**FY 2030/31**	**FY 2031/32**	**FY 2032/33**
Interfund Loans												
Water Operations to Recycled Water Fund												
Advance from Water Operations 510 to Recycled Water Operations 580												
Original Loan Amount (June 20, 2023)	**$ 1,136,140**											
Accrued Interest (LAIF Rate + 2%)	**981**											
Annual Debt Service[1]			*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*	*$44,061*
Water Operations to Recycled Water Fund												
Advance from Water Operations 510 to Recycled Water Operations 580												
Original Loan Amount (September 21, 2021)	**$ 128,189**											
Accrued Interest (LAIF Rate + 2%)	**11,706**											
Annual Debt Service[2]					*$ 5,421*	*$ 5,421*	*$ 5,421*	*$ 5,421*	*$ 5,421*	*$ 5,421*	*$ 5,421*	*$ 5,421*
Wastewater Capacity to Recycled Water Fund												
Advance from WW Capacity 550 to Recycled Water Operations 580												
Original Loan Amount (March 17, 2011)	**$ 1,070,000**											
Accrued Interest (LAIF Rate + 2%)	**205,869**											
Annual Debt Service[3]					*$ 49,438*	*$ 49,438*	*$ 49,438*	*$ 49,438*	*$ 49,438*	*$ 49,438*	*$ 49,438*	*$ 49,438*
Wastewater Capacity to Recycled Water Fund												
Advance from WW Capacity 550 to Recycled Water Operations 580												
Original Loan Amount (December 15, 2009)	**$ 304,614**											
Accrued Interest (LAIF Rate + 2%)	**58,577**											
Annual Debt Service[4]					*$ 14,073*	*$ 14,073*	*$ 14,073*	*$ 14,073*	*$ 14,073*	*$ 14,073*	*$ 14,073*	*$ 14,073*
Wastewater Capacity to Recycled Water Fund												
Advance from WW Capacity 550 to Recycled Water Operations 580												
Original Loan Amount (December 15, 2009)	**$ 3,532,410**											
Accrued Interest (LAIF Rate + 2%)	**454,994**											
Annual Debt Service[5]			*$ 154,504*	*$ 154,504*	*$ 154,504*	*$ 154,504*	*$ 154,504*	*$ 154,504*	*$ 154,504*	*$ 154,504*	*$ 154,504*	*$ 154,504*

1. Funds advanced for the Recycled Water Expansion Project. Repayment scheduled to begin FY 2023/24.
2. Funds advanced for Green Island Recycled Waterline Project. Repayment scheduled to begin FY 2025/26.
3. Funds advanced for the Green Island Road Recycled Waterline Project. Repayment scheduled to begin FY 2025/26.
4. Funds advanced for the Recycled Water Pump Station Upgrade. Repayment scheduled to begin FY 2025/26.
5. Funds advance for various CIP projects. Repayment scheduled to begin FY 2025/26.

TABLE 11 : EXISTING ANNUAL DEBT OBLIGATIONS TO BE SATISFIED BY WATER RATES

Annual Obligations	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Existing Interfund Loan Repayment	*$ -*	*$ -*	*$ 198,566*	*$ 198,566*	*$ 267,497*	*$ 267,497*	*$ 267,497*	*$ 267,497*	*$ 267,497*	*$ 267,497*	*$ 267,497*	*$ 267,497*

TABLE 12 : CURRENT RECYCLED WATER RATE SCHEDULE

Recycled Water Rate Schedule[1]	Current Rates Jan. 1, 2023
Monthly Fixed Service Charges	
Recycled Water[2]	
< 1" meter	$26.56
1" meter	$44.42
1 1/2" meter	$88.75
2" meter	$141.99
3" meter	$283.98
4" meter	$443.74
6" meter	$887.48
8" meter	$1,420.06
Variable Charges for All Water Consumed (in $/hcf) [3]	
Recycled Water	$0.90

1. Rates available on the City website. Source: *https://www.cityofamericancanyon.org* .
2. Green Island Vineyard is charged different rates based on contract terms.
3. HCF = hundred cubic feet (748 gallons).

TABLE 13 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2023/24	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
Fund 580 - Recycled Water Operations							
Wages - Full time	$ 209,085	$ 104,543	$ 83,634	$ 20,909	50.0%	40.0%	10.0%
Health Insurance	35,576	17,788	14,230	3,558	50.0%	40.0%	10.0%
Health-In_Lieu	2,280	1,140	912	228	50.0%	40.0%	10.0%
Cafeteria Plan Section 125	9,599	4,799	3,839	960	50.0%	40.0%	10.0%
PERS Retirement	26,843	13,421	10,737	2,684	50.0%	40.0%	10.0%
Benefits - Other	471	236	188	47	50.0%	40.0%	10.0%
Social Security & Medicare	3,204	1,602	1,282	320	50.0%	40.0%	10.0%
Worker Comp Insurance	22,467	11,234	8,987	2,247	50.0%	40.0%	10.0%
Info Tech Support Services	54,000	27,000	21,600	5,400	50.0%	40.0%	10.0%
Professional Services	51,000	25,500	20,400	5,100	50.0%	40.0%	10.0%
Misc Contractual Services	2,000	1,000	800	200	50.0%	40.0%	10.0%
General Repairs & Maint	20,000	10,000	8,000	2,000	50.0%	40.0%	10.0%
Postage/Mail/Copy/Printing Svc	5,000	2,500	2,000	500	50.0%	40.0%	10.0%
Membership Dues & Subscription	1,000	500	400	100	50.0%	40.0%	10.0%
Conferences - Training	2,000	1,000	800	200	50.0%	40.0%	10.0%
Office Supplies	500	250	200	50	50.0%	40.0%	10.0%
Operating Supplies	123,000	61,500	49,200	12,300	50.0%	40.0%	10.0%
Major Equipment	70,000	35,000	28,000	7,000	50.0%	40.0%	10.0%
Transfers Out To Other Funds	50,000	25,000	20,000	5,000	50.0%	40.0%	10.0%
Retiree Health Benefits	1,973	987	789	197	50.0%	40.0%	10.0%
OPEB	1,251	625	500	125	50.0%	40.0%	10.0%
ISF - Bldg Maint	39,873	19,937	15,949	3,987	50.0%	40.0%	10.0%
ISF - Legal Services	23,705	11,853	9,482	2,371	50.0%	40.0%	10.0%
Transfer to Gen Fnd Support Sv	138,336	69,168	55,334	13,834	50.0%	40.0%	10.0%
Total: Recycled Water Operations Expenses	**$ 893,163**	**$ 446,581**	**$ 357,265**	**$ 89,316**	**50.0%**	**40.0%**	**10.0%**
Total: Recycled Water Operations Expenses	**$ 893,163**	**$ 446,581**	**$ 357,265**	**$ 89,316**	**50.0%**	**40.0%**	**10.0%**
Total: Operations Expenses - Delivered[1]	**$ 732,393**	**$ 366,197**	**$ 292,957**	**$ 73,239**	**50.0%**	**40.0%**	**10.0%**
Total: Operations Expenses - Self-Haul[1]	**$ 160,769**	**$ 80,385**	**$ 64,308**	**$ 16,077**	**50.0%**	**40.0%**	**10.0%**

1. Delivered and self-haul recycled water rates based on direction provided by City staff; that is, 82 % of O&M costs attributed to delivered water and 18% to self-haul.

TABLE 14 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses, continued							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2023/24	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
Debt Service Payments							
Outstanding Debt	$ -	$ -	$ -	$ -	0.0%	100.0%	0.0%
Interfund Loan Repayment	198,566	-	198,566	-	0.0%	100.0%	0.0%
Total Debt Service Payments	**$ 198,566**	**$ -**	**$ 198,566**	**$ -**	**0.0%**	**100.0%**	**0.0%**
Total Debt Service Payments - Delivered	**$ 99,283**	**$ -**	**$ 99,283**	**$ -**	**0.0%**	**100.0%**	**0.0%**
Total Debt Service Payments - Self-Haul	**$ 99,283**	**$ -**	**$ 99,283**	**$ -**	**0.0%**	**100.0%**	**0.0%**
Capital Expenditures							
Rate Funded Capital Expenses	$ -	$ -	$ -	$ -	0.0%	100.0%	0.0%
Total Capital Expenditures - Delivered	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**100.0%**	**0.0%**
TotalCapital Expenditures - Self-Haul	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**100.0%**	**0.0%**
TOTAL REVENUE REQUIREMENTS	**$ 1,091,728**	**$ 446,581**	**$ 555,831**	**$ 89,316**	**40.9%**	**50.9%**	**8.2%**

TOTAL REVENUE REQUIREMENTS - Delivered	**$ 831,676**	**$ 366,197**	**$ 392,240**	**$ 73,239**	**44.0%**	**47.2%**	**8.8%**
TOTAL REVENUE REQUIREMENTS - Self-Haul	**$ 260,052**	**$ 80,385**	**$ 163,591**	**$ 16,077**	**30.9%**	**62.9%**	**6.2%**
Less: Non-Rate Revenues							
Other Revenue							
Interest Earnings	(22,343)	(9,139)	(11,375)	(1,828)	40.9%	50.9%	8.2%
NET REVENUE REQUIREMENTS	**$ 1,069,386**	**$ 437,442**	**$ 544,455**	**$ 87,488**			
Allocation of Revenue Requirements	**100.0%**	**40.9%**	**50.9%**	**8.2%**			
NET REVENUE REQUIREMENTS - Delivered	**$ 813,355**	**$ 358,702**	**$ 382,912**	**$ 71,740**	**44.1%**	**47.1%**	**8.8%**
NET REVENUE REQUIREMENTS - Self-Haul	**$ 256,030**	**$ 78,740**	**$ 161,543**	**$ 15,748**	**9.7%**	**19.9%**	**1.9%**

TABLE 15 : ADJUSTMENT TO CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses, continued Adjustments to Classification of Expenses				
Adjustment for Current Rate Level:	**Total**	**(COM)**	**(CAP)**	**(CA)**
Test Year (FY 2023/24) Target Rate Rev. After Rate Increas	$ 1,069,386			
Projected Rate Revenue at Current Rates	$ 207,000			
Test Year (FY 2023/24) Projected Rate Adjustment	417%			
Adjusted Net Revenue Req'ts	**$ 1,069,386**	**$ 437,442**	**$ 544,455**	**$ 87,488**
Percent of Revenue	*100.0%*	*40.9%*	*50.9%*	*8.2%*

TABLE 16 : NET REVENUE REQUIREMENTS PER COSA RESULTS

Net Revenue Requirements - Per COSA Results 59% Fixed / 41% Variable	**Total Rate Revenue Requirements FY 2023/24**	**Commodity Related Costs**	**Capacity Related Costs**	**Customer Related Costs**
Rate-Design Adjustments to Fixed/Variable %	**100.0%**	**40.9%**	**50.9%**	**8.2%**
Rate-Design Adjustments to Fixed/Variable ($)	**$1,069,386**	**$437,442**	**$544,455**	**$87,488**

TABLE 17 : REVISED NET REVENUE REQUIREMENTS PER COSA RESULTS - ALTERNATIVE 1

Rate-Design Adjustments to Fixed/Variable %	**100.0%**	**40.9%**	**50.9%**	**8.2%**
Rate-Design Adjustments to Fixed/Variable ($)	**$1,069,386**	**$437,442**	**$544,455**	**$87,488**

TABLE 18 : REVISED NET REVENUE REQUIREMENTS - (40% FIXED/60% VOLUMETRIC) - ALTERNATIVE 2

Rate-Design Adjustments to Fixed/Variable %	**100.0%**	**60.0%**	**34.5%**	**5.5%**
Rate-Design Adjustments to Fixed/Variable ($)	**$1,069,386**	**$641,631**	**$368,535**	**$59,220**

TABLE 19 : REVISED NET REVENUE REQUIREMENTS - (20% FIXED/80% VOLUMETRIC) - ALTERNATIVE 3

Rate-Design Adjustments to Fixed/Variable %	**100.0%**	**80.0%**	**17.2%**	**2.8%**
Rate-Design Adjustments to Fixed/Variable ($)	**$1,069,386**	**$855,509**	**$184,267**	**$29,610**

TABLE 20 : ALLOCATION OF RECYCLED WATER REVENUE REQUIREMENTS

Net Revenue Requirements (ALTERNATIVE 3 - 20% Fixed / 80% Variable)		
Recycled Water Classification Components	**Cost-of-Service Net Revenue Requirements** *(2023/24)*	
Variable (Collected from Vol. Rates)	$ 855,509	***80%***
Fixed (Collected from Fixed Charges)	213,877	20%
Net Revenue Requirement	**$ 1,069,386**	*100%*

1. For calculation, see the *RW - Funct. & Classification* tab.

TABLE 21 : ALLOCATION OF NET REVENUE REQUIREMENTS - FY 2023/24

Net Revenue Requirements (ALTERNATIVE 3 - 20% Fixed / 80% Variable)									
Recycled Water Customers	**Cost Allocation Factors**			**Cost Classifications**			**RW Volumetric Rate** ($/hcf)[4]	**RW Fixed Charges** *($/Eq. Meter/ Month)* [5]
	Annual RW Consumption	**Equivalent Meters**[1]		**Variable Costs**[2]	**Fixed Costs**[3]	**Net Revenue Req'ts**		
		No. of Equiv. Meters	**% of Equiv. Meters**					
Recycled Water								
Recycled Water	127,857	458	100.0%	$ 855,509	$ 213,877	$ 1,069,386	$6.69	$38.89
Total Net Revenue Requirement	**127,857**	**458**	**100.0%**	**$ 855,509**	**$ 213,877**	**$ 1,069,386**	--	--

1. Number of meters by size times the hydraulic capacity factor for each meter size. Source: AWWA, Manual M1, Table B-1 & AWWA, Manual M6, Table 5-3.
2. Total Variable Costs times the proportional share of annual RW consumption.
3. Fixed costs times the percent of equivalent meters.
4. Total Variable Costs divided by Total Annual RW Consumption.
5. Total Fixed Costs divided by total Equivalent Meters. This provides the basis for monthly fixed charges for each meter size.

TABLE 22 : CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES FOR FY 2023/24

Net Revenue Requirements (ALTERNATIVE 3 - 20% Fixed / 80% Variable)									
Number of RW Meters by Class and Size[1]	**FY 2023/24**								**Total**
	< 1" meter	**1" meter**	**1 1/2" meter**	**2" meter**	**3" meter**	**4" meter**	**6" meter**	**8" meter**	
Recycled Water									
Recycled Water	2	13	14	28	13	6	0	0	76
Total Meters/Accounts	**2**	**13**	**14**	**28**	**13**	**6**	**0**	**0**	**76**
Hydraulic Capacity Factor [2]	*1.00*	*1.67*	*3.33*	*5.33*	*10.67*	*16.67*	*33.33*	*53.33*	
Total Equivalent Meters	**2**	**22**	**47**	**149**	**139**	**100**	**0**	**0**	**458**
Monthly Fixed Service Charges									
Fixed Charge ($/EM/month)[3]	$38.89	$38.89	$38.89	$38.89	$38.89	$38.89	$38.89	$38.89	
Fixed Monthly Charge	**$38.89**	**$64.81**	**$129.62**	**$207.40**	**$414.79**	**$648.11**	**$1,296.23**	**$2,073.96**	
Annual Fixed Costs Allocated to Monthly Meter Charges									
Total Revenue from RW Meter Charges	**$ 933**	**$ 10,111**	**$ 21,777**	**$ 69,685**	**$ 64,708**	**$ 46,664**	**$ -**	**$ -**	**$ 213,877**

1. Meter by Class and Size are based on June 2022 customer billing data.
2. Source: *Principles of Water Rates, Fees, and Charges* , Manual M1, AWWA, Table B-1.
3. Cost per month per equivalent meter. Monthly fixed charges are set for each meter size using the hydraulic capacity factors and total equivalent meters.

TABLE 23 : METER EQUIVALENCY FACTORS USED IN FIXED CHARGES CALCULATION

Meter Size	Standard Meters	
	Meter Capacity	Equivalency to 3/4 inch
	Displacement Meters	
5/8 inch	20	1.00
3/4 inch	30	1.00
1 inch	50	1.67
1.5 inch	100	3.33
2 inch	160	5.33
	Compound Class I Meters	
3 inch	320	10.67
4 inch	500	16.67
6 inch	1,000	33.33
8 inch	1,600	53.33
	Turbine Class II Meters	
10 inch	4,200	140.00
12 inch	5,300	176.67

1. Per AWWA, M1 Manual, Table B-1.

TABLE 24 : ALLOCATION OF RECYCLED WATER REVENUE REQUIREMENTS

Recycled Water Classification Components	Total[1]	Net Revenue Requirements - Delivered *(2023/24)*		Net Revenue Requirements - Self-Haul*(2023/24)*	
Variable (Collected from Vol. Rates)	$ 437,442	$ 569,349	*70%*	$ 256,030	*100%*
Fixed (Collected from Fixed Charges)	631,944	244,007	30%	-	0%
Net Revenue Requirement	**$ 1,069,386**	**$ 813,355**	*100%*	**$ 256,030**	*100%*

1. For calculation, see the *RW - Funct. & Classification* tab.

TABLE 25 : ALLOCATION OF NET REVENUE REQUIREMENTS - FY 2023/24

Recycled Water Customers	Cost Allocation Factors			Cost Classifications			RW Volumetric Rate ($/hcf)[4]	RW Fixed Charges *($/Eq. Meter/ Month)*[5]
	Annual RW Consumption	Equivalent Meters[1] No. of Equiv. Meters	% of Equiv. Meters	Variable Costs[2]	Fixed Costs[3]	Net Revenue Req'ts		
Recycled Water								
Delivered	63,929	458	100.0%	$ 569,349	$ 244,007	$ 813,355	$8.91	*$44.36*
Self-Haul	63,929	0	0.0%	256,030	-	256,030	$4.00	*n/a*
Total Net Revenue Requirement	**127,857**	**458**	**0.0%**	**$ 256,030**	**$ -**	**$ 256,030**	--	--

1. Number of meters by size times the hydraulic capacity factor for each meter size. Source: AWWA, Manual M1, Table B-1 & AWWA, Manual M6, Table 5-3.
2. Total Variable Costs times the proportional share of annual RW consumption.
3. Fixed costs times the percent of equivalent meters.
4. Total Variable Costs divided by Total Annual RW Consumption.
5. Total Fixed Costs divided by total Equivalent Meters. This provides the basis for monthly fixed charges for each meter size.

TABLE 26 : CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES FOR FY 2023/24

Number of RW Meters by Class and Size[1]	FY 2023/24								Total
	< 1" meter	1" meter	1 1/2" meter	2" meter	3" meter	4" meter	6" meter	8" meter	
Recycled Water									
Delivered	2	13	14	28	13	6	0	0	76
Total Meters/Accounts	**2**	**13**	**14**	**28**	**13**	**6**	**0**	**0**	**76**
Hydraulic Capacity Factor[2]	*1.00*	*1.67*	*3.33*	*5.33*	*10.67*	*16.67*	*33.33*	*53.33*	
Total Equivalent Meters	**2**	**22**	**47**	**149**	**139**	**100**	**0**	**0**	**458**
Monthly Fixed Service Charges									
Fixed Charge ($/EM/month)[3]	$44.36	$44.36	$44.36	$44.36	$44.36	$44.36	$44.36	$44.36	
Fixed Monthly Charge	**$44.36**	**$73.94**	**$147.88**	**$236.61**	**$473.22**	**$739.41**	**$1,478.83**	**$2,366.12**	
Annual Fixed Costs Allocated to Monthly Meter Charges									
Total Revenue from RW Meter Charges	**$ 1,065**	**$ 11,535**	**$ 24,844**	**$ 79,502**	**$ 73,823**	**$ 53,238**	**$ -**	**$ -**	**$ 244,007**

1. Meter by Class and Size are based on June 2022 customer billing data.
2. Source: *Principles of Water Rates, Fees, and Charges* , Manual M1, AWWA, Table B-1.
3. Cost per month per equivalent meter. Monthly fixed charges are set for each meter size using the hydraulic capacity factors and total equivalent meters.

TABLE 27 : METER EQUIVALENCY FACTORS USED IN FIXED CHARGES CALCULATION

Meter Size	Standard Meters	
	Meter Capacity	Equivalency to 3/4 inch
	Displacement Meters	
5/8 inch	20	1.00
3/4 inch	30	1.00
1 inch	50	1.67
1.5 inch	100	3.33
2 inch	160	5.33
	Compound Class I Meters	
3 inch	320	10.67
4 inch	500	16.67
6 inch	1,000	33.33
8 inch	1,600	53.33
	Turbine Class II Meters	
10 inch	4,200	140.00
12 inch	5,300	176.67

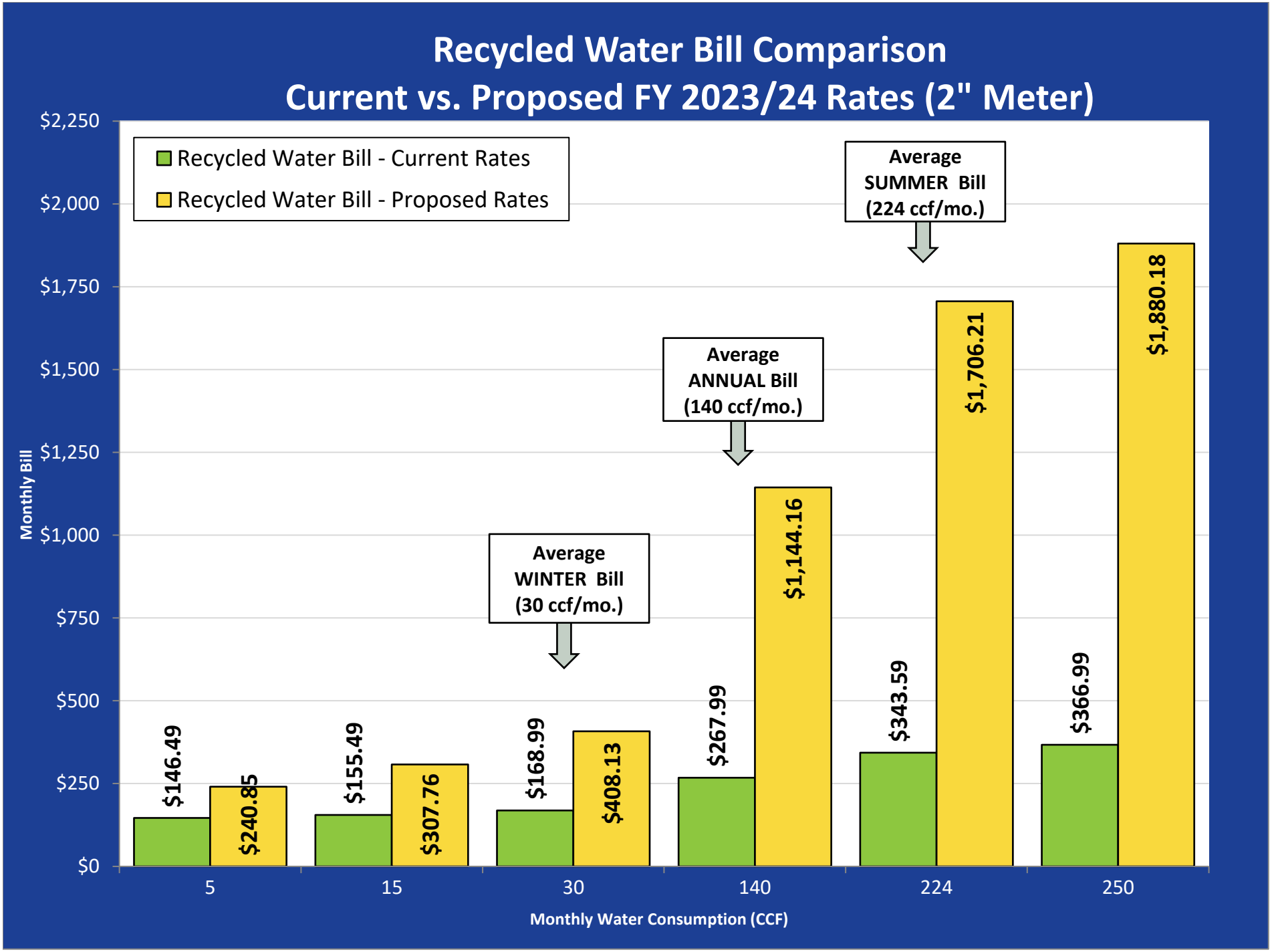
1. Per AWWA, M1 Manual, Table B-1.

TABLE 28 : CURRENT VS. PROPOSED RATES

Recycled Water Rate Schedule	Current Rates	*Net Revenue Requirements (ALTERNATIVE 3 - 20% Fixed / 80% Variable)*				
		Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Projected Increase in Rate Revenue per Financial Plan:		*250.00%*	*10.00%*	*10.00%*	*5.00%*	*5.00%*
Monthly Fixed Service Charges (in $/mo) - Delivered Only						
< 1" meter	$26.56	$44.36	$48.80	$53.68	$56.37	$59.18
1" meter	$44.42	$73.94	$81.34	$89.47	$93.94	$98.64
1 1/2" meter	$88.75	$147.88	$162.67	$178.94	$187.89	$197.28
2" meter	$141.99	$236.61	$260.27	$286.30	$300.62	$315.65
3" meter	$283.98	$473.22	$520.55	$572.60	$601.23	$631.29
4" meter	$443.74	$739.41	$813.36	$894.69	$939.43	$986.40
6" meter	$887.48	$1,478.83	$1,626.71	$1,789.38	$1,878.85	$1,972.79
8" meter	$1,420.06	$2,366.12	$2,602.74	$2,863.01	$3,006.16	$3,156.47
Commodity Charges for All Water Consumed (in $/hcf)						
Variable Charge - Delivered	$0.90	$8.91	$9.80	$10.78	$11.32	$11.88
Variable Charge - Self-Haul	*n/a*	$4.00	$4.41	$4.85	$5.09	$5.34

TABLE 29 : CURRENT VS. PROPOSED RATES

Recycled Water Rate Schedule	Current Rates	*Net Revenue Requirements (ALTERNATIVE 3 - 20% Fixed / 80% Variable)*				
		Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Projected Increase in Rate Revenue per Financial Plan:		*250.00%*	*10.00%*	*10.00%*	*5.00%*	*5.00%*
Monthly Fixed Service Charges (in $/mo)						
< 1" meter	$26.56	$38.89	$42.78	$47.05	$49.41	$51.88
1" meter	$44.42	$64.81	$71.29	$78.42	$82.34	$86.46
1 1/2" meter	$88.75	$129.62	$142.58	$156.84	$164.69	$172.92
2" meter	$141.99	$207.40	$228.14	$250.95	$263.50	$276.67
3" meter	$283.98	$414.79	$456.27	$501.90	$526.99	$553.34
4" meter	$443.74	$648.11	$712.92	$784.22	$823.43	$864.60
6" meter	$887.48	$1,296.23	$1,425.85	$1,568.43	$1,646.85	$1,729.20
8" meter	$1,420.06	$2,073.96	$2,281.36	$2,509.49	$2,634.97	$2,766.71
Commodity Charges for All Water Consumed (in $/hcf)						
Variable Charge	$0.90	$6.69	$7.36	$8.10	$8.50	$8.93
Variable Charge - Self-Haul	*n/a*	$4.00	$4.41	$4.85	$5.09	$5.34


Recycled Water Bill Comparison
Current vs. Proposed FY 2023/24 Rates (2" Meter)
Recycled Water Bill - Current Rates
Recycled Water Bill - Proposed Rates
Average SUMMER Bill (224 ccf/mo.)
Average ANNUAL Bill (140 ccf/mo.)
Average WINTER Bill (30 ccf/mo.)
$2,250
$2,000
$1,750
$1,500
$1,250
$1,000
$750
$500
$250
$0
Monthly Bill
$146.49
$240.85
$155.49
$307.76
$168.99
$408.13
$267.99
$1,144.16
$343.59
$1,706.21
$366.99
$1,880.18
5
15
30
140
224
250
Monthly Water Consumption (CCF)

Appendix C. Sewer Rate Study Tables and Figures

TABLE 1 : FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY	Projected	5-Year Projected Rate Period					Projected				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Sources of Funds [1]											
Rate Revenue:											
Sewer Rate Revenue	$ 4,953,527	$ 5,042,690	$ 5,128,416	$ 5,215,599	$ 5,304,264	$ 5,394,436	$ 5,486,142	$ 5,573,920	$ 5,663,103	$ 5,753,713	$ 5,845,772
Other Revenue	96,850	98,593	100,269	101,974	103,707	105,470	107,263	108,979	110,723	112,495	114,295
Interest Earnings	18,883	120,000	22,911	22,211	24,657	21,576	24,547	25,380	26,255	27,142	28,071
Total: Sources of Funds	**$ 5,069,260**	**$ 5,261,283**	**$ 5,251,596**	**$ 5,339,784**	**$ 5,432,629**	**$ 5,521,483**	**$ 5,617,952**	**$ 5,708,280**	**$ 5,800,081**	**$ 5,893,350**	**$ 5,988,138**
Uses of Water Funds											
Operating Expenses:											
570 - Wastewater Treatment Plant	$ 2,454,443	$ 1,952,137	$ 2,041,362	$ 2,121,194	$ 4,663,008	$ 2,291,046	$ 2,381,374	$ 2,475,521	$ 2,573,662	$ 2,675,976	$ 2,782,656
575 - Wastewater Collections	1,245,337	835,861	873,335	902,822	933,308	964,830	997,421	1,031,118	1,065,960	1,101,985	1,139,234
585 - Wastewater Environmental Compliance	822,321	856,655	887,901	915,994	944,981	974,890	1,005,750	1,037,594	1,070,451	1,104,354	1,139,337
810 - Non Departmental	2,201,796	2,615,743	2,700,825	2,783,879	2,869,503	2,957,779	3,048,788	3,142,618	3,239,356	3,339,093	3,441,923
Subtotal: Operating Expenses	$ 6,723,898	$ 6,260,396	$ 6,503,425	$ 6,723,889	$ 9,410,800	$ 7,188,544	$ 7,433,334	$ 7,686,851	$ 7,949,428	$ 8,221,408	$ 8,503,149
Other Expenditures:											
Existing Debt Service	$ 206,640	$ 215,074	$ 223,856	$ 224,168	$ 239,297	$ 249,385	$ 222,191	$ 231,597	$ 241,391	$ 249,843	$ 259,060
Future Debt Service	-	-	-	-	-	-	-	-	-	-	-
Rate-Funded Capital Expenses	3,201,161	2,573,447	197,942	1,111,368	14,992	2,230,867	1,406,839	332,901	-	-	-
Subtotal: Other Expenditures	$ 3,407,800	$ 2,788,521	$ 421,799	$ 1,335,536	$ 254,288	$ 2,480,251	$ 1,629,030	$ 564,498	$ 241,391	$ 249,843	$ 259,060
Total: Uses of Funds	**$ 10,131,698**	**$ 9,048,917**	**$ 6,925,223**	**$ 8,059,425**	**$ 9,665,088**	**$ 9,668,795**	**$ 9,062,364**	**$ 8,251,349**	**$ 8,190,819**	**$ 8,471,251**	**$ 8,762,209**
Plus: Revenue from Rate Increases[2]	-	630,336	1,923,156	3,077,203	4,141,569	4,755,735	4,836,583	4,913,968	4,992,591	5,072,473	5,153,633
Annual Surplus/(Deficit)	**$ (5,062,438)**	**$ (3,157,298)**	**$ 249,528**	**$ 357,562**	**$ (90,890)**	**$ 608,423**	**$ 1,392,171**	**$ 2,370,899**	**$ 2,601,853**	**$ 2,494,572**	**$ 2,379,561**
Net Revenue Reqt. *(Total Uses less Non-Rate Revenue)*	**$ 10,015,965**	**$ 8,830,324**	**$ 6,802,043**	**$ 7,935,240**	**$ 9,536,723**	**$ 9,541,748**	**$ 8,930,554**	**$ 8,116,989**	**$ 8,053,841**	**$ 8,331,613**	**$ 8,619,843**

1. Revenue and expenses for FY 2021/22 through FY 2023/24 provided by the City.
   Source files: *Fund 540 Wastewater Operations & Fund 510 - 580 FY 23-24 Budget Status as of 09-19-2023.*
2. Revenue from rate increases assumes an implementation date of January 1, 2024.
   For each year thereafter, the assumption is that new rates will be implemented on January 1st of each year.

Selection of Financial Plan Alternative

	Financial Plan Alternatives	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
1	Alternative 1 - Full Cost Recovery Rates[1]	*0.00%*	*25.00%*	*20.00%*	*12.00%*	*12.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
2	Alternative 2 - Phased-in Rate Increases[2]	*0.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*10.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
3	Alternative 3 - Minimal Rate Increases[3]	*0.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
4	No Rate Increases	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*

1. Alternative 1: Scenario 1 - Rates needed to meet all revenue requirements and meet the target reserve levels (Large increase followed by smaller increases).
2. Alternative 2: Scenario 2 - Large increases phased In over two years, followed by smaller increases (Reserves drop below target level).
3. Alternative 3: Scenario 3 - Smaller increases (Reserves drop below target level).

TABLE 2 : RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY SEWER FUND RESERVES	Projected FY 2022/23	5-Year Projected Rate Period FY 2023/24	 FY 2024/25	 FY 2025/26	 FY 2026/27	 FY 2027/28	Projected FY 2028/29	 FY 2029/30	 FY 2030/31	 FY 2031/32	 FY 2032/33
Total Beginning Cash[1]											
Unrestricted Reserves:											
Operating Reserve											
Beginning Reserve Balance	$ 7,733,712	$ 5,200,513	$ 1,677,226	$ 1,626,000	$ 1,805,087	$ 1,579,529	$ 1,797,000	$ 1,858,000	$ 1,922,000	$ 1,987,000	$ 2,055,000
Plus: Net Cash Flow (After Rate Increases)	(5,062,438)	(3,157,298)	249,528	357,562	(90,890)	608,423	1,392,171	2,370,899	2,601,853	2,494,572	2,379,561
Plus: Transfer of Debt Reserve Surplus	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	193,343	130,013	22,911	22,211	24,657	21,576	24,547	25,380	26,255	27,142	28,071
Less: Transfer out to Capacity Fee Reserve (Interfund Loan)	(159,325)	(159,325)	(159,325)	(159,325)	(159,325)	(159,325)	(159,325)	(159,325)	(159,325)	(159,325)	-
Less: Transfer Out to Capital Replacement Reserve	(717,004)	(336,678)	(164,341)	(41,362)	-	(253,205)	(1,196,393)	(2,172,955)	(2,403,783)	(2,294,390)	(2,336,632)
Ending Operating Reserve Balance	***$ 1,988,288***	***$ 1,677,226***	***$ 1,626,000***	***$ 1,805,087***	***$ 1,579,529***	***$ 1,797,000***	***$ 1,858,000***	***$ 1,922,000***	***$ 1,987,000***	***$ 2,055,000***	***$ 2,126,000***
Target Ending Balance (90 days of O&M) [2]	*$ 1,681,000*	*$ 1,565,000*	*$ 1,626,000*	*$ 1,681,000*	*$ 2,353,000*	*$ 1,797,000*	*$ 1,858,000*	*$ 1,922,000*	*$ 1,987,000*	*$ 2,055,000*	*$ 2,126,000*
Capital Rehabilitation & Replacement Reserve											
Beginning Reserve Balance	$ 145,027	$ 546,284	$ 882,962	$ 1,047,302	$ 1,088,664	$ 1,088,664	$ 1,341,869	$ 2,527,393	$ 3,580,955	$ 4,447,200	$ 5,116,353
Plus: Grant Proceeds	-	-	-	-	-	-	-	-	-	-	-
Plus: Transfer of Operating Reserve Surplus	717,004	336,678	164,341	41,362	-	253,205	1,196,393	2,172,955	2,403,783	2,294,390	2,336,632
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-	(10,869)	(1,119,393)	(1,537,538)	(1,625,237)	(1,715,751)
Ending Capital Rehab & Replacement Reserve Balance	***$ 862,031***	***$ 882,962***	***$ 1,047,302***	***$ 1,088,664***	***$ 1,088,664***	***$ 1,341,869***	***$ 2,527,393***	***$ 3,580,955***	***$ 4,447,200***	***$ 5,116,353***	***$ 5,737,234***
Target Ending Balance (3% of Assets) [3]	*$ 852,000*	*$ 936,000*	*$ 968,000*	*$ 1,060,000*	*$ 1,156,000*	*$ 1,255,000*	*$ 1,331,000*	*$ 1,408,000*	*$ 1,487,000*	*$ 1,569,000*	*$ 1,655,000*
Ending Cash Balance - Excl. Restricted Reserves	***$ 2,850,319***	***$ 2,560,188***	***$ 2,673,302***	***$ 2,893,751***	***$ 2,668,194***	***$ 3,138,869***	***$ 4,385,393***	***$ 5,502,955***	***$ 6,434,200***	***$ 7,171,353***	***$ 7,863,234***
Min. Target Ending Cash Balance -Excl. Restricted Reserves	***$ 2,533,000***	***$ 2,501,000***	***$ 2,594,000***	***$ 2,741,000***	***$ 3,509,000***	***$ 3,052,000***	***$ 3,189,000***	***$ 3,330,000***	***$ 3,474,000***	***$ 3,624,000***	***$ 3,781,000***
Ending Surplus/(Deficit) Compared to Reserve Targets	***$ 317,319***	***$ 59,188***	***$ 79,302***	***$ 152,751***	***$ (840,806)***	***$ 86,869***	***$ 1,196,393***	***$ 2,172,955***	***$ 2,960,200***	***$ 3,547,353***	***$ 4,082,234***
Days Cash on Hand	***105***	***106***	***146***	***135***	***104***	***122***	***182***	***251***	***296***	***319***	***338***
Annual Interest Earnings Rate [4]	*2.50%*	*2.50%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*	*1.37%*

1. Beginning cash balance for FY 2021/22 and FY 2022/23 provided by City staff. Source file: *Cash Balances - Enterprise Funds.xlsx* .
2. The Operating Reserve target is set equal to 3 months, or 90 days, of operating expenditures.
3. The Capital Rehabilitation & Replacement Reserve target is set to 3% of net assets. Source files: *8 - City of American Canyon Annual Report FYE 2021.pdf* , page 51.
4. Historical interest earning rates are per the average annual yields for funds invested in LAIF (2017-2021). The source is the California State Treasurer's website: *https://www.treasurer.ca.gov/pmia-laif/historical/annual.asp* .

CHART 1

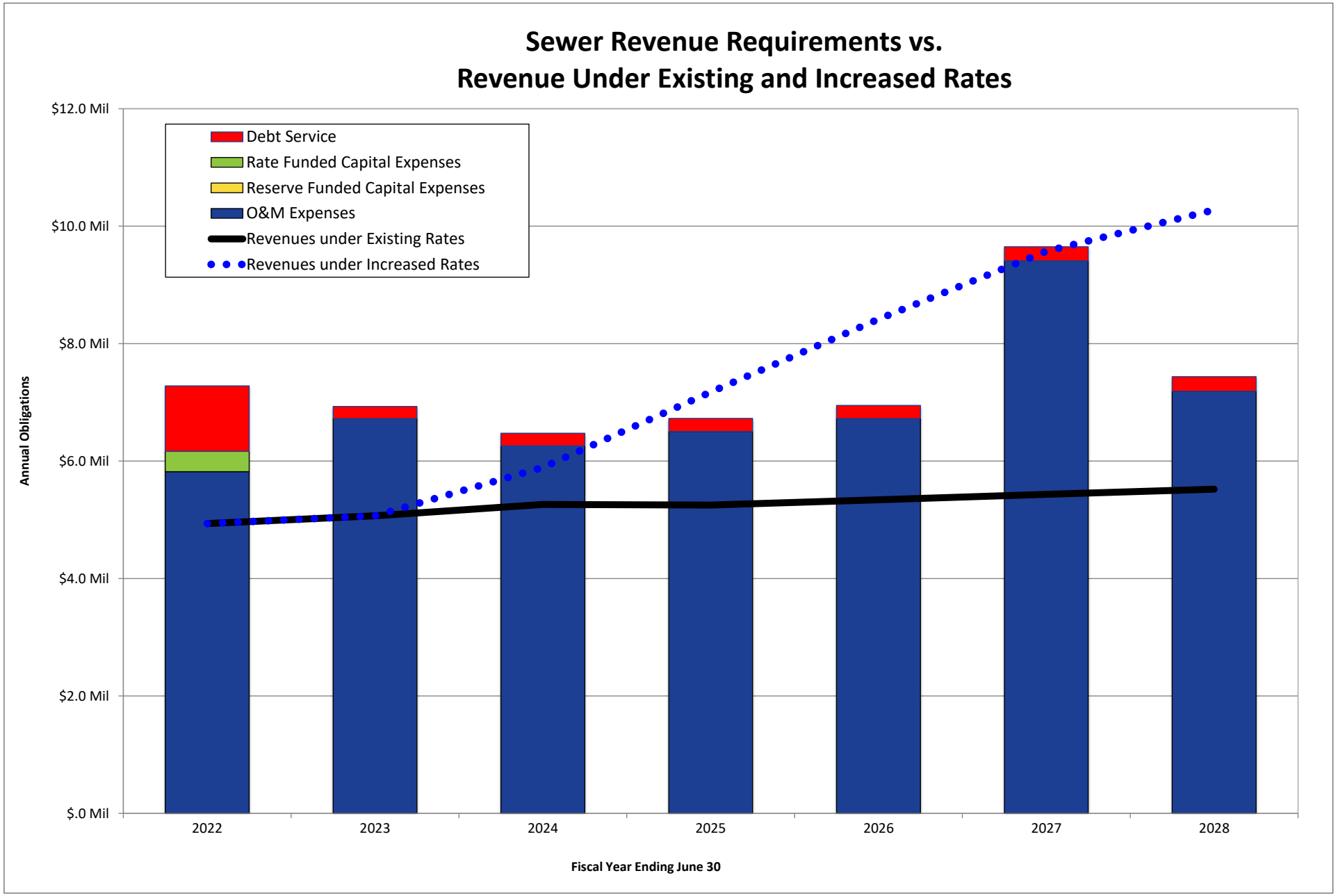

Sewer Revenue Requirements vs.
Revenue Under Existing and Increased Rates
$12.0 Mil
$10.0 Mil
$8.0 Mil
$6.0 Mil
$4.0 Mil
$2.0 Mil
$.0 Mil
Annual Obligations
Debt Service
Rate Funded Capital Expenses
Reserve Funded Capital Expenses
O&M Expenses
Revenues under Existing Rates
Revenues under Increased Rates
2022
2023
2024
2025
2026
2027
2028
Fiscal Year Ending June 30

CHART 2

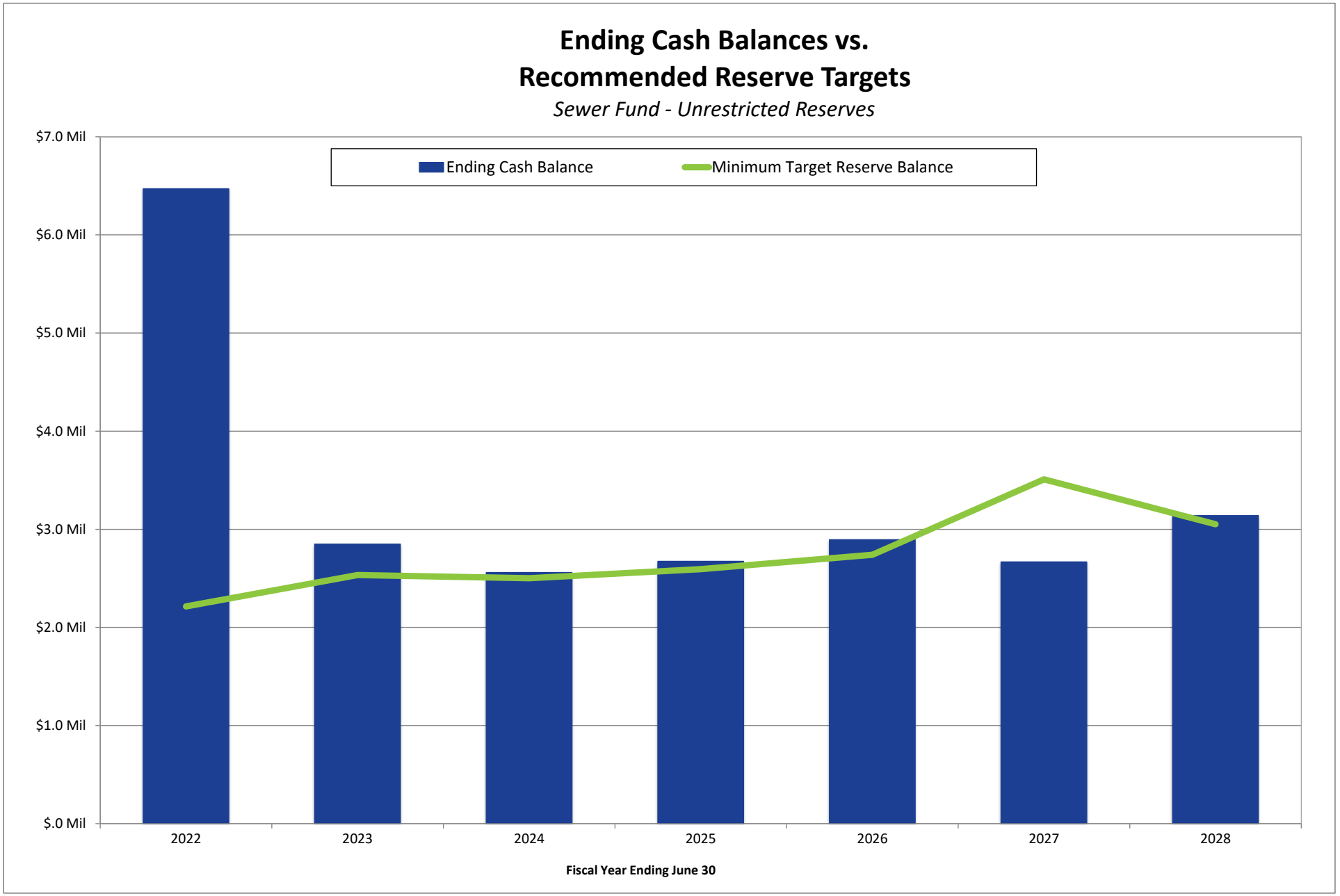

Ending Cash Balances vs.
Recommended Reserve Targets
Sewer Fund - Unrestricted Reserves
Ending Cash Balance
Minimum Target Reserve Balance
$7.0 Mil
$6.0 Mil
$5.0 Mil
$4.0 Mil
$3.0 Mil
$2.0 Mil
$1.0 Mil
$.0 Mil
2022
2023
2024
2025
2026
2027
2028
Fiscal Year Ending June 30

CHART 3

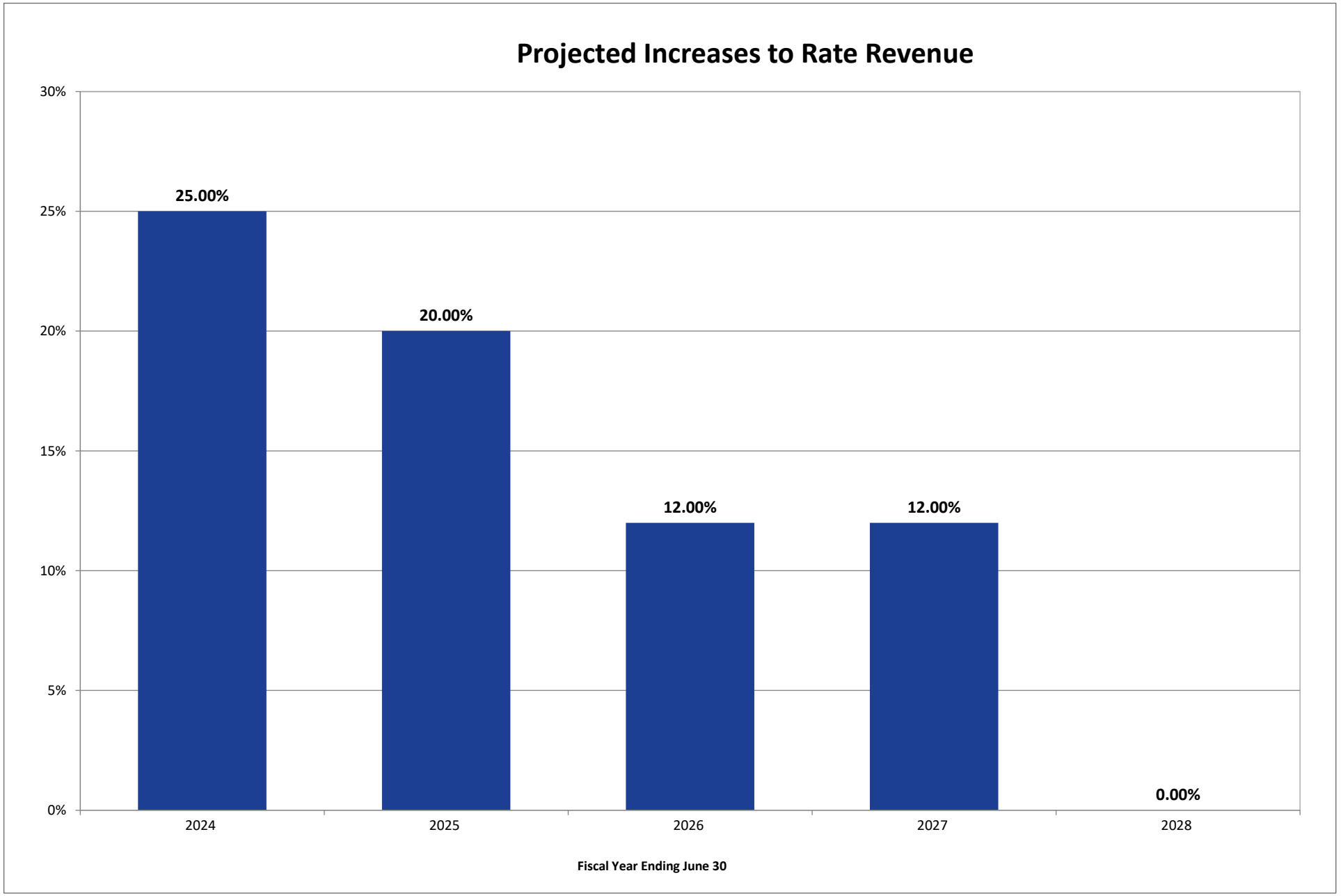

Projected Increases to Rate Revenue
30%
25%
20%
15%
10%
5%
0%
25.00%
20.00%
12.00%
12.00%
0.00%
2024
2025
2026
2027
2028
Fiscal Year Ending June 30

CHART 4

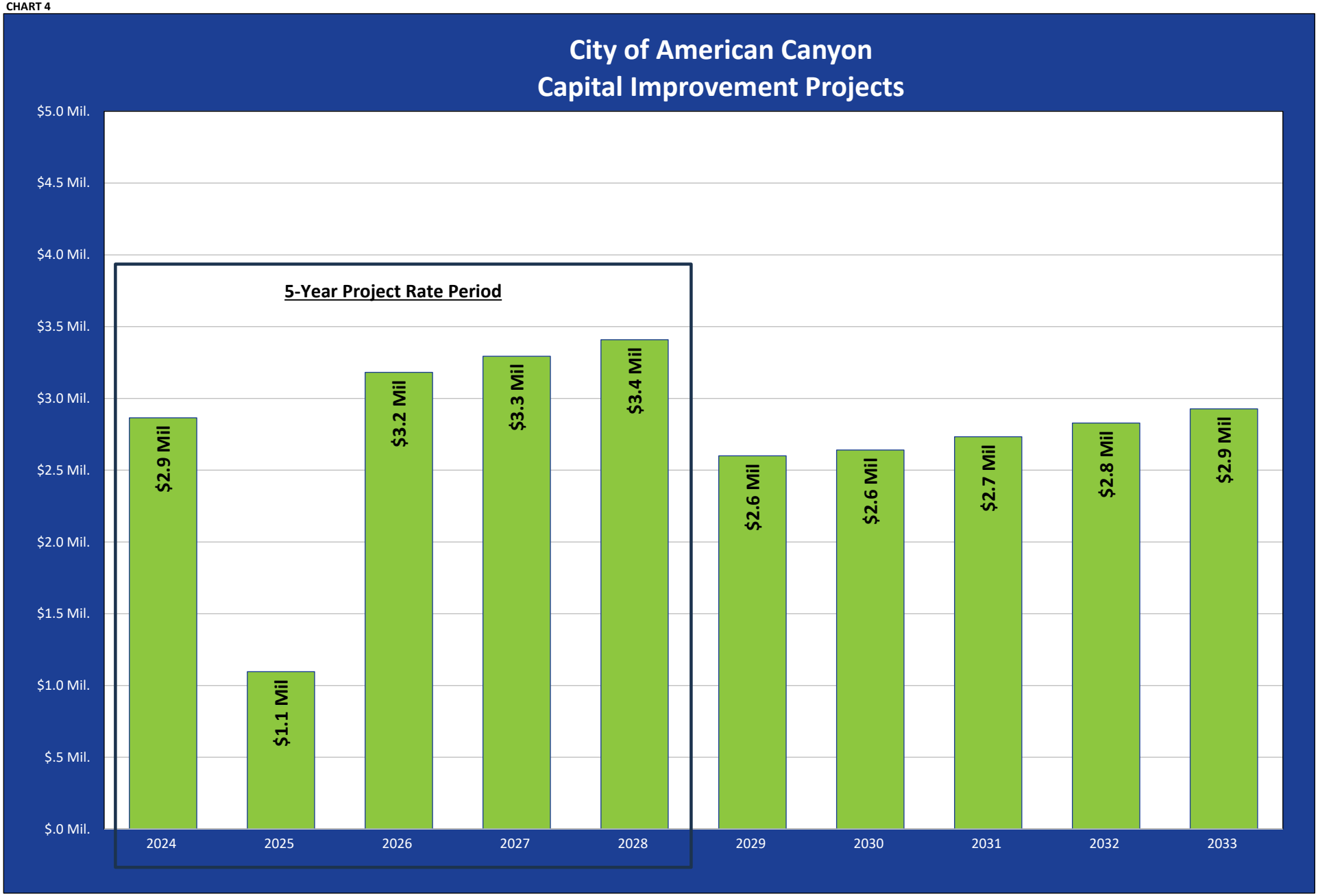

City of American Canyon
Capital Improvement Projects
$5.0 Mil.
$4.5 Mil.
$4.0 Mil.
$3.5 Mil.
$3.0 Mil.
$2.5 Mil.
$2.0 Mil.
$1.5 Mil.
$1.0 Mil.
$.5 Mil.
$.0 Mil.
5-Year Project Rate Period
$2.9 Mil
$1.1 Mil
$3.2 Mil
$3.3 Mil
$3.4 Mil
$2.6 Mil
$2.6 Mil
$2.7 Mil
$2.8 Mil
$2.9 Mil
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033

TABLE 3 : REVENUE FORECAST[1]

DESCRIPTION	Basis	Actuals	Projected	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Rate Revenue													
Sewer Service Charge	1	$ 4,824,937	$ 4,953,527	$ 5,042,690	$ 5,128,416	$ 5,215,599	$ 5,304,264	$ 5,394,436	$ 5,486,142	$ 5,573,920	$ 5,663,103	$ 5,753,713	$ 5,845,772
Other Revenue													
Misc. Revenues - Other	1	17,936	22,500	8,593	8,739	8,888	9,039	9,192	9,349	9,498	9,650	9,805	9,961
Late Penalties / Interest	1	64,931	74,350	90,000	91,530	93,086	94,668	96,278	97,915	99,481	101,073	102,690	104,333
Interest Income	See FP	28,277	18,883	120,000	-	-	-	-	-	-	-	-	-
Capacity Fee Revenue													
Capacity Fees	1	573,335	235,879	835,413	4,563,228	508,500	517,145	525,936	534,877	543,435	552,130	560,964	569,939
Interfund Transfer In (Loan Repayment)	8	-	-	-	-	453,816	453,816	453,816	453,816	453,816	453,816	453,816	453,816
Interest Income	See FP	26,256	158,013	136,186	198,000	-	-	-	-	-	-	-	-
TOTAL: REVENUE		**$ 5,535,672**	**$ 5,463,152**	**$ 6,232,882**	**$ 9,989,913**	**$ 6,279,888**	**$ 6,378,931**	**$ 6,479,658**	**$ 6,582,098**	**$ 6,680,150**	**$ 6,779,771**	**$ 6,880,987**	**$ 6,983,822**

TABLE 4 : REVENUE SUMMARY

DESCRIPTION	Basis	Actuals	Projected	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Rate Revenue													
Sewer Service Charge		$ 4,824,937	$ 4,953,527	$ 5,042,690	$ 5,128,416	$ 5,215,599	$ 5,304,264	$ 5,394,436	$ 5,486,142	$ 5,573,920	$ 5,663,103	$ 5,753,713	$ 5,845,772
Other Revenue													
Interest Income		28,277	18,883	120,000	-	-	-	-	-	-	-	-	-
Other Revenue		82,867	96,850	98,593	100,269	101,974	103,707	105,470	107,263	108,979	110,723	112,495	114,295
Capacity Fee Revenue													
Capacity Fees		573,335	235,879	835,413	4,563,228	508,500	517,145	525,936	534,877	543,435	552,130	560,964	569,939
Interfund Transfer In (Loan Repayment)		-	-	-	-	453,816	453,816	453,816	453,816	453,816	453,816	453,816	453,816
Interest Income		26,256	158,013	136,186	198,000	-	-	-	-	-	-	-	-
TOTAL: REVENUE		**$ 5,535,672**	**$ 5,463,152**	**$ 6,232,882**	**$ 9,989,913**	**$ 6,279,888**	**$ 6,378,931**	**$ 6,479,658**	**$ 6,582,098**	**$ 6,680,150**	**$ 6,779,771**	**$ 6,880,987**	**$ 6,983,822**

TABLE 5 : OPERATING EXPENSE FORECAST[1]

DESCRIPTION	Basis	Actuals	Projected	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Fund 540 - Wastewater Operations													
570 - Wastewater Treatment Plant													
Wages - Full time	3	$ 495,550	$ 564,273	$ 602,884	$ 633,028	$ 655,184	$ 678,115	$ 701,849	$ 726,414	$ 751,839	$ 778,153	$ 805,388	$ 833,577
Wages - Overtime	3	13,725	8,000	-	-	-	-	-	-	-	-	-	-
Health Insurance	3	58,890	70,569	77,250	81,112	83,951	86,889	89,931	93,078	96,336	99,708	103,197	106,809
Health-In-Lieu	3	3,200	4,800	6,840	7,182	7,433	7,694	7,963	8,242	8,530	8,829	9,138	9,457
Cafeteria Plan Section 125	3	18,409	17,960	21,712	22,798	23,596	24,422	25,277	26,161	27,077	28,025	29,006	30,021
Social Security & Medicare	3	8,120	8,512	9,156	9,614	9,950	10,298	10,659	11,032	11,418	11,818	12,231	12,659
Worker Comp Insurance	3	32,204	30,111	39,875	41,869	43,334	44,851	46,421	48,045	49,727	51,467	53,269	55,133
Benefits - Other	3	-	813	1,135	1,192	1,233	1,276	1,321	1,367	1,415	1,465	1,516	1,569
Info Tech Support Services	2	7,478	32,500	73,500	75,705	77,976	80,315	82,725	85,207	87,763	90,396	93,108	95,901
Professional Services	2	34,840	356,329	187,138	192,752	198,535	204,491	210,625	216,944	223,453	230,156	237,061	244,173
Misc. Contractual Services	2	8,911	30,000	17,900	18,437	18,990	19,560	20,147	20,751	21,374	22,015	22,675	23,355
General Repairs & Maint	2	307,866	817,832	201,500	207,545	213,771	220,184	226,790	233,594	240,602	247,820	255,254	262,912
Postage/Mail/Copy/Printing Svc	2	759	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
Membership Dues & Subscription	2	21,708	8,000	12,700	13,081	13,473	13,878	14,294	14,723	15,164	15,619	16,088	16,571
Conferences - Training	2	3,357	12,300	14,500	14,935	15,383	15,845	16,320	16,809	17,314	17,833	18,368	18,919
Rentals - Equipment/Space	2	4,193	11,400	11,600	11,948	12,306	12,676	13,056	13,448	13,851	14,267	14,695	15,135
Office Supplies	2	4,298	4,000	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
Operating Supplies	2	52,947	43,900	56,000	57,680	59,410	61,193	63,028	64,919	66,867	68,873	70,939	73,067
WW Treatment Plant Membranes	2	-	-	-	-	-	$2,458,636	-	-	-	-	-	-
Utilities - Gas & Elec	5	330,471	300,287	484,200	511,504	540,348	570,818	603,006	637,010	672,931	710,877	750,964	793,311
Util-PhonesPgrsInternetCable	5	16,694	17,588	19,000	20,071	21,203	22,399	23,662	24,996	26,406	27,895	29,468	31,129
Depreciation	2	1,561,144	-	-	-	-	-	-	-	-	-	-	-
Major Equipment	2	19,460	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay-Contra Account	2	(31,535)	-	-	-	-	-	-	-	-	-	-	-
PERS Retirement	3	103,159	114,269	110,247	115,760	119,811	124,005	128,345	132,837	137,486	142,298	147,279	152,433
Subtotal - Wastewater Treatment Plant		**$ 3,075,847**	**$ 2,454,443**	**$ 1,952,137**	**$ 2,041,362**	**$ 2,121,194**	**$ 4,663,008**	**$ 2,291,046**	**$ 2,381,374**	**$ 2,475,521**	**$ 2,573,662**	**$ 2,675,976**	**$ 2,782,656**

TABLE 6 : OPERATING EXPENSE FORECAST[1]

DESCRIPTION	Basis	Actuals	Projected	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
575 - Wastewater Collections													
Wages - Full time	3	$ 268,022	$ 388,002	$ 411,834	$ 432,425	$ 447,560	$ 463,225	$ 479,438	$ 496,218	$ 513,586	$ 531,561	$ 550,166	$ 569,422
Wages - Overtime	3	7,125	5,000	5,000	5,250	5,434	5,624	5,821	6,024	6,235	6,454	6,679	6,913
Health Insurance	3	41,952	38,136	46,756	49,094	50,812	52,591	54,432	56,337	58,308	60,349	62,461	64,648
Health-In-Lieu	3	4,800	12,000	14,250	14,963	15,486	16,028	16,589	17,170	17,771	18,393	19,036	19,703
Cafeteria Plan Section 125	3	12,646	17,490	19,245	20,208	20,915	21,647	22,404	23,189	24,000	24,840	25,710	26,609
Social Security & Medicare	3	4,244	6,054	6,457	6,780	7,017	7,263	7,517	7,780	8,053	8,335	8,626	8,928
Worker Comp Insurance	3	30,604	33,220	36,753	38,591	39,941	41,339	42,786	44,283	45,833	47,438	49,098	50,816
Benefits - Other	3	1,319	1,845	1,918	2,014	2,084	2,157	2,233	2,311	2,392	2,475	2,562	2,652
Info Tech Support Services	2	302	53,150	94,600	97,438	100,361	103,372	106,473	109,667	112,957	116,346	119,836	123,432
Professional Services	2	-	6,450	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095
Misc. Contractual Services	2	3,852	5,400	5,600	5,768	5,941	6,119	6,303	6,492	6,687	6,887	7,094	7,307
General Repairs & Maint	2	35,466	6,600	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315
Membership Dues & Subscription	2	2,165	2,900	4,900	5,047	5,198	5,354	5,515	5,680	5,851	6,026	6,207	6,393
Conferences - Training	2	2,303	14,000	5,200	5,356	5,517	5,682	5,853	6,028	6,209	6,395	6,587	6,785
Rentals - Equipment/Space	2	-	5,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Office Supplies	2	1,121	1,000	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Operating Supplies	2	27,795	23,000	42,100	43,363	44,664	46,004	47,384	48,805	50,270	51,778	53,331	54,931
Util-PhonesPgrsInternetCable	5	1,498	2,062	1,500	1,585	1,674	1,768	1,868	1,973	2,085	2,202	2,326	2,458
Major Equipment	2	19,460	558,117	-	-	-	-	-	-	-	-	-	-
PERS Retirement	3	44,845	65,912	75,748	79,535	82,319	85,200	88,182	91,268	94,463	97,769	101,191	104,733
Subtotal - Wastewater Collections		**$ 509,518**	**$ 1,245,337**	**$ 835,861**	**$ 873,335**	**$ 902,822**	**$ 933,308**	**$ 964,830**	**$ 997,421**	**$ 1,031,118**	**$ 1,065,960**	**$ 1,101,985**	**$ 1,139,234**

TABLE 7 : OPERATING EXPENSE FORECAST, cont.[1]

DESCRIPTION	Basis	Actuals	Projected	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
585 - Wastewater Environmental Compliance													
Wages - Full time	3	$ 175,790	$ 219,602	$ 194,374	$ 204,093	$ 211,236	$ 218,630	$ 226,282	$ 234,202	$ 242,399	$ 250,883	$ 259,664	$ 268,752
Wages - Overtime	3	-	500	500	525	543	562	582	602	624	645	668	691
Health Insurance	3	16,273	21,626	23,378	24,547	25,406	26,296	27,216	28,168	29,154	30,175	31,231	32,324
Health-In-Lieu	3	3,200	4,800	2,280	2,394	2,478	2,565	2,654	2,747	2,843	2,943	3,046	3,152
Cafeteria Plan Section 125	3	6,651	14,556	8,828	9,270	9,594	9,930	10,277	10,637	11,009	11,395	11,794	12,206
Social Security & Medicare	3	2,685	5,568	2,980	3,128	3,238	3,351	3,469	3,590	3,716	3,846	3,980	4,120
Worker Comp Insurance	3	5,101	11,964	18,594	19,524	20,208	20,915	21,647	22,404	23,189	24,000	24,840	25,710
Benefits - Other	3	-	-	641	673	696	721	746	772	799	827	856	886
Info Tech Support Services	2	368	5,000	59,650	61,440	63,283	65,181	67,137	69,151	71,225	73,362	75,563	77,830
Professional Services	2	115,883	263,000	253,000	260,590	268,408	276,460	284,754	293,296	302,095	311,158	320,493	330,108
General Repairs & Maint	2	8,426	10,000	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
Postage/Mail/Copy.Printing Svc	2	103	10,000	13,000	13,390	13,792	14,205	14,632	15,071	15,523	15,988	16,468	16,962
Membership Dues & Subscription	2	822	32,800	12,600	12,978	13,367	13,768	14,181	14,607	15,045	15,496	15,961	16,440
Conferences - Training	2	275	11,600	21,800	22,454	23,128	23,821	24,536	25,272	26,030	26,811	27,616	28,444
Regulatory Compliance Permits	2	32,062	113,900	157,300	162,019	166,880	171,886	177,043	182,354	187,824	193,459	199,263	205,241
Operating Supplies	2	14,672	32,000	27,000	27,810	28,644	29,504	30,389	31,300	32,239	33,207	34,203	35,229
Major Equipment	2	-	15,000	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
Intra-fund Transfer Out Wastewater	2	-	-	-	-	-	-	-	-	-	-	-	-
PERS Retirement	3	31,779	50,405	25,730	27,016	27,962	28,941	29,953	31,002	32,087	33,210	34,372	35,575
Subtotal - Wastewater Environmental Compliance		**$ 414,090**	**$ 822,321**	**$ 856,655**	**$ 887,901**	**$ 915,994**	**$ 944,981**	**$ 974,890**	**$ 1,005,750**	**$ 1,037,594**	**$ 1,070,451**	**$ 1,104,354**	**$ 1,139,337**

TABLE 8 : OPERATING EXPENSE FORECAST, cont.[1]

DESCRIPTION	Basis	Actuals	Projected	5-Year Projected Rate Period					Projected				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Fund 80 - Non Departmental													
810 - Non Departmental													
Wages - Full time	3	$ 113,357	$ 122,711	$ 128,293	$ 134,707	$ 139,422	$ 144,302	$ 149,352	$ 154,580	$ 159,990	$ 165,590	$ 171,385	$ 177,384
Wages - Overtime	3	954	-	-	-	-	-	-	-	-	-	-	-
Allowances	3	1,811	1,920	1,920	2,016	2,087	2,160	2,235	2,313	2,394	2,478	2,565	2,655
Health Insurance	3	18,856	19,929	21,244	22,306	23,087	23,895	24,731	25,596	26,492	27,420	28,379	29,373
Cafeteria Plan Section 125	3	4,228	3,919	4,312	4,528	4,686	4,850	5,020	5,196	5,378	5,566	5,761	5,962
Social Security & Medicare	3	1,747	1,864	2,038	2,139	2,214	2,292	2,372	2,455	2,541	2,630	2,722	2,817
Worker Comp Insurance	3	7,901	7,179	9,825	10,316	10,677	11,051	11,438	11,838	12,252	12,681	13,125	13,584
OPEB	3	44,764	36,095	49,726	52,213	54,040	55,931	57,889	59,915	62,012	64,183	66,429	68,754
Pension Expense	3	(163,418)	-	-	-	-	-	-	-	-	-	-	-
Benefits - Other	3	1,371	-	-	-	-	-	-	-	-	-	-	-
Professional Services	2	-	100,000	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477
Temp Agency Services	2	-	-	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
Bad Debt Expense	2	(13,591)	-	-	-	-	-	-	-	-	-	-	-
Membership Dues & Subscription	2	197	2,100	1,400	1,442	1,485	1,530	1,576	1,623	1,672	1,722	1,773	1,827
Conferences - Training	2	30	5,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Office Supplies	2	-	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
Utilities - Water	5	11,868	6,998	14,000	14,789	15,623	16,504	17,435	18,418	19,457	20,554	21,713	22,938
Intra-fund Transfer Out Wastewater	2	605,656	281,641	290,090	298,793	307,757	316,989	326,499	336,294	346,383	356,774	367,478	378,502
Transfer to Gen Fnd Support Sv	2	763,512	958,429	1,123,854	1,157,570	1,192,297	1,228,066	1,264,908	1,302,855	1,341,940	1,382,199	1,423,665	1,466,375
Transfer To General Fund - Other	2	2,394	80,000	-	-	-	-	-	-	-	-	-	-
Services - Other	2	20,296	-	-	-	-	-	-	-	-	-	-	-
Retiree Health Benefits	3	60,317	54,994	78,433	82,355	85,238	88,221	91,309	94,504	97,812	101,235	104,779	108,446
PERS Retirement	3	17,037	16,089	16,257	17,070	17,667	18,286	18,926	19,588	20,274	20,983	21,717	22,478
ISF - Bldg Maint	2	59,800	176,556	262,206	270,072	278,174	286,520	295,115	303,969	313,088	322,480	332,155	342,119
ISF - Fleet	2	138,950	106,876	163,573	168,480	173,535	178,741	184,103	189,626	195,315	201,174	207,209	213,426
ISF - Info Tech	2	93,500	194,152	237,073	244,185	251,511	259,056	266,828	274,833	283,078	291,570	300,317	309,326
ISF - Legal Services	2	28,800	24,345	99,499	102,484	105,558	108,725	111,987	115,347	118,807	122,371	126,042	129,824
Subtotal - Non Departmental		**$ 1,820,335**	**$ 2,201,796**	**$ 2,615,743**	**$ 2,700,825**	**$ 2,783,879**	**$ 2,869,503**	**$ 2,957,779**	**$ 3,048,788**	**$ 3,142,618**	**$ 3,239,356**	**$ 3,339,093**	**$ 3,441,923**
GRAND TOTAL: SEWER EXPENSES		**$ 5,819,790**	**$ 6,723,898**	**$ 6,260,396**	**$ 6,503,425**	**$ 6,723,889**	**$ 9,410,800**	**$ 7,188,544**	**$ 7,433,334**	**$ 7,686,851**	**$ 7,949,428**	**$ 8,221,408**	**$ 8,503,149**

TABLE 9 : FORECASTING ASSUMPTIONS

INFLATION FACTORS[3]	Basis	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Customer Growth[4]	1	--	1.80%	1.80%	1.70%	1.70%	1.70%	1.70%	1.70%	1.60%	1.60%	1.60%	1.60%
General Cost Inflation[5]	2	--	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Labor Cost Inflation[6]	3	--	3.50%	5.00%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Energy[7]	4	--	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%
Electricty[8]	5	--	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%
Fuel & Utilities[9]	6	--	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%	5.24%
Construction Cost Inflation[10]	7	--	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
No Escalation	8	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenue and expenses for FY 2021/22 through FY 2023/24 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions located in Table 9 *above* . Source files: *Fund 540 Wastewater Operations Fund 510 - 580 FY 23-24 Budget Status as of 09-19-2023* , *FY 22 Fund 550 Wastewater Cap Revenue Detail Trial Balance* , & *FY 23 Fund 550 Wastewater Cap Revenue Detail Trial Balance.*
2. Expenses are inflated each year by the following annual inflation factor categories.
3. Customer growth is based on service area population growth through FY 2039/40. Source file: *American Canyon 2015 UWMP.pdf* , page 26.
4. General cost inflation is based on the 5-year average annual change in the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-Hayward, CA area.
5. Labor cost inflation is based on the 5-year average annual change in the Quarterly Census of Employment and Wages for San Francisco County, CA.
6. Energy cost inflation is based on the 5-year average annual change in the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-Hayward, CA area.
7. Electricity cost inflation is based on the 5-year average change in the Consumer Price Index for San Francisco County.
8. Fuel & Utilities cost inflation is based on the 5-year average annual change in the Consumer Price Index - Average Price Data for Fuels and related products and power. This factor is used for utility costs other than electricity.
9. Construction cost Inflation is the 10-year average change in the Construction Cost Index for 2012-2022. Source: Engineering News Record website (*http://enr.construction.com*).

TABLE 10 : CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Actuals	Projected	5-Year Projected Rate Period					Projected				
Funding Sources:	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Use of Capacity Fee Reserves	-	-	291,480	897,942	2,070,444	3,278,183	1,177,570	1,181,673	1,187,638	1,194,792	1,202,725	1,211,189
SRF Loan Funding	-	-	-	-	-	-	-	-	-	-	-	-
Use of Future Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Use of Capital Rehabilitation and Replacement Reserve	-	-	-	-	-	-	-	10,869	1,119,393	1,537,538	1,625,237	1,715,751
Rate Revenue	345,549	3,201,161	2,573,447	197,942	1,111,368	14,992	2,230,867	1,406,839	332,901	-	-	-
Total Sources of Capital Funds	**$ 345,549**	**$ 3,201,161**	**$ 2,864,927**	**$ 1,095,884**	**$ 3,181,812**	**$ 3,293,175**	**$ 3,408,436**	**$ 2,599,381**	**$ 2,639,932**	**$ 2,732,330**	**$ 2,827,961**	**$ 2,926,940**
Uses of Capital Funds:												
Total Project Costs	$ 345,549	$ 3,201,161	$ 2,864,927	$ 1,095,884	$ 3,181,812	$ 3,293,175	$ 3,408,436	$ 2,599,381	$ 2,639,932	$ 2,732,330	$ 2,827,961	$ 2,926,940
Capital Funding Surplus (Deficiency)	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***

CAPITAL IMPROVEMENT PROGRAM FUNDING OPTIONS

Capital Improvement Program Funding Choice	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Effective Annual Funding Amount	$ 345,549	$ 3,201,161	$ 2,864,927	$ 1,095,884	$ 3,181,812	$ 3,293,175	$ 3,408,436	$ 2,599,381	$ 2,639,932	$ 2,732,330	$ 2,827,961	$ 2,926,940

TABLE 11 : CAPITAL IMPROVEMENT PROGRAM COSTS (*in Current-Year Dollars*)[1]

Project Description		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Capital Projects													
	2020 Annual Pavement Management Project	$ 42,008	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TR24-0300	ARPA Rancho Del Mar Paving and Utility Improvements	-	-	1,334,000	-	-	-	-	-	-	-	-	-
WW16-0300	SCADA Improvements	-	250,000	250,000	-	-	-	-	-	-	-	-	-
WW20-0100	SS4 Broadway Sewer Rehabilitation (Crawford to Poco)	-	375,000	1,000,000	250,000	-	-	-	-	-	-	-	-
WW22-0100	UV Disinfection	-	500,000	-	-	-	-	-	-	-	-	-	-
WW22-0200	Blower Replacement	-	500,000	-	-	-	-	-	-	-	-	-	-
WW21-0400	Sanitary Sewer Manhole Rehab	-	100,000	-	-	-	-	-	-	-	-	-	-
UM20-0100	Engie Energy Services Contract	291,856	122,618	-	-	-	-	-	-	-	-	-	-
Master Plan Projects - Wastewater Collection System [2]													
SS1	Rio Del Mar Basin	$ -	$ -	$ -	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ -	$ -	$ -	$ -	$ -
SS2	Napa Logistics and Green Island Pump Station	-	1,140,700	-	-	-	-	-	-	-	-	-	-
SS3	Huntington Way (Rio Del Mar to W American Canyon Road)	-	-	-	-	458,000	458,000	458,000	458,000	458,000	458,000	458,000	458,000
SS5	Summerfield Project	-	-	-	-	37,000	37,000	37,000	37,000	-	-	-	-
SS6	Theresa Avenue and Los Altos Drive	-	-	-	205,000	205,000	205,000	205,000	-	-	-	-	-
SS7	Main Basin Pump Station	-	-	-	-	1,199,000	1,199,000	1,199,000	1,199,000	1,199,000	1,199,000	1,199,000	1,199,000
SS8	Broadway, Cartagena Way to Mobile Home Park Entrance	-	-	-	-	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000
SS9	Elliott Drive south of Northampton	-	-	-	-	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000
SS10	Broadway north of Rio Del Mar	-	-	-	-	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000
Estimated Future Projects													
Future Projects[3]		-	-	-	-	-	-						
Total: Capital Improvement Program Costs *(Current-Year Dollars)*		**$ 333,864**	**$ 2,988,318**	**$ 2,584,000**	**$ 955,000**	**$ 2,679,000**	**$ 2,679,000**	**$ 2,679,000**	**$ 1,974,000**	**$ 1,937,000**	**$ 1,937,000**	**$ 1,937,000**	**$ 1,937,000**

TABLE 12 : CAPITAL IMPROVEMENT PROGRAM COSTS (*in Future-Year Dollars*)[4]

Project Description		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Capital Projects													
	2020 Annual Pavement Management Project	$ 43,478	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TR24-0300	ARPA Rancho Del Mar Paving and Utility Improvements	-	-	1,479,030	-	-	-	-	-	-	-	-	-
WW16-030(	SCADA Improvements	-	267,806	277,179	-	-	-	-	-	-	-	-	-
WW20-010(	SS4 Broadway Sewer Rehabilitation	-	401,709	1,108,718	286,881	-	-	-	-	-	-	-	-
WW22-010(	UV Disinfection	-	535,613	-	-	-	-	-	-	-	-	-	-
WW22-020(	Blower Replacement	-	535,613	-	-	-	-	-	-	-	-	-	-
WW21-040(	Sanitary Sewer Manhole Rehab	-	107,123	-	-	-	-	-	-	-	-	-	-
UM20-0100	Engie Energy Services Contract	302,071	131,351	-	-	-	-	-	-	-	-	-	-
Master Plan Projects - Wastewater Collection System [2]													
SS1	Rio Del Mar Basin	$ -	$ -	$ -	$ 573,762	$ 593,843	$ 614,628	$ 636,140	$ -	$ -	$ -	$ -	$ -
SS2	Napa Logistics and Green Island Pump Station	-	1,221,946	-	-	-	-	-	-	-	-	-	-
SS3	Huntington Way	-	-	-	-	543,960	562,999	582,704	603,099	624,207	646,054	668,666	692,069
SS5	Summerfield Project	-	-	-	-	43,944	45,482	47,074	48,722	-	-	-	-
SS6	Theresa Avenue and Los Altos Drive	-	-	-	235,242	243,476	251,997	260,817	-	-	-	-	-
SS7	Main Basin Pump Station	-	-	-	-	1,424,036	1,473,877	1,525,463	1,578,854	1,634,114	1,691,308	1,750,504	1,811,771
SS8	Broadway, Cartagena Way to Mobile Home Park Entrance	-	-	-	-	80,763	83,589	86,515	89,543	92,677	95,921	99,278	102,753
SS9	Elliott Drive south of Northampton	-	-	-	-	129,458	133,989	138,678	143,532	148,556	153,755	159,137	164,706
SS10	Broadway north of Rio Del Mar	-	-	-	-	122,332	126,613	131,045	135,631	140,378	145,292	150,377	155,640
Estimated Future Projects													
Future Projects[3]		-	-	-	-	-	-	-	-	-	-	-	-
Total: Capital Improvement Program Costs *(Future-Year Dollars)*		**$ 345,549**	**$ 3,201,161**	**$ 2,864,927**	**$ 1,095,884**	**$ 3,181,812**	**$ 3,293,175**	**$ 3,408,436**	**$ 2,599,381**	**$ 2,639,932**	**$ 2,732,330**	**$ 2,827,961**	**$ 2,926,940**

TABLE 13 : FORECASTING ASSUMPTIONS

Economic Variables	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Annual Construction Cost Inflation, Per Engineering News Record[5]	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*
Cumulative Construction Cost Multiplier from FY 2021/22	*1.04*	*1.07*	*1.11*	*1.15*	*1.19*	*1.23*	*1.27*	*1.32*	*1.36*	*1.41*	*1.46*	*1.51*

1. Capital project costs were provided by City staff. Source files: *11. CIP Budget vs Expense Report FY 2021-2022 through Oct 2021.pdf* & *Wastewater FY 2023-2027.xlsx* .
2. The City's Wastewater Collection System Master Plan projects were scheduled to begin in 2016; however, the study only includes costs from FY 2021/22 through FY 2034/35. Source file: *2016 Sewer Master Plan.pdf* , page 52.
3. Future project costs beyond FY 2034/35 are calculated based on the City's 10-year average.
4. Capital improvement projects are inflated to future year estimated costs with ENR CCI for the region. Source: Engineering News Record website (*http://enr.construction.com*).
5. For reference purposes, the annual Construction Cost Inflation percentage is the 10-year average change in the Construction Cost Index for September 2012-2022 (3.50%). Source: *Engineering News Record website (http://enr.construction.com).*

TABLE 14 : SEWER UTILITY EXISTING DEBT OBLIGATIONS

EXISTING DEBT OBLIGATIONS	Actuals	Projected	5-Year Projected Rate Period					Projected				
Annual Repayment Schedules:	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
City National Bank - Loan Amount $2,004,200[1]												
Principal Payment	$ 155,243	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Payment	1,979	-	-	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	**$ 157,222**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Coverage Requirement ($-Amnt above annual payment)[2]	$ 180,805	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reserve Requirement (total fund balance)[2]	$ 157,222	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
SWRCB: Project No. C-06-4666-110 & Agreement No. 99819-550-0[3]												
Principal Payment	$ 722,377	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Payment	-	-	-	-	-	-	-	-	-	-	-	-
Other Charges	19,504	-	-	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	**$ 741,881**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Coverage Requirement ($-Amnt above annual payment)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reserve Requirement (total fund balance)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bank of America Public Capital Corp Agreement (ENGIE) - Loan Amount $5,209,209[4]												
Principal Payment	$ 161,088	$ 154,345	$ 165,634	$ 177,478	$ 180,996	$ 199,515	$ 213,287	$ 189,719	$ 202,626	$ 216,158	$ 228,580	$ 241,999
Interest Payment	55,123	52,295	49,440	46,378	43,173	39,781	36,097	32,472	28,971	25,233	21,262	17,061
Subtotal: Annual Debt Service	**$ 216,211**	**$ 206,640**	**$ 215,074**	**$ 223,856**	**$ 224,168**	**$ 239,297**	**$ 249,385**	**$ 222,191**	**$ 231,597**	**$ 241,391**	**$ 249,843**	**$ 259,060**
Coverage Requirement ($-Amnt above annual payment)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reserve Requirement (total fund balance)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total: Existing Annual Debt Service	**$ 1,115,315**	**$ 206,640**	**$ 215,074**	**$ 223,856**	**$ 224,168**	**$ 239,297**	**$ 249,385**	**$ 222,191**	**$ 231,597**	**$ 241,391**	**$ 249,843**	**$ 259,060**
Grand Total: Existing Annual Coverage Requirement	**$ 180,805**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total: Existing Debt Reserve Target	**$ 157,222**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

TABLE 15 : SEWER UTILITY EXISTING DEBT OBLIGATIONS, cont.

EXISTING DEBT OBLIGATIONS	Actuals	Projected	5-Year Projected Rate Period					Projected				
Annual Repayment Schedules:	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33
Interfund Loans *(For information only)*												
Wastewater Capacity to Wastewater Fund												
Advance from WW Capacity 550 to Wastewater Operations 540												
Original Loan Amount (December 1, 2008)	$ 1,285,000											
Interest *(for budget purposes only)*	146,147											
Annual Debt Service[5]		*$159,325*	*$159,325*	*$159,325*	*$159,325*	*$159,325*	*$159,325*	*$159,325*	*$159,325*	*$159,325*	*$159,325*	$ -
Wastewater Capacity to Recycled Water Fund												
Advance from WW Capacity 550 to Recycled Water Operations 580												
Original Loan Amount (March 11, 2011)	$ 1,070,000											
Interest *(for budget purposes only)*	205,869											
Annual Debt Service[6]		$ -	$ -	$ -	*$99,295*	*$99,295*	*$99,295*	*$99,295*	*$99,295*	*$99,295*	*$99,295*	*$99,295*
Wastewater Capacity to Recycled Water Fund												
Advance from WW Capacity 550 to Recycled Water Operations 580												
Original Loan Amount (December 15, 2009)	$ 304,614											
Interest *(for budget purposes only)*	58,577											
Annual Debt Service[7]		$ -	$ -	$ -	$ *28,266*	$ *28,266*	$ *28,266*	$ *28,266*	$ *28,266*	$ *28,266*	$ *28,266*	$ *28,266*
Wastewater Capacity to Recycled Water Fund												
Advance from WW Capacity 550 to Recycled Water Operations 580												
Original Loan Amount (December 15, 2009)	$ 3,532,410											
Interest *(for budget purposes only)*	659,727											
Annual Debt Service[8]		$ -	$ -	$ -	$ *326,255*	$ *326,255*	$ *326,255*	$ *326,255*	$ *326,255*	$ *326,255*	$ *326,255*	$ *326,255*

1. Loan originally issued between Municipal Finance Corporation, City National Bank, and the City of American Canyon. Source files: *5 - Debt Service Schedules.xlsx* & *6 - Wastewater Membrane Agreement.pdf* .
2. Coverage and reserve requirements were provided by the City. Source files: *6 - Wastewater Membrane Agreement.pdf* , pages 9 & 12.
3. State Revolving Fund Loan issued in September 1999 in that amount of $10,859,470. Source file: *6 - SWRCB Agreement 99-819-550-0 4666-110 Executed Amendment #2_11-12-14.pdf* .
4. Equipment lease/purchase loan issued by Bank of America for equipment upgrades, replacements and installation to provide energy savings for the City. Sewer utility portion is 59.43%, or $3,095,832.91 (Principal). Source file: *6 - ENGIE Closing Documents.pdf* .
5. Funds advanced for capital projects. Repayment scheduled to begin FY 2022/23.
6. Funds advanced for Green Island Recycled Waterline Project. Repayment scheduled to begin FY 2025/26.
7. Funds advance for Recycled Water Pump Station Upgrade. Repayment scheduled to begin FY 2025/26.
8. Funds advanced for various CIP projects. Repayment scheduled to begin FY 2025/26.

TABLE 16 : EXISTING ANNUAL DEBT OBLIGATIONS TO BE SATISFIED BY SEWER RATES

Annual Obligations	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Existing Annual Debt Service	$ *1,115,315*	$ *206,640*	$ *215,074*	$ *223,856*	$ *224,168*	$ *239,297*	$ *249,385*	$ *222,191*	$ *231,597*	$ *241,391*	$ *249,843*	$ *259,060*
Existing Annual Coverage Requirement	$ *180,805*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Existing Debt Reserve Target	$ *157,222*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TABLE 17 : CURRENT SEWER RATE SCHEDULE

Sewer Rate Schedule[1]	Description	Current Rates Jan. 1, 2023
Single-Family Residential - Monthly Fixed Service Charges		
Low Winter Water Use	4 units or less	$56.79
Average Winter Water Use (Standard)	4.1 – 13 units	$60.48
High Winter Water Use	13.01 units and above	$62.65
All Other Monthly Fixed Service Charge		
Multi-Family Residential	Per Dwelling Unit	$45.36
Commercial	Whichever is greater	$60.48 or $5.40 per unit

1. Sewer rates are set according to the average monthly water use for January to March of the previous calendar year. New customers are charged at the average winter use rate (standard) and adjusted the following year, if applicable.

TABLE 18 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2023/24	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
Fund 540 - Wastewater Operations									
570 - Wastewater Treatment Plant									
Wages - Full time	$ 602,884	$ 307,471	$ 132,634	$ 132,634	$ 30,144	51%	22%	22%	5%
Health Insurance	77,250	39,397	16,995	16,995	3,862	51%	22%	22%	5%
Health-In-Lieu	6,840	3,488	1,505	1,505	342	51%	22%	22%	5%
Cafeteria Plan Section 125	21,712	11,073	4,777	4,777	1,086	51%	22%	22%	5%
Social Security & Medicare	9,156	4,669	2,014	2,014	458	51%	22%	22%	5%
Worker Comp Insurance	39,875	20,336	8,772	8,772	1,994	51%	22%	22%	5%
Benefits - Other	1,135	579	250	250	57	51%	22%	22%	5%
Info Tech Support Services	73,500	37,485	16,170	16,170	3,675	51%	22%	22%	5%
Professional Services	187,138	95,440	41,170	41,170	9,357	51%	22%	22%	5%
Misc. Contractual Services	17,900	9,129	3,938	3,938	895	51%	22%	22%	5%
General Repairs & Maint	201,500	102,765	44,330	44,330	10,075	51%	22%	22%	5%
Postage/Mail/Copy/Printing Svc	1,000	510	220	220	50	51%	22%	22%	5%
Membership Dues & Subscription	12,700	6,477	2,794	2,794	635	51%	22%	22%	5%
Conferences - Training	14,500	7,395	3,190	3,190	725	51%	22%	22%	5%
Rentals - Equipment/Space	11,600	5,916	2,552	2,552	580	51%	22%	22%	5%
Office Supplies	4,000	2,040	880	880	200	51%	22%	22%	5%
Operating Supplies	56,000	28,560	12,320	12,320	2,800	51%	22%	22%	5%
WW Treatment Plant Membranes	-	-	-	-	-	51%	22%	22%	5%
Utilities - Gas & Elec	484,200	246,942	106,524	106,524	24,210	51%	22%	22%	5%
Util-PhonesPgrsInternetCable	19,000	9,690	4,180	4,180	950	51%	22%	22%	5%
PERS Retirement	110,247	56,226	24,254	24,254	5,512	51%	22%	22%	5%
Subtotal - Wastewater Treatment Plant	**$ 1,952,137**	**$ 995,590**	**$ 429,470**	**$ 429,470**	**$ 97,607**	**51%**	**22%**	**22%**	**5%**

TABLE 19 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2023/24	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
Fund 540 - Wastewater Operations									
575 - Wastewater Collections									
Wages - Full time	$ 411,834	$ 411,834	$ -	$ -	$ -	100%	0%	0%	0%
Wages - Overtime	5,000	5,000	-	-	-	100%	0%	0%	0%
Health Insurance	46,756	46,756	-	-	-	100%	0%	0%	0%
Health-In-Lieu	14,250	14,250	-	-	-	100%	0%	0%	0%
Cafeteria Plan Section 125	19,245	19,245	-	-	-	100%	0%	0%	0%
Social Security & Medicare	6,457	6,457	-	-	-	100%	0%	0%	0%
Worker Comp Insurance	36,753	36,753	-	-	-	100%	0%	0%	0%
Benefits - Other	1,918	1,918	-	-	-	100%	0%	0%	0%
Info Tech Support Services	94,600	94,600	-	-	-	100%	0%	0%	0%
Professional Services	20,000	20,000	-	-	-	100%	0%	0%	0%
Misc. Contractual Services	5,600	5,600	-	-	-	100%	0%	0%	0%
General Repairs & Maint	24,000	24,000	-	-	-	100%	0%	0%	0%
Membership Dues & Subscription	4,900	4,900	-	-	-	100%	0%	0%	0%
Conferences - Training	5,200	5,200	-	-	-	100%	0%	0%	0%
Rentals - Equipment/Space	5,000	5,000	-	-	-	100%	0%	0%	0%
Office Supplies	15,000	15,000	-	-	-	100%	0%	0%	0%
Operating Supplies	42,100	42,100	-	-	-	100%	0%	0%	0%
Util-PhonesPgrsInternetCable	1,500	1,500	-	-	-	100%	0%	0%	0%
PERS Retirement	75,748	75,748	-	-	-	100%	0%	0%	0%
Subtotal - Wastewater Collections	**$ 835,861**	**$ 835,861**	**$ -**	**$ -**	**$ -**	**100%**	**0%**	**0%**	**0%**

TABLE 20 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2023/24	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
Fund 540 - Wastewater Operations									
585 - Wastewater Environmental Compliance									
Wages - Full time	$ 194,374	$ 99,131	$ 42,762	$ 42,762	$ 9,719	51%	22%	22%	5%
Wages - Overtime	500	255	110	110	25	51%	22%	22%	5%
Health Insurance	23,378	11,923	5,143	5,143	1,169	51%	22%	22%	5%
Health-In-Lieu	2,280	1,163	502	502	114	51%	22%	22%	5%
Cafeteria Plan Section 125	8,828	4,502	1,942	1,942	441	51%	22%	22%	5%
Social Security & Medicare	2,980	1,520	655	655	149	51%	22%	22%	5%
Worker Comp Insurance	18,594	9,483	4,091	4,091	930	51%	22%	22%	5%
Benefits - Other	641	327	141	141	32	51%	22%	22%	5%
Info Tech Support Services	59,650	30,422	13,123	13,123	2,983	51%	22%	22%	5%
Professional Services	253,000	129,030	55,660	55,660	12,650	51%	22%	22%	5%
General Repairs & Maint	10,000	5,100	2,200	2,200	500	51%	22%	22%	5%
Postage/Mail/Copy.Printing Svc	13,000	6,630	2,860	2,860	650	51%	22%	22%	5%
Membership Dues & Subscription	12,600	6,426	2,772	2,772	630	51%	22%	22%	5%
Conferences - Training	21,800	11,118	4,796	4,796	1,090	51%	22%	22%	5%
Regulatory Compliance Permits	157,300	80,223	34,606	34,606	7,865	51%	22%	22%	5%
Operating Supplies	27,000	13,770	5,940	5,940	1,350	51%	22%	22%	5%
Major Equipment	25,000	12,750	5,500	5,500	1,250	51%	22%	22%	5%
PERS Retirement	25,730	13,122	5,661	5,661	1,286	51%	22%	22%	5%
Subtotal - Wastewater Environmental Compliance	**$ 856,655**	**$ 436,894**	**$ 188,464**	**$ 188,464**	**$ 42,833**	**51%**	**22%**	**22%**	**5%**

TABLE 21 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2023/24	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
Fund 80 - Non Departmental									
810 - Non Departmental									
Wages - Full time	$ 128,293	$ 65,429	$ 28,224	$ 28,224	$ 6,415	51%	22%	22%	5%
Allowances	1,920	979	422	422	96	51%	22%	22%	5%
Health Insurance	21,244	10,834	4,674	4,674	1,062	51%	22%	22%	5%
Cafeteria Plan Section 125	4,312	2,199	949	949	216	51%	22%	22%	5%
Social Security & Medicare	2,038	1,039	448	448	102	51%	22%	22%	5%
Worker Comp Insurance	9,825	5,011	2,161	2,161	491	51%	22%	22%	5%
OPEB	49,726	25,360	10,940	10,940	2,486	51%	22%	22%	5%
Professional Services	100,000	51,000	22,000	22,000	5,000	51%	22%	22%	5%
Temp Agency Services	6,000	3,060	1,320	1,320	300	51%	22%	22%	5%
Membership Dues & Subscription	1,400	714	308	308	70	51%	22%	22%	5%
Conferences - Training	5,000	2,550	1,100	1,100	250	51%	22%	22%	5%
Office Supplies	1,000	510	220	220	50	51%	22%	22%	5%
Utilities - Water	14,000	7,140	3,080	3,080	700	51%	22%	22%	5%
Intra-fund Transfer Out Wastewater	290,090	147,946	63,820	63,820	14,505	51%	22%	22%	5%
Transfer to Gen Fnd Support Sv	1,123,854	573,166	247,248	247,248	56,193	51%	22%	22%	5%
Retiree Health Benefits	78,433	40,001	17,255	17,255	3,922	51%	22%	22%	5%
PERS Retirement	16,257	8,291	3,577	3,577	813	51%	22%	22%	5%
ISF - Bldg Maint	262,206	133,725	57,685	57,685	13,110	51%	22%	22%	5%
ISF - Fleet	163,573	83,422	35,986	35,986	8,179	51%	22%	22%	5%
ISF - Info Tech	237,073	120,907	52,156	52,156	11,854	51%	22%	22%	5%
ISF - Legal Services	99,499	50,744	21,890	21,890	4,975	51%	22%	22%	5%
Subtotal - Non Department	**$ 2,615,743**	**$ 1,334,029**	**$ 575,463**	**$ 575,463**	**$ 130,787**	**51%**	**22%**	**22%**	**5%**
Total: Sewer Operations Expenses	**$ 6,260,396**	**$ 3,602,374**	**$ 1,193,398**	**$ 1,193,398**	**$ 271,227**	**58%**	**19%**	**19%**	**4%**

TABLE 22 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses, cont.									
Budget Categories	**Total Revenue Requirements**	**Flow**	**Strength**		**Customer**	**Basis of Classification**			
	FY 2023/24	**(VOL)**	**(BOD)**	**(TSS)**	**(CA)**	**(VOL)**	**(BOD)**	**(TSS)**	**(CA)**
Debt Service Payments									
Outstanding Debt	215,074	107,537	53,768	53,768	-	50%	25%	25%	0%
New Debt Issue - SRF Loan	-	-	-	-	-	50%	25%	25%	0%
New Debt Issue - Revenue Bond	-	-	-	-	-	50%	25%	25%	0%
Total Debt Service Payments	**$ 215,074**	**$ 107,537**	**$ 53,768**	**$ 53,768**	**$ -**	**50%**	**25%**	**25%**	**0%**
Capital Expenditures									
Rate Funded Capital Expenses	$ 2,573,447	$ 1,286,724	$ 643,362	$ 643,362	$ -	50%	25%	25%	0%
TOTAL REVENUE REQUIREMENTS	**$ 9,048,917**	**$ 4,996,634**	**$ 1,890,528**	**$ 1,890,528**	**$ 271,227**	**55%**	**21%**	**21%**	**3%**
Less: Non-Rate Revenues									
Rate Revenue									
Interest Income	$ (120,000)	$ (61,200)	$ (26,400)	$ (26,400)	$ (6,000)	51%	22%	22%	5%
Other Revenue	(98,593)	(50,282)	(21,690)	(21,690)	(4,930)	51%	22%	22%	5%
NET REVENUE REQUIREMENTS	**$ 8,830,324**	**$ 4,885,152**	**$ 1,842,438**	**$ 1,842,438**	**$ 260,297**				
Allocation of Revenue Requirements	**100.0%**	**55.3%**	**20.9%**	**20.9%**	**2.9%**				

TABLE 23 : ADJUSTMENT TO CLASSIFICATION OF EXPENSES FOR COST-OF-SERVICE ANALYSIS

Adjustment to Current Rate Level:	Total	(VOL)	(BOD)	(TSS)	(CA)
FY 2023/24 Target Rate Rev. After Rate Increases	$ 6,303,363				
Projected Rate Revenue at Current Rates	$ 5,042,690				
FY 2023/24 Projected Rate Increase	*25%*				
Adjusted Net Revenue Req'ts	**$ 6,303,363**	**$ 3,487,175**	**$ 1,315,190**	**$ 1,315,190**	**$ 185,808**
Percent of Revenue		*55.3%*	*20.9%*	*20.9%*	*2.9%*

TABLE 24 : NET REVENUE REQUIREMENTS PER COSA RESULTS - ALTERNATIVE 1

Net Revenue Requirements (ALTERNATIVE 1 - 55% Fixed / 45% Variable)					
Rate-Design Adjustments to Percentages	**100.0%**	**55.3%**	**20.9%**	**20.9%**	**2.9%**
Rate-Design Adjustments to Dollars	**$ 6,303,363**	**$ 3,487,175**	**$ 1,315,190**	**$ 1,315,190**	**$ 185,808**

TABLE 25 : ADJUSTMENT TO COST OF SERVICE RATES

Ratio of Targeted Rate Revenue to Net Revenue Requirements	Total	(VOL)	(BOD)	(TSS)	(CA)
Actual Total Fixed Costs	$ 2,788,521	$ 1,394,261	$ 697,130	$ 697,130	$ -
Adjusted Total Fixed Costs	$ 1,990,534	$ 995,267	$ 497,633	$ 497,633	$ -
Total Operating Costs	$ 6,260,396	$ 3,602,374	$ 1,193,398	$ 1,193,398	$ 271,227
Less: Non Rate Revenue	$ (218,593)	$ (111,482)	$ (48,090)	$ (48,090)	$ (10,930)
Actual Net Operating Costs	$ 6,041,803	$ 3,490,891	$ 1,145,307	$ 1,145,307	$ 260,297
Adjusted Net Operating Costs	$ 4,312,829	$ 2,491,908	$ 817,556	$ 817,556	$ 185,808
Actual Net Revenue Requirements	$ 8,830,324	$ 4,885,152	$ 1,842,438	$ 1,842,438	$ 260,297
Adjusted Net Revenue Requirements	$ 6,303,363	$ 3,487,175	$ 1,315,190	$ 1,315,190	$ 185,808

TABLE 26 : NET REVENUE REQUIREMENTS - (70% FIXED/30% VOLUMETRIC) - ALTERNATIVE 2

Net Revenue Requirements (ALTERNATIVE 2 - 70% Fixed / 30% Variable)					
Rate-Design Adjustments to Percentages	**100.0%**	**30.0%**	**32.7%**	**32.7%**	**4.6%**
Rate-Design Adjustments to Dollars	**$ 6,303,363**	**$ 1,891,009**	**$ 2,060,616**	**$ 2,060,616**	**$ 291,121**

TABLE 27 : ADJUSTMENT TO COST OF SERVICE RATES 71.38%

Ratio of Targeted Rate Revenue to Net Revenue Requirements	Total	(VOL)	(BOD)	(TSS)	(CA)
Actual Total Fixed Costs	$ 2,788,521	$ 836,556	$ 975,982	$ 975,982	$ -
Adjusted Total Fixed Costs	$ 1,990,534	$ 597,160	$ 696,687	$ 696,687	$ -
Total Operating Costs	$ 6,260,396	$ 1,878,119	$ 2,046,570	$ 2,046,570	$ 289,137
Less: Non Rate Revenue	$ (218,593)	$ (65,578)	$ (71,460)	$ (71,460)	$ (10,096)
Actual Net Operating Costs	$ 6,041,803	$ 1,812,541	$ 1,975,111	$ 1,975,111	$ 279,041
Adjusted Net Operating Costs	$ 4,312,829	$ 1,293,849	$ 1,409,896	$ 1,409,896	$ 199,188
Actual Net Revenue Requirements	$ -	$ 2,649,097	$ 2,951,093	$ 2,951,093	$ 279,041
Adjusted Net Revenue Requirements	$ 6,303,363	$ 1,891,009	$ 2,106,583	$ 2,106,583	$ 199,188

TABLE 28 : NET REVENUE REQUIREMENTS - (90% FIXED/10% VOLUMETRIC) - ALTERNATIVE 3

Net Revenue Requirements (ALTERNATIVE 3 - 90% Fixed / 10% Variable)					
Rate-Design Adjustments to Percentages	**100.0%**	**10.0%**	**42.0%**	**42.0%**	**5.9%**
Rate-Design Adjustments to Dollars	**$ 6,303,363**	**$ 630,336**	**$ 2,649,364**	**$ 2,649,364**	**$ 374,299**

TABLE 29 : ADJUSTMENT TO COST OF SERVICE RATES 71.38%

Ratio of Targeted Rate Revenue to Net Revenue Requirements	Total	(VOL)	(BOD)	(TSS)	(CA)
Actual Total Fixed Costs	$ 2,788,521	$ 278,852	$ 1,254,834	$ 1,254,834	$ -
Adjusted Total Fixed Costs	$ 1,990,534	$ 199,053	$ 895,740	$ 895,740	$ -
Total Operating Costs	$ 6,260,396	$ 626,040	$ 2,631,305	$ 2,631,305	$ 371,747
Less: Non Rate Revenue	$ (218,593)	$ (21,859)	$ (91,877)	$ (91,877)	$ (12,980)
Actual Net Operating Costs	$ 6,041,803	$ 604,180	$ 2,539,428	$ 2,539,428	$ 358,767
Adjusted Net Operating Costs	$ 4,312,829	$ 431,283	$ 1,812,723	$ 1,812,723	$ 256,099
Actual Net Revenue Requirements	$ 8,830,324	$ 883,032	$ 3,794,262	$ 3,794,262	$ 358,767
Adjusted Net Revenue Requirements	$ 6,303,363	$ 630,336	$ 2,708,464	$ 2,708,464	$ 256,099

TABLE 30 : DEVELOPMENT OF THE FLOW ALLOCATION FACTOR

						Design Capacity					Total Annual Volume						
Customer Class[1]	Number of Dwelling Units / Accounts[2]	Consumption (hcf/year)	Winter Consumption (Jan-Mar. '22)	Annualized Winter Consumption (hcf)	Adjusted Winter Volume (gallons)[3]	Flow MGD	BOD mg/l	TSS mg/l	BOD lbs/day	TSS lbs/day	Flow MG	BOD mg/l[4]	BOD lbs	% of Total BOD	TSS mg/l[4]	TSS lbs	% of Total TSS
Residential Customers																	
Single Family Residential	4,710	507,339	117,749	470,996	352,328,558	0.97	175	175	1,409	1,409	352	*n/a*	514,224	**69.4%**	*n/a*	514,224	**69.8%**
Multi-Family Residential	1,265	89,630	20,169	80,676	60,349,682	0.17	175	175	241	241	60	*n/a*	88,080	**11.9%**	*n/a*	88,080	**12.0%**
All Other Customers																	
Commercial	177	318,808	65,311	261,244	195,423,574	0.13	300	300	335	335	49	*n/a*	122,237	**16.5%**	*n/a*	122,237	**16.6%**
Industrial[5]																	
Hess Collection Winery	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	0.01	50	30	4	2	4	8.6	260	**0.0%**	2.3	70	**0.0%**
AmCan Beverage (Coca-Cola)	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	0.13	200	220	209	229	46	23.1	8,782	**1.2%**	5.3	1,998	**0.3%**
Mezzetta Processing Facility	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	0.04	150	220	51	74	15	61.7	7,631	**1.0%**	81.2	10,035	**1.4%**
Total:	**6,152**	**915,777**	**203,229**	**812,916**	**608,101,814**	**1.44**			**2,248**	**2,291**	**526**		**741,214**	**100.0%**		**736,644**	**100.0%**

1. Customer data provided by the City for FY 2021/22. Source file: *FY 2021-22 Summary by Rate Code - Detailed v2.xlsx* .
2. SFR, MFR, and Industrial customers are based on the number of dwelling units and all other customers are based on the number of accounts.
3. Annual consumption for all customer classes based on average winter water consumption.
4. Annual volume and strength factors provided by the City. Source file: *SIU 2 year data.xlsx* .
5. Flow for industrial customer is based on wastewater flow. Strength factors are based on input from City staff and lower than expected due to customers' pretreatment process. Source file: INF-001 & SIU Flow.xlsx.

TABLE 31 : DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTOR

Customer Class	Number of Dwelling Units / Accounts[1]	Percent of Total
Residential Customers		
Single Family Residential	4,710	**76.5%**
Multi-Family Residential	1,265	**20.6%**
All Other Customers		
Commercial	177	**2.9%**
Industrial[1]		
Hess Collection Winery	1	**0.0%**
AmCan Beverage (Coca-Cola)	1	**0.0%**
Mezzetta Processing Facility	1	**0.0%**
Total:	**6,155**	**100.0%**

1. SFR, MFR, and Industrial customers are based on the number of dwelling units and all other customers are based on the number of accounts.

TABLE 32 : ESTIMATED FLOW PER DWELLING UNIT

Customer Class	Est. Annual Wastewater Flow (hcf)	Est. Flow/DU/ Day (gallons)	Percent of Total
Residential Customers			
Single Family Residential	470,996	205	--
Multi-Family Residential	80,676	131	**63.78%**

TABLE 33 : ALLOCATION OF SEWER REVENUE REQUIREMENTS	ALTERNATIVE 1 - 55% Fixed / 45% Variable				
	Total	(FLOW)	(BOD)	(TSS)	(CA)
Total Fixed Costs	$ 1,990,534	$ 995,267	$ 497,633	$ 497,633	$ -
Net Operating Costs	**$ 4,312,829**	**$ 2,491,908**	**$ 817,556**	**$ 817,556**	**$ 185,808**
Net Revenue Requirements	**$ 6,303,363**	**$ 3,487,175**	**$ 1,315,190**	**$ 1,315,190**	**$ 185,808**
Capacity Charges to recover Fixed Costs		**Flow ($/MGD)**	**BOD ($/lbs/day)**	**TSS ($/lbs/day)**	
Fixed Costs		$ 995,267	$ 497,633	$ 497,633	
Design Capacity		1.44	2,248	2,291	
		$ 691,132	**$ 221.32**	**$ 217.18**	
User Charges		**Flow ($/MG)**	**BOD ($/lb)**	**TSS ($/lb)**	
Net operating Costs		$ 2,491,908	$ 817,556	$ 817,556	
Annual Volumes		526	741,214	736,644	
		$ 4,741	**$ 1.10**	**$ 1.11**	
					Acct. Charge ($/yr)
Customer Costs					$ 185,808
Number of Accounts					6,155
					$ 30.19

TABLE 34 : ALLOCATION OF SEWER REVENUE REQUIREMENTS

Development of Allocation Factors	Net Revenue Requirements - Design Capacity				
Customer Class	**Total**	**Volume**	**BOD**	**TSS**	**Customer**
Residential Customers					
Single Family Residential	$ 1,284,903	$ 667,139	$ 311,800	$ 305,964	$ -
Multi-Family Residential	220,089	114,273	53,408	52,408	-
All Other Customers					
Commercial	$ 239,360	$ 92,509	$ 74,119	$ 72,731	$ -
Industrial					
Hess Collection Winery	$ 8,355	$ 6,892	$ 920	$ 542	$ -
AmCan Beverage (Coca-Cola)	182,346	86,392	46,145	49,809	-
Mezzetta Processing Facility	55,483	28,062	11,242	16,179	-
Total:	**$ 1,990,534**	**$ 995,267**	**$ 497,633**	**$ 497,633**	**$ -**

TABLE 35 : ALLOCATION OF SEWER REVENUE REQUIREMENTS

Development of Allocation Factors	Net Revenue Requirements - Operating Costs				
Customer Class	**Total**	**Volume**	**BOD**	**TSS**	**Customer**
Residential Customers					
Single Family Residential	$ 2,808,246	$ 1,670,355	$ 567,186	$ 570,705	$ -
Multi-Family Residential	481,019	286,112	97,152	97,755	-
All Other Customers					
Commercial	$ 502,112	$ 231,621	$ 134,827	$ 135,664	$ -
Industrial					
Hess Collection Winery	$ 17,621	$ 17,257	$ 286	$ 78	$ -
AmCan Beverage (Coca-Cola)	228,207	216,304	9,687	2,217	-
Mezzetta Processing Facility	89,814	70,260	8,417	11,137	-
Total:	**$ 4,127,020**	**$ 2,491,908**	**$ 817,556**	**$ 817,556**	**$ -**

TABLE 36 : ALLOCATION OF SEWER REVENUE REQUIREMENTS

Development of Allocation Factors	Net Revenue Requirements - Customer Costs				
Customer Class	Total	Volume	BOD	TSS	Customer
Residential Customers					
Single Family Residential	$ 142,186	$ -	$ -	$ -	$ 142,186
Multi-Family Residential	38,188	-	-	-	38,188
All Other Customers					
Commercial	$ 5,343	$ -	$ -	$ -	$ 5,343
Industrial					
Hess Collection Winery	$ 30	$ -	$ -	$ -	$ 30
AmCan Beverage (Coca-Cola)	30	-	-	-	30
Mezzetta Processing Facility	30	-	-	-	30
Total:	**$ 185,808**	**$ -**	**$ -**	**$ -**	**$ 185,808**
Grand Total:	**$ 6,303,363**	**$ 3,487,175**	**$ 1,315,190**	**$ 1,315,190**	**$ 185,808**

TABLE 37 : ALLOCATION OF NET REVENUE REQUIREMENTS TO CUSTOMER CLASSES - ALTERNATIVE 1

Customer Class	Cost Classification Components				Cost-of-Service Net Revenue Reqts.	% of COS Net Revenue Reqts.
	Volume	BOD	TSS	Customer		
Net Revenue Requirements [1]	***$ 3,487,175***	***$ 1,315,190***	***$ 1,315,190***	***$ 185,808***	***$ 6,303,363***	--
	55.3%	*20.9%*	*20.9%*	*2.9%*	*100.0%*	
Residential Customers						
Single Family Residential	$ 2,337,493	$ 878,986	$ 876,669	$ 142,186	$ 4,235,335	*67.2%*
Multi-Family Residential	400,385	150,560	150,163	38,188	739,296	*11.7%*
All Other Customers						
Commercial	$ 324,130	$ 208,946	$ 208,395	$ 5,343	$ 746,815	*11.8%*
Industrial						
Hess Collection Winery	$ 24,149	$ 1,207	$ 620	$ 30	$ 26,006	*0.4%*
AmCan Beverage (Coca-Cola)	302,695	55,832	52,026	30	410,583	*6.5%*
Mezzetta Processing Facility	98,322	19,659	27,316	30	145,327	*2.3%*
Total:	**$ 3,487,175**	**$ 1,315,190**	**$ 1,315,190**	**$ 185,808**	**$ 6,303,363**	**100%**

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.

TABLE 38 : CALCULATION OF PROPOSED SEWER RATES FOR RESIDENTIAL CUSTOMERS

Customer Class	No. of Dwelling Units	Annual Revenue Requirement	Monthly Fixed Charge Per Dwelling Unit
Residential Customers			
Single Family Residential	4,710	$ 4,235,335	$74.94
Multi-Family Residential	1,265	739,296	$48.70
Subtotal: Residential	**5,975**	**$ 4,974,631**	

TABLE 39 : CALCULATION OF PROPOSED SEWER RATES FOR COMMERCIAL CUSTOMERS

Customer Class	No. of Accounts	Annual Volume (hcf)	Total Annual Revenue Requirement	Monthly Capacity Per Account	Monthly Customer Charge Per Account	Monthly Fixed Charge Per Account[1]	Volumetric Charge Per hcf
Commercial							
Commercial	177	261,244	$ 746,815	$112.69	$ 2.52	$115.21	$1.92

1. Monthly fixed charge is the based fixed charge plus the monthly customer charge per the number of accounts.

TABLE 40 : CALCULATION OF PROPOSED SEWER RATES FOR INDUSTRIAL CUSTOMERS

Customer Class	Total Annual Revenue Requirement	Annual Sewage Flow (1,000 gal)	Monthly Fixed Charge	Volumetric Charge Per MG
Industrial				
Hess Collection Winery	$ 26,006	3,640	$699	$4.84
AmCan Beverage (Coca-Cola)	410,583	45,625	$15,198	$5.00
Mezzetta Processing Facility	145,327	14,820	$4,626	$6.06

TABLE 41 : ALLOCATION OF SEWER REVENUE REQUIREMENTS	ALTERNATIVE 2 - 70% Fixed / 30% Variable				
	Total	(FLOW)	(BOD)	(TSS)	(CA)
Total Fixed Costs	$ 1,990,534	$ 597,160	$ 696,687	$ 696,687	$ -
Net Operating Costs	**$ 4,312,829**	**$ 1,293,849**	**$ 1,409,896**	**$ 1,409,896**	**$ 199,188**
Net Revenue Requirements	**$ 6,303,363**	**$ 1,891,009**	**$ 2,106,583**	**$ 2,106,583**	**$ 199,188**
Capacity Charges to recover Fixed Costs		**Flow ($/MGD)**	**BOD ($/lbs/day)**	**TSS ($/lbs/day)**	
Fixed Costs		$ 597,160	$ 696,687	$ 696,687	
Design Capacity		1.44	2,248	2,291	
		$ 414,679	**$ 309.85**	**$ 304.05**	
User Charges		**Flow ($/MG)**	**BOD ($/lb)**	**TSS ($/lb)**	
Net operating Costs		$ 1,293,849	$ 1,409,896	$ 1,409,896	
Annual Volumes		526	741,214	736,644	
		$ 2,462	**$ 1.90**	**$ 1.91**	
					Acct. Charge ($/yr)
Customer Costs					$ 199,188
Number of Accounts					6,155
					$ 32.36

TABLE 42 : ALLOCATION OF SEWER REVENUE REQUIREMENTS

Development of Allocation Factors	Net Revenue Requirements - Design Capacity				
Customer Class	**Total**	**Volume**	**BOD**	**TSS**	**Customer**
Residential Customers					
Single Family Residential	$ 1,265,153	$ 400,283	$ 436,520	$ 428,349	$ -
Multi-Family Residential	216,706	68,564	74,771	73,371	-
All Other Customers					
Commercial	$ 261,096	$ 55,506	$ 103,766	$ 101,824	$ -
Industrial					
Hess Collection Winery	$ 6,183	$ 4,135	$ 1,289	$ 759	$ -
AmCan Beverage (Coca-Cola)	186,171	51,835	64,603	69,733	-
Mezzetta Processing Facility	55,226	16,837	15,738	22,651	-
Total:	**$ 1,990,534**	**$ 597,160**	**$ 696,687**	**$ 696,687**	**$ -**

TABLE 43 : ALLOCATION OF SEWER REVENUE REQUIREMENTS

Development of Allocation Factors	Net Revenue Requirements - Operating Costs				
Customer Class	**Total**	**Volume**	**BOD**	**TSS**	**Customer**
Residential Customers					
Single Family Residential	$ 2,829,603	$ 867,282	$ 978,127	$ 984,195	$ -
Multi-Family Residential	484,677	148,555	167,541	168,581	-
All Other Customers					
Commercial	$ 586,731	$ 120,262	$ 232,513	$ 233,956	$ -
Industrial					
Hess Collection Winery	$ 9,589	$ 8,960	$ 494	$ 134	$ -
AmCan Beverage (Coca-Cola)	132,838	112,309	16,705	3,823	-
Mezzetta Processing Facility	70,202	36,480	14,515	19,207	-
Total:	**$ 4,113,640**	**$ 1,293,849**	**$ 1,409,896**	**$ 1,409,896**	**$ -**

TABLE 44 : ALLOCATION OF SEWER REVENUE REQUIREMENTS

Development of Allocation Factors	Net Revenue Requirements - Customer Costs				
Customer Class	Total	Volume	BOD	TSS	Customer
Residential Customers					
Single Family Residential	$ 152,425	$ -	$ -	$ -	$ 152,425
Multi-Family Residential	40,938	-	-	-	40,938
All Other Customers					
Commercial	$ 5,728	$ -	$ -	$ -	$ 5,728
Industrial					
Hess Collection Winery	$ 32	$ -	$ -	$ -	$ 32
AmCan Beverage (Coca-Cola)	32	-	-	-	32
Mezzetta Processing Facility	32	-	-	-	32
Total:	**$ 199,188**	**$ -**	**$ -**	**$ -**	**$ 199,188**
Grand Total:	**$ 6,303,363**	**$ 1,891,009**	**$ 2,106,583**	**$ 2,106,583**	**$ 199,188**

TABLE 45 : ALLOCATION OF NET REVENUE REQUIREMENTS TO CUSTOMER CLASSES - ALTERNATIVE 2

Customer Class	Cost Classification Components				Cost-of-Service Net Revenue Reqts.	% of COS Net Revenue Reqts.
	Volume	BOD	TSS	Customer		
Net Revenue Requirements [1]	***$ 1,891,009***	***$ 2,106,583***	***$ 2,106,583***	***$ 199,188***	***$ 6,303,363***	--
	30.0%	*33.4%*	*33.4%*	*3.2%*	*100.0%*	
Residential Customers						
All Other Customers	$ 1,267,565	$ 1,414,647	$ 1,412,544	$ 152,425	$ 4,247,181	*67.4%*
Multi-Family Residential	217,119	242,312	241,952	40,938	742,321	*11.8%*
All Other Customers						
Commercial	$ 175,768	$ 336,280	$ 335,780	$ 5,728	$ 853,555	*13.5%*
Industrial						
Hess Collection Winery	$ 13,096	$ 1,783	$ 893	$ 32	$ 15,803	*0.3%*
AmCan Beverage (Coca-Cola)	164,144	81,308	73,556	32	319,041	*5.1%*
Mezzetta Processing Facility	53,318	30,254	41,857	32	125,461	*2.0%*
Total:	**$ 1,891,009**	**$ 2,106,583**	**$ 2,106,583**	**$ 199,188**	**$ 6,303,363**	**100%**

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.

TABLE 46 : CALCULATION OF PROPOSED SEWER RATES FOR RESIDENTIAL CUSTOMERS

Customer Class	No. of Dwelling Units	Annual Revenue Requirement	Monthly Fixed Charge Per Dwelling Unit
Residential Customers			
Single Family Residential	4,710	$ 4,247,181	$75.14
Multi-Family Residential	1,265	742,321	$48.90
Subtotal: Residential	**5,975**	**$ 4,989,502**	

TABLE 47 : CALCULATION OF PROPOSED SEWER RATES FOR COMMERCIAL CUSTOMERS

Customer Class	No. of Accounts	Annual Volume (hcf)	Total Annual Revenue Requirement	Monthly Capacity Per Account	Monthly Customer Charge Per Account	Monthly Fixed Charge Per Account[1]	Volumetric Charge Per hcf
Commercial							
Commercial	177	261,244	$ 853,555	$122.93	$ 2.70	$125.62	$2.25

1. Monthly fixed charge is the based fixed charge plus the monthly customer charge per the number of accounts.

TABLE 49 : CALCULATION OF PROPOSED SEWER RATES FOR INDUSTRIAL CUSTOMERS

Customer Class	Total Annual Revenue Requirement	Annual Sewage Flow (1,000 gal)	Monthly Fixed Charge	Volumetric Charge Per MG
Industrial				
Hess Collection Winery	$ 15,803	3,640	$518	$2.63
AmCan Beverage (Coca-Cola)	319,041	45,625	$15,517	$2.91
Mezzetta Processing Facility	125,461	14,820	$4,605	$4.74

TABLE 50 : ALLOCATION OF SEWER REVENUE REQUIREMENTS	ALTERNATIVE 3 - 90% Fixed / 10% Variable				
	Total	(FLOW)	(BOD)	(TSS)	(CA)
Total Fixed Costs	$ 1,990,534	$ 199,053	$ 895,740	$ 895,740	$ -
Net Operating Costs	**$ 4,312,829**	**$ 431,283**	**$ 1,812,723**	**$ 1,812,723**	**$ 256,099**
Net Revenue Requirements	**$ 6,303,363**	**$ 630,336**	**$ 2,708,464**	**$ 2,708,464**	**$ 256,099**
Capacity Charges to recover Fixed Costs		**Flow ($/MGD)**	**BOD ($/lbs/day)**	**TSS ($/lbs/day)**	
Fixed Costs		$ 199,053	$ 895,740	$ 895,740	
Design Capacity		1.44	2,248	2,291	
		$ 138,226	**$ 398.37**	**$ 390.92**	
User Charges		**Flow ($/MG)**	**BOD ($/lb)**	**TSS ($/lb)**	
Net operating Costs		$ 431,283	$ 1,812,723	$ 1,812,723	
Annual Volumes		526	741,214	736,644	
		$ 821	**$ 2.45**	**$ 2.46**	
					Acct. Charge ($/yr)
Customer Costs					$ 256,099
Number of Accounts					6,155
					$ 41.61

TABLE 51 : ALLOCATION OF SEWER REVENUE REQUIREMENTS

Development of Allocation Factors	Net Revenue Requirements - Design Capacity				
Customer Class	**Total**	**Volume**	**BOD**	**TSS**	**Customer**
Residential Customers					
Single Family Residential	$ 1,245,403	$ 133,428	$ 561,240	$ 550,735	$ -
Multi-Family Residential	213,323	22,855	96,134	94,334	-
All Other Customers					
Commercial	$ 282,832	$ 18,502	$ 133,414	$ 130,917	$ -
Industrial					
Hess Collection Winery	$ 4,011	$ 1,378	$ 1,657	$ 975	$ -
AmCan Beverage (Coca-Cola)	189,996	17,278	83,061	89,657	-
Mezzetta Processing Facility	54,970	5,612	20,235	29,122	-
Total:	**$ 1,990,534**	**$ 199,053**	**$ 895,740**	**$ 895,740**	**$ -**

TABLE 52 : ALLOCATION OF SEWER REVENUE REQUIREMENTS

Development of Allocation Factors	Net Revenue Requirements - Operating Costs				
Customer Class	**Total**	**Volume**	**BOD**	**TSS**	**Customer**
Residential Customers					
Single Family Residential	$ 2,812,079	$ 289,094	$ 1,257,592	$ 1,265,394	$ -
Multi-Family Residential	481,676	49,518	215,410	216,747	-
All Other Customers					
Commercial	$ 639,833	$ 40,087	$ 298,945	$ 300,800	$ -
Industrial					
Hess Collection Winery	$ 3,795	$ 2,987	$ 635	$ 173	$ -
AmCan Beverage (Coca-Cola)	63,830	37,436	21,478	4,916	-
Mezzetta Processing Facility	55,517	12,160	18,663	24,694	-
Total:	**$ 4,056,730**	**$ 431,283**	**$ 1,812,723**	**$ 1,812,723**	**$ -**

TABLE 53 : ALLOCATION OF SEWER REVENUE REQUIREMENTS

Development of Allocation Factors	Net Revenue Requirements - Customer Costs				
Customer Class	Total	Volume	BOD	TSS	Customer
Residential Customers					
Single Family Residential	$ 195,975	$ -	$ -	$ -	$ 195,975
Multi-Family Residential	52,635	-	-	-	52,635
All Other Customers					
Commercial	$ 7,365	$ -	$ -	$ -	$ 7,365
Industrial					
Hess Collection Winery	$ 42	$ -	$ -	$ -	$ 42
AmCan Beverage (Coca-Cola)	42	-	-	-	42
Mezzetta Processing Facility	42	-	-	-	42
Total:	**$ 256,099**	**$ -**	**$ -**	**$ -**	**$ 256,099**
Grand Total:	**$ 6,303,363**	**$ 630,336**	**$ 2,708,464**	**$ 2,708,464**	**$ 256,099**

TABLE 54 : ALLOCATION OF NET REVENUE REQUIREMENTS TO CUSTOMER CLASSES - ALTERNATIVE 3

Customer Class	Cost Classification Components				Cost-of-Service Net Revenue Reqts.	% of COS Net Revenue Reqts.
	Volume	BOD	TSS	Customer		
Net Revenue Requirements [1]	***$ 630,336***	***$ 2,708,464***	***$ 2,708,464***	***$ 256,099***	***$ 6,303,363***	--
	10.0%	*43.0%*	*43.0%*	*4.1%*	*100.0%*	
Residential Customers						
All Other Customers	$ 422,522	$ 1,818,832	$ 1,816,129	$ 195,975	$ 4,253,457	*67.5%*
Multi-Family Residential	72,373	311,544	311,081	52,635	747,633	*11.9%*
All Other Customers						
Commercial	$ 58,589	$ 432,359	$ 431,717	$ 7,365	$ 930,030	*14.8%*
Industrial						
Hess Collection Winery	$ 4,365	$ 2,292	$ 1,148	$ 42	$ 7,847	*0.1%*
AmCan Beverage (Coca-Cola)	54,715	104,539	94,572	42	253,867	*4.0%*
Mezzetta Processing Facility	17,773	38,898	53,817	42	110,528	*1.8%*
Total:	**$ 630,336**	**$ 2,708,464**	**$ 2,708,464**	**$ 256,099**	**$ 6,303,363**	**100%**

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.

TABLE 55 : CALCULATION OF PROPOSED SEWER RATES FOR RESIDENTIAL CUSTOMERS

Customer Class	No. of Dwelling Units	Annual Revenue Requirement	Monthly Fixed Charge Per Dwelling Unit
Residential Customers			
Single Family Residential	4,710	$ 4,253,457	$75.26
Multi-Family Residential	1,265	747,633	$49.25
Subtotal: Residential	**5,975**	**$ 5,001,090**	

TABLE 56 : CALCULATION OF PROPOSED SEWER RATES FOR COMMERCIAL CUSTOMERS - OPTION 3

Customer Class	No. of Accounts	Annual Volume (hcf)	Total Annual Revenue Requirement	Monthly Capacity Per Account	Monthly Customer Charge Per Account	Monthly Fixed Charge Per Account[2]	Volumetric Charge Per hcf
Commercial							
Commercial	177	261,244	$ 930,030	$133.16	$ 3.47	$136.63	$2.45

1. Monthly fixed charge is the based fixed charge plus the monthly customer charge per the number of accounts.

TABLE 57 : CALCULATION OF PROPOSED SEWER RATES FOR COMMERCIAL CUSTOMERS - OPTION 4

Customer Class	No. of Accounts	Annual Volume (hcf)	Total Annual Revenue Requirement	Monthly Customer Charge Per Account	Monthly Fixed Charge Per Account[1]	Volumetric Charge Per hcf
Commercial						
Commercial	177	261,244	$ 930,030	$3.47	$71.79	$0.00

1. Monthly fixed charge is set equal to the monthly fixed charge for single family residential customers and includes a monthly customer charge per account.

TABLE 58 : CALCULATION OF PROPOSED SEWER RATES FOR INDUSTRIAL CUSTOMERS

Customer Class	Total Annual Revenue Requirement	Annual Sewage Flow (1,000 gal)	Monthly Fixed Charge	Volumetric Charge Per MG
Industrial				
Hess Collection Winery	$ 7,847	3,640	$338	$1.04
AmCan Beverage (Coca-Cola)	253,867	45,625	$15,836	$1.40
Mezzetta Processing Facility	110,528	14,820	$4,584	$3.75

TABLE 59 : CURRENT VS. PROPOSED SEWER RATES

Sewer Rate Schedule[1,2]	Description	Current Rates	ALTERNATIVE 1 - 55% Fixed / 45% Variable				
			Proposed Sewer Rates				
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
			25.00%	*20.00%*	*12.00%*	*12.00%*	*0.00%*
Residential - Monthly Fixed Service Charges							
Single Family Residential	Per Dwelling Unit	$60.48	$74.94	$89.93	$100.72	$112.81	$112.81
Multi-Family Residential	Per Dwelling Unit	$45.36	$48.70	$58.44	$65.45	$73.31	$73.31
Commercial Customers [3]							
Monthly Fixed Service Charge	Per Account	$60.48	$115.21	$138.25	$154.84	$173.42	$173.42
Volumetric Charge	Per HCF	$5.40	$1.92	$2.31	$2.58	$2.89	$2.89
Industrial Customers							
Monthly Fixed Charge							
Hess Collection Winery		*n/a*	$699	$838	$939	$1,052	$1,052
AmCan Beverage (Coca-Cola)		*n/a*	$15,198	$18,238	$20,427	$22,878	$22,878
Mezzetta Processing Facility		*n/a*	$4,626	$5,551	$6,217	$6,963	$6,963
Volumetric Charge							
Hess Collection Winery	Per 1,000 gal sewage flow	*n/a*	$4.84	$5.81	$6.51	$7.29	$7.29
AmCan Beverage (Coca-Cola)		*n/a*	$5.00	$6.00	$6.72	$7.53	$7.53
Mezzetta Processing Facility		*n/a*	$6.06	$7.27	$8.15	$9.12	$9.12

1. Sewer rates are set according to the average monthly water use for January to March of the previous calendar year. New customers are charged at the average winter water use rate (standard) and adjusted the following year if applicable.
2. The fixed charge includes a monthly customer charge per account.
3. Current rates for commercial customers are charged the higher of the fixed or variable rate. Proposed rates have both a fixed and volumetric charge per commercial customer.

TABLE 60 : CURRENT VS. PROPOSED SEWER RATES

Sewer Rate Schedule[1,2]	Description	Current Rates	ALTERNATIVE 2 - 70% Fixed / 30% Variable				
			Proposed Sewer Rates				
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
			25.00%	*20.00%*	*12.00%*	*12.00%*	*0.00%*
Residential - Monthly Fixed Service Charges							
Single Family Residential	Per Dwelling Unit	$60.48	$75.14	$90.17	$100.99	$113.11	$113.11
Multi-Family Residential	Per Dwelling Unit	$45.36	$48.90	$58.68	$65.72	$73.61	$73.61
Commercial Customers [3]							
Monthly Fixed Service Charge	Per Account	$60.48	$125.62	$150.75	$168.84	$189.10	$189.10
Volumetric Charge	Per HCF	$5.40	$2.25	$2.70	$3.02	$3.38	$3.38
Industrial Customers							
Monthly Fixed Charge							
Hess Collection Winery		*n/a*	$518	$621	$696	$780	$780
AmCan Beverage (Coca-Cola)		*n/a*	$15,517	$18,620	$20,854	$23,356	$23,356
Mezzetta Processing Facility		*n/a*	$4,605	$5,526	$6,189	$6,932	$6,932
Volumetric Charge							
Hess Collection Winery	Per 1,000 gal sewage flow	*n/a*	$2.63	$3.16	$3.54	$3.97	$3.97
AmCan Beverage (Coca-Cola)		*n/a*	$2.91	$3.49	$3.91	$4.38	$4.38
Mezzetta Processing Facility		*n/a*	$4.74	$5.68	$6.37	$7.13	$7.13

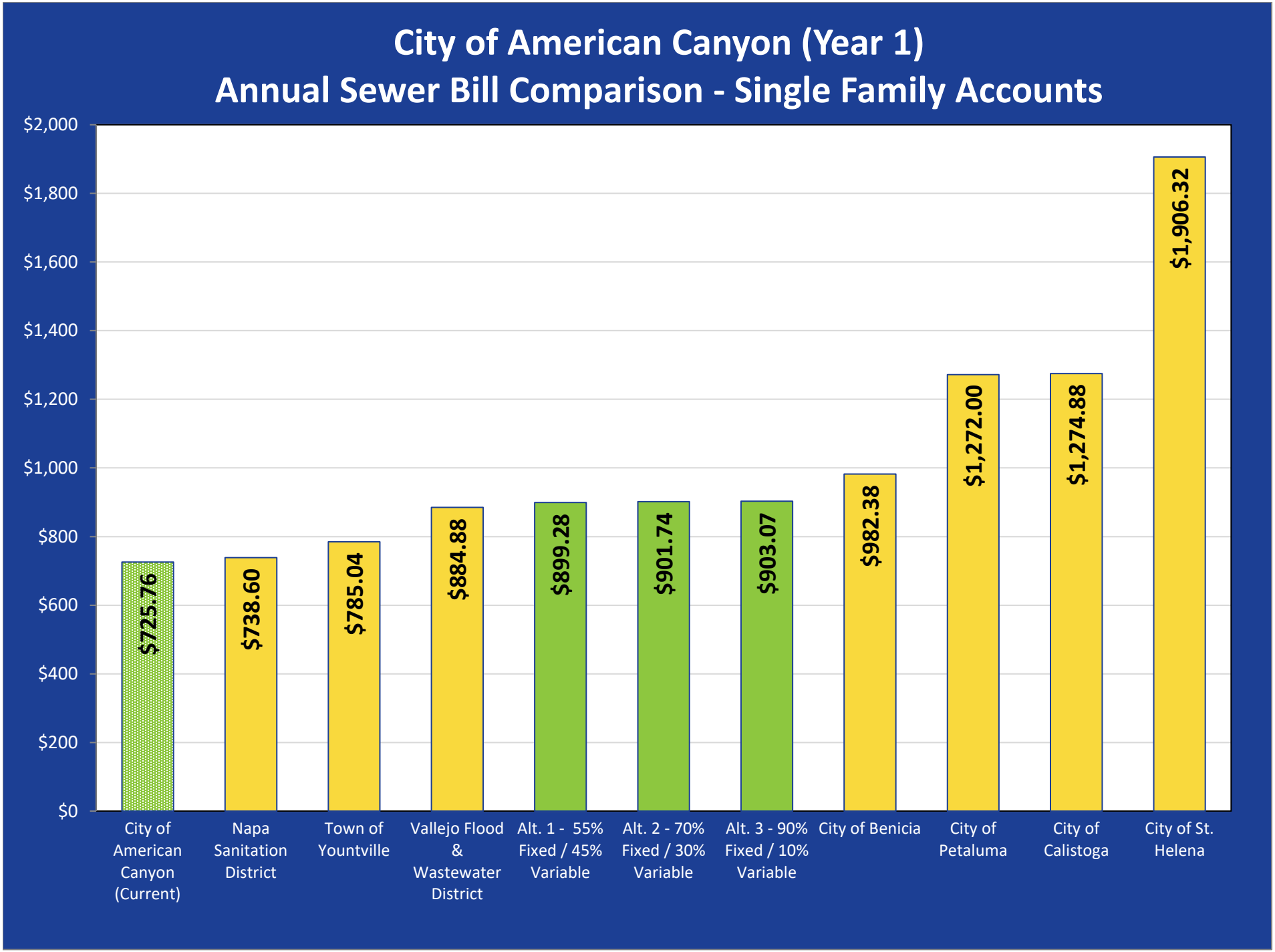
1. Sewer rates are set according to the average monthly water use for January to March of the previous calendar year. New customers are charged at the average winter water use rate (standard) and adjusted the following year if applicable.
2. The fixed charge includes a monthly customer charge per account.
3. Current rates for commercial customers are charged the higher of the fixed or variable rate. Proposed rates have both a fixed and volumetric charge per commercial customer.

TABLE 61 : CURRENT VS. PROPOSED SEWER RATES

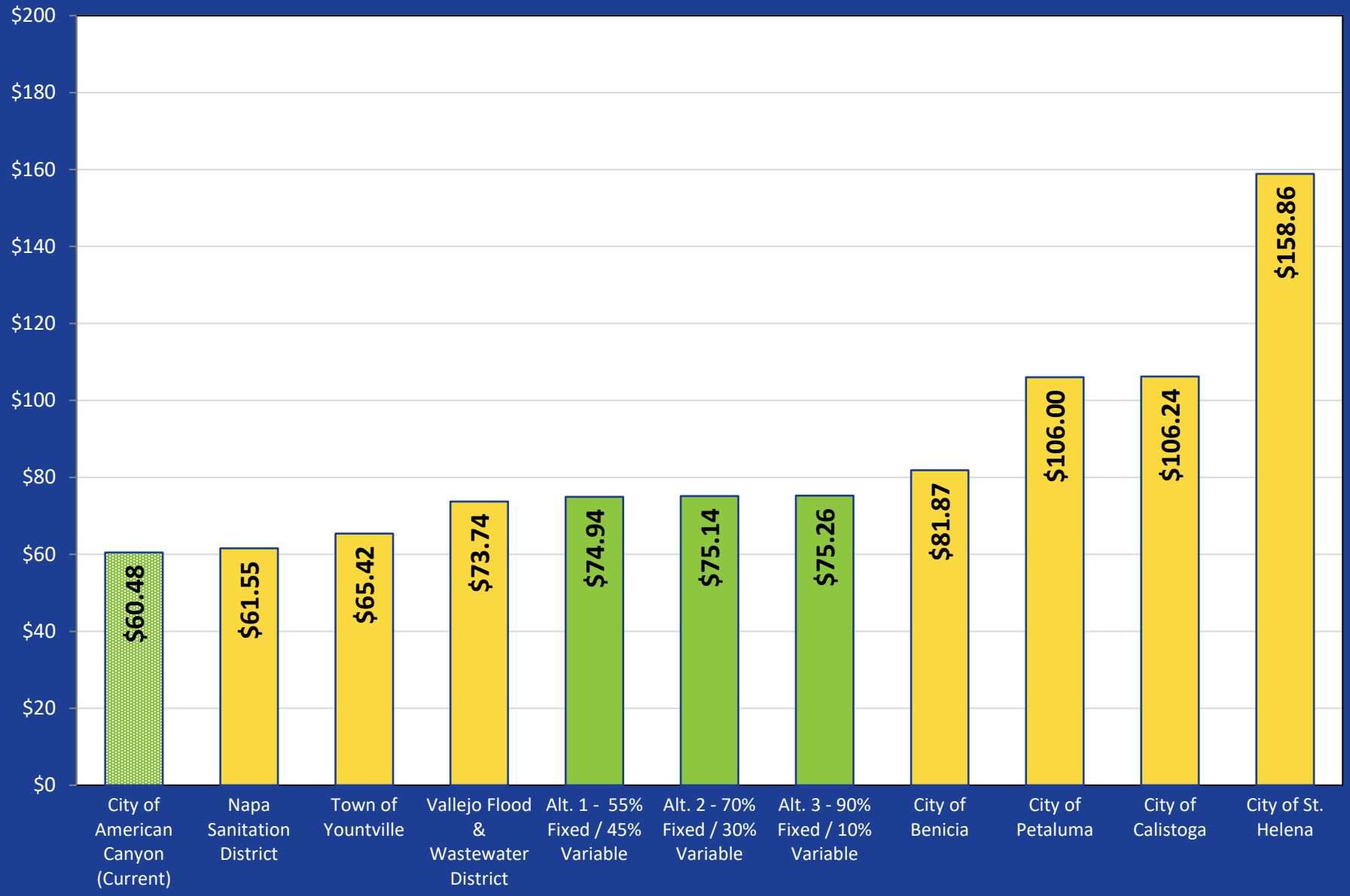
Sewer Rate Schedule[1,2]	Description	Current Rates	*ALTERNATIVE 3 - 90% Fixed / 10% Variable*				
			Proposed Sewer Rates				
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
			25.00%	*20.00%*	*12.00%*	*12.00%*	*0.00%*
Residential - Monthly Fixed Service Charges							
Single Family Residential	Per Dwelling Unit	$60.48	$75.26	$90.31	$101.14	$113.28	$113.28
Multi-Family Residential	Per Dwelling Unit	$45.36	$49.25	$59.10	$66.19	$74.14	$74.14
Commercial Customers [3]							
Monthly Fixed Service Charge	Per Account	$60.48	$136.63	$163.95	$183.63	$205.66	$205.66
Volumetric Charge	Per HCF	$5.40	$2.45	$2.94	$3.29	$3.69	$3.69
Industrial Customers							
Monthly Fixed Charge							
Hess Collection Winery		*n/a*	$338	$405	$454	$508	$508
AmCan Beverage (Coca-Cola)		*n/a*	$15,836	$19,004	$21,284	$23,838	$23,838
Mezzetta Processing Facility		*n/a*	$4,584	$5,501	$6,161	$6,900	$6,900
Volumetric Charge							
Hess Collection Winery	Per 1,000 gal sewage flow	*n/a*	$1.04	$1.25	$1.40	$1.57	$1.57
AmCan Beverage (Coca-Cola)		*n/a*	$1.40	$1.68	$1.88	$2.11	$2.11
Mezzetta Processing Facility		*n/a*	$3.75	$4.50	$5.03	$5.64	$5.64

1. Sewer rates are set according to the average monthly water use for January to March of the previous calendar year. New customers are charged at the average winter water use rate (standard) and adjusted the following year if applicable.
2. The fixed charge includes a monthly customer charge per account.
3. Current rates for commercial customers are charged the higher of the fixed or variable rate. Proposed rates have both a fixed and volumetric charge per commercial customer.

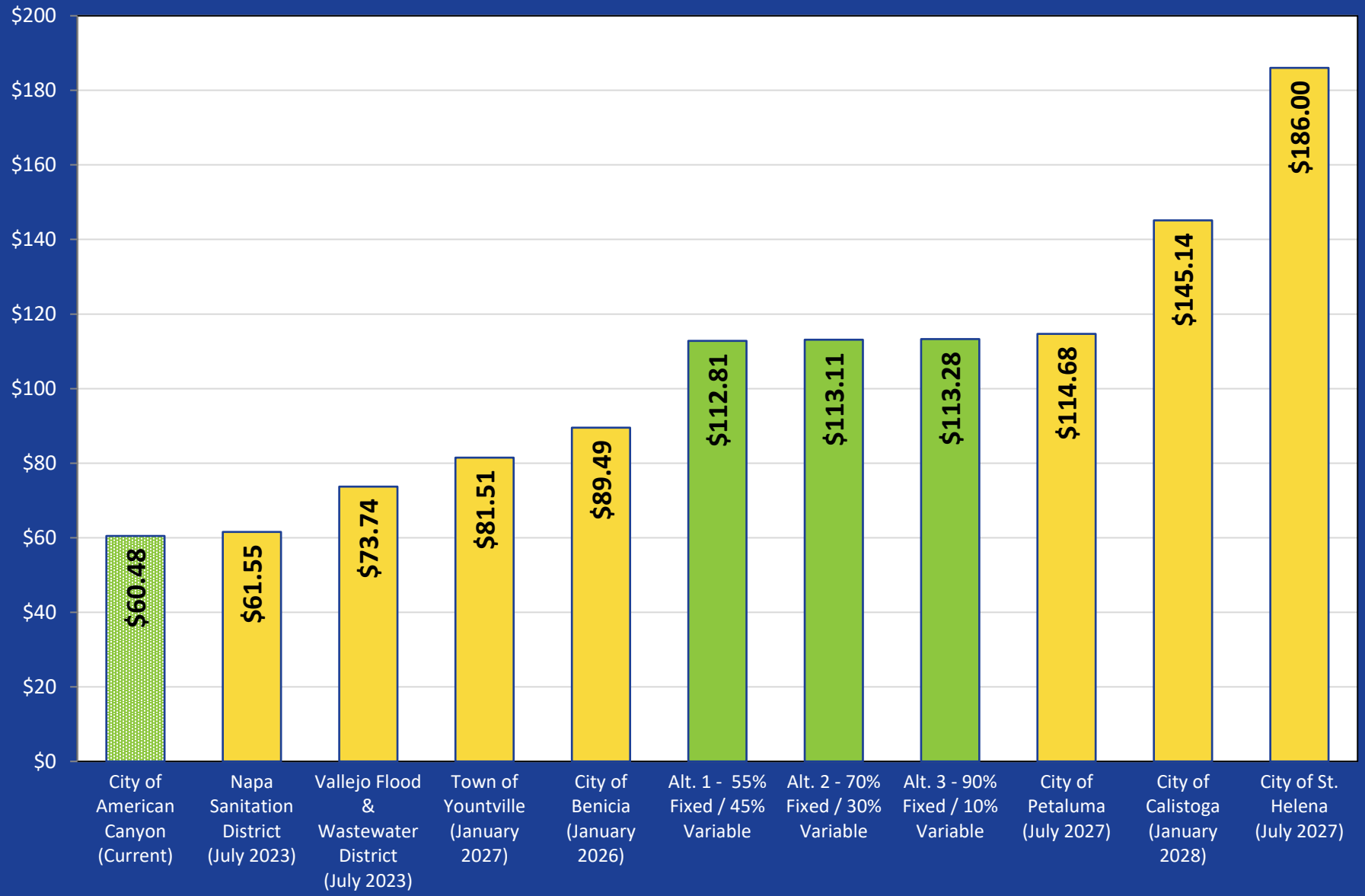
City of American Canyon (Year 1)
Annual Sewer Bill Comparison - Single Family Accounts

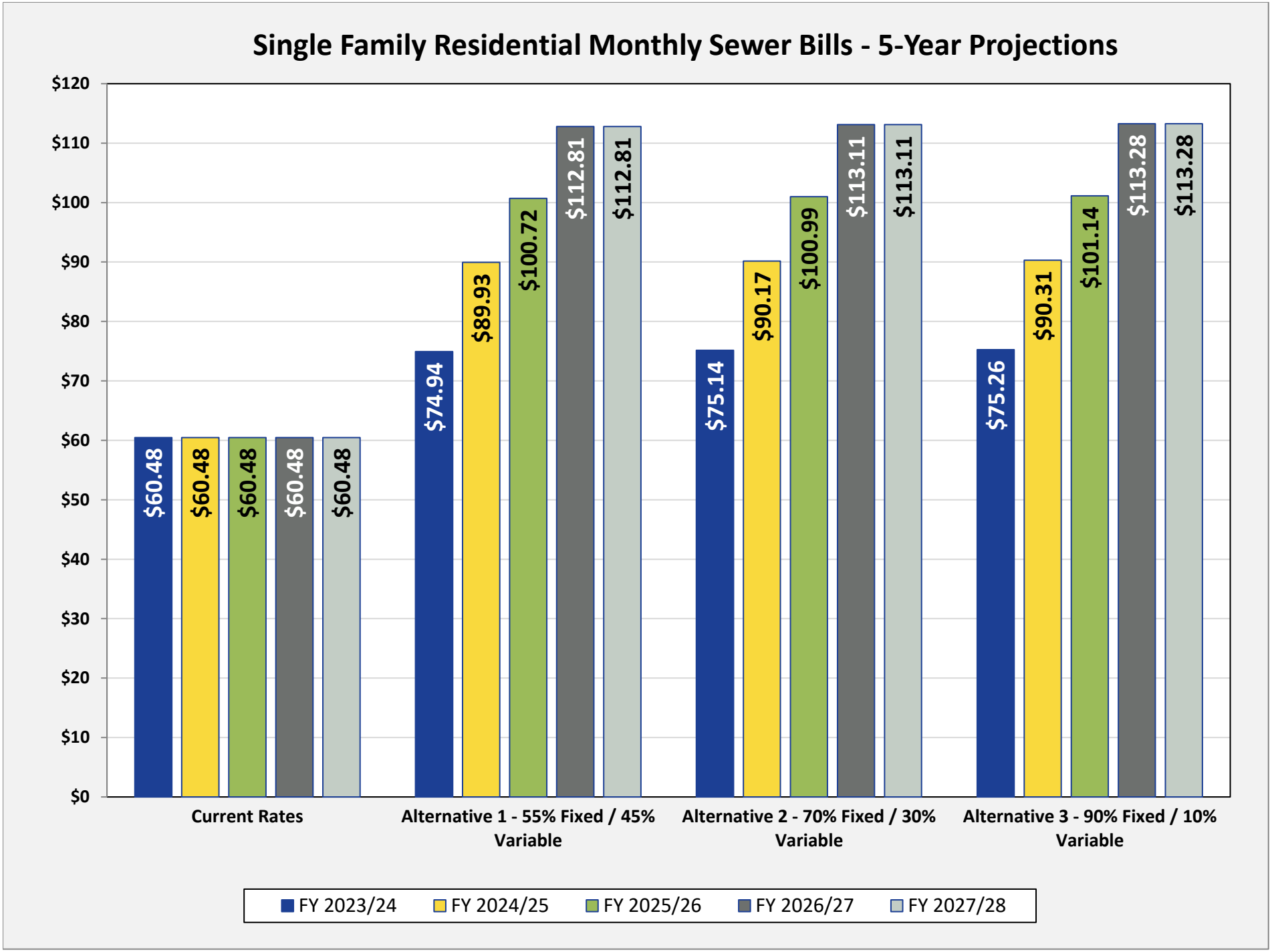


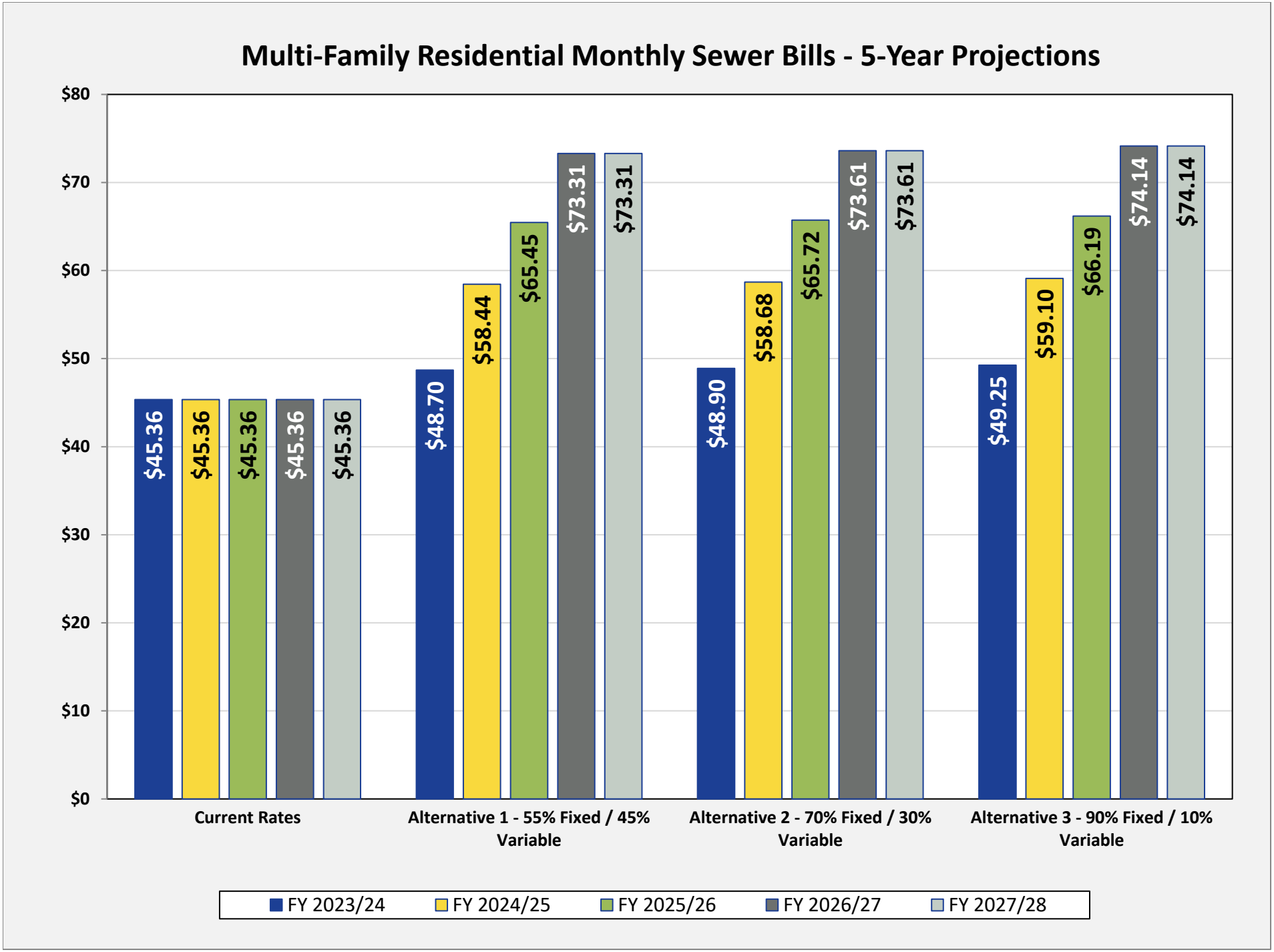
City of American Canyon (Year 1)
Monthly Sewer Bill Comparison - Single Family Accounts



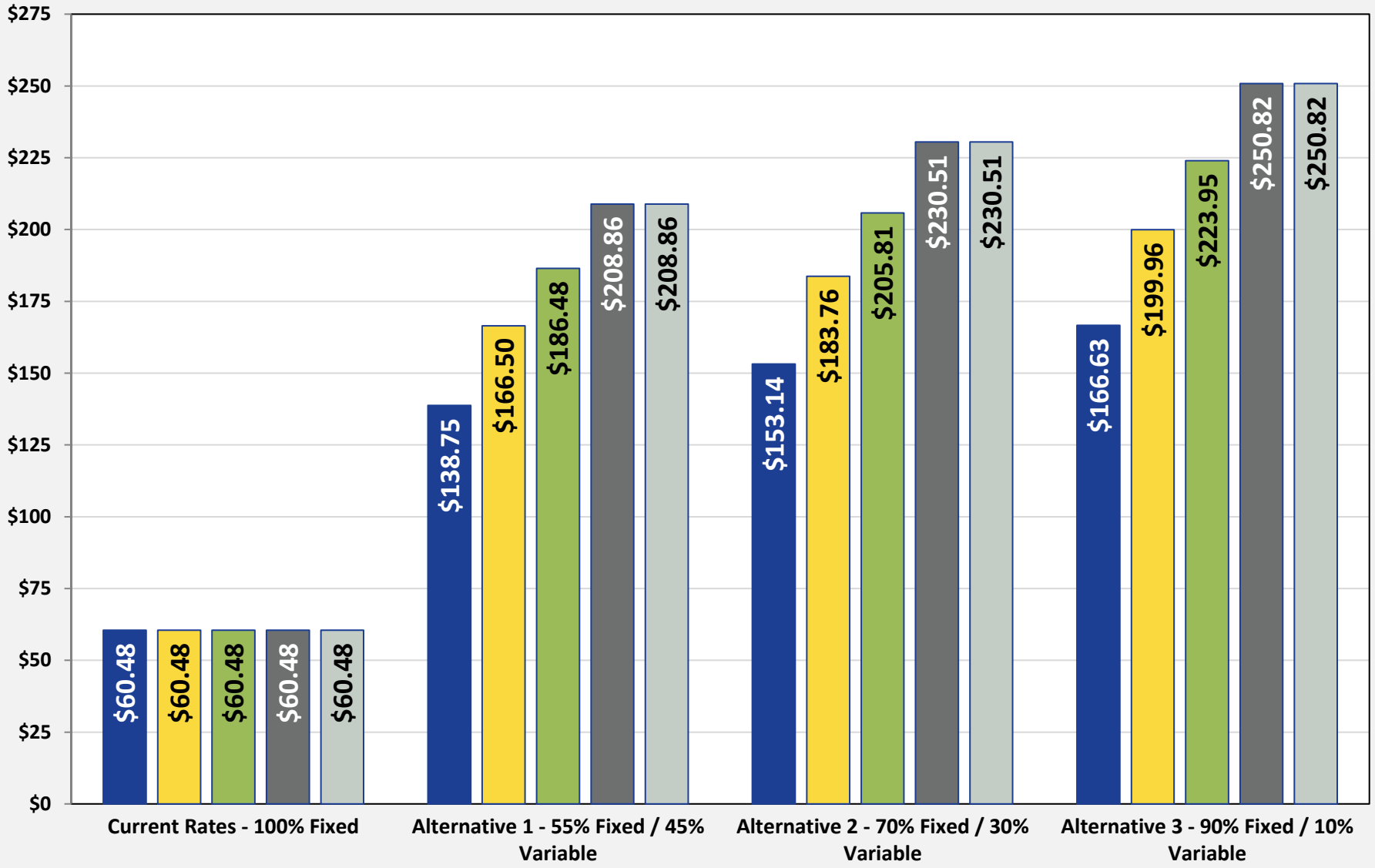
City of American Canyon (Year 5)
Monthly Sewer Bill Comparison - Single Family Accounts




Single Family Residential Monthly Sewer Bills - 5-Year Projections
$120
$110
$100
$90
$80
$70
$60
$50
$40
$30
$20
$10
$0
$60.48
$60.48
$60.48
$60.48
$60.48
$74.94
$89.93
$100.72
$112.81
$112.81
$75.14
$90.17
$100.99
$113.11
$113.11
$75.26
$90.31
$101.14
$113.28
$113.28
Current Rates
Alternative 1 - 55% Fixed / 45% Variable
Alternative 2 - 70% Fixed / 30% Variable
Alternative 3 - 90% Fixed / 10% Variable
FY 2023/24
FY 2024/25
FY 2025/26
FY 2026/27
FY 2027/28


Multi-Family Residential Monthly Sewer Bills - 5-Year Projections
$80
$70
$60
$50
$40
$30
$20
$10
$0
$45.36
$45.36
$45.36
$45.36
$45.36
$48.70
$58.44
$65.45
$73.31
$73.31
$48.90
$58.68
$65.72
$73.61
$73.61
$49.25
$59.10
$66.19
$74.14
$74.14
Current Rates
Alternative 1 - 55% Fixed / 45% Variable
Alternative 2 - 70% Fixed / 30% Variable
Alternative 3 - 90% Fixed / 10% Variable
FY 2023/24
FY 2024/25
FY 2025/26
FY 2026/27
FY 2027/28

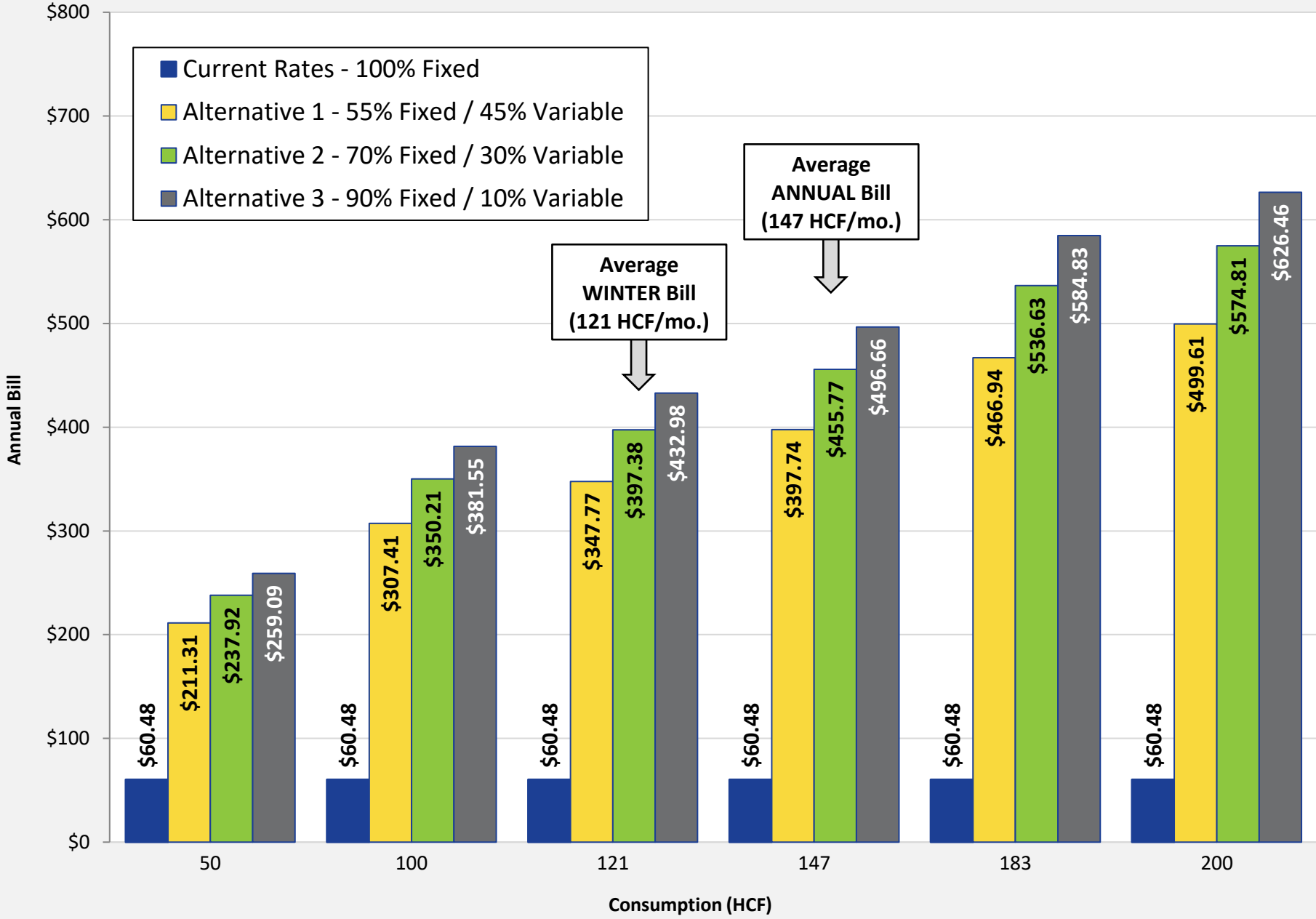
Commercial Monthly Sewer Bills (Option 1) - 5-Year Projections



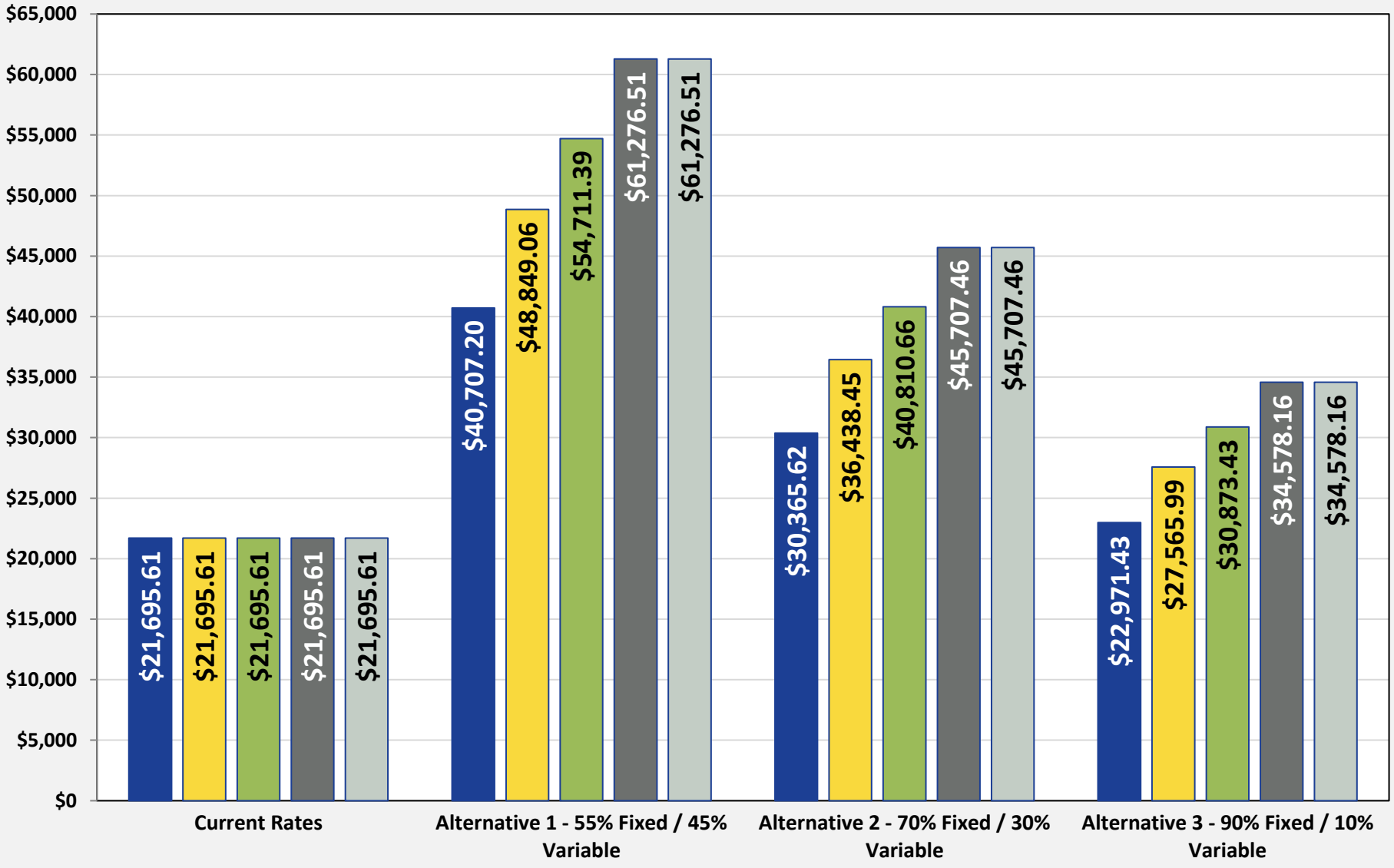
Note: Commercial customer bills are based on average annual consumption of 147 HCF per month.

FY 2023/24 FY 2024/25 FY 2025/26 FY 2026/27 FY 2027/28

Commercial (Option 1) - Sewer Bill Comparison
Current vs. Proposed Rates (FY 2023/24)

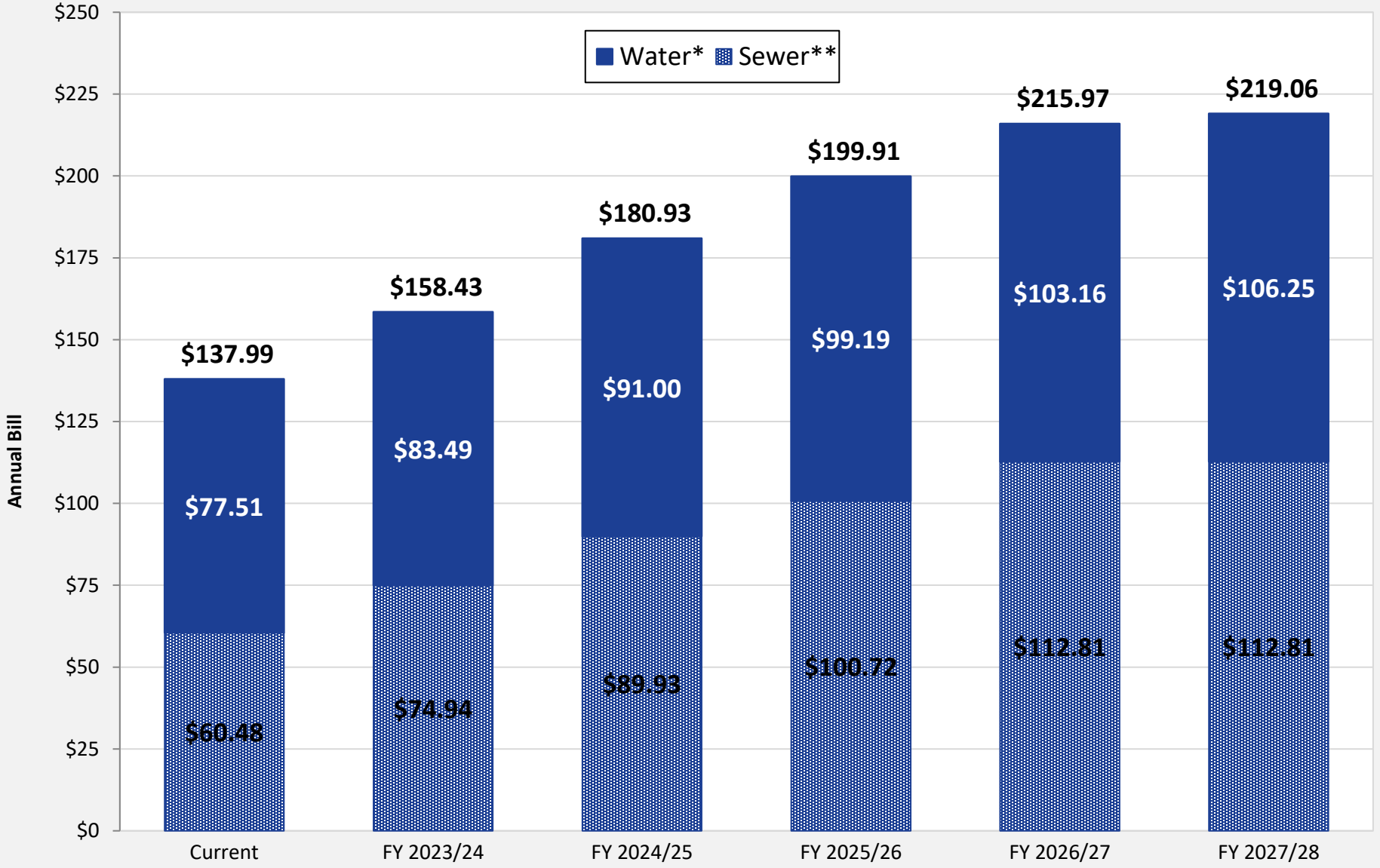


AmCan Beverages Inc. Monthly Sewer Bills - 5-Year Projections



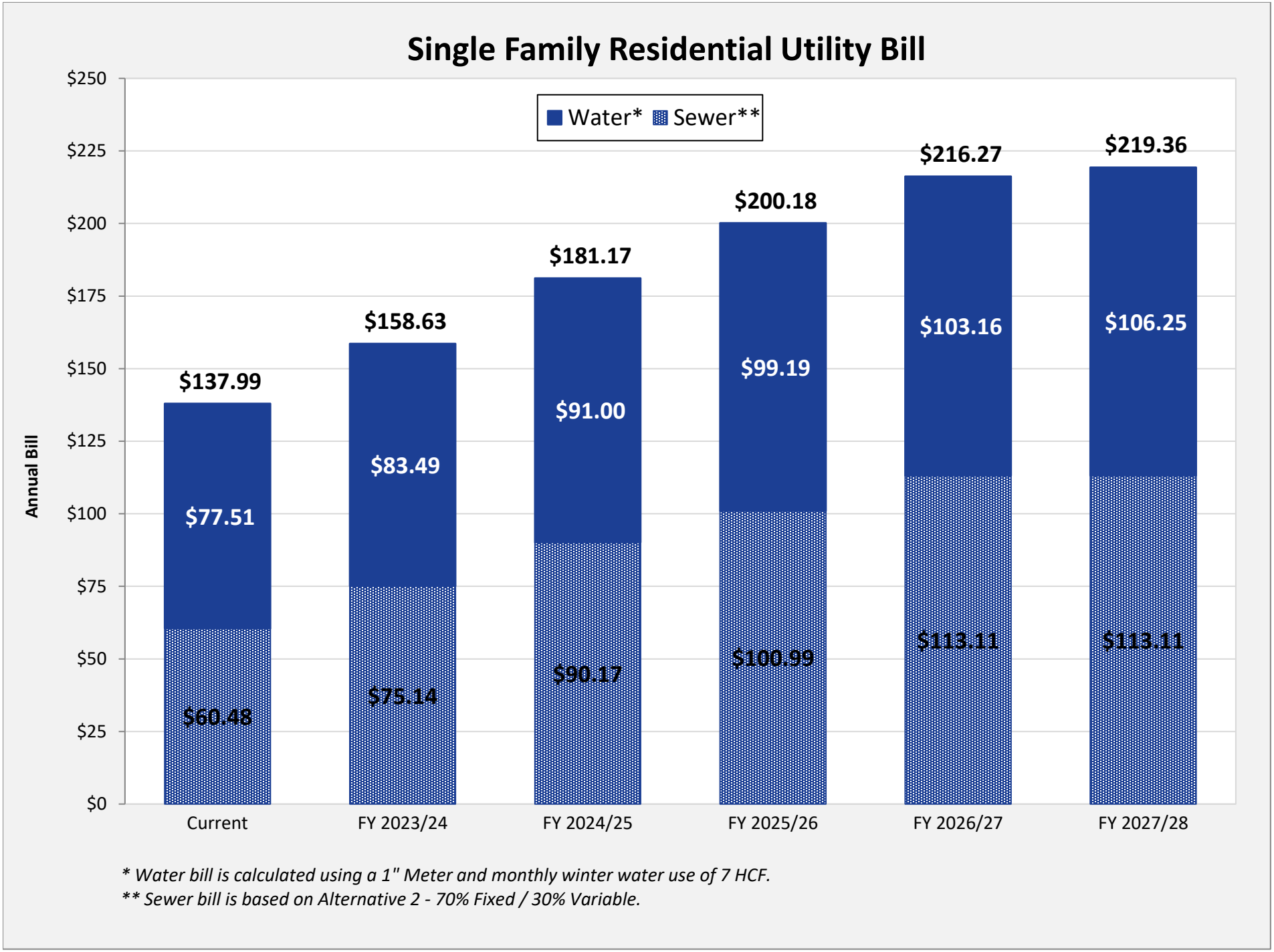
Note: Industrial customer bills are based on average annual consumption of 5,100 HCF per month.

Single Family Residential Utility Bill



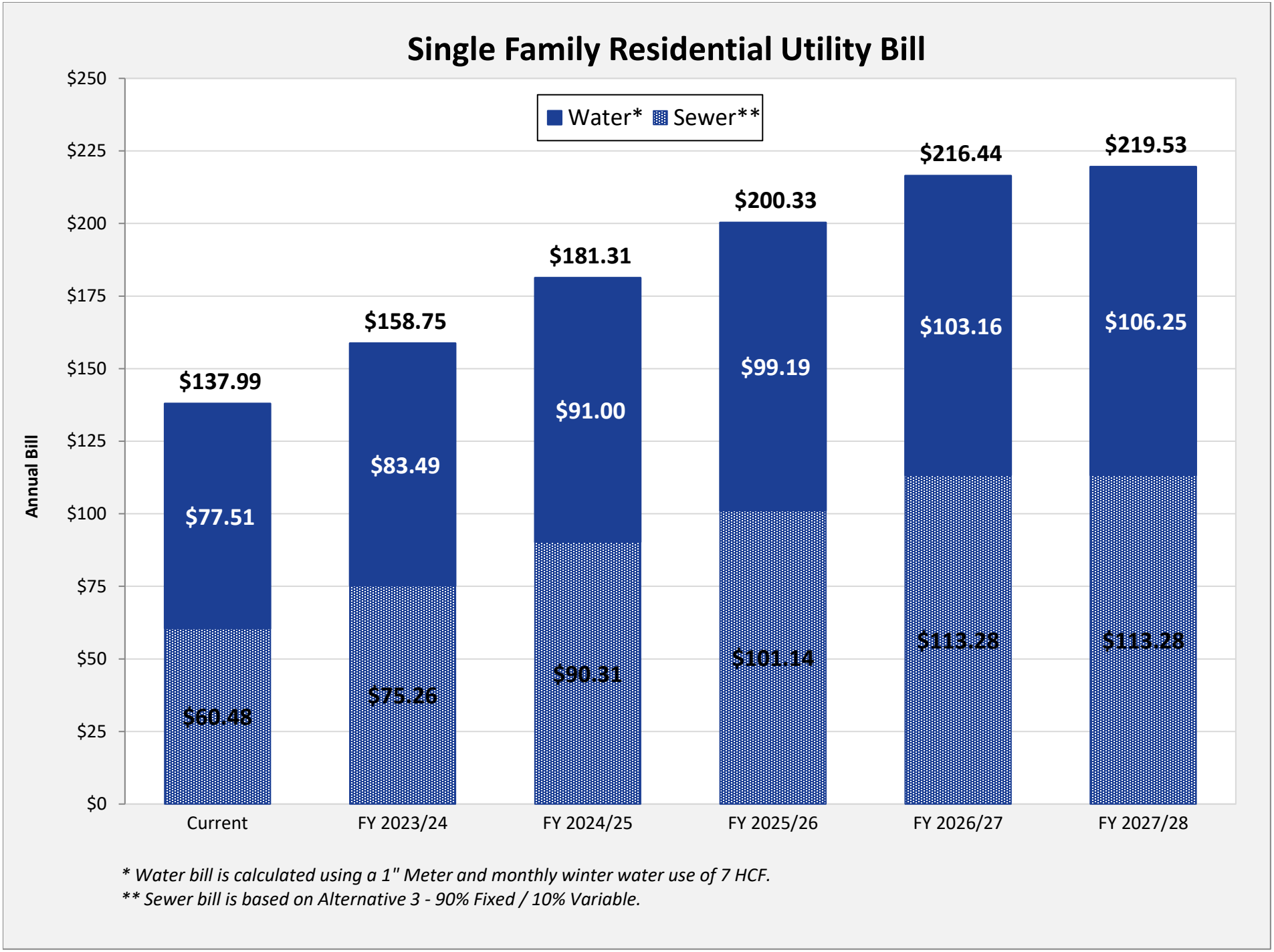
** Water bill is calculated using a 1" Meter and monthly winter water use of 7 HCF.*

*** Sewer bill is based on Alternative 1 - 55% Fixed / 45% Variable.*



** Water bill is calculated using a 1" Meter and monthly winter water use of 7 HCF.*

*** Sewer bill is based on Alternative 2 - 70% Fixed / 30% Variable.*



** Water bill is calculated using a 1" Meter and monthly winter water use of 7 HCF.*
*** Sewer bill is based on Alternative 3 - 90% Fixed / 10% Variable.*

TITLE

Annual Comprehensive Financial Report and Year-end Financial Results

RECOMMENDATION

Receive and file the Annual Comprehensive Financial Report and related communications from the City's external auditor for Fiscal Year 2022-23.

CONTACT

Juan Gomez, Finance Director

BACKGROUND & ANALYSIS

Annual Comprehensive Financial Report

After the conclusion of each fiscal year, an independent auditor (currently Richardson & Co.) reviews the reporting of the City's financial statements in accordance with industry accounting standards. The result is an "Annual Comprehensive Financial Report (ACFR)".

The City's Fiscal Year 2022-23 ACFR was finalized on December 28, 2023 (Attachment 1). It includes financial statements for the City of American Canyon and the American Canyon Fire Protection District. It also contains the independent auditor's report, which describes the scope of the audit as well as the auditor's opinion on the financial statements. For the Fiscal Year 2022-23 ACFR, the City received an "unmodified" opinion. An "unmodified" opinion is only issued when there are no significant reporting issues, the financial statements are free of material misstatements, and information is presented in accordance with Generally Accepted Accounting Principles (GAAP). This opinion indicates that the City's financial condition, position, and operations are fairly presented in the financial statements. This is important to financial statement users and provides comfort to the City's creditors, while enabling the City to obtain better interest rates on any new debt issuances.

The Fiscal Year 2022-23 ACFR includes an introductory section that profiles the City, discusses the local economy, recounts key projects, and details financial planning issues and future challenges, as well as other vital topics. Included in the report is the Certificate of Achievement for Excellence in Financial Reporting presented to the City by the Government Finance Officers Association for its prior year (Fiscal Year 2021-22). Staff has submitted the Fiscal Year 2022-23 ACFR for the same

award and expects to receive it in time for presentation in next year's ACFR.

The ACFR also includes a "Management Discussion and Analysis" section, which provides financial highlights, an overview of the financial statements, and compares key financial data to the prior year. The conclusion of the report details a variety of supplemental financial data, debt and demographical statistics. Also included are four related communications: "Management Letter", "Governance Letter", "Appropriation Limit Testing for the City", and "Appropriation Limit Testing for the Fire District". In these letters, the auditors identified no material deficiencies in internal controls. The "Management Letter" noted matters for consideration that staff will be working on implementing in the next ACFR.

Year-end Financial Reporting

The results of FY2023 operations showed General Fund revenues miss budgeted revenues by $97,590, however expenditures came under budget by $1,296,942. Revenues from property tax were less than anticipated due to new properties not making the January 1 property tax roll date but instead will be received in FY2024. Expenditures were less than anticipated due to numerous salary and benefits savings due to vacancies; and contractual services related to recreation and public works. Overall, after transfers in and transfers out, the General fund had a year-end surplus of $2,713,936. This was partially anticipated in the budget as a result of a sales tax recovery payment from a state audit, increased building permit revenues and less than anticipated expenditures, but results came in more favorable than expected.

Other major funds are the City's Enterprise funds. After transfers in and out, the water enterprise had a deficit of $747,963, the sewer enterprise a deficit of $849,326 and the recycled water enterprise a deficit of $633,140. Detailed information on all of the City's funds can be found in attachment 1 - City of American Canyon ACFR 2023.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Organizational Effectiveness: "Deliver exemplary government services."

FISCAL IMPACT

The cost of the audit was consistent with the approved contract amount and the recommended action will have no impact on the City's Fiscal Year 2023-24 Budget. A full discussion of the City's financial status starts on Page 4 of the Fiscal Year 2022-23 ACFR.

Implied in all City Council Goals, Objectives, and Work Programs is the fundamental principle that the City will follow the City Council's adopted Fiscal Policy and will exercise the utmost financial discipline and accountability. In accordance with the City's adopted Fiscal Policy and pursuant to Section 37208 of the Government Code, the City Manager is responsible for preparing an audited Comprehensive Financial Report each year.

ENVIRONMENTAL REVIEW

Not applicable.

ATTACHMENTS:

1. City of American Canyon Annual Comprehensive Financial Report FY 2022-23
2. City of American Canyon Management Letter FY 2022-23
3. City of American Canyon Governance Letter FY 2022-23
4. City of American Canyon City Appropriations Limit Report FY 2022-23
5. American Canyon Fire Protection District Appropriations Limit Report FY2022-23

CITY OF AMERICAN CANYON AND AMERICAN CANYON FIRE PROTECTION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2023



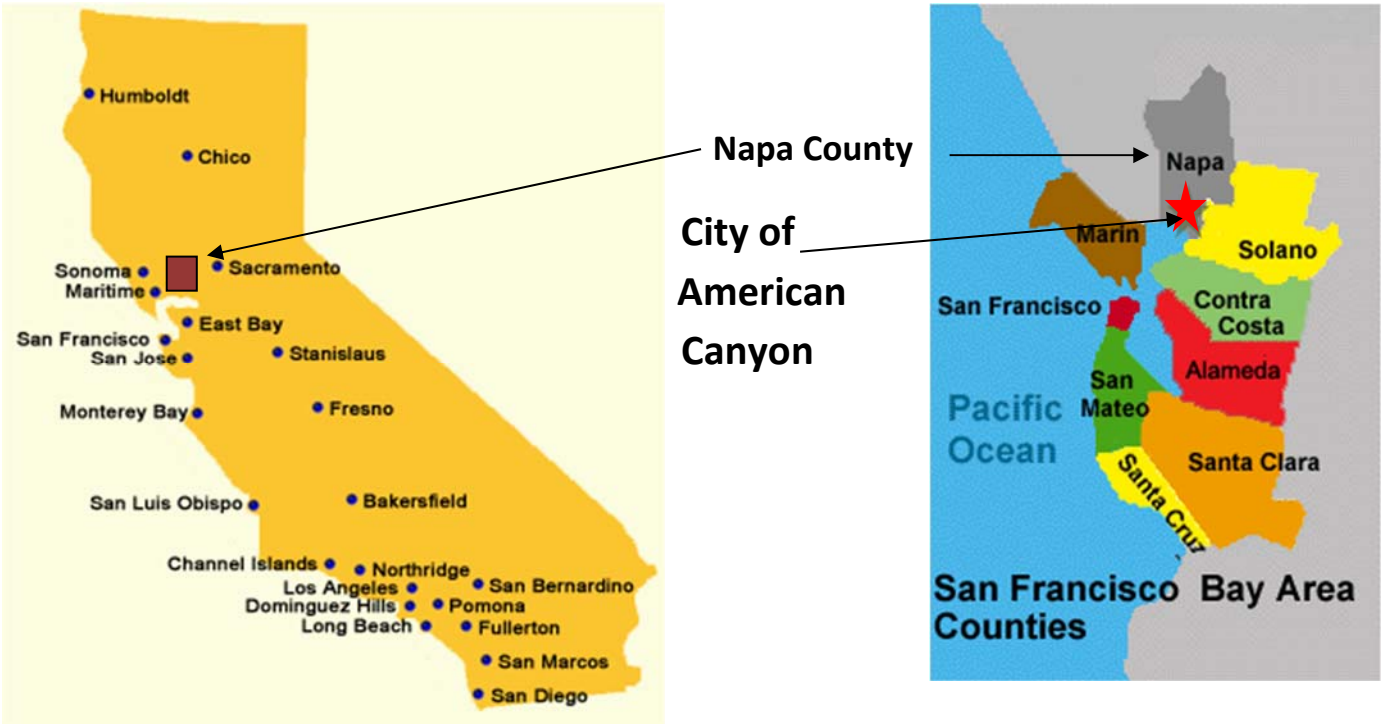
CITY OF AMERICAN CANYON

American Canyon, California

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American Canyon, California



CITY OF AMERICAN CANYON

AND

AMERICAN CANYON FIRE PROTECTION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the fiscal year ended June 30, 2023

Prepared by the Finance Department

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CITY OF AMERICAN CANYON

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023

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December 28, 2023

To the Honorable Mayor, Members of the City Council and Citizens of the City of American Canyon

We hereby submit the Annual Comprehensive Financial Report of the City of American Canyon for the fiscal year ended June 30, 2023. The fiscal year covers financial transactions from July 1, 2022 to June 30, 2023 on a modified or full accrual basis, depending on the fund type. The City follows a policy of preparing a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America after the end of each fiscal year. An independent licensed certified public accounting firm audits these financial statements.

City management assumes full responsibility for the completeness and reliability of all of the information presented in this report. The City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and provides sufficiently reliable information that the City of American Canyon's financial statements are in conformity with U.S. generally accepted accounting principles. The cost of internal controls should not out-weigh their benefits and the internal controls are designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. City management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Richardson and Co. LLP, a licensed certified public accounting firm, has audited the City of American Canyon's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of American Canyon, for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Richardson and Co. LLP has concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion ("clean" opinion) that the City of American Canyon's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with U.S. generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

Annual Comprehensive Financial Report (ACFR)

This ACFR contains financial information and data using the financial reporting format established for governments by the Governmental Accounting Standards Board (GASB). The GASB sets accounting and financial reporting standards for governments in the United States of America. The financial reporting standards require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Immediately following the report of the independent auditors, you will find the City of American Canyon's MD&A.

Profile of the City and its Operations

Incorporated on January 1, 1992, the City of American Canyon is the second largest city in Napa County. The City's population as of January 1, 2023 was estimated to be 21,338 by the California State Department of Finance. American Canyon is located at the Southern end of the Napa Valley wine growing region in close proximity to the San Francisco Bay. It is bounded by the Napa River and a 500-acre wetland preserve to the west, the foothills of the Sulphur Springs Mountain Range to the east, the City of Vallejo to the south, the Napa Airport and numerous vineyards to the north.

The City operates under a council-manager form of government and is a general law city. Policy making and legislative authority are vested in the City Council. There are four elected Council Members and one elected Mayor. The Vice Mayor is selected annually by the Council. The non-partisan Mayor and City Council members serve staggered four-year terms. The Council's responsibilities include passing ordinances, adopting the City budget, appointing committees, and hiring the City Manager, Fire Chief and City Attorney. The City Manager implements the policies and ordinances of the City Council, appoints department heads, oversees and maintains the daily operations of the City.

The City provides a full range of municipal services including police and fire protection services through the American Canyon Fire Protection District; construction and maintenance of City streets, storm drains, bridges and similar infrastructure type assets; park maintenance and community recreation activities; short and long-range community planning; operation of water, wastewater, and recycled water utilities; and more. The City operates its water, wastewater, and recycled water systems in a fashion similar to private businesses, which is termed business-type activities in the financial statements.

The City's annual budget serves as the foundation for the City of American Canyon's financial planning and control system. Every year, each City department submits requests for appropriations to the City Manager. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager then presents the proposed budget to the City Council's Finance Committee followed by a presentation to the City Council. The Council holds public hearings on the proposed budget and then ultimately adopts a formal budget. The budget is adopted by fund, function, and department. During the fiscal year the City Manager and Council periodically review the City's actual financial activity in relationship to the original budget, and as necessary, amends the original budget to reflect changing needs.

Factors affecting Financial Condition

The information presented in the financial statements is best understood when it is considered in context with the City's particular economic climate and with the City's plans for the future.

Napa Valley is considered by many to be North America's legendary wine, food, and wellness capital. The valley's vineyards are planted on gently rolling hills and are very picturesque. Their bucolic charm attracts large numbers of tourists. It is estimated that each year 5 million tourists visit more than 300 wineries scattered throughout the valley. The lodging, restaurants, wineries, and shopping located throughout the valley make tourism a major contributor to the local economy. The City of American Canyon, at the south end of Napa Valley, benefits from some tourism; however, these economic benefits are enjoyed much more by those cities in the north valley. In 2010 the City joined the Napa Valley Tourism Improvement District (NVTID) to increase tourism in American Canyon. The NVTID provides valley-wide as well as local tourist activity marketing and promotion.

In addition to the tourism related economic benefits of proximity to the Napa Valley, American Canyon benefits tremendously as a wine processing hub. Because of our strategic location at the southern end of Napa County and with easy access to state and interstate highways, American Canyon's industrial district

is home to millions of square feet of wine processing, bottling, storage, and distribution space. Demand for space in this area is very high, with very little vacancy and new development currently under review.

Coming out of the COVID-19 pandemic, the City like many other agencies throughout California has seen a healthy rebound in sales tax revenues, fueled by consumer spending on goods, services and leisure activities as well as increased property tax revenues. Property tax revenues continue to rise above the traditional Prop 13 increases due to the development of new housing on the east side of town. Two new subdivisions are underway with new homes selling each month. Currently scheduled for completion in Spring 2024 is a fourth hotel in the city, two additional hotels are scheduled to be constructed in the next few years, further contributing to TOT revenues. The outlook currently remains stable in American Canyon due to the factors mentioned above, however greater economic variables like higher mortgage rates and inflationary pressures can impact sales and property taxes.

The passing of the American Rescue Plan Act (ARPA) of 2021 provided $350 billion in additional funding to state and local governments. The City received $4.9 million in ARPA funds, and utilized the funds to improve infrastructure and parks. Street, pedestrian and bike safety improvements were completed in 2023, and a new skate park is scheduled for completion in Spring 2024. A major paving and utility improvement project is scheduled to commence in FY 2024-25 utilizing ARPA funding.

The City and employee bargaining units completed new Memorandum of Understanding's (MOU's) in 2022 for five years terms after a one-year extension to the previous MOUs. The new MOUs will have continued impact on salaries and benefits in the coming years, however it allows the City to remain competitive in the job market as unemployment remains at historical lows at the local and state levels.

Approximately 48% of general fund revenue received is from property taxes and are critical in supporting the cost of essential services provided by the City. For FY 2022-23 the City budgeted a 4.3% increase in property taxes but actuals came in at a 2% increase. This was attributed to a lower number of new construction properties placed on the January 1, 2022 tax roll than was anticipated. There are two new subdivisions underway and many of these new homes became occupied after the January 1 date and will be reflected in FY 2023-24 revenue. Property tax is projected to increase an additional 6.8% in the FY 2023-24 as reported by the Napa County Assessor's Office which includes new construction properties and a maximum allowable 2% CPI adjustment on existing homes. American Canyon home values have had a median increase in value of 5.5% in 2023 on top of the 2022 increase of 10.24%, with the median home value now at $670,000. With developable land selling and construction continuing throughout the City, further increases in assessed valuation and property tax revenues are expected in the next couple of years. New construction will also mean an increase in plan review and building permit revenue. City finance staff continues to monitor recent interest rate increases which could result in downward pressures to selling prices and reduced transactions as buyers get priced out. The home mortgage market will continue to see prolonged high interest rates as long as inflation remains high, with the Federal Reserve signaling more hikes could follow until inflation subsides to their target rate of 2%.

The City's Transient Occupancy Tax (TOT) rate is 12%. TOT revenues for FY 2022-23 decreased 4% from last year to $1.57 million as a result of a decrease in leisure travel and discretionary spending as higher inflation rates stressed household budgets. For FY 2023-24, we have projected minimal growth in existing properties but with the addition of the fourth hotel, FY 2023-24 revenues are budgeted at $1.9 million. We expect that American Canyon will continue to benefit from tourism in the Napa Valley and anticipate an increase in leisure spending if inflation continues to cool. We also expect additional hotel rooms currently under construction in American Canyon now and in the next three years will bring additional TOT revenue.

Sales tax revenues came in 90% higher in FY 2022-23 compared to last year at $5.9 million. This was due in large part to a favorable audit determination from the State allocating revenues to the City instead of the County

pools, the total amount of recovered and new revenues was $2.8 million. However, because this includes one-time recovery revenue from previous years misallocations, we expect FY 2023-24 revenues to decrease and be more in line with historical growth, with an expected amount of $4.5 million.

Staff will continue to closely monitor and review updated economic forecasts for any new developments that may positively or negatively affect the City's budget.

Capital Improvement Program

The City of American Canyon's capital improvement program is a long-range program for major municipal construction projects. Key projects currently in progress include:

- ✓ Knightsbridge Way Reconstruction and Water Main Improvements – The City is undertaking a project to replace the 8" water main on Knightsbridge Way between Danrose Drive and Elliott Drive, including all the courts: Regent Court, Park Lane, Lansford Court, Arden Court, and Linwood Lane. To maximize efficiency, once the underground work is complete, this project will also include the installation of ADA ramps, the road reconstruction of Knightsbridge Way, and a two-layer pavement treatment on the courts. It is anticipated that this project will advertise for construction in spring 2024 with anticipated construction completion in fall 2024.

- ✓ Green Island Road Reconstruction – The Green Island Road Reconstruction & Widening Project will bring much-needed infrastructure improvements to the Green Island Industrial District. The upgrades will significantly benefit the businesses within the district, which are a vital component of the City's economy. Established in 2019, the Green Island Road Community Facilities District will provide a significant portion of the funding for the project. In 2023, construction began on the undergrounding of existing overhead utilities with completion scheduled for spring 2024. The construction contract was subsequently awarded to St. Francis Electric and work is anticipated to be completed in mid-2023. The final phases of the project—road reconstruction and Class I multi-use trail construction—will be advertised for bids in 2024, with estimated project completion in 2024.

- ✓ Pavement Rehabilitation Projects – Road Repair and Accountability Act (also known as SB1) and Measure T, (the half cent Napa Valley County Sales Tax for Road Repairs) funds will be used to repair/rehabilitate various streets in American Canyon on an annual basis. The streets selected are based on our pavement management program, considering public safety, underground utility needs, and available funding.

- ✓ Rancho Del Mar Paving and Utility Improvements – The Rancho Del Mar Subdivision is the oldest subdivision in American Canyon. In 2022, City Council prioritized federal American Rescue Plan Act (ARPA) funding to rehabilitate water and sewer utilities, provide for different pavement treatments including full reconstruction to local streets, upgrade curb ramps to ADA compliance, and implement thermoplastic striping and pavement markings. Streets included in this work are Rio Del Mar from Highway 29 to Carolyn Drive, all of Los Altos Place east of Carolyn Drive, Cassayre Drive, Flamingo Court, Del Rio Court, Alta Loma Drive, Joan Drive from Carolyn Drive to Los Altos Place, and Carolyn Drive from Rio Del Mar to Los Altos Place. Design began in 2023 with construction anticipated in 2024.

New Development

Key development projects include:

- ✓ Broadway District Specific Plan – The Broadway District is the heart of American Canyon. The Broadway District Specific Plan (BDSP) is transforming Broadway into a livable, mixed-use, small-town neighborhood with quality development. The Broadway District Specific Plan was updated in 2021. Development projects in the BDSP include the following:

- o Home2Suites Hotel - A new 102-room Home2Suites hotel is under construction.
- o Hampton Inn Hotel - A new 112-room Hampton Inn hotel construction is anticipated to begin in 2024.
- o Napa Cove - A 66-unit affordable apartment project is nearing completion in early 2024.
- o Circle K - A Convenience store and gas station opened its doors to customers in February 2023.
- o Residences at Napa Junction - A 435-unit apartment project is under review.
- o Crawford/Broadway Townhomes - A 100-unit apartment townhome project is under review.
- o Chicken Guy Restaurant - A quick serve restaurant with a drive-thru service construction is anticipated to begin in 2024.
- o Sun Square - A mixed use residential/commercial project of 20 apartments located on Napa Junction Road was approved in April 2023.

✓ Watson Ranch – The 300-acre Watson Ranch Specific Plan (WRSP) includes a new hotel, 1,253 residential units, parks, and other amenities. Development projects in the WRSP include the following:

- o Watson Ranch Specific Plan Update – An update to the Watson Ranch Specific Plan was approved in September 2023.
- o Artisan at Watson Ranch - 98 single-family homes are available for sale today.
- o Harvest at Watson Ranch - 219-unit single family homes are available for sale today.
- o Lemos Pointe - A 186-unit affordable rental community is nearing completion in early 2024.
- o The Hotel at the Napa Valley Ruins & Gardens - A 200-room resort hotel and 30 townhomes and flats were approved in January 2023.
- o Napa Valley Ruins and Gardens (NVRG) Quarry Lake and Fig Tree Amphitheaters – Two outdoor amphitheaters were approved in May 2023.
- o Promontory at Watson Ranch - 216 single family homes with Accessory Dwelling Unit (ADU) options were approved in August 2023.

✓ Napa Logistics Park - The Napa Logistics Park is nearing buildout with completion of a 200,000 SF Amazon Distribution Center in September 2021 (Building 3). Building 4, a 700,000 SF warehouse was completed March 2021. A Pacific Gas and Electric (PG&E) 100,000 SF Regional Maintenance facility is nearing completion in early 2024.

✓ Commerce Court - A 330,000 SF wine warehouse at 1005 Commerce Court on 15.24 acres was completed October 2020. A 217,000 SF wine warehouse at 1075 Commerce Court on 10.35 acres began construction in 2023. A 220,000 square foot wine warehouse at 1055 Commerce Court on 10.17 acres is under review.

✓ Giovannoni Logistics Center – A 2.4 million SF high cube wine warehouse business park on 208-acres, north of Green Island Road was approved in March 2023.

✓ Canyon Estates – A 35-single family large lot subdivision of custom homes is under construction. Custom home lot sales are ongoing.

✓ Oat Hill Residential – A 291-unit, 20-acre multifamily development on the east side of Oat Hill is under construction.

✓ Bell Products - A new business headquarters for Bell Products in the Green Island Industrial Park was approved in May 2023.

- ✓ Green Island Solar Farm - A solar farm with associated RV storage proposed on Highway 29, north of Green Island Road was approved in July 2023.

- ✓ Paintball Jungle – The commercial recreational paintball business received a Conditional Use Permit approval in November 2023.

- ✓ Ecological Center - An exciting project to transform the Wetlands Edge Corporation Yard into an Ecological Education Center through a partnership between the American Community & Canyon Foundation and the City of American Canyon was approved in December 2023.

Paoli/Watson Lane Annexation

The City is preparing an annexation application on 85 acres at the City's northeast boundary. The annexation area would facilitate construction of Newell Road from its terminus in Watson Ranch to Highway 29. The Watson Lane residential area would remain in its current development pattern. Vacant land in the northern half of the annexation area could be considered for urban uses following annexation. An Environmental Impact Report that evaluates the project was certified, the General Plan was amended, and Pre-Zoning First Reading was approved in November 2023. The Pre-Zoning final reading is pending a conformance determination by the Napa County Airport Land Use Commission anticipated in early 2024.

General Plan Update

The City is preparing a comprehensive technical General Plan Update (GPU) for the first time since 1994. The General Plan is American Canyon's long-term blueprint for development of the City and land outside its boundaries that bears relation to its planning. The GPU will ensure all components of the General Plan are internally consistent and current with State Law. An Environmental Impact Report that evaluates the GPU will be released for public review in early 2024.

The Housing Element component of the General Plan was approved in January 2023. The State Department of Housing and Community Development (HCD) certified the Housing Element in May 2023.

Water Supply

The critical droughts from 2020-2022 brought to the forefront the City's need to continue to seek out permanent, reliable water sources to serve its residents and businesses. The City receives nearly all of its water from the Department of Water Resources' (DWR) State Water Project (SWP). Generally, this "raw water" is treated at the City's Water Treatment Plant (WTP) and then distributed to residents and businesses in the City's Water Service Area (which is larger than the City limits proper). The City also maintains connections with the Cities of Napa and Vallejo, who are able to provide treated water supplies if necessary. The City's Urban Water Management Plan demonstrates that the City has sufficient water to meet projected needs in the next 20 years. However, the City could benefit from a greater variety of water sources, better water quality, and less expensive water sources. As such, the City is pursuing several important options, including participation in new, regional surface water projects and potable re-use of recycled water from our Water Reclamation Facility. In recent years, the City has invested heavily in maximizing both the water quality and quantity of recycled water produced at the Water Reclamation Facility. The City has been successful in reducing demand for potable water by as much as 21-acre feet per year through conversion of potable water, uses for irrigation to recycled water and permanent changes to landscape and irrigation techniques.

In 2017, the City joined as a member of the Sites Reservoir Project. The Sites Project is a new proposed "off-stream" water storage reservoir that would hold approximately 1.8 million-acre feet. In fiscal year 2023-24, the City will continue to participate on the project team that is pursuing funding and ultimately, construction of this new water supply project. The City's share of the Sites Reservoir Project is 4,000-acre feet per year.

In May 2018, the City Council authorized new water rates beginning January 2019. The water rates will increase in each of the subsequent five years, with the last increase implemented January 2023. The City will no longer collect a drought surcharge of two dollars per unit. The rate increases are required to meet operational requirements, construct improvements to existing aging infrastructure, and to establish funding necessary to pay for additional water purchases. City staff is working on developing a new rate structure in fiscal year 2023-24, that will focus on all three of the City's enterprise funds and anticipates having updated rates take effect in May 2024.

Cash Resources

The cash and investments held by the City are sufficient to move forward into the new fiscal year, conduct operations, and embark upon the planned capital asset improvement programs. Please see Note C – Cash and Investments beginning on page 38 of the ACFR.

Risk Management

The City limits its exposure to losses from unfavorable events, employee injuries, and from the risk of damages to City property by participating with other governments in an insurance pool wherein the risk of substantial monetary loss is transferred from the City to the insurance pool. Further information about this arrangement is included in the notes to the financial statements.

Long-Term Debt Administration

In accordance with the City's fiscal policy, the issuance of long-term debt is limited to capital improvements or projects that cannot be financed from current revenues or resources. The City may issue general obligation bonds, revenue bonds, certificates of participation or anticipation notes. The payback period of the debt is limited to the estimated useful life of the capital project or improvement. All debt service payments were made as required during the fiscal year, and the City complied with all required reserves and debt service covenants.

Postemployment Benefits

The City directly participates in the Public Employees Retirement System (PERS) of the State of California for all full-time employees. The City plans to fund each year's required contribution for its regular and public safety plans based on rates calculated by PERS after analyzing the city's workforce. With respect to retiree health care costs, the City's practice has been to pay the same premium for retired employees' health care as it does for active employees. The City continues to fund its actuarially determined contribution (ADC) each year, ensuring the long-term sustainability of this benefit. The City and Fire District have entered into irrevocable trusts with PERS to fund retiree health benefits. Additional information about the City's pension and other post-employment benefits plans are included in notes J and K to the financial statements and the required supplementary information section of this report. In 2017, the City negotiated with employee bargaining units a reduction in post-employment medical insurance benefits for future employees as they retire, which resulted in a decrease in long-term liability.

Awards

The City was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for its comprehensive annual financial report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial report. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. In our opinion, the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the GFOA to determine its eligibility for recognition.

Acknowledgements

The preparation of this report would not have been possible without the capable and dedicated services of the Finance Department. Thanks to all City departments for their assistance in providing the data necessary to prepare this report. The Mayor and City Council also warrant special recognition for their

continued support, leadership and high expectations for professionalism in overseeing the City of American Canyon's financial affairs.

Respectfully Submitted,



Jason B. Holley
City Manager



Juan Gomez
Finance Director/Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of American Canyon
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

CITY OF AMERICAN CANYON

PRINCIPAL OFFICIALS

YEAR ENDED JUNE 30, 2023

CITY COUNCIL

Mayor ..... Leon Garcia

Vice Mayor..... Pierre Washington

Council Member ..... Mark Joseph

Council Member ..... David Oro

Council Member ..... Mariam Aboudamous

ADMINISTRATIVE PERSONNEL

City Manager ..... Jason Holley

Assistant City Manager ..... Maria Ojeda

City Clerk ..... Taresa Geilfuss

Police Chief ..... Rick Greenberg

Fire Chief ..... Geoff Belyea

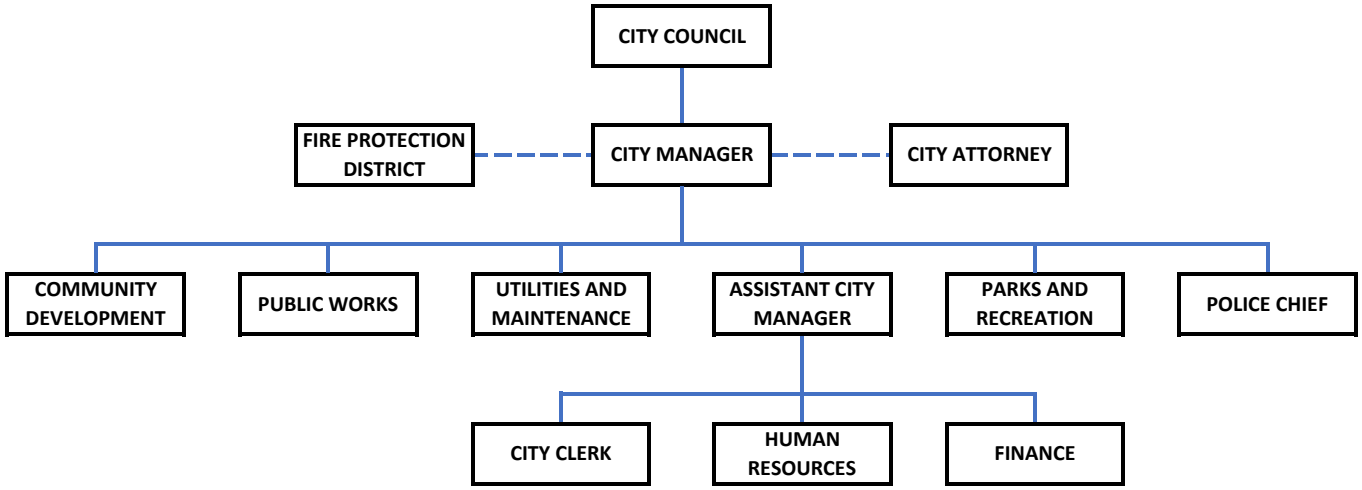
City Attorney ..... William Ross

Finance Director..... Juan Gomez

Public Works Director..... Erica Ahmann-Smithies

Community Services Director ..... Brent Cooper

Parks and Recreation Director..... Alexandra Ikeda


CITY COUNCIL
FIRE PROTECTION DISTRICT
CITY MANAGER
CITY ATTORNEY
COMMUNITY DEVELOPMENT
PUBLIC WORKS
UTILITIES AND MAINTENANCE
ASSISTANT CITY MANAGER
PARKS AND RECREATION
POLICE CHIEF
CITY CLERK
HUMAN RESOURCES
FINANCE

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of American Canyon, California

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of American Canyon, California (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of American Canyon, California's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of American Canyon, California, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison schedules, schedules of the proportionate share of the net pension liability, schedules of contributions to the pension plan, schedules of changes in the net OPEB liability and related ratios and schedules of employer contributions to the OPEB plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the

information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Richardson & Company, LLP

December 28, 2023

This section of the *City of American Canyon's* annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the City's audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by about $2.8 million over the course of this year's operations after conducting all City operations and programs. The Citywide Statement of Activities reports a $5.1 million increase in net position for Governmental Activities using full accrual accounting and a decrease of $2.3 million in Business-type Activities. The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by $377.4 million at the end of fiscal year 2022-23. The Citywide Statement of Net Position reports that $308.7 million is related to Governmental Activities and $68.7 million is related to Business-type Activities. Of that amount, $21 million (the unrestricted net position) may be used to meet the City's ongoing obligations and operating expenses for the next fiscal year.

- Governmental Funds reported combined fund balances of $47.7 million at June 30, 2023, an increase of $5.4 million compared to the prior year. Of these fund balances, $0.5 million is non-spendable, $30.3 million is restricted, $9.3 million is committed, $4.9 million is assigned, and $2.7 million is unassigned.

- Overall, city-wide revenues from all governmental and business-type activities were $57.0 million, an increase of about $4.8 million compared to the prior year. This amount includes $0.9 million from capital grants and contributions for Governmental Activities and $0.6 million from Business-type Activities.

- The City's total expense for all programs in fiscal year 2022-23 was $54.2 million, an increase of $6.9 million compared to the prior year.

- The General Fund ended fiscal year 2022-23 with a fund balance of $15.3 million, an increase of $2.7 million compared to the prior year of which $4.7 million was unassigned. The Fire District Operations Fund ended fiscal year 2022-23 with a $5.8 million fund balance, an increase of $0.1 million compared to the prior year. The CDBG, Cal Home and HOME Loan Development Special Revenue Fund ended fiscal year 2022-23 with a fund balance of $0.1 million an increase of $0.1 million from last year. The State and Federal Grants - City Special Revenue Fund ended fiscal year 2022-23 near even, an increase of $0.7 million compared to the prior year. The Affordable Housing Capital Projects Fund ended fiscal year 2022-23 with a fund balance of $0.3 million, which is unchanged compared to the prior year. Other Governmental Funds reported a cumulative fund balance of $24.9 million available for special purposes, primarily infrastructure and capital asset additions.

- The City ended fiscal year 2022-23 with $22.8 million of available net position in its enterprise funds consisting of restricted and unrestricted net position. This is a decrease of $2.3 million from the prior fiscal year. Internal Service Funds ended fiscal year 2022-23 with a cumulative unrestricted fund balance of $0.6 million a decrease of $0.1 million compared to the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – a *management's discussion and analysis* (this section), the *basic financial statements, required supplementary information,* and an optional section that presents *combining statements* for non-major governmental funds and proprietary funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's *overall* financial status.

- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services such as public safety, community development, parks and recreation, public works and streets were financed in the *short term* as well as what remains for future spending.

  - *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government *operates like businesses*, such as the City's water, wastewater and recycled water systems.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our non-major funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

Major Features of City of American Canyon's Government-Wide and Fund Financial Statements

		Fund Statements	
	Government-Wide Statements	**Governmental Funds**	**Proprietary Funds**
Scope	Entire City government	The activities of the City that are not proprietary or fiduciary, such as police, fire, streets, general government, and community services	Activities the City operates similar to private businesses: the water, wastewater, and recycled water funds and internal service funds
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the City's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's *net position* and how it has changed. The difference between the City's assets and liabilities is one way to measure the City's financial health or *position*.

- Over time, an increase or decrease in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

  The government-wide financial statements of the City are reported in two categories:

  - *Governmental activities* – All of the City's basic services are included here, such as general government, police, fire, community development, parks and recreation, and public works. Property taxes, sales taxes, transient occupancy taxes, special and other taxes, user charges and fees, and state, local and federal grants finance these activities.

  - *Business*-Type activities - The City charges fees to customers to help cover the costs of certain services. The City's water, wastewater, and recycled water enterprises are reported here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- The City's major funds, including the *General Fund; Fire District Operations; CDBG, CalHome and HOME Loan Development; State and Federal Grants – City; City Capital Projects; and Affordable Housing;* are reported in separate columns, and all other governmental funds are aggregated in a single column.

- The City establishes other funds to control and manage money for particular purposes. Some funds are maintained to demonstrate that the City is properly using certain specific fees for their intended purpose (such as the City's impact fee funds).

- Other funds are maintained for similar purposes but also demonstrate the City's ability to repay its long-term debt obligations, such as bonds.

The City has three kinds of funds:

Governmental funds – The City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term view* that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds' statement, or on the subsequent page, that explains the relationship (or differences) between them.

Proprietary funds – There are two different types of proprietary funds. *Enterprise funds* are used to report the same functions reported as business-type activities in the government-wide financial statements: the City's Water, Wastewater, and Recycled Water Operations. *Internal service funds* are

an accounting device used to accumulate and allocate costs internally. During the 2015 fiscal year, the City created internal service funds. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The proprietary fund statements provide separate information for the City's Water, Wastewater, and Recycled Water Operations, which are considered major funds of the City.

Fiduciary funds - These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of American Canyon's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

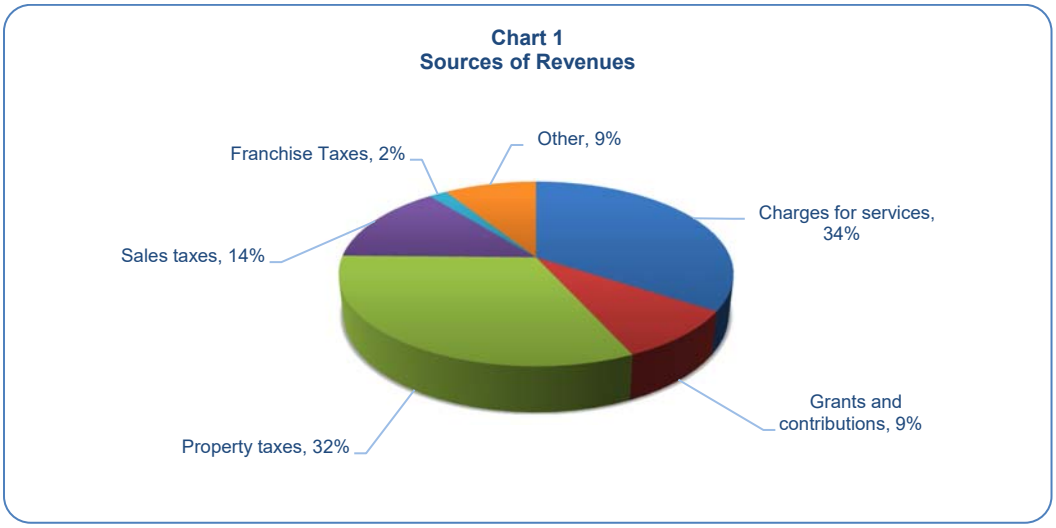
Net Position. As summarized in Table A-1 below, the City's *combined* net position increased $2.8 million between fiscal years 2022 and 2023.

Table A-1
City of American Canyon's Net Position
(in millions of dollars)

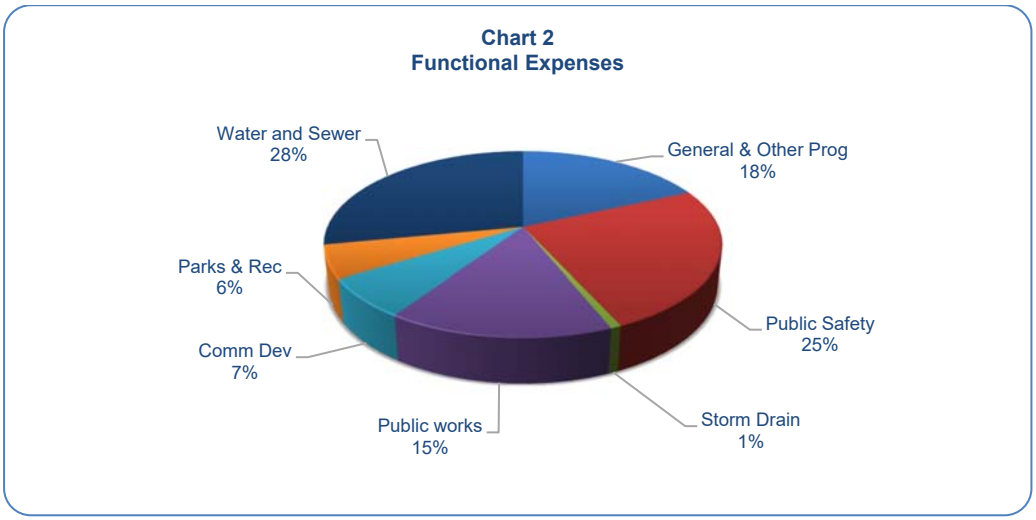
	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2022	2023	2022	2023	2022	2023	2022-23
Current and other assets	59.9	65.2	29.1	26.3	89.0	91.5	2.8%
Capital assets	275.2	275.8	51.8	50.3	327.0	326.1	-0.3%
Total assets	**335.1**	**341.0**	**80.9**	**76.6**	**416.0**	**417.6**	**0.4%**
Deferred Outflow of Resources	6.5	12.4	1.5	2.4	8.0	14.7	83.8%
					-		
Long-term debt outstanding	22.3	34.8	8.3	9.2	30.6	44.0	43.8%
Other liabilities	7.3	7.6	1.7	0.7	9.0	8.3	-8.9%
Total liabilities	**29.6**	**42.4**	**10.0**	**9.9**	**39.6**	**52.3**	**31.8%**
Deferred Inflows of Resources	8.4	2.3	1.4	0.3	9.8	2.6	-73.5%
Net investment in capital assets	269.2	267.0	46.0	45.9	315.2	312.9	-0.7%
Restricted	34.1	36.9	6.7	6.9	40.8	43.8	7.4%
Unrestricted	0.3	4.8	18.3	15.9	18.6	20.7	11.3%
Total net position	**303.6**	**308.7**	**71.0**	**68.7**	**374.6**	**377.4**	**0.7%**

The net position of the City's governmental and business-type activities increased 0.7% to $377.4 million. The increase was primarily due to an increase in Grants and Contributions from COVID-19 pandemic relief. Approximately 83% of the City's net position is invested in capital assets such as buildings, land, equipment and facilities. The remaining 17% of net position is represented by restricted and unrestricted net position. Notable receivables are the $2.8 million in Taxes and $3.7 million from Utilities. Intergovernmental Receivables of $0.5 million grant funding for CIP, COPS funding, and other minor receivables. About 84.3% of the City's total liabilities are represented by long-term obligations

including pension liabilities, lease revenue bonds, capital leases and loans from the State of California. A more detailed list of long-term liabilities is found in Note G – Long-Term Liabilities on pages 52-56.



Changes in net position. The City's major sources of revenue and functional expenses are presented in charts 1 and 2. As summarized in Table A-2 on page 10, revenues for fiscal year 2022-23 totaled $57.0 million, an increase of $4.8 million or 9.2% from the prior year. The primary source of discretionary revenue for the City's General Fund is property tax revenue which totaled $18.2 million or 32% of total revenues for the year and increased by 5.2% over fiscal year 2021-22 due to continued increases in home values and the addition of new properties to the tax roll as they become occupied. Sales tax revenue increased by $2.9 million or 58% to $7.9 million in fiscal year 2022-23, due to a favorable State audit that determined sales tax revenues should have been allocated to the City instead of the County pools. These additional revenues included retroactive allocations and are one-time revenue recoveries. For the 2023-24 fiscal year we have budgeted sales tax revenues to increase from normal levels, excluding this one-time recovery. Approximately $15.6 million or 27% of all City revenues were generated from water, wastewater, and recycled water service fees and other revenue.



The total cost for all programs and services in fiscal year 2022-23 was $54.2 million which includes a wide range of services such as public safety, public works, community development, parks and recreation programs, storm drain, water and wastewater treatment plants and related distribution and collection systems. Major types of expenditures by function are shown in Chart 2. As summarized in Table A-2, for fiscal year 2022-23, expenses increased by $6.9 million or 14.6%. In this fiscal year, the

General Government expenses increased by $3.3 million, a 50.8% increase from the prior year largely due to $1.8 million disposition of assets resulting from the removal of assets from the construction in progress account, projects were determined to be completed, cancelled and did not meet the capitalization threshold. Other factors included increases in insurance costs, wages and benefits as vacancies were filled, and legal expenses. Water, Wastewater and Recycled Water expenses were $1.7 million higher compared to prior year at $15.2 million. This increase is mainly the result of increased costs for producing water, equipment purchases and system repair and maintenance.

The City's largest operating expense was public safety services and utility services. The City's cost to provide police and fire protection services was $13.5 million or 25% of the City's total operating expenses. Water and sewer service expenses were collectively $14.6 million or 26.9% of total expenses. Public Works and Storm Drain departments accounted for 15.5% of expenses, Community Development 6.8%, and Parks and Recreation 5.7%. The remaining 20.1% was expended on general City administration and other programs.

When all operations were concluded, governmental activities created a $5.1 million increase in net position and business-type activities created a $2.3 million decrease.

Table A-2
Changes in the City of American Canyon's Net Position
(in millions of dollars)

	Governmental Activities		Business Type Activities		Total		Total Percentage Change
	2022	2023	2022	2023	2022	2023	2022-23
Revenues							
Program revenues							
Charges for services	5.7	7.3	13.7	13.7	19.4	21.0	8.2%
Grants and contributions - operating	4.7	2.0	0.2	0.3	5.0	2.3	-54.0%
Grants and contributions - capital	1.2	0.9	1.8	0.6	3.0	1.5	-50.0%
General revenues							
Property taxes	17.3	18.2	-	-	17.3	18.2	5.2%
Franchise taxes	0.8	1.0	-	-	0.8	1.0	25.0%
Sales taxes	5.0	7.9	-	-	5.0	7.9	58.0%
Other	1.7	4.1	-	1.0	1.7	5.1	200.0%
Total revenues	**36.4**	**41.4**	**15.7**	**15.6**	**52.2**	**57.0**	**9.2%**
Expenses							
General government	6.5	9.8	-	-	6.5	9.8	50.8%
Public Safety	15.2	13.5	-	-	15.2	13.5	-11.2%
Public works	6.5	8.4	-	-	6.5	8.4	29.2%
Community Development	2.2	3.7	-	-	2.2	3.7	68.2%
Parks and Recreation	2.7	3.1	-	-	2.7	3.1	14.8%
Storm Drain	0.4	0.4	-	-	0.4	0.4	0.0%
Water	-	-	8.3	9.0	8.3	9.0	9.6%
Wastewater	-	-	4.9	5.6	4.9	5.6	12.2%
Other	0.3	0.1	0.3	0.6	0.6	0.7	16.7%
Total expenses	**33.8**	**39.0**	**13.5**	**15.2**	**47.3**	**54.2**	**14.6%**
Excess (deficiency) before transfers	2.6	2.4	2.2	0.4	4.9	2.8	-42.9%
Transfers	2.2	2.7	(2.2)	(2.7)	-	-	0.0%
Increase(decrease) in net position	4.8	5.1	-	(2.3)	4.9	2.8	-42.9%
Net position, beginning	298.8	303.6	71.0	71.0	369.8	374.6	1.3%
Net position, ending	**303.6**	**308.7**	**71.0**	**68.7**	**374.6**	**377.4**	**0.7%**

City Program Costs

Table A-3 presents the cost of each of the City's six largest programs: Public Safety, Public Works, Parks and Recreation, Water, Wastewater, and Community Development.

Table A-3
Cost of City of American Canyon's Programs
(in millions of dollars)

	Total Cost of Services		Percentage Change
	2022	2023	2022-23
Public Safety	15.2	13.5	-11.2%
Public Works (includes Storm drain)	6.9	8.8	27.5%
Community Development	2.2	3.7	68.2%
Parks and Recreation	2.7	3.1	14.8%
Water	8.3	9.0	9.6%
Wastewater	4.9	5.6	12.2%
Recycled Water	0.3	0.6	100.0%
All other	6.8	9.9	45.6%
Total	**47.3**	**54.2**	**14.6%**

The cost of all programs this year was $54.2 million, an increase of $6.9 million, or 14.6% compared with the prior year. Public safety decreased 11.2% or $1.6 million as a result of an insurance recovery that was previously paid and offset expenses. Public Works increased 27.5% or $1.9 million as a result of clearing out projects from the Construction in Progress account, projects have been completed, did not meet capitalization threshold or cancelled therefore have been expensed. Community Development increased 68.2% or $1.5 million associated with increased services by contract permit and building inspections which is offset with increased revenues. Expenses this fiscal year also include professional services associated with the annexation process for land in the northeast part of the City.

Governmental Activities

As detailed on the Statement of Activities, the City’s governmental program expenses totaled $39.0 million during the year. Program revenues, including grants, totaled $10.2 million leaving the City to fund the balance of $28.8 million with general revenues. Program revenues decreased by $1.4 million, while expenditures increased by $5.2 million over the prior year. The increase in the Program Revenues was due to increased building permit revenues as mentioned earlier as a result of increased development activity partially offset by decreased recreation program revenue compared to the prior year.

Business-Type Activities

At 2022-23 fiscal year-end, the net position for the City’s enterprise funds or business-type activities, the City’s Water, Wastewater, and Recycled Water funds, decreased $2.3 million from the prior year, charges for services remained the same compared to the prior year. Business-type revenues remained the same overall compared to FY 2021-22. Water fund expenses increased by $0.7 million or 9.6% compared to fiscal year 2021-22 and was primarily from increases in the cost of water purchases from the Norh Bay Aqueduct and City of Vallejo, as well as overall increases in wages and benefits for employees based on bargaining unit agreements. Wastewater fund expenses increased $0.7 million to $5.6 million, primarily due to the purchase of new equipment including a Vactor truck. An Enterprise Rate Study is currently underway and scheduled for presentation to the City Council in early 2024 for the establishment of updated water, wastewater and recycled water rates.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At the end of fiscal year 2022-23, the City's governmental funds had a combined fund balance of $47.7 million, about $5.4 million more than the prior year. This can be attributed to public works activities for related to impact fees and capital improvement special revenue sources, which added $1.7 million of restricted fund balance in 2022-23; and the General Fund's better than expected performance, due in part to sales tax revenue recovery for a total General fund contribution of $2.4 million. The Fire District Operations fund balance increased by $0.1 million or 2.0% as a result of fiscal year 2022-23 operations.

The City's Cash and Investment accounts increased by $6.5 million compared to the prior year, totaling $84.3 million at fiscal year-end. The City's Restricted Cash and Investments totaled $7.4 million of that balance. Fiduciary Funds comprised another $8.8 million of that balance. The Water and Wastewater enterprise funds ended the year with $23.7 million in cash and investments available for future use, of which $6.9 million is restricted.

The City's General Fund had a surplus of revenues over expenditures of $0.3 million before other financing sources. General Fund Property Taxes increased by $0.3 million, Sales Taxes increased by $2.8 million, Other Taxes increased $0.1 million. Charges for Services increased by $0.5 million compared to the prior year. The City's General Fund Expenditures increased by $3.1 million to $25.4 million mostly due to increase in supplies and services ($1.5 million), salary and benefits costs as vacant positions became filled and wage adjustments based on employee contracts ($0.7 million); and contract police services with the Napa County Sheriff's Office ($0.5 million). The Transfers out to Other Funds increased by $0.7 million compared to the prior year due to a $0.7 million transfer to the Capital Projects Fund for the Corporation Yard Relocation Project. After including inter-fund transfers, the General Fund ended the fiscal year with an excess of $2.7 million.

The City's non-major governmental funds ended the fiscal year with a consolidated fund balance of $24.9 million. This entire fund balance amount is restricted with externally enforceable legal restrictions.

General Fund Budgetary Highlights

Over the course of the year, the City Council amended the City budget to fund new projects, avoid cost overruns, to account for unanticipated revenues. Additionally, adjustments were made as a result of the mid-year budget review. At year-end, including all adjustments, actual General Fund expenditures, were $1.3 million less than final budget amounts. Salary and benefit savings were the largest item $0.3M followed by legal and professional services $0.3M.

The General Fund's fund balance increased by $2.7 million from June 30, 2022 to June 30, 2023. The General Fund's primary source of discretionary revenue is property taxes which totaled $12.4 million or 48.2% of total revenues for the year and increased by 2.4% over the prior year. This was under budget $0.2 million. Non-property taxes came in at budget and Charges for Services were $0.1 million more than the final budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the City had invested $326.0 million (net of accumulated depreciation) in a broad range of capital assets, including land, vehicles, equipment, the water, wastewater, and recycled water systems, streets, and other capital assets (see Table A-4). This amount represents a net decrease, after additions and deductions, of about $0.9 million or -0.3% compared to the prior fiscal year. Additional information can be found in the notes to the financial statements, Note F – Capital Assets pages 48-51.

Table A-4
City of American Canyon's Capital Assets
(net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2022	2023	2022	2023	2022	2023	2022-23
Land	10.2	10.2	2.2	2.2	12.4	12.4	0.0%
Construction in progress	12.7	8.8	8.9	4.2	21.6	13.0	-39.8%
Right of Ways	165.2	165.2	-	-	165.2	165.2	0.0%
Buildings and Improvements	26.9	26.5	2.9	7.6	29.8	34.1	14.4%
Machinery and Equipment	2.3	1.9	0.8	1.3	3.1	3.2	-3.0%
Water utility system			17.8	16.7	17.8	16.7	-6.2%
Wastewater system			15.6	14.9	15.6	14.9	-3.9%
Recycled water System			3.6	3.4	3.6	3.4	-5.6%
Infrastructure system	57.7	61.9			57.4	61.9	7.8%
Leased Vehicles	0.2	1.1			0.2	1.0	500.0%
Subscription Technology		0.2				0.3	100.0%
Total	**275.2**	**275.8**	**51.8**	**50.3**	**327.0**	**326.1**	**-0.3%**

Long - Term Debt

At the end of fiscal year 2022-23, the City had about $12.8 million in long-term debt obligations outstanding. Of the $12.8 million, $4.4 million relates to the City's business-type activities and the remaining $8.4 million is applicable to governmental type financing activities. The remaining other long-term debt of $31.2 million are estimated employee benefits payable by the City. The City's component-unit, the City of American Canyon's Fire Protection District, has long-term debt obligation from green energy upgrades of $0.3 million and a financed purchase of fire engines of $1.7 million. It also has a $0.1 million liability for uninsured workers compensation claims.

For governmental type activities, the major long-term debt year-end balances consist of a refinanced $4.6 million capital lease to purchase a commercial office building that was transformed into City Hall, and $0.5 million for green energy projects benefiting City Hall.

For business-type activities, major long-term debt year-end balances are comprised of green energy projects for the benefit of Water enterprises of $1.2 million and Wastewater enterprises of $2.8 million; and a $0.4 million State loan for water system improvement. The City has no bonded debt outstanding for its business-type activities.

Additional information about the City's long-term obligations can be found in the notes to the financial statements, Note G – Long Term Liabilities, on pages 52-56.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Fiscal Year 2023 was a volatile year, government assistance payments to households and businesses ended as provisions of several federal programs expired. Inflation and interest rates remained elevated putting pressure on household budgets. Price increases in energy, food, and housing are having significant impacts on household budgets leaving them with little for discretionary spending. On the flip side, unemployment remained low and wages across industries continued to rise, leading to strong consumer spending in FY 2023. The Federal Reserve continued to raise interest rates in FY 2023 to battle high inflation, however although inflation remains elevated by historical levels, it is subsiding in many areas. High interest rates make financing mortgages more expensive and could price potential buyers out of the market leading to a slowdown in home sales and refinancings. California continues to struggle with a housing shortage and American Canyon is fortunate to have several market-rate and affordable housing development projects underway to alleviate some of those shortages.

The unemployment rate in California continues to decline. As of December 2023, the Employment Development Department reports a 3.4% unemployment rate. Retail, restaurants and the hotel industry have seen some of strongest employment gains as these sectors were the hardest hit during the pandemic, significant increases have also been seen in the construction and health care sectors. Employers in the state have struggled to hire workers and fill positions. Since October 2021, there have been more job openings in California that there are workers to fill these positions, meaning that worker availability has been the primary constraint on job growth in the state.

American Canyon's sales tax receipts from April 2023 through June 2023 were 31.5% above the same period in 2022. Excluding reporting aberrations, actual sales were down 4.5%. Results reflected measurable improvement over last year due to the audit recovery, but excluding that recovery revenues were down 4.5% reflecting the impact of inflation and less spending on taxable discretionary goods. Casual dining restaurants, warehousing and county pool categories continued to report increases year over year. Net of aberrations, taxable sales for all of Napa County decreased 5.7% over the comparable time period; the Bay Area and State were down 3%.

Approximately 48% of general fund revenue received is from property taxes. The annual CPI granted was 2.00% which was the same as last year. Looking ahead the year over year increase in citywide assessed valuation for FY 2024 is $421 million, $180.6 million more than the FY 2023 $240.4 million increase. This growth was on the strength of residential uses which were offset by vacant use declines as newly developed properties transition from vacant to other permanent uses. New construction throughout the City continues as building supplies shortages have subsided and demand for single family homes in the area is still strong. Many single family and multifamily residential projects are currently underway which will add to the overall assessed valuation in future years as homes are sold.

Detached Single Family Residence – City of American Canyon

Year	D-SFR Sales	Median Price	% Change
2017	188	$498,500	10.78%
2018	175	$525,000	5.32%
2019	186	$515,000	-1.90%
2020	165	$570,000	10.68%
2021	185	$635,000	11.40%
2022	130	$670,000	5.5%
*2023	60	$670,000	0%

*through August 31, 2023

With the first 8 months of sales data processed for 2023, SFRs are selling for the same than in the previous calendar year. Prices for the full calendar year 2022 increased 5.5%. The median price of all SFRs in 2023 is $670,000 which is $32,000 higher than the peak price experienced in 2006 at $638,00. Higher interest rates have put a pause in a lot of potential buyers purchases as the cost of mortgages became more expensive. Median prices did peak in late 2022 to $700,000 but have since settled at $670,000 for the full year. Current trends indicate steady sale prices as interest rates have slowly come down and more homes are coming to market increasing the number of transactions overall in 2024.

2023-24 Taxable Property Values:

Combined Values	Total
Total Values	$4,348,669,848
Total Exemptions	$87,767,910
Net Total Values	$4,260,901,938

The City anticipates continued increases in assessed valuation due to growing interest in industrial and residential development. Key development projects include the Broadway District Specific Plan, the Giovannoni Logistics Center, Canyon Estates, Oat Hill Residential multi-family residences, and continued development of Napa Logistics Park and Watson Ranch (the long-planned mixed-use commercial/retail town center). The City is also embarking on a General Plan Update, American Canyon's blueprint for development of the City and any land outside its boundaries that bears relation to its planning.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, City of American Canyon, 4381 Broadway Street, Suite 201, American Canyon, California 94503.

BASIC FINANCIAL STATEMENTS

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CITY OF AMERICAN CANYON
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 51,006,740	$ 16,856,176	$ 67,862,916
Restricted cash and investments	546,704	6,879,458	7,426,162
Taxes receivable	2,806,177		2,806,177
Accounts receivable, net	1,450,939	2,268,123	3,719,062
Internal balances	(141,192)	141,192	
Interest receivable	357,863	122,235	480,098
Due from other governments	573,221		573,221
Property held for resale	477,773		477,773
Prepaid expenses and other assets	469,529	8,082	477,611
Loans receivable, net	7,670,172		7,670,172
Capital assets:			
Non-depreciable	184,112,536	6,372,224	190,484,760
Depreciable, net of accumulated depreciation	91,669,783	43,929,996	135,599,779
Total capital assets	275,782,319	50,302,220	326,084,539
TOTAL ASSETS	341,000,245	76,577,486	417,577,731
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	7,700,088	1,404,470	9,104,558
OPEB plans	4,682,813	896,567	5,579,380
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,382,901	2,301,037	14,683,938
LIABILITIES			
Accounts payable	1,981,206	372,773	2,353,979
Accrued expenses	323,681	47,001	370,682
Unearned revenue	4,949,717		4,949,717
Accrued interest payable	36,565	61,320	97,885
Deposits	296,819	207,436	504,255
Long-term liabilities:			
Due within one year			
Bonds, leases and contracts	997,471	308,253	1,305,724
Compensated absences	684,682	164,140	848,822
Workers compensation claims and judgments	113,638		113,638
Due in more than one year			
Bonds, leases and contracts	7,463,894	4,066,210	11,530,104
Compensated absences	41,573	38,161	79,734
Net pension liability	16,518,742	2,986,789	19,505,531
Net OPEB liability	8,978,868	1,651,304	10,630,172
TOTAL LIABILITIES	42,386,856	9,903,387	52,290,243
DEFERRED INFLOWS OF RESOURCES			
Pension plan	1,344,874	224,256	1,569,130
OPEB plans	976,352	45,210	1,021,562
TOTAL DEFERRED INFLOWS OF RESOURCES	2,321,226	269,466	2,590,692
NET POSITION			
Net investment in capital assets	266,988,674	45,866,437	312,855,111
Restricted for:			
Public safety	2,213,024		2,213,024
Public works	17,547,665		17,547,665
Storm drain projects	5,814,903		5,814,903
Community development, planning and building	9,141,114		9,141,114
Parks	2,122,215		2,122,215
Capacity expansion		6,879,458	6,879,458
Other activities	104,059		104,059
Unrestricted	4,743,410	15,959,775	20,703,185
TOTAL NET POSITION	$ 308,675,064	$ 68,705,670	$ 377,380,734

The accompanying notes are an integral part of these financial statements.

CITY OF AMERICAN CANYON
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Primary government				
Governmental Activities				
General government	$ 9,789,205	$ 802,991		
Public safety	13,571,896	1,585,452	$ 256,497	
Public works	8,387,534	1,988,677	1,662,896	$ 719,951
Community development	3,677,752	2,540,651	117,571	217,698
Parks and recreation	3,093,188	327,341		
Storm drain	401,695		2,280	
Int on long-term debt	126,887			
TOTAL GOVERNMENTAL ACTIVITIES	39,048,157	7,245,112	2,039,244	937,649
Business-type activities				
Water	8,955,804	8,544,184	318,918	332,951
Wastewater	5,591,878	4,940,178		235,879
Recycled Water	557,261	226,361		
Total business-type activities	15,104,943	13,710,723	318,918	568,830
TOTAL PRIMARY GOVERNMENT	$ 54,153,100	$ 20,955,835	$ 2,358,162	$ 1,506,479
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Franchise taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Other				
Transfers, net				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (8,986,214)		$ (8,986,214)
(11,729,947)		(11,729,947)
(4,016,010)		(4,016,010)
(801,832)		(801,832)
(2,765,847)		(2,765,847)
(399,415)		(399,415)
(126,887)		(126,887)
(28,826,152)		(28,826,152)
	$ 240,249	240,249
	(415,821)	(415,821)
	(330,900)	(330,900)
	(506,472)	(506,472)
(28,826,152)	(506,472)	(29,332,624)
18,218,818		18,218,818
1,031,183		1,031,183
7,863,107		7,863,107
2,448,830		2,448,830
558,488	650,946	1,209,434
1,051,888	300,942	1,352,830
2,735,392	(2,735,392)	
33,907,706	(1,783,504)	32,124,202
5,081,554	(2,289,976)	2,791,578
303,593,510	70,995,646	374,589,156
$ 308,675,064	$ 68,705,670	$ 377,380,734

CITY OF AMERICAN CANYON
Balance Sheet
Governmental Funds
June 30, 2023

		Major Funds		
	General Fund	Fire District Operations Special Revenue	CDBG, CalHome and HOME Loan Development Special Revenue	State and Federal Grants - City Special Revenue
ASSETS				
Cash and investments	$ 12,354,007	$ 5,658,493	$ 116,385	$ 4,538,398
Restricted cash and investments		247,169		
Taxes receivable	1,799,097	106,503		
Accounts receivable, net	965,450	23,374		
Interest receivable	164,078	38,825	930	
Due from other governments	53,507			433,555
Due from other funds	1,658,806	35,727		
Property held for resale	417,503			
Prepaid expenditures and deposits	57,812			
Loans receivable, net			2,302,926	
TOTAL ASSETS	$ 17,470,260	$ 6,110,091	$ 2,420,241	$ 4,971,953
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 990,208	$ 173,069	$ 1,412	$ 56,341
Accrued expenses	178,761	80,142		
Unearned revenue	310,033			4,639,684
Deposits	296,819			
Due to other funds				
TOTAL LIABILITIES	1,775,821	253,211	1,412	4,696,025
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	393,948	106,503	2,302,926	193,971
TOTAL DEFERRED INFLOWS OF RESOURCES	393,948	106,503	2,302,926	193,971
FUND BALANCES				
Nonspendable:				
Property held for resale	417,503			
Prepaid expenditures and deposits	57,812			
Restricted for:				
Public safety	144,765	445,319		
Public works				81,957
Storm drain projects				
Community development, planning and building	937,082		115,903	
Parks				
Other activities	104,059			
Committed	7,915,030	1,392,733		
Assigned	1,000,000	3,912,325		
Unassigned	4,724,240			
TOTAL FUND BALANCES (DEFICITS)	15,300,491	5,750,377	115,903	81,957
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 17,470,260	$ 6,110,091	$ 2,420,241	$ 4,971,953

The accompanying notes are an integral part of these financial statements.

Major Funds			
City Capital Projects	Affordable Housing Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
$ 1,079,945	$ 247,829	$ 25,719,020	$ 49,714,077
		299,535	546,704
		900,577	2,806,177
270,494		180,101	1,439,419
	1,975	141,499	347,307
		86,159	573,221
			1,694,533
	60,270		477,773
			57,812
	5,273,621	93,625	7,670,172
$ 1,350,439	$ 5,583,695	$ 27,420,516	$ 65,327,195
		$ 571,724	$ 1,792,754
$ 60,053			318,956
			4,949,717
			296,819
		1,447,670	1,447,670
60,053		2,019,394	8,805,916
	$ 5,273,621	534,322	8,805,291
	5,273,621	534,322	8,805,291
			417,503
			57,812
		1,430,278	2,020,362
1,290,386		17,375,356	18,747,699
		5,814,903	5,814,903
	310,074	107,883	1,470,942
		2,122,215	2,122,215
			104,059
			9,307,763
			4,912,325
		(1,983,835)	2,740,405
1,290,386	310,074	24,866,800	47,715,988
$ 1,350,439	$ 5,583,695	$ 27,420,516	$ 65,327,195

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CITY OF AMERICAN CANYON
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Total fund balance, governmental funds	$	47,715,988
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		275,782,319
Revenues and loans receivable, which are deferred in the governmental funds because they are not available currently, are recognized as revenue in the Statement of Activities.		8,805,291
Internal service funds are used by management to charge the costs of activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position. This amount excludes long-term assets and liabilities reported in other line items.		780,224
Long-term assets and liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.		
Prepaid rent and deposits		365,000
Accrued interest payable		(36,565)
Bonds, leases and contracts		(8,461,365)
Compensated absences		(726,255)
Uninsured claims		(113,638)
Net pension liability		(16,518,742)
Net OPEB liability		(8,978,868)
Employee pension differences to be recognized in the future as pension expense are reported as deferred outflows and inflows of resources on the Statement of Net Position.		6,355,214
Employee OPEB differences to be recognized in the future as OPEB expense are reported as deferred outflows and inflows of resources on the Statement of Net Position.		3,706,461
NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	$	308,675,064

The accompanying notes are an integral part of these financial statements.

CITY OF AMERICAN CANYON
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

		Major Funds		
	General Fund	Fire District Operations Special Revenue	CDBG, CalHome and HOME Loan Development Special Revenue	State and Federal Grants - City Special Revenue
REVENUES				
Property taxes	$ 12,438,663	$ 5,403,686		
Sales taxes	5,901,732			
Other taxes	2,944,624	739,041		
Special assessments				
Fines and forfeitures	156,371			
Licenses and permits	1,070,286			
Intergovernmental	77,866		$ 6,051	$ 1,179,213
Charges for services	2,159,290	382,801		
Use of money and property	306,271	91,151	2,359	
Other	643,249	159,543	76,910	
TOTAL REVENUES	25,698,352	6,776,222	85,320	1,179,213
EXPENDITURES				
Current:				
General government	7,383,404			
Public safety	8,337,957	7,064,902		
Public works	2,575,048			
Community development	3,568,827		10,308	
Parks and recreation	3,070,204			
Storm drain	384,808			
Debt Service:				
Principal		102,000		
Interest and other charges		34,490		
Capital outlay	29,908	1,565,995		
TOTAL EXPENDITURES	25,350,156	8,767,387	10,308	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	348,196	(1,991,165)	75,012	1,179,213
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt		1,842,000		
Transfers in	3,181,725	268,746		
Transfers out	(815,985)			(435,769)
TOTAL OTHER FINANCING SOURCES AND USES	2,365,740	2,110,746		(435,769)
NET CHANGE IN FUND BALANCES	2,713,936	119,581	75,012	743,444
Fund balances (deficits), beginning of year	12,586,555	5,630,796	40,891	(661,487)
FUND BALANCES (DEFICITS), END OF YEAR	$ 15,300,491	$ 5,750,377	$ 115,903	$ 81,957

The accompanying notes are an integral part of these financial statements

Major Funds				
City Capital Projects	Affordable Housing Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds	
			$ 17,842,349	
		$ 1,986,981	7,888,713	
			3,683,665	
		651,971	651,971	
			156,371	
			1,070,286	
		1,178,745	2,441,875	
$ 1,271,848	$ 218,886	1,887,403	5,920,228	
	5,220	482,308	887,309	
	3,871	487,210	1,370,783	
1,271,848	227,977	6,674,618	41,913,550	
		270,137	7,653,541	
			15,402,859	
1,768,658		901,776	5,245,482	
	90,000	750	3,669,885	
		1,116	3,071,320	
			384,808	
		41,371	143,371	
		112,253	146,743	
3,737,939			5,333,842	
5,506,597	90,000	1,327,403	41,051,851	
(4,234,749)	137,977	5,347,215	861,699	
			1,842,000	
5,692,033		115,985	9,258,489	
(268,746)	(70,492)	(4,932,105)	(6,523,097)	
5,423,287	(70,492)	(4,816,120)	4,577,392	
1,188,538	67,485	531,095	5,439,091	
101,848	242,589	24,335,705	42,276,897	
$ 1,290,386	$ 310,074	$ 24,866,800	$ 47,715,988	

CITY OF AMERICAN CANYON
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds:	$ 5,439,091
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
Capital outlay	5,333,842
Depreciation expense	(4,545,934)
Disposals	(1,828,826)
Transfers from enterprise funds	211,864
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	(389,740)
Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments, net of amortization of deferred amount on refunding.	(1,698,629)
Internal service funds are used by management to charge the costs of activities to individual funds. The net revenue of certain internal service funds is reported with governmental activities.	341,485
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Change in prepaid rent	(6,000)
Change in deferred outflows of resources-pension plan	4,289,686
Change in deferred outflows of resources-OPEB plans	1,580,488
Change in accrued interest payable	(14,593)
Change in compensated absences	22,078
Change in uninsured claims	2,020,343
Change in net pension liability	(8,595,641)
Change in net OPEB liability	(3,179,324)
Change in deferred inflows of resources-pension plan	4,862,522
Change in deferred inflows of resources-OPEB plans	1,238,842
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 5,081,554

The accompanying notes are an integral part of these financial statements.

CITY OF AMERICAN CANYON
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business Type Activities- Enterprise Funds				Governmental Activities-
	Water	Wastewater	Recycled Water	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	$ 11,103,665	$ 5,264,859	$ 487,652	$ 16,856,176	$ 1,292,663
Accounts receivable, net	1,573,038	660,539	34,546	2,268,123	11,520
Interest receivable	55,790	62,009	4,436	122,235	10,556
Prepaid expenses	3,900	4,079	103	8,082	46,717
Total current assets	12,736,393	5,991,486	526,737	19,254,616	1,361,456
Non-current assets:					
Restricted cash and investments	6,333,174	546,284		6,879,458	
Advances to other funds	1,269,554	5,539,179		6,808,733	
Capital assets:					
Non-depreciable	3,516,932	1,941,680	913,612	6,372,224	
Depreciable, net of accumulated depreciation	18,541,407	21,324,300	4,064,289	43,929,996	1,947,890
Total non-current assets	29,661,067	29,351,443	4,977,901	63,990,411	1,947,890
TOTAL ASSETS	42,397,460	35,342,929	5,504,638	83,245,027	3,309,346
DEFERRED OUTFLOW OF RESOURCES					
Pension plan	626,869	773,363	4,238	1,404,470	139,351
OPEB plan	267,280	621,819	7,468	896,567	98,658
Total deferred outflows of resources	894,149	1,395,182	11,706	2,301,037	238,009
LIABILITIES					
Current Liabilities:					
Accounts payable	213,834	158,939		372,773	188,452
Accrued expenses	25,104	21,660	237	47,001	4,725
Accrued interest payable					10,964
Due to other funds					246,863
Deposits	163,251	44,185		207,436	
Compensated absences, current portion	91,918	72,222		164,140	19,478
Bonds, notes and loans payable, current portion	142,619	165,634		308,253	342,678
Total current liabilities	636,726	462,640	237	1,099,603	813,160
Non-current liabilities:					
Advances from other funds			6,808,733	6,808,733	
Compensated absences, non-current portion	22,170	15,991		38,161	
Bonds, notes and loans payable	1,455,483	2,672,047		4,127,530	1,048,993
Net pension liability	1,333,119	1,644,658	9,012	2,986,789	296,348
Net OPEB liability	492,278	1,145,271	13,755	1,651,304	181,707
Total non-current liabilities	3,303,050	5,477,967	6,831,500	15,612,517	1,527,048
TOTAL LIABILITIES	3,939,776	5,940,607	6,831,737	16,712,120	2,340,208
DEFERRED INFLOW OF RESOURCES					
Pension plan	100,094	123,485	677	224,256	22,251
OPEB plan	13,478	31,356	376	45,210	4,974
Total deferred inflows of resources	113,572	154,841	1,053	269,466	27,225
NET POSITION					
Net investment in capital assets	20,460,237	20,428,299	4,977,901	45,866,437	554,567
Restricted for:					
Capacity expansion	6,333,174	546,284		6,879,458	
Unrestricted	12,444,850	9,668,080	(6,294,347)	15,818,583	625,355
TOTAL NET POSITION (DEFICIT)	$ 39,238,261	$ 30,642,663	$ (1,316,446)	68,564,478	$ 1,179,922
The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the Business Activities of the Statement of Net Position.				141,192	
TOTAL NET POSITION PER GOVERNMENT-WIDE FINANCIAL STATEMENTS				$ 68,705,670	

The accompanying notes are an integral part of these financial statements.

CITY OF AMERICAN CANYON
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business Type Activities Enterprise Funds				Governmental Activities-
	Water	Wastewater	Recycled Water	Total	Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 8,544,184	$ 4,940,178	$ 226,361	$ 13,710,723	$ 2,437,842
Other	448,314	171,546		619,860	
TOTAL OPERATING REVENUES	8,992,498	5,111,724	226,361	14,330,583	2,437,842
OPERATING EXPENSES					
Employee services	1,592,962	1,904,177	14,303	3,511,442	253,950
Maintenance and operations	6,004,493	1,827,620	188,152	8,020,265	1,896,384
Depreciation	1,274,314	1,746,613	222,255	3,243,182	425,012
TOTAL OPERATING EXPENSES	8,871,769	5,478,410	424,710	14,774,889	2,575,346
OPERATING INCOME (LOSS)	120,729	(366,686)	(198,349)	(444,306)	(137,504)
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	302,496	336,058	12,392	650,946	21,580
Other revenue					5,157
Interest expense	(56,216)	(83,380)	(130,911)	(270,507)	(50,926)
Gain (loss) on disposal of capital assets					8,761
TOTAL NON-OPERATING REVENUE (EXPENSES)	246,280	252,678	(118,519)	380,439	(15,428)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	367,009	(114,008)	(316,868)	(63,867)	(152,932)
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	332,951	235,879		568,830	
Transfers in		180,888	15,190	196,078	
Transfers out	(1,447,923)	(1,152,085)	(331,462)	(2,931,470)	
CHANGE IN NET POSITION	(747,963)	(849,326)	(633,140)	(2,230,429)	(152,932)
Net position (deficit), beginning of year	39,986,224	31,491,989	(683,306)	70,794,907	1,332,854
TOTAL NET POSITION (DEFICIT), END OF YEAR	$ 39,238,261	$ 30,642,663	$ (1,316,446)	68,564,478	$ 1,179,922
Change in net position				(2,230,429)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(59,547)	
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES				$ (2,289,976)	

The accompanying notes are an integral part of these financial statements.

CITY OF AMERICAN CANYON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds				Governmental Activities
	Water	Wastewater	Recycled Water	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 9,202,311	$ 5,187,475	$ 230,007	$ 14,619,793	
Cash paid to suppliers	(6,391,103)	(1,727,606)	(216,470)	(8,335,179)	$ (1,758,416)
Cash paid to employees and related benefits	(1,796,305)	(1,801,081)	(1,952)	(3,599,338)	(263,342)
Cash (paid) received from interfund services provided	(60,098)	(115,100)		(175,198)	2,437,842
Other receipts					10,815
CASH PROVIDED BY OPERATING ACTIVITIES	954,805	1,543,688	11,585	2,510,078	426,899
CASH FLOWS FROM NONCAPITAI FINANCING ACTIVITIES					
Amounts received (paid) to other funds	(3,142,663)	(2,419,533)	950,778	(4,611,418)	
CASH (USED) PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	(3,142,663)	(2,419,533)	950,778	(4,611,418)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital assets purchased	(384,843)	(1,055,668)	(902,180)	(2,342,691)	(148,417)
Capital revenues received	332,951	235,879		568,830	
Proceeds from disposal of capital assets					40,352
Principal paid on long-term liabilities	(141,894)	(876,722)		(1,018,616)	(238,621)
Proceeds from long-term liabilities	5,760			5,760	
Interest paid on long-term liabilities	(67,730)	(102,072)	(130,911)	(300,713)	(40,049)
CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(255,756)	(1,798,583)	(1,033,091)	(3,087,430)	(386,735)
CASH FLOWS FROM INVESTING ACTIVITIES					
Collection of interest and investment revenue	246,706	288,660	8,870	544,236	12,448
CHANGE IN CASH AND CASH EQUIVALENTS	(2,196,908)	(2,385,768)	(61,858)	(4,644,534)	52,612
Cash and cash equivalents, beginning of year	19,633,747	8,196,911	549,510	28,380,168	1,240,051
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 17,436,839	$ 5,811,143	$ 487,652	$ 23,735,634	$ 1,292,663
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and investments	$ 11,103,665	$ 5,264,859	$ 487,652	$ 16,856,176	$ 1,292,663
Restricted cash and investments	6,333,174	546,284		6,879,458	
CASH AND CASH EQUIVALENTS	$ 17,436,839	$ 5,811,143	$ 487,652	$ 23,735,634	$ 1,292,663
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	$ 120,729	$ (366,686)	$ (198,349)	$ (444,306)	$ (137,504)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation and amortization	1,274,314	1,746,613	222,255	3,243,182	425,012
Operating transfers in					5,157
Changes in operating assets and liabilities:					
Accounts receivable, net	209,813	75,751	3,646	289,210	11,504
Prepaid expenses	(1,248)	(1,092)	(96)	(2,436)	(17,243)
Accounts payable and accrued expenses	(486,712)	(54,216)	(27,985)	(568,913)	143,554
Deposits	3,209			3,209	
Compensated absences	(5,330)	(22,060)		(27,390)	2,515
Changes in pension and OPEB liabilities and related deferred outflows and inflows of resources:					
Deferred outflows of resources - pension plan	(376,673)	(465,097)	(4,238)	(846,008)	(76,599)
Net pension liability	814,894	1,006,189	9,012	1,830,095	166,388
Deferred inflows of resources - pension plan	(400,867)	(493,804)	677	(893,994)	(103,419)
Deferred outflows of resources - OPEB plans	178,104	(175,497)	(7,468)	(4,861)	(16,399)
Net OPEB liability	(240,846)	410,603	13,755	183,512	46,305
Deferred inflows of resources - OPEB plans	(134,582)	(117,016)	376	(251,222)	(22,372)
CASH PROVIDED BY OPERATING ACTIVITIES	$ 954,805	$ 1,543,688	$ 11,585	$ 2,510,078	$ 426,899
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES					
Change in capital asset purchases payable	$ (153,608)	$ (256,172)		$ (409,780)	
Transfer of capital assets to (from) other opinion units	$ 228,994	$ (17,130)		$ 211,864	

The accompanying notes are an integral part of these financial statements.

CITY OF AMERICAN CANYON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

		Total Custodial Funds
ASSETS		
Cash and investments		$ 4,937,174
Restricted cash and investments		3,844,498
Taxes receivable		61,111
Interest receivable		40,837
	TOTAL ASSETS	8,883,620
LIABILITIES		
Accounts payable		46,561
Accrued interest payable		278,893
	TOTAL LIABILITIES	325,454
NET POSITION		
Restricted for individuals, organizations and other governments		8,558,166
	TOTAL NET POSITION	$ 8,558,166

The accompanying notes are an integral part of these financial statements.

CITY OF AMERICAN CANYON
Statement of Changes in Fiduciary Net Position
Ficudiary Funds
June 30, 2023

		Total Custodial Funds
ADDITIONS		
Other taxes		$ 259,952
Special assessments		2,328,853
Interest and investment earnings		203,962
	TOTAL ADDITIONS	2,792,767
DEDUCTIONS		
Maintenance and operations		416,762
Debt Service:		
Principal		993,400
Interest and other charges		427,218
	TOTAL DEDUCTIONS	1,837,380
	NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	955,387
Net position , beginning of year		7,602,779
	NET POSITION, END OF YEAR	$ 8,558,166

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of American Canyon (the City) was incorporated as a general law city in 1992. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, water, wastewater, culture-recreation, public improvements, planning and zoning, transit and general administration.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

Reporting Entity

The financial statements of the City include the financial activities of the City and its component units. The American Canyon Financing Authority and American Canyon Fire Protection District are legally separate entities for which the City is financially accountable and they are governed by the elected City Council. The Authority was formed to provide a method of financing public improvements, and the Fire District became part of the City when it was incorporated in 1992. The City has full accountability for the Authority's fiscal affairs. Management of the City has operational responsibility for the Fire District. The financial activities of the Authority and the Fire District are blended with those of the City and are reported in the City's governmental funds, and as capital assets and debt obligations of the City. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Separate component unit financial reports are not prepared.

The City is a member of joint powers authorities (JPA) in which the City has only a residual equity interest in the related entity. The City is not liable for the liabilities of the entities if they dissolve under the related JPA agreement. However, Senate Bill 1912, effective January 1, 2019, requires members of a JPA that participates in a public retirement system to agree on the apportionment of the JPA's retirement liability to the members of the JPA if the JPA dissolves or otherwise terminates its contract with the public retirement system. The City is a member of the following JPAs: Napa Valley Transportation Authority (transit services), Napa Valley Transportation and Planning Agency (transportation planning), North Bay Water Reuse Authority (water conservation and recycling) and Napa County Stormwater Management Program (pollution prevention program), Napa County Stormwater Management Program (stormwater management) and Cooperative Joint Powers Dispatching Services Agreement (fire dispatching). The City is also a member of the insurance JPA's discussed in Note L. The financial statements of the JPAs are available on the websites of the related entities, if applicable.

Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City). These statements include the financial activities of the overall City government, except for fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental and proprietary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of governmental and proprietary funds combined. The General Fund is always a major fund. The City may also report other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures.

Fire District Operations Special Revenue Fund – Accounts for revenues and the associated expenditures for fire services provided by the component unit fire protection district. The main sources of revenue are property taxes, assessments, and charges for services.

CDBG, CalHome and HOME Loan Development Special Revenue Fund – Accounts for housing rehabilitation made with Federal Community Development Grant monies.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

State and Federal Grants – City Special Revenue Fund – Accounts for grant funds received for improvements to various bus stop, curb ramps, bicycle path/trail from Chaucer Lane to existing trail, State Water Resources Control Board for recycled water projects, Urban Open Space and Recreation Program under the Safe Neighborhood Parks, Clean Water, Clean Air, Coastal Protection Bond Act of 2000.

City Capital Projects Fund – Accounts for major capital projects funded by various City sources. Major projects include Green Island Road Reconstruction/Widening and Devlin Road Extension Segment H.

Affordable Housing Capital Projects Fund – Accounts for fees collected from developers in lieu of providing affordable housing services.

The City reported all of its enterprise funds as major funds in the accompanying financial statements:

Water Enterprise Fund – Accounts for the operations of the City's water treatment and distribution system.

Wastewater Enterprise Fund – Accounts for the operation of the City's wastewater treatment plant and collection facilities.

Recycled Water Enterprise Fund – Accounts for the operation of the City's recycled water collection and distribution system.

The City also reports the following fund types:

Internal Service Funds – Account for building maintenance, fleet, information technology and legal services provided to other departments or agencies of the City on a cost-reimbursement basis.

Fiduciary Funds – These funds are used to account for assets held by the City in a fiduciary capacity for special assessment districts. They consist entirely of Custodial Funds. The financial activities of these funds are excluded from the City-wide financial statements but are presented in separate Fiduciary Fund financial statements.

Basis of Accounting

The government-wide, proprietary and fiduciary fund statements are reported using the full *accrual basis* of accounting. The government-wide, proprietary and fiduciary fund statements use the *economic resources measurement focus.* Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred,* regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other*

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

financing sources. Those revenues susceptible to accrual at both the City-wide and fund level are property, sales and franchise taxes, current service charges, and interest revenue. Fines and licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are exchange or exchange-like transactions between functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property Tax Revenues

Napa County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

Certain proceeds of long-term debt are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted cash includes the "reserve" account used to report resources set aside to make up potential future deficiencies in the bond's debt service. Restricted cash also includes unspent proceeds of special assessment debt transferred to City capital projects funds. The restricted assets in the Proprietary Funds also include amounts collected that are restricted for capacity expansion.

Assets Held for Resale

Assets held for resale are carried at the lower of cost or market, but not greater than the net realizable value. In the Fund Financial Statements, an amount equal to the carrying value of the asset is reported as nonspendable fund balance because such assets are not available to finance the City's current operations.

Compensated Absences

Compensated absences are comprised of unpaid vacation and certain compensated time off, which are accrued as earned. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City's liability for compensated absences is recorded in the governmental activities, Internal Service, Water and Wastewater Funds as appropriate and are generally liquidated by these funds. The governmental activities compensated absences liability is liquidated by the General Fund and Fire District Operations Fund. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund. The liability for compensated absences is determined annually.

Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to the pension plan, and pension expense, information about the fiduciary net position of the California Public Employee's Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability is generally liquidated by the City's General, Fire District Operations, Internal Service, Water and Wastewater Funds.

Other Postemployment Benefits (OPEB) Plans

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB plans (Plans), and OPEB expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The net OPEB liability is generally liquidated by the City's General, Fire District Operations, Internal Service, Water and Wastewater Funds.

New Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This Statement 1) defines the term SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs to a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and outflows of resources based on the payment provisions of the contract. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in exchange or exchange-like transaction. The City recognizes SBITA intangible right-to use assets for contracts that are both material and with contracts with options to extend that are reasonably certain to be exercised greater than 1 year. Periods for which both the City have an option to terminate the SBITA without permission from the other party are excluded from being recognized as SBITA intangible right-to use assets and liabilities. The City implemented this statement during the year ended June 30, 2023. There was no effect on the beginning fund balance or net position due to the implementation of this Statement. SBITAs recognized due to the implementation of this Statement totaled $319,155, which were reported as additions of subscription assets and liabilities in Notes F and G, respectively.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). PPPs are arrangements in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement requires that PPPs that meet the definition of a lease apply guidance in Statement No. 87, Leases, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of a service concession arrangement. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement No. 87, as amended. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements that include an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The City determined this Statement did not apply to the City during the year ended June 30, 2023.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This Statement enhances

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

comparability in accounting and financial reporting and consistency in authoritative literature, including the classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions of Statement 87, *Leases*, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement term, classification as short-term and recognition of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, related to the focus of the government- wide financial statements; terminology updates related to provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement No. 53 to refer to resource flows statements. The provisions of this Statement are effective immediately through periods beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections, an Amendment of GASB Statement No. 62. This Statement prescribes the accounting and financial reporting for each type of accounting change, including changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity, and error corrections. This Statement requires changes in accounting principles and error corrections to be reported retroactively by restating prior periods; requires changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period; and requires changes in accounting estimates to be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of new pronouncements in absence of specific transition provisions in the new pronouncement. This Statement also requires the aggregate amount of adjustments to and restatements of beginning net position, fund balance or fund net position, as applicable, to be displayed by reporting unit in the financial statements. Furthermore, this Statement requires information presented in required supplementary information or supplementary information to be restated for error corrections, if practicable, but not for changes in accounting principles. The provisions of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

The City is currently analyzing the impact of the required implementation of these new statements.

NOTE B – BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds except the State and Federal Grants – Fire Special Revenue Fund and the Engie Fire Debt Service Fund. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, department, division, object and line item. The City's department managers may make transfers of appropriations within a division. Transfers of appropriations between divisions require the approval of the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Amounts represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial.

The Fire Operations Special Revenue Fund, Affordable Housing Capital Project Fund, Gas Tax Special Revenue Fund, General Plan Update Special Revenue Fund, Utility Underground Capital Projects Fund and Engie City Debt Service Fund had expenditures and transfers out in excess of the final appropriation for the fiscal year ended June 30, 2023 by $24,206, $119,508, $477,395, $215,337, $160,000 and $153,433, respectively. The excess amounts were mainly due to minor unexpected costs or debt/projects approved by Council after the budget was adopted.

NOTE C – CASH AND INVESTMENTS

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash and investments held by trustees so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

Policies

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or agency agreements.

NOTE C – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2023 consisted of the following:

Cash and investments	$ 67,862,916
Restricted cash and investments	7,426,162
Total cash and investments of primary government	75,289,078
Cash and investments in Fiduciary Funds	4,937,174
Restricted cash and investments in Fiduciary Funds	3,844,498
Total cash and investments	$ 84,070,750

Cash on hand	$ 2,300
Deposits with financial institutions	2,364,285
Investments:	
Held by City	77,883,021
Held by fiscal agents	3,821,144
Total investments	81,704,165
Total cash and investments	$ 84,070,750

Cash and investments are used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

NOTE C – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment Per Issuer
Local Agency Bonds	5 years	A	30%	5%
U.S. Treasury Obligations	5 years	None	None	None
State of California Obligations	5 years	None	None	None
California Local Agency Obligations	5 years	A	30%	5%
U.S. Agency Obligations	5 years	None	None	30%
Bankers' Acceptances	180 days	A-1	40%	5%
Commercial Paper	270 days	A-1/P-1/F-1	25%	10%CP/5%Port
Negotiable Certificate of Deposit	5 years	A-1	30%	5%
Federally Insured Time Deposits	5 years	None	20% (Collat)	Max Insured
Collateralized Time Deposits	5 years	None	20% (Fed Ins)	Per CA Law
Certificate of Deposit Placement Service	5 years	None	30%	None
Collateralized Bank Deposits	5 years	None	None	None
Repurchase Agreements	1 year	None	None	None
Medium-Term Notes	5 years	A	30%	5%
Mutual Funds	N/A	AAA/Aaa	20%	10%
Money Market Funds	N/A	AAA/Aaa	20%	20%
ABS, Mortgage-Pass Through Securities	5 years	AA	20%	5%
Supranational Notes	5 years	AA	30%	10%
County Pooled Investment Funds	N/A	None	None	None
Joint Powers Authority Pool	N/A	None	None	None
California Local Agency Investment Fund	N/A	None	None	None
California Asset Management Program (CAMP)	N/A	None	None	None

Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

NOTE C – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Bankers' Acceptances	360 days	A-1
U.S. Treasury Bills and Notes	None	N/A
State General Obligations	None	A
Municipal Obligations	None	Aaa/AAA
U.S. Government Agency Securities	None	AAA
U.S. Government Sponsored Securities	None	AAA
Federal Housing Administration Debentures	None	N/A
Medium Term Notes	5 year	A
Commercial Paper	270 days	A-1+
California Local Agency Investment Fund	N/A	N/A
Money Market Fund	N/A	AAm
Defeasance Securities	N/A	N/A
Pre-refunded Municipal Obligations	None	AAA
Investment Agreements	N/A	AA
Unsecured Certificates of Deposit	30 days	A-1
CalTrust	None	N/A

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City generally manages its interest rate risk by investing in the Local Agency Investment Fund (LAIF), which provides the necessary cash flow and liquidity needed for operations, as well as purchasing a combination of shorter term and longer term investments so that a portion of the portfolio is maturing or coming close to maturing evenly over time.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

NOTE C – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	12 Months or less	13 to 36 Months	36 to 60 Months	Total
California Local Agency Investment Fund (LAIF)	$ 54,980,631			$ 54,980,631
U.S. Treasury Notes		$ 3,339,988	$ 5,809,077	9,149,065
U.S. Government Agency Obligations	312,223	3,527,122		3,839,345
U.S. Corporate Obligations	721,012	3,345,988	1,836,843	5,903,843
Money Market Mutual Funds	4,070,170			4,070,170
Asset-Backed Securities	607	983,872	1,272,731	2,257,210
Supranational Note		912,864		912,864
Collateralized Mortgage Obligations		145,607	445,430	591,037
Total invesments	60,084,643	12,255,441	9,364,081	81,704,165
Cash on hand	2,300			2,300
Cash in bank	2,364,285			2,364,285
Total cash and investments	$ 62,451,228	$ 12,255,441	$ 9,364,081	$ 84,070,750

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by the State Statute. At June 30, 2023, the average maturity of investments in LAIF was 260 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following are credit ratings issued by Moody's and Standard and Poor's as of June 30, 2023:

NOTE C – CASH AND INVESTMENTS (Continued)

Investment Type	Aaa/AAA	Aa1/AA+	Aa2/AA Aa3/AA-	A1/A+	A2/A	A3/A-	Ba1/BB+	Total
U.S. Government Agencies		$3,839,345						$ 3,839,345
U.S. Corporate Obligations		413,748	$566,620	$585,221	$1,443,797	$2,832,218	$ 62,239	5,903,843
Money Market Mutual Funds	$4,070,170							4,070,170
Asset-Backed Securities	2,257,210							2,257,210
Supranational Note	912,864							912,864
Collateralized Mortage Obligations	591,037							591,037
Totals	$7,831,281	$4,253,093	$566,620	$585,221	$1,443,797	$2,832,218	$ 62,239	17,574,469
Not rated:								
LAIF								54,980,631
Exempt from credit rating disclosure:								
U.S. Treasury Notes								9,149,065
Total investments								$81,704,165

Concentration of Credit Risk

The investment policy of the City has no limitations on the amount that can be invested in any one issuer beyond what is stipulated by the California Government Code. Investments exceeding 5% of total investments are required to be disclosed under GASB Statement No. 40, which excludes U.S. Treasury securities, mutual funds and external investment pools. At June 30, 2023 there were no investments exceeding 5% of total investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2023, the City had $3,987,879 in deposits at banks above the federally insured limit, which are collateralized by securities pledged by the financial institution, but not in the name of the City.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to

NOTE C – CASH AND INVESTMENTS (Continued)

measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2023:

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. Treasury Notes	$ 9,149,065		$ 9,149,065	
U.S. Government Agency Obligations	3,839,345		3,839,345	
U.S. Corporate Obligations	5,903,843		5,903,843	
Asset-Backed Securities	2,257,210		2,257,210	
Supranational Note	912,864		912,864	
Collateralized Mortgage Obligations	591,037		591,037	
Total investments by fair value level	22,653,364	$ -	$ 22,653,364	$ -
Investments uncategorized:				
LAIF	54,980,631			
Negotiable Certificates of Deposit				
Money Market Mutual Funds	4,070,170			
Total investments	$ 81,704,165			

All securities classified in Level 2 are valued using pricing models that are based on market data, such as matrix or model pricing, which use standard inputs, which include benchmark yields, reported trades, broker/dealer quotes, issue spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications.

NOTE D – INTERFUND TRANSACTIONS

Interfund transactions between funds are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables or payables as appropriate, and are subject to elimination upon consolidation. The City transfers resources among funds in the course of normal operations. Services provided, deemed to be at market or near market rates, such as vehicle maintenance, are accounted for as revenues and expenditures/ expenses. Transactions to reimburse a fund for expenditures/expenses initially made from it that are applicable to another fund are recorded as expenditures/expenses in the correct fund and as reductions of expenditures/ expenses in the original fund. All other interfund transactions are reported as transfers.

NOTE D – INTERFUND TRANSACTIONS (Continued)

Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2023 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred	
General Fund	City Capital Projects Fund	$ 700,000	(C)
	Cabernet Village Lease Debt Service Fund	98,235	(C)
	Engie City Debt Service Fund	17,750	(A)
Major Governmental Funds:			
State and Federal Grants-City Special Revenue	City Capital Projects Fund	405,143	(B)
	General Fund	30,346	(C)
	Recycled Water Enterprise Fund	280	(B)
City Capital Projects	Fire Operatsion Special Revenue	268,746	(B)
Affordable Housing Captail Projects	City Capital Projects Fund	70,492	(A)
Major Enterprise Funds:			
Water	General Fund	1,261,666	(A)
	Wastewater Enterprise Fund	27,453	(A)
	City Capital Projects Fund	158,804	(B)
Wastewater	General Fund	985,592	(A)
	City Capital Projects Fund	166,493	(B)
Recycled Water	General Fund	52,980	(E)
	City Capital Projects Fund	278,482	(E)
Nonmajor Special Revenue Funds:			
Storm Drainage	General Fund	384,308	(D)
	City Capital Projects Fund	449,626	(B)
Measure T- Streets and Roads	City Capital Projects Fund	1,051,704	(B)
Gas Tax	General Fund	300,000	(A)
	City Capital Projects Fund	677,495	(B)
State Supplemental Law Enforcement	General Fund	166,833	(A)
Community Facilities District	City Capital Projects Fund	1,535,734	(B)
Nonmajor Capital Projects Funds:			
Park Improvement	City Capital Projects Fund	28,235	(B)
Traffic Impact	City Capital Projects Fund	9,825	(B)
Utility Underground	City Capital Projects Fund	160,000	(A)
Zero Water Footprint	Recycled Water Enterprise Fund	14,910	(A)
Nonmajor Debt Service Funds:			
Engie City	Wastewater Enterprise Fund	153,435	(B)
		$ 9,454,567	

(A) Transfer resources to fund incurring expenditures
(B) Transfer to fund capital improvements
(C) Transfer to fund debt service payments
(D) Transfer to fund flood protection projects

Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2023, the following funds have interfund balances.

NOTE D – INTERFUND TRANSACTIONS (Continued)

Fund Making Loan	Fund Receiving Loan	Amount
General Fund	Internal Service Funds:	
	Legal Internal Service Fund	$ 246,863
	Nonmajor Special Revenue Funds:	
	Cannabis Fund	14,632
	Community Facilities District	1,217,350
	General Plan Update	162,211
	Nonmajor Debt Service Funds:	
	Engie City	17,750
Fire District Operations Special Revenue	Nonmajor Debt Service Funds:	
	Engie Fire	35,727
	Total Due To/Due From Other Funds	$ 1,694,533

Advances Between Funds

In December 2009, the Wastewater Enterprise Fund advanced the Water Enterprise Fund $4,907,024 for the Green Island Road Recycled Waterline project, Recycled Water Pump Station upgrade and other various construction projects. This loan accrued interest at 3% per year, but in 2021 the City Council approved Resolution 2021-269 that reduced the interest rate retroactively to the rate earned by the State of California Local Agency Investment Fund. In 2021, this advance, along with the capital assets related to the recycled water projects, were transferred to the Recycled Water Fund. In 2023, the Water Enterprise Fund advanced the Recycled Water Enterprise Fund an additional $1,136,140 for the Recycled Water System Expansion Project. As of June 30, 2023, the Recycled Water Fund owed $6,808,733 including accrued interest on the advances, $5,539,179 to the Water Fund and $1,269,544 to the Wastewater Fund. The City intends to establish service charges in the Recycled Water Fund sufficient to repay the advance over the 15-year useful life of the capital assets.

NOTE E – LOANS RECEIVABLE

At June 30, 2023, the City had the following loans receivable:

BEGIN Program	$ 8,175,452
Satellite Affordable Housing Association	3,059,326
Mid-Peninsula Housing Coalition Loan	2,162,319
HOME Program	1,632,318
CDBG Housing Rehabilitation Program	408,960
CalHome Program	261,648
Other	51,976
	15,751,999
Valuation allowance	(8,081,827)
Loans, net	$ 7,670,172

NOTE E – LOANS RECEIVABLE (Continued)

BEGIN Program

The City was awarded $1,080,000 ($30,000 each for 36 homes) from the State of California on August 17, 2005, plus an additional $6,038,900, from Mid-Peninsula Housing Coalition (MPHC), a non-profit organization, to grant loans to qualified low-income home buyers at Vineyard Place, a subdivision comprised of 45 single-family detached homes. Loan payments are deferred for the life of the loan, or until the homeowner sells the home, whichever occurs sooner. The loans will be forgiven, in stages, commencing in the 26th year of the loan, and totally forgiven after 30 years. As of June 30, 2023, residents owed the City $8,081,827 in loans offered by this program, which includes $2,862,927 of accrued interest.

Since these loans are secured by trust deeds which are subordinated to other debt on the associated projects or are only repayable from residual cash receipts on the projects, collectability of the outstanding balances may not be realized. As a result, the entire outstanding balances of the forgivable loans have been offset by a valuation allowance and is not reported on the balance sheet.

The BEGIN Fund also includes loans of $93,625, including accrued interest, which are not required to be forgiven. However, if the amount of net sale proceeds is less than the amount due under the loan, the City may forgive the loan to the extent that the amount due under the loan exceeds the net sale proceeds.

Satellite Affordable Housing Association Loan

The City made two separate loans to Satellite Affordable Housing Association (SAHA) totaling $2,730,000 for the development of 70 affordable housing units:

Acquisition and Development: The City loaned $1,050,000 for the acquisition and $750,000 for other development costs. The loan carries a 3% interest rate over a 57-year term. As part of the agreement, the City will receive a residual share of the cash flow from the project.

Construction: The City loaned $930,000 for the construction of the units. The loan is interest free over a 57-year term.

As of June 30, 2023, the loan balance was $3,059,326.

Mid-Peninsula Housing Coalition Loan

The City loaned the Mid-Peninsula Housing Coalition (MPHC) $2,265,000 interest free for the construction of the Vineyard Crossing Apartments. As part of the agreement, the City will receive a residual share of the cash flow from the project. As of June 30, 2023, the loan balance was $2,162,319.

HOME Program

The City provides loans to qualified first time buyers through the federally funded HOME Program. Under this program, principal and interest payments are deferred until the loan is refinanced or title to the property changes. These loans carry a 1% interest rate with a maturity of 30 years. As of June 30, 2023, residents owed the City $1,632,318 in loans offered by this program, including accrued interest.

NOTE E – LOANS RECEIVABLE (Continued)

CDBG Housing Rehabilitation Program

The City administers a Housing Rehabilitation Loan Program using the Housing and Community Development Act funds. Under this program, residents with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust, for construction work on their homes. Federal grants are used to fund these loans. Upon approval of loans, the City disburses the funds, and arranges for and collects repayments. These loans generally have interest rates of 3%, although some are zero-interest-rate loans, and are generally due upon transfer of the home or refinancing. As of June 30, 2023, residents owed the City $408,960 in loans offered by this program, including accrued interest.

CalHome Program

The City operates the CalHome Program to assist with the down payment or rehabilitation of manufactured homes. No interest accrues on the loans and principal payments are deferred until maturity. As of June 30, 2023, residents owed the City $261,648 in loans offered by this program.

NOTE F – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The City defines capital assets as equipment, vehicles, furniture and fixtures with an initial individual cost of more than $5,000 ($50,000 for infrastructure type assets) and an estimated useful life in excess of one year (30-75 years for infrastructure assets) with the exception of Federally funded acquisitions, which are $5,000 or more. Land is capitalized at an initial individual cost of more than $150,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. Major outlays for capital assets and improvements are capitalized as projects are constructed. The City has assigned the useful lives listed below to capital assets:

Buildings and Improvements	20-30 years
Public Domain Infrastructure	50-75 years
System Infrastructure-Utility	60 years
Vehicles and Equipment	2-15 years

The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the statement of net position in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

NOTE F – CAPITAL ASSETS (Continued)

Capital Asset Additions and Retirements

Capital assets at June 30, 2023 consisted of the following:

	Balance July 01, 2022	Additions	Retirements	Transfers	Balance at June 30, 2023
Governmental Activities					
Capital assets, not being depreciated:					
Land	$ 10,162,813				$ 10,162,813
Street right of ways	165,187,812				165,187,812
Construction in progress	12,745,281	$ 5,296,649	$ (1,825,255)	$ (7,454,764)	8,761,911
Total capital assets, not being depreciated	188,095,906	5,296,649	(1,825,255)	(7,454,764)	184,112,536
Capital assets, being depreciated:					
Buildings and improvements	51,201,341	14,766	(2,777,763)	1,208,946	49,647,290
Machinery and equipment	8,622,466	90,361	(229,829)		8,482,998
Infrastructure - streets and storm drains	92,289,491			6,457,682	98,747,173
Lease assets - equipment	244,687	1,061,915			1,306,602
Subscription assets		347,939			347,939
Total capital assets, being depreciated	152,357,985	1,514,981	(3,007,592)	7,666,628	158,532,002
Less accumulated depreciation for:					
Buildings and improvements	(24,309,749)	(1,642,141)	2,777,763		(23,174,127)
Machinery and equipment	(6,280,835)	(510,716)	194,667		(6,596,884)
Infrastructure - streets and storm drains	(34,655,178)	(2,169,418)			(36,824,596)
Lease assets - equipment	(42,951)	(120,851)			(163,802)
Subscription assets		(102,810)			(102,810)
Total accumulated depreciation	(65,288,713)	(4,545,936)	2,972,430		(66,862,219)
Capital assets being depreciated, net	87,069,272	(3,030,955)	(35,162)	7,666,628	91,669,783
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 275,165,178	$ 2,265,694	$ (1,860,417)	$ 211,864	$ 275,782,319

Capital outlay expenditures in governmental funds does not agree to additions above due to additions in the Fleet Enterprise Fund being included in the rollforward above that are not reported in governmental funds, including all lease and subscription assets.

NOTE F – CAPITAL ASSETS (Continued)

	Balance at June 30, 2022	Additions	Retirements	Transfers	Balance at June 30, 2023
Business-Type Activities					
Capital assets, not being depreciated:					
Land and improvements	$ 2,208,769				$ 2,208,769
Construction in progress	8,892,209	$ 1,035,071	$ (33,880)	$ (5,729,945)	4,163,455
Total capital assets, not being depreciated	11,100,978	1,035,071	(33,880)	(5,729,945)	6,372,224
Capital assets, being depreciated:					
Buildings and improvements	7,879,811			5,050,198	12,930,009
Water treatment and distribution	40,319,403				40,319,403
Equipment	3,293,101	925,960			4,219,061
Wastewater treatment and collection	35,061,638			467,883	35,529,521
Recycled Water Treatment and Distribution	5,871,108				5,871,108
Subscription technology		5,760			5,760
Total capital assets, being depreciated	92,425,061	931,720		5,518,081	98,874,862
Less accumulated depreciation for:					
Buildings and improvements	(4,988,969)	(300,664)			(5,289,633)
Water treatment and distribution	(22,502,348)	(1,196,657)			(23,699,005)
Equipment	(2,497,330)	(410,761)			(2,908,091)
Wastewater treatment and collection	(19,458,409)	(1,140,049)			(20,598,458)
Recycled Water Treatment and Distribution	(2,254,628)	(194,811)			(2,449,439)
Subscription technology		(240)			(240)
Total accumulated depreciation	(51,701,684)	(3,243,182)			(54,944,866)
Capital assets being depreciated, net	40,723,377	(2,311,462)		5,518,081	43,929,996
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 51,824,355	$ (1,276,391)	$ (33,880)	$ (211,864)	$ 50,302,220

Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

	Depreciation
Governmental Activities:	
Public safety	$ 359,494
Public works	3,663,747
Storm drain	522,695
Total Governmental Activities	$ 4,545,936

NOTE F – CAPITAL ASSETS (Continued)

Business-type Activities:	
Water	$ 1,274,314
Wastewater	1,746,613
Recycled Water	222,255
Total Business-type Activities	$ 3,243,182

Project Commitments

At June 30, 2023, the City had outstanding commitments with contractors for the following projects:

Project	Remaining Commitment
Transportation projects	$ 2,762,922
Recycled water projects	2,404,170
Parks projects	1,500,590
Civic facilities	198,854
Wastewater projects	103,431
Planning projects	4,940
	$ 6,974,907

NOTE G – LONG-TERM LIABILITIES

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. Activity in the City's long-term liabilities was as follows for the year ending June 30, 2023:

	Original Amount	Balance July 01, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
Governmental Activities						
2020 City Hall Site Agreement 2.6%, due 05/01/34	$ 4,569,064	$ 4,569,064			$ 4,569,064	$ 372,395
Bank of America ENGIE Financed Purchase 1.79%, due 06/01/36	5,209,209	802,001		$ (41,371)	760,630	44,398
Municipal Asset Management, Inc. Financed Purchase - 2.96% due 06/17/24	314,188	69,026		(34,714)	34,312	34,312
Bank of America Fire Engine Financed Purchase 2.56%, due 12/01/29	1,842,000		$ 1,842,000	(102,000)	1,740,000	238,000
Enterprise Lease Liability	1,306,602	234,459	1,090,913	(201,306)	1,124,066	233,110
Subscription Liability	342,439		342,439	(109,146)	233,293	75,256
Total direct borrowings and direct placements		5,674,550	3,275,352	(488,537)	8,461,365	997,471
Compensated absences		748,333	803,133	(825,211)	726,255	684,682
Claims and judgments		2,133,981		(2,020,343)	113,638	113,638
Net pension liability		7,923,101	8,595,641		16,518,742	
Other postemployment benefits		5,799,544	3,179,324		8,978,868	
Total Governmental Long-Term Liabilities		22,279,509	12,578,098	(3,334,091)	34,798,868	$ 1,795,791
Less: Amount due within one year		(2,917,374)			(1,795,791)	
Total Governmental Long-Term Liabilities, Net		$ 19,362,135	$ 12,578,098	$ (3,334,091)	$ 33,003,077	

The Municipal Asset Management, Inc. lease, Enterprise Lease Liability, and subscription liability are reported in Internal Service Funds, so no principal payment expense and no other financing sources for the issuance of the leases and subscriptions is reported in governmental funds.

NOTE G – LONG-TERM LIABILITIES (Continued)

	Original Amount	Balance July 01, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
Business-type Activities						
State of California Davis-Grunsky Loan 2.5%, due 12/31/27	$ 2,050,000	$ 432,406		$ (72,141)	$ 360,265	$ 73,947
State Water Resources Control Board, State Revolving Fund Loan 2.7%, due 07/15/22	10,859,470	722,377		(722,377)		
Bank of America ENGIE Financed Purchase 1.79%, due 06/01/36	5,209,209	4,232,536		(218,338)	4,014,198	234,306
Subscription Liability			$ 5,760	(5,760)		
Total direct borrowings and direct placements		5,387,319	5,760	(1,018,616)	4,374,463	308,253
Add: Unamortized interest on Davis-Grunsky Loan		72,834		(11,513)	61,321	
Compensated absences		229,691	233,865	(261,255)	202,301	164,140
Net pension liability		1,156,694	1,830,095		2,986,789	
Other postemployment benefits		1,467,792	183,512		1,651,304	
Total Business-type Long-Term Liabilities		8,314,330	2,253,232	(1,291,384)	9,276,178	$ 472,393
Less: Amount due within one year		(1,145,950)			(472,393)	
Total Business-type Activity Liabilities		$ 7,168,380	$ 2,253,232	$ (1,291,384)	$ 8,803,785	

All agreements below represent direct borrowings.

2020 City Hall Site Agreement

In October 2020, the Financing Authority entered into an agreement in the amount of $4,569,064 in order to terminate the 2007 Lease Financing and restructure the payments on the agreement to purchase the site and construct the City Hall. The terms of the agreement require semi-annual principal payments of $185,202 to $231,828 commencing on November 1, 2023, and semi-annual interest payments of $2,492 to $53,756 commencing on May 1, 2021, through May 1, 2034, which includes interest at 2.6%. In the event of default, the lender has the ability to direct and control remedies under the agreement, which includes termination of the agreement and re-lease of the property.

ENGIE Financed Purchase Agreement

In May 2020, the City entered into a purchase arrangement with a bank in the amount of $5,209,209 for equipment upgrades, replacements and installation to provide energy savings for the City. Debt service will be funded from the revenue of the General Fund, Fire District Fund, Water Fund, and Wastewater Fund. $15,354 of accrued interest was added to the principal balance by the lender after issuance during 2021. The contracts were split between governmental activities and business-type activities based on the proportion of future contract obligations. The contract rate is 1.79%. Monthly principal and interest payments ranging from $28,975 to $41,144 are due on the first of each month from July 1, 2021 to June 1, 2036. In the event of default, the agreement may be terminated and the equipment may be repossessed and 1% will be added to the interest rate.

NOTE G – LONG-TERM LIABILITIES (Continued)

Financed Purchase Agreement – Municipal Asset Management, Inc. Vac Con Truck

In July 2014, the City entered into a purchase arrangement for $314,188 to purchase sewer and storm drain equipment. The terms of the agreement require annual payments of $36,757 through June 17, 2024, which includes interest at 2.96%. In the event of default, the agreement may be terminated, and the equipment may be repossessed. Also, a late charge of 1% per month will be assessed.

Fire Engine Financed Purchase Agreement

In August 2022, the Fire District entered into a purchase arrangement with a bank in the amount of $1,842,000 for two fire trucks and equipment. Debt service will be funded from the revenue of the Fire District Fund The contract rate is 2.56%. Monthly principal and interest payments ranging from $138,640 to $150,909 are due on July 1 and December 1 through December 1, 2029. In the event of default, the agreement may be terminated and the equipment may be repossessed and 1% will be added to the interest rate.

Enterprise Lease Liability

On August 26, 2021, the City entered into a master lease agreement with Enterprise Fleet Management to lease vehicles for the City. The City leases seven vehicles in 2022 and 17 vehicles in 2023 under the agreement with payments of $57,934 per year starting in 2023 and final payments of $43,908 in 2028 through May 31, 2028. The District recorded lease assets and a lease liability for the present value of the lease payments over the lease terms. For purposes of discounting future lease payments, the City used a weighted average discount rate of 5.96% charged by the lessor. The lease assets are being amortized over 5.0 years, which is the remaining term of the current leases. As of June 30, 2023, the cost and accumulated amortization of the lease vehicles were $1,306,602 and $163,802, respectively. The agreement contains a default interest rate of the lesser of 18% or the highest rate permitted by law.

Subscription Based Information Technology Agreements (SBITA)

The City entered into four SBITA contracts for productivity software. The City is required to make yearly payments ranging from $42,343 to $86,830 through July 1, 2026. The subscription agreements were discounted using a rate of 5.00%. The discount rates were based on the estimated incremental borrowing rate of the City at the SBITA commencement dates. Subscription asset cost was $347,959 and $5,760 and accumulated amortization was $102,810 and $240 for the governmental activities and business-type activities, respectively, as of June 30, 2023.

State of California Davis – Grunsky Loan

The City obtained a loan in an original amount of $2,050,000 from the State of California Department of Water Resources under the Davis-Grunsky Act for the purpose of financing water system improvements. Interest payments are due each July 1 and January 1 with the final payment due December 31, 2027, ranging from $659 to $4,466. Principal payments are due each January 1 with a final payment due December 31, 2027, ranging from $53,204 to $79,631. The loan bears interest at 2.5% and the loan is secured by a pledge to levy taxes or assessments in amounts sufficient to pay debt service. The City makes repayments from its water enterprise fund from available resources. In the event of default, the State may take action in a court to enforce the levy and collection of taxes or assessments to pay amounts due under the agreement and may charge a default interest rate of 0.209% per month after the scheduled payment is more than 30 days past due.

NOTE G – LONG-TERM LIABILITIES (Continued)

State of California Revolving Fund Loan

The City obtained a $10,859,470 loan from the State of California Department of Water Resources under the State Revolving Loan Program for the purpose of obtaining financing to construct the City's wastewater treatment plant. The loan bears interest at 2.7% and is secured by a pledge of the City to maintain dedicated sources of revenue sufficient in amounts to provide for repayment of the loan.

Principal and interest on the loan is payable in annual installments of $741,881 due each July 15 through 2022. In the event of default, the State may take action in a court to enforce the levy and collection of taxes or assessments to pay amounts due under the agreement.

Financed Purchase – Municipal Finance, Inc.- Wastewater Membranes

In July 2015, the City entered into a lease purchase agreement for $2,004,200 for the acquisition and installation of equipment at a wastewater plant. The terms of the lease require annual payments of $157,222 through July 6, 2022, which includes interest at 3.55%. In the event of default, all unpaid principal and interest may be declared immediately due and payable. The default interest rate is 8%.

Debt Service Requirements

Future annual debt service requirements for long-term liabilities at June 30, 2023 were as follows:

Year Ending June 30:	Governmental Activities							
	Loans		Leases		Subscriptions		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 689,105	$ 153,637	$ 233,110	$ 59,159	$ 75,256	$ 11,574	$ 997,471	$ 224,370
2025	678,017	137,533	247,162	45,108	79,106	7,724	1,004,285	190,365
2026	698,183	121,966	262,072	30,197	38,481	3,862	998,736	156,025
2027	720,549	105,902	266,536	14,466	40,450	1,893	1,027,535	122,261
2028	742,824	89,348	115,186	2,654			858,010	92,002
2029-2033	2,893,887	224,440					2,893,887	224,440
2034-2038	681,441	13,693					681,441	13,693
Totals	$ 7,104,006	$ 846,519	$ 1,124,066	$ 151,584	$ 233,293	$ 25,053	$ 8,461,365	$ 1,023,156

Year Ending June 30:	Business-type Activities	
	Principal	Interest
2024	$ 308,253	$ 78,945
2025	326,856	72,765
2026	333,726	66,335
2027	361,867	59,596
2028	354,921	52,394
2029-2033	1,526,475	176,825
2034-2038	1,162,365	32,047
	$ 4,374,463	$ 538,907

NOTE G – LONG-TERM LIABILITIES (Continued)

The Water and Wastewater Funds have pledged a portion of their net revenue to repay $2,050,000 for the State of California Davis-Grunsky loan and $10,859,470 for the State of California Revolving Fund loan to finance certain capital improvements. Total principal and interest remaining on the Water Fund loans through 2028 is $386,342. During fiscal year 2023, the principal and interest paid by the Water and Wastewater Funds for these loans was $82,951 and $741,881, respectively. The Water Fund and the Wastewater Funds had net revenues of $2,030,490 and $1,951,864, respectively, during fiscal year 2023.

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements, which stipulate, in general, that the earnings from the investment of tax-exempt bond proceeds, which exceed related interest expenditures on the bonds, must be remitted to the Federal government on every fifth anniversary of each bond issuance. The City has evaluated its bond issuance and no arbitrage liability was recognized as of June 30, 2023.

Special Assessment Debt Without City Commitment

At June 30, 2023, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

LaVigne AD 2013 Reassessment Revenue Refunding Loan	$ 3,305,500
American Canyon Road East AD Refunding Revenue Bonds, Series 2015	9,360,000
Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Revenue Bonds, Series 2020	5,000,000

The City has no legal or moral responsibility with respect to the payment of this debt and has therefore not recorded it as a liability. The City is responsible, as the Districts' agent, for the Districts' cash receipts, disbursements and balances, which are reported as Custodial Fund transactions in the financial statements.

NOTE H – NET POSITION AND FUND BALANCES

Net Position: Net position is the excess of the City's assets and deferred outflows of resources over its liabilities and deferred inflows of resources. Net Position is segregated into the following categories at the government-wide and proprietary fund level:

Net investment in capital assets: This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt that is attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted net position: This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position: This category represents the net position of the City, which are not restricted or invested in capital assets net of related debt for any project or other purpose.

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

Fund Balance: Governmental fund balances represent the net current assets of each fund. Net current assets consists of a fund's assets and deferred outflows of resources over liabilities and deferred inflows of resources.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, committed, assigned, and unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable fund balances are not expected to be converted to cash within the next operating cycle and are typically comprised of long-term receivables, land held for resale, deposits with others, prepaid items and advances to other funds.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council consisting of an ordinance or resolution, which the City considers equally binding. The City Council has authority to establish, modify, or rescind a fund balance commitment through another ordinance or resolution.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or management and may be changed at the discretion of the City Council or management.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted or unrestricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

The Fire District Board has established a contingency reserve which may only be used in the event the City experiences a 10% reduction in the operations fund property tax revenue or in the event of a declared emergency as defined by Health and Safety Code §13901. The reserve may also only be used according to a resolution of the governing body.

The City Council has established a General Fund contingency reserve which can only be used in the event the City experiences a 10% reduction in discretionary General Fund revenue compared to the prior fiscal year or in the event of a declared emergency as defined by Municipal Code 2.48.020.

The City's Capital Projects Reserve will be increased by a minimum of $100,000 per year until it reaches $2 million, and thereafter it will be increased by 3% or the annual CPI, whichever is greater.

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

The Economic Development Reserve was established at $1,000,000 and is to be used to further the City's adopted Economic Development program.

Fund balances of governmental funds were categorized as follows as of June 30, 2023:

	General	Fire District Operations Special Revenue	CDBG, CalHome and HOME Loan Development Special Revenue	State and Federal Grants - City Special Revenue	City Capital Projects	Affordable Housing Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances								
Nonspendable:								
Property held for resale	$ 417,503							$ 417,503
Prepaid expenditures and deposits	57,812							57,812
Total Nonspendable	475,315							475,315
Restricted:								
Public safety								
Fire District capital acquisition							$ 1,419,737	1,419,737
Vehicle enforcement	144,765							144,765
Other		$ 445,319					10,541	455,860
Public works								
Capital projects				$ 81,957	$ 1,290,386		6,973,462	8,345,805
Non-capital projects							7,193,016	7,193,016
Landscaping and lighting districts							3,208,878	3,208,878
Storm drain projects							5,814,903	5,814,903
Community development, planning and building	937,082		$ 115,903			$ 310,074	107,883	1,470,942
Parks								
La Vigne Open Space							178,225	178,225
Newell Park Open Space							249,861	249,861
Other							1,694,129	1,694,129
Other activities	104,059							104,059
Total Restricted	1,185,906	445,319	115,903	81,957	1,290,386	310,074	26,850,635	30,280,180
Committed:								
Contingency	6,615,030	1,392,733						8,007,763
Capital projects	1,300,000							1,300,000
Total Committed	7,915,030	1,392,733						9,307,763
Assigned:								
Economic development	1,000,000							1,000,000
Fire operations		3,912,325						3,912,325
Total Assigned	1,000,000	3,912,325						4,912,325
Unassigned:	4,724,240						(1,983,835)	2,740,405
Total Fund Balance	$ 15,300,491	$ 5,750,377	$ 115,903	$ 81,957	$ 1,290,386	$ 310,074	$ 24,866,800	$ 47,715,988

Net Position and Fund Equity Deficits

The Recycled Water Enterprise Fund, Cannabis Special Revenue Fund, Community Facility District Special Revenue Fund, General Plan Update Special Revenue Fund, Engie City Debt Service Fund Engie Fire Debt Service Fund and Legal Internal Service Fund had deficit fund balances or net position of $1,316,446, $14,632, $1,748,543, $162,211, $17,750, $40,699 and $308,268, respectively, at June 30, 2023. The deficits are expected to be covered by future grants, fees or charges for services in these funds.

NOTE I – DEFERRED COMPENSATION PLANS

The City offers three deferred compensation plans under IRC Section 457: The ICMA Retirement Corporation Internal Revenue Code (IRC) Section 457 Deferred Compensation Plan (the ICMA Plan), the VALIC IRC Section 457 Deferred Compensation Plan (the VALIC Plan), and the Public Agency Retirement System Section 457 FICA Alternative Retirement Plan (FICA ARP). Benefit terms for the deferred compensation plans are established by and may be amended by the City Council subject to provisions of employment agreements. The ICMA Plan is a voluntary plan available to all City employees with the exception to members of Fire Fighters Local 1186. The VALIC Plan is available to all City employees with the exception of unrepresented part-time, temporary and seasonal employees. The FICA ARP Plan is available to unrepresented part-time, temporary and seasonal employees not eligible for other retirement plans. Employee contributions to the ICMA Plan are voluntary and the City makes no contributions. Employer and employee contributions to the VALIC Plan are discretionary. The City contributes 3.3% of employees' pay to the FICA ARP and employees contribute a minimum of 4.2% of their compensation up to the IRC limits. Employees are fully vested in their contributions immediately after the contributions are made. For the year ended June 30, 2023, the City made contributions of $34,418 and employees made contributions of $390,207to the deferred compensation plans.

NOTE J – PENSION PLANS

DEFINED BENEFIT PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the City's cost-sharing multiple-employer defined benefit pension plan (the Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous risk pool and a safety risk pool and the following rate plans:

- City Miscellaneous Plan
- City PEPRA Miscellaneous Plan
- Fire Protection Miscellaneous Plan
- Safety Fire First Tier Plan
- Safety Fire Second Tier Plan
- Safety Fire PEPRA Plan (effective beginning fiscal year 2017)

Although one pension plan exists, CalPERS provides the information separately for the Miscellaneous and Safety Risk Pools and the information is presented separately where available. Benefit provisions under the Plan is established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Risk Pool) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 4, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE J – PENSION PLANS (Continued)

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	City Miscellaneous Prior to January 1, 2013	City PEPRA Miscellaneous On or after January 1, 2013	Fire Protection Miscellaneous Prior to January 1, 2013
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62	3.0% @ 60
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67	50 - 60
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%	2.00% to 3.00%
Required employee contribution rates	7.00%	7.25%	6.75%
Required employer contribution rates	11.610%	7.760%	7.470%

	Safety Fire First Tier January 1, 1965 to May 5, 2010	Safety Fire Second Tier On or after May 5, 2010	Safety Fire PEPRA On or after January 1, 2013
Benefit formula (at full retirement)	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50-57
Monthly benefits, as a % of eligible compensation	3.00%	2.40% to 3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	23.750%	21.840%	12.780%

Beginning June 29, 2019, the City and its General and Mid-Management bargaining units agreed the employees would reimburse 3.399% of the employer contribution and would equally share in any excess employer contributions exceeding 16% up to a limit of 5% of additional employee contribution. The employee reimbursement percentage was amended to 4.855% and 5% of the employer contribution on June 27, 2020 and October 5, 2021, respectively.

All rate plans except the PEPRA rate plans are closed to new members that are not already CalPERS participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the rate plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

NOTE J – PENSION PLANS (Continued)

For the year ended June 30, 2023, the contributions paid to Plan were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
Contributions - employer	$ 1,386,650	$ 1,084,498	$ 6,686	$ 2,477,834

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2023, the City reported a net pension liability for its proportionate shares of the Plan as follows:

	Proportionate Share of Net Pension Liability/Asset
City Miscellaneous Risk Pool	$10,068,806
Fire Safety Risk Pool	9,419,097
Fire Miscellaneous Risk Pool	17,628
Total Net Pension Liability	$19,505,531

The City's net pension liability of each risk pool is measured as the proportionate share of the net pension liability. The net pension liability of each of the risk pools is measured as of June 30, 2022, and the total pension liability for each risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each risk pool as of June 30, 2023 and 2022 were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool
Proportion - June 30, 2022	0.21322%	0.14211%	0.00230%
Proportion - June 30, 2023	0.21518%	0.13707%	0.00038%
Change - increase (decrease)	0.00196%	-0.00504%	-0.00193%

For the year ended June 30, 2023, the City recognized pension expense (credit) of $1,447,847, $536,316, and $(15,630) for the City Miscellaneous Risk Pool, Fire Safety Risk Pool, Fire Miscellaneous Risk Pool and in total for the Plan, respectively. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

NOTE J – PENSION PLANS (Continued)

City Miscellaneous Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,386,650	
Differences between actual and expected experience	202,203	$ (135,428)
Changes in assumptions	1,031,760	
Change in employer's proportion	269,677	
Differences between the employer's contribution and the employer's proportionate share of contributions		(620,563)
Net differences between projected and actual earnings on plan investments	1,844,338	
Total	$ 4,734,628	$ (755,991)
Fire Safety Risk Pool		
Pension contributions subsequent to measurement date	$ 1,084,498	
Differences between actual and expected experience	389,822	$ (102,284)
Changes in assumptions	949,730	
Change in employer's proportion	415,812	
Differences between the employer's contribution and the employer's proportionate share of contributions		(656,534)
Net differences between projected and actual earnings on plan investments	1,487,407	
Total	$ 4,327,269	$ (758,818)
Fire Miscellaneous Risk Pool		
Pension contributions subsequent to measurement date	$ 6,686	
Differences between actual and expected experience	354	$ (237)
Changes in assumptions	1,806	
Change in employer's proportion		(54,084)
Differences between the employer's contribution and the employer's proportionate share of contributions	30,586	
Net differences between projected and actual earnings on plan investments	3,229	
Total	$ 42,661	$ (54,321)
Total for Plan	$ 9,104,558	$ (1,569,130)

The amounts above reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other deferred amounts related to the net differences between the projected and actual earnings on plan investments and all remaining amounts will be recognized as pension expense over 5 years and the average service lives of employees, respectively, as follows:

NOTE J – PENSION PLANS (Continued)

Year Ended June 30	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
2024	$ 615,419	$ 701,172	$ (6,212)	$ 1,310,379
2025	541,764	552,444	(7,836)	1,086,372
2026	306,744	323,000	(6,273)	623,471
2027	1,128,060	907,337	1,975	2,037,372
	$ 2,591,987	$ 2,483,953	$ (18,346)	$ 5,057,594

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for each risk pool were determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-Age Normal Cost Method
Amortization method	Level pecent of payroll
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	2.80%
Projected salary increase	0.2% - 7.64% Miscellaneous and 0.77% to 15.49% Safety (1)
Investment rate of return	6.9% (2)
Mortality	Derived using CalPERS membership data for all funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website. All other actuarial assumptions used in the valuations were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be found on CalPERS' website under Forms and Publications.

Discount Rate: The discount rate used in the accounting valuations to measure the total pension liability was 6.9% for each risk pool, which declined from 7.15% at June 30, 2022. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE J – PENSION PLANS (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return (a)
Global Equity- Cap-Weighted	30.0%	4.54%
Global Equity- Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.30% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the City's proportionate share of the net pension liability for each risk pool, calculated using the discount rate for each risk pool, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
1% decrease	5.90%	5.90%	5.90%	5.90%
Net pension liability	$16,222,381	$13,976,432	$ 20,259	$30,219,072
Current discount rate	6.90%	6.90%	6.90%	6.90%
Net pension liability	$10,068,806	$ 9,419,097	$ 17,628	$19,505,531
1% increase	7.90%	7.90%	7.90%	7.90%
Net pension liability	$ 5,005,941	$ 5,694,506	$ 15,463	$10,715,910

NOTE J – PENSION PLANS (Continued)

Fiduciary Net Position: Detailed information about each Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Plan: At June 30, 2023, the City had no significant contributions payable to the Plan.

DEFINED CONTRIBUTION PLAN

The City offers the City of American Canyon Internal Revenue Code (IRC) Section 401a Government Money Purchase Plan (401a Plan), a single-employer defined contribution retirement plan, to at-will management, mid-management and confidential employee unit members exempt from the Fair Labor Standards Act that are over 18 years of age. Benefit terms for the 401a Plan are established by and may be amended by the City Council subject to provisions of employment agreements. Employees are eligible to participate in the Plan on their date of hire. Employees are required to contribute 2% and the City is required to contribute 1% for mid-management and confidential employees and 2% for at-will management employees. Employees are immediately fully vested in their own contributions and City contributions. During the year ended June 30, 2023, the City's and employee contributions to the 401a Plan were $50,629 and $60,583, respectively.

NOTE K – OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions: The City's defined benefit OPEB Plan (City Plan) and the Fire District's defined benefit OPEB Plan (Fire Plan) are both agent multiple-employer defined benefit plans that provide OPEB benefits to retirees that meet eligibility requirements. The City Council has the authority to establish and amend the benefit terms of each Plan according to the Memorandum of Understanding with the labor units. The City Plan and the Fire Plan both participate in the CalPERS California Employers' Retiree Benefit Trust (CERBT) Fund, which is a Section 115 trust fund administered by CalPERS. The CERBT issues a publicly available financial statements that may be obtained from CalPERS at www.calpers.ca.gov.

City Plan Benefits Provided: To qualify for postemployment medical benefits, an employee must be eligible for benefits and retire from the City. The City Plan does not provide dental and vision coverage. Employees must retire with CalPERS benefits to be eligible for City Plan benefits. Nondisabled participants must be at least age 50 and have five years of service. Disabled participants do not have a minimum retirement age and must have five years of service. Employees/retirees and their eligible spouses and dependents receive medical benefits offered through CalPERS.

For City retirees hired prior to July 2016 and enrolled in CalPERS health coverage, the City contributes a monthly payment equal to 100% of the current "Supplemental/Managed Monthly Employee Only Rate for Kaiser Senior Advantage" to CalPERS. CalPERS deducts the remaining cost of the medical insurance premium from the retirees account. The City reimburses the retiree for 90% of the Kaiser HMO premium rates less the payment made to CalPERS for the "Supplemental/Managed Monthly Employee Only Rate for Kaiser Senior Advantage."

For retirees hired in or after July 2016 and enrolled in CalPERS health coverage, the City contributes a monthly payment equal to 100% of the current "Supplemental/Managed Monthly Employee Only Rate for Kaiser Senior Advantage" to CalPERS. CalPERS deducts the remaining cost of the medical premium from the retirees account.

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Covered dependents of eligible retirees include spouses, domestic partners, and children under age 26 and never married (or any age if handicapped, subject to CalPERS approval). Surviving spouses of deceased retirees are covered for life on the same basis as when the retiree was alive. There are no benefits for surviving spouses or dependent children of active employees beyond COBRA continuation.

Fire Plan Benefits Provided: Employees must retire with CalPERS benefits to be eligible for Fire Plan benefits. Nondisabled participants must be at least age 50 and have five years of service. Disabled participants do not have a minimum retirement age and must have five years of service. Employees/retirees and their eligible spouses and dependents receive medical benefits offered through CalPERS. The Fire Plan offers retirees and their dependents access to dental, vision and life insurance for the remainder of their lifetime at the same premium rates applicable to active employees.

For employees hired prior to June 1, 2010, the District contributes the same amount for retirees as is contributed for similarly situated active employees. The District contributes the full premium up to 95% of the premium (determined reflecting coverage level and Basic, Combination or Supplemental rate) for the Kaiser Bay Area plan offered by CalPERS.

For employees hired on or after June 1, 2010, the Fire Plan has vesting requirements. Under the vesting program, employees must have ten years of CalPERS service, five of which must be with the City, to receive a contribution of 50%. An additional 5% contribution is received for each additional year of service up a 100% contribution after 20 years of service. The premium paid by the Fire Plan for employees hired on or after June 1, 2010 is subject to a cap. For 2022, the caps were $816 for retiree only coverage, $1,548 for the retiree plus one dependent and $1,983 for the retiree plus 2 or more dependents.

Employees Covered by Benefit Terms: At the June 30, 2021 actuarial valuation date, the following employees were covered by the benefit terms:

	City Plan	Fire Plan
Inactive employees or beneficiaries currently receiving benefit payments	42	17
Inactive employees entitled to but not yet receiving benefit payments	12	
Active employees	73	15
Total	127	32

Contributions: The City Council and Fire District Board have the authority to establish and amend the contribution requirements of the City and Fire District and employees with powers granted to it under the City Municipal Code and California Government Code, subject to the Memorandums of Understanding with employee bargaining units.

Employees are not required to contribute to the City or Fire Plans. During the fiscal year ended June 30, 2023, the City's direct payments of insurance premiums were $441,003, implicit subsidy was $204,211 and cash contributions to the trust were $236,849, resulting in total contributions of $882,063. During the fiscal year ended June 30, 2023, the Fire District's direct payments of insurance premiums were $261,156 and the implicit subsidy was $111,733, resulting in total contributions of $372,889. The City and Fire District make contributions to the CERBT, which is administered by CalPERS.

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability: The City and Fire District's net OPEB liabilities were measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of June 30, 2021.

Actuarial Assumptions: The total OPEB liabilities at the measurement date were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	City Plan	Fire Plan
Valuation date	June 30, 2021	June 30, 2021
Measurement date	June 30, 2022	June 30, 2022
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	5.60%	6.15%
Inflation	2.50%	2.50%
Salary increases	3.00%	3.00%
Investment rate of return	5.60%	6.15%
Mortality rates	Derived using CalPERS membership data	Derived using CalPERS membership data
Pre-retirement turnover	Derived using CalPERS membership data	Derived using CalPERS membership data
Healthcare trend rate	5.6% grading down to 4% in 2076	5.6% grading down to 4% in 2076
Percentage electing to cover spouse	60% for employees hired before and 45% for employees hired on or after July 1, 2016;	85%

The healthcare trend shown above was developed using the Getzen Model 2021_b published by the Society of Actuaries. Mortality information for the City and Fire Plans was developed from a blending of data and methodologies found in (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report and (2) the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors insurance and Federal Disability Insurance Trust Funds, published in 2021. The City and Fire Plans mortality improvement was based on the MacLeod Watts Scale 2020.

The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the December 2017 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The City has elected the CERBT Strategy 2 portfolio and the Fire District has elected the CERBT Strategy 1 portfolio. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Asset Class	Target Allocation City Plan	Target Allocation Fire Plan	Long-term Expected Rate of Return City Plan	Long-term Expected Rate of Return Fire Plan
Global equity	34.0%	49.0%	6.80%	6.80%
Fixed income	41.0%	23.0%	4.50%	4.50%
Real estate investment trusts (REITs)	17.0%	20.0%	6.20%	6.20%
Treasury inflation protected securities (TIPS)	5.0%	5.0%	3.60%	3.60%
Commodities	3.0%	3.0%	3.50%	3.50%
Total	100.0%	100.0%		

Discount Rate: The discount rate used to measure the total City and Fire District OPEB liabilities was 5.60% and 6.15%, respectively. The City discount rate was lowered from 6.00% to 5.60% and the Fire District discount rate was lowered from 7.00% to 6.150%, from the previous measurement date. The projection of cash flows used to determine the discount rate assumed that City and Fire District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the City and Fire Plans' fiduciary net positions were projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments were applied to all periods of projected benefit payments to determine the total OPEB liabilities.

Changes in the Net OPEB Liability: Changes in the net OPEB liability were as follows during the year ended June 30, 2023:

	Increase (Decrease)		
City Plan	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022	$ 12,529,860	$ 7,381,518	$ 5,148,342
Changes in the year:			
Service cost	517,905		517,905
Interest	766,260		766,260
Changes in assumptions	684,550		684,550
Difference between expected and actual experience			
Contributions - employer		885,236	(885,236)
Net investment income		(1,005,664)	1,005,664
Benefit payments	(553,536)	(553,536)	
Administrative expenses		(1,901)	1,901
Net changes	1,415,179	(675,865)	2,091,044
Balance at June 30, 2023	$ 13,945,039	$ 6,705,653	$ 7,239,386

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Fire Plan	Increase (Decrease) Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022	$ 6,144,263	$ 4,025,269	$ 2,118,994
Changes in the year:			
Service cost	198,928		198,928
Interest	432,889		432,889
Difference between expected and actual experience			
Changes in assumptions	681,322		681,322
Contributions - employer		621,817	(621,817)
Net investment income		(579,397)	579,397
Benefit payments	(318,137)	(318,137)	
Administrative expenses		(1,073)	1,073
Net changes	995,002	(276,790)	1,271,792
Balance at June 30, 2023	$ 7,139,265	$ 3,748,479	$ 3,390,786
Total City and Fire Plans	$ 21,084,304	$ 10,454,132	$ 10,630,172

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the City and Fire District, as well as what the City and Fire District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 4.60%	Current Discount Rate 5.60%	1% Increase 6.60%
Net OPEB liability - City Plan	$ 9,213,968	$ 7,239,386	$ 5,624,990

	1% Decrease 5.15%	Current Discount Rate 6.15%	1% Increase 7.15%
Net OPEB liability - Fire Plan	$ 4,349,291	$ 3,390,786	$ 2,600,245

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the City and Fire District, as well as what the City and Fire District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability - City Plan	$ 5,489,651	$ 7,239,386	$ 9,407,942

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability - Fire Plan	$ 2,579,629	$ 3,390,786	$ 4,383,284

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Plan Fiduciary Net Position: Detailed information about the City and Fire District Plan's fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2023, the City and Fire District recognized OPEB expense of $1,379,114 and $355,218, respectively, for a total OPEB expense of $1,734,332.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

City Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 882,063	
Differences between actual and expected experience	66,681	$ (198,209)
Changes in assumptions	2,417,253	
Net differences between projected and actual earnings on plan investments	564,589	
Total - City Plan	$ 3,930,586	$ (198,209)
Fire Plan		
OPEB contributions subsequent to measurement date	$ 372,889	
Differences between actual and expected experience		$ (775,530)
Changes in assumptions	920,958	(47,823)
Net differences between projected and actual earnings on plan investments	354,947	
Total - Fire Plan	$ 1,648,794	$ (823,353)
Total - City and Fire Plans	$ 5,579,380	$ (1,021,562)

The amount reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	City Plan	Fire Plan	Total
2024	$ 548,655	$ 17,993	$ 566,648
2025	538,269	13,703	551,972
2026	502,064	14,022	516,086
2027	705,321	193,080	898,401
2028	369,270	16,060	385,330
Thereafter	186,735	197,694	384,429
	$ 2,850,314	$ 452,552	$ 3,302,866

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Payable to the OPEB Plan: At June 30, 2023, there were no significant payables to the OPEB plans.

NOTE L – RISK MANAGEMENT

Insurance Coverage

The City is a member of the Pooled Liability Assurance Network Joint Powers Authority (Plan JPA) for liability coverage of $1.0 million with excess liability coverage of $29 million through commercial carriers, for total coverage of $30 million, subject to a deductible of $25,000. Property and vehicle coverage through the Plan JPA is $500,000 and $100,000, respectively, with excess liability coverage through commercial carriers of $999,500,000, for total coverage of $1 billion, subject to a $5,000 deductible for the Plan JPA coverage and $500,000 for pooled coverage. Flood damage coverage limit is $25 million and crime coverage, including employee theft, forgery, computer fraud, identity fraud, and fund/money transfer, ranges from $25,000 to $2,000,000 with a deductible of $10,000.

The City is also a member of the Shared Agency Risk Pool (SHARP), which is administered by the Plan JPA, for worker's compensation insurance. Workers compensation insurance is provided by SHARP up to $250,000 and excess insurance exists through the Local Agency Worker's Compensation Excess Joint Powers Authority (LAWCX) that results in a coverage limit of up to $5,000,000 per claim. Excess commercial insurance is retained by LAWCX up to $5 million. The City has no deductible for such claims. Insurance transactions are accounted for in the City's General Fund.

The Plan, SHARP and LAWCX are governed by boards consisting of representatives from member agencies. The boards control the operations of the Plan, SHARP and LAWCX, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the boards. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. Audited financial statements may be obtained from the Plan, SHARP and LAWCX at 1750 Creekside Drive, Suite 200, Sacramento, CA 95833.

The component unit Fire Protection District of the City obtains general, personal injury, fire damage, medical, products/completed operations annual aggregate, umbrella, management, cyber, auto, employee dishonesty and garage keepers liability insurance through its membership in the Fire Agencies Insurance Risk Authority (FAIRA). The District transfers the risk of loss to the Authority and is covered by the Authority from $10,000 to $1,000,000 per occurrence with an aggregate limit of $10,000,000 or $1 million for employee dishonesty coverage. Deductibles range from $250 to $7,500, depending on the coverage. The Fire Association Self Insurance System, a risk sharing pool, provides workers compensation insurance coverage for the Fire District. The System is self-insured for the first $750,000 of each claim and purchases commercial insurance excess coverage up to $5,000,000. The District has no deductible for works compensation insurance.

Liability for Uninsured Worker Compensation Claims: The City's liability for uninsured worker compensation claims, including estimated claims incurred but not reported, was estimated by management based on prior years claims experience and was computed as follows as of June 30:

NOTE L – RISK MANAGEMENT (Continued)

	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021
Unpaid claims, beginning of fiscal year	$ 2,133,981	$ 1,636,881	$ 1,064,318
Incurred claims and claim adjustment expenses (including IBNRs)	(36,828)	815,192	935,941
Claim payments	(1,983,515)	(318,092)	(363,378)
Unpaid claims, end of fiscal year	$ 113,638	$ 2,133,981	$ 1,636,881

The City has had no settlements that exceeded insurance coverage in the last three fiscal years, and no changes in insurance coverage have accrued from the prior year. The liability for uninsured claims is typically liquidated by the Fire District Operations Special Revenue Fund.

NOTE M – OTHER COMMITMENTS AND CONTINGENT LIABILITIES

The City participates in a number of federal and state grant programs subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. Management believes that such disallowances, if any, would not have a material effect on the financial statements.

The City is a defendant in a number of lawsuits that have arisen in the normal course of business, the outcome of which cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse effect on the financial position of the City.

The City received notices of the commencement of legal action under the California Environmental Quality Act from three entities related to the development of a warehouse project. These cases have been partially consolidated and transferred to Sacramento Superior Court. The outcome and impact of these cases cannot reasonably be determined.

The City has an agreement with the Napa County Flood Control and Water Conservation District (Napa Flood) to acquire water from the California State Water Project through the year 2035. Each year, the State determines the capital and operating costs associated with Napa Flood's share of the North Bay Aqueduct as well a charge dependent on water deliveries. The City's share of these costs is approximately 18%. The City is obligated to pay the capital component even if does not receive water. The amount paid under this contract during the year ended June 30, 2023 was approximately $2.33 million, of which $654,000 was related to the capital component. A similar payment will be required each year through 2035. The State Water Project contractors and State Department of Water Resources agreed to extend the contract through 2085.

In December 2019, the Council approved an agreement for consulting services for the Comprehensive General Plan 2040 Update in an amount not to exceed $1,466,574. As of June 30, 2023, $606,000 has been spent on this project.

The City has a contractual relationship with Sites Project Authority (the Authority), which is developing the Sites Reservoir Project (the Project) in the Sacramento Valley. The Project is an off-river reservoir that would capture excess water from major storms to save for drier periods. Under the 2019 Reservoir Project Agreement, as amended, the City has agreed to pay its proportional share

NOTE M – OTHER COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

of yearly budgeted Authority operating costs for approved phases of the Project. The City currently has a participation of 4,000 acre-feet, resulting in a percentage participation in the Project of 2.39%, which could change based on State of California and United States Bureau of Reclamation final participation in the Project. Participation results in rights to a "Storage Allocation" in the Project and proportional rights to any future power generation revenue developed. The Storage Allocation may be transferred by the City with the written consent of Authority members, which may not be unreasonably withheld. During the years ended June 30, 2022 and 2021, the City contributed $145,500 and $400,000, respectively, to the Authority, which is reported as a non-depreciable asset in the City's Water Fund.

In June 2021 the City was awarded a Federal Coronavirus Local Fiscal Recovery Fund allocation from the American Rescue Plan Act in the amount of approximately $4.9 million that may be used for eligible costs incurred from March 3, 2021 to December 31, 2024. The funds were received in two installments of $2.45 million in July 2021 and 2022. The funds may be used: 1) to respond to the COVID-19 public health emergency and support activities to decrease the spread of the virus; 2) address negative economic impacts caused by the public health emergency including assistance to households, small businesses, nonprofits, or to provide aid to impacted industries such as tourism, travel, and hospitality; 3) replace lost public sector revenue to the extent of the reduction in revenue was experienced due to the pandemic; 4) provide premium pay to eligible workers or grants to employers of workers who perform essential work during the public health emergency; and 5) invest in water, sewer, and broadband infrastructure. The City identified projects eligible for these funds. The City incurred $258,000 of eligible expenses in fiscal year 2023. Unspent amounts would be returned to the U.S. Treasury.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	$ 12,500,375	$ 12,688,335	$ 12,438,663	$ (249,672)
Sales taxes	3,020,000	5,890,000	5,901,732	11,732
Other taxes	2,851,150	2,907,850	2,944,624	36,774
Fines and forfeitures	120,230	94,380	156,371	61,991
Licenses and permits	699,500	1,131,247	1,070,286	(60,961)
Intergovernmental	91,481	91,481	77,866	(13,615)
Charges for services	2,053,820	2,058,251	2,159,290	101,039
Use of money and property	416,534	416,534	306,271	(110,263)
Other	581,141	517,864	643,249	125,385
TOTAL REVENUES	22,334,231	25,795,942	25,698,352	(97,590)
EXPENDITURES				
Current:				
General government	6,831,946	7,789,626	7,383,404	406,222
Public safety	8,322,284	8,322,284	8,337,957	(15,673)
Public works	2,927,766	2,898,792	2,575,048	323,744
Community development	2,355,324	3,273,201	3,568,827	(295,626)
Parks and recreation	4,388,678	3,964,971	3,070,204	894,767
Storm drain	395,224	395,224	384,808	10,416
Capital outlay	3,000	3,000	29,908	(26,908)
TOTAL EXPENDITURES	25,224,222	26,647,098	25,350,156	1,296,942
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,889,991)	(851,156)	348,196	1,199,352
OTHER FINANCING SOURCES (USES)				
Transfers in	3,125,365	3,355,365	3,181,725	(173,640)
Transfers out	(201,527)	(901,527)	(815,985)	85,542
TOTAL OTHER FINANCING SOURCES AND USES	2,923,838	2,453,838	2,365,740	(88,098)
NET CHANGE IN FUND BALANCE	33,847	1,602,682	2,713,936	1,111,254
Fund balance, beginning of year	12,586,555	12,586,555	12,586,555	
FUND BALANCE, END OF YEAR	$ 12,620,402	$ 14,189,237	$ 15,300,491	$ 1,111,254

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire District Operations Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	$ 5,545,487	$ 5,545,487	$ 5,403,686	$ (141,801)
Other taxes	754,969	754,969	739,041	(15,928)
Charges for services	348,995	348,995	382,801	33,806
Use of money and property	54,815	54,815	91,151	36,336
Other	158,000	158,000	159,543	1,543
TOTAL REVENUES	6,862,266	6,862,266	6,776,222	(86,044)
EXPENDITURES				
Current:				
Public safety	6,698,858	6,698,858	7,064,902	(366,044)
Debt service:				
Principal	136,490	136,490	102,000	34,490
Interest and other charges			34,490	(34,490)
Capital outlay	1,907,833	1,907,833	1,565,995	341,838
TOTAL EXPENDITURES	8,743,181	8,743,181	8,767,387	(24,206)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,880,915)	(1,880,915)	(1,991,165)	(110,250)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt, net	1,840,000	1,840,000	1,842,000	(2,000)
Transfers in			268,746	268,746
TOTAL OTHER FINANCING SOURCES AND USES		1,840,000	2,110,746	266,746
NET CHANGE IN FUND BALANCE	(1,880,915)	(40,915)	119,581	156,496
Fund balance, beginning of year	5,630,796	5,630,796	5,630,796	
FUND BALANCE, END OF YEAR	$ 3,749,881	$ 5,589,881	$ 5,750,377	$ 156,496

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
CDBG, CalHome and HOME Loan Development Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	$ 806,000	$ 806,000	$ 6,051	$ (799,949)
Use of money and property	74	74	2,359	2,285
Other		57,587	76,910	19,323
TOTAL REVENUES	806,074	863,661	85,320	(778,341)
EXPENDITURES				
Current:				
Community development	806,000	806,000	10,308	795,692
TOTAL EXPENDITURES	806,000	806,000	10,308	795,692
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	74	57,661	75,012	17,351
NET CHANGE IN FUND BALANCE	74	57,661	75,012	17,351
Fund balance, beginning of year	40,891	40,891	40,891	
FUND BALANCE, END OF YEAR	$ 40,965	$ 98,552	$ 115,903	$ 17,351

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
State and Federal Grants - City Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	$ 8,498,750	$ 8,498,750	$ 1,179,213	$ (7,319,537)
TOTAL REVENUES	8,498,750	8,498,750	1,179,213	(7,319,537)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,498,750	8,498,750	1,179,213	(7,319,537)
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,224,229)	(2,163,229)	(435,769)	1,727,460
TOTAL OTHER FINANCING SOURCES AND USES	(2,224,229)	(2,163,229)	(435,769)	1,727,460
NET CHANGE IN FUND BALANCE	6,274,521	6,335,521	743,444	(5,592,077)
Fund balance (deficit), beginning of year	(661,487)	(661,487)	(661,487)	
FUND BALANCE, END OF YEAR	$ 5,613,034	$ 5,674,034	$ 81,957	$ (5,592,077)

CITY OF AMERICAN CANYON
Required Supplementary Information
For the Year Ended June 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - CITY MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.21518%	0.21322%	0.20221%	0.19697%	0.19312%	0.19133%	0.18829%	0.19150%	0.20960%
Proportionate share of the net pension liability	$ 10,068,806	$ 4,048,631	$ 8,529,197	$ 7,887,778	$ 7,278,267	$ 7,542,231	$ 6,540,954	$ 5,334,328	$ 5,166,818
Covered payroll - measurement period	$ 6,427,864	$ 5,771,318	$ 6,383,583	$ 5,876,867	$ 5,993,406	$ 5,979,018	$ 5,417,416	$ 5,157,279	$ 5,062,574
Proportionate share of the net pension liability as a percentage of covered payroll	156.64%	70.15%	133.61%	134.22%	121.44%	126.14%	120.74%	103.43%	102.06%
Plan fiduciary net position as a percentage of the total pension liability	77.69%	90.01%	77.32%	77.41%	76.60%	74.15%	71.92%	78.22%	77.38%

Notes to Schedule:
Change in Benefit Terms: None.

Changes in assumptions:

Discount rate changes (measurement date)	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN -
CITY MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	$ 1,386,650	$ 1,245,432	$ 1,099,634	$ 1,072,824	$ 990,170	$ 918,516	$ 903,780	$ 816,543	$ 737,934
Contributions in relation to the actuarially determined contributions	(1,386,650)	(1,245,432)	(1,099,634)	(1,072,824)	(990,170)	(918,516)	(903,780)	(816,543)	(737,934)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - employer fiscal year	$ 6,970,020	$ 6,427,864	$ 5,771,318	$ 6,383,583	$ 5,876,867	$ 5,993,406	$ 5,979,018	$ 5,417,416	$ 5,157,279
Contributions as a percentage of covered payroll	19.89%	19.38%	19.05%	16.81%	16.85%	15.33%	15.12%	15.07%	14.31%
Valuation date for contribution rates - June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012
Valuation date for financial reporting - June 30:	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement date - June 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Methods and assumptions used to determine contribution rates:									
Actuarial method	Entry age normal cost method								
Amortization method	Level percentage of payroll, closed								
Remaining amortization period	Varies, not more than 30 years								
Asset valuation method	Market value								
Inflation	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service								
Investment rate of return and discount rate used to compute contribution rate	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50-67 years. Probablilities of retirement are based on the most recent CalPERS Experience Study.								
Mortality	Most recent CalPERS Experience Study								

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be presented prospectively as it becomes available.

CITY OF AMERICAN CANYON
Required Supplementary Information
For the Year Ended June 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FIRE SAFETY PLAN (UNAUDITED)
Last 10 Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.13707%	0.14211%	0.12336%	0.12236%	0.12252%	0.12085%	0.12357%	0.12520%	0.11999%
Proportionate share of the net pension liability	$ 9,419,097	$ 4,987,426	$ 8,218,591	$ 7,638,514	$ 7,189,025	$ 7,220,857	$ 6,399,934	$ 5,159,412	$ 4,500,491
Covered payroll - measurement period	$ 2,291,394	$ 1,825,049	$ 2,023,975	$ 1,891,216	$ 1,824,180	$ 1,944,380	$ 1,524,899	$ 1,501,544	$ 1,606,377
Proportionate share of the net pension liability as a percentage of covered payroll	411.06%	273.28%	406.06%	403.89%	394.10%	371.37%	419.70%	343.61%	280.16%
Plan fiduciary net position as a percentage of the total pension liability	71.46%	83.45%	71.64%	72.20%	72.74%	71.56%	71.92%	75.49%	77.83%

Notes to Schedule:
Change in Benefit Terms: None

Changes in assumptions:

Discount rate changes (measurement date)	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - FIRE SAFETY PLAN (UNAUDITED)
Last 10 Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	$ 1,084,498	$ 1,000,900	$ 874,486	$ 1,007,896	$ 881,120	$ 781,173	$ 712,349	$ 622,420	$ 549,070
Contributions in relation to the actuarially determined contributions	(1,084,498)	(1,000,900)	(874,486)	(1,007,896)	(881,120)	(781,173)	(712,349)	(622,420)	(549,070)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 2,340,562	$ 2,291,394	$ 1,825,049	$ 2,023,975	$ 1,891,216	$ 1,824,180	$ 1,944,380	$ 1,524,899	$ 1,501,544
Contributions as a percentage of covered payroll	46.33%	43.68%	47.92%	49.80%	46.59%	42.82%	36.64%	40.82%	36.57%
Valuation date for contribution rates - June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012
Valuation date for financial reporting - June 30:	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement date - June 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014

Methods and assumptions used to determine contribution rates:

Actuarial method	Entry age normal cost method								
Amortization method	Level percentage of payroll, closed								
Remaining amortization period	Varies, not more than 30 years								
Asset valuation method	Market value								
Inflation	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service								
Investment rate of return and discount rate used to compute contribution rate	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50-57 years. Probablilities of retirement are based on the most recent CalPERS Experience Study.								
Mortality	Most recent CalPERS Experience Study								

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be presented prospectively as it becomes available.

CITY OF AMERICAN CANYON
Required Supplementary Information
For the Year Ended June 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - FIRE MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.00038%	0.00230%	0.00129%	0.00178%	0.00233%	0.00232%	0.00270%	0.00304%	0.00294%
Proportionate share of the net pension liability	$ 17,628	$ 43,738	$ 54,399	$ 71,296	$ 87,920	$ 91,294	$ 93,760	$ 83,520	$ 72,565
Covered payroll - measurement period	$ 79,922	$ 73,720	$ 27,107	N/A	N/A	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability as a percentage of covered payroll	22.06%	59.33%	200.68%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	8.69%	0.00%	0.00%	0.00%	0.00%	0.00%	64.80%	68.95%	73.76%
Notes to Schedule:									
Change in Benefit Terms: None									
Changes in assumptions:									
Discount rate changes (measurement date)	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

The plan did not have active employees from 2015 - 2019, so there was no covered payroll during those fiscal years.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN -
FIRE MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	$ 6,686	$ 18,869	$ 24,560	$ 20,740	$ 18,930	$ 19,016	$ 6,602	$ 6,056	$ 5,443
Contributions in relation to the actuarially determined contributions	(6,686)	(18,869)	(24,560)	(20,740)	(18,930)	(19,016)	(6,602)	(6,056)	(5,443)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 85,706	$ 79,922	$ 73,720	$ 27,107	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	7.80%	23.61%	33.32%	76.51%	N/A	N/A	N/A	N/A	N/A
Valuation date for contribution rates - June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012
Valuation date for financial reporting - June 30:	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement date - June 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Methods and assumptions used to determine contribution rates:									
Single Employers Example	Entry age normal cost method								
Amortization method	Level percentage of payroll, closed								
Remaining amortization period	Varies, not more than 30 years								
Asset valuation method	Market value								
Inflation	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service								
Investment rate of return and discount rate used to compute contribution rate	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50-67 years. Probablilities of retirement are based on the most recent CalPERS Experience Study.								
Mortality	Most recent CalPERS Experience Study								

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be presented prospectively as it becomes available.

CITY OF AMERICAN CANYON
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios - City Plan
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 517,905	$ 441,947	$ 429,075	$ 335,883	$ 326,100	$ 326,100
Interest	766,260	700,679	657,168	602,996	553,400	519,700
Changes in assumptions	684,550	1,901,027		945,591		
Differences between expected and actual experience		91,627		(416,017)	2,700	
Benefit payments	(553,536)	(490,357)	(455,763)	(390,596)	(351,400)	(407,000)
Net change in total OPEB liability	1,415,179	2,644,923	630,480	1,077,857	530,800	438,800
Total OPEB liability - beginning	12,529,860	9,884,937	9,254,457	8,176,600	7,645,800	7,207,000
Total OPEB liability - ending (a)	$ 13,945,039	$ 12,529,860	$ 9,884,937	$ 9,254,457	$ 8,176,600	$ 7,645,800
Plan fiduciary net position						
Contributions - employer	$ 885,236	$ 812,638	$ 571,500	$ 576,296	$ 693,900	$ 673,700
Net investment income	(1,005,664)	1,536,192	186,101	300,131	322,826	366,285
Benefit payments	(553,536)	(490,357)	(455,763)	(390,596)	(351,400)	(407,000)
Administrative expenses	(1,901)	(2,116)	(2,575)	(1,033)	(2,126)	(1,785)
Net change in plan fiduciary net position	(675,865)	1,856,357	299,263	484,798	663,200	631,200
Plan fiduciary net position - beginning	7,381,518	5,525,161	5,225,898	4,741,100	4,077,900	3,446,700
Plan fiduciary net position - ending (b)	$ 6,705,653	$ 7,381,518	$ 5,525,161	$ 5,225,898	$ 4,741,100	$ 4,077,900
Net OPEB liability - ending (a)-(b)	$ 7,239,386	$ 5,148,342	$ 4,359,776	$ 4,028,559	$ 3,435,500	$ 3,567,900
Plan fiduciary net position as a percentage of the total OPEB liability	48.09%	58.91%	55.89%	56.47%	57.98%	53.34%
Covered-employee payroll - measurement period	$ 6,520,034	$ 6,734,681	$ 6,399,829	$ 5,955,051	$ 6,053,800	$ 5,811,270
Net OPEB liability as percentage of covered-employee payroll	111.03%	76.45%	68.12%	67.65%	56.75%	61.40%
Notes to Schedule:						
Valuation date - June 30	2021	2021	2019	2019	2017	2017
Measurement period - fiscal year ended June 30	2022	2021	2020	2019	2018	2017
Benefit changes:	None	None	None	None	None	None
Changes in assumptions:						
Discount rate	5.60%	6.00%	6.95%	6.95%	7.25%	7.25%
Health care trend:						
Initial rate	5.60%	5.70%	5.40%	5.40%	Various	Various
Trends down to	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
In year	2076	2076	2076	2076	2030	2030

Note: OPEB contributions are not based on a measure of pay so the City discloses covered-employee payroll.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

CITY OF AMERICAN CANYON

Required Supplementary Information (Unaudited)

Schedule of Changes in the Net OPEB Liability and Related Ratios - Fire Plan

For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 198,928	$ 231,790	$ 230,045	$ 226,062	$ 210,881	$ 146,079
Interest	432,889	411,091	388,764	417,289	393,002	413,368
Differences between expected and actual experience		(122,741)		(837,691)		(705,918)
Changes in assumptions	681,322	192,051	(72,183)	184,537	126,927	60,313
Benefit payments	(318,137)	(334,432)	(287,603)	(267,920)	(266,215)	(250,572)
Net change in total OPEB liability	995,002	377,759	259,023	(277,723)	464,595	(336,730)
Total OPEB liability - beginning	6,144,263	5,766,504	5,507,481	5,785,204	5,320,609	5,657,339
Total OPEB liability - ending (a)	$ 7,139,265	$ 6,144,263	$ 5,766,504	$ 5,507,481	$ 5,785,204	$ 5,320,609
Plan fiduciary net position						
Contributions - employer	$ 621,817	$ 511,759	$ 517,331	$ 483,301	$ 530,288	$ 414,364
Net investment income	(579,397)	857,965	101,238	149,305	162,465	175,524
Benefit payments	(318,137)	(334,432)	(287,603)	(267,920)	(266,215)	(250,572)
Administrative and other expenses	(1,073)	(1,189)	(1,392)	(530)	(3,591)	(904)
Net change in plan fiduciary net position	(276,790)	1,034,103	329,574	364,156	422,947	338,412
Plan fiduciary net position - beginning	4,025,269	2,991,166	2,661,592	2,297,436	1,874,489	1,536,077
Plan fiduciary net position - ending (b)	$ 3,748,479	$ 4,025,269	$ 2,991,166	$ 2,661,592	$ 2,297,436	$ 1,874,489
Net OPEB liability - ending (a)-(b)	$ 3,390,786	$ 2,118,994	$ 2,775,338	$ 2,845,889	$ 3,487,768	$ 3,446,120
Plan fiduciary net position as a percentage of the total OPEB liability	52.51%	65.51%	51.87%	48.33%	39.71%	35.23%
Covered-employee payroll - measurement period	$ 2,393,068	$ 2,172,958	$ 2,277,760	$ 2,837,425	$ 2,509,387	$ 2,167,463
Net OPEB liability as percentage of covered-employee payroll	141.69%	97.52%	121.85%	100.30%	138.99%	158.99%
Notes to Schedule:						
Valuation date - June 30	2021	2021	2019	2019	2017	2017
Measurement period - fiscal year ended - June 30	2022	2021	2020	2019	2018	2017
Benefit changes:	None	None	None	None	None	None
Changes in assumptions:						
Discount rate	6.15%	7.00%	7.05%	6.95%	7.10%	7.28%
Health care trend:						
Initial rate	5.60%	5.70%	6.50%	6.50%	7.50%	8.00%
Trends down to	4.00%	4.00%	5.00%	5.00%	5.00%	5.00%
In year	2076	2076	2025	2025	2025	2024

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

CITY OF AMERICAN CANYON
Required Supplementary Information (Unaudited)
Schedule of Contributions to the OBEP Plan - City Plan
Last Ten Fiscal Years
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution - employer fiscal year	$ 984,045	$ 834,799	$ 812,638	$ 571,500	$ 576,700	$ 582,400
Contributions in relation to the actuarially determined contributions	(882,063)	(885,236)	(812,638)	(571,500)	(578,522)	(692,000)
Contribution deficiency (excess)	$ 101,982	$ (50,437)	$ -	$ -	$ (1,822)	$ (109,600)
Covered-employee payroll - employer fiscal year	$ 6,969,315	$ 6,936,721	$ 6,734,681	$ 6,399,829	$ 5,955,051	$ 6,053,800
Contributions as a percentage of covered payroll	12.66%	12.76%	12.07%	8.93%	9.71%	11.43%
Notes to Schedule:						
Valuation date - June 30	2021	2021	2019	2019	2017	2017
Measurement period - fiscal year ended June 30	2022	2021	2020	2019	2018	2017
Methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry Age Normal Cost Method					
Amortization method	Level percentage of payroll, closed					
Amortization period	30 years					
Asset valuation method	Market value of assets					
Discount rate	5.60%	5.90%	6.95%	6.95%	7.25%	7.25%
Inflation	2.50%	2.50%	2.50%	2.50%	Not stated	Not stated
Payroll growth	3.00%	3.00%	3.00%	3.00%	3.25%	3.25%
Investment rate of return	5.60%	5.90%	6.95%	6.95%	7.25%	7.25%
Healthcare cost-trend rate, initial	5.60%	5.70%	5.40%	5.40%	Varies	Varies
Heathcare trending down to	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Retirement age	Most recent CalPERS Experience Study					
Mortality	Most recent CalPERS Experience Study					
Assumed HMO/PPO split	Not stated	Not stated	Not stated	Not stated	65%/35%	65%/35%
Percentage electing to cover spouse	(1)	(1)	(1)	(1)	60%	60%

(1) 60% for employees hired before July 1, 2016; 45% for employees hired on/after July 1, 2016

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

CITY OF AMERICAN CANYON
Required Supplementary Information (Unaudited)
Schedule of Contributions to the OPEB Plan - Fire Plan
Last Ten Fiscal Years
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Contractually determined contribution - employer fiscal year	$ 401,768	$ 480,296	$ 467,573	$ 507,998	$ 492,634	$ 457,056
Contributions in relation to the contractually determined contributions	(372,889)	(621,817)	(511,759)	(507,998)	(483,301)	(530,288)
Contribution deficiency (excess)	$ 28,879	$ (141,521)	$ (44,186)	$ -	$ 9,333	$ (73,232)
Covered-employee payroll - employer fiscal year	$ 3,393,183	$ 2,238,147	$ 2,172,958	$ 2,922,548	$ 2,837,425	$ 2,509,387
Contributions as a percentage of covered payroll	10.99%	27.78%	23.55%	17.38%	17.03%	21.13%
Notes to Schedule:						
Valuation date - June 30	2021	2021	2019	2019	2017	2017
Measurement period - fiscal year ended June 30	2022	2021	2020	2019	2018	2017
Methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry Age Normal Cost Method					
Amortization method	Level percentage of payroll, closed					
Amortization period	30 years					
Asset valuation method	Market value of assets					
Discount rate	6.15%	6.90%	7.05%	6.95%	7.10%	7.28%
Inflation	2.50%	2.50%	2.75%	2.50%	2.75%	2.75%
Payroll growth	3.00%	3.00%	3.25%	3.00%	3.25%	3.25%
Investment rate of return	6.15%	6.90%	7.05%	7.05%	7.10%	7.28%
Healthcare trend, initial	5.60%	5.70%	6.50%	6.50%	7.50%	8.00%
Healthcare trending down to	4.00%	4.00%	5.00%	5.00%	5.00%	5.00%
Retirement age	Most recent CalPERS Experience Study					
Mortality	Most recent CalPERS Experience Study					
Percentage electing to cover spouse	85%	85%	85%	85%	85%	85%

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

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SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON
MAJOR CAPITAL PROJECTS AND DEBT SERVICE FUNDS

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CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
City Capital Projects
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services		$ 1,001,354	$ 1,271,848	$ 270,494
TOTAL REVENUES		1,001,354	1,271,848	270,494
EXPENDITURES				
Current:				
Public works			1,768,658	(1,768,658)
Capital outlay	$ 9,728,320	11,409,660	3,737,939	7,671,721
TOTAL EXPENDITURES	9,728,320	11,409,660	5,506,597	5,903,063
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,728,320)	(10,408,306)	(4,234,749)	6,173,557
OTHER FINANCING SOURCES (USES)				
Transfers in	9,642,748	11,324,088	5,692,033	(5,632,055)
Transfers out			(268,746)	(268,746)
TOTAL OTHER FINANCING SOURCES AND USES	9,642,748	11,324,088	5,423,287	(5,900,801)
NET CHANGE IN FUND BALANCE	(85,572)	915,782	1,188,538	272,756
Fund balance, beginning of year	101,848	101,848	101,848	
FUND BALANCE, END OF YEAR	$ 16,276	$ 1,017,630	$ 1,290,386	$ 272,756

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Affordable Housing Capital Projects Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	$ 1,831,436	$ 1,527,424	$ 218,886	$ (1,308,538)
Use of money and property	253	253	5,220	4,967
Other			3,871	3,871
TOTAL REVENUES	1,831,689	1,527,677	227,977	(1,299,700)
EXPENDITURES				
Current:				
Community development			90,000	(90,000)
TOTAL EXPENDITURES			90,000	(90,000)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,831,689	1,527,677	137,977	(1,389,700)
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	(70,492)	(29,508)
TOTAL OTHER FINANCING SOURCES AND USES	(100,000)	(100,000)	(70,492)	(29,508)
NET CHANGE IN FUND BALANCE	1,731,689	1,427,677	67,485	(1,360,192)
Fund balance, beginning of year	242,589	242,589	242,589	
FUND BALANCE, END OF YEAR	$ 1,974,278	$ 1,670,266	$ 310,074	$ (1,360,192)

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Storm Drainage – Accounts for the proceeds and expenditures of sales taxes received under the Napa County Flood Protection Sales Tax.

Measure T Streets and Roads – Accounts for the voter approved sales tax funds received for the maintenance, reconstruction and rehabilitation of streets, roads and transportation infrastructure.

Gas Tax – Accounts for proceeds and expenditures of gas tax revenue received under the California Streets and Highways Code.

BEGIN Program – Accounts for revenue granted by the California Department of Housing and Community Development to reduce local regulatory barriers to affordable homeownership housing and provide down-payment assistance loans to qualifying homebuyers.

State Supplemental Law Enforcement – Accounts for revenue granted from the state General Fund for Citizen Option for Public Safety (COPS) program to provide supplemental public safety services for front line law enforcement including anti-gang, community crime prevention and juvenile justice programs.

La Vigne Landscape and Lighting – Accounts for maintenance expenses of the three District zones which are paid for through property tax assessments placed on owner's annual tax bills.

La Vigne Open Space – Accounts for the costs to maintain open space at the La Vigne Open Space.

Newell Park Open Space – Accounts for the costs to maintain open space at the Newell Open Space.

State and Federal Grants - Fire – Accounts for State and Federal Grants received for fire services.

Cannabis – Accounts for developer deposits and fees received to reimburse the City for costs associated with reviewing commercial cannabis business permits and conditional use permits.

Community Facilities District – Accounts for resources accumulated from property owners for Community Facilities District maintenance.

General Plan Update – Accounts for fees collected for the purpose of updating the City's general plan to meet the demand of new development.

Legal Settlement – Accounts for legal settlements to be used for specific purposes or projects.

CAPITAL PROJECTS FUNDS

Fire Mitigation – Accounts for a special voter approved new development tax for the purchase of the fire apparatus and facilities.

Park Improvement – Accounts for impact fees collected by new development to be used for adding new parks, park improvements, and recreation facilities.

Traffic Impact – Accounts for impact fees collected by new development to be used for street improvements.

Infrastructure – Accounts for bond proceeds restricted for street and road modernization projects.

Civic Facilities – Accounts for impact fees collected by new development to be used for Civic Facilities improvement projects.

Utility Underground – Accounts for fees collected from developers in lieu of providing undergrounding of utilities.

Zero Water Footprint – Accounts for mitigation monies collected to offset new water and sewer capital demands associated with development projects.

DEBT SERVICE FUNDS

Cabernet Village Lease – Accounts for debt service on lease financing for the purchase of the commercial office building at 4381 Broadway Street which was converted to a new City Hall facility.

Engie City – Accounts for debt service on lease financing for the purchase of equipment for the City.

Engie Fire – Accounts for debt service on lease financing for the purchase of equipment for fire services.

CITY OF AMERICAN CANYON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	SPECIAL REVENUE FUNDS				
	Storm Drainage	Measure T - Streets and Roads	Gas Tax	BEGIN Program	State Supplemental Law Enforcement
ASSETS					
Cash and investments	$ 5,810,305	$ 4,095,190	$ 1,584,507	$ 107,883	$ 4,132
Restricted cash and investments					
Taxes receivable		808,461	90,082		
Accounts receivable, net					
Interest receivable	22,259	31,935	16,023		518
Due from other governments					86,159
Loans receivable, net				93,625	
TOTAL ASSETS	$ 5,832,564	$ 4,935,586	$ 1,690,612	$ 201,508	$ 90,809
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 17,661				
Due to other funds					
TOTAL LIABILITIES	17,661				
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue		$ 352,296		$ 93,625	$ 86,159
TOTAL DEFERRED INFLOWS OF RESOURCES		352,296		93,625	86,159
FUND BALANCES					
Restricted for:					
Public safety					4,650
Public works		4,583,290	$ 1,690,612		
Storm drain projects	5,814,903				
Community development, planning and building				107,883	
Parks					
Unassigned					
TOTAL FUND BALANCES (DEFICITS)	5,814,903	4,583,290	1,690,612	107,883	4,650
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 5,832,564	$ 4,935,586	$ 1,690,612	$ 201,508	$ 90,809

SPECIAL REVENUE FUNDS

La Vigne Landscape and Lighting	La Vigne Open Space	Newell Park Open Space	State and Federal Grants - Fire	Cannabis	Community Facilities District	General Plan Update	Legal Settlement
$ 3,207,626	$ 177,479	$ 247,885	$ 5,891		$ 825		$ 915,681
2,034							
17,528	1,415	1,976			21		3,433
$ 3,227,188	$ 178,894	$ 249,861	$ 5,891	$ -	$ 846	$ -	$ 919,114
$ 16,089	$ 669				$ 532,018		
				$ 14,632	1,217,350	$ 162,211	
16,089	669			14,632	1,749,368	162,211	
2,221					21		
2,221					21		
			$ 5,891				
3,208,878							$ 919,114
	178,225	$ 249,861					
				(14,632)	(1,748,543)	(162,211)	
3,208,878	178,225	249,861	5,891	(14,632)	(1,748,543)	(162,211)	919,114
$ 3,227,188	$ 178,894	$ 249,861	$ 5,891	$ -	$ 846	$ -	$ 919,114

CITY OF AMERICAN CANYON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

		CAPITAL PROJECTS FUNDS			
	Total Nonmajor Special Revenue Funds	Fire Mitigation	Park Improvement	Traffic Impact	Infrastructure
ASSETS					
Cash and investments	$ 16,157,404	$ 1,410,257	$ 1,681,045	$ 4,069,020	$ 32,446
Restricted cash and investments					299,535
Taxes receivable	900,577				
Accounts receivable, net		305		179,796	
Interest receivable	95,108	9,175	13,399	15,001	259
Due from other governments	86,159				
Loans receivable, net	93,625				
TOTAL ASSETS	$ 17,332,873	$ 1,419,737	$ 1,694,444	$ 4,263,817	$ 332,240
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 566,437		$ 315		
Due to other funds	1,394,193				
TOTAL LIABILITIES	1,960,630		315		
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	534,322				
TOTAL DEFERRED INFLOWS OF RESOURCES	534,322				
FUND BALANCES					
Restricted for:					
Public safety	10,541	$ 1,419,737			
Public works	10,401,894			$ 4,263,817	$ 332,240
Storm drain projects	5,814,903				
Community development, planning and building	107,883				
Parks	428,086		1,694,129		
Unassigned	(1,925,386)				
TOTAL FUND BALANCES (DEFICITS)	14,837,921	1,419,737	1,694,129	4,263,817	332,240
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 17,332,873	$ 1,419,737	$ 1,694,444	$ 4,263,817	$ 332,240

CAPITAL PROJECTS FUNDS				DEBT SERVICE FUNDS			
Civic Facilities Capital Projects	Utility Underground	Zero Water Footprint CP	Total Nonmajor Capital Projects Funds	Cabernet Village Lease Debt Service	Engie City Debt Service	Engie Fire Debt Service	Total Nonmajor Debt Service Funds
$ 1,506,402	$ 305,261	$ 557,185	$ 9,561,616				
			299,535				
			180,101				
1,713	2,433	4,411	46,391				
$ 1,508,115	$ 307,694	$ 561,596	$ 10,087,643	$ -	$ -	$ -	$ -
			$ 315			$ 4,972	$ 4,972
					$ 17,750	35,727	53,477
			315		17,750	40,699	58,449
			1,419,737				
$ 1,508,115	$ 307,694	$ 561,596	6,973,462				
			1,694,129				
					(17,750)	(40,699)	(58,449)
1,508,115	307,694	561,596	10,087,328		(17,750)	(40,699)	(58,449)
$ 1,508,115	$ 307,694	$ 561,596	$ 10,087,643	$ -	$ -	$ -	$ -

CITY OF AMERICAN CANYON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

		Total Nonmajor Governmental Funds
ASSETS		
Cash and investments		$ 25,719,020
Restricted cash and investments		299,535
Taxes receivable		900,577
Accounts receivable, net		180,101
Interest receivable		141,499
Due from other governments		86,159
Loans receivable, net		93,625
	TOTAL ASSETS	$ 27,420,516
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES		
Liabilities:		
Accounts payable		$ 571,724
Due to other funds		1,447,670
	TOTAL LIABILITIES	2,019,394
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue		534,322
	TOTAL DEFERRED INFLOWS OF RESOURCES	534,322
FUND BALANCES		
Restricted for:		
Public safety		1,430,278
Public works		17,375,356
Storm drain projects		5,814,903
Community development, planning and building		107,883
Parks		2,122,215
Unassigned		(1,983,835)
	TOTAL FUND BALANCES (DEFICITS)	24,866,800
	TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 27,420,516

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	SPECIAL REVENUE FUNDS				
	Storm Drainage	Measure T-Streets and Roads	Gas Tax	BEGIN Program	State Supplemental Law Enforcement
REVENUES					
Sales taxes	$ 1,976	$ 1,985,005			
Special assessments					
Intergovernmental			$ 1,013,474		$ 165,271
Charges for services				$ 34,610	
Use of money and property	93,336	86,159	44,400		1,562
Other	2,280				
TOTAL REVENUES	97,592	2,071,164	1,057,874	34,610	166,833
EXPENDITURES					
Current:					
General government					
Public works	27,782		248,640		
Community development					
Parks and recreation					
Debt Service:					
Principal					
Interest and other charges					
TOTAL EXPENDITURES	27,782		248,640		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	69,810	2,071,164	809,234	34,610	166,833
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out	(833,934)	(1,051,704)	(977,495)		(166,833)
TOTAL OTHER FINANCING SOURCES AND USES	(833,934)	(1,051,704)	(977,495)		(166,833)
NET CHANGE IN FUND BALANCES	(764,124)	1,019,460	(168,261)	34,610	
Fund balances (deficits), beginning of year	6,579,027	3,563,830	1,858,873	73,273	4,650
FUND BALANCES (DEFICITS), END OF YEAR	$ 5,814,903	$ 4,583,290	$ 1,690,612	$ 107,883	$ 4,650

SPECIAL REVENUE FUNDS

La Vigne Landscape and Lighting	La Vigne Open Space	Newell Park Open Space	State and Federal Grants - Fire	Cannabis	Community Facilities District	General Plan Update	Legal Settlement
$ 609,724					$ 42,247		
						$ 4,495	
72,841	$ 4,080	$ 5,697			37	357	$ 9,894
							484,930
682,565	4,080	5,697			42,284	4,852	494,824
						270,137	
418,147					6,426		
				$ 750			
	880	236					
418,147	880	236		750	6,426	270,137	
264,418	3,200	5,461		(750)	35,858	(265,285)	494,824
					(1,535,734)		
					(1,535,734)		
264,418	3,200	5,461		(750)	(1,499,876)	(265,285)	494,824
2,944,460	175,025	244,400	5,891	(13,882)	(248,667)	103,074	424,290
$ 3,208,878	$ 178,225	$ 249,861	$ 5,891	$ (14,632)	$ (1,748,543)	$ (162,211)	$ 919,114

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

		CAPITAL PROJECTS FUNDS			
	Total Nonmajor Special Revenue Funds	Fire Mitigation	Park Improvement	Traffic Impact	Infrastructure
REVENUES					
Sales taxes	$ 1,986,981				
Special assessments	651,971				
Intergovernmental	1,178,745				
Charges for services	39,105	$ 402,977	$ 1,731	$ 949,048	
Use of money and property	318,363	24,191	38,827	48,224	$ 9,339
Other	487,210				
TOTAL REVENUES	4,662,375	427,168	40,558	997,272	9,339
EXPENDITURES					
Current:					
General government	270,137				
Public works	700,995			200,781	
Community development	750				
Parks and recreation	1,116				
Debt Service:					
Principal					
Interest and other charges					
TOTAL EXPENDITURES	972,998			200,781	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,689,377	427,168	40,558	796,491	9,339
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out	(4,565,700)		(28,235)	(9,825)	
TOTAL OTHER FINANCING SOURCES AND USES	(4,565,700)		(28,235)	(9,825)	
NET CHANGE IN FUND BALANCES	(876,323)	427,168	12,323	786,666	9,339
Fund balances (deficits), beginning of year	15,714,244	992,569	1,681,806	3,477,151	322,901
FUND BALANCES (DEFICITS), END OF YEAR	$ 14,837,921	$ 1,419,737	$ 1,694,129	$ 4,263,817	$ 332,240

CAPITAL PROJECTS FUNDS				DEBT SERVICE FUNDS			
Civic Facilities Capital Projects	Utility Underground	Zero Water Footprint CP	Total Nonmajor Capital Projects Funds	Cabernet Village Lease Debt Service	Engie City Debt Service	Engie Fire Debt Service	Total Nonmajor Debt Service Funds
$ 108,747	$ 300,000	$ 85,795	$ 1,848,298				
23,696	6,921	12,747	163,945				
132,443	306,921	98,542	2,012,243				
			200,781				
					$ 26,516	$ 14,855	$ 41,371
				$ 98,235	8,984	5,034	112,253
			200,781	98,235	35,500	19,889	153,624
132,443	306,921	98,542	1,811,462	(98,235)	(35,500)	(19,889)	(153,624)
				98,235	17,750		115,985
	(160,000)	(14,910)	(212,970)		(153,435)		(153,435)
	(160,000)	(14,910)	(212,970)	98,235	(135,685)		(37,450)
132,443	146,921	83,632	1,598,492		(171,185)	(19,889)	(191,074)
1,375,672	160,773	477,964	8,488,836		153,435	(20,810)	132,625
$ 1,508,115	$ 307,694	$ 561,596	$ 10,087,328	$ -	$ (17,750)	$ (40,699)	$ (58,449)

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Total Nonmajor Governmental Funds
REVENUES	
Sales taxes	$ 1,986,981
Special assessments	651,971
Intergovernmental	1,178,745
Charges for services	1,887,403
Use of money and property	482,308
Other	487,210
TOTAL REVENUES	6,674,618
EXPENDITURES	
Current:	
General government	270,137
Public works	901,776
Community development	750
Parks and recreation	1,116
Debt Service:	
Principal	41,371
Interest and other charges	112,253
TOTAL EXPENDITURES	1,327,403
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,347,215
OTHER FINANCING SOURCES (USES)	
Transfers in	115,985
Transfers out	(4,932,105)
TOTAL OTHER FINANCING SOURCES AND USES	(4,816,120)
NET CHANGE IN FUND BALANCES	531,095
Fund balances (deficits), beginning of year	24,335,705
FUND BALANCES (DEFICITS), END OF YEAR	$ 24,866,800

CITY OF AMERICAN CANYON
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Storm Drainage Special Revenue Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Sales taxes			$ 1,976	$ 1,976
Investment earnings	$ 52,458	$ 52,458	93,336	40,878
Other			2,280	2,280
TOTAL REVENUES	52,458	52,458	97,592	45,134
EXPENDITURES				
Current:				
Storm drain	60,000	206,397	27,782	178,615
TOTAL EXPENDITURES	60,000	206,397	27,782	178,615
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,542)	(153,939)	69,810	223,749
OTHER FINANCING SOURCES (USES)				
Transfers out	(750,000)	(854,120)	(833,934)	20,186
TOTAL OTHER FINANCING SOURCES AND USES	(750,000)	(854,120)	(833,934)	20,186
NET CHANGE IN FUND BALANCE	(757,542)	(1,008,059)	(764,124)	243,935
Fund balance, beginning of year	6,579,027	6,579,027	6,579,027	
FUND BALANCE, END OF YEAR	$ 5,821,485	$ 5,570,968	$ 5,814,903	$ 243,935

The accompanying notes are an integral part of these financial statements.

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Measure T- Streets and Roads
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Sales taxes	$ 1,600,000	$ 1,600,000	$ 1,985,005	$ 385,005
Use of money and property	3,842	3,842	86,159	82,317
TOTAL REVENUES	1,603,842	1,603,842	2,071,164	467,322
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,603,842	1,603,842	2,071,164	467,322
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,864,495)	(1,966,995)	(1,051,704)	915,291
TOTAL OTHER FINANCING SOURCES AND USES	(1,864,495)	(1,966,995)	(1,051,704)	915,291
NET CHANGE IN FUND BALANCE	(260,653)	(363,153)	1,019,460	1,382,613
Fund balance, beginning of year	3,563,830	3,563,830	3,563,830	
FUND BALANCE, END OF YEAR	$ 3,303,177	$ 3,200,677	$ 4,583,290	$ 1,382,613

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Gas Tax
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	$ 1,066,337	$ 1,066,337	$ 1,013,474	$ (52,863)
Use of money and property	3,282	3,282	44,400	41,118
TOTAL REVENUES	1,069,619	1,069,619	1,057,874	(11,745)
EXPENDITURES				
Current:				
Public works	3,000	3,000	248,640	(245,640)
TOTAL EXPENDITURES	3,000	3,000	248,640	(245,640)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,066,619	1,066,619	809,234	(257,385)
OTHER FINANCING SOURCES (USES)				
Transfers out	(642,000)	(745,740)	(977,495)	(231,755)
TOTAL OTHER FINANCING SOURCES AND USES	(642,000)	(745,740)	(977,495)	(231,755)
NET CHANGE IN FUND BALANCE	424,619	320,879	(168,261)	(489,140)
Fund balance, beginning of year	1,858,873	1,858,873	1,858,873	
FUND BALANCE, END OF YEAR	$ 2,283,492	$ 2,179,752	$ 1,690,612	$ (489,140)

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
BEGIN Program
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services		$ 34,610	$ 34,610	
TOTAL REVENUES		34,610	34,610	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		34,610	34,610	
NET CHANGE IN FUND BALANCE		34,610	34,610	
Fund balance, beginning of year	$ 73,273	73,273	73,273	
FUND BALANCE, END OF YEAR	$ 73,273	$ 107,883	$ 107,883	$ -

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
State Supplemental Law Enforcement
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	$ 163,000	$ 163,000	$ 165,271	$ 2,271
Use of money and property	132	132	1,562	1,430
TOTAL REVENUES	163,132	163,132	166,833	3,701
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	163,132	163,132	166,833	3,701
OTHER FINANCING SOURCES (USES)				
Transfers out	(188,000)	(188,000)	(166,833)	21,167
TOTAL OTHER FINANCING SOURCES AND USES	(188,000)	(188,000)	(166,833)	21,167
NET CHANGE IN FUND BALANCE	(24,868)	(24,868)		24,868
Fund balance, beginning of year	4,650	4,650	4,650	
FUND BALANCE, END OF YEAR	$ (20,218)	$ (20,218)	$ 4,650	$ 24,868

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
La Vigne Landscape and Lighting
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Special assessments	$ 640,500	$ 640,500	$ 609,724	$ (30,776)
Use of money and property	18,145	18,145	72,841	54,696
TOTAL REVENUES	658,645	658,645	682,565	23,920
EXPENDITURES				
Current:				
Public works	483,614	487,973	418,147	69,826
TOTAL EXPENDITURES	483,614	487,973	418,147	69,826
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	175,031	170,672	264,418	93,746
OTHER FINANCING SOURCES (USES)				
Transfers out	(88,212)	(88,212)		88,212
TOTAL OTHER FINANCING SOURCES AND USES	(88,212)	(88,212)		88,212
Fund balance, beginning of year	2,944,460	2,944,460	2,944,460	
FUND BALANCE, END OF YEAR	$ 3,031,279	$ 3,026,920	$ 3,208,878	$ 181,958

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
La Vigne Open Space
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	$ 421	$ 421	$ 4,080	$ 3,659
TOTAL REVENUES	421	421	4,080	3,659
EXPENDITURES				
Current:				
Parks and recreation	7,600	7,600	880	6,720
TOTAL EXPENDITURES	7,600	7,600	880	6,720
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,179)	(7,179)	3,200	10,379
NET CHANGE IN FUND BALANCE	(7,179)	(7,179)	3,200	10,379
Fund balance, beginning of year	175,025	175,025	175,025	
FUND BALANCE, END OF YEAR	$ 167,846	$ 167,846	$ 178,225	$ 10,379

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Newell Park Open Space
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	$ 7,067	$ 7,067	$ 5,697	$ (1,370)
TOTAL REVENUES	7,067	7,067	5,697	(1,370)
EXPENDITURES				
Current:				
Parks and recreation	14,100	14,100	236	13,864
TOTAL EXPENDITURES	14,100	14,100	236	13,864
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,033)	(7,033)	5,461	12,494
NET CHANGE IN FUND BALANCE	(7,033)	(7,033)	5,461	12,494
Fund balance, beginning of year	244,400	244,400	244,400	
FUND BALANCE, END OF YEAR	$ 237,367	$ 237,367	$ 249,861	$ 12,494

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Cannabis
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Current:				
Community development	$ 5,000	$ 5,000	$ 750	$ 4,250
TOTAL EXPENDITURES	5,000	5,000	750	4,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,000)	(5,000)	(750)	4,250
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	(750)	4,250
Fund balance, beginning of year	(13,882)	(13,882)	(13,882)	
FUND BALANCE (DEFICIT), END OF YEAR	$ (18,882)	$ (18,882)	$ (14,632)	$ 4,250

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Community Facilities District
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Special assessments		$ 30,000	$ 42,247	$ 12,247
Use of money and property			37	37
TOTAL REVENUES		30,000	42,284	12,284
EXPENDITURES				
Current:				
Public works			6,426	(6,426)
TOTAL EXPENDITURES			6,426	(6,426)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		30,000	35,858	5,858
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt		3,200,000		3,200,000
Transfers out	$ (3,200,000)	(3,200,000)	(1,535,734)	1,664,266
TOTAL OTHER FINANCING SOURCES AND USES	(3,200,000)		(1,535,734)	4,864,266
NET CHANGE IN FUND BALANCE	(3,200,000)	30,000	(1,499,876)	4,870,124
Fund balance (deficit), beginning of year	(248,667)	(248,667)	(248,667)	
FUND BALANCE (DEFICIT), END OF YEAR	$ (3,448,667)	$ (218,667)	$ (1,748,543)	$ 4,870,124

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Plan Update
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	$ 39,444	$ 39,444	$ 4,495	$ (34,949)
Use of money and property	449	449	357	(92)
TOTAL REVENUES	39,893	39,893	4,852	(35,041)
EXPENDITURES				
Current:				
General government	54,800	54,800	270,137	(215,337)
TOTAL EXPENDITURES	54,800	54,800	270,137	(215,337)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,907)	(14,907)	(265,285)	(250,378)
NET CHANGE IN FUND BALANCE	(14,907)	(14,907)	(265,285)	(250,378)
Fund balance, beginning of year	103,074	103,074	103,074	
FUND BALANCE (DEFICIT), END OF YEAR	$ 88,167	$ 88,167	$ (162,211)	$ (250,378)

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Legal Settlement
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	$ 779	$ 779	$ 9,894	$ 9,115
Other			484,930	484,930
TOTAL REVENUES	779	779	494,824	494,045
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	779	779	494,824	494,045
NET CHANGE IN FUND BALANCE	779	779	494,824	494,045
Fund balance, beginning of year	424,290	424,290	424,290	
FUND BALANCE, END OF YEAR	$ 425,069	$ 425,069	$ 919,114	$ 494,045

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire Mitigation
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	$ 442,148	$ 442,148	$ 402,977	$ (39,171)
Use of money and property	10,366	10,366	24,191	13,825
TOTAL REVENUES	452,514	452,514	427,168	(25,346)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	452,514	452,514	427,168	(25,346)
NET CHANGE IN FUND BALANCE	452,514	452,514	427,168	(25,346)
Fund balance, beginning of year	992,569	992,569	992,569	
FUND BALANCE, END OF YEAR	$ 1,445,083	$ 1,445,083	$ 1,419,737	$ (25,346)

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Park Improvement
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	$ 1,844,599	$ 2,255,211	$ 1,731	$ (2,253,480)
Use of money and property	2,948	2,948	38,827	35,879
TOTAL REVENUES	1,847,547	2,258,159	40,558	(2,217,601)
EXPENDITURES				
Current:				
Parks and recreation	134,783	134,783		134,783
TOTAL EXPENDITURES	134,783	134,783		134,783
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,712,764	2,123,376	40,558	(2,082,818)
OTHER FINANCING SOURCES (USES)				
Transfers out	(371,100)	(1,103,080)	(28,235)	1,074,845
TOTAL OTHER FINANCING SOURCES AND USES	(371,100)	(1,103,080)	(28,235)	1,074,845
NET CHANGE IN FUND BALANCE	1,341,664	1,020,296	12,323	(1,007,973)
Fund balance, beginning of year	1,681,806	1,681,806	1,681,806	
FUND BALANCE, END OF YEAR	$ 3,023,470	$ 2,702,102	$ 1,694,129	$ (1,007,973)

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Traffic Impact
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	$ 2,364,497	$ 1,385,514	$ 949,048	$ (436,466)
Use of money and property	34,879	34,879	48,224	13,345
TOTAL REVENUES	2,399,376	1,420,393	997,272	(423,121)
EXPENDITURES				
Current:				
Public works	50,218	50,218	200,781	(150,563)
TOTAL EXPENDITURES	50,218	50,218	200,781	(150,563)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,349,158	1,370,175	796,491	(573,684)
OTHER FINANCING SOURCES (USES)				
Transfers out	(342,208)	(342,208)	(9,825)	332,383
TOTAL OTHER FINANCING SOURCES AND USES	(342,208)	(342,208)	(9,825)	332,383
NET CHANGE IN FUND BALANCE	2,006,950	1,027,967	786,666	(241,301)
Fund balance, beginning of year	3,477,151	3,477,151	3,477,151	
FUND BALANCE, END OF YEAR	$ 5,484,101	$ 4,505,118	$ 4,263,817	$ (241,301)

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Infrastructure
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	$ 75	$ 75	$ 9,339	$ 9,264
TOTAL REVENUES	75	75	9,339	9,264
EXPENDITURES				
Capital outlay	314,821	314,821		314,821
TOTAL EXPENDITURES	314,821	314,821		314,821
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(314,746)	(314,746)	9,339	324,085
NET CHANGE IN FUND BALANCE	(314,746)	(314,746)	9,339	324,085
Fund balance, beginning of year	322,901	322,901	322,901	
FUND BALANCE, END OF YEAR	$ 8,155	$ 8,155	$ 332,240	$ 324,085

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Civic Facilities
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	$ 865,273	$ 674,112	$ 108,747	$ (565,365)
Use of money and property	3,047	3,047	23,696	20,649
TOTAL REVENUES	868,320	677,159	132,443	(544,716)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	868,320	677,159	132,443	(544,716)
OTHER FINANCING SOURCES (USES)				
Transfers out	(210,000)	(210,000)		210,000
TOTAL OTHER FINANCING SOURCES AND USES	(210,000)	(210,000)		210,000
NET CHANGE IN FUND BALANCE	658,320	467,159	132,443	(334,716)
Fund balance, beginning of year	1,375,672	1,375,672	1,375,672	
FUND BALANCE, END OF YEAR	$ 2,033,992	$ 1,842,831	$ 1,508,115	$ (334,716)

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Utility Underground
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services			$ 300,000	$ 300,000
Use of money and property	$ 376	$ 376	6,921	6,545
TOTAL REVENUES	376	376	306,921	306,545
OTHER FINANCING SOURCES (USES)				
Transfers out			(160,000)	(160,000)
TOTAL OTHER FINANCING SOURCES AND USES			(160,000)	(160,000)
NET CHANGE IN FUND BALANCE	376	376	146,921	146,545
Fund balance, beginning of year	160,773	160,773	160,773	
FUND BALANCE, END OF YEAR	$ 161,149	$ 161,149	$ 307,694	$ 146,545

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Zero Water Footprint
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	$ 600,089	$ 236,815	$ 85,795	$ (151,020)
Use of money and property	764	764	12,747	11,983
TOTAL REVENUES	600,853	237,579	98,542	(139,037)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	600,853	237,579	98,542	(139,037)
OTHER FINANCING SOURCES (USES)				
Transfers out	(677,509)	(677,509)	(14,910)	662,599
TOTAL OTHER FINANCING SOURCES AND USES	(677,509)	(677,509)	(14,910)	662,599
NET CHANGE IN FUND BALANCE	(76,656)	(439,930)	83,632	523,562
Fund balance, beginning of year	477,964	477,964	477,964	
FUND BALANCE, END OF YEAR	$ 401,308	$ 38,034	$ 561,596	$ 523,562

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Cabernet Village Lease Debt Service Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt service:				
Interest and other charges	$ 98,235	$ 98,235	$ 98,235	
TOTAL EXPENDITURES	98,235	98,235	98,235	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(98,235)	(98,235)	(98,235)	
OTHER FINANCING SOURCES (USES)				
Transfers in	98,235	98,235	98,235	
TOTAL OTHER FINANCING SOURCES AND USES	98,235	98,235	98,235	
NET CHANGE IN FUND BALANCE				
Fund balance, beginning of year				
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Engie City Debt Service
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt service:				
Principal	$ 26,516	$ 26,516	$ 26,516	
Interest and other charges	8,984	8,984	8,984	
TOTAL EXPENDITURES	35,500	35,500	35,500	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(35,500)	(35,500)	(35,500)	
OTHER FINANCING SOURCES (USES)				
Transfers in	35,500	35,500	17,750	$ (17,750)
Transfers out			(153,435)	(153,435)
TOTAL OTHER FINANCING SOURCES AND USES	35,500	35,500	(135,685)	(171,185)
NET CHANGE IN FUND BALANCE			(171,185)	(171,185)
Fund balance, beginning of year	153,435	153,435	153,435	
FUND BALANCE (DEFICIT), END OF YEAR	$ 153,435	$ 153,435	$ (17,750)	$ (171,185)

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are established to account for goods or services provided by one department within the City to other departments or other government units on a cost reimbursement basis. The following are internal service funds:

Building Maintenance – Accounts for the maintenance of all city facilities including janitorial, security alarms, door locks and building related equipment.

Fleet – Accounts for the maintenance of services to city vehicles and equipment using city staff and contracting service out when necessary.

Information Technology – Accounts for the maintenance of services to city computer systems including the financial management system, utility billing system, and building permit software.

Legal – Accounts for legal costs incurred by the City.

CITY OF AMERICAN CANYON
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	$ 433,227	$ 495,950	$ 363,486		$ 1,292,663
Accounts receivable, net		11,520			11,520
Interest receivable	3,385	4,467	2,704		10,556
Prepaid expenses	359	359	45,999		46,717
Total current assets	436,971	512,296	412,189		1,361,456
Non-current assets:					
Capital Assets:					
Depreciable, net of accumulated depreciation	14,479	1,688,282	245,129		1,947,890
Total non-current assets	14,479	1,688,282	245,129		1,947,890
TOTAL ASSETS	451,450	2,200,578	657,318		3,309,346
DEFERRED OUTFLOW OF RESOURCES					
Pension plan	37,415	89,662	12,274		139,351
OPEB plan	47,560	47,560	3,538		98,658
Total deferred outflows of resources	84,975	137,222	15,812		238,009
LIABILITIES					
Current Liabilities:					
Accounts payable	32,897	50,049	44,101	$ 61,405	188,452
Accrued expenses	1,887	2,441	397		4,725
Accrued interest payable		46	10,918		10,964
Due to other funds				246,863	246,863
Compensated absences, current portion	4,675	14,803			19,478
Bonds, notes and loans payable, current portion		267,422	75,256		342,678
Total current liabilities	39,459	334,761	130,672	308,268	813,160
Non-current liabilities:					
Bonds, notes and loans payable		890,956	158,037		1,048,993
Net pension liability	79,567	190,679	26,102		296,348
Net OPEB liability	87,596	87,596	6,515		181,707
Total non-current liabilities	167,163	1,169,231	190,654		1,527,048
TOTAL LIABILITIES	206,622	1,503,992	321,326	308,268	2,340,208
DEFERRED INFLOW OF RESOURCES					
Pension plan	5,974	14,317	1,960		22,251
OPEB plan	2,398	2,398	178		4,974
Total deferred inflows of resources	8,372	16,715	2,138		27,225
NET POSITION					
Net investment in capital assets	14,479	528,252	11,836		554,567
Unrestricted	306,952	288,841	337,830	(308,268)	625,355
TOTAL NET POSITION (DEFICIT)	$ 321,431	$ 817,093	$ 349,666	$ (308,268)	$ 1,179,922

CITY OF AMERICAN CANYON
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
REVENUES					
Charges for services	$ 666,501	$ 672,600	$ 915,799	$ 182,942	$ 2,437,842
TOTAL OPERATING REVENUES	666,501	672,600	915,799	182,942	2,437,842
OPERATING EXPENSES					
Employee services	49,885	192,223	11,842		253,950
Maintenance and operations	460,957	455,218	690,216	289,993	1,896,384
Depreciation and amortization	287	321,915	102,810		425,012
TOTAL OPERATING EXPENSES	511,129	969,356	804,868	289,993	2,575,346
OPERATING INCOME (LOSS)	155,372	(296,756)	110,931	(107,051)	(137,504)
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	7,194	11,007	3,379		21,580
Other revenue		5,157			5,157
Interest expense		(40,008)	(10,918)		(50,926)
Gain (loss) on disposal of capital assets		8,761			8,761
TOTAL NON-OPERATING REVENUE (EXPENSES)	7,194	(15,083)	(7,539)		(15,428)
CHANGE IN NET POSITION	162,566	(311,839)	103,392	(107,051)	(152,932)
Net position (deficit), beginning of year	158,865	1,128,932	246,274	(201,217)	1,332,854
TOTAL NET POSITION (DEFICIT), END OF YEAR	$ 321,431	$ 817,093	$ 349,666	$ (308,268)	$ 1,179,922

CITY OF AMERICAN CANYON
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash paid to suppliers	$ (470,421)	$ (439,185)	$ (665,868)	$ (182,942)	$ (1,758,416)
Cash paid to employees and related benefits	(76,458)	(170,982)	(15,902)		(263,342)
Cash received from interfund services provided	666,501	672,600	915,799	182,942	2,437,842
Other receipts		10,815			10,815
CASH PROVIDED BY OPERATING ACTIVITIES	119,622	73,248	234,029		426,899
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital assets purchased	(14,766)	(133,651)			(148,417)
Proceeds from disposal of capital assets		40,352			40,352
Principal paid on long-term liabilities		(123,975)	(114,646)		(238,621)
Interest paid on long-term liabilities		(40,049)			(40,049)
CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(14,766)	(257,323)	(114,646)		(386,735)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Collection of interest and investment revenue	4,141	7,400	907		12,448
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	108,997	(176,675)	120,290		52,612
Cash and cash equivalents, beginning of year	324,230	672,625	243,196		1,240,051
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 433,227	$ 495,950	$ 363,486	$ -	$ 1,292,663
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	$ 155,372	$ (296,756)	$ 110,931	$ (107,051)	$ (137,504)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation and amortization	287	321,915	102,810		425,012
Other receipts		5,157			5,157
Changes in operating assets and liabilities:					
Accounts and other receivables		5,658		5,846	11,504
Prepaid expenses	(107)	(107)	(17,029)		(17,243)
Accounts payable, accrued expenses and due to other funds	(10,594)	12,937	40,006	101,205	143,554
Compensated absences	3,420	(905)			2,515
Deferred outflows of resources - pension plan	(10,839)	(58,810)	(6,950)		(76,599)
Net pension liability	24,506	126,711	15,171		166,388
Deferred inflows of resources - pension plan	(47,214)	(47,343)	(8,862)		(103,419)
Deferred outflows of resources - OPEB plans	(9,089)	(9,089)	1,779		(16,399)
Net OPEB liability	24,271	24,271	(2,237)		46,305
Deferred inflows of resources - OPEB plans	(10,391)	(10,391)	(1,590)		(22,372)
CASH PROVIDED BY OPERATING ACTIVITIES	$ 119,622	$ 73,248	$ 234,029	$ -	$ 426,899

The accompanying notes are an integral part of these financial statements.

CUSTODIAL FUNDS

CUSTODIAL FUNDS

American Canyon Road East Assessment District – These assessment bonds were issued to finance major street and road realignments and improvements of the American Canyon Road East. The bonds are secured by special assessments levied against properties within the District.

La Vigne Assessment District – These assessment bonds were issued to finance water and sewer connection fees of the La Vigne Subdivision. The bonds are secured by special assessments levied against properties within the District.

Community Facilities District No. 2018-1 – The District was formed to account for the Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds, Series 2020 debt service and maintenance expenses of the Green Island Road Community Facilities District. The bonds are secured by special assessments levied against commercial properties within the District.

Tourism Improvement District – The District was formed to account for the local share of a 2% annual assessment on room rental revenue at lodging businesses through June 16, 2025 that is used for marketing programs, special event sponsorship and other programs to benefit lodging businesses paying the assessment by attracting overnight visitors.

CITY OF AMERICAN CANYON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds				
	American Canyon Road East Assessment District	**La Vigne Assessment District**	**Community Facility District No. 2018-1**	**Tourism Improvement District**	**Total**
ASSETS					
Cash and investments	$ 1,082,593	$ 1,057,821	$ 2,708,683	$ 88,077	$ 4,937,174
Restricted cash and investments	349,380	322,889	3,172,229		3,844,498
Taxes receivable	4,149	2,594		54,368	61,111
Interest receivable	9,202	8,724	22,313	598	40,837
TOTAL ASSETS	1,445,324	1,392,028	5,903,225	143,043	8,883,620
LIABILITIES					
Accounts payable				46,561	46,561
Accrued interest payable	113,350	40,988	124,555		278,893
TOTAL LIABILITIES	113,350	40,988	124,555	46,561	325,454
NET POSITION					
Restricted for individuals, organizations and other governments	1,331,974	1,351,040	5,778,670	96,482	8,558,166
TOTAL NET POSITION	$ 1,331,974	$ 1,351,040	$ 5,778,670	$ 96,482	$ 8,558,166

CITY OF AMERICAN CANYON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds				
	American Canyon Road East Assessment District	**La Vigne Assessment District**	**Community Facility District No. 2018-1**	**Tourism Improvement District**	**Total**
ADDITIONS					
Other taxes				$ 259,952	$ 259,952
Special assessments	$ 1,019,384	$ 427,275	$ 882,194		2,328,853
Interest and investment earnings	32,227	23,372	146,351	2,012	203,962
TOTAL ADDITIONS	1,051,611	450,647	1,028,545	261,964	2,792,767
DEDUCTIONS					
Maintenance and operations	67,813	35,603	59,849	253,497	416,762
Debt Service:					
Principal	595,000	313,400	85,000		993,400
Interest and other charges	148,233	124,908	154,077		427,218
TOTAL DEDUCTIONS	811,046	473,911	298,926	253,497	1,837,380
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	240,565	(23,264)	729,619	8,467	955,387
Net position , beginning of year	1,091,409	1,374,304	5,049,051	88,015	7,602,779
NET POSITION, END OF YEAR	$ 1,331,974	$ 1,351,040	$ 5,778,670	$ 96,482	$ 8,558,166

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balances of Governmental Funds

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

5. Own Source Tax Revenue
6. Assessed Actual Value of Taxable Property
7. Direct and Overlapping Property Tax Rates
8. Principal Property Taxpayers
9. Property Tax Levies and Collections

Debt Capacity
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

10. Ratios of Outstanding Debt by Type
11. Ratios of General Bonded Debt Outstanding
12. Computation of Direct and Overlapping Debt
13. Computation of Legal Bonded Debt Margin
14. Debt Pledged Revenue Coverage

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

15. Demographic and Economic Statistics
16. Principal Employers

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

17. Full-Time Equivalent City Government Employees by Function/Program
18. Operating Indicators by Function/Program
19. Capital Asset Statistics by Function/Program

Sources
Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

Schedule 1
City of American Canyon
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Prior Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	$ 264,170,866	$ 262,265,389	$ 265,385,854	$ 264,189,215	$ 263,939,254	$ 260,686,136	$ 261,844,024	$ 267,596,487	$ 269,180,380	$ 266,988,674
Restricted	12,856,505	13,031,111	13,009,697	13,908,483	24,809,820	27,372,270	29,460,378	32,192,383	34,104,181	36,942,980
Unrestricted	10,950,108	2,513,594	2,076,005	2,454,460	(266,869)	1,057,568	(1,568,807)	(1,033,617)	308,949	4,743,410
Total governmental activities net position	$ 287,977,479	$ 277,810,094	$ 280,471,556	$ 280,552,158	$ 288,482,205	$ 289,115,974	$ 289,735,595	$ 298,755,253	$ 303,593,510	$ 308,675,064
Business-type activities:										
Net investment in capital assets	$ 52,726,436	$ 51,267,144	$ 50,662,110	$ 49,753,722	$ 49,496,148	$ 49,791,720	$ 48,038,697	$ 47,260,429	$ 45,949,422	$ 45,866,437
Restricted	2,598,062	2,088,606	2,811,555	3,012,029	5,538,744	5,282,263	5,766,873	6,075,266	6,747,589	6,879,458
Unrestricted	8,214,087	4,224,005	6,993,828	9,422,288	11,766,749	13,269,512	15,043,433	17,697,686	18,298,635	15,959,775
Total business-type activities	$ 63,538,585	$ 57,579,755	$ 60,467,493	$ 62,188,039	$ 66,801,641	$ 68,343,495	$ 68,849,003	$ 71,033,381	$ 70,995,646	$ 68,705,670
Primary government (City wide totals)										
Net investment in capital assets	$ 316,897,302	$ 313,532,533	$ 315,007,964	$ 313,942,937	$ 313,435,402	$ 310,477,856	$ 309,882,721	$ 314,856,916	$ 315,129,802	$ 312,855,111
Restricted	15,454,567	15,119,717	15,821,252	16,920,512	30,348,564	32,654,533	35,227,251	38,267,649	40,851,770	43,822,438
Unrestricted	19,164,195	6,737,599	9,069,833	11,876,748	11,499,880	14,327,080	13,474,626	16,664,059	18,607,584	20,703,185
Total primary government net position	$ 351,516,064	$ 335,389,849	$ 339,899,049	$ 342,740,197	$ 355,283,846	$ 357,459,469	$ 358,584,598	$ 369,788,624	$ 374,589,156	$ 377,380,734

Data Source: City of American Canyon Annual Comprehensive Financial Report.

Schedule 2
City of American Canyon
Changes in Net Position, Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Prior Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental activities:										
General government	$ 4,749,018	$ 5,647,996	$ 5,295,617	$ 5,074,386	$ 5,320,539	$ 5,968,757	$ 7,679,164	$ 6,844,132	$ 6,491,043	$ 9,789,205
Public safety	10,001,059	10,585,106	12,125,365	11,620,139	12,218,637	12,342,182	13,572,574	14,316,901	15,225,172	13,571,896
Public works	5,304,938	6,509,082	6,131,623	5,221,293	6,019,309	7,936,947	6,779,915	6,230,869	6,545,982	8,387,534
Community development	1,601,943	2,383,201	2,782,954	5,282,633	2,483,945	2,513,656	1,656,055	1,734,661	2,172,416	3,677,752
Parks and recreation	2,328,669	2,503,744	2,924,419	3,625,019	3,844,214	3,439,644	2,895,566	2,791,825	2,682,143	3,093,188
Storm Drain	-	-	-	-	-	-	315,909	350,946	365,855	401,695
Interest on long-term debt	344,223	329,915	278,204	262,354	246,458	229,456	249,866	163,633	292,804	126,887
Total governmental activities expenses	24,329,850	27,959,044	29,538,182	31,085,824	30,133,102	32,430,642	33,149,049	32,432,967	33,775,415	39,048,157
Business-type activities:										
Water	$ 6,191,545	$ 7,350,323	$ 5,362,693	$ 6,107,343	$ 6,022,713	$ 5,986,895	$ 6,997,224	$ 6,761,366	$ 8,284,697	$ 8,955,804
Wastewater	3,555,274	4,013,398	4,992,726	4,023,167	4,588,339	4,456,463	4,416,151	5,939,890	4,958,917	5,591,878
Recycled Water								18,586	273,011	557,261
Total business-type activities expenses	9,746,819	11,363,721	10,355,419	10,130,510	10,611,052	10,443,358	11,413,375	12,719,842	13,516,625	15,104,943
Total City government expenses	$ 34,076,669	$ 39,322,765	$ 39,893,601	$ 41,216,334	$ 40,744,154	$ 42,874,000	$ 44,562,424	$ 45,152,809	$ 47,292,040	$ 54,153,100
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	$ 484,057	$ 534,179	$ 636,987	$ 724,671	$ 900,185	$ 599,289	$ 769,362	$ 518,482	$ 622,830	$ 802,991
Public safety	901,808	1,510,347	1,461,036	1,296,885	1,822,591	1,463,879	1,717,683	1,880,635	1,592,796	1,585,452
Public works	2,203,836	2,442,299	4,891,107	1,990,415	3,326,094	725,299	2,498,096	1,860,742	916,039	1,988,677
Community development	857,994	2,438,744	2,662,203	5,351,403	1,921,393	2,140,534	1,628,919	1,640,602	1,883,673	2,540,651
Parks and recreation	392,717	441,946	406,163	1,034,664	1,291,887	328,236	156,108	95,597	671,863	327,341
Operating grants and contributions	363,581	476,130	1,078,889	1,333,432	762,518	1,282,102	1,088,467	1,307,790	4,748,169	2,039,244
Capital grants and contributions	11,145,194	381,050	1,449,076	907,342	13,110,677	1,690,897	87,150	7,699,791	1,237,762	937,649
Total governmental activities program revenues	16,349,187	8,224,695	12,585,461	12,638,812	23,135,345	8,230,236	7,945,785	15,003,639	11,673,132	10,222,005
Business-type activities:										
Charges for services:										
Water	$ 4,982,094	$ 4,333,543	$ 5,318,577	$ 7,066,769	$ 6,876,702	$ 6,931,105	$ 7,460,837	$ 8,525,517	$ 8,412,016	$ 8,544,184
Wastewater	3,845,647	3,914,276	3,973,672	4,434,945	4,365,272	4,427,087	4,424,515	4,722,446	4,824,937	4,940,178
Recycled Water								113,591	478,915	226,361
Operating grants and contributions	4,026	10,410	711,601	580,429	254,863	215,630	207,410	438,415	240,304	318,918
Capital grants and contributions	4,084,830	242,025	2,301,541	284,400	3,851,481	200,585	468,533	1,462,249	1,826,213	568,830
Total business-type activities programs revenues	12,916,597	8,500,254	12,305,391	12,366,543	15,348,318	11,774,407	12,561,295	15,262,218	15,782,385	14,598,471
Total City government program revenues	$ 29,265,784	$ 16,724,949	$ 24,890,852	$ 25,005,355	$ 38,483,663	$ 20,004,643	$ 20,507,080	$ 30,265,857	$ 27,455,517	$ 24,820,476

Schedule 2
City of American Canyon
Changes in Net Position, Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Prior Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net(Expense)Revenue:										
Governmental activities	$ (7,980,663)	$ (19,734,349)	$ (16,952,721)	$ (18,447,012)	$ (6,997,757)	$ (24,200,406)	$ (25,203,264)	$ (17,429,328)	$ (22,102,283)	$ (28,826,152)
Business-type activities	3,169,778	(3,414,199)	1,949,972	2,236,033	4,737,266	1,331,049	1,147,920	2,542,376	2,265,760	(506,472)
Total City government	$ (4,810,885)	$ (23,148,548)	$ (15,002,749)	$ (16,210,979)	$ (2,260,491)	$ (22,869,357)	$ (24,055,344)	$ (14,886,952)	$ (19,836,523)	$ (29,332,624)
General Revenues and Other Changes in in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	$ 10,599,981	$ 11,480,330	$ 12,317,143	$ 12,738,881	$ 13,840,597	$ 15,084,618	$ 15,862,655	$ 16,156,774	$ 17,264,929	$ 18,218,818
Sales taxes	2,294,150	2,358,219	2,589,452	2,301,445	2,800,575	4,222,888	3,891,032	4,417,552	5,000,961	7,863,107
Other taxes	2,785,624	3,002,106	3,076,637	3,076,198	3,197,726	3,179,812	2,542,370	2,313,850	3,228,510	3,480,013
Investment earnings	227,702	272,849	372,728	(1,047)	15,200	1,172,806	1,353,014	(75,937)	(1,303,678)	558,488
Miscellaneous	485,625	300,765	524,995	543,725	616,199	568,578	777,427	831,482	524,021	1,051,888
Transfers	1,702,165	994,725	(266,772)	868,412	(15,450)	605,473	1,396,387	2,066,071	2,225,797	2,735,392
Total governmental activities	18,095,247	18,408,994	18,614,183	19,527,614	20,454,847	24,834,175	25,822,885	25,709,792	26,940,540	33,907,706
Business-type activities										
Investment earnings and other	755,294	617,971	630,994	392,925	613,734	816,278	753,975	1,493,566	(77,688)	650,946
Other										300,942
Transfers	(1,702,165)	(944,725)	266,772	(868,412)	15,450	(605,473)	(1,396,387)	(2,066,071)	(2,225,797)	(2,735,392)
Total business-type activities	(946,871)	(326,754)	897,766	(475,487)	629,184	210,805	(642,412)	(572,505)	(2,303,485)	(1,783,504)
Total City government	$ 17,148,376	$ 18,082,240	$ 19,511,949	$ 19,052,127	$ 21,084,031	$ 25,044,980	$ 25,180,473	$ 25,137,287	$ 24,637,055	$ 32,124,202
Change in net position:										
Governmental activities	$ 10,114,584	$ (1,325,355)	$ 1,661,462	$ 1,080,602	$ 13,457,090	$ 633,769	$ 619,621	$ 8,280,464	$ 4,838,257	$ 5,081,554
Business-type activities	2,222,907	(3,876,163)	2,847,738	1,760,546	5,366,450	1,541,854	505,508	1,969,871	(37,725)	(2,289,976)
Total City government	$ 12,337,491	$ (5,201,518)	$ 4,509,200	$ 2,841,148	$ 18,823,540	$ 2,175,623	$ 1,125,129	$ 10,250,335	$ 4,800,532	$ 2,791,578

Data Source: City of American Canyon Annual Comprehensive Financial Report.

Schedule 3
City of American Canyon
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	General Fund						All Other Governmental Funds								
								Restricted		Committed	Assigned		Unassigned		
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total General Fund	Nonspendable	Special Revenue and Debt Service	Capital Projects	Special Revenue	Special Revenue	Capital Projects	Special Revenue	Capital Projects	Total All Other Governmental Funds
2023	$ 475,315	$ 1,185,906	$ 7,915,030	$ 1,000,000	$ 4,724,240	$ 15,300,491	$ -	$ 17,406,486	$ 11,687,788	$ 1,392,733	$ 3,912,325	$ -	$ (1,983,835)	$ -	$ 32,415,497
2022	442,414	861,278	7,000,440	1,000,000	3,282,423	12,586,555	-	17,977,708	7,151,467	1,267,279	4,238,734	-	(944,846)	-	29,690,342
2021	438,510	528,861	6,387,027	1,000,000	3,850,226	12,204,624	-	15,096,146	7,996,953	1,285,478	4,776,137	-	(628,984)	-	28,525,730
2020	433,239	329,693	6,155,254	1,222,691	2,650,256	10,791,133	16,317	11,538,950	9,786,968	1,125,743	4,684,889	-	(462,069)	-	26,690,798
2019	426,935	350,225	6,021,464	1,222,691	2,337,950	10,359,265	-	11,801,060	7,808,693	-	5,871,283	-	(1,008,280)	(213,953)	24,258,803
2018	563,295	115,106	1,903,925	1,222,500	4,752,357	8,557,183	688	3,420,345	7,813,712	-	5,974,310	-	(1,811,260)	(260,895)	15,136,900
2017	687,237	141,751	6,117,954	1,201,941	215,304	8,364,187	688	2,456,754	4,869,873	1,347,000	3,848,526	-	(594,550)	(1,277,506)	10,650,785
2016	909,462	89,269	5,859,953	1,491,026	1,548,892	9,898,602	688	2,393,720	5,096,773	1,347,000	3,459,116	552,760	(820,055)	(113,358)	11,916,644
2015	2,644,665	75,883	1,476,370	777,418	6,107,104	11,081,440	589,041	2,390,604	5,876,113	1,347,000	2,815,904	-	(1,272,732)	(1,335,082)	10,410,848
2014	2,467,641	69,535	1,461,807	872,295	5,970,052	10,841,330	553,448	2,235,092	6,088,807	1,347,000	2,411,746	-	(1,143,857)	(1,422,675)	10,069,561

---------- Prior Years ----------

Note: GASB Statement Number 54 was implemented in the 2011 fiscal year which changed the terminology used for fund balance reporting.
Data Source: City of American Canyon Annual Comprehensive Financial Report.

Schedule 4
City of American Canyon
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(In Rounded Thousands of Dollars)
(Modified accrual basis of accounting)

	Prior Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	$ 15,992	$ 17,896	$ 22,553	$ 19,242	$ 20,381	$ 30,520	$ 22,705	$ 22,656	$ 25,774	$ 29,415
Special assessments	455	471	488	550	583	581	638	668	665	652
Fines and forfeits	120	112	95	98	91	151	65	73	101	156
Licenses and permits	337	446	455	460	763	428	619	585	762	1,070
Intergovernmental	1,280	874	3,049	1,689	2,441	3,061	1,834	4,848	5,135	2,442
Charges for services	2,025	4,496	3,572	4,913	8,669	3,197	4,672	3,848	4,656	5,920
Other revenues	1,179	1,022	1,275	851	1,151	2,563	2,353	1,439	(281)	2,258
Total revenues	21,389	25,317	31,487	27,803	34,079	40,501	32,886	34,117	36,812	41,913
Expenditures:										
General government	4,066	5,064	5,111	5,237	5,084	5,645	5,648	5,312	6,773	7,654
Public safety	9,554	9,734	10,731	11,063	12,043	12,362	12,930	13,800	14,802	15,403
Comm. Dev. and Public Works	5,496	6,597	5,453	7,619	5,446	6,482	6,753	4,432	6,016	9,300
Parks and Recreation	1,192	2,202	2,665	3,615	3,445	3,215	1,847	2,809	2,720	3,071
Principal	537	560	583	606	628	583	538	4,598	1,270	143
Interest	394	373	314	291	268	243	222	157	959	147
Debt issuance costs								158		-
Capital outlay	2,277	1,200	5,260	3,040	2,099	1,670	3,458	7,022	4,961	5,334
Total expenditures	23,516	25,730	30,117	31,471	29,013	30,200	31,396	38,288	37,501	41,052
Excess of revenues over(under) expenditures	(2,127)	(413)	1,370	(3,668)	5,066	10,301	1,490	(4,171)	(689)	862
Other Financing Sources(Uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	5,399	-	1,842
Transfers in	5,447	3,742	9,050	5,403	4,289	5,207	5,973	9,873	7,441	9,258
Transfers out	(3,745)	(2,747)	(10,097)	(4,535)	(4,676)	(4,601)	(4,577)	(7,875)	(5,215)	(6,523)
Other Sources								12		
Sale of Assets	24	-	-	-	-	18	-	10	10	
Total other financing Sources(Uses)	1,726	995	(1,047)	868	(387)	623	1,396	7,419	2,236	4,577
Net change in fund balances	$ (401)	$ 581	$ 323	$ (2,800)	$ 4,679	$ 10,924	$ 2,886	$ 3,248	$ 1,547	$ 5,439
Debt service as a percentage of noncapital expenditures	4.4%	3.8%	3.6%	3.2%	3.3%	2.9%	0.0%	15.7%	6.9%	0.8%

Data Source: City of American Canyon Annual Comprehensive Financial Report.

Schedule 5
City of American Canyon
Own Source Tax Revenues by Source
Last Ten Fiscal Years
(In Rounded Thousands of Dollars)
(Modified accrual basis of accounting)

Prior Years

Fiscal Year	Property Tax	Transient Occupancy Tax	Franchise Tax	Cardroom Admission Tax	Fire Assessment Fee	Total
2013-2014	$ 10,569	$ 1,249	$ 618	$ 261	$ 588	$ 13,285
2014-2015	11,353	1,406	673	232	597	14,261
2015-2016	12,348	1,509	722	168	607	15,354
2016-2017	12,705	1,546	727	166	600	15,744
2017-2018	13,807	1,593	738	201	614	16,953
2018-2019	14,951	1,549	751	226	639	18,116
2019-2020	15,781	1,141	785	175	659	18,541
2020-2021	16,096	885	815	103	689	18,588
2021-2022	17,288	1,644	840	322	697	20,791
2022-2023	17,843	1,574	1,031	337	739	21,524

Data Source: City of American Canyon Annual Comprehensive Financial Report and General Ledger.

Schedule 6
City of American Canyon
Assessed Value of Taxable Property
Last Ten Fiscal Years
(In thousands of dollars)

Fiscal Year	Residential	Commercial	Industrial	Vacant Land	SBE Nonunitary	Possessory Int.	Unsecured	Other	Total	Total Direct Rate
2013-2014	$ 1,398,763	$ 144,912	$ 404,835	$ 63,139	$ 42	$ 16,449	$ 201,968	$ 3,588	$ 2,233,696	0.28%
2014-2015	1,541,948	142,808	406,322	65,143	42	16,912	206,535	4,358	2,384,068	0.28%
2015-2016	1,724,766	143,476	413,039	59,632	42	17,265	196,671	14,027	2,568,918	0.28%
2016-2017	1,806,564	162,450	462,896	72,072	42	18,507	209,045	14,217	2,745,793	0.28%
2017-2018	1,952,312	179,425	518,566	61,512	42	18,909	176,326	4,457	2,911,549	0.27%
2018-2019	2,072,127	191,160	548,337	62,889	269	19,337	209,319	4,492	3,107,929	0.27%
2019-2020	2,158,339	196,080	624,597	66,973	269	20,075	252,546	4,584	3,323,463	0.27%
2020-2021	2,219,659	207,421	654,200	76,869	269	21,107	229,837	83	3,409,449	0.27%
2021-2022	2,306,148	214,950	752,961	45,555	27,769	21,211	230,824	87	3,599,505	0.27%
2022-2023	2,451,935	220,492	854,546	56,068	301	21,654	234,864	87	3,839,947	0.26%

Prior Years

Note: Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the pruchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currenlty available with respect to the actual market value of taxable property and is subject to the limitations described above.

Data Source: Napa County Assessor 2012/13 - 2021/22 Combined Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of the City of American Canyon.

Schedule 7
City of American Canyon
Direct and Overlapping Property Tax Rates
For The Last Ten Fiscal Years
(Rates per $100 of assessed value)

	Prior Years									
Agency	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Basic Levy[1]	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.00 %
Napa College	0.027	0.026	0.026	0.025	0.024	0.024	0.021	0.019	0.018	0.017
Napa Valey Unified School District	0.072	0.069	0.063	0.114	0.102	0.098	0.090	0.090	0.088	0.084
Total Direct & Overlapping[2] Tax Rates	**0.099**	**0.095**	**0.089**	**0.140**	**0.126**	**0.122**	**0.110**	**0.111**	**0.106**	**0.101**
City's Share of 1% Levy per Prop 13[3]	**0.296**	**0.296**	**0.296**	**0.296**	**0.296**	**0.292**	**0.292**	**0.292**	**0.292**	**0.292**
Total Direct Rate[4]	**0.276**	**0.276**	**0.276**	**0.276**	**0.274**	**0.275**	**0.271**	**0.271**	**0.267**	**0.265**

Notes:

[1]In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addtion to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

[2]Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

[3]City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

[4]Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Data Source: Napa County Assessor 2013/14 - 2022/23 Tax Rate Table

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Schedule 8
City of American Canyon
2022/23 Top Ten Property Taxpayers
Based on Property Tax Revenue

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Revenue	% of Revenue	Parcels	Revenue	% of Revenue	Value	% of Revenue	
Coca Cola Company				1	$ 176,174	20.29%	$ 176,174	1.14%	Unsecured American Canyon Gen Fund
SDG Hanna Court 411 LLC	2	$ 159,450	1.09%				159,450	1.03%	Industrial American Canyon Gen Fund
SRI Napa LLC ET AL	1	156,775	1.07%				156,775	1.01%	Residential American Canyon Gen Fund
DWF IV NLP II	6	144,394	0.99%				144,394	0.93%	Industrial American Canyon Gen Fund
RAR2 Napa Logistics Park LLC	1	132,103	0.91%				132,103	0.85%	Industrial American Canyon Gen Fund
Biagi and Associates LLC	1	126,124	0.86%	1	2,761	0.32%	128,885	0.83%	Industrial American Canyon Gen Fund
Mezzetta 125 LP	1	119,672	0.82%				119,672	0.77%	Industrial American Canyon Gen Fund
SDG Commerce 330 LLC	1	119,550	0.82%				119,550	0.77%	Industrial American Canyon Gen Fund
Sutter Home Winery	2	107,914	0.74%				107,914	0.70%	Industrial American Canyon Gen Fund
Barry Callebaut USA LLC				1	103,461	11.91%	103,461	0.67%	Unsecured American Canyon Gen Fund
Top Ten Totals	**15**	**1,065,982**	**7.30%**	**3**	**282,396**	**32.52%**	**1,348,378**	**8.70%**	
City Totals		**$ 14,593,410**			**$ 868,358**		**$ 15,461,768** *Revenue includes Outer TRAs		

Note: The 'Revenue' line for each owner is the estimated total revenue for that owner. Although these estimated calculations are performed on a parcel level, county auditor/ controllers' offices neither calculate nor apportion revenues at a parcel level.
Data Source: Napa County Assessor 2022/23 Combined Tax Rolls and the SBE Non Unitary Tax Roll
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of the City of American Canyon.

Schedule 7
City of American Canyon
2013/14 Top Ten Property Taxpayers
Based on Property Tax Revenue

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Revenue	% of Revenue	Parcels	Revenue	% of Revenue	Value	% of Revenue	
1) Coca Cola Company	1	$ 64,338	0.76%	2	$ 227,320	28.79%	$ 291,658	3.16%	Unsecured American Canyon Gen Fund
2) SDG Hanna Court 411 LLC	2	136,802	1.62%				136,802	1.48%	Industrial American Canyon Gen Fund
3) Biagi and Associates	1	108,578	1.29%	1	1,239	0.16%	109,817	1.19%	Industrial American Canyon Gen Fund
4) Sutter Home Winery INC	2	99,627	1.18%				99,627	1.08%	Industrial American Canyon Gen Fund
5) 5500 Eucalyptus Drive Apt Inv.	1	91,114	1.08%				91,114	0.99%	Residential American Canyon Gen Fund
6) Broadstone HC California LLC	2	81,366	0.97%				81,366	0.88%	Industrial American Canyon Gen Fund
7) Barry Callebaut USA LLC				1	68,765	8.71%	68,765	0.75%	Unsecured American Canyon Gen Fund
8) Walmart	1	61,138	0.73%	1	4,763	0.60%	65,901	0.72%	Commercial American Canyon Gen Fund
9) 125 Mezzetta Court INC	1	62,843	0.75%				62,843	0.68%	Industrial American Canyon Gen Fund
10) Napa Junction Retail LLC	6	46,695	0.55%				46,627	0.51%	Commercial American Canyon Gen Fund
Top Ten Totals	**17**	**752,501**	**8.93%**	**5**	**302,087**	**38.26%**	**1,054,520**	**11.44%**	
City Totals		**$ 8,426,453**			**$ 789,559**		**$ 9,216,012** *Revenue includes Outer TRAs		

Note: The 'Revenue' line for each owner is the estimated total revenue for that owner. Although these estimated calculations are performed on a parcel level, county auditor/ controllers' offices neither calculate nor apportion revenues at a parcel level.
Data Source: Napa County Assessor 2013/14 Combined Tax Rolls and the SBE Non Unitary Tax Roll
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of the City of American Canyon.

Schedule 9
City of American Canyon
Property Tax Levies and Collections
Last Ten Fiscal Years

	Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of The Levy	
			Amount	Percentage of Levy
Prior Years	2014	$ 10,599,981	$ 10,599,981	100%
	2015	12,317,143	12,317,143	100%
	2016	12,738,881	12,317,143	100%
	2017	13,840,597	12,738,881	100%
	2018	15,084,618	13,840,597	100%
	2019	15,862,655	15,084,618	100%
	2020	15,862,655	15,862,655	100%
	2021	16,156,774	16,156,774	100%
	2022	17,319,935	17,319,935	100%
	2023	18,161,028	18,161,028	100%

Note: Source is City of American Canyon Tax Collection records and Napa County Assessor records. Property taxes are levied and collected pursuant to an arrangement commonly referred to as the Teeter Plan. Under the Teeter Plan, the County allocates and remits to the City the full amount of each years tax levy, and the County then retains any delinquencies as collected by the County.

Schedule 10
City of American Canyon
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(Dollars in Thousands except for Per Capita)

	Governmental Activities					Business-type Activities				
Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Bank Financing	Financed Purchase Obligations	Subscriptions	Financed Purchase Obligations	State of California and Other Loans	Total City Debt	Total City Debt as a Percentage of Personal Income	Total City Debt Per Capita
2014	$ -	$ -	$ 1,792	$ 6,303	$ -	$ -	$ 7,331	$ 15,426	2.74%	$ 772
2015	-	-	1,559	6,263	-	827	6,214	14,863	2.60%	731
2016	-	-	1,318	5,892	-	2,408	5,505	15,123	3.67%	735
2017	-	-	1,069	5,506	-	1,975	4,827	13,377	2.07%	637
2018	-	-	813	5,104	-	1,532	4,131	11,580	1.86%	552
2019	-	-	551	4,752	-	1,076	3,416	9,795	1.49%	475
2020	-	-	278	4,455	-	609	2,682	8,024	1.17%	385
2021	-	-	845	4,672	-	4,769	1,928	12,214	1.67%	587
2022	-	-	802	4,872	-	4,233	1,155	11,062	1.54%	511
2023	-	-	761	7,467	233	4,014	360	12,835	1.56%	602

---------- Prior Years ----------

Note: It was determined in 2019 that the City was inadvertently referring to a 2012 bank financing agreement as a Lease Revenue Bond. The name was changed and debt service payments were moved to a separate column accordingly.
Data Source: City of American Canyon Annual Comprehensive Financial Report.

Schedule 11
City of American Canyon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	General Bonded Debt Outstanding: Lease Revenue Bonds	General Bonded Debt Outstanding: Total	Percentage of Actual Taxable Value of Property	Per Capita
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-

Prior Years

Note: It was determined in 2019 that the City was inadvertently referring to a 2012 bank financing agreement as a Lease Revenue Bond. Amounts starting in 2013 were for this financing and were removed above.
Note: Debt service on the lease revenue bonds is financed by the use of general governmental financial resources available in the general fund and special revenue funds of the City.
Data Source: City of American Canyon Annual Comprehensive Financial Report.

Schedule 12
City of American Canyon
Computation of Direct and Overlapping Debt
As of June 30, 2023

2022-23 Assessed Valuation: $3,839,946,883

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2023	% Applicable (1)	City's Share of Debt 6/30/2023
Napa Joint Community College District	$ 69,617,723	7.798%	$ 5,428,790
Napa Valley Unified School District	458,549,855	11.678%	53,549,452
American Canyon Green Island Road Community Facilities District	5,000,000	100.00%	5,000,000
CSCDA Watson Ranch Community Facilities District	6,595,000	100.00%	6,595,000
City of American Canyon 1915 Act Bonds	12,665,500	100.00%	12,665,500
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 83,238,742
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Napa County Certificates of Participation	$ 1,840,000	7.868%	$ 144,771
Napa County Board of Education Certificate of Participation	11,385,000	7.868%	895,772
Napa Valley Unified School District Certificates of Participation	1,965,000	11.678%	229,473
City of American Canyon Facilities Loan Financing	**8,461,365**	**100.00%**	**8,461,365**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 9,731,381
TOTAL DIRECT DEBT			**8,461,365**
TOTAL OVERLAPPING DEBT			84,508,758
COMBINED TOTAL DEBT			$ 92,970,123 (2)

Ratios to Assessed Valuation:

Total Direct Debt ($8,461,365)	0.22%
Total Overlapping Tax and Assessment Debt.	2.20%
Combined Total Debt	**2.49%**

Data Source: California Municipal Statistics, Inc.

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determinig the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Schedule 13
City of American Canyon
Computation of Legal Debt Margin
Last Ten Fiscal Years

	Fiscal Year	Assessed Value	Debt Limit	General Bonded Debt	Legal Debt Margin	Net Debt Margin
Prior Years	2014	$ 2,233,695,851	$ 83,763,594	$ -	$ 83,763,594	0.00%
	2015	2,384,068,041	89,402,552	-	89,402,552	0.00%
	2016	2,568,918,377	96,334,439	-	96,334,439	0.00%
	2017	2,745,793,523	102,967,257	-	102,967,257	0.00%
	2018	2,911,549,010	109,183,088	-	109,183,088	0.00%
	2019	3,107,928,907	116,547,334	-	116,547,334	0.00%
	2020	3,323,463,102	124,629,866	-	124,629,866	0.00%
	2021	3,482,439,834	130,591,494	-	130,591,494	0.00%
	2022	3,676,532,577	137,869,972	-	137,869,972	0.00%
	2023	3,924,037,523	147,151,407	-	147,151,407	0.00%

Notes:

(1) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

Data Source: City of American Canyon Annual Comprehensive Financial Report.

Schedule 14
City of American Canyon
Pledged Revenue Coverage
Last Ten Fiscal Years

Special Assessment Bonds

	Fiscal Year	Special Assessment Collections	Capital Impact Fees	Debt Service Principal	Debt Service Interest	Coverage
------ Prior Years ------	2014	$ 1,687,609	$ -	$ 605,000	$ 1,023,243	1.04
	2015	1,701,083	-	680,600	978,177	1.03
	2016	1,533,089	-	672,600	950,079	0.94
	2017	1,512,432	-	702,800	921,059	0.93
	2018	1,505,161	-	728,000	890,452	0.93
	2019	1,508,336	-	767,900	1,076,068	0.82
	2020	1,514,977	-	812,500	966,000	0.85
	2021	2,358,403	-	826,600	826,192	1.43
	2022	2,262,128	-	955,300	712,882	1.36
	2023	2,328,853	-	993,400	427,218	1.64

State of California Water Loan

		Water Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
------ Prior Years ------	2014	$ 5,296,807	$ 2,454,741	$ 4,368,969	$ 3,382,579	$ 57,766	$ 24,470	41.13
	2015	4,612,345	171,882	5,825,479	(1,041,252)	59,210	23,008	(12.66)
	2016	5,895,551	1,410,622	3,785,935	3,520,238	60,646	21,538	42.83
	2017	7,266,136	149,456	4,508,226	2,907,366	62,208	19,945	35.39
	2018	7,134,533	2,270,458	4,360,122	5,044,869	63,762	18,399	61.40
	2019	7,357,422	138,604	4,365,061	3,130,965	65,357	16,785	38.12
	2020	7,852,151	332,487	5,274,448	2,910,190	66,992	15,150	35.43
	2021	10,024,822	1,035,539	5,118,753	5,941,608	68,666	13,415	72.39
	2022	8,431,611	1,252,878	7,023,852	2,660,637	70,382	11,697	32.42
	2023	9,294,994	332,951	7,597,455	2,030,490	72,141	10,810	24.48

State of California Wastewater Construction Loan

		Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
------ Prior Years ------	2014	$ 4,286,228	$ 1,630,089	$ 2,480,480	$ 3,435,837	$ 568,368	$ 158,167	4.73
	2015	4,150,773	70,143	2,584,479	1,636,437	583,714	142,407	2.25
	2016	4,234,717	890,919	2,161,955	2,963,681	599,475	126,221	4.08
	2017	4,709,025	134,944	2,347,478	2,496,491	615,660	109,598	3.44
	2018	4,713,142	1,581,023	2,901,642	3,392,523	632,283	92,526	4.68
	2019	4,835,296	61,981	2,859,602	2,037,675	649,355	74,994	2.81
	2020	4,797,654	136,046	2,646,209	2,287,491	666,888	56,988	3.16
	2021	4,941,788	373,210	3,086,833	2,228,165	684,893	56,989	3.00
	2022	4,963,857	573,335	3,363,113	2,174,079	703,385	38,496	2.93
	2023	5,447,782	235,879	3,731,797	1,951,864	722,377	19,504	2.63

Notes: Special assessment bonds are accounted for in the City's Custodial Funds.
Water and wastewater revenues include operating revenues, interest revenues, and capital impact fees.
Operating expenses exclude depreciation and amortization

Data Source: City of American Canyon Annual Comprehensive Financial Report.

Schedule 15
City of American Canyon
Demographic and Economic Statistics
For The Last ten Fiscal Years

	Fiscal Year	Population	Personal Income (thousands of dollars)	Median Household Income	Unemployment Rate
Prior Years	2014	19,989	$ 563,790	$ 83,609	6.50%
	2015	20,374	571,557	81,955	5.40%
	2016	20,338	411,763	75,997	5.40%
	2017	20,570	646,021	83,673	5.00%
	2018	20,990	622,133	83,673	4.70%
	2019	20,629	657,387	91,705	4.20%
	2020	20,837	688,744	101,792	3.70%
	2021	20,802	732,403	101,792	6.40%
	2022	21,658	719,271	117,846	4.00%
	2023	21,338	822,452	117,846	3.40%

Source: 2022-23 and prior, previously published CAFR
(1) Population Projections are provided by the California Department of Finance Projections.
(2) Income Data is provided by the United States Census Data and is adjusted for inflation.
(3) Unemployment rate is provided by the EDD's Bureau of Labor Statistics Department.

Schedule 16
City of American Canyon
Principal Employers (Ten Largest)
Calendar Year 2023 vs Calendar Year 2014

	2023			2014		
Employer	Rank	Number Employees	Percentage of Total City Employment	Rank	Number Employees	Percentage of Total City Employment
Amazon	1	481	4.37%			
NVUSD	2	358	3.25%			
GL Mezetta	3	350	3.18%	3	300	5.36%
Walmart Supercenter	4	320	2.91%	1	362	6.46%
A Bright Future	5	170	1.55%			
Ikea Distribution Services, Inc.	6	162	1.47%			
Barry Callebaut	7	146	1.33%			
Safeway	8	141	1.28%	5	103	1.84%
Napa Valley Casino	9	104	0.95%			
Western Wine Services	10	103	0.94%			
Sutter Home Winery				2	350	6.25%
Coca-Cola AmCan Beverages				4	155	2.77%
Vinpak, Inc.				6	100	1.79%
Biagi Bros.				7	77	1.38%
City of American Canyon				8	75	1.34%
Adobe Lumber				9	62	1.11%
Wallaby Yogurt				10	61	1.09%

Data Source: Business License

Schedule 17
City of American Canyon
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Prior Years									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager	2.15	2.55	2.55	3.50	2.50	2.50	3.00	3.00	3.00	3.00
City Clerk	1.40	1.65	1.65	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Neighborhood Programs						1.00	1.00	-	-	-
Communications								1.00	1.00	1.00
Human Resources				2.20	2.00	2.00	1.00	2.00	2.00	2.00
Internal Service:										
Information Systems		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Finance										
Human Resources	1.50	2.20	2.20	-	-	-	-	-	-	-
Finance	4.60	4.30	4.80	4.80	4.50	4.10	4.10	4.10	4.10	3.15
Information Systems	0.20	-	-	-	-	-	-	-	-	-
Utility Billing	3.20	3.40	3.40	3.40	3.40	3.80	3.80	3.80	3.80	4.75
Public safety:										
Police	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.00	2.00	2.00
Non Departmental	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.00	1.00	1.00
Community Development:										
Planning	1.60	3.25	3.25	3.25	4.25	2.75	2.75	2.45	2.40	2.20
Building and Safety	3.25	3.25	4.25	4.25	3.75	3.65	3.65	2.95	3.00	2.70
Economic Development	0.45	0.54	0.54	-	-	-	0.00	0.00	0.00	-
Housing Services	0.10	-	-	-	-	0.10	0.10	0.10	0.10	0.10
City Engineer	1.30	-	-	-	-	-	0.00	0.00	0.00	-
Affordable Housing	0.25	0.10	0.10	-	-	-	-	-	-	-
Parks and Recreation										
Park Maintenance	5.35	5.40	5.40	6.50	5.40	5.40	-	-	-	-
Parks & Recreation Admin		2.20	2.70	3.70	3.30	3.30	3.10	3.10	2.00	2.00
Recreation Programs	2.80	1.80	2.80	2.80	3.10	3.10	4.30	4.30	4.00	4.00
Aquatics Programs	2.30	1.60	1.60	1.50	1.90	1.90	1.90	1.90	1.60	1.50
Neighborhood Programs					1.00	-	-	-	-	-
Facility Rentals					0.30	0.30	0.30	0.30	0.00	0.50
Open Space										0.50
Public Works:										
Administration	3.90	3.50	3.50	3.50	3.50	3.50	3.00	2.00	2.00	2.00
Capital Projects	1.60	3.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	4.00
Street Maintenance	3.45	2.90	3.30	3.30	4.00	3.95	3.95	2.70	0.00	2.50
Storm Drain	1.95	2.00	2.60	1.60	1.90	2.35	2.35	3.40	0.70	2.50
Parks Maintenance							5.40			
Fleet Operations	1.10	-	-	-	-	-	-	-		
Ctiy Engineer		1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.00
Maintenance and Utilities										
Maintenance & Utilities Admin								3.00	3.00	3.40
Streets Maintenance								2.70	2.70	
Maintenance & Utilities Storm Drian								2.71	3.00	
Parks Maintenance								5.40	5.40	5.70
Water:										
Treatment and Distribution	9.05	9.08	10.08	11.25	11.55	11.25	11.75	11.25	11.25	11.25
Wastewater:										
Collection and Treatment	12.00	12.23	9.73	9.40	11.10	11.25	10.75	9.25	9.25	9.25
Storm Water Quality	0.45	-	-	-	-	-	-	-	-	-
Solid Waste	0.35	0.35	3.35	3.35	3.35	3.10	3.10	2.30	3.00	3.90
Recycled Water:										
Treatment and Distribution										0.30
Internal Service:										
Building Maintenance		1.00	1.00	1.00	1.00	1.05	1.05	1.05	1.05	1.20
Fleet Operations		1.10	1.10	1.10	1.10	1.05	1.05	1.05	1.05	1.20
Totals	73.30	77.50	84.00	86.50	89.00	88.00	88.00	90.41	84.00	85.70

Data Source: Human Resources Department

Schedule 18
City of American Canyon
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Prior Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Physical arrest	790	471	569	493	282	460	515	504	517	418
Traffic violations	1,336	971	886	1,189	1,204	635	601	696	1,776	1,064
Fire:										
Emergency Responses	1,449	1,627	1,615	1,802	1,744	1,709	1,725	1,764	1,775	1,973
Structure Fires	6	17	20	20	21	19	71	80	40	40
Fire Loss (Thousand $)	-	-	-	-	-	-	-	-	-	
Fire Engines	6	6	6	6	8	8	8	8	8	8
Inspections	199	229	216	393	382	325	292	179	154	211
Construction Inspection	50	44	78	100	97	171	107	122	81	299
Planning:										
Building Permits Issued	360	520	524	496	511	428	571	598	534	882
Public works:										
Miles streets resurfaced	-	1.75	0.15	7.00	0.69	1.00	1.14	0.35	0.50	3.10
Parks:										
Community events held	37	41	46	41	40	38	14	12	27	40
Swimming pool admissions	47,720	48,222	49,142	49,302	63,110	46,594	15,277	14,250	21,756	59,398
Water:										
Number of new services	493	402	418	449	427	374	324	292	332	369
Daily average water production in MGD	3.15	2.87	2.49	2.31	2.38	2.40	2.12	2.57	2.50	2.00
Daily average water consumption in MGD	2.89	2.39	2.08	2.02	2.19	2.08	1.64	2.19	2.15	1.90

Data Source: Various departments within the City of American Canyon

Schedule 19
City of American Canyon
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Prior Years									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	19	17	17	18	18	18	18	18	20
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	8	8	8	8	9	8	8	8	8	8
Public works:										
Miles of streets	38.1	38.1	38.1	38.1	38.1	38.1	52.3	112.0	112.5	114.0
Streetlights	1,233	1,233	1,233	1,233	1,233	1,233	1,381	1,397	1,397	1,429
Traffic signals	4	4	4	4	4	4	6	6	6	6
Parks and recreation:										
Community centers	3	3	3	3	3	3	3	3	3	3
Parks	22	22	22	22	22	22	22	22	22	22
Park Acreage	79	79	79	79	79	79	79	79	79	79
Water:										
Miles of mains added	-	-	-	-	-	-	-	-	0.5	2.6
Number of services billed	5,593	5,594	5,621	5,654	5,646	5,595	5,693	5,724	5,734	5,786
Maximum plant capacity in millions gallons	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Storage capacity in in millions gallons	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Wastewater:										
Miles of sewers added	-	-	-	-	-	-				
Number of services billed	4,983	5,004	5,016	5,012	4,999	5,050	5,006	5,009	5,022	5,052
Maximum plant capacity in million gallons	5	5	5	5	5	5	5	5	5	5
Recycled Water:										
Miles of pipelines added	-	-	0	-	-	-			0.5	1.1
Number of services billed	15	20	30	46	43	30	48	62	46	46
Storage capacity in million gallons	1	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Data Source: Various departments within the City of American Canyon

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MANAGEMENT LETTER

To the City Council and Management
City of American Canyon
American Canyon, California

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of American Canyon (the City) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency to be a significant deficiency.

Closing Entries

We posted 30 adjustments and closing entries to report the City's activity in accordance with Generally Accepted Accounting Principles. We recommend the City review the adjustment list provided during the audit and consider which entries can be posted prior to the start of the audit in the future to increase audit efficiency.

The following additional items have been presented for the City's consideration:

Allowance for Uncollectible Utility Accounts

The City currently has $193,000 recorded as allowances for uncollectible water and wastewater accounts. The City should consider placing liens on past due accounts to make collection more likely and reduce the need for such a large allowance for uncollectible accounts.

Capital Assets

Ideally general ledger account numbers and the capital assets detail list for governmental and business type activities should be in order of appearance in the footnote with subcategories grouped into totals used in the footnote. Although we have noted improvement in the capital asset detail list, it is still difficult to reconcile capital assets to the categories reported in the financial statements. For example, the first category reported in the capital asset footnote is land while the first asset on the capital asset detail list for each fund type is a building account and land appears in the middle of the detail list. This results in the need to scroll through a detail list that is thousands of lines long to find individual account totals that are not in order of how reported. We recommend the City review the grouping capabilities of the capital asset software and add subtotals that match the order and category names used in the capital asset footnote.

Some projects reported as construction in progress have not had activity for many years. The City began analyzing these projects in fiscal year 2023 and wrote-off projects that did not meet the criteria for capitalization. We recommend the City analyze the remining amounts to determine whether capitalized or abandoned and adjust the detail list accordingly.

We noted a difference between capital outlay expenditures and additions to capital assets when we began the audit. As part of the yearly closing process, the City should review the transactions in the capital outlay accounts to ensure additions are recorded as capital outlay expense. If transactions do not meet the criteria for capitalization, they should be transferred to another expenditure account.

It may be useful to reconcile capital outlay expenditures and to update the capital asset detail list throughout the year rather than analyzing all transactions at year-end when preparing for the audit.

Pension and OPEB Accounts

We reported differences between the OPEB account balance summary prepared by the City's accounting consultant and OPEB valuations that resulted in an audit adjustment. We recommend the City prepare a summary that combines the deferred outflows, liability, deferred inflows and pension/OPEB expense for the City's three pension plans and two OPEB plans and reconciles to the combined balances reported in each City fund in the future to provide consolidated check figures for balances recorded.

Bank Reconciliation

We recommend the City prepare a combined cash and investments reconciliation with each account in a column and reconciling items in rows that reconciles to total combined governmental activity, business-type activity and fiduciary fund cash and investments accounts. This would simplify the reconciliation of cash and investments to the balance sheet and footnotes during the audit. Many city clients prepare a similar reconciliation. We were informed last year that the City is waiting until after their accounting system is upgraded before implementing this suggestion.

Compensated Absences

We noted that 13 (6 General and 7 Fire) employees exceeded the maximum accrual of 320 hours in the calculation for compensated absences. We recommend that the City review the maximum accrual of hours for each employee prior to preparing the closing entry for compensated absences.

Advances

We recommend the City formalize the terms of the interfund advances in written agreements approved by the City Council that document the maturity date, interest rate and repayment provisions.

* * * * *

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the audit. This communication is intended solely for the information and use of management, the City Council and others within the organization and is not intended to be, and should not be, us2023 Ded by anyone other than these specified parties.

Richardson & Company, LLP

December 28, 2023

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GOVERNANCE LETTER

To the City Council
City of American Canyon, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of American Canyon (the City) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 28, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 28, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis, budgetary comparison schedules for the General and major special revenue funds, schedules of the proportionate share of the net pension liability, schedules of contributions to the pension plan, schedules of contributions to the other postemployment benefits plan and schedules of funding progress of the other postemployment benefits plan, which are RSI, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the combining and individual fund financial statements which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the

financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties were encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We also communicate any internal control related matters that are required to be communicated under professional standards.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements. The City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of GASB Statement No. 96 resulted in the recognition of a liability and subscription assets for subscriptions over 12 months. Notes F and G to the financial statements describe the impact of GASB Statement No. 96 on the City's financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were management's estimates of the allowance for uncollectible accounts and loans receivable, including accrued interest thereon, qualifying expenses claimed under grants, the depreciable lives used for capital assets, the liability for self-insured workers' compensation claims, the discount rate used to discount the lease and subscription liabilities, the net pension liability and the net other postemployment benefits liability. Management has determined an allowance for uncollectible accounts and loans receivable is necessary based on estimates of collectability and estimated collateral values. The City has an administrator for the self-insurance program that develops the estimate of the incurred, but unreported claims liability. The City has actuarial calculations performed on its net pension liability and net other postemployment benefits liability. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The City has recorded an allowance for doubtful accounts on most of its BEGIN program loans and its shared appreciation loans and related accrued interest of $8,081,827 because of the previous decrease in

property values and the uncertainty if repayment will be received. This allowance does not affect fund balance because these loans are offset by deferred inflows of resources.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

Net Pension Liability: The disclosure of the net pension liability in Note J to the financial statements discusses the pension liability that is reflected in the Statement of Net Position and related deferred balances as well as the assumptions that were used to determine the amounts and other required disclosures. The required supplementary information schedules also provide historical information on the pension obligation.

Net Other Postemployment Benefits (OPEB) Liability: The disclosure of the net OPEB liability in Note K to the financial statements discusses the liability that is reflected in the Statement of Net Position and related deferred balances as well as the assumptions that were used to determine the amounts and other required disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit. The number of adjustments and closing entries posted during the audit was a difficulty encountered, however.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We posted 30 audit adjustments and closing entries during the audit. The following adjustments and closing entries were posted during the audit:

- To rollfoward net position balances.
- To update the uninsured claims balance.
- To correct revenue funding sources.
- Entry to accrue Quarter 3 Measure Sales Tax.
- Non-capital expenditures balances were reclassified from capital outlay.
- Additional accounts payable were recorded.
- A receivable determined to be uncollectible was written off.
- The developer deposit receivable balance was updated.
- Entries were posted for government-wide reporting, such as reallocation of depreciation by activity, elimination of entries for full accrual accounting, true-up of restricted net position, elimination of fund balance commitments and assignments, etc.
- Reclassifications were made within the different categories of net position and fund balance.
- Other reclassifications for reporting purposes.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 28, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison schedules for the General and major special revenue funds, schedules of the proportionate share of the net pension liability, schedules of contributions to the pension plan, schedules of contributions to the other postemployment benefits plan and schedules of funding progress of the other postemployment benefits plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

* * * *

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Richardson & Company, LLP

December 28, 2023

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATIONS LIMIT TESTING

To the City Council
City of American Canyon, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriation Limit of the City of American Canyon (the City) for the year ended June 30, 2023. The City's management is responsible for the Appropriations Limit calculation. The City and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assist the City in meeting the requirements of Section 1.5 of Article XIIIB of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the City's calculation of the 2022/2023 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the City Council.

   Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost-of-living adjustment component to Article XIIIB which states that the City may annually adjust the component for either the change in California per capita personal income or, the percentage change in the City's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

   Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIIIB which states that the City may annually choose to adjust the component for either the change in population in the County in which the City is located, or the change in population within the unincorporated area of the County in which the City is located. We recalculated the factor based on the above information.

   Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the City Council for the prior year.

   Finding: No exceptions were noted as a result of our procedures.

5. We recalculated the 2022/2023 Appropriation Limit by multiplying the product of the two above factors by the 2021/2022 appropriation limit.

   Finding: No exceptions were noted as a result of our procedures.

6. We compared the City's actual revenues to the computed appropriation limit for fiscal year 2022/2023.

   Finding: For the 2022/2023 fiscal year, the City's actual revenues subject to the appropriations limit did not exceed the appropriation limit adopted by resolution of the City Council.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on Appropriations Limit calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by *Article XIII-B* of the California Constitution.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the City Council and management of the City and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record, and its distribution is not limited.

Richardson & Company, LLP

December 28, 2023

APPENDIX A

CITY OF AMERICAN CANYON
APPROPRIATION LIMIT CALCULATION
Year Ended June 30, 2023

APPROPRIATION LIMIT ADOPTED BY CITY:

Recorded in Final 2022/2023 Budget		$22,461,800

APPROPRIATION LIMIT COMPUTATION PER REVIEW:

2021/2022 Appropriation Limit	$20,796,037	
Cost of living factor:		
Change in California per capita income	1.0755	
Population Adjustment Factor:		
Population change in City of American Canyon	1.0043	
Auditor computed limitation		22,461,800
Variance		$ 0

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INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATIONS LIMIT TESTING

To the Fire Protection District Board
City of American Canyon Fire Protection District
City of American Canyon, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriation Limit of the City of American Canyon Fire Protection District (the District) for the year ended June 30, 2023. The District's management is responsible for the Appropriations Limit calculation. The District and the League of California Cities (as presented in the publication entitled *Agreed-Upon Procedures applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assist the District in meeting the requirements of Section 1.5 of Article XIIIB of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the District's calculation of the 2022/2023 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the Fire Protection District Board.

   Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost-of-living adjustment component to Article XIIIB which states that the District may annually adjust the component for either the change in California per capita personal income or, the percentage change in the District's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

   Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIIIB which states that the District may annually choose to adjust the component for either the change in population in the County in which the District is located, or the change in population within the unincorporated area of the County in which the District is located. We recalculated the factor based on the above information.

   Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the Fire Protection District Board for the prior year.

   Finding: No exceptions were noted as a result of our procedures.

5. We recalculated the 2022/2023 Appropriation Limit by multiplying the product of the two above factors by the 2021/2022 appropriation limit.

   Finding: No exceptions were noted as a result of our procedures.

6. We compared the District's actual revenues to the computed appropriation limit for fiscal year 2022/2023.

   Finding: For the 2022/2023 fiscal year, the District's actual revenues subject to the appropriations limit did not exceed the appropriation limit adopted by resolution of the Fire Protection District Board.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on Appropriations Limit Calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the Appropriations Limit for the base year, as defined by *Article XIII-B* of the California Constitution.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Richardson & Company, LLP

December 28, 2023

APPENDIX A

CITY OF AMERICAN CANYON FIRE PROTECTION DISTRICT
APPROPRIATION LIMIT CALCULATION
Year Ended June 30, 2023

APPROPRIATION LIMIT ADOPTED:

Recorded in Final 2022/2023 Budget		$15,025,027

APPROPRIATION LIMIT COMPUTATION PER REVIEW:

2021/2022 Appropriation Limit	$13,910,774	
Cost of living factor:		
Change in California per capita income	1.0755	
Population Adjustment Factor:		
Population change in City of American Canyon	1.0043	
Auditor computed limitation		15,025,027
Variance		$ 0

TITLE

Parks and Community Services Commission Mid-Year Update

RECOMMENDATION

Receive an oral update regarding the Parks and Community Services Commission's FY2024/25 Work Plan.

CONTACT

Alexandra Ikeda, Parks and Recreation Director

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Organizational Effectiveness: "Deliver exemplary government services."

ENVIRONMENTAL REVIEW

None

ATTACHMENTS:

None

TITLE

Maintenance and Utilities Department, Sewer/Wastewater Division Update

RECOMMENDATION

Receive a Presentation on Maintenance and Utilities Department, Sewer/Wastewater Division Update.

CONTACT

Jay Atkinson, Wastewater Operations Manager

BACKGROUND & ANALYSIS

The Maintenance and Utilities Department is responsible for the treatment and distribution of drinking water; sewer collections, wastewater treatment; compliance with all environmental regulations related to water, wastewater, stormwater, and solid waste; and management of the City's facilities and fleet. The City operates a Water Treatment Facility, Water Reclamation Facility (WRF) and Corporation Yard. The WRF processes wastewater for either discharge to receiving waters or for recycled water production and distribution.

The City's WRF was first commissioned in 2002 as one of the first Membrane Bio-Reactor (MBR) Treatment Facilities in the state of California. Its design allows for an average dry weather flow of 2.5 million gallons per day (MGD), and a peak wet weather flow of 5 MGD. Currently, serving approximately 25,000 residents, along with businesses, including large food processors and other industrial discharges. There are four MBR process trains, each consisting of an anoxic zone and an aerobic zone. The WRF is both a secondary and tertiary treatment facility; secondary water is UV disinfected and discharged to the Napa River, while tertiary water is chlorinated for irrigation.

The sewer collections division, which is now located at the WRF, maintains 54 miles of underground pipe, 5 pump stations, lateral cleaning and sewer repairs, CCTV or video underground pipe, respond to any and every sanitary sewer overflow (SSO). The sewer collections division staff assists all other divisions as needed.

ENVIRONMENTAL REVIEW

None

ATTACHMENTS:

1. Sewer/Wastewater Division Quarterly Update

CITY OF AMERICAN CANYON

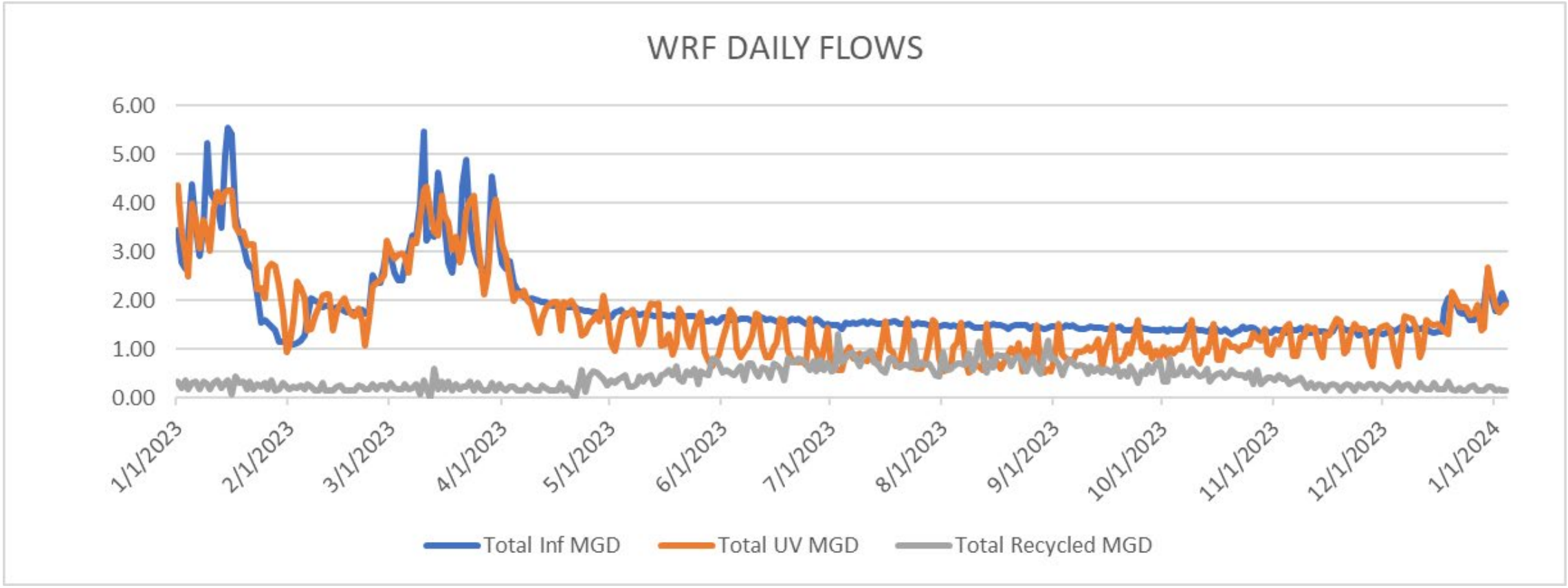
Maintenance and Utility Division

Water Reclamation, Wastewater Collection & Maintenance Divisions

Celebrating another year of accomplishments and building new relationships.



Water Reclamation Treatment and Production



Operations and Maintenance Activities

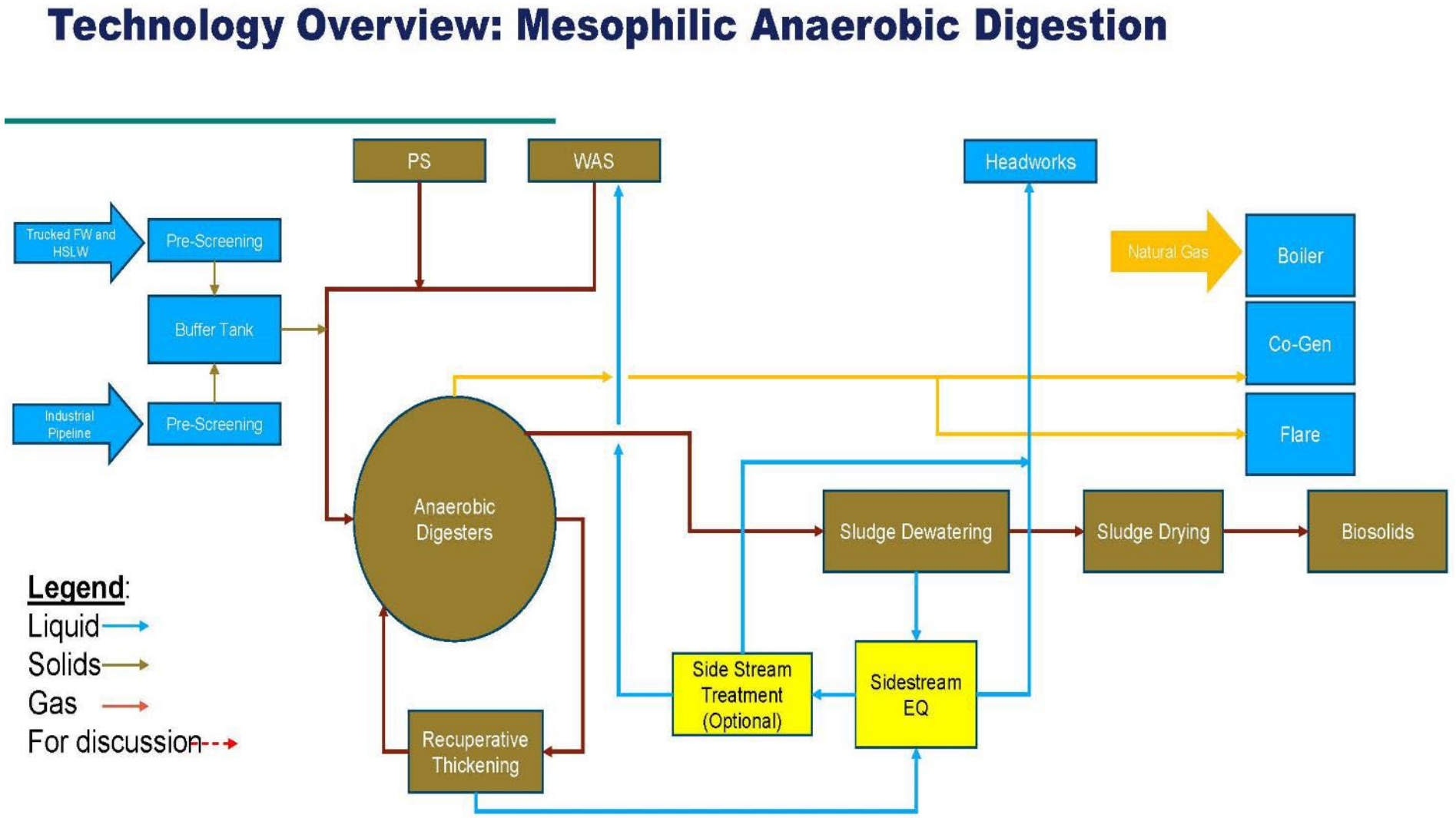


WRF ENERGY UPGRADE HIGH STRENGTH INDUSTRIAL WASTE UPDATE

Technology Overview: Mesophilic Anaerobic Digestion

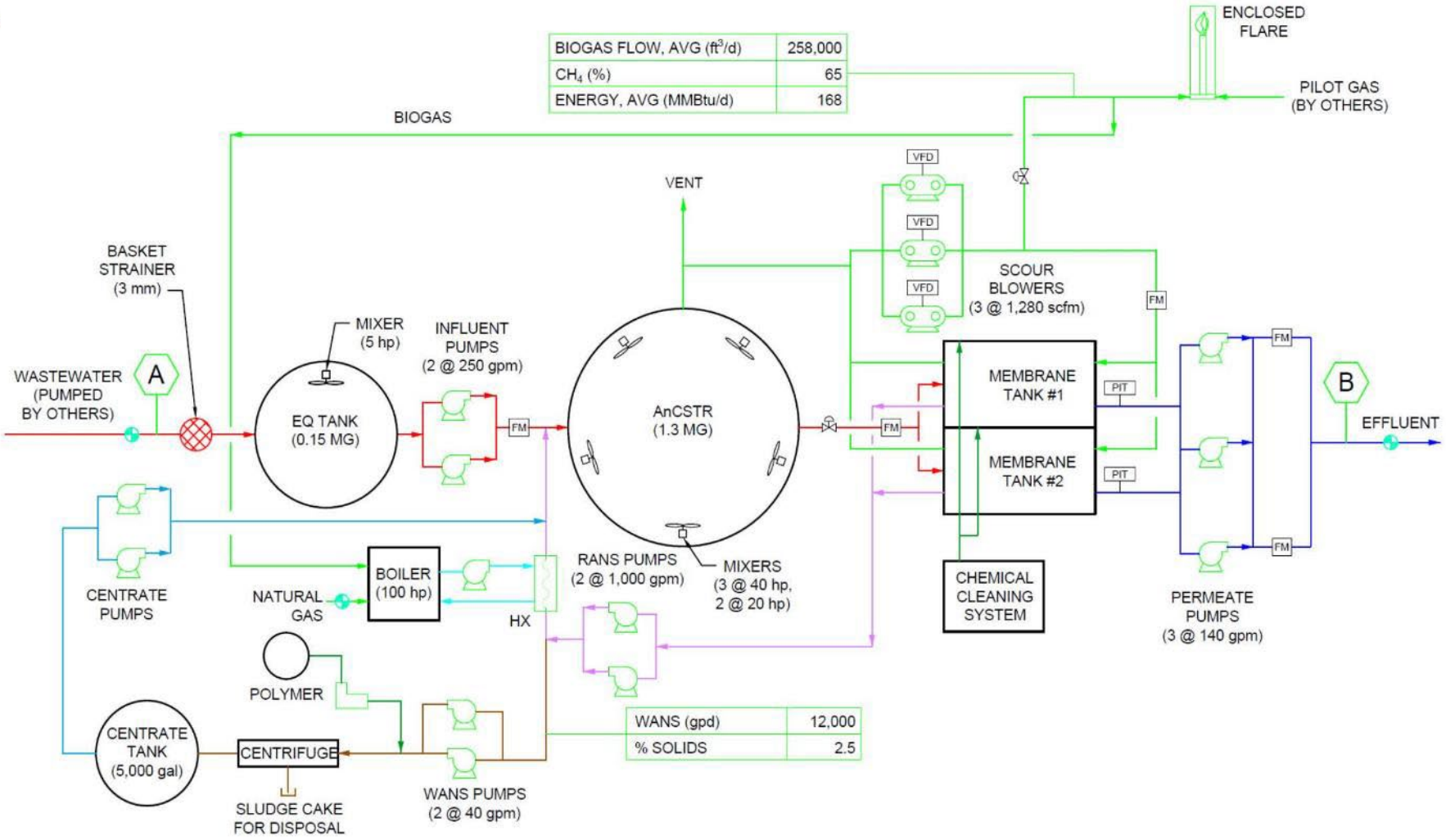


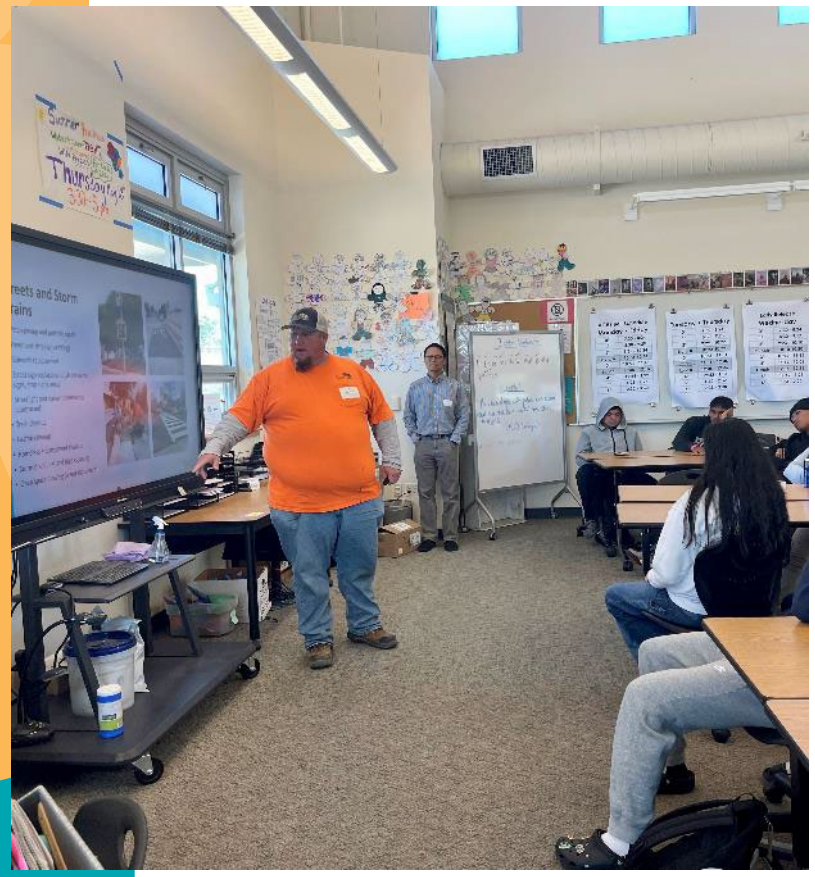
WRF ENERGY UPGRADE HIGH STRENGTH INDUSTRIAL WASTE UPDATE



WRF ENERGY UPGRADE HIGH STRENGTH INDUSTRIAL WASTE UPDATE

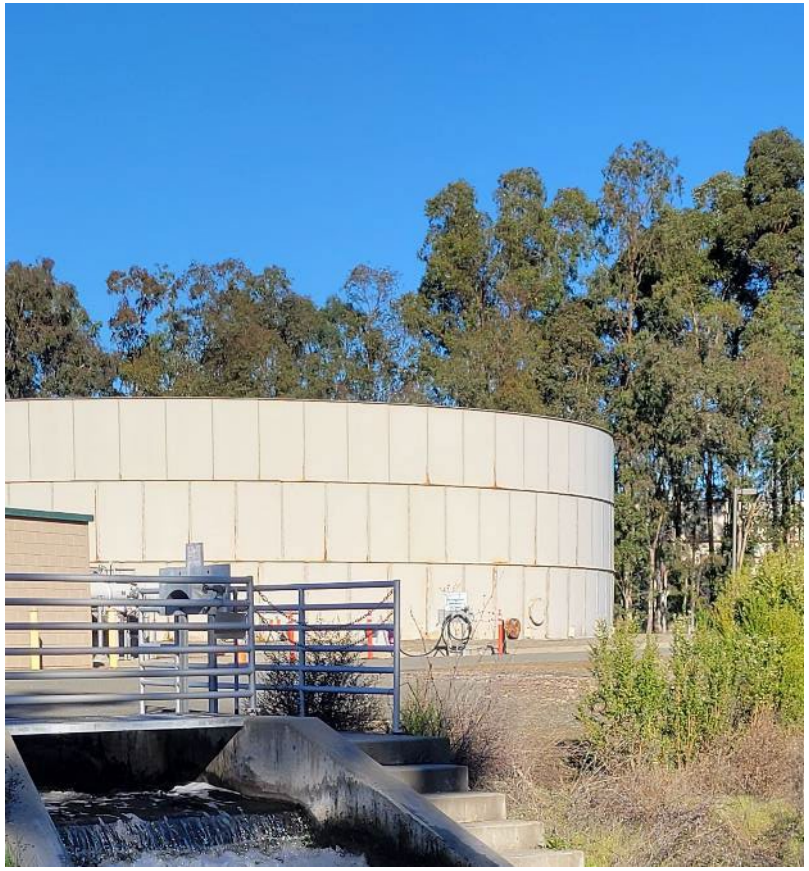
Technology Overview: Anaerobic MBR









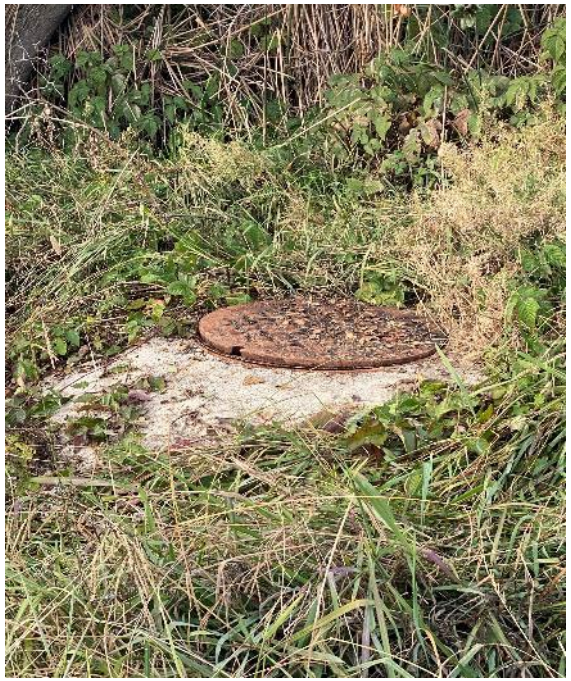




Career Day for Donaldson Way Elementary
Citizens Academy
High School Career Day

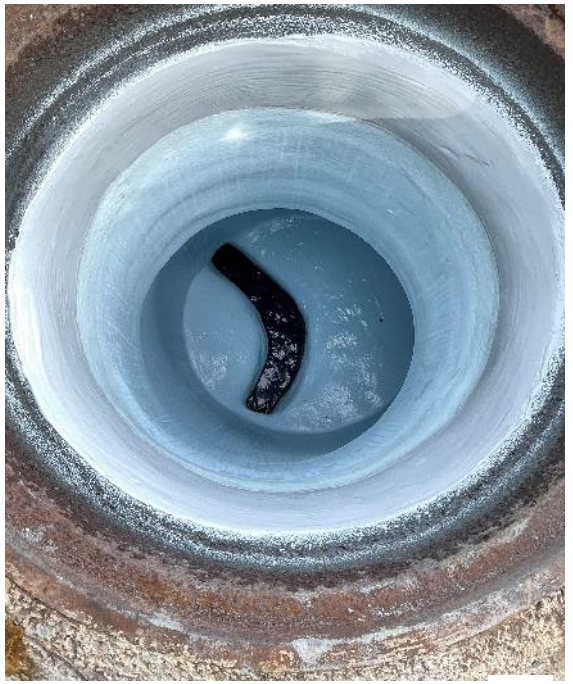
Reducing Inflow and Infiltration at the source

Microbiologically induced corrosion in sewer environments occurs when hydrogen sulfide gas is metabolized by microbes into sulfuric acid. As a result, the integrity of the structure is compromised allowing for ground water to enter. This repair was completed on one of the least accessible locations. Total work completed in less than 1 day.









Collections Crew Modifying Camera Trailer









EXCITING TIMES FOR THE FUTURE OF WATER IN CA



I WOULD DRINK THIS WATER



491

CITY OF AMERICAN CANYON

QUESTIONS

City Council Committee Report

Submitted by: * Councilmember Mark Joseph

Council Meeting Date: 01/16/2024

Event Date:

Event Type Committee Report

Event Title: * Napa Valley Transportation Authority (NVTA)

Event Report:

- Attended the Agenda-setting meeting. Our next meeting is Wednesday, January 17. There will be a quarterly project update, and we will be acting on a contract to do the environmental review for our SR29 Corridor Project. This is a key milestone for getting bike paths and sidewalks built along our corridor, as well as intersection improvements.
- I also spent time with staff and other board members discussing the proposed revisions to Measure T, which provides a significant amount of local funding for road repairs. The proposed changes, which will go before the voters this November, ***would not raise the tax rate but would allow bonding.*** This ability to fund projects today rather than wait years to accumulate funding on a pay as you go (paygo) basis will help us improve our roads sooner, improve traffic flow on our major highways and provide relief for emergency situations and evacuations. American Canyon will receive as much or more funding for our local roads as well as get much of the benefit from the regional funding projects (in particular, our SR29 Corridor project, and a grade-separated SR29/SR12 intersection).

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Event Date: 2023-12-19

Event Type Committee Report

Event Title: * BCDC Bay Adapt Elected Officials Task Force

Event Report: I have served on this task force since 2022. I met via zoom for the latest session and a number of important topics were discussed.

- We all gave updates on what our jurisdictions are doing (I talked about our Wetlands Restoration project, funded by Measure AA).
- We also heard a report on SB272, which provides funding for State and local shoreline resiliency plans. American Canyon should explore this funding, both to augment our current Wetlands Restoration plan, but to ensure our efforts are consistent with BCDC's regional guidelines. Funding would allow us to update our plans (noncompetitive funding) and then we could compete for construction dollars. The attached presentation provides more detail.
- There will also be several meetings in 2024 to gather information on BCDC's draft plans and guidelines, before they are adopted in late 2024.

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Event Date:

Event Type Other

Event Title: * City Activities and Events

Event Report:

- Attended the Visit Napa Valley/Napa Valley Tourism Corporation's annual holiday reception and rollout of the new VNV Guidebook. Carpooled with Vice Mayor Oro. It was fun--there's been a big turnover of staff and board members from when I was on the NVTC board!

- I am a member of the ad hoc group of the Climate Action Committee seeking to secure funding for a 24/7 monitoring system for Greenhouse Gases (GHG) in Napa County. We met with Congressman Thompson to brief him on the project and to ask for his support to secure some of the $6 million that may be needed. This project was mentioned at the latest COP28 meetings, insofar as it would be one of a handful of pilot projects worldwide. Beyond bragging rights, this project would give us real time data on GHG, rather than rely on modeling data that might not be that accurate and certainly not as frequent. Ultimately, we will need to find private funding and public funding at both the national and local levels.

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Event Date:

Event Type Community Event

Event Title: * Various Community Events and Activities

Event Report:

Kiwanis:

- Spent a great deal of time moving from the old pantry to our new pantry at the Napa Junction Community Center. Very excited to be in our new home, even if it did mean many nights of aching muscles!
- ***Completed our December food distribution in the new location and had no real problems.*** There were concerns that cars might spill out onto Napa Junction Road, which would have been a serious traffic jam!
- Attended the Board meeting and planned our upcoming Crab Feed (March 9). We're selling tables--get yours now, before they're gone!
- As the outgoing Treasurer, worked with the Benicia Kiwanis Treasurer to conduct a financial review of our books--good news; I still know accounting!

Arts Foundation:

- Attended our Holiday Reception and Membership Drive. We had a good turnout and recruited a half dozen new members (many were former members coming back).
- Attended our monthly board meeting and went over a number of upcoming projects, from our ACHS Arts & Music Fest to the Art Extravaganza and Juneteenth.
- Sponsored the first "Open Mic" at our new location. This was Clarence Mamaril's brainchild and it was a success. We hope to host a regular program of local talent and showings of our members' artwork.

Other Community Events:

- Attended the FilAm's Parol Festival. This is growing as an event, with more decorations beings entered.
- Attended the ribbon-cutting for Triumph Fitness Center. Very big turnout.
- Attended the Napa Working Family Coalition meeting. They are exploring grant funding opportunities relative to the IRA Federal law. One project relates to improvements at Napa HS (as part of the disadvantaged communities), but the other would help fund "de-carbonizing" low-income homes. They are also tracking funding for SR37. This is a positive group, but a lot of their focus is on Napa City.
- Attended the regular Napa County Democratic Central Committee. We heard a lot from our local elected officials.

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WHAT IS SB 272?: SEA LEVEL RISE PLANNING AND ADAPTATION REQUIREMENTS

- Requires "subregional shoreline resiliency plans" along the bay
- Requires BCDC to develop guidelines for subregional plans, based on Bay Adapt
- Requires BCDC to review – and approve or deny – plans based on consistency with guidelines
- Sets timelines for guidelines and plan completion
- **Prioritizes State funding for strategies and projects within approved plans**



✓ Region Preparation
✓ Priorities and Funding
✓ Vision

SB 272 REQUIREMENTS

Minimum Requirements for SLR Resiliency Plans:

- Best available science
- Vulnerability assessment, including at-risk communities
- Adaptation strategies and projects
- Planning and implementation leads
- Timeline for updates
- Economic impact analysis for critical infrastructure

Our work is going above and beyond by creating the guidelines collaboratively and emphasizing equity and nature-based solutions



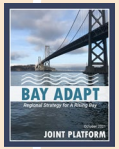
GOOD NEWS! WE'RE ALREADY UNDERWAY

2023 SB 272 Enacted

2011
CLIMATE CHANGE POLICIES IN SF BAY PLAN



2020
ART BAY AREA



2021
BAY ADAPT JOINT PLATFORM

2024
REGIONAL SHORELINE ADAPTATION PLAN GUIDELINES

2025+
SUBREGIONAL PLAN DEVELOPMENT, ASSISTANCE & IMPLEMENTATION

- ✓ Aligned
- ✓ On Track
- ✓ Linked to Funding

CALIFORNIA OCEAN PROTECTION COUNCIL

GOALS FOR SUBREGIONAL PLANS

URGENT
Accelerate plan completion before 2034 deadline by providing support and incentives.

FLEXIBLE
Support jurisdictions where they're at and help them meet requirements in their own unique ways.

ALIGNED
Ensure outcomes are coordinated and fit with local plans, other sub-regional plans, and within the RSAP, and align with outer coast requirements (CCC).

EFFECTIVE
Position plans to "move the needle" on policies and projects

ADDITIVE
Ensure plans add up to something bigger than sum of their parts to adapt faster, better, and more equitably.



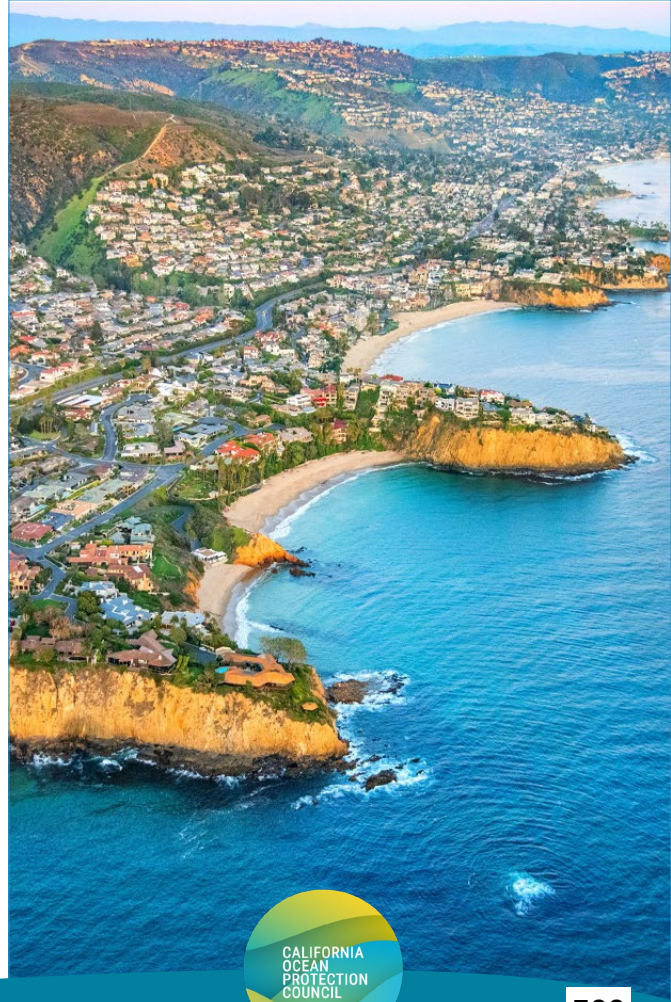
LOCAL FUNDING OPPORTUNITIES: SB1

OPC's SB 1 Grant Program

Launched last week!

Provide funding for coastal communities to develop consistent SLR adaptation plans and projects to build resilience to SLR along the entire coast of California and San Francisco Bay.

- Authorized via Senate Bill 1 (Atkins, 2021)
  - Directs the state to provide funding to local and regional governments to prepare for SLR
- Supports requirements of SB 272 (Laird, 2023)
  - SLR Criteria established as working guidelines



CALIFORNIA OCEAN PROTECTION COUNCIL

SB 1 Grant Program: SLR Planning and Project Criteria

- **Pre-planning:** Community Visioning, Data Collection, Vulnerability Assessments
- **Planning:** SLR Adaptation Plans, SF Bay Shoreline Adaptation Plans, Sector Specific Adaptation Plans

Track 1: non-competitive

- **Projects:** Feasibility Studies/Design/ Construction for nature-based and hybrid projects

Track 2: competitive



CALIFORNIA OCEAN PROTECTION COUNCIL

Collaborating with BCDC to further SB 272

- SLR Criteria includes SF Bay Shoreline Adaptation Plan criteria – reviewed by BCDC, but expected to be updated and aligned with RSAP Guidelines
- Letter of Alignment from BCDC required for all planning proposals within jurisdiction
- BCDC staff will be involved in full proposal review



CALIFORNIA OCEAN PROTECTION COUNCIL