



CITY COUNCIL REGULAR MEETING AGENDA APRIL 7, 2020

OPEN SESSION:

7:00 P.M.

NOTICE: THIS MEETING WILL BE HELD IN ACCORDANCE WITH EXECUTIVE ORDER N-29-20, ISSUED BY CALIFORNIA GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020, THE RALPH M. BROWN ACT (CALIFORNIA GOVERNMENT CODE SECTION 54950, ET SEQ.), AND THE FEDERAL AMERICANS WITH DISABILITIES ACT.

THIS MEETING WILL NOT BE PHYSICALLY OPEN TO THE PUBLIC. ALL MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THE MEETING VIA TELECONFERENCE BY CALLING (605) 468-8002, ACCESS CODE NUMBER 156811# AND WILL BE GIVEN THE OPPORTUNITY TO PROVIDE PUBLIC COMMENT.

THE MEETING WILL BE STREAMED ON YOUTUBE LIVE

https://www.youtube.com/channel/UCB_ZmQZIHlH-ECEPZ2VwZq

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Persons requesting accommodation should contact the City in advance of the meeting, and as soon as possible, at 209-394-5544.

Notice is hereby given that the City Council will hold a Regular Meeting on April 7, 2020, at the City Council Chambers, 1416 C Street, Livingston, California. Persons with disabilities who may need assistance should contact the Deputy City Clerk at least 24 hours prior to this meeting at (209) 394-8041, Ext. 121. Any writings or documents pertaining to an Open Session item provided to a majority of the members of the legislative body less than 72 hours prior to the meeting shall be made available for public inspection by email if requested. The Open Session will begin at 7:00 p.m. The agenda shall be as follows:

REGULAR MEETING

CALL TO ORDER

Next Resolution No.: 2020-18

Next Ordinance No.: 643

Pledge of Allegiance.

Moment of Silence – First Responders and Military Members.

Roll Call.

Changes to the Agenda.

ANNOUNCEMENTS AND REPORTS

Supervisor Rodrigo Espinoza Announcements and Reports.

City Staff Announcements and Reports.

City Manager Announcements and Reports.

City Council Members' Announcements and Reports.

Mayor's Announcements and Reports.

PUBLIC HEARINGS

1. (Continued) Resolution Approving Site Plan and Design Review 2019-07, Beatriz and Juan Padilla, Auto Body Repair and Paint Shop, 1621 Front Street, Livingston, CA, APN #: 024-151-004.
2. (Continued) Ordinance of the City Council of the City of Livingston Adopting a New Rate Schedule for Water Service - Proposition 218 Hearing.
3. (Continued) Resolution and Ordinance of the City Council of the City of Livingston Adopting a New Rate Schedule for Domestic Wastewater Service (Sewer Service) – Proposition 218 Public Hearing.
4. (Continued) Resolution and Ordinance of the City Council of the City of Livingston Adopting a New Rate Schedule for Solid Waste Service (Garbage Service) – Proposition 218 Hearing.

CITIZEN COMMENTS

MEMBERS OF THE PUBLIC WISHING TO ADDRESS THE CITY COUNCIL WILL BE GIVEN THE SAME TIME ALLOTMENT FOR COMMENTS (3 MINUTES) AS NORMALLY ALLOWED FOR MEETINGS SUBJECT TO THE PROVISIONS OF EXECUTIVE ORDER N-29-20

This section of the agenda allows members of the public to address the City Council on any item NOT otherwise on the agenda. Members of the public, when recognized by the Mayor, should come forward to the lectern, and identify themselves. Comments are normally limited to three (3) minutes. In accordance with State Open Meeting Laws, no

action will be taken by the City Council this evening. For items which are on the agenda this evening members of the public will be provided an opportunity to address the City Council as each item is brought up for discussion.

CONSENT AGENDA

Items on the Consent Calendar are considered routine or non-controversial and will be enacted by one vote, unless separate action is requested by the City Manager or City Council Member. There will be no separate discussion of these items unless members of the City Council or City Manager request that specific items be removed.

5. Approval of Warrant Register Dated April 2, 2020.
6. Resolution Adopting City of Livingston Master Employee Salary Schedule Effective January 1, 2020.
7. Denial of Claims for Damages from Enedina Acuna de Avila.

DISCUSSION AND POTENTIAL ACTION ITEMS

8. Resolution Approving the City of Livingston FY 20/21 List of Eligible Projects for Funding from the Road Maintenance and Rehabilitation Account (RMRA) Created by Senate Bill (SB) 1 Road Repair and Accountability Act of 2017, and Authorizing the City Manager to File with the California Transportation Commission the Project List and Annual Expenditure Report for FY 20/21 RMRA Funding.
9. (Continued) Resolution Appointing 3 Parks Recreation and Arts Commissioners and 1 Alternate Commissioner.

ADJOURNMENT

STAFF REPORT

AGENDA ITEM: Public Hearing – Resolution Approving Site Plan and Design Review 2019-07, Beatriz and Juan Padilla, Auto Body Repair and Paint Shop, 1621 Front Street; APN#: 024-151-004

MEETING DATE: April 7, 2020

PREPARED BY: Randy Hatch, Contract City Planner

REVIEWED BY: Jose Antonio Ramirez, City Manager

RECOMMENDATION:

Council adopt a Resolution approving Site Plan and Design Review 2019-07, Beatriz and Juan Padilla, Auto Body Repair and Paint Shop, 1621 Front Street; (APN#: 024-151-004).

BACKGROUND AND DISCUSSION:

This property is part of the area that recently had its General Plan designation amended from Downtown Commercial to Limited Industrial and Rezoned from DTC to M-1. The owner and applicant, Beatriz and Juan Padilla, are proposing to develop this property for an auto body shop, including auto painting. A Site Plan/Design Review Permit is required for all new construction in the City's commercial or industrial zones. A Site Plan/Design Review Permit goes first to the Planning Commission for review and recommendation then on to the City Council for final approval. The Planning Commission reviewed and recommended approval of this proposal at their February 11, 2020, meeting.

The new shop will be perpendicular to Front Street with a paved lot with 5 marked parking spaces, and a 15 foot wide maneuvering and entrance area. Across the parking lot is a 2210 sq. ft. building which contains an office, waiting area, a bathroom, a work bay, open area, and storage along the back and front wall. The proposed building will connect to existing water, wastewater, storm drain, electrical, gas and communication utilities from the surrounding area.

The building proposed to be constructed is single story, 14 feet high, composed of metal corrugated style material in a dark gray color (muted ebony). A single roll-up metal door and a single man-door are provided on the front (west) elevation in a medium gray color (almost charcoal). The roof is flat. A 5-foot wide projection or porch extends at the top of the front elevation for interest and architectural definition and also to provide for some shade. The projection/porch is in a light gray color (city storm). Two areas of landscaping are proposed at either side of the entrance driveway.

This proposal was referred to other City departments and agencies for comment. The City Engineer reviewed the proposal and developed a number of requirements that are included in the Conditions of Approval for the Site Plan/Design Review. Conditions of Approval regarding fire protection are also included as are a number of other standard conditions. The Planning Commission is the recommending body for a Site Plan/Design Review with the City Council being the approving body. Therefore, this proposal must go before both bodies.

ENVIRONMENTAL REVIEW:

The construction of this auto body shop business is a “project” subject to review under the California Environmental Quality Act (CEQA). Staff has reviewed this request and believes it qualifies for a Categorical Exemption; specifically, Class 32: In-fill Development Project exemption. This proposal meets the requirements for use of this categorical exemption; it is no more than 5 acres in size, surrounded by urban uses, in an area with no value as habitat for endangered or threatened species, adequately served by all required utilities and public services, and would not result in any significant effects relating to traffic, noise, air quality, or water quality. The Planning Commission endorsed this determination of coverage under a categorical exemption at their February 11, 2020, meeting.

ANALYSIS:

The property is undeveloped and is properly General Planned and Zoned for such a use. The use, as proposed and conditioned, meets the development standards of the City’s Zoning and Development Codes. The use meets the height, setback and lot coverage requirements. The parking required for an auto body shop is 2 spaces per use plus 1 space per 750 square feet of gross floor area. This calculates to 5 spaces being required and 5 spaces are provided.

The preliminary landscape plan submitted shows a 5-foot wide by 15-foot deep area for landscaping on the west side of the driveway with an almost 10-foot wide by 5-foot deep curved area along the east side of the driveway. Both these areas are proposed to be planted in lawn. The size and placement of the landscape areas, in staff’s judgement, meet the intent of the City’s landscape requirements with one exception regarding plant material. Turf is prohibited by State Standards in small and narrow strips. Therefore, a Condition of Approval is proposed to require the landscape areas on either side of the driveway to not contain turf but rather be planted in trees, shrubs, or ground covers that are drought tolerant as shown on the City’s approved plant list or as otherwise approved by staff review. Exterior lighting is addressed by commercial LED outdoor lighting that is consistent with City standards.

The City has a Design Guide applicable to all new development. Staff has compared the proposed new building’s design and colors, as described above, with the Design Guide. The overall design of the new building appears to be consistent with the Design Guide in terms of being compatible in scale with the surrounding area and providing visual interest.

PLANNING COMMISSION ACTIONS AND RECOMMENDATION:

The Planning Commission held a Public Hearing on this request for a Site Plan/Design Review on February 11, 2020. The applicant’s representative appeared at the Hearing and presented their request and answered questions from the Commission. There were no questions from the public. The Commission deliberated and expressed concern that both the customer waiting area and the work area were relatively close together in the interior of the building. After some discussion, the Planning Commission added a new Condition of Approval (Condition 10) to require a safety barrier to separate the customer area from the work area. The intent of this barrier is to protect any customer in the waiting area from sanding dust or grinding particles from the auto body work area. With this added Condition, the Planning Commission recommended unanimously to the City Council approval subject to the proposed attached Conditions of Approval.

FISCAL IMPACT:

The project would increase property and sales taxes to the City and would provide additional employment opportunities and service available to the City.

RECOMMENDATION:

Staff is of the opinion that the proposed use is appropriate for the proposed location. The proposed business provides additional service options for customers in the City. This use is expected to provide additional jobs, tax revenue and economic development to the City. Staff feels the site layout and building, as proposed and as conditioned, complies with all the requirements and standards applicable. The adopted Conditions of Approval allow staff to administratively review and approve the interior barrier, landscaping revision, lighting, and signage as these elements of the Project are detailed during the construction phase of the Project. Staff and the Planning Commission recommend the City Council adopt the attached Resolution 2020-____, approving Site Plan and Design Review 2019-07, based on the Findings and Conditions of Approval contained in the resolution.

ATTACHMENTS:

1. Resolution 2020-____
Exhibit "A", Conditions of Approval
2. City Engineer Memo Dated 2/3/20 with Added Conditions
3. Project Location and Zoning Map
4. Proposed Site Plan
5. Proposed Floor Plan
6. Proposed Exterior Elevations

RESOLUTION 2020-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON APPROVING SITE PLAN AND DESIGN REVIEW 2019-07, BEATRIZ AND JUAN PADILLA, AUTO BODY REPAIR AND PAINT SHOP AT 1621 FRONT STREET, LIVINGSTON, CA

WHEREAS, pursuant to Livingston Municipal Code (“LMC”) section 5-6-7, Beatriz and Juan Padilla, Property Owner and Applicant, have applied for a Site Plan and Design Review approval for an Auto Body Shop, which consists of a 2,210 square foot building on a 7,500 sq. ft. lot at 1621 Front Street, (APN 024-151-004), in the City of Livingston; and

WHEREAS, the site is zoned M-1 (Limited Industrial), and has a General Plan designation of Limited Industrial according to the official zoning map of the City of Livingston and the 1999 Livingston General Plan; and

WHEREAS, LMC Section 5-6-7 requires the approval of a Site Plan and Design Review for new structures within the M-1 district to assure compatibility, harmony in appearance in neighborhoods, reduction of negative impacts of nonaesthetic development, and orderly development of the community; and

WHEREAS, a public hearing for the proposed project has been properly noticed by posting, a newspaper ad, and a mailing to adjacent properties within 300 feet or more of the site; and

WHEREAS, the Planning Commission has considered the environmental effects of the project and has determined that it qualifies for Categorical Exemption, Class 32 (In-fill Development Project), as documented in the associated staff report and proceedings of the public hearing; and

WHEREAS, Staff has reviewed the project with reference to the 1999 General Plan, the Zoning Ordinance (specifically Sections 5-6-7 “C” thru “E”) and the adopted Livingston Design Guidelines; and finds that, based on the evidence documented within the associated staff report and proceedings of the public hearing, the proposed use, its site plan and design, is consistent with the General Plan, complies with the Zoning Ordinance in that the site plan and design meets the zoning standard and requirements (including those specifically referenced above), and meets the intent and guidance of the Livingston Design Guidelines; and

WHEREAS, the Planning Commission considered this request and recommended unanimously to the City Council to approve this Site Plan/Design Review subject to the recommended Conditions of Approval; and

WHEREAS, the City Council has reviewed and considered any and all comments on the Site Plan and Design Review made at the public hearing.

NOW, THEREFORE, BE IT RESOLVED that the Livingston City Council hereby adopts Resolution 2020-___, approving the Site Plan and Design of the subject new development.

BE IT FURTHER RESOLVED that the Conditions of Approval within the attached City Council Resolution 2020-___, Exhibit A, are hereby approved.

Passed and adopted this 7th day of April, 2020, by the following vote:

AYES:

NOES:

ABSENT:

Gurpal Samra, Mayor
of the City of Livingston

ATTEST:

I hereby certify that the foregoing resolution was regularly introduced, passed, and adopted at a regular meeting of the City Council of the City of Livingston this 7th day of April, 2020.

Antonio Silva, City Clerk
of the City of Livingston

Exhibit A
Conditions of Approval

1. The Developer shall comply with all federal, state and local laws, policies, standards and requirements applicable to this use and obtain a building permit and all other permits applicable to this use and shall pay all fees and exactions applicable to such a use; and
2. The Developer shall indemnify, defend and hold harmless the City and its officials, officers, employees, agents, and consultants from any and all legal or administrative actions or other proceedings challenging this approval or any subsequent approval associated with this project; and
3. The development of the site shall be consistent with approved plans, elevations, and colors. Provisions shall be made to accommodate bicycle parking. Minor variations from approved plans, elevations, and colors may be allowed at the review and approval of City staff; and
4. The developer and/or operator shall submit all exterior signs for Planning administrative review and approval consistent with the submitted site plan and City's signage regulations prior to obtaining a sign permit from the Building Division; and
5. The developer shall submit a revised landscape plan showing the landscape area on both the west and east sides of the entrance driveway along Front Street for Planning administrative review and approval specifying plant selection, size and irrigation. Such plants shall be drought tolerant; and
6. All exterior lighting fixtures shall be noted on an exterior lighting plan subject to staff review and approval, and such lighting shall be shielded and directed to areas on the subject property itself and shall avoid shining toward adjacent properties; and
7. The developer and/or operator shall comply with the 18 conditions listed in the Memo dated February 3, 2020, from City Engineer Mario Gouveia to Contract City Planner Randy Hatch; and
8. The Developer and/or operator shall contact and meet with Merced County Fire Marshall Rich Bohn to evaluate the Project and comply with the requirements of the Fire Department; and
9. The Developer and/or operator shall keep the site free from trash and debris and shall maintain the premises in a clean and orderly manner.
10. The developer and/or operator shall install a safety barrier subject to Planning administrative review to separate the customer area from the work area.

GOUVEIA ENGINEERING

MEMORANDUM

TO: Randy Hatch, Contract City Planner

FROM: Mario B. Gouveia, City Engineer

SUBJECT: Engineering Review Comments for Padilla Auto Body Shop SPDR 2019-07 Application

DATE: February 3, 2020

CC: Jose A. Ramirez, City Manager

These are the Engineering review comments for the Padilla Auto Body Shop SPDR 2019-07 application.

1. Provide improvement plans for all applicable site development, utilities, storm drainage, landscaping and irrigation, site lighting, grading and erosion control.
2. Public improvements shall conform to the latest edition of the City of Livingston Improvement Standards and all applicable State, Federal, and local laws and regulations.
3. Unless exempt, prepare a Storm Water Pollution Prevention Plan (SWPPP) for construction activities pursuant to the California Water Resources Control Board Order No. 2009-0009-DWQ, NPDES No. CA000002. If exempted from the SWPPP, Applicant shall prepare an Erosion Sediment Control Plan (ESCP) pursuant to the City of Livingston's MS4 Phase II Permit requirements for construction activities. Prepare an Erosion Control Plan as part of the improvement plans for storm water and construction BMPs.
4. Unless exempt, prepare and provide volumetric sizing calculations, low development impact (LID) measures, operation and maintenance plan (O&M), and statement of responsibility agreement for storm water management in accordance with the City of Livingston's Post-construction Standards Plan and pursuant to the City's Phase II. MS4 Permit requirements.
5. Unless exempt, prepare a Dust Control Plan (DCP) and file the Plan with the San Joaquin Valley Air Pollution Control District for construction activities pursuant to Regulation VIII (Rules 8011-8081).
6. Provide a soils report for project site prepared by a California registered geotechnical engineer.
7. Prepare grading and encroachment permits for the project. Applicant shall pay the permit fee, plan check and inspection fees, and furnish improvement securities pursuant to the City's improvement standards, municipal code, and ordinances.
8. Applicant shall pay all applicable development impact fees for Municipal Facilities, Police, Fire Protection, Streets and Bridges, Water, Domestic Wastewater, Storm Drainage, and Parks.
9. Connect to the existing 8-inch water main on the alley across Front Street from project site for all proposed domestic, irrigation, and fire connections. Connections shall include water meters, backflow preventers, post indicator valves, and fire department connection as applicable.
10. Connect to the existing 8-inch sewer main on Front Street, that is line with the alley opposite from the project site, for sanitary service and trash enclosure floor drain.

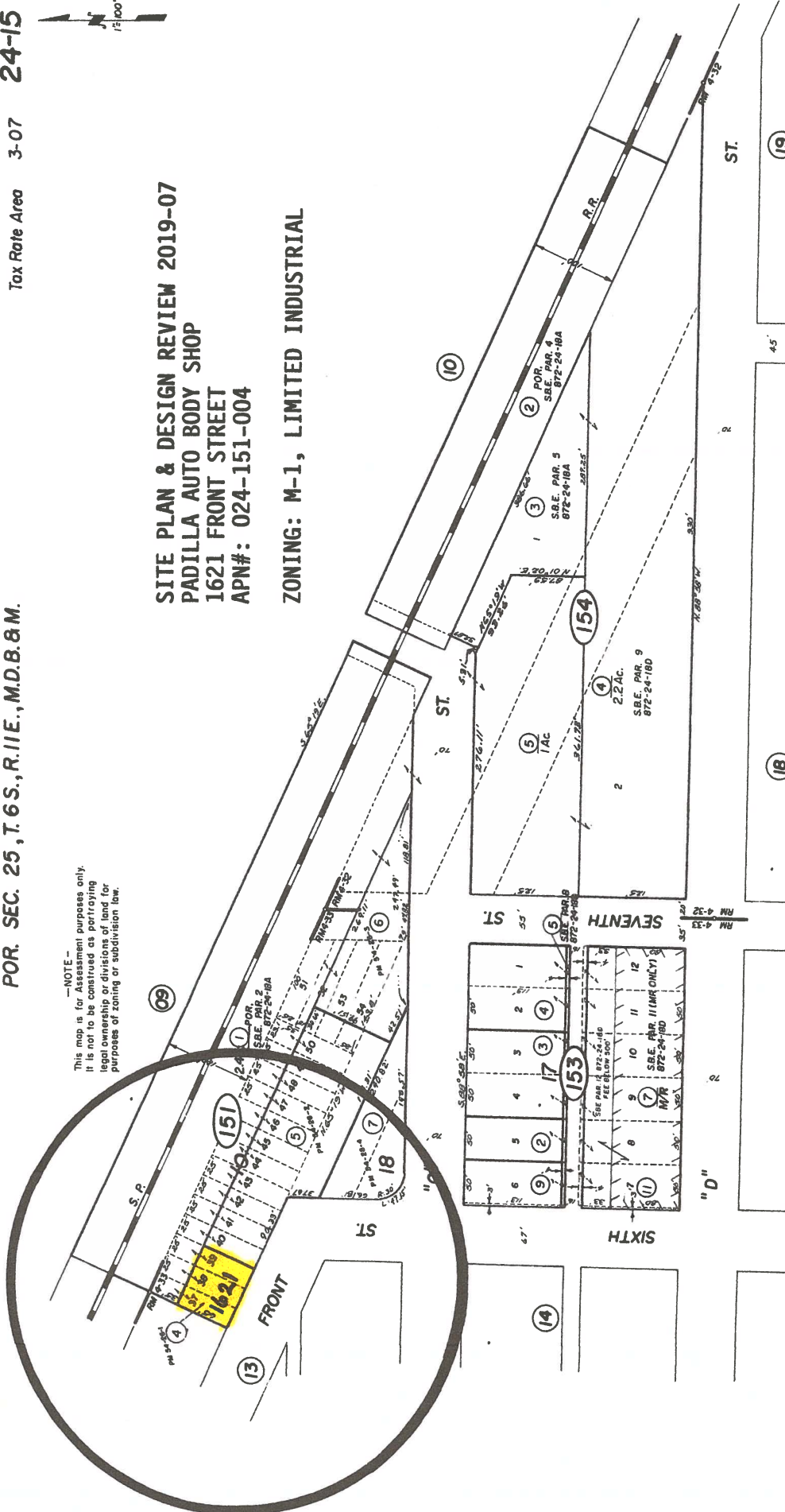
11. Storm runoff shall be discharged to a new on-site drywell or routed to Front Street through the sidewalk per city standards.
12. Construct all on-site improvements at the property line/right of way line (approx. existing fence line) and provide landscaping or ground cover between the back of sidewalk and property line as required by the City Planner.
13. Provide on-site and off-site ADA accessible path for pedestrians and bicyclists.
14. Protect from damage all existing street improvements designated to remain in place.
15. Building floor drain connections to the sanitary sewer and storm drain system are prohibited.
16. Provide trash enclosure as approved by the City Planner and access as approved by Gilton Solid Waste Management.
17. Construct all proposed connections for dry utilities underground.
18. Remove and reconstruct driveway approach on Front Street per Standard Detail D-1 of the City of Livingston Improvement Standards for ADA compliance.



NOTE -
This map is for Assessment purposes only.
It is not to be construed as portraying
legal ownership or divisions of land for
purposes of zoning or subdivision law.

SITE PLAN & DESIGN REVIEW 2019-07
PADILLA AUTO BODY SHOP
1621 FRONT STREET
APN#: 024-151-004

ZONING: M-1, LIMITED INDUSTRIAL

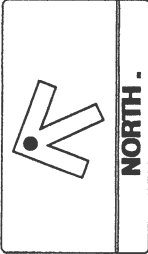


REDRAWN 10/74
REVISED 3/78

Livingston Realty Co's. Add., R.M. Vol. 4, Pg. 33
Livingston Realty Co's. Sub., R.M. Vol. 4, Pg. 32

Assessor's Map Bk. 24 - Pg. 15
County of Merced, Calif.
1974

NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles



THIS PROJECT WILL CONFORM TO THE
 2016 California Building & Safety Codes
 2016 Calif. Residential Code (CRC)
 2016 Calif. Electrical Code (CEC)
 2016 Calif. Plumbing Code (CPC)
 2016 Calif. Mechanical Code (CMC)
 2016 Calif. Fire Code (CFC)
 2016 Calif. Energy Code

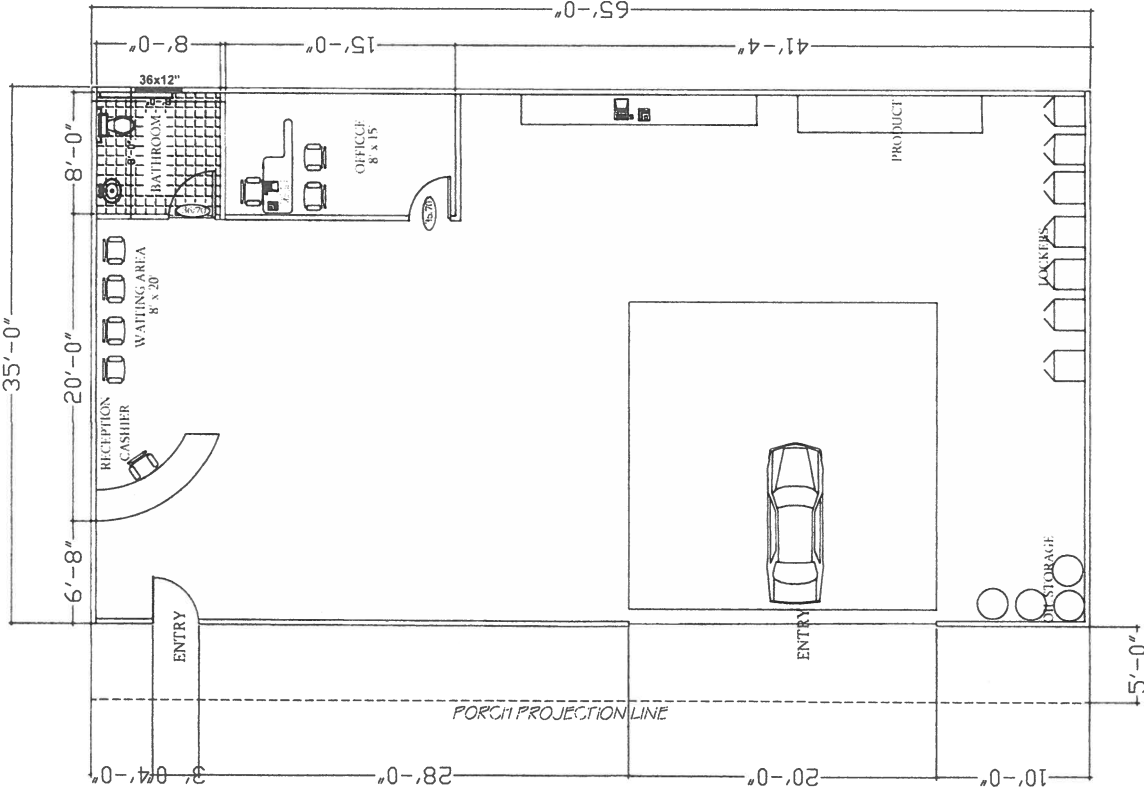
THIS PROJECT CONSIST:
NEW BUILDING TO AUTO REPAIR
SHOP WITH 1 OFFICE 120.00 SQ. FT.
WAITING AREA 160.00 SQ. FT.
1 BATHROOM 64.00 SQ. FT.
Total= 2,210.00 Sq Ft

NOTE:

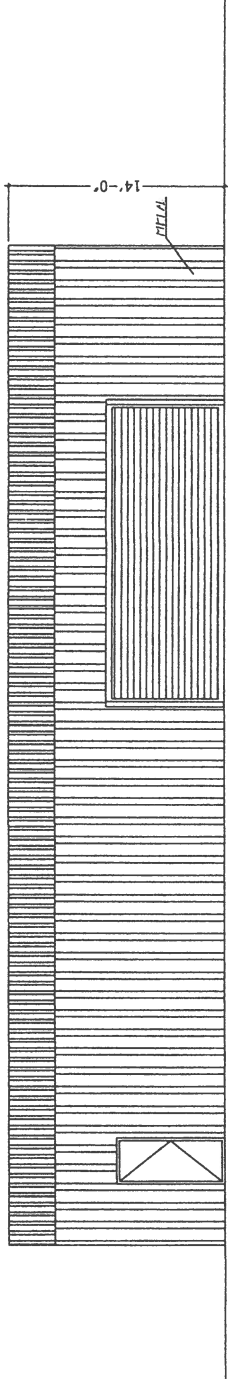
- Commercial LED Outdoor Lighting
- Motion Sensor 50w LED Flood Light Reflector
- Exterior Color: Gray
- Access Door : Single Steel Security Door with Hardware
- Access Door for Garage : Industrial Metal Garage Roll Up Door

PROJECT:	AUTO REPAIR SHOP
ADDRESS:	1821 Front St Livingston, CA 95334
OWNER:	JUAN PADILLA 209-241-4488
SHEETS:	2 OF 3
DATE:	DEC / 2019
TAX LOT No.	APN: 024-151-004-00
SCALE:	1/8" = 1'-0"
DATE:	DECEMBER 2019
SHEET:	02
OF 3 SHEETS.	

Guadalupe Chavez DECEMBER 2019
 Signature Date

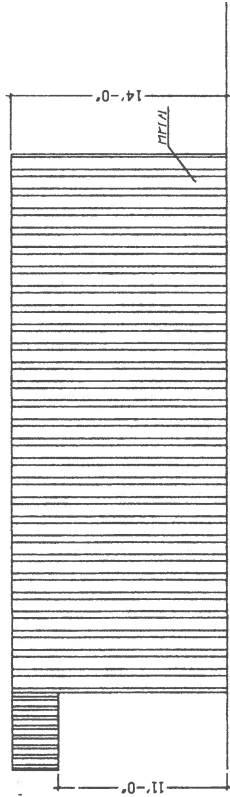


FLOOR PLAN
 SCALE 1/8" = 1'-0"



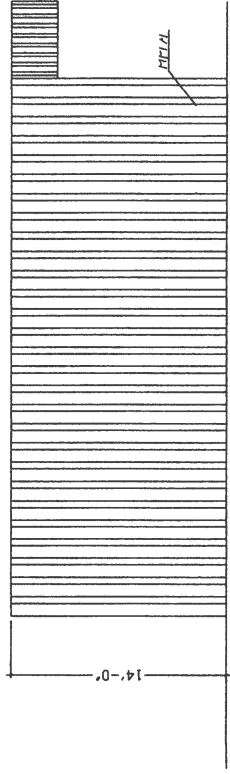
FRONT ELEVATION

SCALE 1/8" = 1' - 0"



RIGHT ELEVATION

SCALE 1/8" = 1' - 0"



LEFT ELEVATION

SCALE 1/8" = 1' - 0"

Exterior Color: Gray

PROJECT:	AUTO REPAIR SHOP
ADDRESS:	1621 Front St Livermore, CA 94534
OWNER:	JUAN PADILLA 209-241-4468
SHEETS:	3 OF 3
DATE:	DEC / 2019
TAX LOT No.:	APN 024-161-004-00
SCALE:	1/8" = 1' - 0"
DESIGN BY:	
03	
OF 3 SHEETS	
ISSUED:	3205 Mattingham Ave Livermore, CA 94534 209-947-2009 JULIANPENAGHAL.COM

ELEVATION PLAN

SCALE 1/8" = 1' - 0"

Guadalupe Chavez DECEMBER 2019
Signature Date

STAFF REPORT

AGENDA ITEM: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON ADOPTING A NEW RATE SCHEDULE FOR WATER SERVICE – PROPOSITION 218 HEARING

MEETING DATE: April 7, 2020

PREPARED BY: Vanessa L. Portillo, Finance Director
Catherine Hansford, Consultant

REVIEWED BY: Jose Antonio Ramirez, City Manager

RECOMMENDATION:

Staff recommends that the City Council take the following actions:

1. Open Public Hearing;
2. Close Public Hearing and determine whether a majority protest exists. If no majority protest exists, continue to recommendation 3 below; and
3. Waive first reading and introduce Ordinance No. ____, adopting a New Rate Schedule for Water Service, effective May 7, 2020.

BACKGROUND:

In 1996, California voters approved Proposition 218, the “Right to Vote on Taxes Act,” which added Articles X111C and XIIIID to the California Constitution. Since its adoption, various court cases in 2005 and 2006, most notably *Bighorn-Desert View Water Agency v. Verjil*; *Richmond v. Shasta Community Services District*; and the *Howard Jarvis Taxpayers Association v. City of Fresno*, extended the application of Proposition 218 from general taxes and assessments to utility user fees provided by public agencies (i.e., sewer, water, and waste collection, etc.).

The City hired Hansford Economic Consulting on February 5, 2019 to perform utility rate studies on the City’s enterprise funds; water, wastewater, and solid waste/sanitation. After thorough analysis, reviews, discussions, and input from various groups including, but not limited to, the following; staff, Stakeholders’ Committee, City Council, the public, engineering firms, and other consultants, the City Council authorized staff on January 31, 2020, to conduct a Proposition 218 process and establish a public hearing date for consideration of increased fees charged for wastewater service.

Final Utility Rate Study reports were translated into Spanish and Punjabi, and were made available on City’s website for public access and review.

Proposition 218 (Article XIIIID of the California Constitution) required notification to affected property owners at least 45 days prior to the scheduled hearing. Staff sent property owners and affected tenants such notice.

The City held three (3) public workshops (February 25th, March 5th, and March 12th of 2020) regarding the proposed water rate increase; one workshop was conducted in English, one in Spanish, and one in Punjabi.

Protest ballots are accepted up to the conclusion of the public hearing. At the conclusion of the public hearing, the protest ballots will be tabulated and presented to the City Council. If a majority of the owners of parcels on which the fee is imposed protest, the proposed new wastewater fees and charges cannot be adopted.

ANALYSIS

REASON FOR INCREASE IN RATES:

The water rates increase is proposed to:

1. Install identified capital improvements that will improve water quality.
2. Provide a reliable and safe operating water system.
3. Fully fund the operating costs of the system leaving more funding available for other essential City services.

Projected Five-Year Water Rate Schedule

Charges	Current	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25
Base Charge	Inside City *						
1" and smaller	\$25.13	\$28.31	\$29.32	\$30.37	\$31.46	\$32.59	\$33.77
1.5"	\$50.27	\$56.62	\$58.65	\$60.75	\$62.93	\$65.19	\$67.53
2"	\$80.43	\$90.59	\$93.83	\$97.20	\$100.68	\$104.30	\$108.05
3"	\$175.94	\$198.17	\$205.26	\$212.62	\$220.24	\$228.15	\$236.36
4"	\$301.61	\$339.72	\$351.88	\$364.48	\$377.56	\$391.12	\$405.18
6"	\$628.35	\$707.74	\$733.07	\$759.34	\$786.58	\$814.83	\$844.13
8"	\$1,206.43	\$1,358.87	\$1,407.50	\$1,457.93	\$1,510.24	\$1,564.48	\$1,620.73
10"	\$1,910.18	\$2,151.54	\$2,228.54	\$2,308.40	\$2,391.21	\$2,477.09	\$2,566.16
Meter Fee							
1" and smaller	\$3.05	\$3.21	\$3.31	\$3.41	\$3.51	\$3.62	\$3.72
1.5"	\$11.11	\$7.57	\$7.80	\$8.04	\$8.28	\$8.52	\$8.78
2"	\$12.13	\$14.46	\$14.90	\$15.35	\$15.81	\$16.28	\$16.77
3"	\$25.74	\$18.05	\$18.59	\$19.15	\$19.72	\$20.31	\$20.92
4"	\$40.61	\$42.72	\$44.01	\$45.33	\$46.69	\$48.09	\$49.53
6"	\$56.33	\$73.83	\$76.04	\$78.32	\$80.67	\$83.09	\$85.59
8"	\$89.50	\$120.38	\$123.99	\$127.71	\$131.54	\$135.49	\$139.55
10"	\$204.51	\$155.35	\$160.01	\$164.81	\$169.76	\$174.85	\$180.10
Service Charge Monthly Water Allowance							
Attached Residential (per Unit)	10,000	gallons					
Detached Residential (per Unit)	25,000	gallons					
Non-Residential (per Meter)	35,000	gallons					
Consumption Charge per 1,000 gallons of water in excess of allowance each month							
All Customers	\$1.57	\$1.61	\$1.68	\$1.75	\$1.82	\$1.89	\$1.97
Construction Water	\$1.17	\$1.75	\$1.82	\$1.89	\$1.97	\$2.05	\$2.13

Source: City of Livingston and 2019 HEC rate study.

sched

* Water rate schedules 1.5x outside City limits.

VOTING REQUIREMENTS

During the last increase in 2014, given a previous Merced Superior Court case involving the increase of water rates required that the Ordinance be adopted by two-thirds of the City Council, the Council in 2014 agreed that all increases should receive the two-thirds vote. There is an argument regarding this vote requirement and the adoption process that the Court required, however; the Council in 2014 expressed its wishes to hold itself to a high standard and only impose higher rates that are adequate and that most of the City Council agrees on. **The attached Ordinance will require a two-thirds vote.**

FISCAL IMPACT

Sufficient levels of funding/revenues to cover ongoing operational costs including Capital Improvement Projects outlined in utility rate study.

ATTACHMENTS

1. Ordinance No. ____, adopting a New Rate Schedule for Water Service, effective May 7, 2020.
2. Proposed Water Rate Schedule – Exhibit A
3. Utility Rate Study Report

3495495.1

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON
ADOPTING A NEW RATE SCHEDULE FOR WATER SERVICE,
EFFECTIVE MAY 7, 2020**

WHEREAS, the City of Livingston (the “City”) provides water services to its residents; and

WHEREAS, the City charges customers of this utility a charge to fund the on-going operation and maintenance of the water services; and

WHEREAS, Chapter 9-5 entitled “Water Service Regulations” of the Livingston Municipal Code provides for the establishment and operation of a water system and the imposition and collection of certain fees and charges from recipients of water services; and

WHEREAS, water services provided by the City include, but are not limited to, collecting, pumping, treating, storing, and distributing water obtained from City wells; and

WHEREAS, Section 9-5-27 of the Livingston Municipal Code provides for the setting of water charges, fee, and assessments by resolution or ordinance; and

WHEREAS, Chapter 9-5 of the Livingston Municipal Code addresses various aspects of the City water service and requirements governing its use, including applications for service, deposits, meter installation and use, charges, meter readings, billing, discontinuance of service, and unpaid accounts, including provisions in Section 9-5-27, paragraph (D) of the Livingston Municipal Code establishing that all unpaid accounts for water delivered at any premises “shall constitute a lien against the same and shall be subject to collection all as provided by the Revenue Bond Law of 1941;” and

WHEREAS, the City of Livingston determined to undertake a rate study to analyze the revenue requirements and the rate structure that should be adopted to proportionately allocate the costs of providing water service to its water customers. The rate study was prepared by Hansford Economic Consulting Inc., and has been on file at Livingston City Hall since the notices to property owners and customers were sent out on January 31, 2020; and

WHEREAS, charges for local agency water service have been held to be “property related fees or charges” subject to the requirements of Article XIID of the California Constitution, also known as Proposition 218, pursuant to the holding in *Bighorn-Desert View Water Agency v. Verjil* (2006) 39 C4th 205; and

WHEREAS, Section 6 of Article XIID of the California Constitution provides that imposing or increasing any property related fee or charge requires identifying the parcels on which the fee or charge will be imposed, and providing notice by mail of the proposed fee or charge to the record owner of each identified parcel indicating the amount of the fee or charge to be imposed on each parcel, the basis on which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, and the date, time and location of a public hearing on the proposed fee or charge; and

WHEREAS, Section 53756 of the California Government Code provides that agencies providing water and sewer service may adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or inflation adjustments, subject to requirements specified in that section; and

WHEREAS, Section 6 of Article XIID of the California Constitution further provides that hearings on proposed property-related fees or charges must be conducted at least forty-five (45) days after mailed notice to the owners of each identified parcel on which the fee or charge is proposed to be imposed, and that at the hearing, the local agency must consider all protests against the proposed fee or charge, and that if written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge; and

WHEREAS, the City Council directed that notice of a hearing (“Hearing”) thereon be given to the property owners and tenants in the City, with such notice to include, among other matters, the information required to be included pursuant to California Constitution Article XIII D section 6; and

WHEREAS, such notice has been mailed to those persons, at least forty-five (45) days before the Hearing; and

WHEREAS, the Revenue Bond Law of 1941, codified in section 54300 and following of the California Government Code, includes provisions that provide for the enforcement and collection of amounts due for utility services, subject to notice requirements that apply when delinquent charges are made a lien on the property that received the services; and

WHEREAS, Section 54354.5 of the California Government Code prescribes that adoption of local agency resolutions or ordinances revising charges for utility services subject to the imposition of liens under the Revenue Bond Law and follow the notice and a hearing in accordance with that section, including publication of notice of the time and place of a hearing on the proposed resolution or ordinance specifying that any interested person, including all persons owning property in the jurisdiction of the local agency, may appear and be heard on any matter relating to the proposed ordinance or the proposed rates or charges; and

WHEREAS, the notice required under Government Code section 54354.5 must be published at least once each week for two (2) weeks prior to the hearing in a newspaper published within the local agency jurisdiction, with the first publication occurring at least fifteen (15) days prior to the hearing; and

WHEREAS, such notice has been published once each week for two (2) weeks, in accordance with Government Code section 54354.5, in the Merced Sun-Star on March 23, 2020 and March 30, 2020, as evidenced by Proofs of Publication on file with the City Clerk, prior to the public hearing held for this Ordinance; and

WHEREAS, City staff has worked closely with a Stakeholders’ Committee, a Committee formed by the City Council, made up of two (2) Council Members and members of the community, to analyze the City’s water service needs and draft rate studies; and

WHEREAS, the City held several workshops to inform the public of the proposed water service rates; and

WHEREAS, the City held workshops regarding the utility rate study in English, Spanish, and Punjabi. The workshops were held in the City Council Chambers as follows: February 25, 2020, March 5, 2020 and March 12, 2020; and

WHEREAS, the Hearing was held March 17, 2020; and

WHEREAS, at the Hearing, the City Council heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases to the Water Service Rates; and

WHEREAS, upon close of the Hearing, the City did not receive written protests against the establishment and imposition of the proposed rate increases to the Water Service Rates from a majority of the affected property owners and tenants directly liable for the payment of the Water Service Rates; and

WHEREAS, the proposed water service rates are not discriminatory or excessive, are sufficient under Government Code section 54515, comply with the provisions or covenants of any outstanding revenue bonds of the City payable from the revenues of the water enterprise, comply with the provisions of Title 5, Division 2, Part 1, Chapter 6 of the Government Code, and are in compliance with all other applicable law; and

WHEREAS, the revenues derived from the proposed Water Service Rates will not exceed the funds required to provide the water services and shall be used exclusively for the water service system; and

WHEREAS, the amount of the proposed water service rates will not exceed the proportional cost of the service attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the proposed water service rates will not be imposed on a parcel unless the water services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, this Ordinance shall supersede all other previous resolutions and/or ordinances that may conflict with, or be contrary to, this Ordinance respecting the Water Service Rates described more particularly herein.

THE CITY COUNCIL OF THE CITY OF LIVINGSTON DOES ORDAIN AS FOLLOWS:

SECTION 1. RECITALS

The foregoing recitals are true and correct and made a part of this Ordinance.

SECTION 2. WATER SERVICE RATES ADJUSTMENT – LEVY OF CHARGES

The City Council considered the rate scenario and, after deliberation, chose to adopt the new rates, effective May 7, 2020.

Pursuant to Title 5, Division 2, Part 1, Chapter 6 of the Government Code (“Revenue Bond Law”), the City’s police power, and Title 9, Chapter 5, section 9-5-27 of the Livingston Municipal Code, the increased Water Service Rates as attached hereto as **Exhibit A** are hereby approved.

SECTION 3. DELINQUENT CHARGES CONSTITUTE A LIEN

Delinquent charges and penalties when recorded in accordance with the provisions of the Revenue Bond Law shall constitute a lien upon the real property served.

SECTION 4. CEQA

The City Council hereby finds that the levy of the proposed water service rates as supported by a water rate study prepared by Hansford Economic Consulting Inc. (which is incorporated herein by reference), is exempt from CEQA review under Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273 because the proposed water service rates are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the City’s water system, are necessary to maintain service within the City’s existing service area, and will not result in expansion of the system. The City Council further finds that the action entails the creation of a government funding mechanism which is exempt from CEQA as not being a “project” pursuant to CEQA guidelines section 15378. The City Council authorizes the City Clerk to file a notice of exemption with the County Clerk to that effect.

SECTION 5. GENERAL AUTHORIZATION

The City Manager is hereby authorized and directed, for and in the name of and on behalf of the City, to execute and deliver any and all documents, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to effect the purposes of this Ordinance. All actions heretofore taken by officers, employees, and agents of the City that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

SECTION 6. SEVERABILITY

If any provision of this Ordinance or the application thereof to any person or circumstance, is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 7. SUPERSESSON/REPEAL

Ordinance No. 614 adopted June 3, 2014, and any and all other resolutions or ordinances and parts thereof in conflict with the provisions of this Ordinance are superseded and repealed, effective on the effective date of this Ordinance. However, violations, rights accrued, liabilities accrued, or appeals taken, prior to the effective date of this Ordinance, under any chapter, ordinance, or part of an ordinance, or resolution or part of a resolution, shall be deemed to remain in full force for the purpose of sustaining any proper suit, action, or other proceedings, with respect to any such violation, right, liability or appeal.

SECTION 8. EFFECTIVE DATE

This Ordinance shall become effective thirty (30) days after its final passage and adoption. The increased Water Service Rates, as attached hereto as Exhibit A, shall become effective on May 7, 2020.

Introduced: April 7, 2020
Passed and Adopted:

Gurpal Samra, Mayor
of the City of Livingston

ATTEST:

State of California)
County of Merced)
City of Livingston)

I, hereby certify that the foregoing Ordinance was duly introduced at a Regular Meeting of the City Council of the City of Livingston on the 7th day of April, 2020, and was passed and adopted at a Regular Meeting of the City Council of the City of Livingston this ____ day of ____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ANTONIO SILVA, City Clerk
of the City of Livingston

3492726.4

Exhibit A

Total calculated rates include the fixed monthly service charges, meter replacement fees, and consumption charges. The calculated water rate schedule is provided in **Table 10** below.

Table 10
Calculated New Water Rates Schedule

Charges	Current	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25
Base Charge	Inside City *						
1" and smaller	\$25.13	\$28.31	\$29.32	\$30.37	\$31.46	\$32.59	\$33.77
1.5"	\$50.27	\$56.62	\$58.65	\$60.75	\$62.93	\$65.19	\$67.53
2"	\$80.43	\$90.59	\$93.83	\$97.20	\$100.68	\$104.30	\$108.05
3"	\$175.94	\$198.17	\$205.26	\$212.62	\$220.24	\$228.15	\$236.36
4"	\$301.61	\$339.72	\$351.88	\$364.48	\$377.56	\$391.12	\$405.18
6"	\$628.35	\$707.74	\$733.07	\$759.34	\$786.58	\$814.83	\$844.13
8"	\$1,206.43	\$1,358.87	\$1,407.50	\$1,457.93	\$1,510.24	\$1,564.48	\$1,620.73
10"	\$1,910.18	\$2,151.54	\$2,228.54	\$2,308.40	\$2,391.21	\$2,477.09	\$2,566.16
Meter Fee							
1" and smaller	\$3.05	\$3.21	\$3.31	\$3.41	\$3.51	\$3.62	\$3.72
1.5"	\$11.11	\$7.57	\$7.80	\$8.04	\$8.28	\$8.52	\$8.78
2"	\$12.13	\$14.46	\$14.90	\$15.35	\$15.81	\$16.28	\$16.77
3"	\$25.74	\$18.05	\$18.59	\$19.15	\$19.72	\$20.31	\$20.92
4"	\$40.61	\$42.72	\$44.01	\$45.33	\$46.69	\$48.09	\$49.53
6"	\$56.33	\$73.83	\$76.04	\$78.32	\$80.67	\$83.09	\$85.59
8"	\$89.50	\$120.38	\$123.99	\$127.71	\$131.54	\$135.49	\$139.55
10"	\$204.51	\$155.35	\$160.01	\$164.81	\$169.76	\$174.85	\$180.10
Service Charge Monthly Water Allowance							
Attached Residential (per Unit)	10,000	gallons					
Detached Residential (per Unit)	25,000	gallons					
Non-Residential (per Meter)	35,000	gallons					
Consumption Charge per 1,000 gallons of water in excess of allowance each month							
All Customers	\$1.57	\$1.61	\$1.68	\$1.75	\$1.82	\$1.89	\$1.97
Construction Water	\$1.17	\$1.75	\$1.82	\$1.89	\$1.97	\$2.05	\$2.13

Source: City of Livingston and 2019 HEC rate study.

sched

* Water rate schedules 1.5x outside City limits.

In compliance with California SB-7, which requires all new multi-family residential development to be individually metered or sub-metered, any newly constructed units will pay the same base rate per unit as all current detached residential units unless the owner of the building(s) sub-meters each unit and performs its own internal water billing of each unit.

Exhibit B

HANSFORD

ECONOMIC CONSULTING

City of Livingston

**Water, Wastewater and
Solid Waste Rate Study**

FINAL DRAFT

November 14, 2019

HEC No. 190294

The following report was prepared by Hansford Economic Consulting LLC.

The analyses and findings contained within this report are based on primary data provided by the City of Livingston, as well as additional secondary sources of data available as of the date of this report. Updates to information used in this report could change or invalidate the findings contained herein. While it is believed that the primary and secondary sources of information are accurate, this is not guaranteed.

Every reasonable effort has been made in order that the data contained in this study reflect the most accurate and timely information possible. No responsibility is assumed for inaccuracies in reporting by the client, its consultants and representatives, or any other data source used in the preparation of this study. No warranty or representation is made that any of the projected values or results contained in this study will actually be achieved. There will usually be differences between forecasted or projected results and actual results due to changes in events and circumstances.

Changes in economic and social conditions due to events including, but not limited to, major recessions, droughts, major environmental problems or disasters that would negatively affect operations, expenses and revenues may affect the result of the findings in this study. In addition, other factors not considered in the study may influence actual results. Any applications for financing, or bond sales analyses, should re-evaluate the financial health and projection of revenues and expenses at the time of the application or preparation for bond sale.

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Section 1: INTRODUCTION AND SUMMARY OF FINDINGS

1.1 PURPOSE OF THE STUDY

The City of Livingston (City) provides three utility services to the residents and businesses of the City; water, wastewater, and solid waste. The purpose of this Utilities Rate Study (Study) is to determine the level of funding required over the next five years to adequately fund each of the utility systems and to determine a schedule of monthly property-related fees to support that level of funding.

This report provides an explanation and justification of the calculated utility rates for the next five years and it documents adherence to the law regarding setting of rates by a municipality. Per California Constitution Article 13D, these types of utility rates shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

- (1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- (2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- (3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- (4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted.
- (5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library, services, where the service is available to the public at large in substantially the same manner as it is to property owners.

The utility financial models presented in this Study project revenues and expenses and calculate rates for the next five years through fiscal year ending 2025.

1.2 BACKGROUND

The City last conducted utility rate studies in the 2014 to 2016 time period. New solid waste rates were adopted in spring 2013, and new water and wastewater rates were adopted in spring 2014. A utility systems rate study is necessary at this time to a) ensure revenue sufficiency of the utility systems for the next five years, and b) demonstrate the City's ability to repay State loans for funding of the water system.

Rate studies are typically conducted every three to five years to ensure revenue sufficiency. A cost of service analysis, which not only allows for revenue sufficiency, but also examines whether

customers are paying for their share of system costs and adjusts rates and customer classifications to achieve equity to the maximum extent practicable, is advisable whenever there has been a shift in the economic base of the community, and whenever proportional cost of service is in question. As part of the regular periodic review of the rates, best practices include maintaining financially self-sustaining utilities, setting policies or guidelines on an appropriate reserve levels, including depreciation in the rates, and continual customer outreach to educate on the value of the City services provided.

This Study incorporates all three major elements of cost-based rate making; revenue requirement analysis, cost of service analysis, and rate-design analysis. In determining appropriate rate structures for Livingston that would meet the requirements of Proposition 218, the following key objectives were considered:

- Rates must be capable of generating sufficient revenues to meet all annual financial obligations of the utility enterprise funds;
- Changes to the rate structures must be administratively feasible (compatible with the existing billing system and straightforward to explain to customers);
- The rate structures should be as reflective of local customer use of the services as possible; and
- Revised rates must be supportive of City goals, including meeting target reserve levels and keeping within affordability guidelines.

This report presents the result of the analysis and rate structures that best meets these objectives under current and projected conditions.

1.3 RATE SETTING PRINCIPLES AND REPORT ORGANIZATION

This report was prepared using the principles established by the American Water Works Association, the Water Environment Federation, and Government Finance Officers Association.

The American Water Works Association “Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices M1 (the “M1 Manual”) establishes commonly accepted professional standards for cost of service studies. This manual is referenced in the water rate study.

The wastewater rate study uses the functional cost allocation methodology to determine rates¹, as presented in Water Environment Federation Manual of Practice No. 27 and guidelines prepared by the California State Water Resources Control Board for State Revolving Fund financing.

The Government Finance Officers Association publishes guidelines on sufficient cash balances for enterprise funds. Minimum cash balance targets for each utility fund in this Study are based on the GFOA guidelines.

¹ Chapter 6, pages 110-120, Financing and Charges for Wastewater Systems, Manual of Practice No. 27.

The Study is presented in four sections.

Following this introduction and summary of findings, Section 2 provides the water rate study. Section 3 provides the wastewater rate study, and Section 4 provides the solid waste rate study. For each utility study, the analysis begins with a description of the utility fund and its customers, followed by calculation of the revenue requirement, detailed calculations of the utility rates, projected cash flow and bill impacts to customers.

Appendix A includes support tables for the water rate study.

Appendix B includes support tables for the wastewater rate study.

Appendix C includes support tables for the solid waste rate study.

1.4 WATER RATE STUDY FINDINGS

Water rate study summary and key findings are summarized here:

- The City provides water supply, treatment, and distribution to the residents and businesses of Livingston. Monthly water rates pay for 93% of the annual costs of the water fund.
- The water fund has had net positive revenues for the last three years. The last water rate study included several capital improvement project costs that have not yet been incurred; therefore, revenues have deliberately been significantly greater than expenses. In the next five-year period cash reserves will be used to pay for capital improvement projects.
- The vast majority of the water system customer base is single family residential (93%); however, this customer category only uses 28% of the water. In contrast, the industrial customer category uses 62% of the water but holds less than 1% of the customer accounts. Although the residential customers use significantly more water during the peak summer months than winter months, their use is more than doubled by industrial use throughout the year. Industrial use is very steady month-to-month which makes the City less vulnerable to swings in revenues due to summer use; however, the City's largest industrial user, Foster Farms, is responsible for about 65% of the annual water fund revenue stream.
- The functional allocation of costs in the cost of service analysis determines that 45% of the costs should be collected in base "fixed" monthly charges; however, the rate study calculates fees based on 35% of costs collected in base monthly charges. In the 2014 water rate study it was determined that 35% was the most appropriate percentage to use because such a large amount of use of the system is from industrial users. The industrial customers do not have many water meters; therefore, capacity of the system, as measured by instantaneous flow through water meters, is much less significant in determining use of the system than it is for most water systems. Note, the functional allocation provides a guideline, not a rule, for allocating costs between base monthly charges and variable use charges.

- There are no proposed changes to the water rate structure except however that the methodology to calculate the construction water variable use rate (which is not a property-related service, and which fee is not included in the public hearing process) has been revised. The change in methodology increases the construction water rate proportionately more than the property-related fees.
- Due to updated pricing provided by the City's water meter supplier, the monthly meter fee for 10" meters is reduced. All other monthly meter fees increase.
- Cash reserves are projected to be drawn on heavily in fiscal years 2020 through 2022 and again in 2024 to fund the planned Capital Improvement Projects (CIP).
- A higher than minimum cash balance at the end of five years would be prudent for the water fund because of the multiple number of CIP project planned in the next five years. Cash reserves can be used, if necessary, to pay for project cost overruns; it can also be used to pay off State loans early and complete other system rehabilitation projects not currently in the CIP.
- The calculated January 2020 water rates result in an increase of \$3.34 per month during winter months for residential customers, and about \$4.00 per month during summer months. The impact to Foster Farms of the January 2020 rate increase is approximately \$66,000 (a 2.8% increase).

The updated water rate schedule is provided in **Table A** on the following page.

Table A
Projected Five-Year Water Rate Schedule

Charges	Current	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25
Base Charge	Inside City *						
1" and smaller	\$25.13	\$28.31	\$29.32	\$30.37	\$31.46	\$32.59	\$33.77
1.5"	\$50.27	\$56.62	\$58.65	\$60.75	\$62.93	\$65.19	\$67.53
2"	\$80.43	\$90.59	\$93.83	\$97.20	\$100.68	\$104.30	\$108.05
3"	\$175.94	\$198.17	\$205.26	\$212.62	\$220.24	\$228.15	\$236.36
4"	\$301.61	\$339.72	\$351.88	\$364.48	\$377.56	\$391.12	\$405.18
6"	\$628.35	\$707.74	\$733.07	\$759.34	\$786.58	\$814.83	\$844.13
8"	\$1,206.43	\$1,358.87	\$1,407.50	\$1,457.93	\$1,510.24	\$1,564.48	\$1,620.73
10"	\$1,910.18	\$2,151.54	\$2,228.54	\$2,308.40	\$2,391.21	\$2,477.09	\$2,566.16
Meter Fee							
1" and smaller	\$3.05	\$3.21	\$3.31	\$3.41	\$3.51	\$3.62	\$3.72
1.5"	\$11.11	\$7.57	\$7.80	\$8.04	\$8.28	\$8.52	\$8.78
2"	\$12.13	\$14.46	\$14.90	\$15.35	\$15.81	\$16.28	\$16.77
3"	\$25.74	\$18.05	\$18.59	\$19.15	\$19.72	\$20.31	\$20.92
4"	\$40.61	\$42.72	\$44.01	\$45.33	\$46.69	\$48.09	\$49.53
6"	\$56.33	\$73.83	\$76.04	\$78.32	\$80.67	\$83.09	\$85.59
8"	\$89.50	\$120.38	\$123.99	\$127.71	\$131.54	\$135.49	\$139.55
10"	\$204.51	\$155.35	\$160.01	\$164.81	\$169.76	\$174.85	\$180.10
Service Charge Monthly Water Allowance							
Attached Residential (per Unit)	10,000	gallons					
Detached Residential (per Unit)	25,000	gallons					
Non-Residential (per Meter)	35,000	gallons					
Consumption Charge per 1,000 gallons of water in excess of allowance each month							
All Customers	\$1.57	\$1.61	\$1.68	\$1.75	\$1.82	\$1.89	\$1.97
Construction Water	\$1.17	\$1.75	\$1.82	\$1.89	\$1.97	\$2.05	\$2.13

Source: City of Livingston and 2019 HEC rate study.

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* Water rate schedules 1.5x outside City limits.

1.5 WASTEWATER RATE STUDY FINDINGS

Wastewater rate study summary and key findings are summarized here:

- The City provides wastewater collection, treatment, and disposal services to the residents and businesses of Livingston. Monthly wastewater rates pay for 95% of the annual costs of the wastewater fund.
- The wastewater fund is currently covering all expenses and debt service coverage requirements of existing bond covenants. The wastewater fund has adequate cash reserves.

- Wastewater fee collections need to increase beginning January 2020 to pay for increased operating expenses, equipment and vehicle purchases, and the planned wastewater CIP.
- The cost of service study demonstrates a shift in the customer base. Since 2014, the City has experienced growth, particularly in the non-residential customer categories (hotels, gas stations, and other businesses).
- The shift in the customer base, as well as updated cost allocation factors used in the rate calculations, results in calculated fees that are slightly lower than current fees for variable charges for light industrial customers. To smooth out the difference between current and January 2021 rates, the rate study takes the midpoint for light industrial variable rate, and for the residential, light industrial and commercial base rates which would otherwise experience a greater jump between 2020 and 2021.

The updated wastewater rate schedule is provided in **Table B** below.

Table B
Calculated Five-Year Wastewater Rate Schedule

Customer Category	Billing Basis	Current Rates Effective --->	FY 2019/20 Jan. 2020	FY 2020/21 Jan. 2021	FY 2021/22 Jan. 2022	FY 2022/23 Jan. 2023	FY 2023/24 Jan. 2024	FY 2024/25 Jan. 2025
Residential	per unit	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Non-Residential								
Churches/Temples/Comm. Ctrs.	per account	\$42.28	\$46.61	\$50.22	\$52.66	\$54.66	\$57.81	\$61.14
Schools (with cafeteria)	per student	\$1.46	\$1.69	\$1.82	\$1.90	\$1.98	\$2.09	\$2.21
Hotel/Motel	per room	\$17.22	\$21.77	\$23.46	\$24.60	\$25.53	\$27.01	\$28.56
Light Industrial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Commercial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Variable Charges for Non-Residential Only								
Light Industrial [1]	per gallon	\$0.010417	\$0.010781	\$0.011145	\$0.011686	\$0.012129	\$0.012829	\$0.013567
Commercial [2]	per gallon	\$0.003837	\$0.006541	\$0.007049	\$0.007391	\$0.007671	\$0.008114	\$0.008580

Source: 2019 HEC rate study.

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[1] Charge applied to the first 95% of total water use per month.

[2] Charge applied to the first 70% of total water use per month.

1.6 SOLID WASTE RATE STUDY FINDINGS

Solid waste study summary and key findings are summarized here:

- Solid waste rates pay for garbage pickup and disposal by Gilton Waste Management (hereafter “Gilton”). About 80% of annual sanitation fund expenses pay for services provided by Gilton. The remaining annual expenses pay for City-provided sanitation services, including street sweeping.
- The current solid waste rates cover the Gilton rates and more than cover current City operating and capital replacement and upgrade costs. As a result, the sanitation fund has sufficient cash balance such that a rate increase is not needed immediately.
- Because the current solid waste rates more than cover annual costs, the calculated rates are lower for fiscal year 2019/20; however, it is not advisable to decrease rates. Decreasing rates can lead to insufficiency of revenues in the five-year period which can lead to large rate increases in the future.
- The calculated solid waste rates do not increase January 2020 but they do increase each January thereafter. It is projected that the increased rates will continue to cover the Gilton rates and cover the City’s operating costs.
- A new service is included in the rate schedule for organics bins. The organics bins will be provided by Gilton to commercial and multi-family customers primarily for food waste services, which is a requirement of Senate Bill (SB) 1383.
- Included in the cost projection is \$100,000 per year in 2019 dollars to pay for the anticipated costs of implementing SB 1383. Anticipated costs include legal, education, outreach, enforcement and inspection costs. It is likely that the City will need to hire a recycling coordinator.

The updated solid waste rate schedule is provided in **Table C** on the next page.

Table C
Calculated Five-Year Solid Waste Rate Schedule

Service Type	Current	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
	<i>New Rates Effective ---></i>	<i>Jan. 2020</i>	<i>Jan. 2021</i>	<i>Jan. 2022</i>	<i>Jan. 2023</i>	<i>Jan. 2024</i>	<i>Jan. 2025</i>
	<i>Rate Increase ---></i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>
<i>Rates do not include charges for special services that are scheduled between the customer and provider such as off schedule pick up, container maintenance, and delivery charges.</i>							
SINGLE FAMILY RESIDENTIAL		Once per week pickup					
96 gal. cart	\$25.16	\$23.25	\$24.41	\$25.63	\$26.91	\$28.26	\$29.67
Add'l cart	\$5.97	\$6.14	\$6.44	\$6.77	\$7.10	\$7.46	\$7.83
96 gal. cart greenwaste	\$1.33	\$1.23	\$1.29	\$1.35	\$1.42	\$1.49	\$1.57
Add'l greenwaste cart	\$5.97	\$6.14	\$6.44	\$6.77	\$7.10	\$7.46	\$7.83
MULTI-FAMILY & COMMERCIAL		Once per week pickup					
1 cubic yard container	\$47.36	\$43.77	\$45.96	\$48.26	\$50.67	\$53.21	\$55.87
2 cubic yards container	\$94.41	\$87.25	\$91.61	\$96.19	\$101.00	\$106.05	\$111.35
3 cubic yards container	\$139.86	\$129.26	\$135.72	\$142.51	\$149.63	\$157.12	\$164.97
4 cubic yards container	\$179.04	\$165.45	\$173.72	\$182.41	\$191.53	\$201.11	\$211.16
6 cubic yards container	\$251.71	\$232.62	\$244.25	\$256.47	\$269.29	\$282.75	\$296.89
Organics Bin (New)		\$65.99	\$69.29	\$72.75	\$76.39	\$80.21	\$84.22
Recycle Bins							
4 & 6 cubic yard containers	\$71.41	\$65.99	\$69.29	\$72.75	\$76.39	\$80.21	\$84.22
Commercial Compacting							
3 cubic yards container	n/a	\$449.50	\$471.97	\$495.57	\$520.35	\$546.36	\$573.68
4 cubic yards container	n/a	\$570.15	\$598.66	\$628.59	\$660.02	\$693.02	\$727.67
MULTI-FAMILY & COMMERCIAL		Twice per week pickup					
1 cubic yard container	\$93.90	\$103.52	\$108.70	\$114.14	\$119.84	\$125.83	\$132.13
2 cubic yards container	\$187.14	\$206.32	\$216.64	\$227.47	\$238.84	\$250.79	\$263.32
3 cubic yards container	\$264.56	\$291.68	\$306.26	\$321.57	\$337.65	\$354.54	\$372.26
4 cubic yards container	\$348.86	\$384.62	\$403.85	\$424.04	\$445.24	\$467.51	\$490.88
6 cubic yards container	\$490.40	\$540.67	\$567.70	\$596.08	\$625.89	\$657.18	\$690.04
Organic Bins (New)	n/a	\$131.97	\$138.57	\$145.50	\$152.77	\$160.41	\$168.43
Recycle Bins							
4 & 6 cubic yard containers	n/a	\$131.97	\$138.57	\$145.50	\$152.77	\$160.41	\$168.43
Commercial Compacting							
3 cubic yards container	n/a	\$866.26	\$909.58	\$955.06	\$1,002.81	\$1,052.95	\$1,105.60
4 cubic yards container	n/a	\$1,091.41	\$1,145.98	\$1,203.28	\$1,263.45	\$1,326.62	\$1,392.95
MULTI-FAMILY & COMMERCIAL		Three times per week pickup					
1 cubic yard container	n/a	\$147.32	\$154.69	\$162.42	\$170.54	\$179.07	\$188.02
2 cubic yards container	n/a	\$296.27	\$311.08	\$326.64	\$342.97	\$360.12	\$378.12
3 cubic yards container	\$398.63	\$439.49	\$461.46	\$484.54	\$508.76	\$534.20	\$560.91
4 cubic yards container	\$545.64	\$601.57	\$631.65	\$663.23	\$696.39	\$731.21	\$767.77
6 cubic yards container	\$750.40	\$827.32	\$868.68	\$912.12	\$957.72	\$1,005.61	\$1,055.89
Recycle Bins							
4 & 6 cubic yard containers	n/a	\$263.97	\$277.17	\$291.03	\$305.58	\$320.86	\$336.90
Commercial Compacting							
3 cubic yards container	n/a	\$1,734.27	\$1,820.99	\$1,912.04	\$2,007.64	\$2,108.02	\$2,213.42
4 cubic yards container	n/a	\$2,312.35	\$2,427.96	\$2,549.36	\$2,676.83	\$2,810.67	\$2,951.20

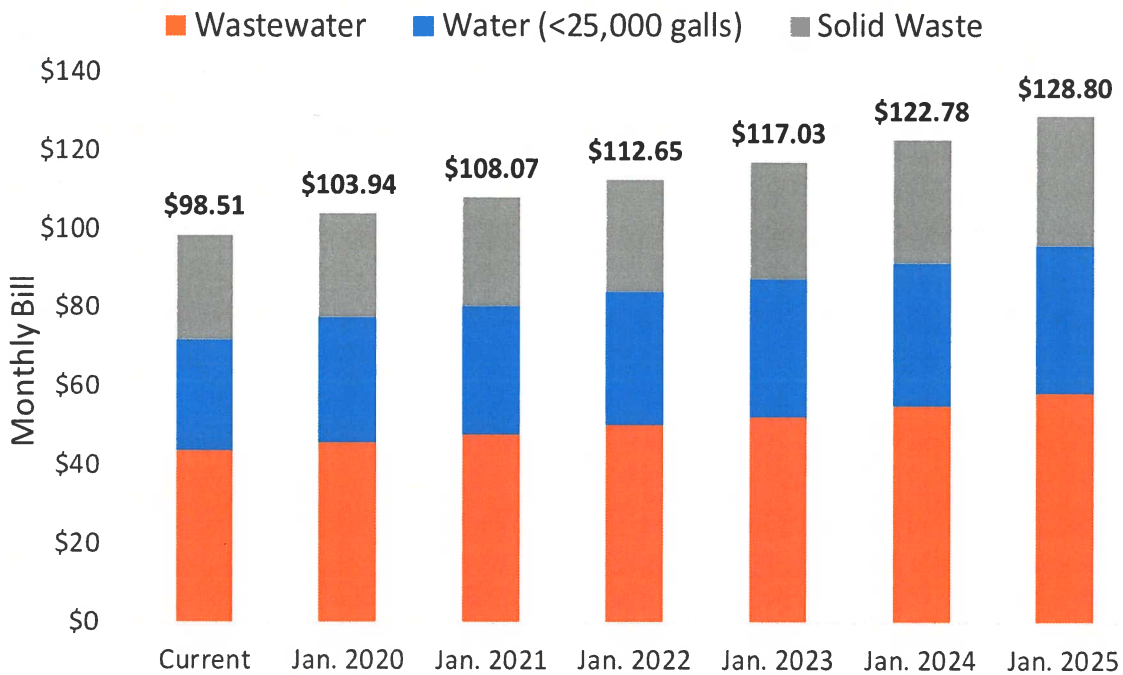
Source: City of Livingston and HEC.

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1.7 COMBINED UTILITIES BILL IMPACTS

Livingston residents receive monthly utility bills that include water, wastewater, and solid waste service costs; therefore, it is important to look at the combined impact on customer bills. **Figure A** below shows the total monthly bill impact to a typical home in Livingston using less than 25,000 gallons. In total, monthly bills would increase 5.5% January 2020, and between 4.0% and 5.0% each year for the following five January adjustments.

Figure A
Combined Utility Bill Impact for a Typical Home



Bill impacts to other customer categories are addressed in each study.

Section 2: WATER RATE STUDY

2.1 THE WATER FUND AND ITS CUSTOMERS

The City’s water enterprise fund accounts for the revenues and expenses associated with provision of water service. An enterprise fund is a fund that is intended to recover its costs through user fees and charges for a specific service. Money collected for an enterprise fund cannot be spent on other services. Generally accepted accounting principles (GAAP) require state and local government to use the enterprise fund type to account for “business type activities”. As a business type fund, enterprise funds must be self-sufficient. Enterprise funds also provide the repayment capacity for, and make debt service payments on, any debt incurred for capital projects; therefore, any water enterprise fund bond-funded projects do not diminish the City’s general fund debt capacity.

It is important for enterprise funds to be self-sufficient, without subsidies from other funds, including the City’s General Fund. General Fund cash should be used to protect against factors that could limit the City’s ability to provide critical services. Decreasing General Fund reserves could leave the City financially vulnerable, reducing funds necessary to recover from a natural disaster, for example.

Table 1 shows historical revenues and expenses for the water operating fund for fiscal years 2017 through 2019. Net revenues have been positive each year. The last water rate study included several capital improvement project costs that have not yet been incurred; therefore, revenues have deliberately been significantly greater than expenses. In the next five-year period cash reserves will be used to pay for capital improvement projects.

Table 1
Water Fund Historical Revenues and Expenses

Revenues and Expenses	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Revenue	\$3,484,226	\$3,736,933	\$3,873,948
Expense	\$1,868,403	\$1,952,499	\$2,662,009
Net Income	\$1,615,824	\$1,784,434	\$1,211,939
less Transfers Out	\$0	\$1,773,333	\$0
Net Revenue after Transfers	\$1,615,824	\$11,102	\$1,211,939

Source: City of Livingston financials provided September 2019.

net

Appendix A Tables A-1 and A-2 show the details of historical water fund revenues and expenses.

2.1.1. Revenues

Water system operations are funded through monthly rates, meter installation fees, interest income, utility penalties, and other small miscellaneous revenues. In some years, the City receives intergovernmental revenues for special regional projects.

Rate revenue is generated by application of the water rate schedule shown in **Table 2** below. Under the current rate schedule all customers pay fixed monthly charges (which include a service charge and meter replacement fee) by meter size, and a use charge according to the quantity of water used each month. Water is measured in thousands of gallons. All customers pay the same rate for every unit of water consumed above their base allowance. The monthly base allowance varies by customer category.

Table 2
Current Water Rates Schedule

Charges	2019 (Current) Water Rates	
	Inside City *	
Fixed Monthly Charges	Base Charge	Meter Fee
1" and smaller	\$25.13	\$3.05
1.5"	\$50.27	\$11.11
2"	\$80.43	\$12.13
3"	\$175.94	\$25.74
4"	\$301.61	\$40.61
6"	\$628.35	\$56.33
8"	\$1,206.43	\$89.50
10"	\$1,910.18	\$204.51
Service Charge Monthly Water Allowance		
Attached Residential (per Unit)	10,000	gallons
Detached Residential (per Unit)	25,000	gallons
Non-Residential (per Meter)	35,000	gallons
Construction	0	gallons
Consumption Charge per 1,000 gallons of water in excess of allowance each month		
All Customers except Construction	\$1.57	
Construction	\$1.17	

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* Water rate schedules 1.5x outside City limits.

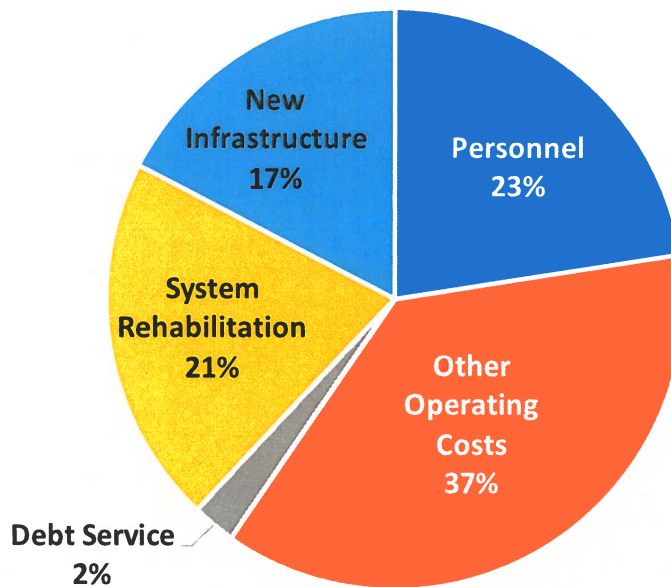
2.1.2. Expenses

Annual operating costs include all water system operating expenses, capital outlay, and debt service. Expenditures were grouped into five categories:

- Personnel (Payroll and Benefits)
- System Rehabilitation
- Debt Service
- New Infrastructure Projects
- Other Operating Costs

Personnel and other operating costs comprised the largest cost items in fiscal year ending 2019, which is the base year for the study. Fiscal year 2019 costs are illustrated in **Figure 1**.

Figure 1
Historical Water Fund Operating Expenses



2.1.3. Customer Base

Per the California Department of Finance, Livingston has a population of approximately 14,800, and it has sustained an annual average population increase of 1.8% since 2000. Population growth is shown in **Figure 2** on the next page.

The City serves water to about 3,100 households and 200 non-residential establishments, including large customers such as Foster Farms, and several irrigation-only customers. A pie chart illustrating the customer base is provided in **Figure 3** on the next page. As the pie chart shows, the City's water customers are primarily (93%) single family residential.

Figure 2
Population Growth

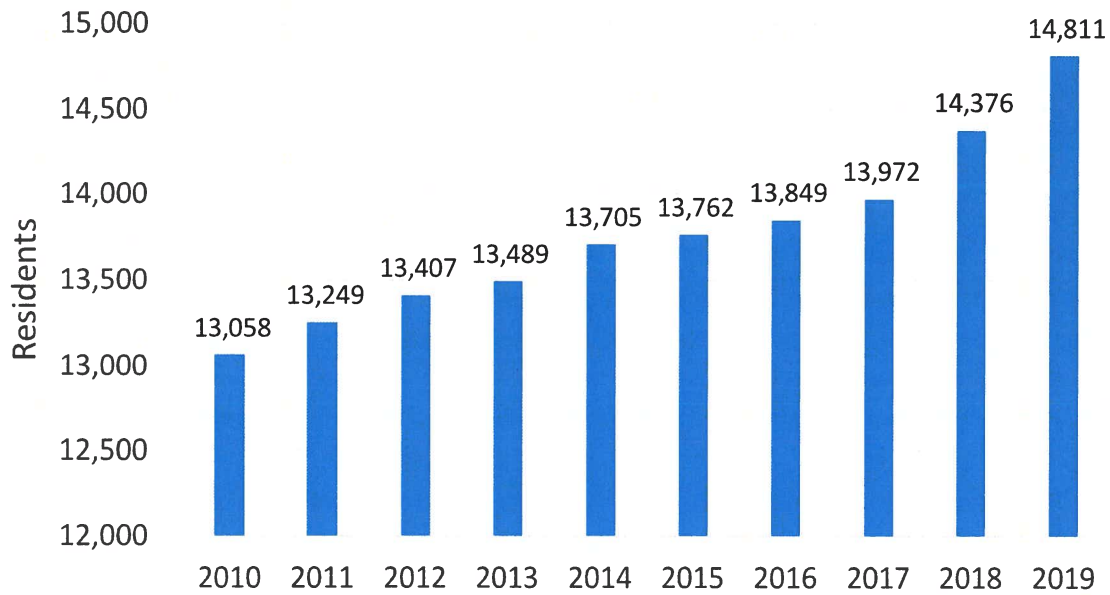
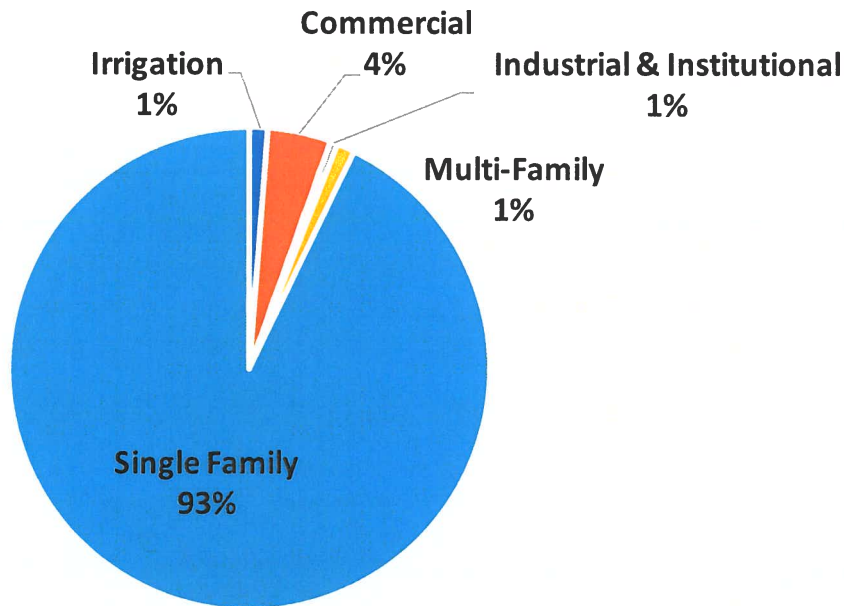


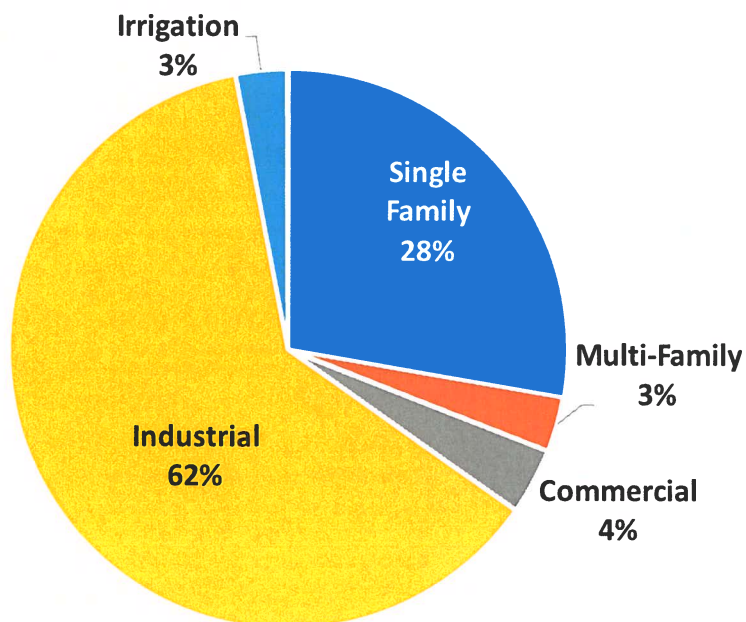
Figure 3
Customer Base



2.1.4. Water Consumption and Production

Figure 4 shows total water consumption by customer category. Although single family residential makes up 93% of the customer base, this group uses 28% of annual water consumption. Industrial customers, which make up less than 1% of the customer base, use 62% of total water consumed.

Figure 4
Water Consumption by Customer Category

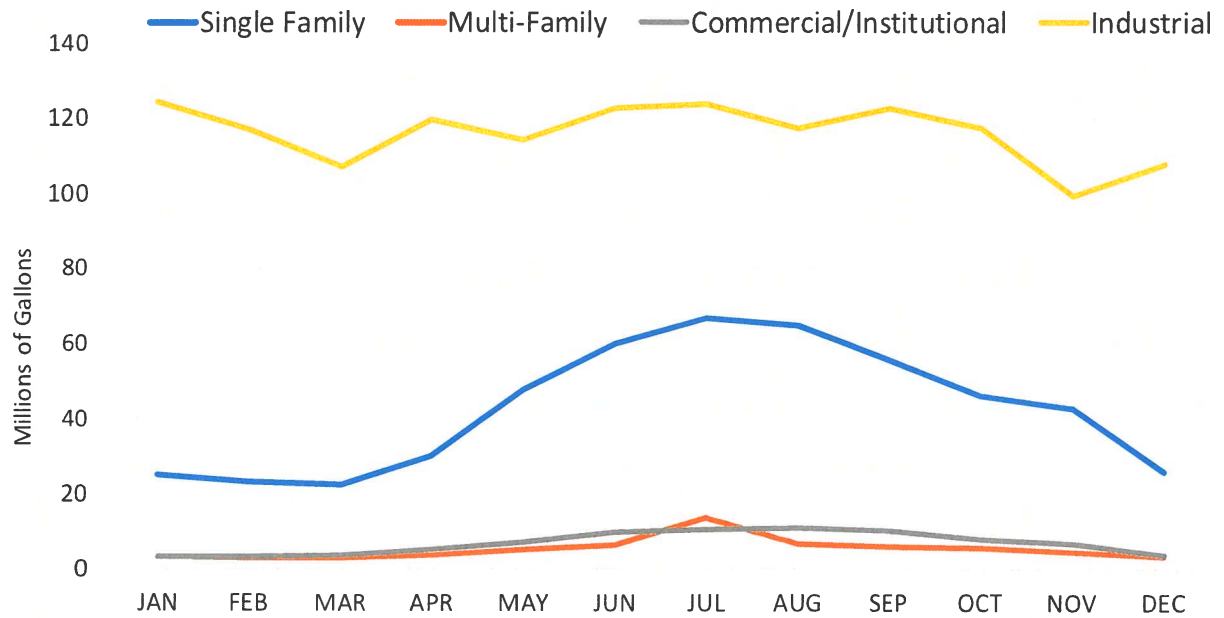


The City’s water supply is 100% groundwater. Water use fluctuates from year to year depending on several factors including, but not limited to, growth, the weather, sustained drought, plumbing retrofits, and pricing of water. Historical average water use for 2016-2018 by customer category is used as the basis on which to project water use in the rate study. Historical potable water consumption is provided in **Appendix Table A-3**.

Like most cities in the western U.S., Livingston experiences greater water demand in the summer than the winter due to outside applications of water. **Figure 5** shows water use by month using 2017 and 2018 water use data provided by the City. Greater demand during the summer is driven by the single family customer category. Because such a large quantity of water is consumed by the industrial customers, with a steady water demand throughout the year, the City is not as susceptible to large swings in water use as many central valley communities.

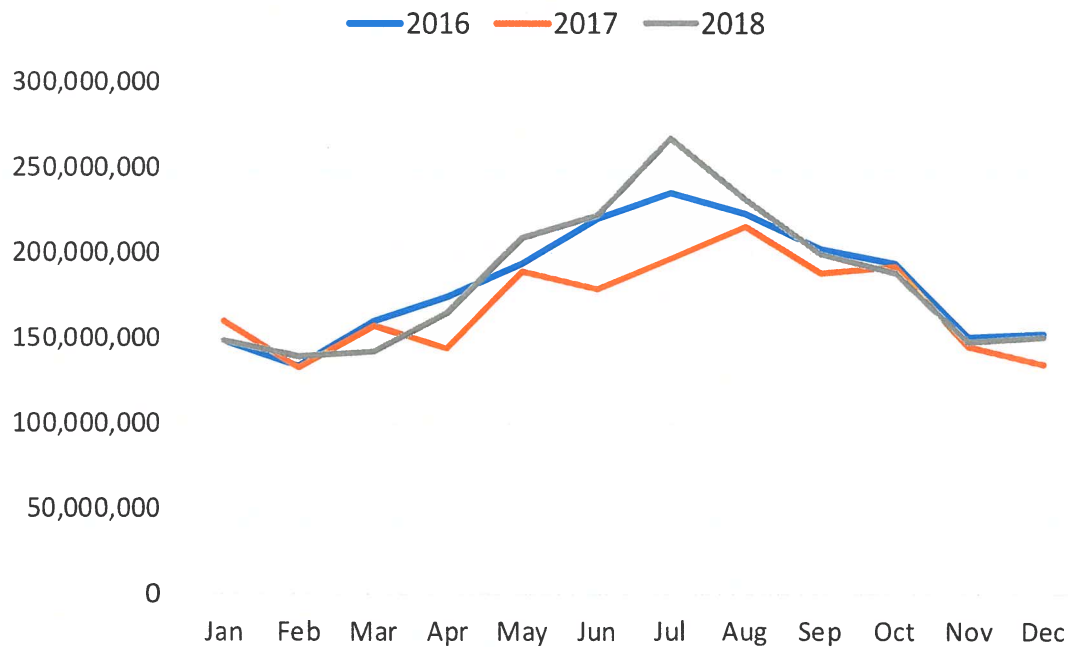
Well production data is provided in **Appendix Table A-4**. Approximately 84% of annual water production is for year-round water consumption, and approximately 16% of annual water production is additional water for increased demand during the summer months. Typically, central valley communities use 60%-65% of water for year-round demand, and 35%-40% of water additionally during the summer. **Figure 6** shows seasonal water production for the last three years.

Figure 5
Water Use Patterns by Customer Category



System-wide annual water production by month is shown in **Figure 7**.

Figure 6
Annual Water Production – Seasonal Trend



2.2 REVENUE REQUIREMENT

According to the American W M1 Manual, the first step in the ratemaking analysis is to determine the adequate and appropriate funding of a utility. This is referred to as the “revenue requirements” analysis. This analysis considers the short-term and long-term service objectives of the utility over a given planning horizon, including capital facilities and system operations and maintenance, to determine the adequacy of a utility’s existing rates to recover its costs. A number of factors may affect these projections, including: the number of customers served, water-use trends, nonrecurring sales, weather, conservation, use restrictions, inflation, interest rates, wholesale contracts, capital finance needs, changes in tax laws, and other changes in operating and economic conditions.

After determining a utility’s revenue requirements, a utility’s next step is determining the cost of service. Utilizing a public agency’s approved budget, financial reports, operating data, and capital improvement plans, a rate study generally categorizes (functionalizes) the costs, expenses, and assets of the water system among major operating functions to determine the cost of service.

After the assets and the costs of operating those assets are properly categorized by function, the rate study allocates those “functionalized costs” to the various customer classes (e.g., single-family residential, multi-family residential and commercial) by determining the characteristics of those classes and the contribution of each to incurred costs such as peaking factors or different delivery costs, service characteristics and demand patterns. Rate design is the final part of the M1 Manual’s rate-making procedure and generally uses the revenue requirement and cost of service analysis to determine appropriate rates for each customer class.

The revenue requirement refers to the amount of money that must be raised for revenue sufficiency of the water fund through rates. The projection of the revenue requirement is the cornerstone for the calculation of rates. This section explains the derivation of revenue requirement for this study. Components of the revenue requirement include:

- Capital Improvements
- Debt Service
- Operations Expenses and Reserves
- System Rehabilitation

Non-water sales revenue projections are credited against projected operations costs. Non-water sales include meter replacement fees, meter installation fees, fines and forfeitures (penalties), interest income, and miscellaneous revenue.

2.2.1. Capital Improvements

Water system capital costs in any one year are dependent on the state of the current infrastructure to serve existing customers and necessary improvements to accommodate potential new customers. Over the next five years, total water system capital improvement costs are estimated at \$24.56 million. The largest project cost is anticipated to be for wells 13 and 17 conveyance,

treatment plant and storage tank (\$8.75 million). The new well 11 (estimated cost \$1.20 million) will be constructed and paid for by Foster Farms under agreement with the City.

Table 3 summarizes the total estimated costs and anticipated funding sources. Total estimated costs are in future dollars (cost estimates were provided in 2019 dollars; the rate study inflates the cost estimates by 3% each year per the 10-year historical average increase in the Engineering News Record (ENR) Construction Cost Index (CCI)). **Appendix Tables A-5 and A-6** provides greater detail of the CIP items and costs.

A \$4.0 million loan has already been executed with the State Water Resources Control Board (SWRCB) for wells 14 and 16 treatment and conveyance facilities. Improvements to wells 8, 9, 13, and 17 are anticipated to be funded with additional loans from the SWRCB. All other capital improvement projects will be funded with reserves (currently accumulated and future collections of water rate revenues), and the park surface water irrigation project will be partially funded with a grant.

Two projects are estimated to benefit future water users; 25% of the well 8 and 9, as well as the well 13 and 17 project costs, are allocated to future users. These two projects are anticipated to be funded by SRF loans; therefore, 25% of annual debt service will be paid for with accumulated water connection fees.

Table 3
Summary of CIP Costs Fiscal Years Ending 2020-2025

	Estimated Cost in Inflated Dollars 2020-2025	Funding Source
Well 8 - New Well	\$1,030,000	Reserves
Well 9 - New Well	\$1,200,000	Reserves
Well 11 - New Well	\$1,200,000	Foster Farms
Well 12 Conveyance & Treatment	\$1,935,875	Reserves
Well 8 & 9 Conveyance & Treatment Plant	\$4,635,000	SRF Loan [1]
Well 14 & 16 Conveyance & Treatment Plant - secured loan	\$4,000,000	SRF Loan
Well 13 & 17 Conveyance, Treatment Plant & Storage Tank	\$8,755,000	SRF Loan [1]
Water Line Replacement Ph 4 (Walnut, Davis, White, N Main)	\$1,412,397	Reserves
Park Surface Water Irrigation	\$370,800	Reserves [2]
Server Upgrades	\$25,000	Reserves
Total Estimated Water Improvements Cost	\$24,564,073	

Source: City of Livingston November 2019.

cip sum

[1] A portion of debt service to be repaid with connection fees.

[2] A portion of this project will be funded by a grant.

2.2.2. Debt Service

The City has two existing loans with the SWRCB for wells 13 (\$1.35 million) and wells 14 and 16 (\$4.00 million). Repayment schedules are provided in **Appendix A Tables A-7 and A-8**.

New debt service is assumed to be incurred for wells 8 and 9 (total \$3.61 million), as well as wells 13 and 17 (total \$8.76 million). The City does not yet know what the terms of financing will be; the rate study assumes 2.50% interest with a 30-year amortization. The State requires one year of debt service be held in reserve for debt payments. The City can either collect this up-front or increase debt service 10% for the first ten years of payments. The rate study assumes that an additional 10% per year is collected for the first ten years for both of these projects. Debt calculations associated with the estimated additional two new SWRCB loans is provided in **Appendix A Table A-9**.

In addition, the City is currently executing an agreement with TRANE for energy efficiency projects Citywide. A portion of the total projects cost is to upgrade water system components to be more energy efficient. The water system's share of debt service associated with these projects is estimated at \$47,000 per year.

2.2.3. Operating Expenses and Reserves

Future year operating expenses are based on fiscal year 2019 actual operating expenses. Personnel costs are increased 6.0% each year, utilities costs are increased 4.0% each year, and all other annual expenses are increased 2.5%, 3.0%, or 3.5% each year. These cost increases were based on historical cost increases and discussions with City staff. Historically, City water operating expenses have increased 3.5% to 4.0% per year, which is very reasonable. It is very typical for water utility annual costs, and therefore water rates, to outstrip inflation. In May 2019, the American Water Works Association released an article, "Rate survey: water cost increases outpacing other U.S. goods and services" in which it documented that between 2016 and 2018 water rates increased 7.2% and wastewater rates 7.5% while the national consumer price index increased 4.6%.

In addition to historical types of costs incurred by the water fund, the City is adding new operations and maintenance costs for facilities included in the CIP. These costs will be partially offset by reduced electrical bills resulting from the completion of the water system energy efficiency projects.

2.2.4. System Rehabilitation

Depreciation is used as the basis on which to collect rates to cover system rehabilitation costs. Inclusion of system rehabilitation costs demonstrates fiscal responsibility toward the assets to potential future investors and helps to establish good credit². Depreciation is calculated based on existing water facilities and new facilities built in the next five-year period.

² Per Governmental Accounting Standards Board (GASB) 34, local governments must report on the value of their infrastructure assets and plan for asset maintenance (including collecting sufficient revenue) to obtain good credit when issuing bonds or procuring other forms of financing for long-term construction projects.

Table 4 shows the total annual amount included in the rates for system rehabilitation. The estimated cost includes replacement of existing assets and assets that are estimated to be constructed during the study time period. The water rates include 50% depreciation; in many years not all of the money collected is spent; in these years the additional amount is kept in the reserves and spent in another year in which capital costs exceed collections for system rehabilitation.

**Table 4
System Rehabilitation Annual Budget Estimate**

Depreciation	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Current Depreciation [1]	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000
New Depreciation	\$736,000	\$736,000	\$736,000	\$736,000	\$736,000	\$736,000
Total Depreciation	\$919,000	\$919,000	\$919,000	\$919,000	\$919,000	\$919,000
	50%	50%	50%	50%	50%	50%
Amount in Rev. Req.	\$459,500	\$459,500	\$459,500	\$459,500	\$459,500	\$459,500

Source: City of Livingston and HEC November 2019.

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[1] Current book value of all water assets minus wells which are to be replaced.

2.2.5. Calculated Revenue Requirement

Table 5 provides the projection of annual costs and revenues and the resulting revenue requirement through fiscal year 2025. Over the next five years, the revenue requirement is projected to continue to increase to account for inflation, to fund capital expenditures and depreciation, and to account for new debt. The total revenue requirement is projected to increase from \$2.38 million in fiscal year 2019 to \$4.03 million in fiscal year 2020 and fluctuate each year thereafter depending on the level of cash-funded capital expenditures.

The water rates are based on raising sufficient revenue to fund the revenue requirement with even 4.25% percentage increases over time. The amount to be raised each year by water rates is the “user fees” line underneath the revenue requirement line in **Table 5**. Note that although the amount to be raised by rates increases 4.25% in the first year, not all customer categories will have the same percentage increase. The difference in customer category increases is due to the cost of service analysis.

**Table 5
Projected Revenue Requirement**

Expenses and Credits	Inflator	Fiscal Year Ending						
		2019 actual	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Operating Expenses								
Personnel	6.0%	\$726,097	\$769,663	\$815,843	\$864,794	\$916,681	\$971,682	\$1,029,983
Contract Services	3.0%	\$110,320	\$113,630	\$117,039	\$120,550	\$124,166	\$127,891	\$131,728
Utilities	4.0%	\$560,431	\$582,848	\$606,162	\$630,408	\$655,625	\$681,850	\$709,124
less Electricity Savings [1]	4.0%			(\$75,000)	(\$78,000)	(\$81,120)	(\$84,365)	(\$87,739)
SGMA Compliance (placeholder)	2.5%	\$0	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$56,570
Infrastructure O&M	3.5%	\$381,515	\$394,868	\$408,688	\$422,992	\$437,797	\$453,120	\$468,979
Other Operating Costs	2.5%	\$142,217	\$145,772	\$149,416	\$153,152	\$156,981	\$160,905	\$164,928
New Infrastructure Op. Costs	Table A-6	\$0	\$295,000	\$97,850	\$525,146	\$103,809	\$782,229	\$110,131
Total Operating Expenses		\$1,920,580	\$2,351,781	\$2,171,249	\$2,691,573	\$2,367,784	\$3,148,503	\$2,583,704
Debt Service								
SRF D15-02037 (\$1.35 Mill - well 13)	secured	\$78,778	\$78,778	\$78,778	\$78,778	\$78,778	\$78,778	\$78,778
SRF D18-02003 (\$4.0 Mill -wells 14 & 16)	secured		\$47,358	\$172,989	\$172,989	\$172,989	\$172,989	\$172,989
Energy Retrofits [2]	estimate			\$47,000	\$47,000	\$47,000	\$47,000	\$47,000
New Debt - Wells 13 & 17	estimate				\$460,130	\$460,130	\$460,130	\$460,130
New Debt - Wells 8 & 9	estimate				\$243,650	\$243,650	\$243,650	\$243,650
Subtotal Debt Service		\$78,778	\$126,136	\$298,767	\$1,002,547	\$1,002,547	\$1,002,547	\$1,002,547
System Rehabilitation and New Projects								
Meter Replacement		\$36,295	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Equipment Purchase		\$27,130	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Vehicle Replacement		\$38,229	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Cash-Funded Capital Projects		\$560,996	\$1,225,000	\$1,223,002	\$1,412,397	\$0	\$1,935,875	\$0
Subtotal System Rehabilitation and New Projects		\$662,651	\$1,322,000	\$1,320,002	\$1,509,397	\$97,000	\$2,032,875	\$97,000
Additional Collection for Depreciation		\$0	\$459,500	\$459,500	\$459,500	\$459,500	\$459,500	\$459,500
Total Costs		\$2,662,009	\$4,259,418	\$4,249,518	\$5,663,018	\$3,926,831	\$6,643,425	\$4,142,751
Credits								
Meter Replacement Fees	3.0%	\$158,192	\$151,304	\$156,836	\$161,541	\$166,387	\$171,378	\$176,520
Meter Installation Fees	estimate	\$51,718	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Fines & Forfeitures	3.0%	\$17,980	\$18,519	\$19,075	\$19,647	\$20,237	\$20,844	\$21,469
Interest Income	0.0%	\$48,768	\$48,768	\$48,768	\$48,768	\$48,768	\$48,768	\$48,768
Loss of Highway Irrigation Area Revenue [3]	4.5%			(\$16,000)	(\$16,720)	(\$17,472)	(\$18,259)	(\$19,080)
Miscellaneous Revenue	0.0%	\$7,959	\$7,959	\$7,959	\$7,959	\$7,959	\$7,959	\$7,959
Subtotal Credits		\$284,618	\$235,551	\$225,638	\$230,195	\$234,879	\$239,691	\$244,636
Revenue Requirement		\$2,377,391	\$4,023,867	\$4,023,880	\$5,432,822	\$3,691,953	\$6,403,734	\$3,898,115
Increase in User Fees [4]			4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
User Fees		\$3,592,366	\$3,745,041	\$3,904,206	\$4,070,134	\$4,243,115	\$4,423,448	\$4,611,444

Source: City of Livingston fiscal year 2019 budget, and HEC.

rev req

[1] TRANE estimate is \$79,953 in first year. This has been rounded down to the nearest \$5,000.

[2] Bank estimate of annual payments is \$46,694. This has been rounded up to the nearest \$1,000.

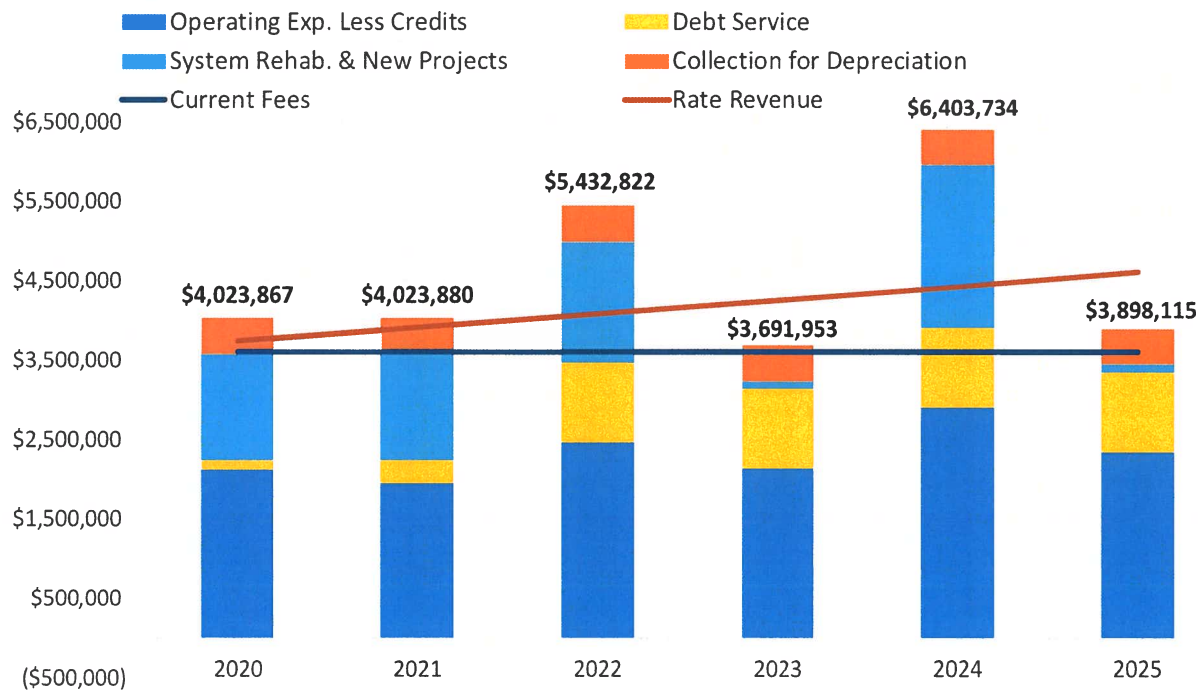
[3] Well 15 will be removed from domestic consumption supplies due to poor water quality; however, it will continue to provide irrigation water.

At this time, it is unknown what revenues might be collected from the well 15 irrigation system.

[4] The amount to be raised from water sales is increased each year by a percentage to smooth out the changes.

Components of revenue requirement and projected water sales revenues are illustrated in **Figure 7**. The total revenue requirement decreases in 2023 and 2025 because of a decrease in cash spending on capital improvement projects during those years.

Figure 7
Components of Revenue Requirement



One of the credits in the revenue requirement is revenue generated by the monthly meter replacement fee. City crews replace older water meters that are near the end of their useful life, or which are inaccurately measuring water flow. The cost to replace meters by size of meter was used to determine appropriate monthly collection of fees to support routine meter replacements in **Appendix Table A-10**. Projected meter replacement fee revenue by year is shown in **Appendix Table A-11**.

The next step in calculating water rates is performing functional cost allocation and cost of service. Functional cost allocation is provided in **Appendix A, Tables A-12 and A-13**. The cost classification provides a *guideline* for the City in determining the portion of revenue requirement to collect through service charges versus usage charges. There is no set formula for determining exactly how much to collect in the service charge versus the use charge.

City water system costs were classified into two categories; fixed (service) and variable (use) costs.

- **Fixed Costs.** Included in this category are costs associated with customer-driven costs and the water system’s readiness to serve, which includes a portion of the water system’s capacity costs for typical non-peaking water use. Forty-five percent of annual costs were determined to be fixed costs after performing a functional allocation of the 2019 water fund expenses.

Fixed costs are allocated to customers based on the number of equivalent meters, determined by the relative hydraulic capacity of the meter size relative to a 1-inch meter. **Table A-14** shows the calculation of equivalent meters. Note that the number of equivalent meters is calculated using current number of billing meters (rather than total number of meters) on the water system at any one time.

- **Variable Costs.** These costs vary with the quantity of water consumed. They include the peaking portion of capacity costs and commodity costs. Commodity costs are expenses that increase or decrease almost directly with the amount of water supplied. Operations and maintenance variable costs primarily include well pumping electricity costs, but also a portion of administrative costs, debt service and other costs as determined in the functional allocation. Variable costs are recovered through use charges applied per thousand gallons above the base allowance each month.

Table 6 shows allocation of the amount to be collected in user fees each year between service and use charges in the rate model for the study. The amount to be collected in monthly service charges (the “fixed” fee component) is 35% rather than the 45% calculated in the functional cost allocation. This difference is because the City currently collects 35% of user fees in service charges. In the last water rate study, which was conducted in 2014, it was determined that 35% was the most appropriate percentage to use because such a large amount of use of the system is from industrial users. The industrial customers do not have many water meters; therefore, capacity of the system, as measured by instantaneous flow through water meters, is much less significant in determining use of the system than it is for most water systems.

Table 6
Allocation of User Fees

Allocated Rev. Requirement	Fiscal Year Ending						
	2020	2021	2022	2023	2024	2025	
Revenue Requirement	\$3,745,041	\$3,904,206	\$4,070,134	\$4,243,115	\$4,423,448	\$4,611,444	
Fixed	35%	\$1,310,765	\$1,366,472	\$1,424,547	\$1,485,090	\$1,548,207	\$1,614,005
Variable	65%	\$2,434,277	\$2,537,734	\$2,645,587	\$2,758,025	\$2,875,241	\$2,997,439

Source: City of Livingston November 2019 and HEC.

rev alloc

2.3 WATER RATE CALCULATIONS

The calculation of monthly service charges is shown in **Table 7** below. Monthly service charges are applied to customers based on the size of their meter.

Table 7
Calculation of Monthly Service Charges

Base Meter Fee	Fiscal Year Ending						
	2020	2021	2022	2023	2024	2025	
Total Costs	\$1,310,765	\$1,366,472	\$1,424,547	\$1,485,090	\$1,548,207	\$1,614,005	
Meter Equivalent	3,858	3,883	3,908	3,933	3,958	3,983	
Meter Size	Ratio	Monthly Service Charge per Meter					
1" and smaller	1	\$28.31	\$29.32	\$30.37	\$31.46	\$32.59	\$33.77
1.5"	2	\$56.62	\$58.65	\$60.75	\$62.93	\$65.19	\$67.53
2"	3	\$90.59	\$93.83	\$97.20	\$100.68	\$104.30	\$108.05
3"	7	\$198.17	\$205.26	\$212.62	\$220.24	\$228.15	\$236.36
4"	12	\$339.72	\$351.88	\$364.48	\$377.56	\$391.12	\$405.18
6"	25	\$707.74	\$733.07	\$759.34	\$786.58	\$814.83	\$844.13
8"	48	\$1,358.87	\$1,407.50	\$1,457.93	\$1,510.24	\$1,564.48	\$1,620.73
10"	76	\$2,151.54	\$2,228.54	\$2,308.40	\$2,391.21	\$2,477.09	\$2,566.16

Source: City of Livingston November 2019 and HEC.

base fees

The calculation of use charges is shown in **Table 8**. Beginning January 2020, water use greater than the monthly allowance would be billed at \$1.61 per thousand gallons.

Table 8
Calculation of Use Costs per Thousand Gallons

Customer Category	Fiscal Year Ending					
	2020	2021	2022	2023	2024	2025
Allocated Costs	\$2,434,277	\$2,537,734	\$2,645,587	\$2,758,025	\$2,875,241	\$2,997,439
Annual Demand (Thousands of Gallons)	2,139,398	2,144,857	2,150,377	2,155,960	2,161,606	2,167,317
Gallons Above Monthly Allowance						
Residential	<i>All figures in thousands of gallons</i>					
Single Family	62,742	63,131	63,523	63,918	64,315	64,714
Multi-Family	21,764	21,764	21,764	21,764	21,764	21,764
Subtotal Residential	84,506	84,896	85,288	85,682	86,079	86,479
Non-Residential						
Commercial	43,240	44,179	45,137	46,117	47,118	48,140
Industrial	1,329,351	1,329,351	1,329,351	1,329,351	1,329,351	1,329,351
Irrigation	54,934	54,934	54,934	54,934	54,934	54,934
Subtotal Non-Residential	1,427,525	1,428,463	1,429,422	1,430,402	1,431,403	1,432,425
Gallons Above Monthly Allowance	1,512,031	1,513,359	1,514,710	1,516,084	1,517,482	1,518,904
Estimated Total Water Billed	71%	71%	70%	70%	70%	70%
Cost per 1,000 Gallons above Base Allowance	\$1.61	\$1.68	\$1.75	\$1.82	\$1.89	\$1.97
Construction Water	\$1.75	\$1.82	\$1.89	\$1.97	\$2.05	\$2.13

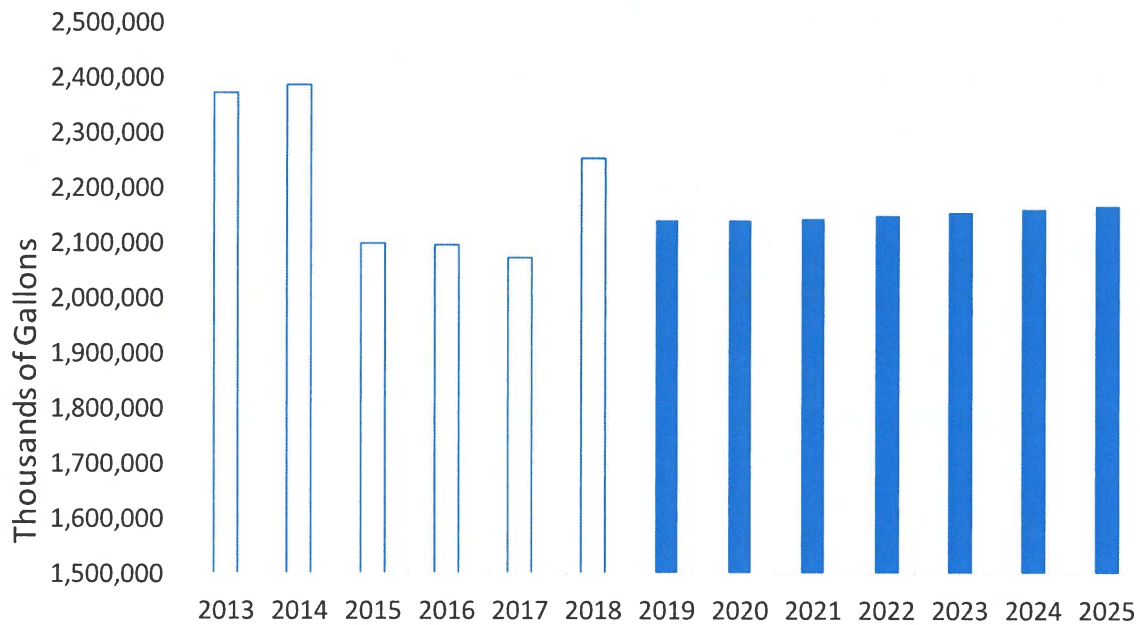
Source: City of Livingston and HEC September 2019.

use fees

The calculation of use charges is based on allocated cost and projected water demand for each customer category. Total projected water demand is shown in **Figure 8** on the next page and by customer category in **Appendix Table A-15**. The projection of water demand is based on average water use for the past three years plus the assumed growth of 25 new one-inch water meters per year. In addition, the projected water use accounts for customers' reactions to price increases. The relationship between increased prices and decreased demand is referred to as price elasticity. Price elasticity varies by geography due to many micro-economic variables. HEC applied industry knowledge to establish assumed price elasticity factors for the Study. Price elasticity analysis is shown in **Tables A-16** and **A-17**.

Construction water use fees for water pulled off fire hydrants, and which are not property-related fees, are calculated as the average cost per gallon for all water service costs excluding meter replacement. This methodology is updated from the 2014 water rate study which is why the cost increase is greater than for other water customers.

Figure 8
Historical and Projected Annual Water Demand



The calculated meter replacement fees are shown in **Table 9**. Due to updated pricing provided by the City’s water meter supplier, the monthly meter fee for 10” meters decreased. All other monthly meter fees increased.

Table 9
Calculated Meter Replacement Fees by Meter Size

Meter Size	Fiscal Year Ending					
	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
	<i>Annual Escalator 3%</i>					
1"	\$3.21	\$3.31	\$3.41	\$3.51	\$3.62	\$3.72
1-1/2"	\$7.57	\$7.80	\$8.04	\$8.28	\$8.52	\$8.78
2"	\$14.46	\$14.90	\$15.35	\$15.81	\$16.28	\$16.77
3"	\$18.05	\$18.59	\$19.15	\$19.72	\$20.31	\$20.92
4"	\$42.72	\$44.01	\$45.33	\$46.69	\$48.09	\$49.53
6"	\$73.83	\$76.04	\$78.32	\$80.67	\$83.09	\$85.59
8"	\$120.38	\$123.99	\$127.71	\$131.54	\$135.49	\$139.55
10"	\$155.35	\$160.01	\$164.81	\$169.76	\$174.85	\$180.10

Source HEC.

meter fee

Total calculated rates include the fixed monthly service charges, meter replacement fees, and consumption charges. The calculated water rate schedule is provided in **Table 10** below.

Table 10
Calculated New Water Rates Schedule

Charges	Current	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25
Base Charge	Inside City *						
1" and smaller	\$25.13	\$28.31	\$29.32	\$30.37	\$31.46	\$32.59	\$33.77
1.5"	\$50.27	\$56.62	\$58.65	\$60.75	\$62.93	\$65.19	\$67.53
2"	\$80.43	\$90.59	\$93.83	\$97.20	\$100.68	\$104.30	\$108.05
3"	\$175.94	\$198.17	\$205.26	\$212.62	\$220.24	\$228.15	\$236.36
4"	\$301.61	\$339.72	\$351.88	\$364.48	\$377.56	\$391.12	\$405.18
6"	\$628.35	\$707.74	\$733.07	\$759.34	\$786.58	\$814.83	\$844.13
8"	\$1,206.43	\$1,358.87	\$1,407.50	\$1,457.93	\$1,510.24	\$1,564.48	\$1,620.73
10"	\$1,910.18	\$2,151.54	\$2,228.54	\$2,308.40	\$2,391.21	\$2,477.09	\$2,566.16
Meter Fee							
1" and smaller	\$3.05	\$3.21	\$3.31	\$3.41	\$3.51	\$3.62	\$3.72
1.5"	\$11.11	\$7.57	\$7.80	\$8.04	\$8.28	\$8.52	\$8.78
2"	\$12.13	\$14.46	\$14.90	\$15.35	\$15.81	\$16.28	\$16.77
3"	\$25.74	\$18.05	\$18.59	\$19.15	\$19.72	\$20.31	\$20.92
4"	\$40.61	\$42.72	\$44.01	\$45.33	\$46.69	\$48.09	\$49.53
6"	\$56.33	\$73.83	\$76.04	\$78.32	\$80.67	\$83.09	\$85.59
8"	\$89.50	\$120.38	\$123.99	\$127.71	\$131.54	\$135.49	\$139.55
10"	\$204.51	\$155.35	\$160.01	\$164.81	\$169.76	\$174.85	\$180.10
Service Charge Monthly Water Allowance							
Attached Residential (per Unit)	10,000	gallons					
Detached Residential (per Unit)	25,000	gallons					
Non-Residential (per Meter)	35,000	gallons					
Consumption Charge per 1,000 gallons of water in excess of allowance each month							
All Customers	\$1.57	\$1.61	\$1.68	\$1.75	\$1.82	\$1.89	\$1.97
Construction Water	\$1.17	\$1.75	\$1.82	\$1.89	\$1.97	\$2.05	\$2.13

Source: City of Livingston and 2019 HEC rate study.

sched

* Water rate schedules 1.5x outside City limits.

In compliance with California SB-7, which requires all new multi-family residential development to be individually metered or sub-metered, any newly constructed units will pay the same base rate per unit as all current detached residential units unless the owner of the building(s) sub-meters each unit and performs its own internal water billing of each unit.

2.4 CASH FLOW AND FUND BALANCE

Table 11 below shows the projected cash flow for the water enterprise fund through fiscal year 2025. With adoption of the calculated rates it is anticipated that the City will be able to meet all water enterprise fund obligations, including existing and potential debt service coverage requirements, and achieve a target of at least six months of revenues in unrestricted cash reserves most years.

Table 11
Projected Cash Flow

Revenues and Expenses	Fiscal Year Ending					
	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Revenues						
User Fees ---- Jul-Dec	\$1,796,183	\$1,872,521	\$1,952,103	\$2,035,067	\$2,121,558	\$2,211,724
User Fees ---- Jan-Jun	\$1,872,521	\$1,952,103	\$2,035,067	\$2,121,558	\$2,211,724	\$2,305,722
Meter Replacement Fees	\$154,748	\$154,070	\$159,188	\$163,964	\$168,883	\$173,949
Meter Installation Fees	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Fines & Forfeitures	\$18,519	\$19,075	\$19,647	\$20,237	\$20,844	\$21,469
Interest Income	\$48,768	\$48,768	\$48,768	\$48,768	\$48,768	\$48,768
Miscellaneous Revenue	\$7,959	\$7,959	\$7,959	\$7,959	\$7,959	\$7,959
Total Revenues	\$3,907,698	\$4,063,496	\$4,231,733	\$4,406,553	\$4,588,735	\$4,778,591
Operating Expenses	\$2,351,781	\$2,171,249	\$2,691,573	\$2,367,784	\$3,148,503	\$2,583,704
Net Income before Debt Service	\$1,555,917	\$1,892,247	\$1,540,160	\$2,038,769	\$1,440,232	\$2,194,887
Debt Service	\$126,136	\$298,767	\$1,002,547	\$1,002,547	\$1,002,547	\$1,002,547
<i>Debt Coverage</i>	<i>12.3</i>	<i>6.3</i>	<i>1.5</i>	<i>2.0</i>	<i>1.4</i>	<i>2.2</i>
System Rehab & New Projects Cash-Funded	\$1,322,000	\$1,320,002	\$1,509,397	\$97,000	\$2,032,875	\$97,000
Net Revenue	\$107,781	\$273,477	(\$971,785)	\$939,221	(\$1,595,190)	\$1,095,340
Beginning Cash Balance [1]	\$3,343,451	\$3,451,232	\$3,724,709	\$2,928,870	\$4,044,036	\$2,624,791
Net Revenue	\$107,781	\$273,477	(\$971,785)	\$939,221	(\$1,595,190)	\$1,095,340
Transfer In from Capital Fund for Debt			\$175,945	\$175,945	\$175,945	\$175,945
Estimated Ending Cash Balance	\$3,451,232	\$3,724,709	\$2,928,870	\$4,044,036	\$2,624,791	\$3,896,076
Restricted Balance [2]	\$126,136	\$298,767	\$1,002,547	\$1,002,547	\$1,002,547	\$1,002,547
Unrestricted Balance	\$3,325,096	\$3,425,942	\$1,926,322	\$3,041,489	\$1,622,243	\$2,893,528
Min. Unrestricted Balance [3]	\$1,953,849	\$2,031,748	\$2,115,866	\$2,203,276	\$2,294,368	\$2,389,296

Source: City of Livingston September 2019 and HEC.

flow

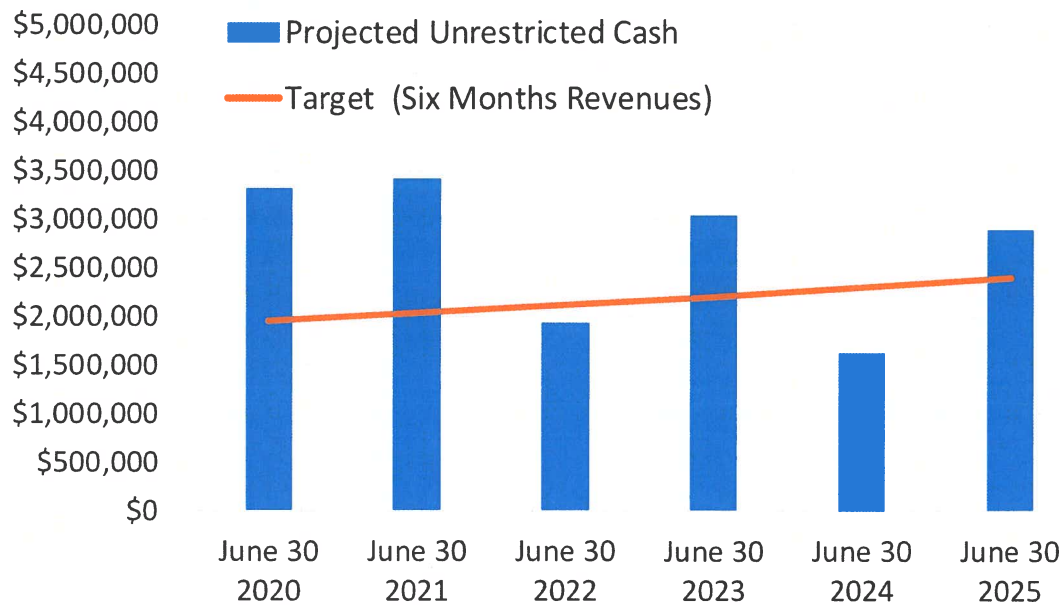
[1] Beginning cash balance as of July 1, 2019.

[2] One year of debt service.

[3] Six months of revenues.

Figure 9 shows projected and target water fund balances through fiscal year ending 2025.

Figure 9
Projected Water Fund Cash Balance



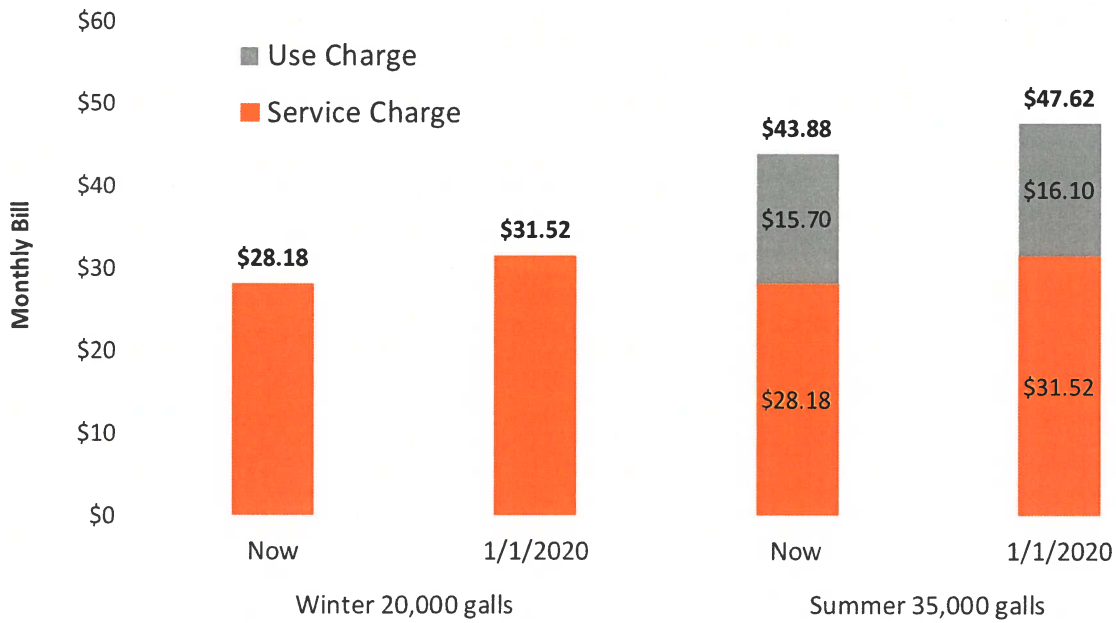
A higher than minimum cash balance at the end of five years would be prudent for the water fund because of the multiple number of CIP project planned in the next five years. Cash reserves can be used, if necessary, to pay for project cost overruns; it can also be used to pay off State loans early and complete other system rehabilitation projects not currently in the CIP.

2.5 BILL IMPACTS

2.5.1. Residential Bill Impacts

Bill impacts arising from new rates beginning January 2020 are illustrated for single family homes at different use levels in **Table 12** on page 30. During the winter, most homes would have an increase of \$3.34 per month. During the summer, most homes would have an increase of about \$4.00 per month. An illustration of bill impacts to a single-family home for winter and summer use is shown in **Figure 10** on the following page.

Figure 10
First Year Seasonal Bill Impacts for Single Family Home



The projection of a monthly bill for homes using 20,000 gallons is illustrated in **Figure 11** for the next five years.

Figure 11
Bill Impact for a Home using 20,000 Gallons

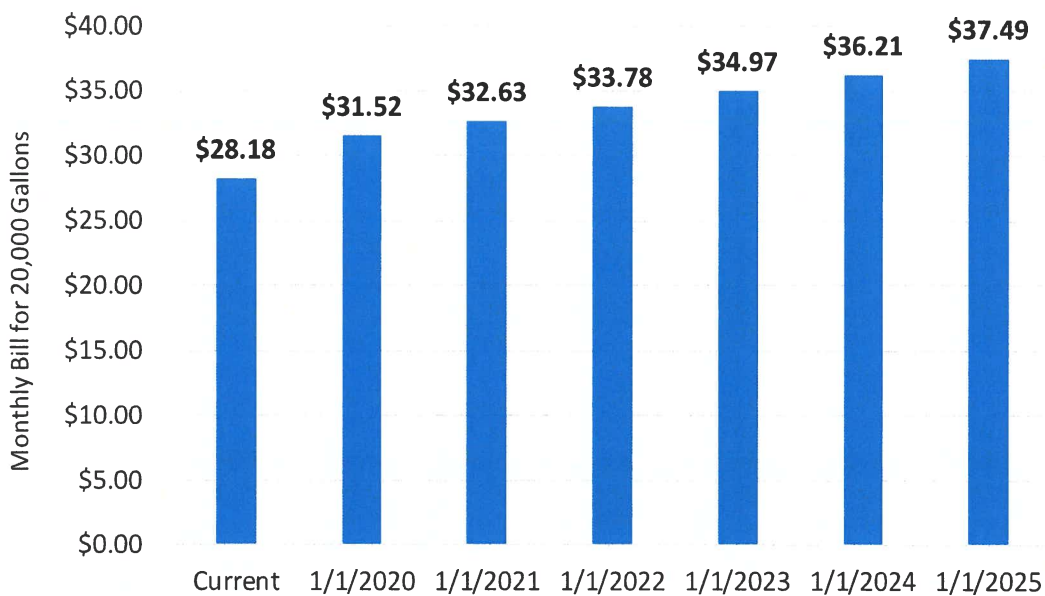


Table 12
Single Family Water Usage Monthly Bill Impacts

Monthly Use in Thousands of Gallons	Current			Total Monthly Bill	New Rates Jan. 2020			Total Monthly Bill	Difference New less Current
	Service Fee 1" and Smaller	Meter Fee	Use Charge > 25,000 galls		Service Fee 1" and Smaller	Meter Fee	Use Charge > 25,000 galls		
	<i>Rate per 1,000 galls</i>				<i>Rate per 1,000 galls</i>				
			<i>\$1.57</i>				<i>\$1.61</i>		
1	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
2	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
3	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
4	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
5	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
6	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
7	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
8	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
9	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
10	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
11	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
12	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
13	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
14	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
15	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
16	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
17	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
18	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
19	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
20	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
25	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
30	\$25.13	\$3.05	\$7.85	\$36.03	\$28.31	\$3.21	\$8.05	\$39.57	\$3.54
35	\$25.13	\$3.05	\$15.70	\$43.88	\$28.31	\$3.21	\$16.10	\$47.62	\$3.74
40	\$25.13	\$3.05	\$23.55	\$51.73	\$28.31	\$3.21	\$24.15	\$55.67	\$3.94
45	\$25.13	\$3.05	\$31.40	\$59.58	\$28.31	\$3.21	\$32.20	\$63.72	\$4.14
50	\$25.13	\$3.05	\$39.25	\$67.43	\$28.31	\$3.21	\$40.25	\$71.77	\$4.34

Source: HEC.

sf bill use

The SWRCB program bases its evaluation of affordability of water rates on two criteria:

1. The median household income (MHI) of the community compared to the State MHI, and
2. The percentage of MHI spent on water bills.

Generally, water rates are considered to be burdensome if they are greater than 2.0 percent of MHI. If a community's MHI is less than 80 percent of the State MHI, the community is considered "Disadvantaged", in which case a rate greater than 1.5 percent of MHI is considered burdensome. The City of Livingston meets the definition of Disadvantaged in 2019.

The affordability test is shown in **Table 13**. Under the calculated water rates for January 2020, a household using less than 25,000 gallons in a month would pay \$31.73, which is 0.72% of the estimated MHI for Livingston. The proposed water rates are, per the SWRCB definitions, affordable.

Table 13
Test of Water Bill Affordability

Item	Current Rates	Rates Jan 2020 [1]
Monthly Water Bill		
Monthly Median Household Income (MHI)	\$4,426.25	\$4,426.25
Monthly Water Bill < 25,000 Gallons	\$28.18	\$31.52
Average Monthly Water Bill as Percentage of MHI [2]	0.64%	0.71%
Median Household Income (MHI)		
Statewide California	\$67,169	
Estimated Livingston [3]	\$53,115	
Livingston MHI as a percentage of the State MHI [4]	79.1%	

Source: HEC, State Water Resources Control Board, and US Census Bureau.

aff

[1] Bills must be greater than or equal to 1.5% of MHI to qualify for Disadvantaged principal forgiveness.

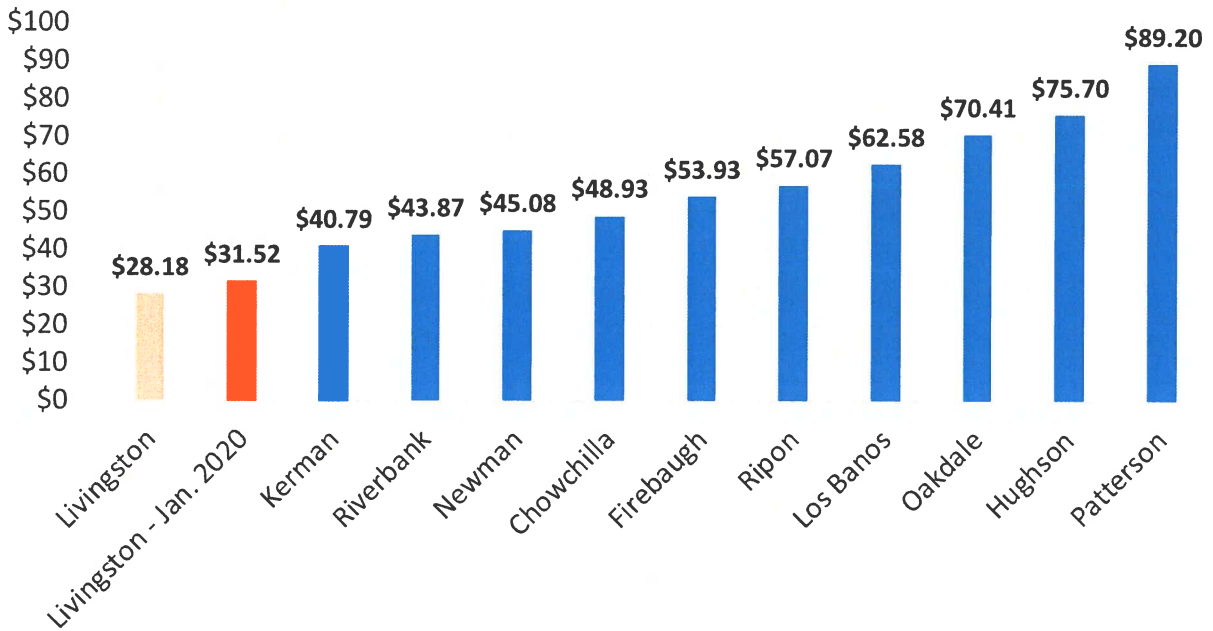
[2] Water bills that are 1.5% to 2.0% of MHI are considered affordable.

[3] 2017 5-year American Community Survey.

[4] Per SWRCB, community with an MHI <80% of the Statewide MHI is Disadvantaged. For a Disadvantaged Community to qualify for grant funding water rates must exceed 1.5% of the service area MHI.

Figure 12 on the next page displays a comparison of regional water bills for a single-family home using 20,000 gallons in a month. Note, however, that some of the comparison cities may be in the process of rate increases as well; this is a snapshot in time.

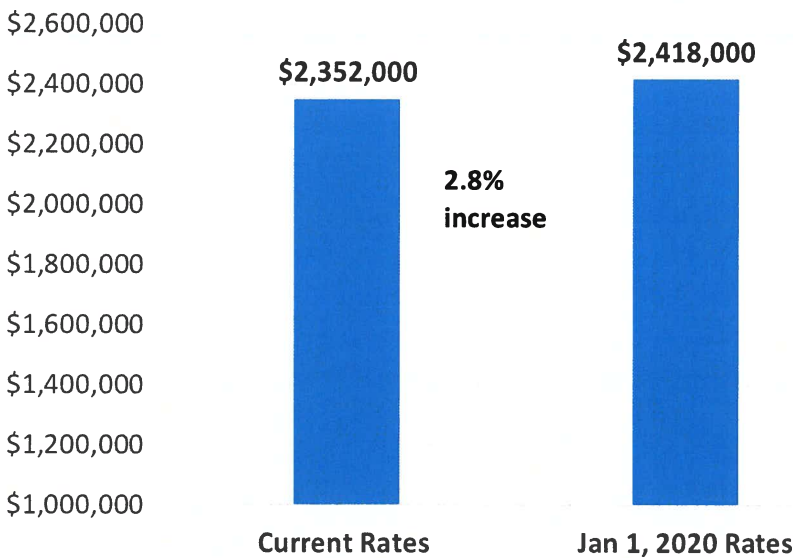
Figure 12
Comparison of Regional Water Bills



2.5.2. Non-Residential Bill Impacts

The effect of the January 2020 rate increase on the City’s largest nonresidential customer, Foster Farms, is shown in **Figure 13** below. The total annual bill would increase from approximately \$2.35 million to \$2.42 million, depending on actual water consumption. For other non-residential customers, the total water bills will increase approximately 4.25%, depending on the actual quantity of water used.

Figure 13
Impact of Year 1 Rate Increase on Foster Farms



Section 3: WASTEWATER RATE STUDY

The wastewater rate study was prepared using the principles established by the Water Environment Federation Manual of Practice No. 27 and guidelines prepared by the California State Water Resources Control Board for State Revolving Fund financing. This study uses the functional cost allocation methodology to determine rates³.

The following four steps outline how wastewater rates are calculated such that the monthly wastewater rates meet California's legal requirements.

- 1. Establish the Wastewater Customer Base and User Characteristics** – Wastewater flow and strength data for each customer type is based on City flow measurements and industry standards.
- 2. Project the Revenue Requirement and Allocate to Collection and Treatment** – The revenue requirement analysis compares the revenues of the utility to its operating and capital costs to determine the adequacy of existing rates to recover the utility's costs. Components of revenue requirement include capital improvement costs, system rehabilitation costs, operations and maintenance costs, debt service costs, and operating reserve costs. Non-rate revenue credited against the projected costs include interest income, fines and forfeits, and miscellaneous revenues.
- 3. Allocate Revenue Requirement based on Flow and Strength and Determine Unit Costs** – The revenue requirement is allocated based on flow and strength depending on the percentage distribution of operations and maintenance operations attributed to flow, biological oxygen demand (BOD),⁴ and total suspended solids (SS).⁵ Per unit revenue requirement for each projected year is determined by dividing the allocated revenue requirement by the demand for each customer type.
- 4. Determine Revenue Requirement by Customer Type** – Per unit costs from step 3 are multiplied by the flow and strength characteristics of each customer category to determine the annual cost by customer type.

3.1 THE WASTEWATER FUND AND ITS CUSTOMERS

3.1.1 Revenues.

The wastewater system is funded through monthly charges, fees, and investment earnings. The existing wastewater rate schedule of monthly charges is shown in **Table 14**.

³ Chapter 6, pages 110-120, Financing and Charges for Wastewater Systems, Manual of Practice No. 27.

⁴ BOD demand is the amount of dissolved oxygen needed by aerobic biological organisms in a body of water to break down organic material present in a given water sample at certain temperature over a specific time period. The term also refers to a chemical procedure for determining this amount.

⁵ Total SS is a measure of the combined content of all inorganic and organic substances contained in a liquid in molecular, ionized or micro-granular (colloidal sol) suspended form.

Table 14
Current Wastewater Rates Schedule

Customer Category		Monthly Rates
Flat Monthly Charges		
Residential Inside City	per unit	\$43.84
Residential Outside City	per unit	\$65.76
Churches/Temples/Comm. Ctrs	per account	\$42.28
Schools (with Cafeteria)	per student	\$1.46
Hotel / Motel	per room	\$17.22
Flat and Variable Monthly Charges		
Industrial Flat Charge	per account	\$43.84
Commercial Flat Charge	per account	\$43.84
Industrial Variable Charge [1]	per gallon	\$0.010417
Commercial Variable Charge [2]	per gallon	\$0.003837

Source: HEC.

curr

[1] Charge applied to the first 95% of total water use per month.

[2] Charge applied to the first 70% of total water use per month.

Flat monthly charges are paid by residential, church/temple/community center, school and hotel/motel customers. Industrial and commercial customers pay a flat monthly charge plus a use charge. The use charge is applied to water meter monthly readings multiplied by 95% for industrial customers, and 70% for commercial customers. The use charges are applied to a reduced water use to account for applications of water that do not enter the wastewater system.

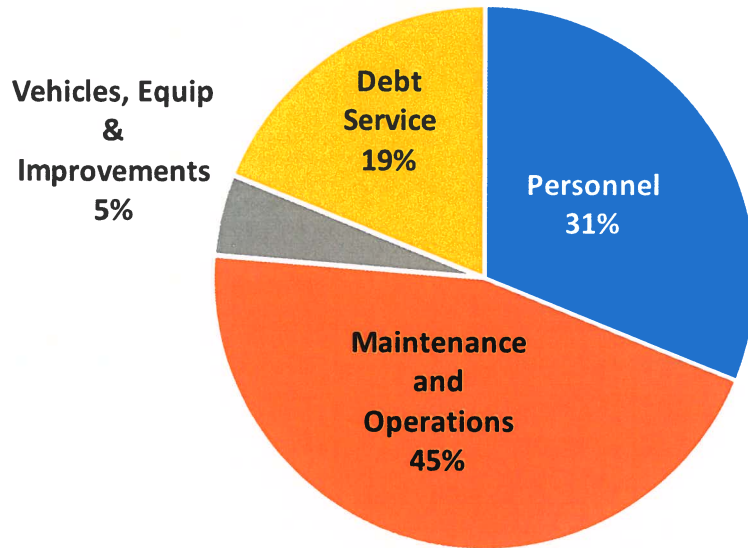
Flat monthly charges are applied to residential users per unit, to churches/temples/community centers, industrial and commercial customers per account, to schools per student, and to hotels/motels per room.

Wastewater fund revenues for the past three years are provided in **Appendix B Table B-1**.

3.1.2 Expenses.

Monthly wastewater bills pay for operating costs, including personnel costs, debt service, and vehicles, equipment and infrastructure replacement and improvements. **Figure 14** on the next page shows what monthly bills pay for. Wastewater fund expenses for the past three years are provided in **Appendix B Table B-2**.

Figure 14
Wastewater Fund Annual Expenses



For the last three years, the wastewater fund has generated sufficient revenues to pay for the costs of the wastewater system. **Table 15** on the next page shows that revenues are currently approximately \$2.31 million per year, while expenses are approximately \$1.89 million per year.

Table 15
Historical Wastewater Fund Revenues and Expenses

Revenues and Expenses	Fiscal Year Ending		
	2017	2018	2019
Revenues			
Intergovernmental	\$0	\$13,230	(\$3,035)
Charges for Services	\$2,038,750	\$2,078,675	\$2,198,789
Fines & Forfeits	\$24,803	\$28,702	\$22,417
Return on Use of Money/Property	\$16,694	\$20,976	\$22,119
Miscellaneous	\$10,988	\$41,847	\$66,466
Total Revenues	\$2,091,235	\$2,183,429	\$2,306,757
Expenses			
Personnel	\$422,346	\$543,621	\$630,284
Supplies	\$978,618	\$618,001	\$711,411
Maintenance and Operations	\$3,856	\$2,741	\$2,458
Vehicles, Equip & Improvements	\$42,348	\$64,278	\$142,046
Debt Service	\$247,046	\$271,950	\$448,450
Total Expenses	\$1,694,213	\$1,500,591	\$1,934,649
Net Revenue	\$397,022	\$682,838	\$372,108

Source: City of Livingston financials, provided November 2019. net

RATE METHODOLOGY STEP 1

Establish the Wastewater Customer Base and User Characteristics

Figure 15 on the next page shows the percentage of wastewater customers by customer category. Residential customers comprise 96% of the wastewater system customer base. Commercial, light industrial and other customers (such as churches and schools) comprise the remaining 4% of the customer base. The current number of wastewater accounts by customer category is provided in **Appendix B Table B-3**.

The wastewater customers generate, on average, 1.12 million gallons per day in flow that is treated at the wastewater treatment plant. Flow is reasonably steady from year to year, growing with increased number of customers. Historical wastewater plant influent flow is shown in **Appendix B Table B-4**.

Figure 16 on the next page shows wastewater flows to the treatment plant for the last three years. Wastewater flows fluctuate from year to year with changes to the customer base and quantity of water consumed (that is not applied to landscapes).

Figure 15
Wastewater Customers by Category

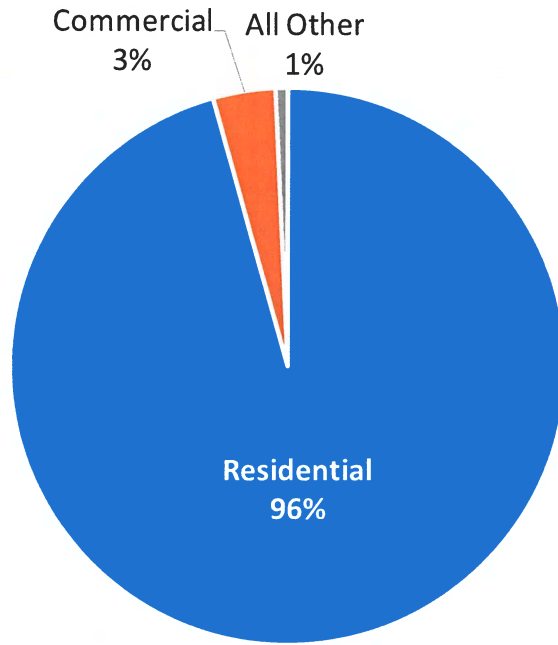
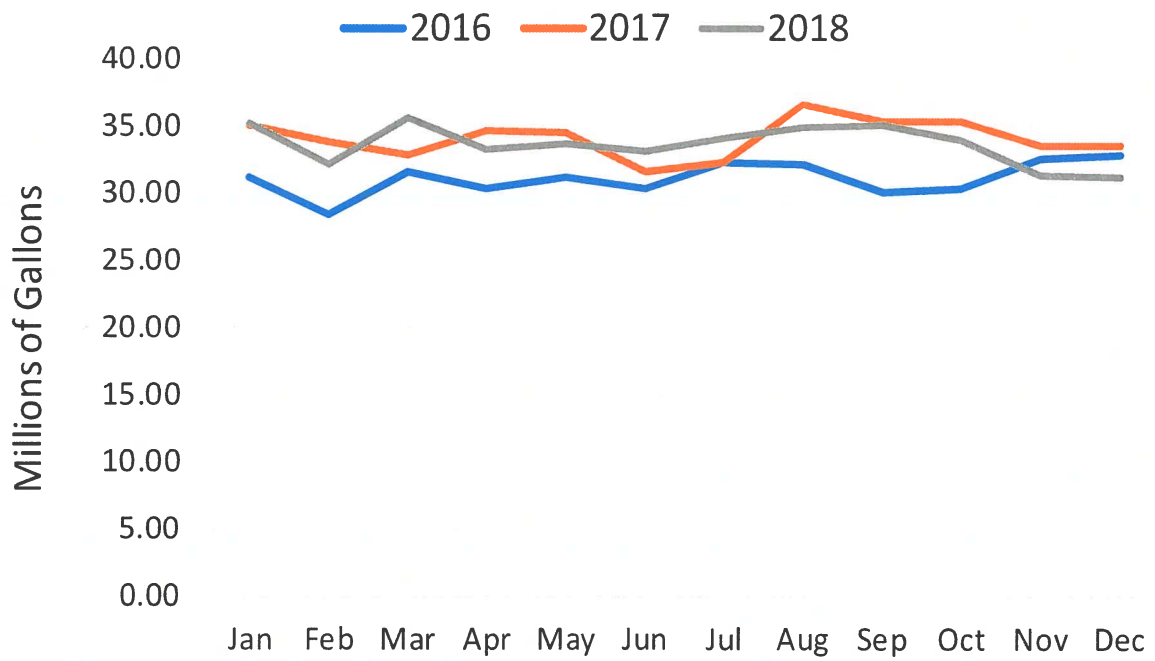


Figure 16
Wastewater Flow for the Last Three Years



The rate study allocates wastewater system costs to customer groups based on their user characteristics. The current number of wastewater customers and total calculated flow for each customer and customer category, BOD, and SS characteristics are summarized in **Table 16** on the following page.

About 80% of total annual flow is generated by residential customers and 20% by non-residential customers. Residential customers generated approximately 70% of the BOD and SS treated annually at the wastewater treatment plant. Generally, non-residential customers generate dirtier wastewater that requires greater costs to clean.

3.2 REVENUE REQUIREMENT

RATE METHODOLOGY STEP 2

Project the Revenue Requirement and Allocate to Collection and Treatment Costs

The revenue requirement is the amount to be raised by wastewater charges. The projection of the revenue requirement is the cornerstone for calculation of rates. This section explains the derivation of the revenue requirement for this Study.

Components of the revenue requirement include:

- Operating Expenses
- Capital Improvement and Debt Service
- System Rehabilitation

Non-wastewater sales revenue projections are credited against projected operations costs. Non-wastewater sales include interest income, fines and forfeits, and other miscellaneous revenues.

3.2.1 Operations Expenses

Operating expenses are projected based on fiscal year 2019 actual expenditures. Operating expenses include annual costs for personnel (including benefits), professional and contract services, treatment plant operations and maintenance, collection system and other wastewater facilities operations and maintenance, utilities, facilities equipment and other costs, and tools, subscriptions, and supplies. Operating expenses totaled \$1.34 million in fiscal year 2019. The rate study increases each of the operating cost categories over the next five years in anticipation of cost increases.

Personnel costs are increased 6.0% per year, utilities at 4.0% per year, and other costs between 2.5% and 3.5% per year.

3.2.2 Capital Improvements and Debt Service

Anticipated capital improvement expenses over the next five years include upgrades of the biosolids dewatering equipment at the treatment plant, as well as replacement of the SCADA tower. The collection system improvements include lift station rehabilitation, sewer line replacement, and vehicles. The CIP was provided in 2019 dollars (see **Appendix Table B-5**) and inflated to future dollars as shown in **Table 17**.

**Table 16
Wastewater User Characteristics**

Customer Category	Wastewater Characteristics										Treatment Capacity/Load			Annual Capacity/Load		
	Billing Basis	No. Billing Units	Flow GPD	BOD MG/L	SS MG/L	Avg. Day Dry Weather Flow (MGD)	SS Lbs/Day	BOD Lbs/Day	SS Lbs/Day	Flow MG	SS Lbs/Year	BOD Lbs/Year	SS Lbs/Year			
	(A)	(B)	(C)	(D)	(E)=(A)(B)/1000000	(F)=(C)(E)x8.34	(G)=(D)(E)x8.34	(H)=(E)x365	(I)=(C)(H)x8.34	(J)=(D)(H)x8.34						
Residential																
Detached	Unit	3,116	250	250	0.78	1,624.22	1,624.22	284.3	592,838	592,838	592,838	592,838	592,838			
Attached	Unit	576	220	250	0.13	264.21	264.21	46.3	96,437	96,437	96,437	96,437	96,437			
Non-Residential																
Churches/Temples/Comm. Ctrs.	Account	16	285	155	0.00	5.89	6.47	1.7	2,152	2,152	2,152	2,360	2,360			
Schools (with cafeteria)	Student	3,707	20	230	0.07	142.22	102.02	13.3	25,599	18,364	25,599	18,364	18,364			
Hotel/Motel	Room	93	100	350	0.01	27.15	38.78	3.4	9,909	14,155	9,909	14,155	14,155			
Light Industrial	Account	1	24,000	1,000	0.02	200.16	160.13	8.8	73,058	58,447	73,058	58,447	58,447			
Commercial	Account	119	850	525	0.10	442.89	548.33	36.9	161,653	200,142	161,653	200,142	200,142			
TOTAL					1.12	2,706.73	2,744.16	394.7	961,646	982,743	961,646	982,743	982,743			

Source: City of Livingston May 2019, and HEC. char

**Table 17
Inflated Wastewater CIP**

Capital Project	Funding Source	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
Treatment Plant				3.5%			
Biosolids Dewatering Equipment	Rates	\$300,000	\$207,000	\$0	\$0	\$0	\$0
SCADA Tower	Rates	\$15,000	\$0	\$0	\$0	\$0	\$0
Total Treatment Plant		\$315,000	\$207,000	\$0	\$0	\$0	\$0
Collection System							
Lift Station Rehabilitation (Singh & Burgandy)	Rates	\$100,000	\$103,500	\$0	\$0	\$0	\$0
Sewer Line Replacement [1]	Grant	\$0	\$2,898,000	\$0	\$0	\$0	\$0
Additional Sewer Line Replacement	Rates	\$0	\$0	\$214,245	\$665,231	\$745,890	\$831,380
New Disc & Ripper Tractor	Rates	\$0	\$222,525	\$0	\$0	\$0	\$0
New Vac-On Sewer Truck	Rates	\$0	\$0	\$374,929	\$0	\$0	\$0
Total Collection System		\$100,000	\$3,224,025	\$589,174	\$665,231	\$745,890	\$831,380
Total Wastewater System		\$6,677,700	\$415,000	\$3,431,025	\$589,174	\$665,231	\$745,890
Funded by Grants		\$2,898,000	\$0	\$2,898,000	\$0	\$0	\$0
Funded by Rates		\$3,779,700	\$415,000	\$533,025	\$589,174	\$665,231	\$831,380
Funded by Loan		\$0	\$0	\$0	\$0	\$0	\$0

Source: City of Livingston Public Works May 2019.

inf cip

[1] The City anticipates that this cost will be funded by a CDBG grant.

Of the total \$6.68 million in the CIP, the City anticipates \$2.90 million will be funded by a Community Development Block Grant. The remaining \$3.78 million would be funded by wastewater rates and the projects would be funded on a pay-as-you-go basis.

No new debt is anticipated to be necessary over the next five years; however, the City does have existing wastewater system debt. The debt was refunded in 2016 with savings to the wastewater customers. The remaining debt payments are provided in **Appendix B Table B-6**. Debt service is about \$450,000 per year.

3.2.3 System Rehabilitation

All of the capital improvement plan is for system rehabilitation. As such, there is no additional collection included in the rates for depreciation. The City’s current wastewater assets and estimated annual depreciation cost through the study period is provided in **Appendix B Table B-7** (with support **Table B-8**).

The projected revenue requirement is provided in **Table 18**. Included in the projection is an adjustment to allow for variances from year to year for non-residential use as well as delinquencies. The revenue requirement is projected to increase from \$1.81 million in fiscal year 2019 to \$3.04 million in fiscal year 2025. Currently, the City raises \$2.20 million in user fees. The rate study smooths out rate increases each year so that the amount to be collected from rates increases to \$2.48 million in 2020 and \$3.25 million in 2025.

Table 18
Projected Revenue Requirement for Wastewater

Expenses	inflatior	Fiscal Year Ending						
		2019	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Operating Expenses								
Personnel	6.0%	\$630,284	\$668,101	\$708,187	\$750,678	\$795,719	\$843,462	\$894,070
Professional & Contract Services	3.0%	\$95,330	\$98,190	\$101,136	\$104,170	\$107,295	\$110,514	\$113,829
Treatment Plant O&M	3.5%	\$51,286	\$53,081	\$54,939	\$56,862	\$58,852	\$60,912	\$63,044
Collection & Facilities O&M	3.5%	\$53,971	\$55,860	\$57,815	\$59,838	\$61,933	\$64,100	\$66,344
Utilities	4.0%	\$239,258	\$248,828	\$258,781	\$269,133	\$279,898	\$291,094	\$302,737
Facilities, Equipment & Other O&M	3.5%	\$65,969	\$68,278	\$70,667	\$73,141	\$75,701	\$78,350	\$81,092
Tools, Subscriptions, Supplies	2.5%	\$208,055	\$213,256	\$218,588	\$224,052	\$229,653	\$235,395	\$241,280
Total Operating Expenses		\$1,344,153	\$1,405,594	\$1,470,113	\$1,537,874	\$1,609,051	\$1,683,827	\$1,762,396
Debt Service								
Series 2016A Refunding		\$448,450	\$451,250	\$448,650	\$445,850	\$447,850	\$449,450	\$450,650
New Debt Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$448,450	\$451,250	\$448,650	\$445,850	\$447,850	\$449,450	\$450,650
System Rehabilitation and New Projects								
Equipment & Vehicle Purchases	constant	\$142,046	\$50,000	\$272,525	\$424,929	\$50,000	\$50,000	\$50,000
Cash-Funded Capital Projects			\$415,000	\$310,500	\$214,245	\$665,231	\$745,890	\$831,380
Subtotal System Rehab. And New Projects		\$142,046	\$465,000	\$583,025	\$639,174	\$715,231	\$795,890	\$881,380
Addition to Operating Reserve			\$50,000	\$50,000	\$50,000	\$0	\$0	\$0
Additional Collection for Depreciation			\$0	\$0	\$0	\$0	\$0	\$0
Total Costs		\$1,934,649	\$2,371,844	\$2,551,788	\$2,672,898	\$2,772,132	\$2,929,167	\$3,094,427
<i>Fixed</i>	70%	\$1,326,037	\$1,743,292	\$1,902,616	\$2,002,402	\$2,079,585	\$2,213,814	\$2,355,488
<i>Variable</i>	30%	\$608,612	\$628,552	\$649,172	\$670,495	\$692,547	\$715,353	\$738,939
Credits								
Intergovernmental	[1]	(\$3,035)	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	[1]	\$16,464	\$0	\$0	\$0	\$0	\$0	\$0
Fines & Forfeits	constant	\$22,417	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Return on Use of Money	constant	\$22,119	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Miscellaneous	constant	\$66,466	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Credits		\$124,431	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000
Total Revenue Requirement		\$1,810,217	\$2,317,844	\$2,497,788	\$2,618,898	\$2,718,132	\$2,875,167	\$3,040,427
Adjustment [2]			\$161,050	\$173,553	\$181,969	\$188,864	\$199,775	\$211,258
Estimated Revenue Requirement			\$2,478,894	\$2,671,341	\$2,800,866	\$2,906,995	\$3,074,942	\$3,251,684

Source: City of Livingston Financials provided September 2019, and HEC.

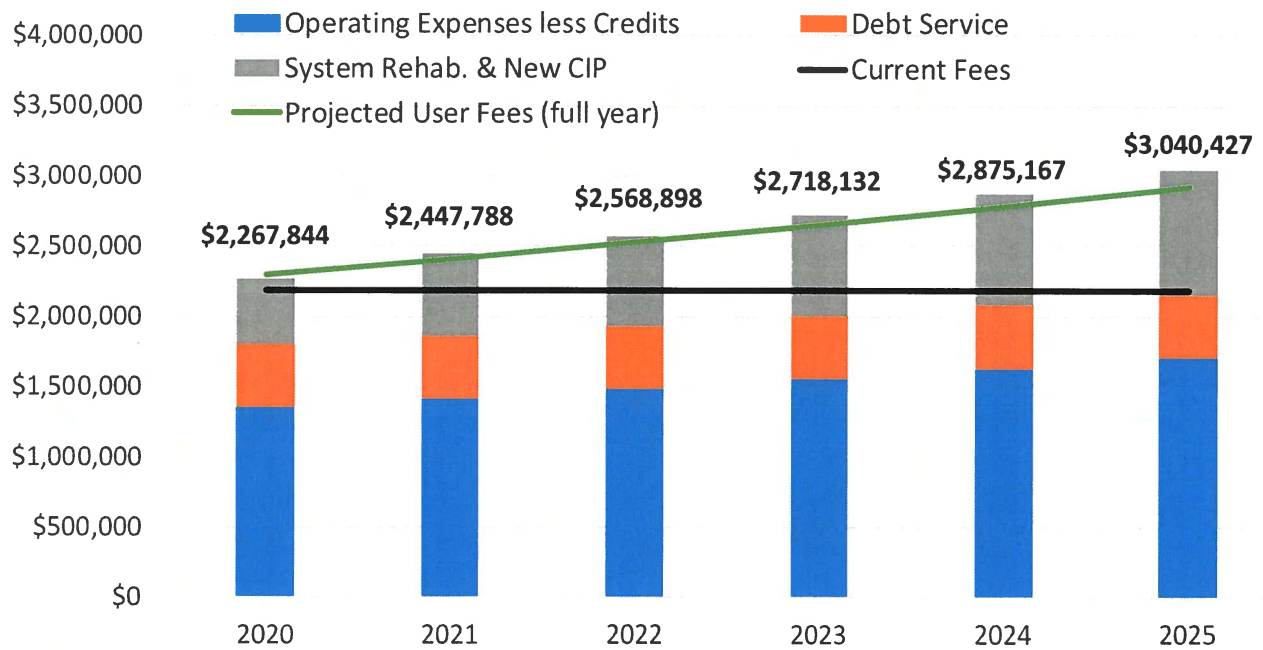
rev req

[1] Infrequent, one-time revenues.

[2] Includes allowance for variances year to year for non-residential use as well as delinquencies.

Figure 17 on the next page shows the current fee collections, projected fee collections and components of revenue requirement for the next five years.

Figure 17
Projected Revenue Requirement and Fee Collections



3.3 WASTEWATER RATE CALCULATIONS

All of the tables in this section show the calculations for the first year of the analysis, fiscal year 2019-20 to illustrate how the rates are calculated. The same cost allocation methodology is used for all years considered in this analysis.

RATE METHODOLOGY STEP 3

Allocate Revenue Requirement based on Flow and Strength and Determine Unit Costs

The cost to treat wastewater is a function of the total volume (“flow”) and the level of pollutants (“strength”) of the wastewater discharged by a customer.

Costs are allocated to customer categories as follows:

- A. Allocate the costs (by Cost Category) to flow, BOD and SS
- B. Determine the Unit Cost by Cost Category

Each of these steps is described in greater detail below.

A. Cost Allocation to Flow, BOD, and SS

Costs are first allocated between treatment and collection functions of the wastewater system, as shown in **Table B-9**. Then, costs are allocated to flow, BOD, and SS based on percentage allocation or distribution factors. These percentage allocation factors are based on the estimated distribution

of the treatment and collection facilities operations and maintenance (O&M) activities between or related to flow, BOD, and SS.

B. Unit Cost by Cost Category

The allocated costs are then divided by total annual capacity from **Table 16. Table B-10** in Appendix B shows the calculation of unit costs by cost category for flow, BOD, and SS. Collection costs are strictly related to flow and therefore 100 percent of the collection costs are allocated to flow. The offsetting revenues are allocated by cost category for flow, BOD and SS using the subtotal percentages from the collection and treatment cost allocations.

RATE METHODOLOGY STEP 4

Determine Revenue Requirement by Customer Type

The unit costs determined in **Table B-10** are multiplied by the flow, BOD, or SS for each customer type. These costs are then summed to determine the total costs allocated to each customer type. **Table B-11** in Appendix B shows the cost allocated to flow, BOD, and SS by customer category for fiscal year ending 2020.

Treatment Cost per Thousand Gallons

Total allocated costs to each customer category are shown in **Appendix B Table B-12**. Residential customers are responsible for 80% of the total costs. Commercial customers are responsible for 12% of the cost, and all other customer categories are responsible for 8% of the total cost.

Total treatment cost per thousand gallons is greatest for the highest strength customers (which are in the light industrial customer category) and lowest for churches/temples/community centers, which have the lowest strength wastewater. This is illustrated in **Figure 18**.

Figure 18
Calculated Cost per Thousand Gallons



Table 19 on the following page presents the calculated rates for fiscal year ending 2020. The total allocated costs to each customer category provide the basis for the rates. All residential customers will pay for wastewater on a per unit basis. Schools will pay per student. Hotels/motels will pay monthly rates per room. Commercial wastewater customers will pay a flat monthly charge per account and flow charges based on 70% of their metered potable water use each month. Light industrial users will pay a flat monthly charge per account and flow charges based on 95% of their metered potable water use each month.

Table 20 shows the calculated rates for the next five years. The rates take into account anticipated additional growth within the City (shown in **Appendix B Table B-13**). Since 2014, the City has experienced growth in the number of commercial customers and types of commercial customer. The shift in the customer base, as well as updated cost allocation factors used in the rate calculations, results in calculated fees that are slightly lower than current fees for variable charges for light industrial customers. To smooth out the difference between current and January 2021 rates, the rate study takes the midpoint for light industrial variable rate, and for the residential, light industrial and commercial base rates which would otherwise experience a greater jump between 2020 and 2021.

The proposed schedule of rates shown in **Table 21** increases rates for all customer categories in January 2020.

Table 19
Calculated Rates by Customer Category – Fiscal Year 2020

Customer Category	Billing Basis	No. Billing Units	Allocated Cost	Base 70%	Flow 30%	Annual Cost per Billing Unit		Monthly Cost	
						Base	Flow	Base	Use
Residential	Unit	3,692	\$1,974,414	\$1,382,090	\$592,324	\$374.35	\$160.43	\$534.78	\$44.57
Non-Residential									
Churches/Temples/Comm. Ctrs.	Account	16	\$8,948	\$6,264	\$2,685	\$391.49	\$167.78	\$559.28	\$46.61
Schools (with cafeteria)	Student	3,707	\$74,967	\$52,477	\$22,490	\$14.16	\$6.07	\$20.22	\$1.69
Hotel/Motel	Room	93	\$24,297	\$17,008	\$7,289	\$182.88	\$78.38	\$261.26	\$21.77
Light Industrial	Account	1	\$91,135	\$535	\$90,600	\$534.78		\$534.78	\$44.57
Commercial	Account	119	\$305,132	\$63,639	\$241,493	\$534.78		\$534.78	\$44.57
TOTAL			\$2,478,894	\$1,522,013	\$956,881				

Source: 2019 HEC wastewater rate study.

calc

**Table 20
Calculated Wastewater Rates**

Customer Category	Billing Basis	Current Rates Effective --->	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
			Jan. 2020	Jan. 2021	Jan. 2022	Jan. 2023	Jan. 2024	Jan. 2025
Residential	per unit	\$43.84	\$44.57	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Non-Residential								
Churches/Temples/Comm. Ctrs.	per account	\$42.28	\$46.61	\$50.22	\$52.66	\$54.66	\$57.81	\$61.14
Schools (with cafeteria)	per student	\$1.46	\$1.69	\$1.82	\$1.90	\$1.98	\$2.09	\$2.21
Hotel/Motel	per room	\$17.22	\$21.77	\$23.46	\$24.60	\$25.53	\$27.01	\$28.56
Light Industrial (Base)	per account	\$43.84	\$44.57	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Commercial (Base)	per account	\$43.84	\$44.57	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Variable Charges for Non-Residential Only								
Light Industrial	per gallon	\$0.010417	\$0.010342	\$0.011145	\$0.011686	\$0.012129	\$0.012829	\$0.013567
Commercial	per gallon	\$0.003837	\$0.006541	\$0.007049	\$0.007391	\$0.007671	\$0.008114	\$0.008580

Source: 2019 HEC rate study. sum

**Table 21
Proposed Wastewater Rates**

Customer Category	Billing Basis	Current Rates Effective ---->	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
			Jan. 2020	Jan. 2021	Jan. 2022	Jan. 2023	Jan. 2024	Jan. 2025
Residential	per unit	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Non-Residential								
Churches/Temples/Comm. Ctrs.	per account	\$42.28	\$46.61	\$50.22	\$52.66	\$54.66	\$57.81	\$61.14
Schools (with cafeteria)	per student	\$1.46	\$1.69	\$1.82	\$1.90	\$1.98	\$2.09	\$2.21
Hotel/Motel	per room	\$17.22	\$21.77	\$23.46	\$24.60	\$25.53	\$27.01	\$28.56
Light Industrial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Commercial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Variable Charges for Non-Residential Only								
Light Industrial [1]	per gallon	\$0.010417	\$0.010781	\$0.011145	\$0.011686	\$0.012129	\$0.012829	\$0.013567
Commercial [2]	per gallon	\$0.003837	\$0.006541	\$0.007049	\$0.007391	\$0.007671	\$0.008114	\$0.008580

Source: 2019 HEC rate study. summ

[1] Charge applied to the first 95% of total water use per month.

[2] Charge applied to the first 70% of total water use per month.

3.4 CASH FLOW AND FUND BALANCE

The projected cash flow, with revenues that are based on the proposed wastewater rates presented in Table 21, is shown in Table 22.

Table 22
Projected Cash Flow for the Wastewater Fund

Revenues and Expenses	Fiscal Year Ending					
	2020	2021	2022	2023	2024	2025
Revenues	<i>Each fiscal year has 7 months under the 'old' rates and 5 months under the 'new' rates</i>					
User Fees	\$2,266,108	\$2,447,159	\$2,603,110	\$2,755,330	\$2,923,501	\$3,135,241
Fines & Forfeits	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Return on Use of Money	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Miscellaneous	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Subtotal Revenues	\$2,320,108	\$2,501,159	\$2,657,110	\$2,809,330	\$2,977,501	\$3,189,241
Operating Expenses	\$1,405,594	\$1,470,113	\$1,537,874	\$1,609,051	\$1,683,827	\$1,762,396
Net Income before Debt Service	\$914,514	\$1,031,046	\$1,119,236	\$1,200,280	\$1,293,674	\$1,426,844
Debt Service	\$451,250	\$448,650	\$445,850	\$447,850	\$449,450	\$450,650
<i>Debt Service Coverage</i>	<i>2.03</i>	<i>2.30</i>	<i>2.51</i>	<i>2.68</i>	<i>2.88</i>	<i>3.17</i>
System Rehabilitation and New Projects	\$465,000	\$583,025	\$639,174	\$715,231	\$795,890	\$881,380
Net Revenue	(\$1,736)	(\$629)	\$34,212	\$37,199	\$48,334	\$94,814
Beginning Balance [1]	\$928,571	\$926,835	\$926,206	\$960,418	\$997,617	\$1,045,950
Net Revenue	(\$1,736)	(\$629)	\$34,212	\$37,199	\$48,334	\$94,814
Ending Balance	\$926,835	\$926,206	\$960,418	\$997,617	\$1,045,950	\$1,140,764
Restricted Cash	\$451,850	\$451,850	\$451,850	\$451,850	\$451,850	\$451,850
Est. Ending Unrestricted Cash Balance	\$474,985	\$474,356	\$508,568	\$545,767	\$594,100	\$688,914
Target Ending Balance [2]	\$468,531	\$490,038	\$512,625	\$536,350	\$561,276	\$587,465

Source: City of Livingston September 2019 financials and HEC.

flow

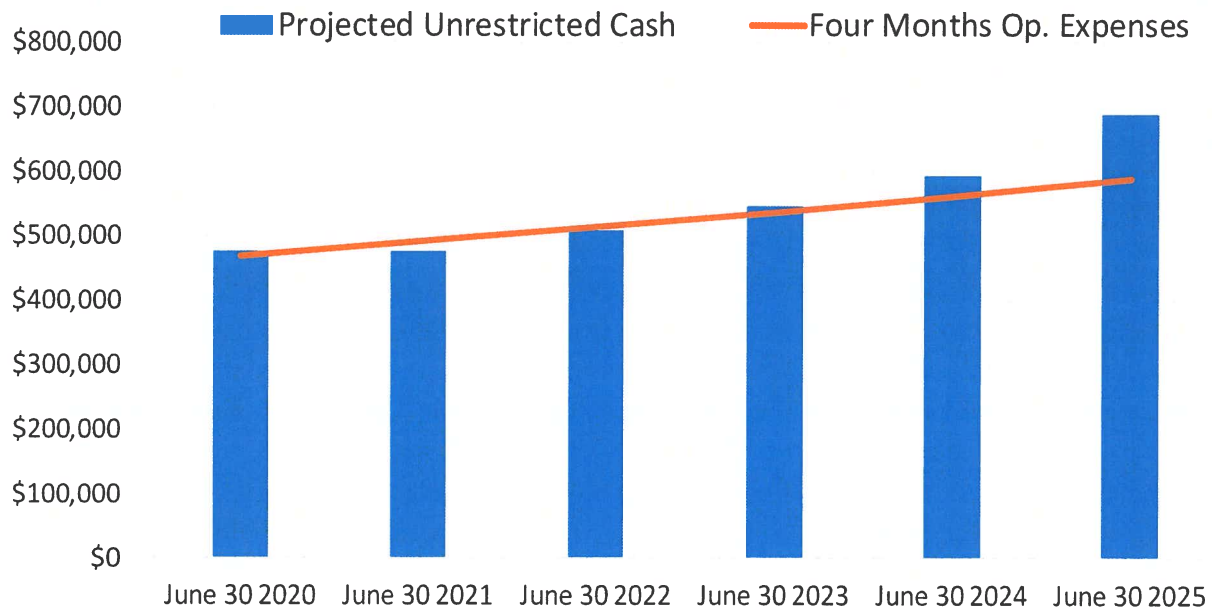
[1] Cash and investments as of July 1, 2019.

[2] Four months of operating expenses.

The projected wastewater fund ending cash balances are shown in Figure 19 on the next page. Note that although the total cash balance is projected to be greater than illustrated, one year of debt service must be restricted making this cash unavailable for any other purpose.

The target cash balance is four months of operating expenses. If cash accumulation is greater than projected, the City would be able to accelerate sewer main replacements.

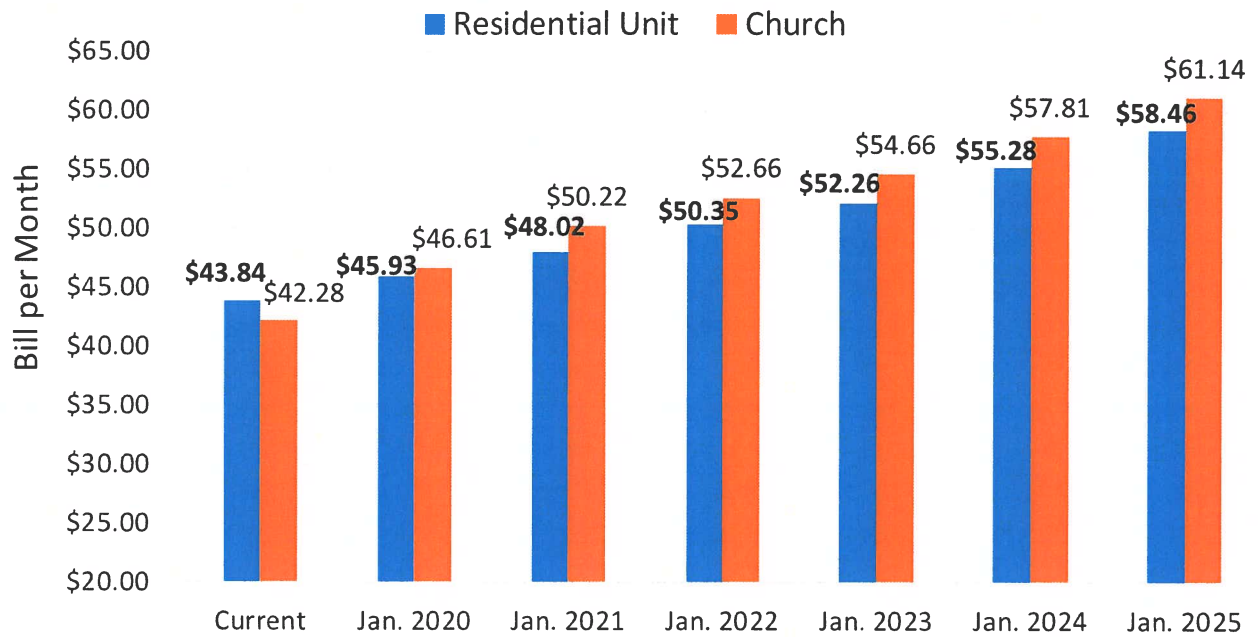
Figure 19
Projected Wastewater Cash Balance



3.5 BILL IMPACTS

Figure 20 illustrates the impact of the new rate schedule on a residential unit and a church. Currently, the monthly rate for churches is a little lower than for a residential unit but in the calculated future rates schedule the monthly charge to a church is greater than the monthly charge to a residential unit. This is because the rate study cost of service analysis assigns greater cost to the churches category in 2019 than it did in 2014. The cost allocation methodology for assigning costs to churches, and all customer categories, was updated following a review of BOD and SS parameters used in fifteen other California communities since 2014.

Figure 20
Bill Impact to a Residential Unit and a Church



Residential monthly wastewater bills are compared in **Figure 21** with other regional wastewater providers. The graph shows that Livingston’s monthly wastewater bill for a home is and will remain in the middle of the range with neighboring and regional cities.

3.5.1 Affordability

The SWRCB also administers the California Clean Water SRF (CWSRF) program and evaluates the affordability of wastewater rates on the same two criteria as water rates.

As shown in **Table 23**, under the calculated wastewater rates for January 2020, a household would pay \$45.93 each month, which is 1.04 percent of the estimated median household income for Livingston. The proposed wastewater rates are, per the SWRCB definitions, affordable.

Figure 21
Comparison of Monthly Residential Wastewater Bills

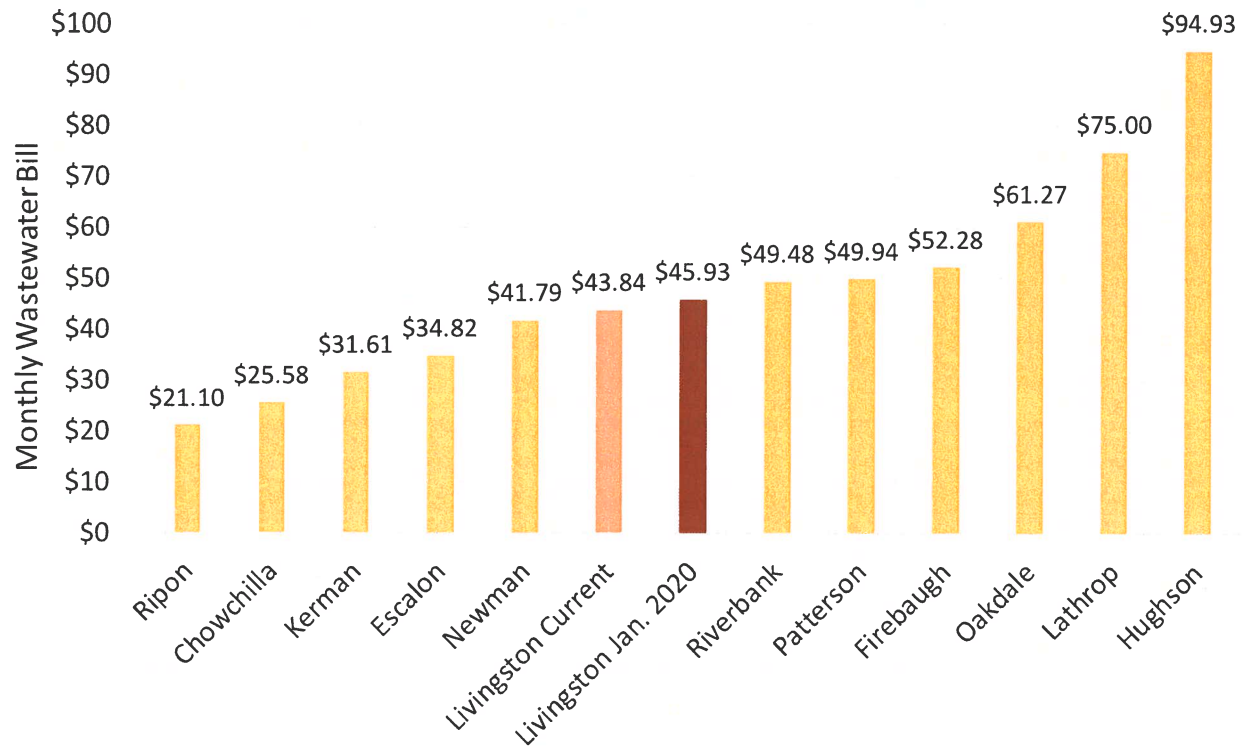


Table 23
Test of Wastewater Bill Affordability

Item	Current Rates	Rates Jan. 2020 [1]
Monthly Water Bill		
Monthly Median Household Income (MHI)	\$4,426.25	\$4,426.25
Monthly Wastewater Bill	\$43.84	\$45.93
Average Monthly Bill as Percentage of MHI [2]	0.99%	1.04%
Median Household Income (MHI)		
Statewide California	\$67,169	
Estimated Livingston [3]	\$53,115	
Livingston MHI as a percentage of the State MHI [4]	79.1%	

Source: HEC, State Water Resources Control Board, and US Census Bureau.

aff

[1] Bills must be greater than or equal to 1.5% of MHI to qualify for Disadvantaged principal forgiveness.

[2] Bills that are 1.5% to 2.0% of MHI are considered affordable.

[3] 2017 5-year American Community Survey.

[4] Per SWRCB, community with an MHI <80% of the Statewide MHI is Disadvantaged. For a Disadvantaged Community to qualify for principal forgiveness must exceed 1.5% of the service area MHI.

3.5.2 Non-Residential Bill Impacts

Figure 22 illustrates the annual impact of the January 2020 rate increase to a randomly selected convenience store and a randomly selected hotel. Figure 23 illustrates the annual impact of the rate increase on the Livingston Middle School and a randomly selected gas station.

Figure 22
Impacts on a Convenience Store and a Hotel

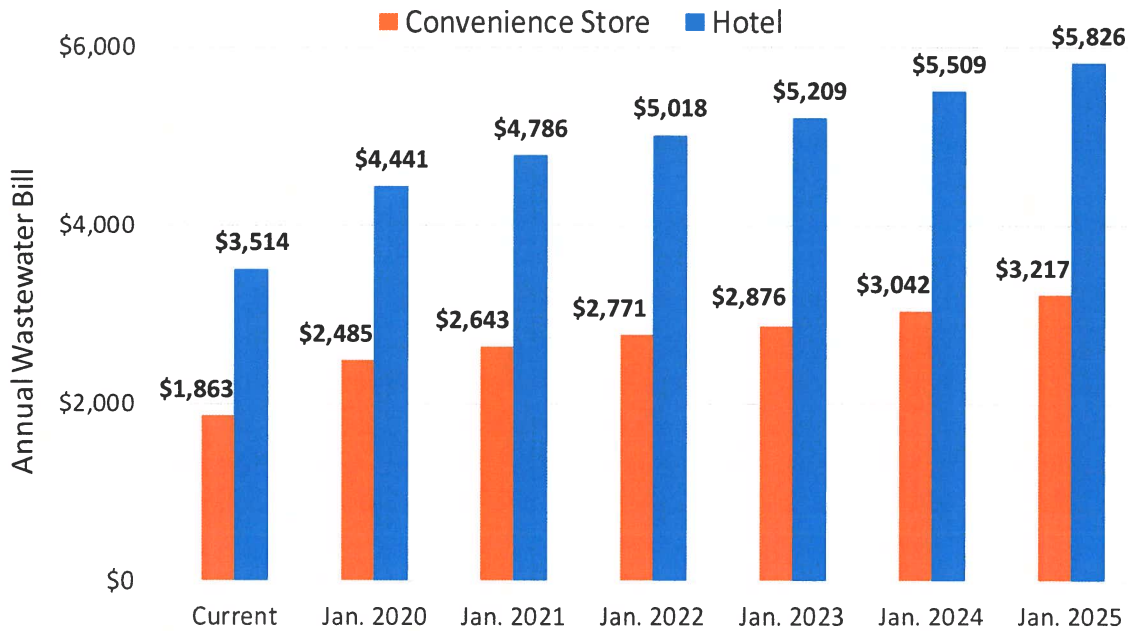
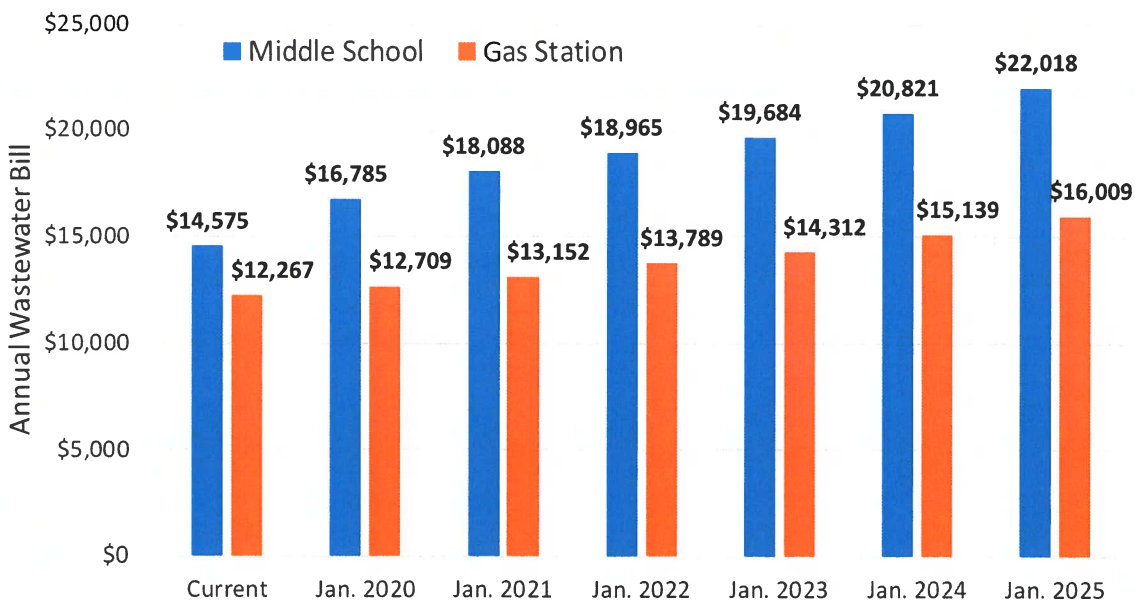


Figure 23
Impacts on a Gas Station and Livingston Middle School



Section 4: SOLID WASTE RATE STUDY

Solid waste service in Livingston is provided by Gilton under an exclusive solid waste collection franchise agreement. The agreement requires solid waste collection at least once a week to all residential customers and more frequently to commercial and industrial customers if needed. The solid waste is disposed at landfills in Merced County.

4.1 THE SOLID WASTE FUND AND ITS CUSTOMERS

The solid waste fund pays for the services provided by Gilton, landfill disposal costs, street sweeping (conducted by City staff, not Gilton), City staff costs to administer and manage both services, and associated City costs.

Historical sanitation fund revenues and expenses are shown in **Table 24**. The fund has been able to cover expenses for each of the past three years. Detail of revenues is provided **Appendix C Table C-1**. Detail of expenses is provided in **Table C-2**.

Table 24
Historical Sanitation Fund Revenues and Expenses

Expenses and Revenues	Fiscal Year Ending		
	2017	2018	2019
	actual	actual	actual
Revenues			
Intergovernmental	\$10,000	\$14,702	\$1,965
Charges for Services	\$1,371,342	\$1,386,815	\$1,417,249
Fines & Forfeitures	\$15,229	\$17,733	\$15,595
Return on Use of Money/Property	\$1,476	\$7,549	\$10,875
Miscellaneous	\$3,487	\$10,019	\$6,061
Subtotal Revenues	\$1,401,534	\$1,436,818	\$1,451,745
Expenses			
Personnel	\$91,307	\$180,716	\$177,295
Disposal Contract Services	\$907,749	\$919,518	\$997,084
Maintenance & Operations	\$97,734	\$75,308	\$91,808
Vehicles, Equip. Improvements	\$788	\$3,791	\$0
Subtotal Expenses	\$1,097,578	\$1,179,333	\$1,266,188
Net Operating Income	\$303,956	\$257,485	\$185,557

Source: City of Livingston financials November 2019.

net

Almost all of the revenues for solid waste provision is generated by monthly user rates. The current rate schedule is shown in **Table 25**. The table shows n/a for services that currently do not have any customers but that Gilton has provided the City a cost for. Current charges for service by Gilton are provided in **Appendix C Table C-3**.

Table 25
Current Sanitation Fund Rates

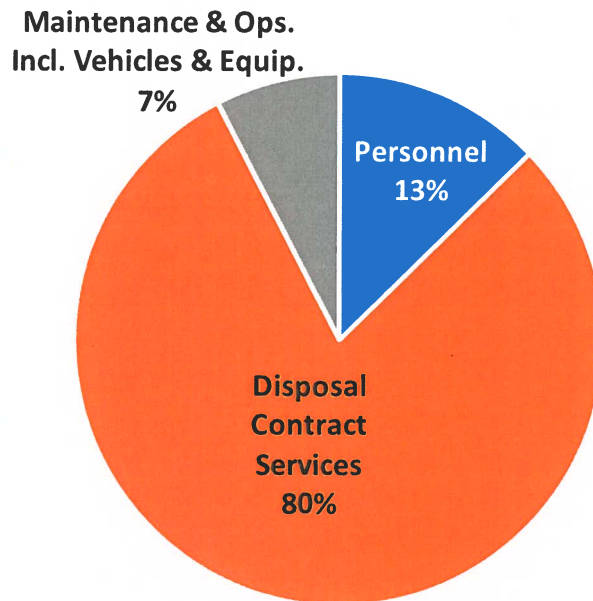
Collections per Week	Current City Rates				
	x1	x2	x3	x4	x5
Residential					
96 gal. cart	\$25.16				
Add'l cart	\$5.97				
96 gal. cart greenwaste	\$1.33				
Add'l greenwaste cart	\$5.97				
Multi-Family & Comm'l					
1 CY	\$47.36	\$93.90	n/a	n/a	n/a
2 CY	\$94.41	\$187.14	n/a	n/a	n/a
3 CY	\$139.86	\$264.56	\$398.63	n/a	n/a
4 CY	\$179.04	\$348.86	\$545.64	n/a	n/a
6 CY	\$251.71	\$490.40	\$750.40	n/a	n/a
Commercial - Compacting Bins					
3 CY	n/a	n/a	n/a	n/a	n/a
4 CY	n/a	n/a	n/a	n/a	n/a
Standard Recycle Bins					
4 CY	\$71.41	n/a	n/a	n/a	n/a
6 CY	\$71.41	n/a	n/a	n/a	n/a

Source: City of Livingston May 2019.

now

The majority of sanitation fund annual expenditures are for the disposal contract with Gilton. **Figure 24** shows that 80% of the total sanitation fund expenses for the last three fiscal years were for the Gilton contract.

Figure 24
Typical Annual Sanitation Fund Expenses



The City provides service to more than 3,000 customers of which 97% are single-family or duplex/triplex/four-plex residential. The projection of customer accounts with a 1.5% growth rate through the five-year rate period is provided in **Appendix Table C-4**.

4.2 REVENUE REQUIREMENT

The projected revenue requirement for the solid waste fund is shown in **Table 26**. The revenue requirement is projected to increase from \$1.23 million in fiscal year 2019 to \$1.83 million by fiscal year ending 2025.

Currently, user fees are greater than the revenue requirement. In fiscal year 2020 the revenue requirement is estimated at \$1.35 million, however, user fees were \$1.42 million in fiscal year 2019 and are expected to be about the same fiscal year 2020. Due to a sufficiency of cash reserves in the sanitation fund, the solid waste user fees do not need to be increased until January 2021.

The rate calculations are based on the user fee increases shown at the bottom of **Table 26**.

Table 26
Projected Revenue Requirement for the Sanitation Fund

Expenses	Inflator	Fiscal Year Ending						
		2019	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Operating Expenses								
Personnel	6.0%	\$177,295	\$187,933	\$199,209	\$211,161	\$223,831	\$237,261	\$251,496
Disposal Contract Service [1]	6.5%	\$997,084	\$1,061,895	\$1,130,918	\$1,204,428	\$1,282,716	\$1,366,092	\$1,454,888
Professional Services	3.0%	\$26,240	\$27,027	\$27,838	\$28,673	\$29,533	\$30,419	\$31,332
Computer Support Agreement	2.5%	\$21,136	\$21,665	\$22,206	\$22,761	\$23,331	\$23,914	\$24,512
Equipment and Repairs	3.5%	\$5,050	\$5,227	\$5,410	\$5,599	\$5,795	\$5,998	\$6,208
Insurance	2.5%	\$4,831	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602
Supplies and Other	2.5%	\$34,608	\$35,473	\$36,360	\$37,269	\$38,200	\$39,155	\$40,134
Subtotal Operating Expenses		\$1,266,244	\$1,344,170	\$1,427,015	\$1,515,093	\$1,608,738	\$1,708,304	\$1,814,172
Equipment Purchase [2]	3.5%	\$0	\$40,000	\$41,400	\$42,849	\$44,349	\$45,901	\$47,507
Estimated Annual Costs		\$1,266,244	\$1,384,170	\$1,468,415	\$1,557,942	\$1,653,086	\$1,754,205	\$1,861,679
<i>Disposal Contract Service % of Op. Costs</i>		<i>79%</i>	<i>77%</i>	<i>77%</i>	<i>77%</i>	<i>78%</i>	<i>78%</i>	<i>78%</i>
Credits								
Intergovernmental	estimate	\$1,965	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Fines & Forfeitures	3.0%	\$15,595	\$16,063	\$16,545	\$17,042	\$17,553	\$18,079	\$18,622
Return on Use of Money	estimate	\$10,875	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Miscellaneous	constant	\$6,061	\$6,061	\$6,061	\$6,061	\$6,061	\$6,061	\$6,061
Total Credits		\$34,496	\$32,125	\$32,606	\$33,103	\$33,614	\$34,141	\$34,683
Total Revenue Requirement		\$1,231,748	\$1,352,046	\$1,435,809	\$1,524,839	\$1,619,472	\$1,720,065	\$1,826,996
Increase in User Fees			0.0%	3.5%	4.0%	4.5%	5.0%	5.0%
User Fees		\$1,417,249	\$1,417,249	\$1,466,853	\$1,525,527	\$1,594,176	\$1,673,884	\$1,757,579

Source: City of Livingston September 2019 and HEC.

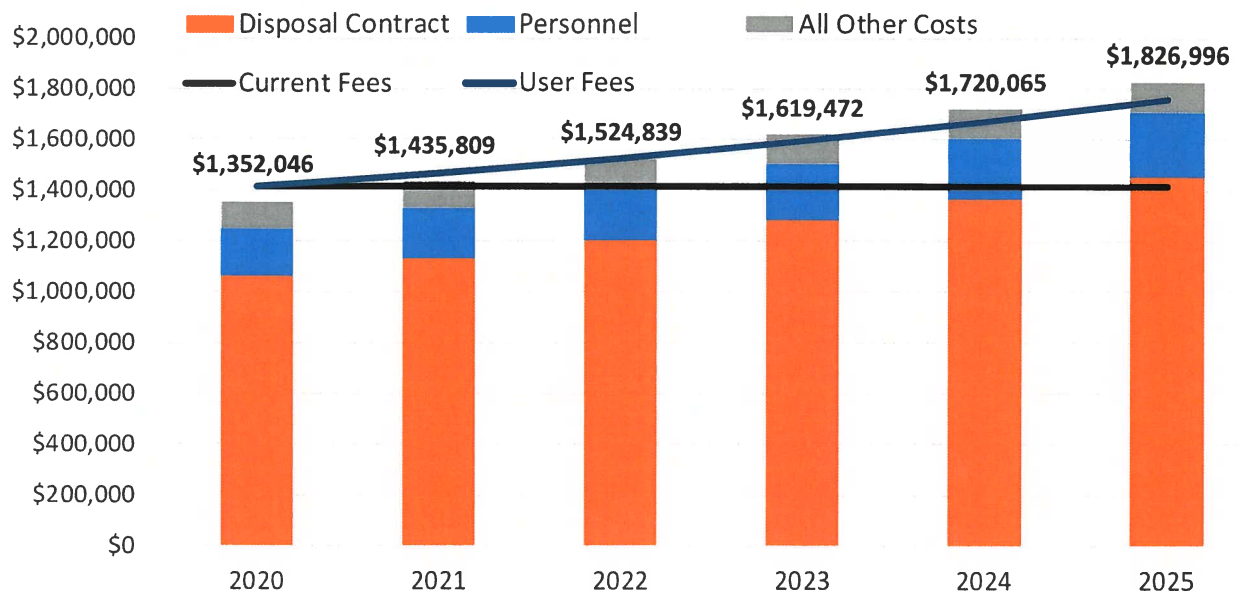
rev req

[1] The disposal contract will increase 3.5% fiscal year 19/20 (per Gilton's request as allowed by contract) for inflation; the model increases costs 6.5% per year to account for inflation, increased Merced County Regional Solid Waste Management Authority costs, and growth in number of customers.

[2] Estimate based on replacement of a street sweeper every five years as well as \$5,000 each year for various equipment needs.

Figure 25 on the following page illustrates the components of revenue requirement in the study period, the amount estimated to be collected in user fees, and the amount currently collected in user fees.

Figure 25
Projected Revenue Requirement and Fee Collections



4.3 SOLID WASTE RATE CALCULATIONS

The cost of service to each customer group is what the Gilton contract cost is plus additional City costs to provide sanitation and street sweeping services. Gilton contract costs are about 80% of total operating costs; however, the City should be collecting annually for capital costs such as replacement of street sweepers and specialized equipment. After accounting for capital replacement and upgrade costs, Gilton rates are about 77% of total annual costs.

The rate calculations are based on total user fees to be raised each year to provide revenue sufficiency for the sanitation fund. The calculated rates are shown in **Table 27**. These rates were calculated based on the Gilton rates plus the City’s service costs. The calculated rates are lower than current rates because the City is currently collecting more in revenue than necessary to pay for the Gilton contract and City costs.

Rather than lower the rates, which runs the risk of insufficient revenue collection in future years, the rates are frozen January 2020 and then gradually increased each year. Under this schedule of rates, as shown in **Table 28** on page 58, the City would draw down on reserves to meet the requirements of SB 1383.

Table 27
Calculated Fiscal Year 2019/20 Rates

Collections per Week	Calculated Rates				
	x1	x2	x3	x4	x5
Residential	<i>Gilton Contract as % of Total 77%</i>				
96 gal. cart	\$22.14				
Add'l cart	\$5.84				
96 gal. cart greenwaste	\$1.17				
Add'l greenwaste cart	\$5.84				
Multi-Family & Comm'l					
1 CY	\$41.69	\$82.65	\$123.48	\$164.40	\$205.31
2 CY	\$83.09	\$164.70	\$248.32	\$330.61	\$412.87
3 CY	\$123.10	\$232.84	\$350.86	\$461.65	\$561.64
4 CY	\$157.57	\$307.05	\$480.22	\$587.19	\$703.52
6 CY	\$221.55	\$431.62	\$660.44	\$823.48	\$1,036.58
Organics Bin (New)	\$232.52	\$453.06			
Commercial - Compacting Bins					
3 CY	\$428.09	\$825.01	\$1,651.69	\$1,651.69	\$2,064.60
4 CY	\$543.00	\$1,039.44	\$2,202.23	\$2,202.23	\$2,752.82
Standard Recycle Bins					
4 CY	\$62.84	\$125.69	\$251.40	\$251.40	\$314.23
6 CY	\$62.84	\$125.69	\$251.40	\$251.40	\$314.23

Source: City of Livingston and HEC November 2019.

new

A new service is included in the rate schedule for organics bins. The organics bins will be provided by Gilton to commercial and multi-family customers primarily for food waste services, which is a requirement of Senate Bill (SB) 1383.

Table 28
Five-Year Schedule of Solid Waste Rates

Service Type	Current	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
	<i>New Rates Effective ---></i>	<i>Jan. 2020</i>	<i>Jan. 2021</i>	<i>Jan. 2022</i>	<i>Jan. 2023</i>	<i>Jan. 2024</i>	<i>Jan. 2025</i>
	<i>Rate Increase ---></i>	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<i>Rates do not include charges for special services that are scheduled between the customer and provider such as off schedule pick up, container maintenance, and delivery charges.</i>							
SINGLE FAMILY RESIDENTIAL		Once per week pickup					
96 gal. cart	\$25.16	\$23.25	\$24.41	\$25.63	\$26.91	\$28.26	\$29.67
Add'l cart	\$5.97	\$6.14	\$6.44	\$6.77	\$7.10	\$7.46	\$7.83
96 gal. cart greenwaste	\$1.33	\$1.23	\$1.29	\$1.35	\$1.42	\$1.49	\$1.57
Add'l greenwaste cart	\$5.97	\$6.14	\$6.44	\$6.77	\$7.10	\$7.46	\$7.83
MULTI-FAMILY & COMMERCIAL		Once per week pickup					
1 cubic yard container	\$47.36	\$43.77	\$45.96	\$48.26	\$50.67	\$53.21	\$55.87
2 cubic yards container	\$94.41	\$87.25	\$91.61	\$96.19	\$101.00	\$106.05	\$111.35
3 cubic yards container	\$139.86	\$129.26	\$135.72	\$142.51	\$149.63	\$157.12	\$164.97
4 cubic yards container	\$179.04	\$165.45	\$173.72	\$182.41	\$191.53	\$201.11	\$211.16
6 cubic yards container	\$251.71	\$232.62	\$244.25	\$256.47	\$269.29	\$282.75	\$296.89
Organics Bin (New)		\$65.99	\$69.29	\$72.75	\$76.39	\$80.21	\$84.22
Recycle Bins							
4 & 6 cubic yard containers	\$71.41	\$65.99	\$69.29	\$72.75	\$76.39	\$80.21	\$84.22
Commercial Compacting							
3 cubic yards container	n/a	\$449.50	\$471.97	\$495.57	\$520.35	\$546.36	\$573.68
4 cubic yards container	n/a	\$570.15	\$598.66	\$628.59	\$660.02	\$693.02	\$727.67
MULTI-FAMILY & COMMERCIAL		Twice per week pickup					
1 cubic yard container	\$93.90	\$103.52	\$108.70	\$114.14	\$119.84	\$125.83	\$132.13
2 cubic yards container	\$187.14	\$206.32	\$216.64	\$227.47	\$238.84	\$250.79	\$263.32
3 cubic yards container	\$264.56	\$291.68	\$306.26	\$321.57	\$337.65	\$354.54	\$372.26
4 cubic yards container	\$348.86	\$384.62	\$403.85	\$424.04	\$445.24	\$467.51	\$490.88
6 cubic yards container	\$490.40	\$540.67	\$567.70	\$596.08	\$625.89	\$657.18	\$690.04
Organic Bins (New)	n/a	\$131.97	\$138.57	\$145.50	\$152.77	\$160.41	\$168.43
Recycle Bins							
4 & 6 cubic yard containers	n/a	\$131.97	\$138.57	\$145.50	\$152.77	\$160.41	\$168.43
Commercial Compacting							
3 cubic yards container	n/a	\$866.26	\$909.58	\$955.06	\$1,002.81	\$1,052.95	\$1,105.60
4 cubic yards container	n/a	\$1,091.41	\$1,145.98	\$1,203.28	\$1,263.45	\$1,326.62	\$1,392.95
MULTI-FAMILY & COMMERCIAL		Three times per week pickup					
1 cubic yard container	n/a	\$147.32	\$154.69	\$162.42	\$170.54	\$179.07	\$188.02
2 cubic yards container	n/a	\$296.27	\$311.08	\$326.64	\$342.97	\$360.12	\$378.12
3 cubic yards container	\$398.63	\$439.49	\$461.46	\$484.54	\$508.76	\$534.20	\$560.91
4 cubic yards container	\$545.64	\$601.57	\$631.65	\$663.23	\$696.39	\$731.21	\$767.77
6 cubic yards container	\$750.40	\$827.32	\$868.68	\$912.12	\$957.72	\$1,005.61	\$1,055.89
Recycle Bins							
4 & 6 cubic yard containers	n/a	\$263.97	\$277.17	\$291.03	\$305.58	\$320.86	\$336.90
Commercial Compacting							
3 cubic yards container	n/a	\$1,734.27	\$1,820.99	\$1,912.04	\$2,007.64	\$2,108.02	\$2,213.42
4 cubic yards container	n/a	\$2,312.35	\$2,427.96	\$2,549.36	\$2,676.83	\$2,810.67	\$2,951.20

Source: City of Livingston and HEC.

sum

Table 29 shows the amount of revenue estimated to be generated by each customer group in fiscal year 2019/20 with current rates frozen. The total revenue estimate is slightly lower than actually realized in fiscal year 2019 because approximately \$125,000 is collected not from monthly rates but from additional services that are specially requested by customers such as off-schedule pickups.

Table 29
Estimated Revenue Fiscal Year 2019/20

Customer	% of Revenue	Total Revenue	Projected Revenue in FY 2020		
			x1	x2	x3
Residential					
96 gal. cart	72.02%	\$930,517	\$930,517		
Add'l cart	1.57%	\$20,346	\$20,346		
96 gal. cart greenwaste	3.77%	\$48,758	\$48,758		
Add'l greenwaste cart	0.04%	\$501	\$501		
Multi-Family & Comm'l					
1 CY	0.31%	\$3,978	\$3,978	\$0	\$0
2 CY	2.54%	\$32,835	\$30,589	\$2,246	\$0
3 CY	2.67%	\$34,517	\$21,818	\$12,699	\$0
4 CY	9.25%	\$119,498	\$36,524	\$50,236	\$32,738
6 CY	7.83%	\$101,121	\$21,144	\$52,963	\$27,014
TOTAL	100.00%	\$1,292,072	\$1,114,176	\$118,144	\$59,753

Source: City of Livingston and HEC November 2019.

2020

Table 30 on the next page shows total revenue estimated through the five-year period. Due to estimated growth in number of customers, revenue generation is greater than required in **Table 26**. While customers will be required to use the organics bins, the number of customers in this rate category is not known at this time; therefore, no revenue from this category has been included in the projection.

Table 30
Projected Sanitation Fund Revenue

Customer Type	2019	Annual Revenue with Growth in Number of Services					
		2020	2021	2022	2023	2024	2025
Residential							
96 gal. cart	\$930,517	\$930,517	\$977,532	\$1,031,883	\$1,094,492	\$1,166,455	\$1,243,149
Add'l cart	\$20,346	\$20,346	\$21,374	\$22,562	\$23,931	\$25,505	\$27,181
96 gal. cart greenwaste	\$48,758	\$48,758	\$51,221	\$54,069	\$57,350	\$61,121	\$65,139
Add'l greenwaste cart	\$501	\$501	\$527	\$556	\$590	\$629	\$670
Multi-Family & Comm'l - 1x / Week							
1 CY	\$3,978	\$3,978	\$4,179	\$4,412	\$4,679	\$4,987	\$5,315
2 CY	\$30,589	\$30,589	\$32,134	\$33,921	\$35,979	\$38,345	\$40,866
3 CY	\$21,818	\$21,818	\$22,921	\$24,195	\$25,663	\$27,350	\$29,149
4 CY	\$36,524	\$36,524	\$38,370	\$40,503	\$42,960	\$45,785	\$48,795
6 CY	\$21,144	\$21,144	\$22,212	\$23,447	\$24,870	\$26,505	\$28,247
Multi-Family & Comm'l - 2x/Week							
1 CY	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 CY	\$2,246	\$2,246	\$2,359	\$2,490	\$2,641	\$2,815	\$3,000
3 CY	\$12,699	\$12,699	\$13,340	\$14,082	\$14,937	\$15,919	\$16,965
4 CY	\$50,236	\$50,236	\$52,774	\$55,708	\$59,088	\$62,973	\$67,114
6 CY	\$52,963	\$52,963	\$55,639	\$58,733	\$62,296	\$66,392	\$70,758
Multi-Family & Comm'l - 3x/Week							
1 CY	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 CY	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 CY	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 CY	\$32,738	\$32,738	\$34,393	\$36,305	\$38,508	\$41,039	\$43,738
6 CY	\$27,014	\$27,014	\$28,379	\$29,957	\$31,775	\$33,864	\$36,091
TOTAL	\$1,292,072	\$1,292,072	\$1,357,354	\$1,432,823	\$1,519,759	\$1,619,683	\$1,726,178
Other Services [1]	\$125,177	\$125,177	\$131,502	\$138,813	\$147,236	\$156,917	\$167,234
Total Estimated Revenue	\$1,417,249	\$1,417,249	\$1,488,856	\$1,571,636	\$1,666,995	\$1,776,600	\$1,893,411

Source: City of Livingston and HEC May 2019.

rev proj

[1] Includes off schedule pick up, container maintenance, and delivery charges

4.4 CASH FLOW AND FUND BALANCE

The projected sanitation fund cash flow is provided in **Table 31**. It is projected that the City could fund all anticipated operations costs and new costs associated with SB 1383 while maintaining at least four months of operating expenses in the fund. Included in the cost projection is \$100,000 per year in 2019 dollars to pay for the anticipated costs of implementing SB 1383. Anticipated costs include legal, education, outreach, software, enforcement and inspection costs. It is likely that the City will need to hire a recycling coordinator. Until the State has issued all the requirements of compliance this should be considered a “best estimate” of SB 1383 compliance costs.

Table 31
Sanitation Fund Projected Cash Flow

Revenues and Expenses	Fiscal Year Ending					
	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Operating Revenues						
User Fees	\$1,417,249	\$1,447,085	\$1,523,347	\$1,611,369	\$1,712,664	\$1,825,271
Intergovernmental	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Fines & Forfeitures	\$16,063	\$16,545	\$17,042	\$17,553	\$18,079	\$18,622
Return on Use of Money	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Miscellaneous	\$6,061	\$6,061	\$6,061	\$6,061	\$6,061	\$6,061
Total Operating Revenues	\$1,449,374	\$1,479,692	\$1,556,450	\$1,644,983	\$1,746,804	\$1,859,954
Operating Expenses						
Contract Disposal Service	\$1,061,895	\$1,130,918	\$1,204,428	\$1,282,716	\$1,366,092	\$1,454,888
All Other	\$273,046	\$286,361	\$300,393	\$315,183	\$330,773	\$347,210
Total Operating Expenses	\$1,334,941	\$1,417,279	\$1,504,821	\$1,597,898	\$1,696,865	\$1,802,098
Equipment Purchase	\$40,000	\$41,400	\$42,849	\$44,349	\$45,901	\$47,507
Net Revenues (Deficit)	\$74,433	\$21,013	\$8,781	\$2,736	\$4,038	\$10,349
Beginning Cash Balance [1]	\$1,043,552	\$1,117,985	\$1,035,998	\$938,173	\$830,573	\$720,414
Net Revenues (Deficit)	\$74,433	\$21,013	\$8,781	\$2,736	\$4,038	\$10,349
Enhanced Services [2]		(\$103,000)	(\$106,605)	(\$110,336)	(\$114,198)	(\$118,195)
Ending Cash Balance	\$1,117,985	\$1,035,998	\$938,173	\$830,573	\$720,414	\$612,567
Target Minimum Cash [3]	\$444,980	\$472,426	\$501,607	\$532,633	\$565,622	\$600,699

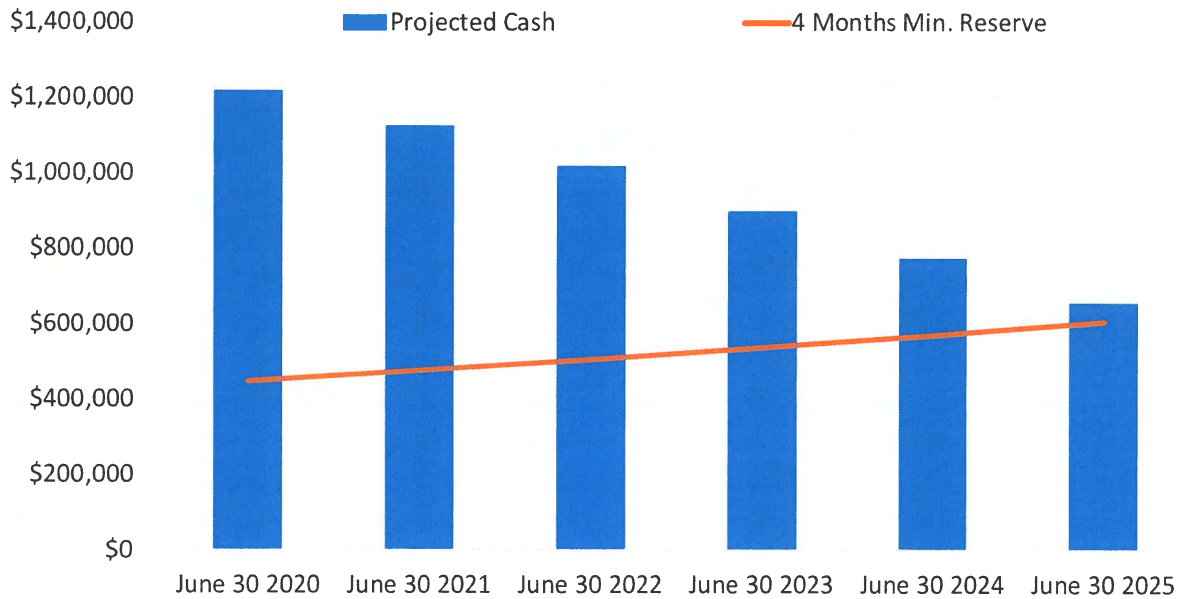
Source: City of Livingston September 2019 and HEC.

flow

- [1] Cash and cash equivalents; not necessarily the same as fund balance.
- [2] Enhanced services costs increased 3.5% per year.
- [3] Target minimum cash is 4 months of expenditures.

The projected ending fiscal year cash balances are illustrated in **Figure 26** on the next page.

Figure 26
Projected Cash Flow and Fund Balance



4.5 BILL IMPACTS

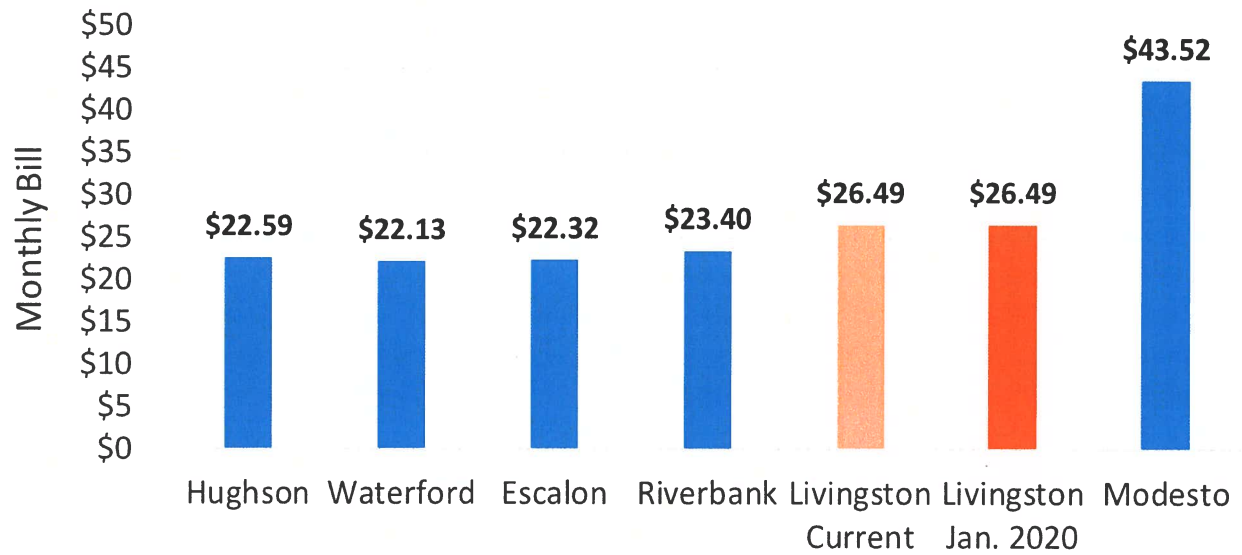
The projected five-year bill impacts for a single family home are shown in **Figure 27**. The monthly sanitation bill would increase from \$26.49 to \$32.85 over the five-year period.

Figure 27
Single Family Home Projected Bill Impact



In **Figure 28**, Livingston’s two-can monthly rate is compared with Modesto, Riverbank, Escalon, Waterford, and Hughson, all of which contract with Gilton for service provision. The rates for all comparison communities include two cans (one for recycle items) although not all can sizes are the same and additional cans cost more in most other communities than in Livingston.

Figure 28
Comparison of Single Family Solid Waste Monthly Bills



APPENDIX A

WATER RATE STUDY SUPPORT TABLES

Table A-1
City of Livingston 2019 Water Rates Update
Historical Water Fund Revenues

DRAFT

Revenues	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Intergovernmental Revenue	\$0	\$68,868	(\$3,035)
Charges for Services			
User Fees	\$3,305,476	\$3,360,495	\$3,592,366
Connection Fees	\$0	\$25	\$0
Meter Installation	\$0	\$75,563	\$51,718
Meter Replacement Fees	\$142,204	\$148,077	\$158,192
Subtotal Charges for Services	\$3,447,680	\$3,584,161	\$3,802,276
Fines & Forfeitures	\$21,204	\$37,322	\$17,980
Interest Income	\$4,427	\$26,788	\$48,768
Miscellaneous Revenue	\$10,916	\$19,794	\$7,959
Total Revenues	\$3,484,226	\$3,736,933	\$3,873,948

Source: City of Livingston financials provided September 2019.

revs

Table A-2
City of Livingston 2019 Water Rates Update
Historical Water Fund Expenses

DRAFT

Expenses	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Personnel			
Salaries	\$302,942	\$348,123	\$399,090
Benefits	\$131,034	\$326,910	\$324,283
Medical	\$0	\$99	\$0
Uniforms	\$2,641	\$3,956	\$2,725
Subtotal Personnel	\$436,617	\$679,088	\$726,097
Maintenance and Operations			
Professional Services	\$67,097	\$12,795	\$9,632
Contract Services	\$137,619	\$117,483	\$110,320
Reg. Tuition Training	\$1,521	\$1,503	\$3,200
City Audit	\$7,501	\$7,600	\$7,600
Computer Support Agreements	\$24,764	\$38,631	\$28,947
Water Storage Tanks O&M	\$0	\$7,940	\$3,348
Water Wells O&M	\$330,266	\$140,513	\$284,608
Distribution O&M	\$60,431	\$33,708	\$60,746
Utilities	\$556,957	\$600,424	\$560,431
Vehicle O&M	\$18,623	\$35,258	\$19,981
Equipment O&M	\$5,625	\$3,962	\$6,855
Facilities O&M	\$7,427	\$3,306	\$5,977
Insurance	\$40,569	\$36,274	\$36,682
CommCell Phones	\$5,368	\$8,175	\$6,638
Advertisement	\$1,374	\$1,073	\$2,786
Printing	\$3,246	\$3,212	\$3,375
Bank Service Fees	\$5,176	\$6,467	\$7,496
Travel	\$1,966	\$992	\$3,166
Small Tools & Equip.	\$6,300	\$11,411	\$8,953
Office Supplies	\$3,220	\$2,540	\$2,679
Postage	\$8,453	\$7,627	\$8,105
Miscellaneous	\$1,178	\$1,270	(\$8,272)
Books/Subscriptions	\$0	\$66	\$397
Dues/Memberships	\$23,107	\$22,549	\$19,816
Reimbursements/Refunds	\$0	\$0	\$1,017
SGMA Compliance Contrib.	\$0	\$0	\$0
Water Meter Purchase	\$0	\$2,858	\$0
Water Hydrant Maint.	\$288	\$0	\$0
System Rehabilitation	(\$8,500)	\$0	\$0
Subtotal Maintenance and Operations	\$1,309,576	\$1,107,636	\$1,194,483
Projects			
Infrastructure	\$0	\$0	\$72,966
Water Tank Rehab.	\$0	\$0	\$477,935
New Well #8	\$0	\$0	\$10,094
Subtotal Projects	\$0	\$0	\$560,996
Vehicles, Equip. & Improvements			
Equipment Purchase	\$34,280	\$11,872	\$27,130
Vehicle Purchase	\$0	\$0	\$38,229
Meter Replacement	\$76,118	\$133,057	\$36,295
Furniture	\$0	\$498	\$0
Subtotal Vehicles, Equip. & Improvements	\$110,399	\$145,427	\$101,655
Total Expenses excl. Debt Service	\$1,856,591	\$1,932,151	\$2,583,231
Transfers Out	\$0	\$1,773,333	\$0
Debt Service	\$11,812	\$20,348	\$78,778

Source: City of Livingston financials provided September 2019.

exps

Table A-3
City of Livingston 2019 Water Rates Update

Historical Consumption

DRAFT

Year	Water Used
	gallons
2013	2,372,789,000
2014	2,388,570,000
2015	2,101,135,349
2016	2,096,915,212
2017	2,074,911,951
2018	2,254,177,000
Average	2,214,749,752
Average last 3 Years	2,142,001,388

Source: City of Livingston September 2019.

hist use

Table A-4
City of Livingston 2019 Water Rates Update

DRAFT

Well Production

Month	Calendar Year			Annual Average	% Delivery by Month
	2016	2017	2018		
<i>All Figures in Gallons</i>					
Jan	149,052,000	160,517,162	149,314,098	152,961,087	7.1%
Feb	134,313,000	132,900,237	139,437,808	135,550,348	6.3%
Mar	160,004,000	157,806,860	142,435,778	153,415,546	7.1%
Apr	174,700,000	144,083,799	165,066,889	161,283,563	7.5%
May	194,107,000	189,298,693	208,602,845	197,336,179	9.2%
Jun	219,983,000	178,863,153	221,974,266	206,940,140	9.6%
Jul	235,689,000	197,205,625	267,180,750	233,358,458	10.9%
Aug	223,396,000	215,617,627	231,995,178	223,669,602	10.4%
Sep	202,670,000	188,491,756	199,879,868	197,013,875	9.2%
Oct	194,270,000	192,171,330	187,961,790	191,467,707	8.9%
Nov	150,548,912	145,490,025	148,353,782	148,130,906	6.9%
Dec	152,557,513	135,045,974	150,523,769	146,042,419	6.8%
Total	2,191,290,425	2,037,492,241	2,212,726,821	A 2,147,169,829	100.0%
Peaking Period (May through October inclusive)				B 1,249,785,960	58%
Base Monthly Flow				C 149,563,978	
Base Annual Flow				D = C*12 1,794,767,737	84%
Additional Flow				E = A-D 352,402,092	16%

Source: City of Livingston May 2019.

wells

Table A-5
City of Livingston 2019 Water Rates Update
Estimated Water Capital Improvement Plan Costs

DRAFT

Water Project	Funding Source	Fiscal Year Ending					
		2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Water CIP Projects							
Well 8 - New Well	Reserves		\$1,000,000				
Well 9 - New Well	Reserves	\$1,200,000					
Well 11 - New Well	Foster Farms	\$1,200,000					
Well 12 Conveyance & Treatment	Reserves					\$1,720,000	
Well 8 & 9 Conveyance & Treatment Plant	SRF Loan		\$3,375,000				
	Connection Fees		\$1,125,000				
Well 14 & 16 Conveyance & Treatment Plant - <i>secured loan</i>	SRF Loan	\$4,000,000					
Well 13 & 17 Conveyance, Treatment Plant & Storage Tank	SRF Loan		\$6,375,000				
	Connection Fees		\$2,125,000				
Water Line Replacement Ph 4 (Walnut, Davis, White, N Main)	Reserves			\$1,331,320			
Park Surface Water Irrigation	Reserves		\$187,381				
	Grant		\$172,619				
Server Upgrades	Reserves	\$25,000					
Total Estimated Water Improvements Cost		\$6,425,000	\$14,360,000	\$1,331,320	\$0	\$1,720,000	\$0
Funding Sources							
SRF Loan		\$4,000,000	\$9,750,000	\$0	\$0	\$0	\$0
Reserves		\$1,225,000	\$1,187,381	\$1,331,320	\$0	\$1,720,000	\$0
Connection Fees		\$0	\$3,250,000	\$0	\$0	\$0	\$0
Grant		\$0	\$172,619	\$0	\$0	\$0	\$0
Foster Farms		\$1,200,000	\$0	\$0	\$0	\$0	\$0
Total Funding		\$6,425,000	\$14,360,000	\$1,331,320	\$0	\$1,720,000	\$0
Estimated New O&M Costs from CIP Projects							
Well 8 & 9 GAC		\$200,000		\$200,000		\$200,000	
Well 13 & 17 GAC			\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Well 13 Green Sand		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Well 14 & 16 GAC			\$200,000	\$200,000		\$200,000	
Well 16 Green Sand		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Well 17 Green Sand		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Bulk Chemicals - Wells		\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Estimated New Media & Chemicals Cost		\$295,000	\$95,000	\$495,000	\$95,000	\$695,000	\$95,000

Source: City of Livingston November 2019.

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Table A-6
City of Livingston 2019 Water Rates Update
Inflated CIP

DRAFT

Water Project	Funding Source	TOTAL	Fiscal Year Ending					
			2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Water CIP Projects								
Well 8 - New Well	Reserves	\$1,030,000	\$0	\$1,030,000	\$0	\$0	\$0	\$0
Well 9 - New Well	Reserves	\$1,200,000	\$1,200,000	\$0	\$0	\$0	\$0	\$0
Well 11 - New Well	Foster Farms	\$1,200,000	\$1,200,000	\$0	\$0	\$0	\$0	\$0
Well 12 Conveyance & Treatment	Reserves	\$1,935,875	\$0	\$0	\$0	\$0	\$1,935,875	\$0
Well 8 & 9 Conveyance & Treatment Plant	SRF Loan	\$4,635,000	\$0	\$4,635,000	\$0	\$0	\$0	\$0
Well 14 & 16 Conveyance & Treatment Plant - secured loan	SRF Loan	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0
Well 13 & 17 Conveyance, Treatment Plant & Storage Tank	SRF Loan	\$8,755,000	\$0	\$8,755,000	\$0	\$0	\$0	\$0
Water Line Replacement Ph 4 (Walnut, Davis, White, N Main)	Reserves	\$1,412,397	\$0	\$0	\$1,412,397	\$0	\$0	\$0
Park Surface Water Irrigation	Reserves	\$370,800	\$0	\$370,800	\$0	\$0	\$0	\$0
Server Upgrades	Reserves	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$0
Total Estimated Water Improvements Cost		\$24,564,073	\$6,425,000	\$14,790,800	\$1,412,397	\$0	\$1,935,875	\$0
Funding Sources								
SRF Loan		\$14,042,500	\$4,000,000	\$10,042,500	\$0	\$0	\$0	\$0
Reserves		\$5,796,275	\$1,225,000	\$1,223,002	\$1,412,397	\$0	\$1,935,875	\$0
Connection Fees		\$3,347,500	\$0	\$3,347,500	\$0	\$0	\$0	\$0
Grant		\$177,798	\$0	\$177,798	\$0	\$0	\$0	\$0
Foster Farms		\$1,200,000	\$1,200,000	\$0	\$0	\$0	\$0	\$0
Total Funding		\$24,564,073	\$6,425,000	\$14,790,800	\$1,412,397	\$0	\$1,935,875	\$0
Estimated New O&M Costs from CIP Projects								
Well 8 & 9 GAC		\$200,000	\$200,000	\$0	\$212,180	\$0	\$225,102	\$0
Well 13 & 17 GAC		\$0	\$0	\$0	\$0	\$0	\$225,102	\$0
Well 13 Green Sand		\$10,000	\$10,000	\$10,609	\$10,927	\$10,927	\$11,255	\$11,593
Well 14 & 16 GAC		\$0	\$0	\$212,180	\$0	\$225,102	\$0	\$0
Well 16 Green Sand		\$10,000	\$10,000	\$10,609	\$10,927	\$10,927	\$11,255	\$11,593
Well 17 Green Sand		\$10,000	\$10,000	\$10,609	\$10,927	\$10,927	\$11,255	\$11,593
Bulk Chemicals - Wells		\$65,000	\$66,950	\$68,959	\$71,027	\$73,158	\$75,353	\$77,602
Estimated New Media & Chemicals Cost		\$295,000	\$97,850	\$525,146	\$103,809	\$782,229	\$110,131	\$110,131

Source: City of Livingston November 2019.

cip inf

Table A-7
City of Livingston 2019 Water Rates Update
SRF Financing Agreement for Well 13

DRAFT

Fiscal Year				
Ending	Principal	Interest	Total Payment	Ending Balance
<i>Term</i>	<i>20 years</i>		<i>Completed Project</i>	
<i>Interest Rate</i>	<i>1.6%</i>			
				\$1,353,245
2017	\$66,967	\$11,811	\$78,778	\$1,286,278
2018	\$58,430	\$20,348	\$78,778	\$1,227,848
2019	\$59,369	\$19,409	\$78,778	\$1,168,479
2020	\$60,323	\$18,455	\$78,778	\$1,108,156
2021	\$61,292	\$17,486	\$78,778	\$1,046,864
2022	\$62,276	\$16,502	\$78,778	\$984,588
2023	\$63,277	\$15,501	\$78,778	\$921,311
2024	\$64,293	\$14,485	\$78,778	\$857,018
2025	\$65,326	\$13,452	\$78,778	\$791,692
2026	\$66,375	\$12,403	\$78,778	\$725,317
2027	\$67,442	\$11,336	\$78,778	\$657,875
2028	\$68,525	\$10,253	\$78,778	\$589,350
2029	\$69,626	\$9,152	\$78,778	\$519,724
2030	\$70,744	\$8,034	\$78,778	\$448,980
2031	\$71,881	\$6,897	\$78,778	\$377,099
2032	\$73,035	\$5,743	\$78,778	\$304,064
2033	\$74,209	\$4,569	\$78,778	\$229,855
2034	\$75,401	\$3,377	\$78,778	\$154,455
2035	\$76,612	\$2,166	\$78,778	\$77,843
2036	\$77,843	\$935	\$78,778	(\$0)
TOTAL	\$1,353,245	\$222,315	\$1,575,560	

Source: SRF Financing Agreement D15-02037 Exhibit C.

srf other

Table A-8
City of Livingston 2019 Water Rates Update
SRF Financing Agreement for Wells 14 & 16

DRAFT

Fiscal Year				
Ending	Principal	Interest	Total Payment	Ending Balance
<i>Term</i>	<i>30 years</i>		<i>Est. Construction Completion:</i>	
<i>Interest Rate</i>	<i>1.8%</i>		<i>7/1/2020</i>	
2020	\$0	\$60,758	\$47,358	\$3,224,618
2021	\$105,048	\$67,942	\$172,989	\$3,894,952
2022	\$103,343	\$69,646	\$172,989	\$3,971,609
2023	\$105,212	\$67,778	\$172,989	\$3,686,398
2024	\$107,114	\$65,875	\$172,989	\$3,579,284
2025	\$109,051	\$63,939	\$172,989	\$3,470,233
2026	\$111,022	\$61,967	\$172,989	\$3,359,211
2027	\$113,030	\$59,959	\$172,989	\$3,246,181
2028	\$115,074	\$57,916	\$172,989	\$3,131,107
2029	\$117,154	\$55,835	\$172,989	\$3,013,953
2030	\$119,272	\$53,717	\$172,989	\$2,894,681
2031	\$121,429	\$51,560	\$172,989	\$2,773,252
2032	\$123,625	\$49,365	\$172,989	\$2,649,627
2033	\$125,860	\$47,129	\$172,989	\$2,523,767
2034	\$128,136	\$44,854	\$172,989	\$2,395,632
2035	\$130,452	\$42,537	\$172,989	\$2,265,179
2036	\$132,811	\$40,178	\$172,989	\$2,132,368
2037	\$135,212	\$37,777	\$172,989	\$1,997,156
2038	\$137,657	\$35,332	\$172,989	\$1,859,499
2039	\$140,146	\$32,843	\$172,989	\$1,719,353
2040	\$142,680	\$30,309	\$172,989	\$1,576,672
2041	\$145,260	\$27,729	\$172,989	\$1,431,412
2042	\$147,886	\$25,103	\$172,989	\$1,283,526
2043	\$150,560	\$22,429	\$172,989	\$1,132,966
2044	\$153,283	\$19,707	\$172,989	\$979,683
2045	\$156,054	\$16,935	\$172,989	\$823,629
2046	\$158,876	\$14,114	\$172,989	\$664,753
2047	\$161,748	\$11,241	\$172,989	\$503,005
2048	\$164,673	\$8,316	\$172,989	\$338,332
2049	\$167,650	\$5,339	\$172,989	\$170,682
2050	\$170,682	\$2,308	\$172,989	\$0
TOTAL	\$4,000,000	\$1,250,437	\$5,237,037	

Source: SRF Financing Agreement D18-02003 Exhibit C.

srf 4M

Table A-9
City of Livingston 2019 Water Rates Update

Estimated New SRF Debt

DRAFT

Item	Well 8 & 9 Conveyance & Treatment Plant	Well 13 & 17 Conveyance, Treatment Plant & Storage Tank
<i>Estimated Completion Date</i>	<i>2/1/2021</i>	<i>2/1/2021</i>
Construction Proceeds	\$4,635,000	\$8,755,000
Estimated Annual Debt Service	\$221,500	\$418,300
Operations Fund	\$166,125	\$313,725
Capital Fund	\$55,375	\$104,575
Total Payments	\$6,645,000	\$12,549,000
Estimated Total Financing Costs	\$2,010,000	\$3,794,000
DWSRF loan assumptions:		
Interest Rate [1]	2.5000%	2.5000%
Term (years)	30	30

Source: City of Livingston and HEC.

new debt

[1] In 2019 the interest rate is 1.9%. The interest rate fluctuates year to year.

Table A-10

City of Livingston 2019 Water Rates Update

DRAFT

Meter Replacement Fee Calculation

Item	Assumption / Total	Meter Size							
		1"	1-1/2"	2"	3"	4"	6"	8"	10"
New Meter with Transponder [1]		\$235	\$554	\$1,058	\$1,320	\$3,125	\$5,400	\$8,805	\$11,363
Installation Costs [2]	25%	\$59	\$139	\$265	\$330	\$781	\$1,350	\$2,201	\$2,841
New Technology Fee [3]	25%	\$73	\$173	\$331	\$413	\$977	\$1,688	\$2,752	\$3,551
Administration Costs	5%	\$18	\$43	\$83	\$103	\$244	\$422	\$688	\$888
Total Cost per Meter		\$386	\$909	\$1,736	\$2,166	\$5,127	\$8,859	\$14,446	\$18,642
Total Number of Meters	3,332	3,220	12	72	11	13	3	0	1
Meter Cost Replacement		\$1,513,037	\$10,907	\$124,976	\$23,822	\$66,650	\$26,578	\$0	\$18,642
Replacement Interval (years)		10	10	10	10	10	10	10	10
Cost per Meter per Year		\$39	\$91	\$174	\$217	\$513	\$886	\$1,445	\$1,864
Monthly Cost per Meter		\$3.21	\$7.57	\$14.46	\$18.05	\$42.72	\$73.83	\$120.38	\$155.35
Updated Annual Fee Revenue		\$151,304	\$1,091	\$12,498	\$2,382	\$6,665	\$2,658	\$0	\$1,864

Source: City of Livingston and HEC.

meter prog

[1] Prices from City's meter vendor, May 2019.

[2] Actual installation costs vary by meter size as a percentage of meter cost.

[3] Estimated costs to keep meters up to date with new technology.

Table A-11

City of Livingston 2019 Water Rates Update

Estimated Meter Replacement Fee Program Revenue

DRAFT

Item	Fiscal Year Ending					
	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Projected New 1" or less Meters	0	25	25	25	25	25
Projected City Water Meters	3,332	3,357	3,382	3,407	3,432	3,457
Current Revenue Inflated	\$151,304	\$155,843	\$160,518	\$165,334	\$170,294	\$175,402
New Growth Revenue	\$0	\$993	\$1,023	\$1,053	\$1,085	\$1,117
Estimated Meter Replacement Fee Revenue	\$151,304	\$156,836	\$161,541	\$166,387	\$171,378	\$176,520

Source: City of Livingston and HEC.

meter rev

Table A-12
City of Livingston 2019 Water Rates Update

Functional Allocation of Plant In Service

DRAFT

Plant in Service	Customer	Capacity	Commodity (Use)	Total Cost	Customer	Capacity	Commodity (Use)
Pumps		80%	20%	\$159,869	\$0	\$127,895	\$31,974
Water Lines		80%	20%	\$5,833,669	\$0	\$4,666,936	\$1,166,734
Wells		80%	20%	\$7,947,079	\$0	\$6,357,663	\$1,589,416
Tanks		80%	20%	\$833,822	\$0	\$667,058	\$166,764
Equipment	45%	30%	25%	\$280,794	\$126,357	\$84,238	\$70,198
General	15%	85%		\$556,209	\$83,431	\$472,777	\$0
Total Plant in Service				\$15,611,442	\$209,789	\$12,376,567	\$3,025,086
Percentage of Plant in Service				100%	1%	79%	19%

Source: City of Livingston May 2019 and HEC.

plant

Table A-13
City of Livingston 2019 Water Rates Update
Functional Allocation of Operating Costs

DRAFT

Expenditures	ACTUAL FY 2018-19	Allocation Basis	Fixed Costs		Variable Cost	
			Customer	Capacity	Commodity (Use)	Unclassified
Personnel	\$726,097	Avg. of Classified	0%	0%	0%	100%
Professional Services	\$9,632	Avg. of Classified	0%	0%	0%	100%
Contract Services	\$110,320	Avg. of Classified	0%	0%	0%	100%
Reg. Tuition Training	\$3,200	Avg. of Classified	0%	0%	0%	100%
City Audit	\$7,600	Avg. of Classified	0%	0%	0%	100%
Computer Support Agreements	\$28,947	Avg. of Classified	0%	0%	0%	100%
Water Storage Tanks O&M	\$3,348	Ratio Avg. to Peak Month	84%	0%	16%	0%
Water Wells O&M	\$284,608	Ratio Avg. to Peak Month	84%	0%	16%	0%
Distribution O&M	\$60,746	Ratio Avg. to Peak Month	84%	0%	16%	0%
Utilities	\$560,431	Utilities	0%	0%	100%	0%
Vehicle O&M	\$19,981	Plant In Service	1%	79%	19%	0%
Equipment O&M	\$6,855	Plant In Service	1%	79%	19%	0%
Facilities O&M	\$5,977	Plant In Service	1%	79%	19%	0%
Insurance	\$36,682	Customers	100%	0%	0%	0%
CommCell Phones	\$6,638	Customers	100%	0%	0%	0%
Advertisement	\$2,786	Customers	100%	0%	0%	0%
Printing	\$3,375	Customers	100%	0%	0%	0%
Bank Service Fees	\$7,496	Customers	100%	0%	0%	0%
Travel	\$3,166	Customers	100%	0%	0%	0%
Small Tools & Equip.	\$8,953	Customers	100%	0%	0%	0%
Office Supplies	\$2,679	Customers	100%	0%	0%	0%
Postage	\$8,105	Customers	100%	0%	0%	0%
Miscellaneous	(\$8,272)	Avg. of Classified	0%	0%	0%	100%
Books/Subscriptions	\$397	Customers	100%	0%	0%	0%
Dues/Memberships	\$19,816	Avg. of Classified	0%	0%	0%	100%
Refunds/Reimb	\$1,017	Customers	100%	0%	0%	0%
Equipment Purchase	\$27,130	Plant In Service	1%	79%	19%	0%
Vehicle Purchase	\$38,229	Plant In Service	1%	79%	19%	0%
Meter Replacement	\$36,295	Customers	100%	0%	0%	0%
TOTAL OPERATING COSTS	\$2,022,235		\$410,382	\$77,829	\$636,684	\$897,340
Reallocate Unclassified	\$897,340		\$327,365	\$62,085	\$507,889	
ALLOCATION OF OPERATING COSTS	\$2,022,235		\$737,747	\$139,915	\$1,144,574	
Existing Debt Service	\$78,778	Plant In Service	1%	79%	19%	
Debt Service			\$1,059	\$62,454	\$15,265	
TOTAL ALLOCATED COSTS [1]	\$2,101,013		\$738,806	\$202,369	\$1,159,839	
Percentage of Allocation			35%	10%	55%	
Fixed/Variable Allocation				45%	55%	

Source: City of Livingston and HEC, September 2019.

func

[1] Excludes capital project costs in fiscal year 2018/19.

Table A-14
City of Livingston 2019 Water Rates Update
Number of Meters and Meter Equivalents

DRAFT

Meter Size	Billing Meters	Flow (gpm)	Ratio	Meter Equivalents
< 1	3,220	50	1.0	3,220
1.5	12	100	2.0	24
2	72	160	3.2	230
3	11	350	7.0	77
4	13	600	12.0	156
6	3	1,250	25.0	75
8	0	2,400	48.0	0
10	1	3,800	76.0	76
Total	3,332			3,858

Source: City of Livingston September 2019.

meters

Table A-15
City of Livingston 2019 Water Rates Update
Projection of Water Demand

DRAFT

Customer Category	Base	Fiscal Year Ending					
		2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Residential							
Single-Family	593,860,000	593,458,254	597,144,330	600,853,301	604,585,309	608,340,497	612,119,010
Multi-Family	68,351,000	68,295,513	68,295,513	68,295,513	68,295,513	68,295,513	68,295,513
Subtotal Residential	662,211,000	661,753,766	665,439,842	669,148,813	672,880,822	676,636,010	680,414,522
Non-Residential							
Commercial	81,815,000	81,704,304	83,477,401	85,288,977	87,139,866	89,030,922	90,963,017
Industrial	1,333,248,000	1,332,526,446	1,332,526,446	1,332,526,446	1,332,526,446	1,332,526,446	1,332,526,446
Irrigation	63,542,000	63,413,042	63,413,042	63,413,042	63,413,042	63,413,042	63,413,042
Other	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000
Subtotal Non-Residential	1,479,790,000	1,478,828,792	1,480,601,889	1,482,413,464	1,484,264,354	1,486,155,410	1,488,087,504
Total Water Demand Est.	2,142,001,000	2,140,582,558	2,146,041,731	2,151,562,278	2,157,145,175	2,162,791,420	2,168,502,027
Total Water Demand Excl. Other	2,140,816,000	2,139,397,558	2,144,856,731	2,150,377,278	2,155,960,175	2,161,606,420	2,167,317,027

Source: City of Livingston and HEC 2019.

proj d

Table A-16
City of Livingston 2019 Water Rates Update
Price Elasticity Assumptions

DRAFT

Customer Type	Estimated Elasticity	Fiscal Year Ending					
		2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Rate Increase		4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
Assumption for Inflation		2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Price Increase Adjusted for Inflation		2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
Customer Type							
Attached Residential	-0.10	-0.21%	-0.21%	-0.21%	-0.21%	-0.21%	-0.21%
Detached Residential	-0.12	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%
Commercial	-0.20	-0.41%	-0.41%	-0.41%	-0.41%	-0.41%	-0.41%
Industrial	-0.08	-0.16%	-0.16%	-0.16%	-0.16%	-0.16%	-0.16%
Irrigation	-0.30	-0.62%	-0.62%	-0.62%	-0.62%	-0.62%	-0.62%

Source: HEC.

elasticity

California CPI Change

February	2009	222.181
February	2019	276.655
Total Change		54.47
Average Annual Change		2.22%

Table A-17
City of Livingston 2019 Water Rates Update

DRAFT

Projected Changes in Water Demand due to Price Changes

Customer Category	Fiscal Year Ending					
	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Residential	<i>Projected Growth each year is twenty SF units and five 1" commercial meters</i>					
Single-Family	593,860,000	597,548,571	601,260,053	604,994,588	608,752,318	612,533,388
Multi-Family	68,351,000	68,351,000	68,351,000	68,351,000	68,351,000	68,351,000
Subtotal Residential	662,211,000	665,899,571	669,611,053	673,345,588	677,103,318	680,884,388
Non-Residential						
Commercial	81,815,000	83,590,499	85,404,529	87,257,926	89,151,544	91,086,256
Industrial	1,333,248,000	1,333,248,000	1,333,248,000	1,333,248,000	1,333,248,000	1,333,248,000
Irrigation	63,542,000	63,542,000	63,542,000	63,542,000	63,542,000	63,542,000
Other	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000
Subtotal Non-Residential	1,479,790,000	1,481,565,499	1,483,379,529	1,485,232,926	1,487,126,544	1,489,061,256
Total Water Demand Est.	2,142,001,000	2,147,465,071	2,152,990,582	2,158,578,514	2,164,229,862	2,169,945,645
Change in Demand due to Price						
Residential						
Single-Family	-401,746	-404,242	-406,752	-409,279	-411,821	-414,379
Multi-Family	-55,487	-55,487	-55,487	-55,487	-55,487	-55,487
Subtotal Residential	-457,234	-459,729	-462,240	-464,766	-467,308	-469,866
Non-Residential						
Commercial	-110,696	-113,098	-115,552	-118,060	-120,622	-123,240
Industrial	-721,554	-721,554	-721,554	-721,554	-721,554	-721,554
Irrigation	-128,958	-128,958	-128,958	-128,958	-128,958	-128,958
Other	0	0	0	0	0	0
Subtotal Non-Residential	-961,208	-963,610	-966,065	-968,572	-971,134	-973,752
Total Water Demand Est.	-1,418,442	-1,423,339	-1,428,304	-1,433,338	-1,438,443	-1,443,618

Source: HEC 2019.

elas eff

[1] Change applied to summer months consumption only.

APPENDIX B

WASTEWATER RATE STUDY SUPPORT TABLES

Table B-1
City of Livingston 2019 Wastewater Rates Update
Historical Wastewater Fund Revenue

DRAFT

Revenues	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Intergovernmental			
FEMA Reimbursement	\$0	\$3,528	\$0
SJVAPCD-Grnt Veh Purchase Rev	\$0	\$9,702	(\$3,035)
Total Intergovernmental	\$0	\$13,230	(\$3,035)
Charges for Services			
User Fees	\$2,038,750	\$2,075,866	\$2,182,325
Connection Fees	\$0	\$0	\$0
MS4 Review Fees	\$0	\$2,809	\$16,464
Total Charges for Services	\$2,038,750	\$2,078,675	\$2,198,789
Fines & Forfeits			
Penalty Fees	\$24,803	\$28,702	\$22,417
Total Fines & Forfeits	\$24,803	\$28,702	\$22,417
Return on Use of Money/Property			
Interest Income	\$2,194	\$7,976	\$10,119
Rental Income	\$12,000	\$12,000	\$12,000
Doms WW Land Lease Agmt	\$2,500	\$1,000	\$0
Total Return on Use of Money	\$16,694	\$20,976	\$22,119
Miscellaneous			
Miscellaneous	\$4,188	\$19,281	\$0
Reimbursements	\$1,306	\$1,642	\$66,181
Other Revenue	\$5,494	\$20,923	\$285
Total Miscellaneous	\$10,988	\$41,847	\$66,466
Total Revenues	\$2,091,235	\$2,183,429	\$2,306,757

Source: City of Livingston financials, provided September 2019.

revs

Table B-2
City of Livingston 2019 Wastewater Rates Update

Historical Wastewater Fund Expenses

DRAFT

Operating Expenses	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Personnel	\$422,346	\$543,621	\$630,284
Maintenance and Operations			
Professional Services	\$29,159	\$2,627	\$3,467
Contract Services	\$170,414	\$93,526	\$84,263
RegistrationTuitionTraining	\$1,653	\$3,037	\$2,923
City Audit	\$7,420	\$7,600	\$7,600
Computer Support Agreements	\$15,757	\$21,453	\$21,012
Distribution O & M	\$6,147	\$8,141	\$6,214
Utilities	\$219,906	\$246,101	\$237,325
Soccer Field Utilities	\$1,907	\$1,890	\$1,933
Vehicle O & M	\$16,190	\$28,114	\$22,432
Equipment O & M	\$60,062	\$13,349	\$29,490
Facilities O & M	\$48,438	\$20,398	\$47,757
Storm Drain O & M	\$0	\$0	\$14,047
Wastewater Trtmt Plant O&M	\$5,116	\$13,543	\$51,286
RentsLeases	\$8,600	\$4,390	\$5,736
Insurance	\$59,012	\$59,075	\$61,562
CommCell PhonesTelephone	\$4,641	\$7,844	\$7,185
Advertisement	\$140	\$1,671	\$437
Printing	\$463	\$366	\$1,121
Bank Service Fee Agreements	\$5,176	\$6,467	\$7,496
TravelConferencesMeetings	\$586	\$520	\$253
Lab Processing Expense	\$16,288	\$17,892	\$26,802
Small Tools & Equipment	\$7,748	\$5,897	\$7,997
Postage	\$7,763	\$7,233	\$7,911
Miscellaneous Expenditures	\$1,392	\$831	\$262
DuesMembershipFees	\$27,150	\$41,621	\$43,554
Cost of Issuance-2016ARfndBond	\$250,931	\$0	\$0
Amortizat. Exp 2016A Refunding	(\$4,548)	(\$6,822)	\$0
Merced County Taxes	\$11,106	\$11,237	\$11,342
Total Maintenance & Operations	\$978,618	\$618,001	\$711,411
Supplies			
Office Supplies	\$3,856	\$2,741	\$2,458
Total Supplies	\$3,856	\$2,741	\$2,458
Vehicles, Equip & Improvements			
Equipment Purchase	\$42,348	\$9,976	\$60,167
Vehicle Purchase	\$0	\$0	\$81,879
Vehicle Replacement Fee	\$0	\$0	\$0
FurnitureFixtureImprovements	\$0	\$500	\$0
ImprovementsInfrastructure	\$0	\$53,802	\$0
SJVAPCD Grnt Vehicle Purchase	\$0	\$0	\$0
Vehicles, Equip & Improvements	\$42,348	\$64,278	\$142,046
Debt Service			
Refnd Bond Ser.2016A-Principal	\$0	\$0	\$180,000
USDA Series A - Interest	\$31,470	\$0	\$0
USDA Series B - Interest	\$28,553	\$0	\$0
Refund Bond Ser.2016A-Interest	\$187,023	\$271,950	\$268,450
Debt Service	\$247,046	\$271,950	\$448,450
Transfer Out	\$0	\$0	\$148,566
Total Expenses	\$1,694,213	\$1,500,591	\$2,083,214

Source: City of Livingston financials, provided September 2019.

exps

Table B-3
City of Livingston 2019 Wastewater Rates Update
Current Number of Wastewater Accounts

DRAFT

Customer Code	Billing Cycle					TOTAL
	1	2	3	4	999	
Flat Monthly Charges						
SCOO Commercial Base	3		113	3		119
SOUT Residential Outside City	2		1			3
SRES Residential	3,048	58	5	2		3,113
SMU Multi Unit Residential		21	4			25
SC02 Churches/Temples/Comm Ctrs			16			16
SC16 Schools			5			5
SHM Hotels /Motels			2			2
SCC2 Laudromat					1	1
TOTAL	3,053	79	146	5	1	3,284

Source: City of Livingston Utility Billing May 2019.

accounts

Table B-4
City of Livingston 2019 Wastewater Rates Update
Wastewater Treatment Plant Flow

DRAFT

Month	2016	2017	2018	Average	
				BOD	SS
	Millions of Gallons			Mg/L	Mg/L
Jan	31.27	35.02	35.24	288	346
Feb	28.38	33.80	32.14	425	1,115
Mar	31.61	32.85	35.69	288	368
Apr	30.32	34.64	33.33	250	177
May	31.28	34.60	33.77	200	155
Jun	30.40	31.65	33.12	350	403
Jul	32.26	32.38	34.11	313	320
Aug	32.20	36.66	35.00	353	630
Sep	30.08	35.31	35.14	280	353
Oct	30.39	35.38	33.98	265	440
Nov	32.55	33.60	31.39	310	411
Dec	32.89	33.62	31.26	263	193
Total	373.63	409.51	404.17	299	409
Avg. Flow per Day	1.02	1.12	1.11		

Source: City of Livingston treatment plant records.

param

Table B-5
City of Livingston 2019 Wastewater Rates Update
Wastewater Capital Improvements Plan

DRAFT

Capital Project	Funding Source	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
Treatment Plant							
Biosolids Dewatering Equipment	Rates	\$300,000	\$200,000				
SCADA Tower	Rates	\$15,000					
Total Treatment Plant		\$315,000	\$200,000	\$0	\$0	\$0	\$0
Collection System							
Lift Station Rehabilitation (Singh & Burgandy)	Rates	\$100,000	\$100,000				
Sewer Line Replacement [1]	Grant		\$2,800,000				
Additional Sewer Line Replacement	Rates			\$200,000	\$600,000	\$650,000	\$700,000
New Disc & Ripper Tractor	Rates		\$215,000				
New Vac-On Sewer Truck	Rates			\$350,000			
Total Collection System		\$100,000	\$3,115,000	\$550,000	\$600,000	\$650,000	\$700,000
Total Wastewater System	\$6,230,000	\$415,000	\$3,315,000	\$550,000	\$600,000	\$650,000	\$700,000
Funded by Grants	\$2,800,000	\$0	\$2,800,000	\$0	\$0	\$0	\$0
Funded by Rates	\$3,430,000	\$415,000	\$515,000	\$550,000	\$600,000	\$650,000	\$700,000
Funded by Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Source: City of Livingston Public Works May 2019.

cip

[1] The City anticipates that this cost will be funded by a CDBG grant.

Table B-6
City of Livingston 2019 Wastewater Rates Update
2016A Sewer Revenue Refunding Bonds **DRAFT**

Fiscal Year Ending	Principal	Interest	Total Debt Service
2017	\$220,000	\$95,790	\$315,790
2018	\$175,000	\$273,700	\$448,700
2019	\$180,000	\$268,450	\$448,450
2020	\$190,000	\$261,250	\$451,250
2021	\$195,000	\$253,650	\$448,650
2022	\$200,000	\$245,850	\$445,850
2023	\$210,000	\$237,850	\$447,850
2024	\$220,000	\$229,450	\$449,450
2025	\$230,000	\$220,650	\$450,650
2026	\$240,000	\$211,450	\$451,450
2027	\$250,000	\$201,850	\$451,850
2028	\$260,000	\$191,850	\$451,850
2029	\$265,000	\$181,450	\$446,450
2030	\$280,000	\$170,850	\$450,850
2031	\$290,000	\$159,650	\$449,650
2032	\$300,000	\$148,050	\$448,050
2033	\$315,000	\$136,050	\$451,050
2034	\$325,000	\$123,450	\$448,450
2035	\$335,000	\$112,888	\$447,888
2036	\$345,000	\$102,000	\$447,000
2037	\$355,000	\$90,788	\$445,788
2038	\$365,000	\$78,806	\$443,806
2039	\$385,000	\$66,488	\$451,488
2040	\$395,000	\$53,494	\$448,494
2041	\$410,000	\$40,163	\$450,163
2042	\$420,000	\$26,325	\$446,325
2043	\$360,000	\$12,150	\$372,150

Source: Revenue Bond documents.

ref bonds

Table B-7
City of Livingston 2019 Wastewater Rates Update
Summary of Depreciation in Rates

DRAFT

Facility Depreciation	Fiscal Year Ending					
	2020	2021	2022	2023	2024	2025
Existing System [1]	\$391,005	\$391,005	\$391,005	\$391,005	\$391,005	\$391,005
New Facilities	\$12,800	\$80,765	\$120,936	\$129,251	\$138,575	\$148,967
Total Depreciation	\$403,805	\$471,770	\$511,941	\$520,256	\$529,580	\$539,972
Percentage in Rates	0%	0%	0%	0%	0%	0%
Depreciation in Rates	\$0	\$0	\$0	\$0	\$0	\$0

Source: City of Livingston May 2019 and HEC.

depr

[1] Current annual depreciation:

Lift Stations	\$30,424
Collection System	\$12,516
Treatment Plant	\$324,512
Equipment & Vehicles	\$23,554
Total Annual Depreciation	\$391,005

Table B-8
City of Livingston 2019 Wastewater Rates Update

Depreciation for New CIP

DRAFT

Wastewater System	Useful Life	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
Treatment Plant							
	years						
Biosolids Dewatering Equipment	30	\$10,000	\$16,900	\$16,900	\$16,900	\$16,900	\$16,900
SCADA Tower	50	\$300	\$300	\$300	\$300	\$300	\$300
Total Treatment Plant		\$10,300	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200
Collection System							
Lift Station Rehabilitation (Singh & Burgandy)	40	\$2,500	\$5,088	\$5,088	\$5,088	\$5,088	\$5,088
Sewer Line Replacement	80	\$0	\$36,225	\$36,225	\$36,225	\$36,225	\$36,225
Additional Sewer Line Replacement	80	\$0	\$0	\$2,678	\$10,993	\$20,317	\$30,709
New Disc & Ripper Tractor	10	\$0	\$22,253	\$22,253	\$22,253	\$22,253	\$22,253
New Vac-On Sewer Truck	10	\$0	\$0	\$37,493	\$37,493	\$37,493	\$37,493
Total Collection System		\$2,500	\$63,565	\$103,736	\$112,051	\$121,375	\$131,767
TOTAL		\$12,800	\$80,765	\$120,936	\$129,251	\$138,575	\$148,967

Source: City of Livingston capital improvement plan June 2019, and HEC.

new depr

Table B-9
City of Livingston 2019 Wastewater Rates Update

Year 1

Projected Costs and Distribution between Collection and Treatment System

DRAFT

Fiscal Year Ending 2020

Expenditures	Projected Total	Allocation		Collection		Treatment	
		Collection	Treatment	Operations	Capital	Operations	Capital
		Total	Total	Operations	Capital	Operations	Capital
Personnel	\$668,101	20%	80%	\$133,620		\$534,481	
Professional & Contract Services	\$98,190	20%	80%	\$19,638		\$78,552	
Treatment Plant O&M	\$53,081	20%	80%	\$10,616		\$42,465	
Collection & Facilities O&M	\$55,860	20%	80%	\$11,172		\$44,688	
Utilities	\$248,828	20%	80%	\$49,766		\$199,063	
Facilities, Equipment & Other O&M	\$68,278	20%	80%	\$13,656		\$54,622	
Tools, Subscriptions, Supplies	\$213,256	20%	80%	\$42,651		\$170,605	
Series 2016A Refunding	\$451,250	20%	80%		\$90,250		\$361,000
New Debt Service	\$0	20%	80%		\$0		\$0
System Rehabilitation and New Projects	\$465,000	20%	80%		\$93,000		\$372,000
Additional Collection for Depreciation	\$0	20%	80%		\$0		\$0
Subtotal Costs	\$2,321,844			\$281,119	\$183,250	\$1,124,475	\$733,000
Addition to Operating Reserve	\$50,000						
Less Offsetting Credits	(\$54,000)						
Adjustment	\$161,050						
Total	\$2,478,894						

Source: City of Livingston financials, September 2019, and HEC.

distr

Table B-10
City of Livingston 2019 Wastewater Rates Update
Unit Cost Determination

Year 1
Fiscal Year Ending 2020

DRAFT

Cost Category	Percent Allocation			Cost			Total Influent			Unit Cost Per:			
	Allocated Costs	Flow	BOD	SS	Flow	BOD	SS	Flow	BOD	SS	Mgal of Flow	Klb of BOD	Klb of SS
	(A)	(B)	(C)	(D)	(E) = (A)*(B)	(F)=(A)*(C)	(G)=(A)*(D)	(H)	(I)	(J)	(K)=(E)/(H)	(L)=(F)/(I)	(M)=(G)/(J)
Operating Costs													
Collection System Costs	\$281,119	100%	0%	0%	\$281,119	\$0	\$0	395	962	983	\$712	\$0	\$0
Treatment Costs	\$1,124,475	60%	20%	20%	\$674,685	\$224,895	\$224,895	395	962	983	\$1,709	\$234	\$229
Capital Costs													
Collection System Costs	\$183,250	100%	0%	0%	\$183,250	\$0	\$0	395	962	983	\$464	\$0	\$0
Treatment Costs	\$733,000	60%	20%	20%	\$439,800	\$146,600	\$146,600	395	962	983	\$1,114	\$152	\$149
Subtotal Collection Costs	\$464,369	100%	0%	0%	\$464,369	\$0	\$0				\$1,177	\$0	\$0
Subtotal Treatment Costs	\$1,857,475	60%	20%	20%	\$1,114,485	\$371,495	\$371,495				\$2,824	\$386	\$378
Subtotal Costs	\$2,321,844	68%	16%	16%	\$1,578,854	\$371,495	\$371,495				\$4,000	\$386	\$378
Addition to Operating Reserve	\$50,000	68%	16%	16%	\$34,000	\$8,000	\$8,000	395	962	983	\$86	\$8	\$8
Less Offsetting Credits	(\$54,000)	68%	16%	16%	(\$36,720)	(\$8,640)	(\$8,640)	395	962	983	(\$93)	(\$9)	(\$9)
Adjustment	\$161,050	68%	16%	16%	\$109,514	\$25,768	\$25,768	395	962	983	\$277	\$27	\$26
TOTAL COSTS	\$2,428,894				\$1,685,648	\$396,623	\$396,623				\$4,271	\$412	\$404

Source: City of Livingston financials, September 2019, and HEC.

units

Table B-11

City of Livingston 2019 Wastewater Rates Update

Year 1

Allocation of Costs to Flow, BOD and SS by Customer Category

DRAFT Fiscal Year Ending 2020

Unit Cost / Customer Category	Flow MG/Yr	BOD Klb/Yr	SS Klb/Yr	Collection		Treatment		Other		TOTAL	
				Flow \$/Mgal	SS \$/Klb	Flow \$/Mgal	BOD \$/Klb	SS \$/Klb	Flow \$/Mgal		BOD \$/Klb
Unit Cost				\$1,177		\$2,824	\$386		\$271	\$26	\$26
Residential											
Detached	284.3	592.8	592.8	\$334,547		\$802,913	\$229,020		\$76,938	\$15,491	\$1,698,173
Attached	46.3	96.4	96.4	\$54,421		\$130,610	\$37,255		\$12,516	\$2,520	\$276,242
Non-Residential											
Churches/Temples/Comm. Ctrs.	1.7	2.2	2.4	\$1,958		\$4,700	\$831		\$450	\$56	\$8,948
Schools (with cafeteria)	13.3	25.6	18.4	\$15,702		\$37,685	\$9,889		\$3,611	\$669	\$74,967
Hotel/Motel	3.4	9.9	14.2	\$3,994		\$9,585	\$3,828		\$919	\$259	\$24,297
Light Industrial	8.8	73.1	58.4	\$10,307		\$24,737	\$28,223		\$2,370	\$1,909	\$91,135
Commercial	36.9	161.7	200.1	\$43,440		\$104,255	\$62,448		\$9,990	\$4,224	\$305,132
TOTAL	394.7	961.6	982.7	\$464,369		\$1,114,485	\$371,495		\$106,794	\$25,128	\$2,478,894

Source: City of Livingston financials, September 2019, and HEC.

alloc

Table B-12

City of Livingston 2019 Wastewater Rates Update
 Calculated Cost per Thousand Gallons

DRAFT Year 1
 Fiscal Year Ending 2020

Customer Type	Allocated Cost	Percentage of Cost	Annual Flow (MG)	Cost per 1,000 Gallons
Residential				
Detached	\$1,698,173	68.5%	284.34	\$5.97
Attached	\$276,242	11.1%	46.25	\$5.97
Subtotal Residential	\$1,974,414	79.6%	330.59	\$5.97
Non-Residential				
Churches/Temples/Comm. Ctrs.	\$8,948	0.4%	1.66	\$5.38
Schools (with cafeteria)	\$74,967	3.0%	13.35	\$5.62
Hotel/Motel	\$24,297	1.0%	3.39	\$7.16
Light Industrial	\$91,135	3.7%	8.76	\$10.40
Commercial	\$305,132	12.3%	36.92	\$8.26
Subtotal Non-Residential	\$504,480	20.4%	64.08	\$7.87
TOTAL	\$2,478,894	100.0%	394.67	\$6.28

Source: City of Livingston financials, September 2019, and HEC.

cos

Table B-13
City of Livingston 2019 Wastewater Rates Update
Projected Number of Billing Units

DRAFT

Customer Categories		2020	2021	2022	2023	2024	2025
	<i>Growth Rate [1] ---></i>		1.5%	1.5%	1.5%	1.5%	1.5%
Residential	Units	3,692	3,747	3,804	3,861	3,919	3,977
Non-Residential							
Churches/Temples/Comm. Ctrs.	Accounts	16	16	16	16	16	16
Schools (with cafeteria) [2]	Students	3,892	3,912	3,931	3,951	3,971	3,991
Hotel/Motel	Rooms	93	93	93	93	93	93
Light Industrial	Accounts	1	1	1	1	1	1
Commercial	Accounts	119	121	123	124	126	128
Flow Projection							
Light Industrial	Mgals	8.8	8.8	8.8	8.8	8.8	8.8
Commercial	Mgals	36.9	37.5	38.0	38.6	39.2	39.8

Source: City of Livingston customer records May 2019, and HEC.

services

[1] Growth rate applied to residential and commercial categories only.

[2] Uses growth rate of 0.5%.

APPENDIX C

SOLID WASTE RATE STUDY SUPPORT TABLES

Table C-1
City of Livingston 2019 Solid Waste Rates Update
Historical Sanitation Fund Revenues

DRAFT

Revenues	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Intergovernmental			
Grant Funds	\$10,000	\$5,000	\$5,000
CMAQ Grant For CNG Sweeper	\$0	\$0	\$0
SJVAPCD-Grnt Veh Purchase Rev	\$0	\$9,702	(\$3,035)
Subtotal Intergovernmental	\$10,000	\$14,702	\$1,965
Charges for Services			
User Fees	\$1,371,342	\$1,386,815	\$1,417,249
Developer Impact Fees	\$0	\$0	\$0
Subtotal Charges for Services	\$1,371,342	\$1,386,815	\$1,417,249
Fines & Forfeitures			
Penalty Fees	\$15,229	\$17,733	\$15,595
Subtotal Fines & Forfeitures	\$15,229	\$17,733	\$15,595
Return on Use of Money/Property			
True Value Parking Lot Maint	\$0	\$0	\$0
Plaza Parking Lot Maint	\$0	\$0	\$0
Interest Income	\$1,476	\$7,549	\$10,875
Subtotal Return on Use of Money/Property	\$1,476	\$7,549	\$10,875
Miscellaneous			
Reimbursements/Refunds	\$3,080	\$9,782	\$5,991
Other Revenue	\$407	\$236	\$71
RMA Insurance Refunds	\$0	\$0	\$0
Subtotal Miscellaneous	\$3,487	\$10,019	\$6,061
Total Revenues	\$1,401,534	\$1,436,818	\$1,451,745

Source: City of Livingston financials November 2019.

rev

Table C-2
City of Livingston 2019 Solid Waste Rates Update
Historical Sanitation Fund Expenses

DRAFT

Expenses	Fiscal Year Ending		
	2017	2018	2019
	actual	actual	actual
Personnel	\$91,307	\$180,716	\$177,295
Maintenance and Operations			
Professional Services	\$3,727	\$1,123	\$1,180
Contract Services	\$54,788	\$18,930	\$17,060
Service Agreements	\$0	\$0	\$0
Disposal Contract Services	\$907,749	\$919,518	\$997,084
RegistrationTuitionTraining	\$81	\$0	\$0
City Attorney	\$0	\$0	\$0
City Audit	\$7,420	\$7,600	\$8,000
Computer Support Agreements	\$14,639	\$22,009	\$21,136
Plaza Parking Lot O & M	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Vehicle O & M	\$2,807	\$942	\$5,050
Equipment O & M	\$13	\$39	\$0
Facilities O & M	\$810	\$120	\$0
True Value Parking Lot O & M	\$0	\$0	\$0
RentsLeases	\$0	\$0	\$0
Street Sweeper O & M	\$0	\$0	\$0
Insurance	\$5,594	\$4,811	\$4,831
CommCell PhonesTelephone	\$134	\$2,201	\$2,447
Advertisement	\$0	\$0	\$417
Printing	\$463	\$366	\$507
Bank Service Fee Agreements	\$5,176	\$6,467	\$7,496
Trustee Fees	\$0	\$0	\$0
TravelConferencesMeetings	\$586	\$102	\$146
Small Tools & Equipment	\$351	\$434	\$82
Office Supplies	\$3,230	\$2,412	\$2,178
Postage	\$7,774	\$7,192	\$7,905
ReimbursementRefunds	\$0	\$0	\$0
Miscellaneous Expenditures	\$0	\$78	(\$56)
BooksSubscriptionsPeriodical	\$0	\$0	\$0
DuesMembershipFees	\$2,088	\$482	\$732
RecycleLitter Grant Expense	(\$11,947)	\$0	\$12,698
Payment In Lieu Tax	\$0	\$0	\$0
Bad Debt Write Offs	\$0	\$0	\$0
Subtotal Maintenance and Operations	\$1,005,483	\$994,826	\$1,088,893
Vehicles, Equip & Improvements			
Equipment Purchase	\$788	\$3,592	\$0
Garbage Container Purchase	\$0	\$0	\$0
Vehicle Purchase	\$0	\$0	\$0
Vehicle Replacement Fee	\$0	\$0	\$0
Purchase Street Sweeper	\$0	\$0	\$0
FurnitureFixtureImprovements	\$0	\$199	\$0
SJVAPCD Grant Vehicle Purchase	\$0	\$0	\$0
Subtotal Vehicles, Equip. & Improvements	\$788	\$3,791	\$0
Total Expenses	\$1,097,578	\$1,179,333	\$1,266,188

Source: City of Livingston financials November 2019.

exp

Table C-3
City of Livingston 2019 Solid Waste Rates Update
Gilton Rates Fiscal Year 2019/20

DRAFT

Collections per Week	Rates Effective 1 July 2019				
	x1	x2	x3	x4	x5
Residential					
96 gal. cart	\$17.05				
Add'l cart	\$4.50				
96 gal. cart greenwaste	\$0.90				
Add'l greenwaste cart	\$4.50				
Multi-Family & Comm'l					
1 CY	\$32.10	\$63.64	\$95.08	\$126.59	\$158.09
2 CY	\$63.98	\$126.82	\$191.21	\$254.57	\$317.91
3 CY	\$94.79	\$179.29	\$270.16	\$355.47	\$432.46
4 CY	\$121.33	\$236.43	\$369.77	\$452.14	\$541.71
6 CY	\$170.59	\$332.35	\$508.54	\$634.08	\$798.17
Organics Bin (New)	\$179.04	\$348.86			
Commercial - Compacting Bins					
3 CY	\$329.63	\$635.26	\$1,271.80	\$1,271.80	\$1,589.74
4 CY	\$418.11	\$800.37	\$1,695.72	\$1,695.72	\$2,119.67
Standard Recycle Bins					
4 CY	\$48.39	\$96.78	\$193.58	\$193.58	\$241.96
6 CY	\$48.39	\$96.78	\$193.58	\$193.58	\$241.96

Source: Letter 5/22/19 from Gilton Solid Waste Management, Inc.

gilton

Table C-4
City of Livingston 2019 Solid Waste Rates Update
Projected Number of Sanitation Services

DRAFT

Customer Type	Current No. of Customers <i>Estimated Growth Rate --></i>	Projected Number of Services					
		2020 <i>0.0%</i>	2021 <i>1.5%</i>	2022 <i>1.5%</i>	2023 <i>1.5%</i>	2024 <i>1.5%</i>	2025 <i>1.5%</i>
Residential							
96 gal. cart	3,082	3,082	3,128	3,175	3,223	3,271	3,320
Add'l cart	284	284	288	293	297	301	306
96 gal. cart greenwaste	3,055	3,055	3,101	3,147	3,195	3,242	3,291
Add'l greenwaste cart	7	7	7	7	7	7	8
Multi-Family & Comm'l - 1x / Week							
1 CY	7	7	7	7	7	7	8
2 CY	27	27	27	28	28	29	29
3 CY	13	13	13	13	14	14	14
4 CY	17	17	17	18	18	18	18
6 CY	7	7	7	7	7	7	8
Multi-Family & Comm'l - 2x/Week							
1 CY	0	0	0	0	0	0	0
2 CY	1	1	1	1	1	1	1
3 CY	4	4	4	4	4	4	4
4 CY	12	12	12	12	13	13	13
6 CY	9	9	9	9	9	10	10
Multi-Family & Comm'l - 3x/Week							
1 CY	0	0	0	0	0	0	0
2 CY	0	0	0	0	0	0	0
3 CY	0	0	0	0	0	0	0
4 CY	5	5	5	5	5	5	5
6 CY	3	3	3	3	3	3	3
TOTAL	6,533	6,533	6,631	6,730	6,831	6,934	7,038

Source: City of Livingston and HEC May 2019.

services

STAFF REPORT

AGENDA ITEM: A RESOLUTION AND ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON ADOPTING A NEW RATE SCHEDULE FOR DOMESTIC WASTEWATER SERVICE (SEWER SERVICE) – PROPOSITION 218 PUBLIC HEARING

MEETING DATE: April 7, 2020

PREPARED BY: Vanessa L. Portillo, Finance Director
Catherine Hansford, Consultant

REVIEWED BY: Jose Antonio Ramirez, City Manager

RECOMMENDATION

Staff recommends that the City Council take the following actions:

1. Open Public Hearing;
2. Close Public Hearing and determine whether a majority protest exists. If no majority protest exists, continue to recommendations 3 and 4 below;
3. Adopt Resolution No. 2020-__, adopting a New Rate Schedule for Domestic Wastewater Service, effective May 7, 2020; and
4. Waive first reading and introduce Ordinance No. ____, adopting a New Rate Schedule for Domestic Wastewater Service, effective May 7, 2020.

BACKGROUND

In 1996, California voters approved Proposition 218, the “Right to Vote on Taxes Act,” which added Articles XI11C and XIID to the California Constitution. Since its adoption, various court cases in 2005 and 2006, most notably *Bighorn-Desert View Water Agency v. Verjil*; *Richmond v. Shasta Community Services District*; and the *Howard Jarvis Taxpayers Association v. City of Fresno*, extended the application of Proposition 218 from general taxes and assessments to utility user fees provided by public agencies (i.e., sewer, water, and waste collection, etc.).

The City hired Hansford Economic Consulting on February 5, 2019, to perform utility rate studies on the City’s enterprise funds; water, wastewater, and solid waste/sanitation. After analysis, reviews, discussions, and input from various groups including but not limited to the following; City staff, Stakeholders’ Committee, City Council, the public, engineering firms, and other consultants, the City Council authorized staff on January 31, 2020, to conduct a Proposition 218 process and establish a public hearing date for consideration of increased fees charged for wastewater service.

Final Utility Rate Study reports were translated into Spanish and Punjabi, and were made available on City’s website for public access and review.

Proposition 218 (Article XIID of the California Constitution) required notification to affected property owners at least 45 days prior to the scheduled hearing. Staff sent property owners and affected tenants such notice.

The City held three (3) public workshops (February 25th, March 5th, and March 12th of 2020) regarding the proposed wastewater rate increase; one workshop was conducted in English, one in Spanish, and one in Punjabi.

Protest ballots are accepted up to the conclusion of the public hearing. At the conclusion of the public hearing, the protest ballots will be tabulated and presented to the City Council. If a majority of the owners of parcels on which the fee is imposed protest, the proposed new wastewater fees and charges cannot be adopted.

ANALYSIS

REASON FOR INCREASE IN RATES:

The wastewater rates increase is proposed to:

1. Replenish the debt reserve fund per the United States Department of Agriculture loan requirements.
2. Provide a reliable and safe operating wastewater system.
3. Fully fund the operating and capital costs of the system leaving more funding available for other essential City services.

A summary comparison of current and proposed wastewater rates by customer group is shown in the table below.

Calculated Five-Year Wastewater Rate Schedule

Customer Category	Billing Basis	Current Rates Effective ---->	FY 2019/20 Jan. 2020	FY 2020/21 Jan. 2021	FY 2021/22 Jan. 2022	FY 2022/23 Jan. 2023	FY 2023/24 Jan. 2024	FY 2024/25 Jan. 2025
Residential	per unit	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Non-Residential								
Churches/Temples/Comm. Ctrs.	per account	\$42.28	\$46.61	\$50.22	\$52.66	\$54.66	\$57.81	\$61.14
Schools (with cafeteria)	per student	\$1.46	\$1.69	\$1.82	\$1.90	\$1.98	\$2.09	\$2.21
Hotel/Motel	per room	\$17.22	\$21.77	\$23.46	\$24.60	\$25.53	\$27.01	\$28.56
Light Industrial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Commercial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Variable Charges for Non-Residential Only								
Light Industrial [1]	per gallon	\$0.010417	\$0.010781	\$0.011145	\$0.011686	\$0.012129	\$0.012829	\$0.013567
Commercial [2]	per gallon	\$0.003837	\$0.006541	\$0.007049	\$0.007391	\$0.007671	\$0.008114	\$0.008580

Source: 2019 HEC rate study.

summ

[1] Charge applied to the first 95% of total water use per month.

[2] Charge applied to the first 70% of total water use per month.

ALTERNATIVES

1. City Council cannot move forward with the implementation of the increase in wastewater fees and changes if a majority of written protests is received from affected property owners by close of the public hearing.

2. City Council could elect not to proceed with the increase in wastewater fees and charges as presented in the public hearing notice, or proceed with rates lower than presented. This alternative is not recommended due to the economic benefit of having a wastewater system that complies with all state and federal water quality standards.

WHY A RESOLUTION AND AN ORDINANCE? VOTING REQUIREMENTS

The City Council is presented with both a Resolution and an Ordinance establishing the new rates. In 2014, the City Council decided to do all rate increases by ordinances; however, since Livingston Municipal Code section 9-6-25 states that the City shall adopt a schedule of charges and fees by resolution, the Council is being asked to adopt both in order to comply with all intentions and requirements. Staff is presenting an Ordinance as well to be consistent with past practice.

Although the rates are being established by a Resolution and an Ordinance, the intent is to have both establish rates at the same time. Since ordinances require two readings and a 30-day wait period after adoption for the rates to be effective. The attached Resolution indicates that the approval of the Wastewater Service Rates under the Resolution are contingent on the adoption of Ordinance No. ____, and shall be in effect on May 7, 2020; however, the rates would not be in effect until May 7, 2020.

FISCAL IMPACT

Sufficient levels of funding/revenues to cover ongoing operational costs including Capital Improvement Projects outlined in utility rate study.

ATTACHMENTS

1. Resolution No. 2020-____, adopting a New Rate Schedule for Domestic Wastewater Service, Effective May 7, 2020.
2. Ordinance No. ____, adopting a New Rate Schedule for Domestic Wastewater Service, Effective May 7, 2020.
3. Proposed Wastewater Rate Schedule – Exhibit A
4. Utility Rate Study Report – Exhibit B

3492800.3

RESOLUTION NO. 2020-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON
ADOPTING A NEW RATE SCHEDULE FOR DOMESTIC WASTEWATER SERVICE,
EFFECTIVE MAY 7, 2020**

WHEREAS, the City of Livingston (the “City”) provides domestic wastewater services to its residents; and

WHEREAS, the City charges customers of this utility a charge to fund the on-going operation and maintenance of the domestic wastewater services; and

WHEREAS, Chapter 9-6 entitled “Sewer Service System” of the Livingston Municipal Code provides for the establishment and operation of a wastewater system and the imposition and collection of certain fees and charges from recipients of wastewater services; and

WHEREAS, pursuant to Section 9-6-25 of the Livingston Municipal Code, the costs of operation, maintenance, debt service, equipment replacement and any and all other costs of administration of the City wastewater collection, treatment and disposal system are authorized to be levied against all users thereof in proportion to the quantity and quality of the discharge; and

WHEREAS, Section 9-6-25 of the Livingston Municipal Code provides for the setting of wastewater schedule of charges and fees by resolution; and

WHEREAS, the City of Livingston determined to undertake a rate study to analyze the revenue requirements and the rate structure that should be adopted to proportionately allocate the costs of providing wastewater service to its wastewater customers. The rate study was prepared by Hansford Economic Consulting Inc., and has been on file at Livingston City Hall since the notices to property owners and customers were sent out on January 31, 2020; and

WHEREAS, charges for local agency wastewater service have been held to be “property related fees or charges” subject to the requirements of Article XIID of the California Constitution, also known as Proposition 218, pursuant to the holding in *Bighorn-Desert View Water Agency v. Verjil* (2006) 39 C4th 205; and

WHEREAS, Section 6 of Article XIID of the California Constitution provides that imposing or increasing any property related fee or charge requires identifying the parcels on which the fee or charge will be imposed, and providing notice by mail of the proposed fee or charge to the record owner of each identified parcel indicating the amount of the fee or charge to be imposed on each parcel, the basis on which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, and the date, time, and location of a public hearing on the proposed fee or charge; and

WHEREAS, Section 53756 of the California Government Code provides that agencies providing water and sewer service may adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or inflation adjustments, subject to requirements specified in that Section; and

WHEREAS, Section 6 of Article XIID of the California Constitution further provides that hearings on proposed property-related fees or charges must be conducted at least forty-five (45) days after mailed notice to the owners of each identified parcel on which the fee or charge is proposed to be imposed, and that at the hearing, the local agency must consider all protests against the proposed fee or

charge, and that if written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge; and

WHEREAS, the City Council directed that notice of a hearing (“Hearing”) thereon be given to the property owners and tenants in the City, with such notice to include, among other matters, the information required to be included pursuant to California Constitution Article XIII D section 6; and

WHEREAS, such notice has been mailed to those persons, at least forty-five (45) days before the Hearing; and

WHEREAS, City staff has worked closely with a Stakeholders’ Committee, a Committee formed by the City Council, made up of two (2) Council Members and members of the community, to analyze the City’s wastewater service needs and draft rate studies; and

WHEREAS, the City held several workshops to inform the public of the proposed wastewater service rates; and

WHEREAS, the City held workshops regarding the utility rate study in English, Spanish, and Punjabi. The workshops were held in the City Council Chambers as follows: February 25, 2020, March 5, 2020 and March 12, 2020; and

WHEREAS, pursuant to Government Code section 54354.5, notice of a hearing was given with such notice including the information required to be included by Government Code section 54354.5; and

WHEREAS, the notice required under Government Code section 54354.5 must be published at least once each week for two (2) weeks prior to the hearing in a newspaper published within the local agency jurisdiction, with the first publication occurring at least fifteen (15) days prior to the hearing; and

WHEREAS, such notice has been published once each week for two (2) weeks, in accordance with Government Code section 54354.5, in the Merced Sun-Star on March 23, 2020 and March 30, 2020 as evidenced by Proofs of Publication on file with the City Clerk; and

WHEREAS, the Hearing was held March 17, 2020; and

WHEREAS, at the Hearing, the City Council heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases to the wastewater service rates (“Wastewater Service Rates”); and

WHEREAS, upon close of the Hearing, the City did not receive written protests against the establishment and imposition of the proposed rate increases to the Wastewater Service Rates from a majority of the affected property owners and tenants directly liable for the payment of the Wastewater Service Rates; and

WHEREAS, the proposed domestic Wastewater Service Rates are not discriminatory or excessive, are sufficient under Government Code section 54515, comply with the provisions or covenants of any outstanding revenue bonds of the City payable from the revenues of the domestic wastewater enterprise, comply with the provisions of Title 5, Division 2, Part 1, Chapter 6 of the Government Code, and are in compliance with all other applicable law; and

WHEREAS, the revenues derived from the proposed sewer service rates will not exceed the funds required to provide the domestic wastewater services and shall be used exclusively for the domestic wastewater service system; and

WHEREAS, the amount of the proposed sewer service rates will not exceed the proportional cost of the service attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the proposed domestic wastewater service rates will not be imposed on a parcel unless the domestic wastewater services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, due to Section 9-6-25 of the Livingston Municipal Code stating that the City shall adopt a schedule of charges and fees by resolution, the City has prepared both this Resolution and Ordinance No. ____, adopting the new rate schedule for the Wastewater Service Rates; and

WHEREAS, this Resolution and Ordinance No. ____ shall supersede all other previous resolutions that may conflict with, or be contrary to, this Resolution and Ordinance No. ____ respecting the Water Service Rates described more particularly herein.

NOW, THEREFORE, the City Council of the City of Livingston resolves as follows:

SECTION 1. RECITALS

The foregoing recitals are true and correct and made a part of this Resolution.

SECTION 2. WASTEWATER SERVICE RATES ADJUSTMENT – LEVY OF CHARGES

Pursuant to Title 5, Division 2, Part 1, Chapter 6 of the Government Code (“Revenue Bond Law”), the City’s police power, and Title 9, Chapter 5, section 9-6-25 of the Livingston Municipal Code, the increased Wastewater Service Rates as attached hereto as **Exhibit A** are hereby approved.

SECTION 3. DELINQUENT CHARGES CONSTITUTE A LIEN

Delinquent charges and penalties when recorded in accordance with the provisions of the Revenue Bond Law shall constitute a lien upon the real property served.

SECTION 4. CEQA

The City Council hereby finds that the levy of the proposed sewer service rates as supported by a domestic wastewater and solid waste rate study prepared by Hansford Economic Consulting Inc. (which is incorporated herein by reference), is exempt from CEQA review under Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273 because the proposed sewer service rates are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the City’s domestic wastewater system, are necessary to maintain service within the City’s existing service area, and will not result in expansion of the system. The City Council further finds that the action entails the creation of a government funding mechanism which is exempt from CEQA as not being a “project” pursuant to CEQA guidelines section 15378. The City Council authorizes the City Clerk to file a notice of exemption with the County Clerk to that effect.

SECTION 5. GENERAL AUTHORIZATION

The City Manager is hereby authorized and directed, for and in the name of and on behalf of the City, to execute and deliver any and all documents, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to effect the purposes of this Resolution. All actions heretofore taken by officers, employees, and agents of the City that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

SECTION 6. SEVERABILITY

If any provision of this Resolution or the application thereof to any person or circumstance, is held invalid, the remainder of the Resolution, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Resolution are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

SECTION 7. SUPERSESION/REPEAL

Resolution No. 2014-21 adopted May 20, 2014, and any and all other resolutions or ordinances and parts thereof in conflict with the provisions of this Resolution and Ordinance No. ___ are superseded and repealed, effective on the effective date of the Ordinance No. ___. However, violations, rights accrued, liabilities accrued, or appeals taken, prior to the effective date of Ordinance No. ___ and this Resolution, under any chapter, ordinance, or part of an ordinance, or resolution or part of a resolution, shall be deemed to remain in full force for the purpose of sustaining any proper suit, action, or other proceedings, with respect to any such violation, right, liability, or appeal.

SECTION 8. EFFECTIVE DATE

This Resolution shall take effect on the effective date of Ordinance No. ___, which if adopted by the City Council on April 7, 2020, shall be effective thirty (30) days after adoption. The increased Wastewater Service Rates, as attached hereto as Exhibit A, shall become effective on May 7, 2020, contingent on adoption of Ordinance No. ___.

PASSED AND ADOPTED this 7th day of April, 2020, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gurpal Samra, Mayor
of the City of Livingston

ATTEST:

I, hereby certify that the foregoing Resolution was regularly introduced, passed and adopted at a Regular Meeting of the City Council of the City of Livingston this 7th day of April, 2020.

Antonio Silva, City Clerk
of the City of Livingston

3492828.3

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON
ADOPTING A NEW RATE SCHEDULE FOR DOMESTIC WASTEWATER SERVICE,
EFFECTIVE MAY 7, 2020**

WHEREAS, the City of Livingston (the “City”) provides domestic wastewater services to its residents; and

WHEREAS, the City charges customers of this utility a charge to fund the on-going operation and maintenance of the domestic wastewater services; and

WHEREAS, Chapter 9-6 entitled “Sewer Service System” of the Livingston Municipal Code provides for the establishment and operation of a wastewater system and the imposition and collection of certain fees and charges from recipients of wastewater services; and

WHEREAS, pursuant to Section 9-6-25 of the Livingston Municipal Code, the costs of operation, maintenance, debt service, equipment replacement and any and all other costs of administration of the City wastewater collection, treatment and disposal system are authorized to be levied against all users thereof in proportion to the quantity and quality of the discharge; and

WHEREAS, Section 9-6-25 of the Livingston Municipal Code provides for the setting of wastewater schedule of charges and fees by resolution; and

WHEREAS, the City of Livingston determined to undertake a rate study to analyze the revenue requirements and the rate structure that should be adopted to proportionately allocate the costs of providing wastewater service to its wastewater customers. The rate study was prepared by Hansford Economic Consulting Inc., and has been on file at Livingston City Hall since the notices to property owners and customers were sent out on January 31, 2020; and

WHEREAS, charges for local agency wastewater service have been held to be “property related fees or charges” subject to the requirements of Article XIID of the California Constitution, also known as Proposition 218, pursuant to the holding in *Bighorn-Desert View Water Agency v. Verjil* (2006) 39 C4th 205; and

WHEREAS, Section 6 of Article XIID of the California Constitution provides that imposing or increasing any property related fee or charge requires identifying the parcels on which the fee or charge will be imposed, and providing notice by mail of the proposed fee or charge to the record owner of each identified parcel indicating the amount of the fee or charge to be imposed on each parcel, the basis on which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, and the date, time and location of a public hearing on the proposed fee or charge; and

WHEREAS, Section 53756 of the California Government Code provides that agencies providing water and sewer service may adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or inflation adjustments, subject to requirements specified in that section; and

WHEREAS, Section 6 of Article XIID of the California Constitution further provides that hearings on proposed property-related fees or charges must be conducted at least forty-five (45) days after mailed notice to the owners of each identified parcel on which the fee or charge is proposed to be

imposed, and that at the hearing, the local agency must consider all protests against the proposed fee or charge, and that if written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge; and

WHEREAS, the City Council directed that notice of a Proposition 218 hearing (“Proposition 218 Hearing”) thereon be given to the property owners and tenants in the City, with such notice to include, among other matters, the information required to be included pursuant to California Constitution Article XIII D section 6; and

WHEREAS, such notice has been mailed to those persons, at least forty-five (45) days before the Proposition 218 Hearing; and

WHEREAS, the Revenue Bond Law of 1941, codified in section 54300 and following of the California Government Code, includes provisions that provide for the enforcement and collection of amounts due for utility services, subject to notice requirements that apply when delinquent charges are made a lien on the property that received the services; and

WHEREAS, Section 54354.5 of the California Government Code prescribes that adoption of local agency resolutions or ordinances revising charges for utility services subject to the imposition of liens under the Revenue Bond Law and follow the notice and a hearing in accordance with that section, including publication of notice of the time and place of a hearing on the proposed resolution or ordinance specifying that any interested person, including all persons owning property in the jurisdiction of the local agency, may appear and be heard on any matter relating to the proposed ordinance or the proposed rates or charges; and

WHEREAS, the notice required under Government Code section 54354.5 must be published at least once each week for two (2) weeks prior to the hearing in a newspaper published within the local agency jurisdiction, with the first publication occurring at least fifteen (15) days prior to the hearing; and

WHEREAS, such notice has been published once each week for two (2) weeks, in accordance with Government Code section 54354.5, in the Merced Sun-Star on March 23, 2020 and March 30, 2020 as evidenced by Proofs of Publication on file with the City Clerk, prior to the public hearing held for this Ordinance; and

WHEREAS, City staff has worked closely with a Stakeholders’ Committee, a Committee formed by the City Council, made up of two (2) Council Members and members of the community, to analyze the City’s wastewater service needs and draft rate studies; and

WHEREAS, the City held several workshops to inform the public of the proposed wastewater service rates; and

WHEREAS, the City held workshops regarding the utility rate study in English, Spanish, and Punjabi. The workshops were held in the City Council Chambers as follows: February 25, March 5 and March 12, 2020; and

WHEREAS, the Proposition 218 Hearing was held March 17, 2020; and

WHEREAS, at the Proposition 218 Hearing, the City Council heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases to the wastewater service rates (“Wastewater Service Rates”); and

WHEREAS, upon close of the Proposition 218 Hearing, the City did not receive written protests against the establishment and imposition of the proposed rate increases to the Wastewater Service Rates from a majority of the affected property owners and tenants directly liable for the payment of the Wastewater Service Rates; and

WHEREAS, the proposed domestic Wastewater Service Rates are not discriminatory or excessive, are sufficient under Government Code section 54515, comply with the provisions or covenants of any outstanding revenue bonds of the City payable from the revenues of the domestic wastewater enterprise, comply with the provisions of Title 5, Division 2, Part 1, Chapter 6 of the Government Code, and are in compliance with all other applicable law; and

WHEREAS, the revenues derived from the proposed sewer service rates will not exceed the funds required to provide the domestic wastewater services and shall be used exclusively for the domestic wastewater service system; and

WHEREAS, the amount of the proposed sewer service rates will not exceed the proportional cost of the service attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the proposed domestic wastewater service rates will not be imposed on a parcel unless the domestic wastewater services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, due to Section 9-6-25 of the Livingston Municipal Code stating that the City shall adopt a schedule of charges and fees by resolution, the City has prepared both this Ordinance and Resolution No. 2020-__, adopting the new rate schedule for the Wastewater Service Rates; and

WHEREAS, this Ordinance and Resolution No. 2020-__ shall supersede all other previous resolutions and/or ordinances that may conflict with, or be contrary to, this Ordinance and Resolution No. 2020-__ respecting the Water Service Rates described more particularly herein.

THE CITY COUNCIL OF THE CITY OF LIVINGSTON DOES ORDAIN AS FOLLOWS:

SECTION 1. RECITALS

The foregoing recitals are true and correct and made a part of this Ordinance.

SECTION 2. WASTEWATER SERVICE RATES ADJUSTMENT – LEVY OF CHARGES

Pursuant to Title 5, Division 2, Part 1, Chapter 6 of the Government Code (“Revenue Bond Law”), the City’s police power, and Title 9, Chapter 5, section 9-6-25 of the Livingston Municipal Code, the increased Wastewater Service Rates as attached hereto as **Exhibit A**, are hereby approved.

SECTION 3. DELINQUENT CHARGES CONSTITUTE A LIEN

Delinquent charges and penalties when recorded in accordance with the provisions of the Revenue Bond Law shall constitute a lien upon the real property served.

SECTION 4. CEQA

The City Council hereby finds that the levy of the proposed sewer service rates as supported by a domestic wastewater and solid waste rate study prepared by Hansford Economic Consulting Inc.(which is incorporated herein by reference), is exempt from CEQA review under Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273 because the proposed sewer service rates are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the City’s domestic wastewater system, are necessary to maintain service within the City’s existing service area, and will not result in expansion of the system. The City Council further finds that the action entails the creation of a government funding mechanism which is exempt from CEQA as not being a “project” pursuant to CEQA guidelines section 15378. The City Council authorizes the City Clerk to file a notice of exemption with the County Clerk to that effect.

SECTION 5. GENERAL AUTHORIZATION

The City Manager is hereby authorized and directed, for and in the name of and on behalf of the City, to execute and deliver any and all documents, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to effect the purposes of this Ordinance. All actions heretofore taken by officers, employees, and agents of the City that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

SECTION 6. SEVERABILITY

If any provision of this Ordinance or the application thereof to any person or circumstance, is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

SECTION 7. SUPERSESSON/REPEAL

Resolution No. 2014-21 adopted May 20, 2014, Ordinance No. 615 adopted June 3, 2014, and any and all other resolutions or ordinances and parts thereof in conflict with the provisions of this Ordinance and Resolution No. 2020-__ are superseded and repealed, effective on the effective date of this Ordinance. However, violations, rights accrued, liabilities accrued, or appeals taken, prior to the effective date of this Ordinance and Resolution No. 2020-__, under any chapter, ordinance, or part of an ordinance, or resolution or part of a resolution, shall be deemed to remain in full force for the purpose of sustaining any proper suit, action, or other proceedings, with respect to any such violation, right, liability or appeal.

SECTION 8. EFFECTIVE DATE

This Ordinance shall become effective thirty (30) days after its final passage and adoption. The increased Wastewater Service Rates, as attached hereto as Exhibit A, shall become effective on May 7, 2020.

Introduced: April 7, 2020
Passed and Adopted:

Gurpal Samra, Mayor
of the City of Livingston

ATTEST:

State of California)
County of Merced)
City of Livingston)

I, hereby certify that the foregoing Ordinance was duly introduced at a Regular Meeting of the City Council of the City of Livingston on the 7th day of April, 2020, and was passed and adopted at a Regular Meeting of the City Council of the City of Livingston this ___ day of _____, 2020, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ANTONIO SILVA, City Clerk
of the City of Livingston

3493168.3

Exhibit A

**Table 21
Proposed Wastewater Rates**

Customer Category	Billing Basis	Current Rates Effective --->	FY 2019/20 Jan. 2020	FY 2020/21 Jan. 2021	FY 2021/22 Jan. 2022	FY 2022/23 Jan. 2023	FY 2023/24 Jan. 2024	FY 2024/25 Jan. 2025
Residential		\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Non-Residential								
Churches/Temples/Comm. Ctrs.	per account	\$42.28	\$46.61	\$50.22	\$52.66	\$54.66	\$57.81	\$61.14
Schools (with cafeteria)	per student	\$1.46	\$1.69	\$1.82	\$1.90	\$1.98	\$2.09	\$2.21
Hotel/Motel	per room	\$17.22	\$21.77	\$23.46	\$24.60	\$25.53	\$27.01	\$28.56
Light Industrial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Commercial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Variable Charges for Non-Residential Only								
Light Industrial [1]	per gallon	\$0.010417	\$0.010781	\$0.011145	\$0.011686	\$0.012129	\$0.012829	\$0.013567
Commercial [2]	per gallon	\$0.003837	\$0.006541	\$0.007049	\$0.007391	\$0.007671	\$0.008114	\$0.008580

Source: 2019 HEC rate study. summ

[1] Charge applied to the first 95% of total water use per month.

[2] Charge applied to the first 70% of total water use per month.

Exhibit B

HANSFORD ECONOMIC CONSULTING

City of Livingston

**Water, Wastewater and
Solid Waste Rate Study**

FINAL DRAFT

November 14, 2019

HEC No. 190294

The following report was prepared by Hansford Economic Consulting LLC.

The analyses and findings contained within this report are based on primary data provided by the City of Livingston, as well as additional secondary sources of data available as of the date of this report. Updates to information used in this report could change or invalidate the findings contained herein. While it is believed that the primary and secondary sources of information are accurate, this is not guaranteed.

Every reasonable effort has been made in order that the data contained in this study reflect the most accurate and timely information possible. No responsibility is assumed for inaccuracies in reporting by the client, its consultants and representatives, or any other data source used in the preparation of this study. No warranty or representation is made that any of the projected values or results contained in this study will actually be achieved. There will usually be differences between forecasted or projected results and actual results due to changes in events and circumstances.

Changes in economic and social conditions due to events including, but not limited to, major recessions, droughts, major environmental problems or disasters that would negatively affect operations, expenses and revenues may affect the result of the findings in this study. In addition, other factors not considered in the study may influence actual results. Any applications for financing, or bond sales analyses, should re-evaluate the financial health and projection of revenues and expenses at the time of the application or preparation for bond sale.

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Section 1: INTRODUCTION AND SUMMARY OF FINDINGS

1.1 PURPOSE OF THE STUDY

The City of Livingston (City) provides three utility services to the residents and businesses of the City; water, wastewater, and solid waste. The purpose of this Utilities Rate Study (Study) is to determine the level of funding required over the next five years to adequately fund each of the utility systems and to determine a schedule of monthly property-related fees to support that level of funding.

This report provides an explanation and justification of the calculated utility rates for the next five years and it documents adherence to the law regarding setting of rates by a municipality. Per California Constitution Article 13D, these types of utility rates shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

- (1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- (2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- (3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- (4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted.
- (5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library, services, where the service is available to the public at large in substantially the same manner as it is to property owners.

The utility financial models presented in this Study project revenues and expenses and calculate rates for the next five years through fiscal year ending 2025.

1.2 BACKGROUND

The City last conducted utility rate studies in the 2014 to 2016 time period. New solid waste rates were adopted in spring 2013, and new water and wastewater rates were adopted in spring 2014. A utility systems rate study is necessary at this time to a) ensure revenue sufficiency of the utility systems for the next five years, and b) demonstrate the City's ability to repay State loans for funding of the water system.

Rate studies are typically conducted every three to five years to ensure revenue sufficiency. A cost of service analysis, which not only allows for revenue sufficiency, but also examines whether

customers are paying for their share of system costs and adjusts rates and customer classifications to achieve equity to the maximum extent practicable, is advisable whenever there has been a shift in the economic base of the community, and whenever proportional cost of service is in question. As part of the regular periodic review of the rates, best practices include maintaining financially self-sustaining utilities, setting policies or guidelines on an appropriate reserve levels, including depreciation in the rates, and continual customer outreach to educate on the value of the City services provided.

This Study incorporates all three major elements of cost-based rate making; revenue requirement analysis, cost of service analysis, and rate-design analysis. In determining appropriate rate structures for Livingston that would meet the requirements of Proposition 218, the following key objectives were considered:

- Rates must be capable of generating sufficient revenues to meet all annual financial obligations of the utility enterprise funds;
- Changes to the rate structures must be administratively feasible (compatible with the existing billing system and straightforward to explain to customers);
- The rate structures should be as reflective of local customer use of the services as possible; and
- Revised rates must be supportive of City goals, including meeting target reserve levels and keeping within affordability guidelines.

This report presents the result of the analysis and rate structures that best meets these objectives under current and projected conditions.

1.3 RATE SETTING PRINCIPLES AND REPORT ORGANIZATION

This report was prepared using the principles established by the American Water Works Association, the Water Environment Federation, and Government Finance Officers Association.

The American Water Works Association “Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices M1 (the “M1 Manual”) establishes commonly accepted professional standards for cost of service studies. This manual is referenced in the water rate study.

The wastewater rate study uses the functional cost allocation methodology to determine rates¹, as presented in Water Environment Federation Manual of Practice No. 27 and guidelines prepared by the California State Water Resources Control Board for State Revolving Fund financing.

The Government Finance Officers Association publishes guidelines on sufficient cash balances for enterprise funds. Minimum cash balance targets for each utility fund in this Study are based on the GFOA guidelines.

¹ Chapter 6, pages 110-120, Financing and Charges for Wastewater Systems, Manual of Practice No. 27.

The Study is presented in four sections.

Following this introduction and summary of findings, Section 2 provides the water rate study. Section 3 provides the wastewater rate study, and Section 4 provides the solid waste rate study. For each utility study, the analysis begins with a description of the utility fund and its customers, followed by calculation of the revenue requirement, detailed calculations of the utility rates, projected cash flow and bill impacts to customers.

Appendix A includes support tables for the water rate study.

Appendix B includes support tables for the wastewater rate study.

Appendix C includes support tables for the solid waste rate study.

1.4 WATER RATE STUDY FINDINGS

Water rate study summary and key findings are summarized here:

- The City provides water supply, treatment, and distribution to the residents and businesses of Livingston. Monthly water rates pay for 93% of the annual costs of the water fund.
- The water fund has had net positive revenues for the last three years. The last water rate study included several capital improvement project costs that have not yet been incurred; therefore, revenues have deliberately been significantly greater than expenses. In the next five-year period cash reserves will be used to pay for capital improvement projects.
- The vast majority of the water system customer base is single family residential (93%); however, this customer category only uses 28% of the water. In contrast, the industrial customer category uses 62% of the water but holds less than 1% of the customer accounts. Although the residential customers use significantly more water during the peak summer months than winter months, their use is more than doubled by industrial use throughout the year. Industrial use is very steady month-to-month which makes the City less vulnerable to swings in revenues due to summer use; however, the City's largest industrial user, Foster Farms, is responsible for about 65% of the annual water fund revenue stream.
- The functional allocation of costs in the cost of service analysis determines that 45% of the costs should be collected in base "fixed" monthly charges; however, the rate study calculates fees based on 35% of costs collected in base monthly charges. In the 2014 water rate study it was determined that 35% was the most appropriate percentage to use because such a large amount of use of the system is from industrial users. The industrial customers do not have many water meters; therefore, capacity of the system, as measured by instantaneous flow through water meters, is much less significant in determining use of the system than it is for most water systems. Note, the functional allocation provides a guideline, not a rule, for allocating costs between base monthly charges and variable use charges.

- There are no proposed changes to the water rate structure except however that the methodology to calculate the construction water variable use rate (which is not a property-related service, and which fee is not included in the public hearing process) has been revised. The change in methodology increases the construction water rate proportionately more than the property-related fees.
- Due to updated pricing provided by the City's water meter supplier, the monthly meter fee for 10" meters is reduced. All other monthly meter fees increase.
- Cash reserves are projected to be drawn on heavily in fiscal years 2020 through 2022 and again in 2024 to fund the planned Capital Improvement Projects (CIP).
- A higher than minimum cash balance at the end of five years would be prudent for the water fund because of the multiple number of CIP project planned in the next five years. Cash reserves can be used, if necessary, to pay for project cost overruns; it can also be used to pay off State loans early and complete other system rehabilitation projects not currently in the CIP.
- The calculated January 2020 water rates result in an increase of \$3.34 per month during winter months for residential customers, and about \$4.00 per month during summer months. The impact to Foster Farms of the January 2020 rate increase is approximately \$66,000 (a 2.8% increase).

The updated water rate schedule is provided in **Table A** on the following page.

Table A
Projected Five-Year Water Rate Schedule

Charges	Current	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25
Base Charge	Inside City *						
1" and smaller	\$25.13	\$28.31	\$29.32	\$30.37	\$31.46	\$32.59	\$33.77
1.5"	\$50.27	\$56.62	\$58.65	\$60.75	\$62.93	\$65.19	\$67.53
2"	\$80.43	\$90.59	\$93.83	\$97.20	\$100.68	\$104.30	\$108.05
3"	\$175.94	\$198.17	\$205.26	\$212.62	\$220.24	\$228.15	\$236.36
4"	\$301.61	\$339.72	\$351.88	\$364.48	\$377.56	\$391.12	\$405.18
6"	\$628.35	\$707.74	\$733.07	\$759.34	\$786.58	\$814.83	\$844.13
8"	\$1,206.43	\$1,358.87	\$1,407.50	\$1,457.93	\$1,510.24	\$1,564.48	\$1,620.73
10"	\$1,910.18	\$2,151.54	\$2,228.54	\$2,308.40	\$2,391.21	\$2,477.09	\$2,566.16
Meter Fee							
1" and smaller	\$3.05	\$3.21	\$3.31	\$3.41	\$3.51	\$3.62	\$3.72
1.5"	\$11.11	\$7.57	\$7.80	\$8.04	\$8.28	\$8.52	\$8.78
2"	\$12.13	\$14.46	\$14.90	\$15.35	\$15.81	\$16.28	\$16.77
3"	\$25.74	\$18.05	\$18.59	\$19.15	\$19.72	\$20.31	\$20.92
4"	\$40.61	\$42.72	\$44.01	\$45.33	\$46.69	\$48.09	\$49.53
6"	\$56.33	\$73.83	\$76.04	\$78.32	\$80.67	\$83.09	\$85.59
8"	\$89.50	\$120.38	\$123.99	\$127.71	\$131.54	\$135.49	\$139.55
10"	\$204.51	\$155.35	\$160.01	\$164.81	\$169.76	\$174.85	\$180.10
Service Charge Monthly Water Allowance							
Attached Residential (per Unit)	10,000	gallons					
Detached Residential (per Unit)	25,000	gallons					
Non-Residential (per Meter)	35,000	gallons					
Consumption Charge per 1,000 gallons of water in excess of allowance each month							
All Customers	\$1.57	\$1.61	\$1.68	\$1.75	\$1.82	\$1.89	\$1.97
Construction Water	\$1.17	\$1.75	\$1.82	\$1.89	\$1.97	\$2.05	\$2.13

Source: City of Livingston and 2019 HEC rate study.

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* Water rate schedules 1.5x outside City limits.

1.5 WASTEWATER RATE STUDY FINDINGS

Wastewater rate study summary and key findings are summarized here:

- The City provides wastewater collection, treatment, and disposal services to the residents and businesses of Livingston. Monthly wastewater rates pay for 95% of the annual costs of the wastewater fund.
- The wastewater fund is currently covering all expenses and debt service coverage requirements of existing bond covenants. The wastewater fund has adequate cash reserves.

- Wastewater fee collections need to increase beginning January 2020 to pay for increased operating expenses, equipment and vehicle purchases, and the planned wastewater CIP.
- The cost of service study demonstrates a shift in the customer base. Since 2014, the City has experienced growth, particularly in the non-residential customer categories (hotels, gas stations, and other businesses).
- The shift in the customer base, as well as updated cost allocation factors used in the rate calculations, results in calculated fees that are slightly lower than current fees for variable charges for light industrial customers. To smooth out the difference between current and January 2021 rates, the rate study takes the midpoint for light industrial variable rate, and for the residential, light industrial and commercial base rates which would otherwise experience a greater jump between 2020 and 2021.

The updated wastewater rate schedule is provided in **Table B** below.

Table B
Calculated Five-Year Wastewater Rate Schedule

Customer Category	Billing Basis	Current Rates Effective ---->	FY 2019/20 Jan. 2020	FY 2020/21 Jan. 2021	FY 2021/22 Jan. 2022	FY 2022/23 Jan. 2023	FY 2023/24 Jan. 2024	FY 2024/25 Jan. 2025
Residential	per unit	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Non-Residential								
Churches/Temples/Comm. Ctrs.	per account	\$42.28	\$46.61	\$50.22	\$52.66	\$54.66	\$57.81	\$61.14
Schools (with cafeteria)	per student	\$1.46	\$1.69	\$1.82	\$1.90	\$1.98	\$2.09	\$2.21
Hotel/Motel	per room	\$17.22	\$21.77	\$23.46	\$24.60	\$25.53	\$27.01	\$28.56
Light Industrial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Commercial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Variable Charges for Non-Residential Only								
Light Industrial [1]	per gallon	\$0.010417	\$0.010781	\$0.011145	\$0.011686	\$0.012129	\$0.012829	\$0.013567
Commercial [2]	per gallon	\$0.003837	\$0.006541	\$0.007049	\$0.007391	\$0.007671	\$0.008114	\$0.008580

Source: 2019 HEC rate study.

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[1] Charge applied to the first 95% of total water use per month.

[2] Charge applied to the first 70% of total water use per month.

1.6 SOLID WASTE RATE STUDY FINDINGS

Solid waste study summary and key findings are summarized here:

- Solid waste rates pay for garbage pickup and disposal by Gilton Waste Management (hereafter “Gilton”). About 80% of annual sanitation fund expenses pay for services provided by Gilton. The remaining annual expenses pay for City-provided sanitation services, including street sweeping.
- The current solid waste rates cover the Gilton rates and more than cover current City operating and capital replacement and upgrade costs. As a result, the sanitation fund has sufficient cash balance such that a rate increase is not needed immediately.
- Because the current solid waste rates more than cover annual costs, the calculated rates are lower for fiscal year 2019/20; however, it is not advisable to decrease rates. Decreasing rates can lead to insufficiency of revenues in the five-year period which can lead to large rate increases in the future.
- The calculated solid waste rates do not increase January 2020 but they do increase each January thereafter. It is projected that the increased rates will continue to cover the Gilton rates and cover the City’s operating costs.
- A new service is included in the rate schedule for organics bins. The organics bins will be provided by Gilton to commercial and multi-family customers primarily for food waste services, which is a requirement of Senate Bill (SB) 1383.
- Included in the cost projection is \$100,000 per year in 2019 dollars to pay for the anticipated costs of implementing SB 1383. Anticipated costs include legal, education, outreach, enforcement and inspection costs. It is likely that the City will need to hire a recycling coordinator.

The updated solid waste rate schedule is provided in **Table C** on the next page.

Table C
Calculated Five-Year Solid Waste Rate Schedule

Service Type	Current	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
	<i>New Rates Effective ---></i>	<i>Jan. 2020</i>	<i>Jan. 2021</i>	<i>Jan. 2022</i>	<i>Jan. 2023</i>	<i>Jan. 2024</i>	<i>Jan. 2025</i>
	<i>Rate Increase ---></i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>
<i>Rates do not include charges for special services that are scheduled between the customer and provider such as off schedule pick up, container maintenance, and delivery charges.</i>							
SINGLE FAMILY RESIDENTIAL		Once per week pickup					
96 gal. cart	\$25.16	\$23.25	\$24.41	\$25.63	\$26.91	\$28.26	\$29.67
Add'l cart	\$5.97	\$6.14	\$6.44	\$6.77	\$7.10	\$7.46	\$7.83
96 gal. cart greenwaste	\$1.33	\$1.23	\$1.29	\$1.35	\$1.42	\$1.49	\$1.57
Add'l greenwaste cart	\$5.97	\$6.14	\$6.44	\$6.77	\$7.10	\$7.46	\$7.83
MULTI-FAMILY & COMMERCIAL		Once per week pickup					
1 cubic yard container	\$47.36	\$43.77	\$45.96	\$48.26	\$50.67	\$53.21	\$55.87
2 cubic yards container	\$94.41	\$87.25	\$91.61	\$96.19	\$101.00	\$106.05	\$111.35
3 cubic yards container	\$139.86	\$129.26	\$135.72	\$142.51	\$149.63	\$157.12	\$164.97
4 cubic yards container	\$179.04	\$165.45	\$173.72	\$182.41	\$191.53	\$201.11	\$211.16
6 cubic yards container	\$251.71	\$232.62	\$244.25	\$256.47	\$269.29	\$282.75	\$296.89
Organics Bin (New)		\$65.99	\$69.29	\$72.75	\$76.39	\$80.21	\$84.22
Recycle Bins							
4 & 6 cubic yard containers	\$71.41	\$65.99	\$69.29	\$72.75	\$76.39	\$80.21	\$84.22
Commercial Compacting							
3 cubic yards container	n/a	\$449.50	\$471.97	\$495.57	\$520.35	\$546.36	\$573.68
4 cubic yards container	n/a	\$570.15	\$598.66	\$628.59	\$660.02	\$693.02	\$727.67
MULTI-FAMILY & COMMERCIAL		Twice per week pickup					
1 cubic yard container	\$93.90	\$103.52	\$108.70	\$114.14	\$119.84	\$125.83	\$132.13
2 cubic yards container	\$187.14	\$206.32	\$216.64	\$227.47	\$238.84	\$250.79	\$263.32
3 cubic yards container	\$264.56	\$291.68	\$306.26	\$321.57	\$337.65	\$354.54	\$372.26
4 cubic yards container	\$348.86	\$384.62	\$403.85	\$424.04	\$445.24	\$467.51	\$490.88
6 cubic yards container	\$490.40	\$540.67	\$567.70	\$596.08	\$625.89	\$657.18	\$690.04
Organic Bins (New)	n/a	\$131.97	\$138.57	\$145.50	\$152.77	\$160.41	\$168.43
Recycle Bins							
4 & 6 cubic yard containers	n/a	\$131.97	\$138.57	\$145.50	\$152.77	\$160.41	\$168.43
Commercial Compacting							
3 cubic yards container	n/a	\$866.26	\$909.58	\$955.06	\$1,002.81	\$1,052.95	\$1,105.60
4 cubic yards container	n/a	\$1,091.41	\$1,145.98	\$1,203.28	\$1,263.45	\$1,326.62	\$1,392.95
MULTI-FAMILY & COMMERCIAL		Three times per week pickup					
1 cubic yard container	n/a	\$147.32	\$154.69	\$162.42	\$170.54	\$179.07	\$188.02
2 cubic yards container	n/a	\$296.27	\$311.08	\$326.64	\$342.97	\$360.12	\$378.12
3 cubic yards container	\$398.63	\$439.49	\$461.46	\$484.54	\$508.76	\$534.20	\$560.91
4 cubic yards container	\$545.64	\$601.57	\$631.65	\$663.23	\$696.39	\$731.21	\$767.77
6 cubic yards container	\$750.40	\$827.32	\$868.68	\$912.12	\$957.72	\$1,005.61	\$1,055.89
Recycle Bins							
4 & 6 cubic yard containers	n/a	\$263.97	\$277.17	\$291.03	\$305.58	\$320.86	\$336.90
Commercial Compacting							
3 cubic yards container	n/a	\$1,734.27	\$1,820.99	\$1,912.04	\$2,007.64	\$2,108.02	\$2,213.42
4 cubic yards container	n/a	\$2,312.35	\$2,427.96	\$2,549.36	\$2,676.83	\$2,810.67	\$2,951.20

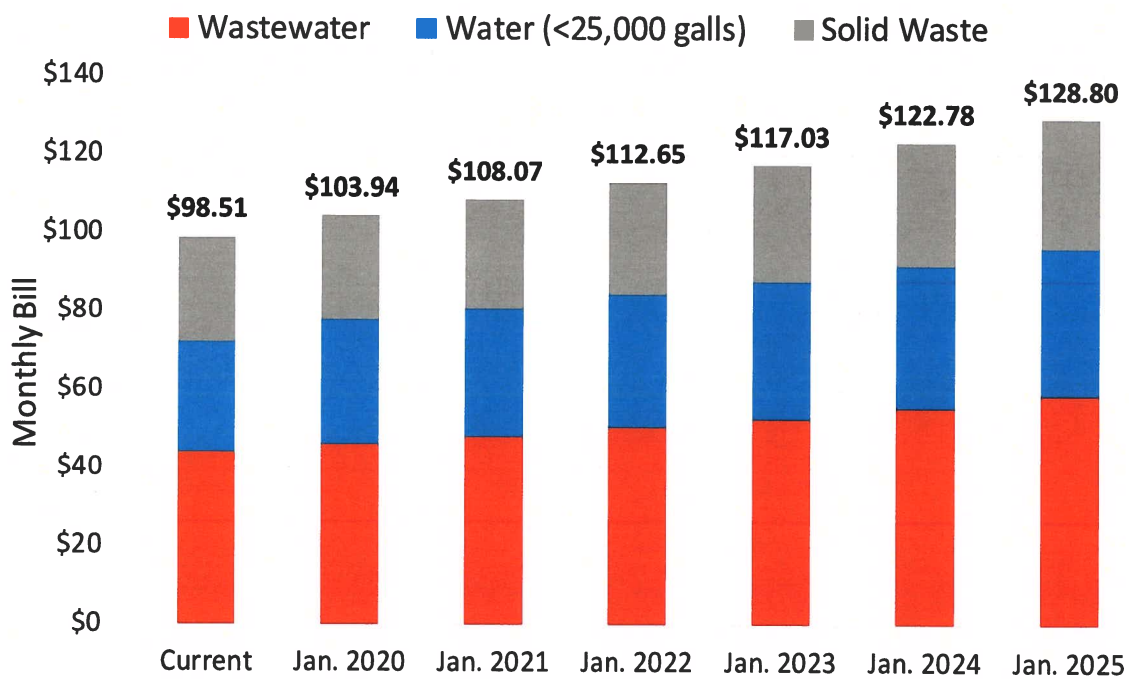
Source: City of Livingston and HEC.

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1.7 COMBINED UTILITIES BILL IMPACTS

Livingston residents receive monthly utility bills that include water, wastewater, and solid waste service costs; therefore, it is important to look at the combined impact on customer bills. **Figure A** below shows the total monthly bill impact to a typical home in Livingston using less than 25,000 gallons. In total, monthly bills would increase 5.5% January 2020, and between 4.0% and 5.0% each year for the following five January adjustments.

Figure A
Combined Utility Bill Impact for a Typical Home



Bill impacts to other customer categories are addressed in each study.

Section 2: WATER RATE STUDY

2.1 THE WATER FUND AND ITS CUSTOMERS

The City’s water enterprise fund accounts for the revenues and expenses associated with provision of water service. An enterprise fund is a fund that is intended to recover its costs through user fees and charges for a specific service. Money collected for an enterprise fund cannot be spent on other services. Generally accepted accounting principles (GAAP) require state and local government to use the enterprise fund type to account for “business type activities”. As a business type fund, enterprise funds must be self-sufficient. Enterprise funds also provide the repayment capacity for, and make debt service payments on, any debt incurred for capital projects; therefore, any water enterprise fund bond-funded projects do not diminish the City’s general fund debt capacity.

It is important for enterprise funds to be self-sufficient, without subsidies from other funds, including the City’s General Fund. General Fund cash should be used to protect against factors that could limit the City’s ability to provide critical services. Decreasing General Fund reserves could leave the City financially vulnerable, reducing funds necessary to recover from a natural disaster, for example.

Table 1 shows historical revenues and expenses for the water operating fund for fiscal years 2017 through 2019. Net revenues have been positive each year. The last water rate study included several capital improvement project costs that have not yet been incurred; therefore, revenues have deliberately been significantly greater than expenses. In the next five-year period cash reserves will be used to pay for capital improvement projects.

Table 1
Water Fund Historical Revenues and Expenses

Revenues and Expenses	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Revenue	\$3,484,226	\$3,736,933	\$3,873,948
Expense	\$1,868,403	\$1,952,499	\$2,662,009
Net Income	\$1,615,824	\$1,784,434	\$1,211,939
less Transfers Out	\$0	\$1,773,333	\$0
Net Revenue after Transfers	\$1,615,824	\$11,102	\$1,211,939

Source: City of Livingston financials provided September 2019.

net

Appendix A Tables A-1 and A-2 show the details of historical water fund revenues and expenses.

2.1.1. Revenues

Water system operations are funded through monthly rates, meter installation fees, interest income, utility penalties, and other small miscellaneous revenues. In some years, the City receives intergovernmental revenues for special regional projects.

Rate revenue is generated by application of the water rate schedule shown in **Table 2** below. Under the current rate schedule all customers pay fixed monthly charges (which include a service charge and meter replacement fee) by meter size, and a use charge according to the quantity of water used each month. Water is measured in thousands of gallons. All customers pay the same rate for every unit of water consumed above their base allowance. The monthly base allowance varies by customer category.

**Table 2
Current Water Rates Schedule**

Charges	2019 (Current) Water Rates	
	Inside City *	
Fixed Monthly Charges	Base Charge	Meter Fee
1" and smaller	\$25.13	\$3.05
1.5"	\$50.27	\$11.11
2"	\$80.43	\$12.13
3"	\$175.94	\$25.74
4"	\$301.61	\$40.61
6"	\$628.35	\$56.33
8"	\$1,206.43	\$89.50
10"	\$1,910.18	\$204.51
Service Charge Monthly Water Allowance		
Attached Residential (per Unit)	10,000	gallons
Detached Residential (per Unit)	25,000	gallons
Non-Residential (per Meter)	35,000	gallons
Construction	0	gallons
Consumption Charge per 1,000 gallons of water in excess of allowance each month		
All Customers except Construction	\$1.57	
Construction	\$1.17	

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* Water rate schedules 1.5x outside City limits.

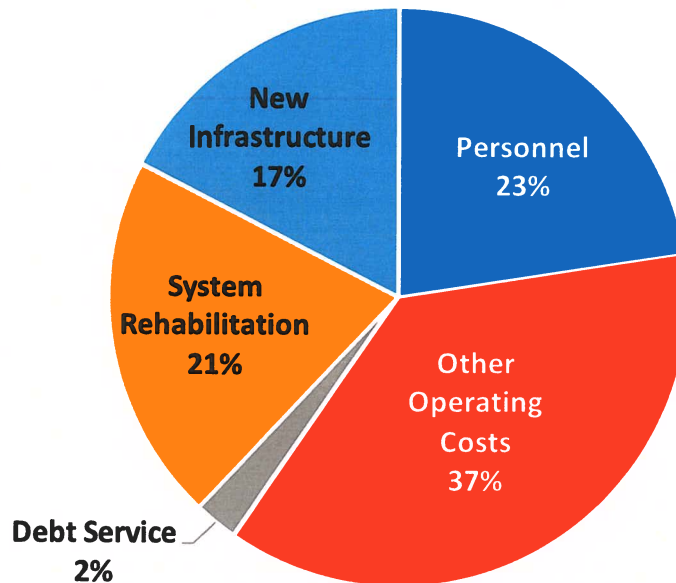
2.1.2. Expenses

Annual operating costs include all water system operating expenses, capital outlay, and debt service. Expenditures were grouped into five categories:

- Personnel (Payroll and Benefits)
- System Rehabilitation
- Debt Service
- New Infrastructure Projects
- Other Operating Costs

Personnel and other operating costs comprised the largest cost items in fiscal year ending 2019, which is the base year for the study. Fiscal year 2019 costs are illustrated in **Figure 1**.

Figure 1
Historical Water Fund Operating Expenses



2.1.3. Customer Base

Per the California Department of Finance, Livingston has a population of approximately 14,800, and it has sustained an annual average population increase of 1.8% since 2000. Population growth is shown in **Figure 2** on the next page.

The City serves water to about 3,100 households and 200 non-residential establishments, including large customers such as Foster Farms, and several irrigation-only customers. A pie chart illustrating the customer base is provided in **Figure 3** on the next page. As the pie chart shows, the City's water customers are primarily (93%) single family residential.

Figure 2
Population Growth

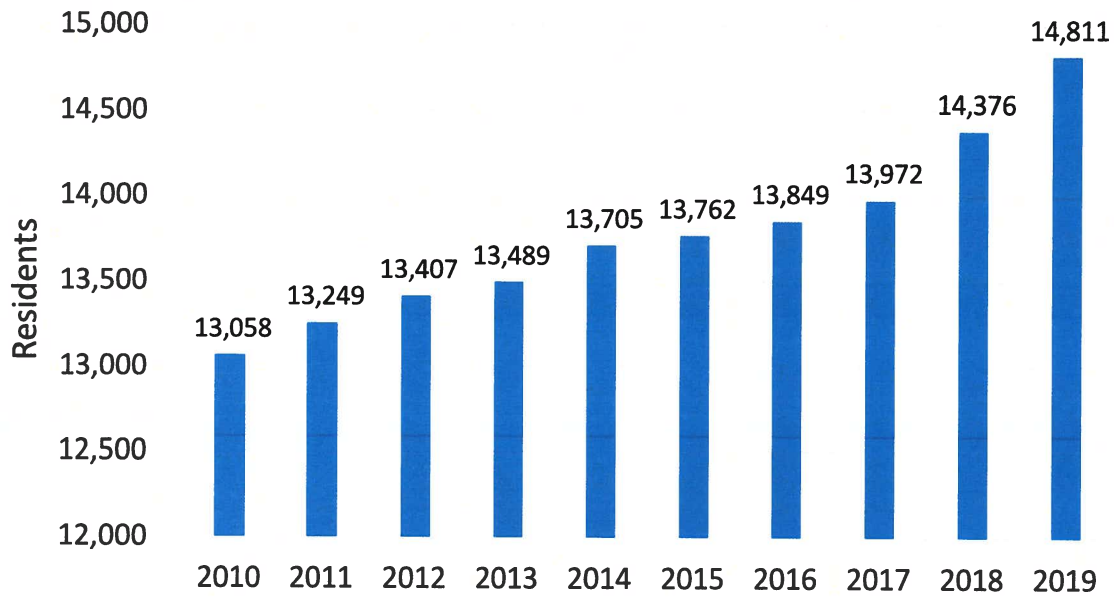
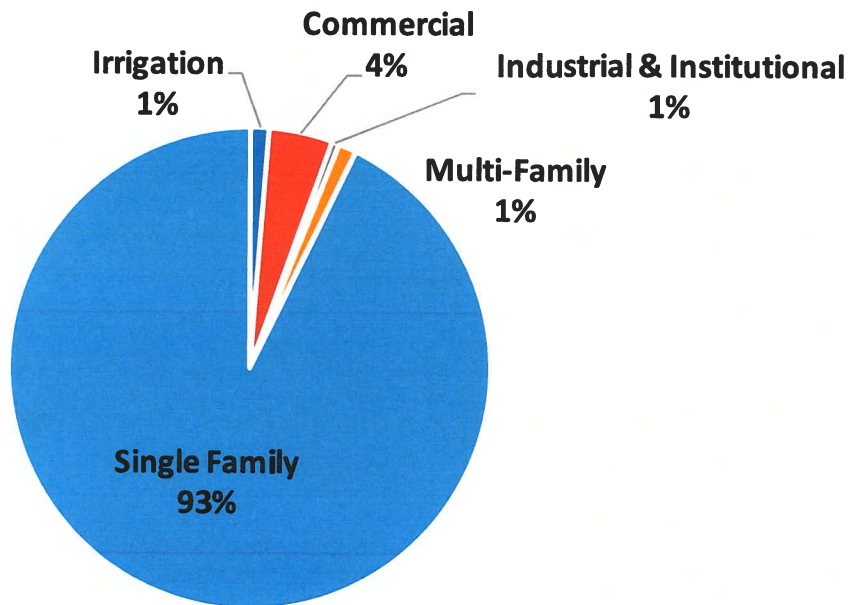


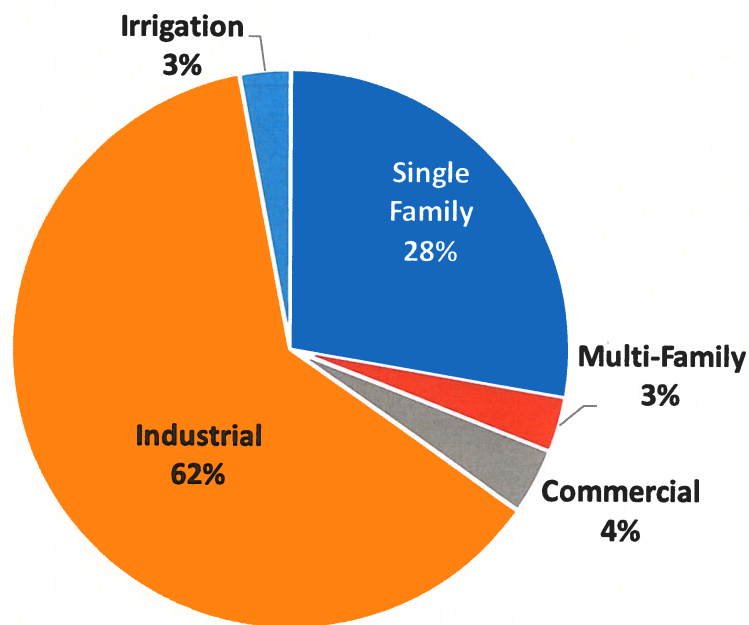
Figure 3
Customer Base



2.1.4. Water Consumption and Production

Figure 4 shows total water consumption by customer category. Although single family residential makes up 93% of the customer base, this group uses 28% of annual water consumption. Industrial customers, which make up less than 1% of the customer base, use 62% of total water consumed.

Figure 4
Water Consumption by Customer Category

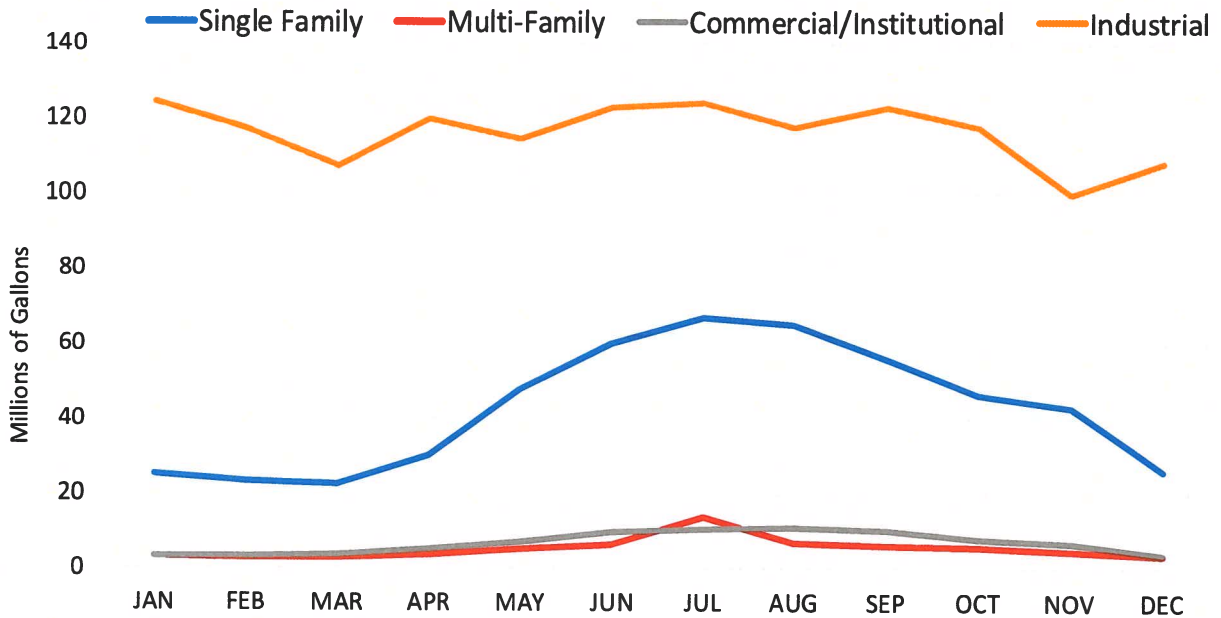


The City's water supply is 100% groundwater. Water use fluctuates from year to year depending on several factors including, but not limited to, growth, the weather, sustained drought, plumbing retrofits, and pricing of water. Historical average water use for 2016-2018 by customer category is used as the basis on which to project water use in the rate study. Historical potable water consumption is provided in **Appendix Table A-3**.

Like most cities in the western U.S., Livingston experiences greater water demand in the summer than the winter due to outside applications of water. **Figure 5** shows water use by month using 2017 and 2018 water use data provided by the City. Greater demand during the summer is driven by the single family customer category. Because such a large quantity of water is consumed by the industrial customers, with a steady water demand throughout the year, the City is not as susceptible to large swings in water use as many central valley communities.

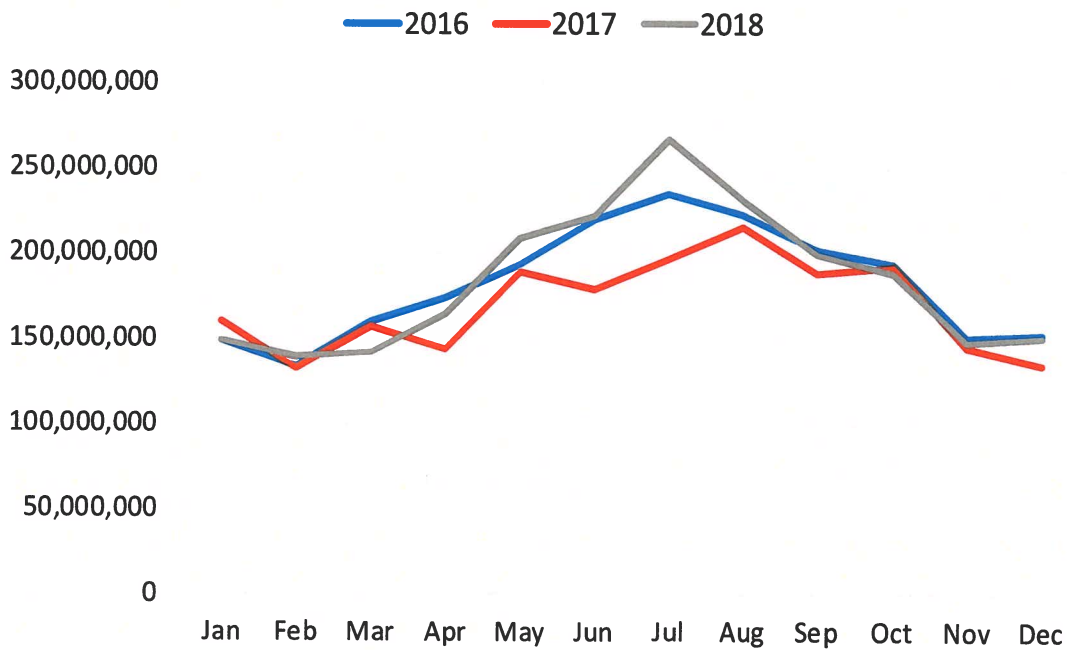
Well production data is provided in **Appendix Table A-4**. Approximately 84% of annual water production is for year-round water consumption, and approximately 16% of annual water production is additional water for increased demand during the summer months. Typically, central valley communities use 60%-65% of water for year-round demand, and 35%-40% of water additionally during the summer. **Figure 6** shows seasonal water production for the last three years.

Figure 5
Water Use Patterns by Customer Category



System-wide annual water production by month is shown in **Figure 7**.

Figure 6
Annual Water Production – Seasonal Trend



2.2 REVENUE REQUIREMENT

According to the American W M1 Manual, the first step in the ratemaking analysis is to determine the adequate and appropriate funding of a utility. This is referred to as the “revenue requirements” analysis. This analysis considers the short-term and long-term service objectives of the utility over a given planning horizon, including capital facilities and system operations and maintenance, to determine the adequacy of a utility’s existing rates to recover its costs. A number of factors may affect these projections, including: the number of customers served, water-use trends, nonrecurring sales, weather, conservation, use restrictions, inflation, interest rates, wholesale contracts, capital finance needs, changes in tax laws, and other changes in operating and economic conditions.

After determining a utility’s revenue requirements, a utility’s next step is determining the cost of service. Utilizing a public agency’s approved budget, financial reports, operating data, and capital improvement plans, a rate study generally categorizes (functionalizes) the costs, expenses, and assets of the water system among major operating functions to determine the cost of service.

After the assets and the costs of operating those assets are properly categorized by function, the rate study allocates those “functionalized costs” to the various customer classes (e.g., single-family residential, multi-family residential and commercial) by determining the characteristics of those classes and the contribution of each to incurred costs such as peaking factors or different delivery costs, service characteristics and demand patterns. Rate design is the final part of the M1 Manual’s rate-making procedure and generally uses the revenue requirement and cost of service analysis to determine appropriate rates for each customer class.

The revenue requirement refers to the amount of money that must be raised for revenue sufficiency of the water fund through rates. The projection of the revenue requirement is the cornerstone for the calculation of rates. This section explains the derivation of revenue requirement for this study. Components of the revenue requirement include:

- Capital Improvements
- Debt Service
- Operations Expenses and Reserves
- System Rehabilitation

Non-water sales revenue projections are credited against projected operations costs. Non-water sales include meter replacement fees, meter installation fees, fines and forfeitures (penalties), interest income, and miscellaneous revenue.

2.2.1. Capital Improvements

Water system capital costs in any one year are dependent on the state of the current infrastructure to serve existing customers and necessary improvements to accommodate potential new customers. Over the next five years, total water system capital improvement costs are estimated at \$24.56 million. The largest project cost is anticipated to be for wells 13 and 17 conveyance,

treatment plant and storage tank (\$8.75 million). The new well 11 (estimated cost \$1.20 million) will be constructed and paid for by Foster Farms under agreement with the City.

Table 3 summarizes the total estimated costs and anticipated funding sources. Total estimated costs are in future dollars (cost estimates were provided in 2019 dollars; the rate study inflates the cost estimates by 3% each year per the 10-year historical average increase in the Engineering News Record (ENR) Construction Cost Index (CCI)). **Appendix Tables A-5 and A-6** provides greater detail of the CIP items and costs.

A \$4.0 million loan has already been executed with the State Water Resources Control Board (SWRCB) for wells 14 and 16 treatment and conveyance facilities. Improvements to wells 8, 9, 13, and 17 are anticipated to be funded with additional loans from the SWRCB. All other capital improvement projects will be funded with reserves (currently accumulated and future collections of water rate revenues), and the park surface water irrigation project will be partially funded with a grant.

Two projects are estimated to benefit future water users; 25% of the well 8 and 9, as well as the well 13 and 17 project costs, are allocated to future users. These two projects are anticipated to be funded by SRF loans; therefore, 25% of annual debt service will be paid for with accumulated water connection fees.

Table 3
Summary of CIP Costs Fiscal Years Ending 2020-2025

	Estimated Cost in Inflated Dollars 2020-2025	Funding Source
Well 8 - New Well	\$1,030,000	Reserves
Well 9 - New Well	\$1,200,000	Reserves
Well 11 - New Well	\$1,200,000	Foster Farms
Well 12 Conveyance & Treatment	\$1,935,875	Reserves
Well 8 & 9 Conveyance & Treatment Plant	\$4,635,000	SRF Loan [1]
Well 14 & 16 Conveyance & Treatment Plant - secured loan	\$4,000,000	SRF Loan
Well 13 & 17 Conveyance, Treatment Plant & Storage Tank	\$8,755,000	SRF Loan [1]
Water Line Replacement Ph 4 (Walnut, Davis, White, N Main)	\$1,412,397	Reserves
Park Surface Water Irrigation	\$370,800	Reserves [2]
Server Upgrades	\$25,000	Reserves
Total Estimated Water Improvements Cost	\$24,564,073	

Source: City of Livingston November 2019.

cip sum

[1] A portion of debt service to be repaid with connection fees.

[2] A portion of this project will be funded by a grant.

2.2.2. Debt Service

The City has two existing loans with the SWRCB for wells 13 (\$1.35 million) and wells 14 and 16 (\$4.00 million). Repayment schedules are provided in **Appendix A Tables A-7 and A-8**.

New debt service is assumed to be incurred for wells 8 and 9 (total \$3.61 million), as well as wells 13 and 17 (total \$8.76 million). The City does not yet know what the terms of financing will be; the rate study assumes 2.50% interest with a 30-year amortization. The State requires one year of debt service be held in reserve for debt payments. The City can either collect this up-front or increase debt service 10% for the first ten years of payments. The rate study assumes that an additional 10% per year is collected for the first ten years for both of these projects. Debt calculations associated with the estimated additional two new SWRCB loans is provided in **Appendix A Table A-9**.

In addition, the City is currently executing an agreement with TRANE for energy efficiency projects Citywide. A portion of the total projects cost is to upgrade water system components to be more energy efficient. The water system's share of debt service associated with these projects is estimated at \$47,000 per year.

2.2.3. Operating Expenses and Reserves

Future year operating expenses are based on fiscal year 2019 actual operating expenses. Personnel costs are increased 6.0% each year, utilities costs are increased 4.0% each year, and all other annual expenses are increased 2.5%, 3.0%, or 3.5% each year. These cost increases were based on historical cost increases and discussions with City staff. Historically, City water operating expenses have increased 3.5% to 4.0% per year, which is very reasonable. It is very typical for water utility annual costs, and therefore water rates, to outstrip inflation. In May 2019, the American Water Works Association released an article, "Rate survey: water cost increases outpacing other U.S. goods and services" in which it documented that between 2016 and 2018 water rates increased 7.2% and wastewater rates 7.5% while the national consumer price index increased 4.6%.

In addition to historical types of costs incurred by the water fund, the City is adding new operations and maintenance costs for facilities included in the CIP. These costs will be partially offset by reduced electrical bills resulting from the completion of the water system energy efficiency projects.

2.2.4. System Rehabilitation

Depreciation is used as the basis on which to collect rates to cover system rehabilitation costs. Inclusion of system rehabilitation costs demonstrates fiscal responsibility toward the assets to potential future investors and helps to establish good credit². Depreciation is calculated based on existing water facilities and new facilities built in the next five-year period.

² Per Governmental Accounting Standards Board (GASB) 34, local governments must report on the value of their infrastructure assets and plan for asset maintenance (including collecting sufficient revenue) to obtain good credit when issuing bonds or procuring other forms of financing for long-term construction projects.

Table 4 shows the total annual amount included in the rates for system rehabilitation. The estimated cost includes replacement of existing assets and assets that are estimated to be constructed during the study time period. The water rates include 50% depreciation; in many years not all of the money collected is spent; in these years the additional amount is kept in the reserves and spent in another year in which capital costs exceed collections for system rehabilitation.

**Table 4
System Rehabilitation Annual Budget Estimate**

Depreciation	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Current Depreciation [1]	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000	\$183,000
New Depreciation	\$736,000	\$736,000	\$736,000	\$736,000	\$736,000	\$736,000
Total Depreciation	\$919,000	\$919,000	\$919,000	\$919,000	\$919,000	\$919,000
	50%	50%	50%	50%	50%	50%
Amount in Rev. Req.	\$459,500	\$459,500	\$459,500	\$459,500	\$459,500	\$459,500

Source: City of Livingston and HEC November 2019. depr

[1] Current book value of all water assets minus wells which are to be replaced.

2.2.5. Calculated Revenue Requirement

Table 5 provides the projection of annual costs and revenues and the resulting revenue requirement through fiscal year 2025. Over the next five years, the revenue requirement is projected to continue to increase to account for inflation, to fund capital expenditures and depreciation, and to account for new debt. The total revenue requirement is projected to increase from \$2.38 million in fiscal year 2019 to \$4.03 million in fiscal year 2020 and fluctuate each year thereafter depending on the level of cash-funded capital expenditures.

The water rates are based on raising sufficient revenue to fund the revenue requirement with even 4.25% percentage increases over time. The amount to be raised each year by water rates is the “user fees” line underneath the revenue requirement line in **Table 5**. Note that although the amount to be raised by rates increases 4.25% in the first year, not all customer categories will have the same percentage increase. The difference in customer category increases is due to the cost of service analysis.

**Table 5
Projected Revenue Requirement**

Expenses and Credits	Inflator	Fiscal Year Ending						
		2019 actual	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Operating Expenses								
Personnel	6.0%	\$726,097	\$769,663	\$815,843	\$864,794	\$916,681	\$971,682	\$1,029,983
Contract Services	3.0%	\$110,320	\$113,630	\$117,039	\$120,550	\$124,166	\$127,891	\$131,728
Utilities	4.0%	\$560,431	\$582,848	\$606,162	\$630,408	\$655,625	\$681,850	\$709,124
less Electricity Savings [1]	4.0%			(\$75,000)	(\$78,000)	(\$81,120)	(\$84,365)	(\$87,739)
SGMA Compliance (placeholder)	2.5%	\$0	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$56,570
Infrastructure O&M	3.5%	\$381,515	\$394,868	\$408,688	\$422,992	\$437,797	\$453,120	\$468,979
Other Operating Costs	2.5%	\$142,217	\$145,772	\$149,416	\$153,152	\$156,981	\$160,905	\$164,928
New Infrastructure Op. Costs	Table A-6	\$0	\$295,000	\$97,850	\$525,146	\$103,809	\$782,229	\$110,131
Total Operating Expenses		\$1,920,580	\$2,351,781	\$2,171,249	\$2,691,573	\$2,367,784	\$3,148,503	\$2,583,704
Debt Service								
SRF D15-02037 (\$1.35 Mill - well 13)	secured	\$78,778	\$78,778	\$78,778	\$78,778	\$78,778	\$78,778	\$78,778
SRF D18-02003 (\$4.0 Mill -wells 14 & 16)	secured		\$47,358	\$172,989	\$172,989	\$172,989	\$172,989	\$172,989
Energy Retrofits [2]	estimate			\$47,000	\$47,000	\$47,000	\$47,000	\$47,000
New Debt - Wells 13 & 17	estimate				\$460,130	\$460,130	\$460,130	\$460,130
New Debt - Wells 8 & 9	estimate				\$243,650	\$243,650	\$243,650	\$243,650
Subtotal Debt Service		\$78,778	\$126,136	\$298,767	\$1,002,547	\$1,002,547	\$1,002,547	\$1,002,547
System Rehabilitation and New Projects								
Meter Replacement		\$36,295	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Equipment Purchase		\$27,130	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Vehicle Replacement		\$38,229	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Cash-Funded Capital Projects		\$560,996	\$1,225,000	\$1,223,002	\$1,412,397	\$0	\$1,935,875	\$0
Subtotal System Rehabilitation and New Projects		\$662,651	\$1,322,000	\$1,320,002	\$1,509,397	\$97,000	\$2,032,875	\$97,000
Additional Collection for Depreciation		\$0	\$459,500	\$459,500	\$459,500	\$459,500	\$459,500	\$459,500
Total Costs		\$2,662,009	\$4,259,418	\$4,249,518	\$5,663,018	\$3,926,831	\$6,643,425	\$4,142,751
Credits								
Meter Replacement Fees	3.0%	\$158,192	\$151,304	\$156,836	\$161,541	\$166,387	\$171,378	\$176,520
Meter Installation Fees	estimate	\$51,718	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Fines & Forfeitures	3.0%	\$17,980	\$18,519	\$19,075	\$19,647	\$20,237	\$20,844	\$21,469
Interest Income	0.0%	\$48,768	\$48,768	\$48,768	\$48,768	\$48,768	\$48,768	\$48,768
Loss of Highway Irrigation Area Revenue [3]	4.5%			(\$16,000)	(\$16,720)	(\$17,472)	(\$18,259)	(\$19,080)
Miscellaneous Revenue	0.0%	\$7,959	\$7,959	\$7,959	\$7,959	\$7,959	\$7,959	\$7,959
Subtotal Credits		\$284,618	\$235,551	\$225,638	\$230,195	\$234,879	\$239,691	\$244,636
Revenue Requirement		\$2,377,391	\$4,023,867	\$4,023,880	\$5,432,822	\$3,691,953	\$6,403,734	\$3,898,115
Increase in User Fees [4]			4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
User Fees		\$3,592,366	\$3,745,041	\$3,904,206	\$4,070,134	\$4,243,115	\$4,423,448	\$4,611,444

Source: City of Livingston fiscal year 2019 budget, and HEC.

rev req

[1] TRANE estimate is \$79,953 in first year. This has been rounded down to the nearest \$5,000.

[2] Bank estimate of annual payments is \$46,694. This has been rounded up to the nearest \$1,000.

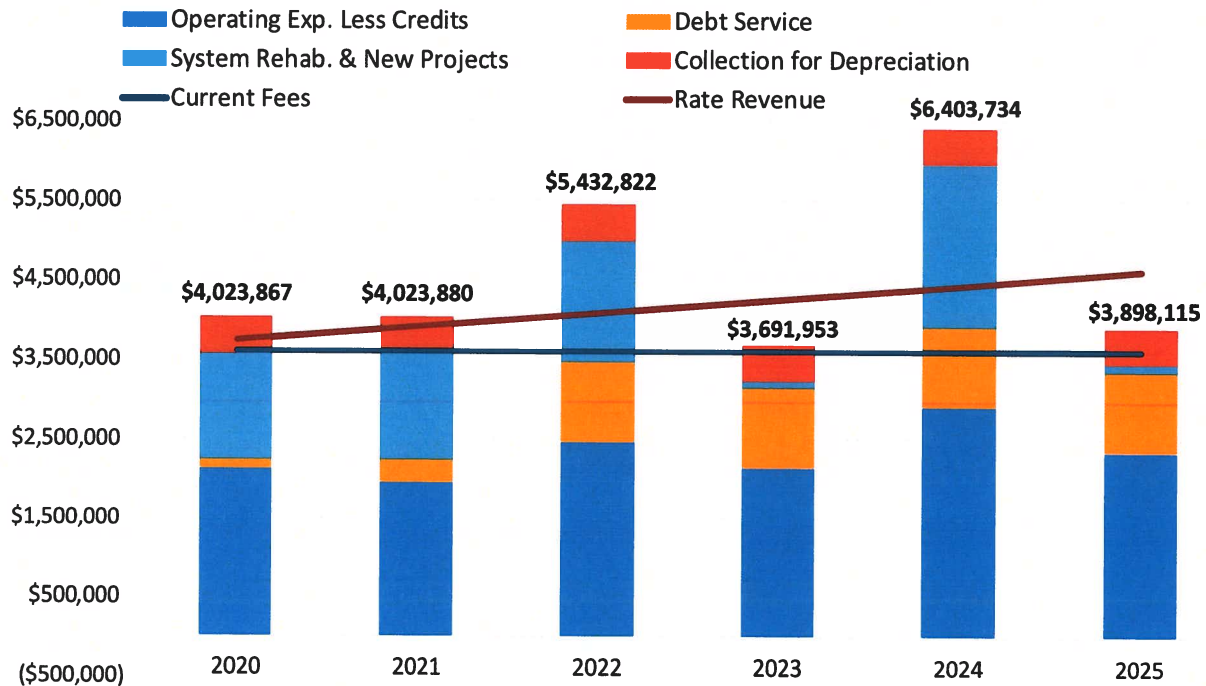
[3] Well 15 will be removed from domestic consumption supplies due to poor water quality; however, it will continue to provide irrigation water.

At this time, it is unknown what revenues might be collected from the well 15 irrigation system.

[4] The amount to be raised from water sales is increased each year by a percentage to smooth out the changes.

Components of revenue requirement and projected water sales revenues are illustrated in **Figure 7**. The total revenue requirement decreases in 2023 and 2025 because of a decrease in cash spending on capital improvement projects during those years.

Figure 7
Components of Revenue Requirement



One of the credits in the revenue requirement is revenue generated by the monthly meter replacement fee. City crews replace older water meters that are near the end of their useful life, or which are inaccurately measuring water flow. The cost to replace meters by size of meter was used to determine appropriate monthly collection of fees to support routine meter replacements in **Appendix Table A-10**. Projected meter replacement fee revenue by year is shown in **Appendix Table A-11**.

The next step in calculating water rates is performing functional cost allocation and cost of service. Functional cost allocation is provided in **Appendix A, Tables A-12 and A-13**. The cost classification provides a *guideline* for the City in determining the portion of revenue requirement to collect through service charges versus usage charges. There is no set formula for determining exactly how much to collect in the service charge versus the use charge.

City water system costs were classified into two categories; fixed (service) and variable (use) costs.

- **Fixed Costs.** Included in this category are costs associated with customer-driven costs and the water system's readiness to serve, which includes a portion of the water system's capacity costs for typical non-peaking water use. Forty-five percent of annual costs were determined to be fixed costs after performing a functional allocation of the 2019 water fund expenses.

Fixed costs are allocated to customers based on the number of equivalent meters, determined by the relative hydraulic capacity of the meter size relative to a 1-inch meter. **Table A-14** shows the calculation of equivalent meters. Note that the number of equivalent meters is calculated using current number of billing meters (rather than total number of meters) on the water system at any one time.

- **Variable Costs.** These costs vary with the quantity of water consumed. They include the peaking portion of capacity costs and commodity costs. Commodity costs are expenses that increase or decrease almost directly with the amount of water supplied. Operations and maintenance variable costs primarily include well pumping electricity costs, but also a portion of administrative costs, debt service and other costs as determined in the functional allocation. Variable costs are recovered through use charges applied per thousand gallons above the base allowance each month.

Table 6 shows allocation of the amount to be collected in user fees each year between service and use charges in the rate model for the study. The amount to be collected in monthly service charges (the "fixed" fee component) is 35% rather than the 45% calculated in the functional cost allocation. This difference is because the City currently collects 35% of user fees in service charges. In the last water rate study, which was conducted in 2014, it was determined that 35% was the most appropriate percentage to use because such a large amount of use of the system is from industrial users. The industrial customers do not have many water meters; therefore, capacity of the system, as measured by instantaneous flow through water meters, is much less significant in determining use of the system than it is for most water systems.

Table 6
Allocation of User Fees

Allocated Rev. Requirement	Fiscal Year Ending						
	2020	2021	2022	2023	2024	2025	
Revenue Requirement	\$3,745,041	\$3,904,206	\$4,070,134	\$4,243,115	\$4,423,448	\$4,611,444	
Fixed	35%	\$1,310,765	\$1,366,472	\$1,424,547	\$1,485,090	\$1,548,207	\$1,614,005
Variable	65%	\$2,434,277	\$2,537,734	\$2,645,587	\$2,758,025	\$2,875,241	\$2,997,439

Source: City of Livingston November 2019 and HEC.

rev alloc

2.3 WATER RATE CALCULATIONS

The calculation of monthly service charges is shown in **Table 7** below. Monthly service charges are applied to customers based on the size of their meter.

Table 7
Calculation of Monthly Service Charges

Base Meter Fee	Fiscal Year Ending					
	2020	2021	2022	2023	2024	2025
Total Costs	\$1,310,765	\$1,366,472	\$1,424,547	\$1,485,090	\$1,548,207	\$1,614,005
Meter Equivalentents	3,858	3,883	3,908	3,933	3,958	3,983

Meter Size	Ratio	Monthly Service Charge per Meter					
1" and smaller	1	\$28.31	\$29.32	\$30.37	\$31.46	\$32.59	\$33.77
1.5"	2	\$56.62	\$58.65	\$60.75	\$62.93	\$65.19	\$67.53
2"	3	\$90.59	\$93.83	\$97.20	\$100.68	\$104.30	\$108.05
3"	7	\$198.17	\$205.26	\$212.62	\$220.24	\$228.15	\$236.36
4"	12	\$339.72	\$351.88	\$364.48	\$377.56	\$391.12	\$405.18
6"	25	\$707.74	\$733.07	\$759.34	\$786.58	\$814.83	\$844.13
8"	48	\$1,358.87	\$1,407.50	\$1,457.93	\$1,510.24	\$1,564.48	\$1,620.73
10"	76	\$2,151.54	\$2,228.54	\$2,308.40	\$2,391.21	\$2,477.09	\$2,566.16

Source: City of Livingston November 2019 and HEC.

base fees

The calculation of use charges is shown in **Table 8**. Beginning January 2020, water use greater than the monthly allowance would be billed at \$1.61 per thousand gallons.

Table 8
Calculation of Use Costs per Thousand Gallons

Customer Category	Fiscal Year Ending					
	2020	2021	2022	2023	2024	2025
Allocated Costs	\$2,434,277	\$2,537,734	\$2,645,587	\$2,758,025	\$2,875,241	\$2,997,439
Annual Demand (Thousands of Gallons)	2,139,398	2,144,857	2,150,377	2,155,960	2,161,606	2,167,317
Gallons Above Monthly Allowance						
Residential	<i>All figures in thousands of gallons</i>					
Single Family	62,742	63,131	63,523	63,918	64,315	64,714
Multi-Family	21,764	21,764	21,764	21,764	21,764	21,764
Subtotal Residential	84,506	84,896	85,288	85,682	86,079	86,479
Non-Residential						
Commercial	43,240	44,179	45,137	46,117	47,118	48,140
Industrial	1,329,351	1,329,351	1,329,351	1,329,351	1,329,351	1,329,351
Irrigation	54,934	54,934	54,934	54,934	54,934	54,934
Subtotal Non-Residential	1,427,525	1,428,463	1,429,422	1,430,402	1,431,403	1,432,425
Gallons Above Monthly Allowance	1,512,031	1,513,359	1,514,710	1,516,084	1,517,482	1,518,904
Estimated Total Water Billed	71%	71%	70%	70%	70%	70%
Cost per 1,000 Gallons above Base Allowance	\$1.61	\$1.68	\$1.75	\$1.82	\$1.89	\$1.97
Construction Water	\$1.75	\$1.82	\$1.89	\$1.97	\$2.05	\$2.13

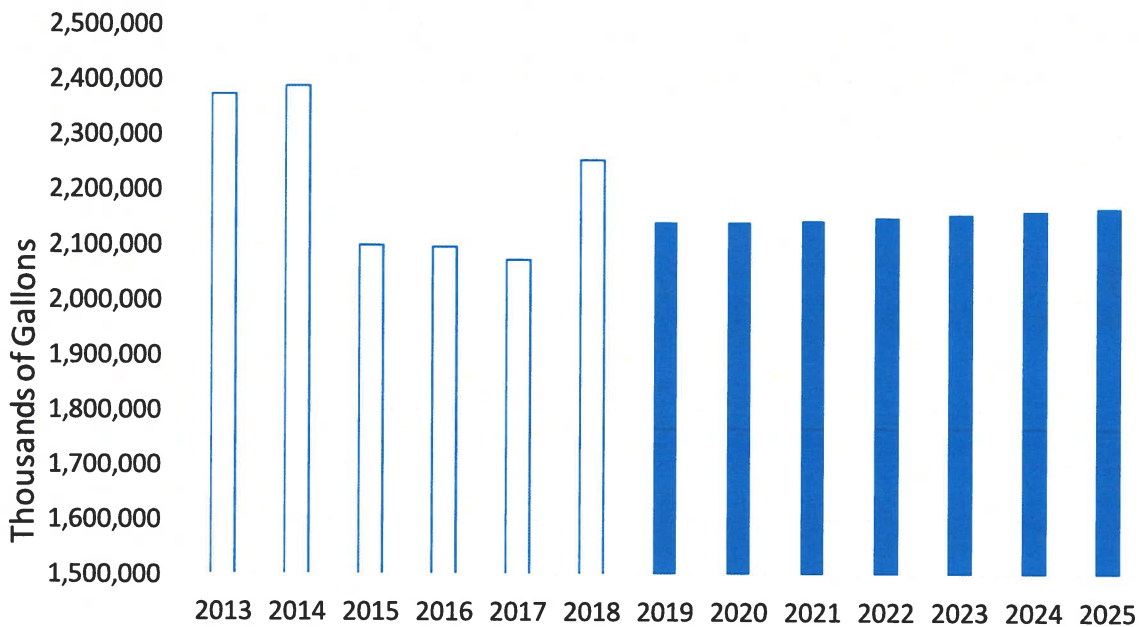
Source: City of Livingston and HEC September 2019.

use fees

The calculation of use charges is based on allocated cost and projected water demand for each customer category. Total projected water demand is shown in **Figure 8** on the next page and by customer category in **Appendix Table A-15**. The projection of water demand is based on average water use for the past three years plus the assumed growth of 25 new one-inch water meters per year. In addition, the projected water use accounts for customers’ reactions to price increases. The relationship between increased prices and decreased demand is referred to as price elasticity. Price elasticity varies by geography due to many micro-economic variables. HEC applied industry knowledge to establish assumed price elasticity factors for the Study. Price elasticity analysis is shown in **Tables A-16** and **A-17**.

Construction water use fees for water pulled off fire hydrants, and which are not property-related fees, are calculated as the average cost per gallon for all water service costs excluding meter replacement. This methodology is updated from the 2014 water rate study which is why the cost increase is greater than for other water customers.

Figure 8
Historical and Projected Annual Water Demand



The calculated meter replacement fees are shown in **Table 9**. Due to updated pricing provided by the City’s water meter supplier, the monthly meter fee for 10” meters decreased. All other monthly meter fees increased.

Table 9
Calculated Meter Replacement Fees by Meter Size

Meter Size	Fiscal Year Ending					
	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
	<i>Annual Escalator 3%</i>					
1"	\$3.21	\$3.31	\$3.41	\$3.51	\$3.62	\$3.72
1-1/2"	\$7.57	\$7.80	\$8.04	\$8.28	\$8.52	\$8.78
2"	\$14.46	\$14.90	\$15.35	\$15.81	\$16.28	\$16.77
3"	\$18.05	\$18.59	\$19.15	\$19.72	\$20.31	\$20.92
4"	\$42.72	\$44.01	\$45.33	\$46.69	\$48.09	\$49.53
6"	\$73.83	\$76.04	\$78.32	\$80.67	\$83.09	\$85.59
8"	\$120.38	\$123.99	\$127.71	\$131.54	\$135.49	\$139.55
10"	\$155.35	\$160.01	\$164.81	\$169.76	\$174.85	\$180.10

Source HEC.

meter fee

Total calculated rates include the fixed monthly service charges, meter replacement fees, and consumption charges. The calculated water rate schedule is provided in **Table 10** below.

Table 10
Calculated New Water Rates Schedule

Charges	Current	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25
Base Charge	Inside City *						
1" and smaller	\$25.13	\$28.31	\$29.32	\$30.37	\$31.46	\$32.59	\$33.77
1.5"	\$50.27	\$56.62	\$58.65	\$60.75	\$62.93	\$65.19	\$67.53
2"	\$80.43	\$90.59	\$93.83	\$97.20	\$100.68	\$104.30	\$108.05
3"	\$175.94	\$198.17	\$205.26	\$212.62	\$220.24	\$228.15	\$236.36
4"	\$301.61	\$339.72	\$351.88	\$364.48	\$377.56	\$391.12	\$405.18
6"	\$628.35	\$707.74	\$733.07	\$759.34	\$786.58	\$814.83	\$844.13
8"	\$1,206.43	\$1,358.87	\$1,407.50	\$1,457.93	\$1,510.24	\$1,564.48	\$1,620.73
10"	\$1,910.18	\$2,151.54	\$2,228.54	\$2,308.40	\$2,391.21	\$2,477.09	\$2,566.16
Meter Fee							
1" and smaller	\$3.05	\$3.21	\$3.31	\$3.41	\$3.51	\$3.62	\$3.72
1.5"	\$11.11	\$7.57	\$7.80	\$8.04	\$8.28	\$8.52	\$8.78
2"	\$12.13	\$14.46	\$14.90	\$15.35	\$15.81	\$16.28	\$16.77
3"	\$25.74	\$18.05	\$18.59	\$19.15	\$19.72	\$20.31	\$20.92
4"	\$40.61	\$42.72	\$44.01	\$45.33	\$46.69	\$48.09	\$49.53
6"	\$56.33	\$73.83	\$76.04	\$78.32	\$80.67	\$83.09	\$85.59
8"	\$89.50	\$120.38	\$123.99	\$127.71	\$131.54	\$135.49	\$139.55
10"	\$204.51	\$155.35	\$160.01	\$164.81	\$169.76	\$174.85	\$180.10
Service Charge Monthly Water Allowance							
Attached Residential (per Unit)	10,000	gallons					
Detached Residential (per Unit)	25,000	gallons					
Non-Residential (per Meter)	35,000	gallons					
Consumption Charge per 1,000 gallons of water in excess of allowance each month							
All Customers	\$1.57	\$1.61	\$1.68	\$1.75	\$1.82	\$1.89	\$1.97
Construction Water	\$1.17	\$1.75	\$1.82	\$1.89	\$1.97	\$2.05	\$2.13

Source: City of Livingston and 2019 HEC rate study.

sched

* Water rate schedules 1.5x outside City limits.

In compliance with California SB-7, which requires all new multi-family residential development to be individually metered or sub-metered, any newly constructed units will pay the same base rate per unit as all current detached residential units unless the owner of the building(s) sub-meters each unit and performs its own internal water billing of each unit.

2.4 CASH FLOW AND FUND BALANCE

Table 11 below shows the projected cash flow for the water enterprise fund through fiscal year 2025. With adoption of the calculated rates it is anticipated that the City will be able to meet all water enterprise fund obligations, including existing and potential debt service coverage requirements, and achieve a target of at least six months of revenues in unrestricted cash reserves most years.

Table 11
Projected Cash Flow

Revenues and Expenses	Fiscal Year Ending					
	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Revenues						
User Fees ---- Jul-Dec	\$1,796,183	\$1,872,521	\$1,952,103	\$2,035,067	\$2,121,558	\$2,211,724
User Fees ---- Jan-Jun	\$1,872,521	\$1,952,103	\$2,035,067	\$2,121,558	\$2,211,724	\$2,305,722
Meter Replacement Fees	\$154,748	\$154,070	\$159,188	\$163,964	\$168,883	\$173,949
Meter Installation Fees	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Fines & Forfeitures	\$18,519	\$19,075	\$19,647	\$20,237	\$20,844	\$21,469
Interest Income	\$48,768	\$48,768	\$48,768	\$48,768	\$48,768	\$48,768
Miscellaneous Revenue	\$7,959	\$7,959	\$7,959	\$7,959	\$7,959	\$7,959
Total Revenues	\$3,907,698	\$4,063,496	\$4,231,733	\$4,406,553	\$4,588,735	\$4,778,591
Operating Expenses	\$2,351,781	\$2,171,249	\$2,691,573	\$2,367,784	\$3,148,503	\$2,583,704
Net Income before Debt Service	\$1,555,917	\$1,892,247	\$1,540,160	\$2,038,769	\$1,440,232	\$2,194,887
Debt Service	\$126,136	\$298,767	\$1,002,547	\$1,002,547	\$1,002,547	\$1,002,547
<i>Debt Coverage</i>	12.3	6.3	1.5	2.0	1.4	2.2
System Rehab & New Projects Cash-Funded	\$1,322,000	\$1,320,002	\$1,509,397	\$97,000	\$2,032,875	\$97,000
Net Revenue	\$107,781	\$273,477	(\$971,785)	\$939,221	(\$1,595,190)	\$1,095,340
Beginning Cash Balance [1]	\$3,343,451	\$3,451,232	\$3,724,709	\$2,928,870	\$4,044,036	\$2,624,791
Net Revenue	\$107,781	\$273,477	(\$971,785)	\$939,221	(\$1,595,190)	\$1,095,340
Transfer In from Capital Fund for Debt			\$175,945	\$175,945	\$175,945	\$175,945
Estimated Ending Cash Balance	\$3,451,232	\$3,724,709	\$2,928,870	\$4,044,036	\$2,624,791	\$3,896,076
Restricted Balance [2]	\$126,136	\$298,767	\$1,002,547	\$1,002,547	\$1,002,547	\$1,002,547
Unrestricted Balance	\$3,325,096	\$3,425,942	\$1,926,322	\$3,041,489	\$1,622,243	\$2,893,528
Min. Unrestricted Balance [3]	\$1,953,849	\$2,031,748	\$2,115,866	\$2,203,276	\$2,294,368	\$2,389,296

Source: City of Livingston September 2019 and HEC.

flow

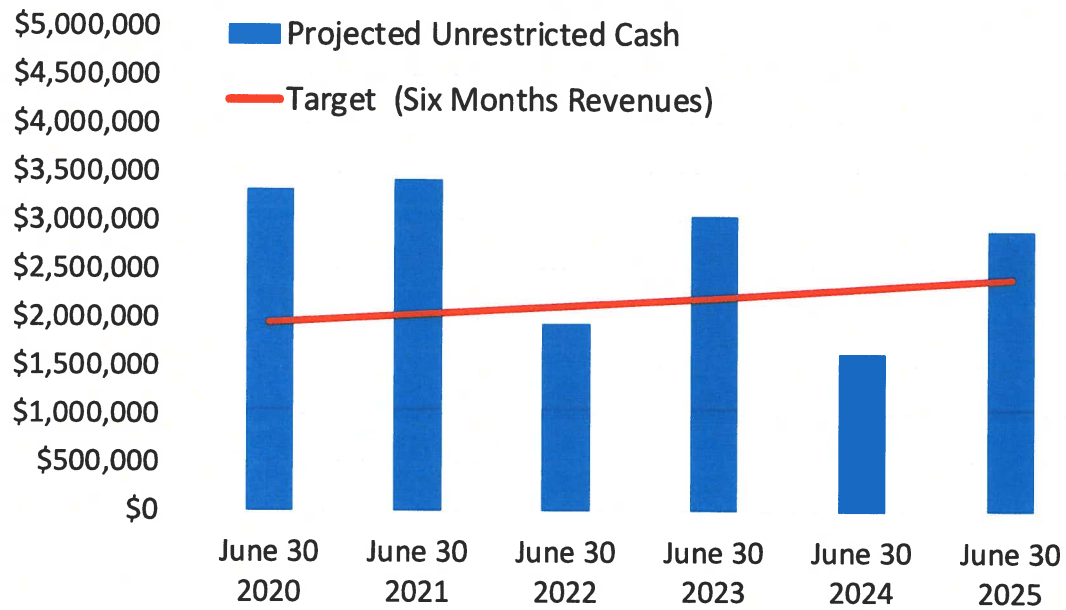
[1] Beginning cash balance as of July 1, 2019.

[2] One year of debt service.

[3] Six months of revenues.

Figure 9 shows projected and target water fund balances through fiscal year ending 2025.

Figure 9
Projected Water Fund Cash Balance



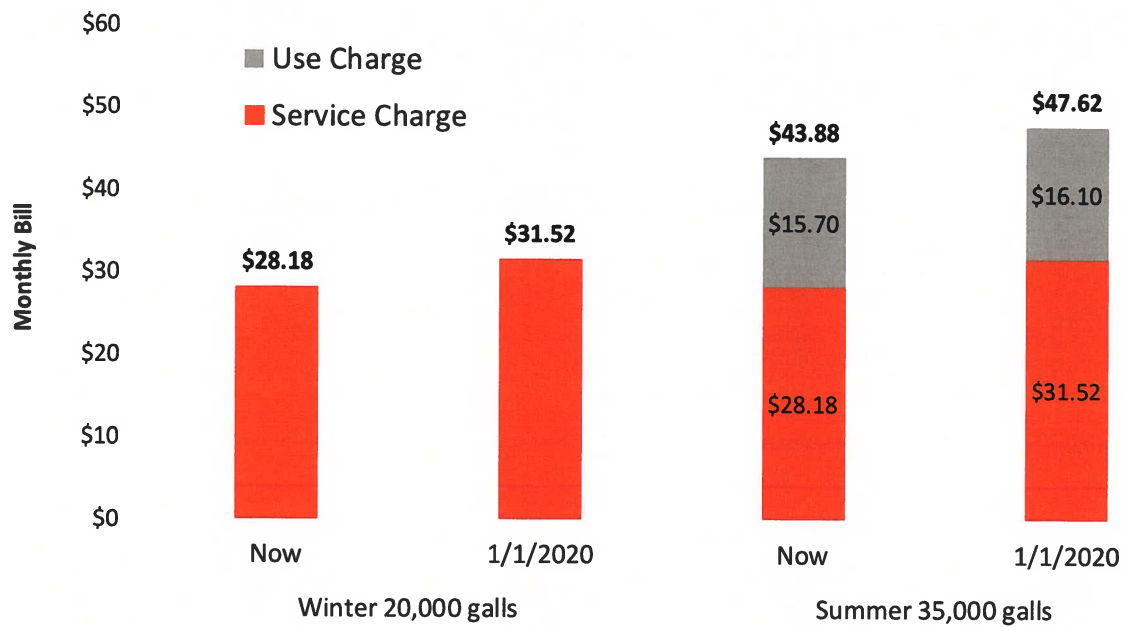
A higher than minimum cash balance at the end of five years would be prudent for the water fund because of the multiple number of CIP project planned in the next five years. Cash reserves can be used, if necessary, to pay for project cost overruns; it can also be used to pay off State loans early and complete other system rehabilitation projects not currently in the CIP.

2.5 BILL IMPACTS

2.5.1. Residential Bill Impacts

Bill impacts arising from new rates beginning January 2020 are illustrated for single family homes at different use levels in **Table 12** on page 30. During the winter, most homes would have an increase of \$3.34 per month. During the summer, most homes would have an increase of about \$4.00 per month. An illustration of bill impacts to a single-family home for winter and summer use is shown in **Figure 10** on the following page.

Figure 10
First Year Seasonal Bill Impacts for Single Family Home



The projection of a monthly bill for homes using 20,000 gallons is illustrated in **Figure 11** for the next five years.

Figure 11
Bill Impact for a Home using 20,000 Gallons

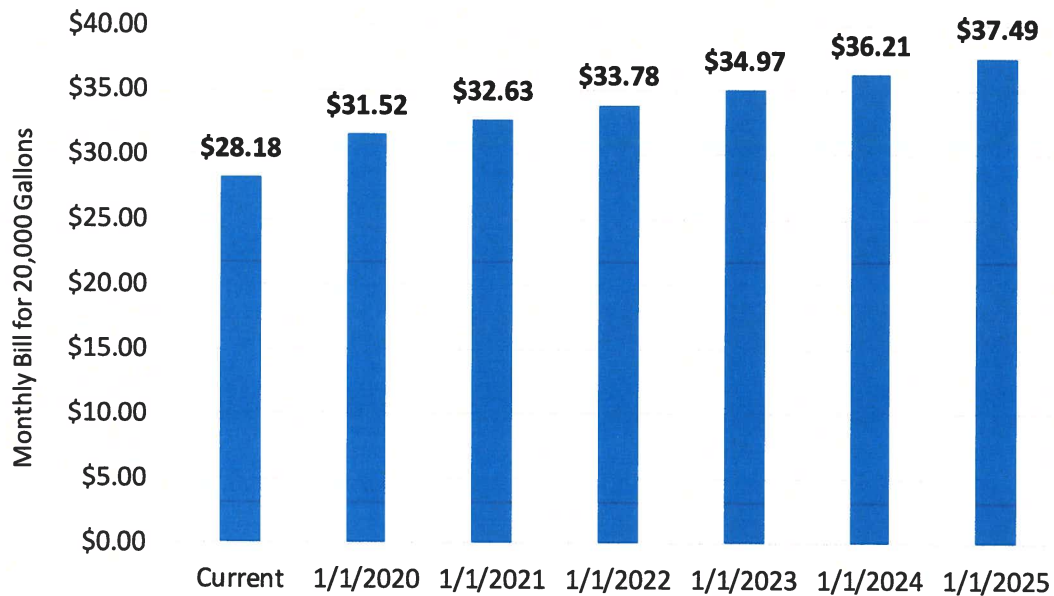


Table 12
Single Family Water Usage Monthly Bill Impacts

Monthly Use in Thousands of Gallons	Current			Total Monthly Bill	New Rates Jan. 2020			Total Monthly Bill	Difference New less Current
	Service Fee 1" and Smaller	Meter Fee	Use Charge > 25,000 galls		Service Fee 1" and Smaller	Meter Fee	Use Charge > 25,000 galls		
			<i>Rate per 1,000 galls</i>				<i>Rate per 1,000 galls</i>		
			<i>\$1.57</i>				<i>\$1.61</i>		
1	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
2	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
3	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
4	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
5	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
6	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
7	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
8	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
9	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
10	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
11	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
12	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
13	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
14	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
15	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
16	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
17	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
18	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
19	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
20	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
25	\$25.13	\$3.05	\$0.00	\$28.18	\$28.31	\$3.21	\$0.00	\$31.52	\$3.34
30	\$25.13	\$3.05	\$7.85	\$36.03	\$28.31	\$3.21	\$8.05	\$39.57	\$3.54
35	\$25.13	\$3.05	\$15.70	\$43.88	\$28.31	\$3.21	\$16.10	\$47.62	\$3.74
40	\$25.13	\$3.05	\$23.55	\$51.73	\$28.31	\$3.21	\$24.15	\$55.67	\$3.94
45	\$25.13	\$3.05	\$31.40	\$59.58	\$28.31	\$3.21	\$32.20	\$63.72	\$4.14
50	\$25.13	\$3.05	\$39.25	\$67.43	\$28.31	\$3.21	\$40.25	\$71.77	\$4.34

Source: HEC.

sf bill use

The SWRCB program bases its evaluation of affordability of water rates on two criteria:

1. The median household income (MHI) of the community compared to the State MHI, and
2. The percentage of MHI spent on water bills.

Generally, water rates are considered to be burdensome if they are greater than 2.0 percent of MHI. If a community’s MHI is less than 80 percent of the State MHI, the community is considered “Disadvantaged”, in which case a rate greater than 1.5 percent of MHI is considered burdensome. The City of Livingston meets the definition of Disadvantaged in 2019.

The affordability test is shown in **Table 13**. Under the calculated water rates for January 2020, a household using less than 25,000 gallons in a month would pay \$31.73, which is 0.72% of the estimated MHI for Livingston. The proposed water rates are, per the SWRCB definitions, affordable.

Table 13
Test of Water Bill Affordability

Item	Current Rates	Rates Jan 2020 [1]
Monthly Water Bill		
Monthly Median Household Income (MHI)	\$4,426.25	\$4,426.25
Monthly Water Bill < 25,000 Gallons	\$28.18	\$31.52
Average Monthly Water Bill as Percentage of MHI [2]	0.64%	0.71%
Median Household Income (MHI)		
Statewide California	\$67,169	
Estimated Livingston [3]	\$53,115	
Livingston MHI as a percentage of the State MHI [4]	79.1%	

Source: HEC, State Water Resources Control Board, and US Census Bureau.

aff

[1] Bills must be greater than or equal to 1.5% of MHI to qualify for Disadvantaged principal forgiveness.

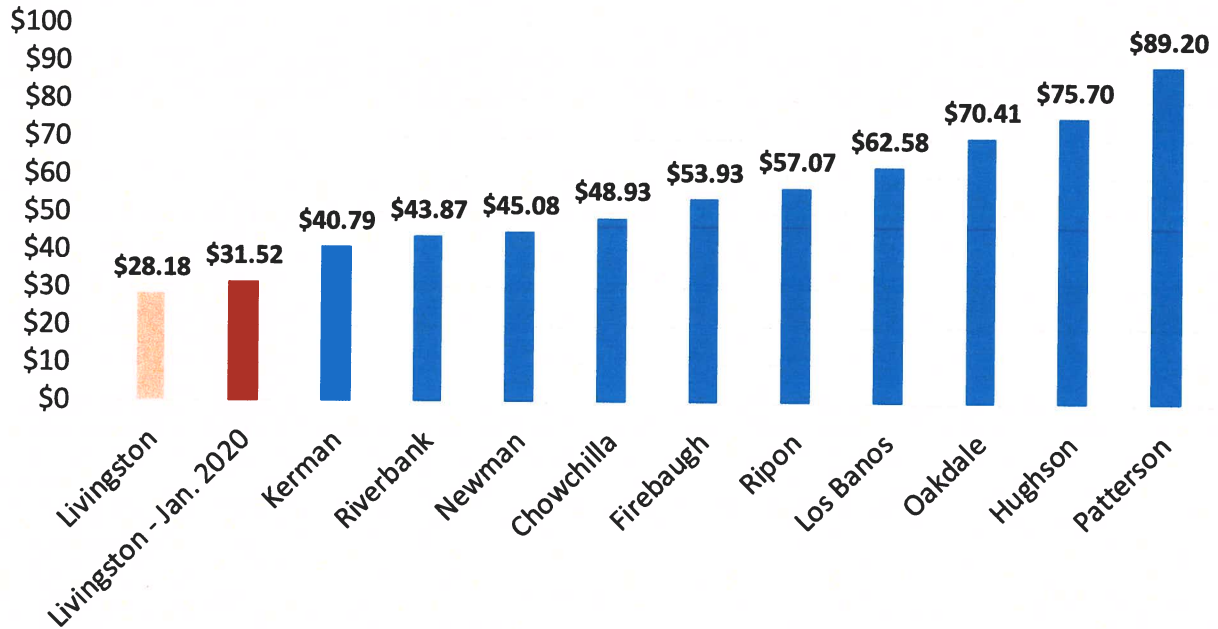
[2] Water bills that are 1.5% to 2.0% of MHI are considered affordable.

[3] 2017 5-year American Community Survey.

[4] Per SWRCB, community with an MHI <80% of the Statewide MHI is Disadvantaged. For a Disadvantaged Community to qualify for grant funding water rates must exceed 1.5% of the service area MHI.

Figure 12 on the next page displays a comparison of regional water bills for a single-family home using 20,000 gallons in a month. Note, however, that some of the comparison cities may be in the process of rate increases as well; this is a snapshot in time.

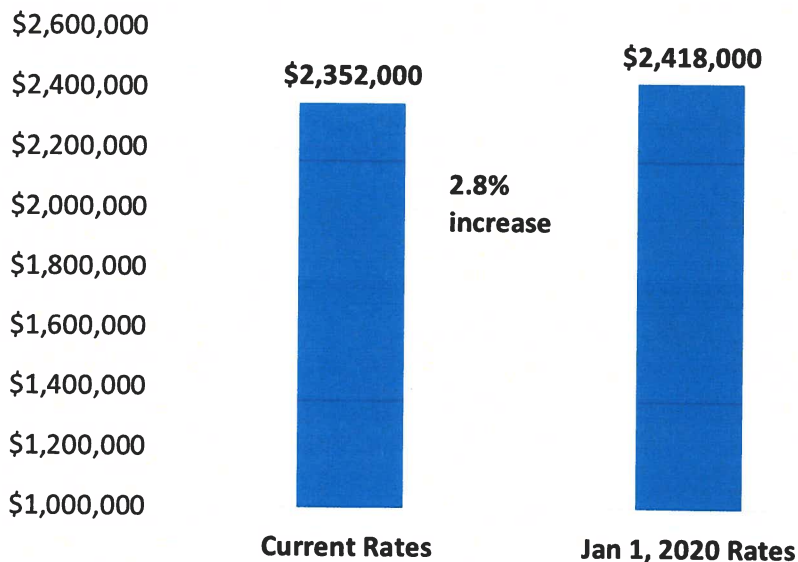
Figure 12
Comparison of Regional Water Bills



2.5.2. Non-Residential Bill Impacts

The effect of the January 2020 rate increase on the City’s largest nonresidential customer, Foster Farms, is shown in **Figure 13** below. The total annual bill would increase from approximately \$2.35 million to \$2.42 million, depending on actual water consumption. For other non-residential customers, the total water bills will increase approximately 4.25%, depending on the actual quantity of water used.

Figure 13
Impact of Year 1 Rate Increase on Foster Farms



Section 3: WASTEWATER RATE STUDY

The wastewater rate study was prepared using the principles established by the Water Environment Federation Manual of Practice No. 27 and guidelines prepared by the California State Water Resources Control Board for State Revolving Fund financing. This study uses the functional cost allocation methodology to determine rates³.

The following four steps outline how wastewater rates are calculated such that the monthly wastewater rates meet California's legal requirements.

- 1. Establish the Wastewater Customer Base and User Characteristics** – Wastewater flow and strength data for each customer type is based on City flow measurements and industry standards.
- 2. Project the Revenue Requirement and Allocate to Collection and Treatment** – The revenue requirement analysis compares the revenues of the utility to its operating and capital costs to determine the adequacy of existing rates to recover the utility's costs. Components of revenue requirement include capital improvement costs, system rehabilitation costs, operations and maintenance costs, debt service costs, and operating reserve costs. Non-rate revenue credited against the projected costs include interest income, fines and forfeits, and miscellaneous revenues.
- 3. Allocate Revenue Requirement based on Flow and Strength and Determine Unit Costs** – The revenue requirement is allocated based on flow and strength depending on the percentage distribution of operations and maintenance operations attributed to flow, biological oxygen demand (BOD),⁴ and total suspended solids (SS).⁵ Per unit revenue requirement for each projected year is determined by dividing the allocated revenue requirement by the demand for each customer type.
- 4. Determine Revenue Requirement by Customer Type** – Per unit costs from step 3 are multiplied by the flow and strength characteristics of each customer category to determine the annual cost by customer type.

3.1 THE WASTEWATER FUND AND ITS CUSTOMERS

3.1.1 Revenues.

The wastewater system is funded through monthly charges, fees, and investment earnings. The existing wastewater rate schedule of monthly charges is shown in **Table 14**.

³ Chapter 6, pages 110-120, Financing and Charges for Wastewater Systems, Manual of Practice No. 27.

⁴ BOD demand is the amount of dissolved oxygen needed by aerobic biological organisms in a body of water to break down organic material present in a given water sample at certain temperature over a specific time period. The term also refers to a chemical procedure for determining this amount.

⁵ Total SS is a measure of the combined content of all inorganic and organic substances contained in a liquid in molecular, ionized or micro-granular (colloidal sol) suspended form.

Table 14
Current Wastewater Rates Schedule

Customer Category		Monthly Rates
Flat Monthly Charges		
Residential Inside City	per unit	\$43.84
Residential Outside City	per unit	\$65.76
Churches/Temples/Comm. Ctrs	per account	\$42.28
Schools (with Cafeteria)	per student	\$1.46
Hotel / Motel	per room	\$17.22
Flat and Variable Monthly Charges		
Industrial Flat Charge	per account	\$43.84
Commercial Flat Charge	per account	\$43.84
Industrial Variable Charge [1]	per gallon	\$0.010417
Commercial Variable Charge [2]	per gallon	\$0.003837

Source: HEC. curr

[1] Charge applied to the first 95% of total water use per month.

[2] Charge applied to the first 70% of total water use per month.

Flat monthly charges are paid by residential, church/temple/community center, school and hotel/motel customers. Industrial and commercial customers pay a flat monthly charge plus a use charge. The use charge is applied to water meter monthly readings multiplied by 95% for industrial customers, and 70% for commercial customers. The use charges are applied to a reduced water use to account for applications of water that do not enter the wastewater system.

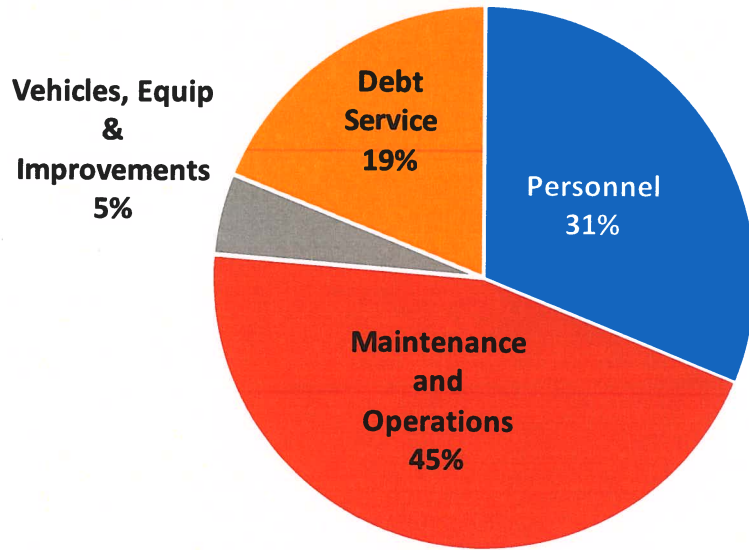
Flat monthly charges are applied to residential users per unit, to churches/temples/community centers, industrial and commercial customers per account, to schools per student, and to hotels/motels per room.

Wastewater fund revenues for the past three years are provided in **Appendix B Table B-1**.

3.1.2 Expenses.

Monthly wastewater bills pay for operating costs, including personnel costs, debt service, and vehicles, equipment and infrastructure replacement and improvements. **Figure 14** on the next page shows what monthly bills pay for. Wastewater fund expenses for the past three years are provided in **Appendix B Table B-2**.

Figure 14
Wastewater Fund Annual Expenses



For the last three years, the wastewater fund has generated sufficient revenues to pay for the costs of the wastewater system. **Table 15** on the next page shows that revenues are currently approximately \$2.31 million per year, while expenses are approximately \$1.89 million per year.

Table 15
Historical Wastewater Fund Revenues and Expenses

Revenues and Expenses	Fiscal Year Ending		
	2017	2018	2019
Revenues			
Intergovernmental	\$0	\$13,230	(\$3,035)
Charges for Services	\$2,038,750	\$2,078,675	\$2,198,789
Fines & Forfeits	\$24,803	\$28,702	\$22,417
Return on Use of Money/Property	\$16,694	\$20,976	\$22,119
Miscellaneous	\$10,988	\$41,847	\$66,466
Total Revenues	\$2,091,235	\$2,183,429	\$2,306,757
Expenses			
Personnel	\$422,346	\$543,621	\$630,284
Supplies	\$978,618	\$618,001	\$711,411
Maintenance and Operations	\$3,856	\$2,741	\$2,458
Vehicles, Equip & Improvements	\$42,348	\$64,278	\$142,046
Debt Service	\$247,046	\$271,950	\$448,450
Total Expenses	\$1,694,213	\$1,500,591	\$1,934,649
Net Revenue	\$397,022	\$682,838	\$372,108

Source: City of Livingston financials, provided November 2019. net

RATE METHODOLOGY STEP 1

Establish the Wastewater Customer Base and User Characteristics

Figure 15 on the next page shows the percentage of wastewater customers by customer category. Residential customers comprise 96% of the wastewater system customer base. Commercial, light industrial and other customers (such as churches and schools) comprise the remaining 4% of the customer base. The current number of wastewater accounts by customer category is provided in Appendix B Table B-3.

The wastewater customers generate, on average, 1.12 million gallons per day in flow that is treated at the wastewater treatment plant. Flow is reasonably steady from year to year, growing with increased number of customers. Historical wastewater plant influent flow is shown in Appendix B Table B-4.

Figure 16 on the next page shows wastewater flows to the treatment plant for the last three years. Wastewater flows fluctuate from year to year with changes to the customer base and quantity of water consumed (that is not applied to landscapes).

Figure 15
Wastewater Customers by Category

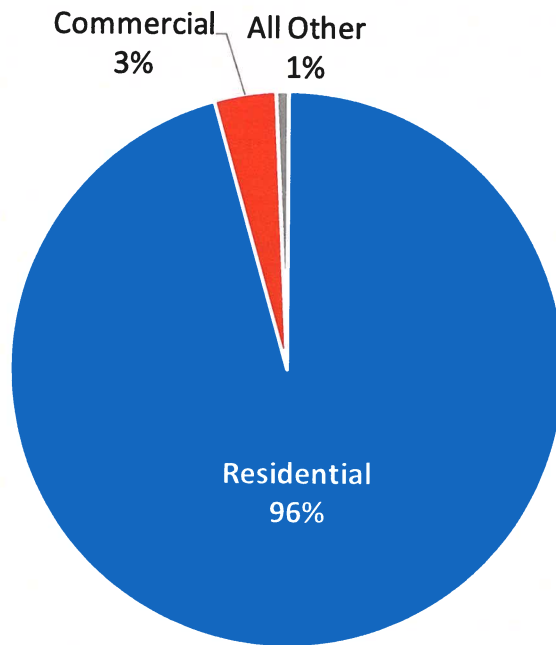
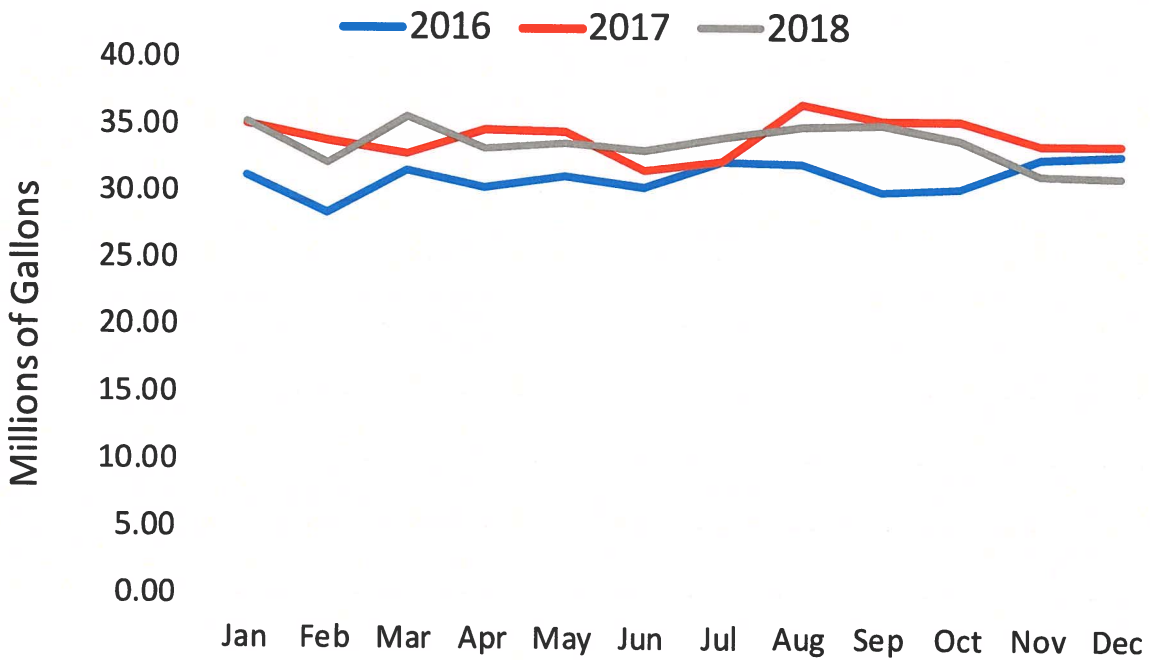


Figure 16
Wastewater Flow for the Last Three Years



The rate study allocates wastewater system costs to customer groups based on their user characteristics. The current number of wastewater customers and total calculated flow for each customer and customer category, BOD, and SS characteristics are summarized in **Table 16** on the following page.

About 80% of total annual flow is generated by residential customers and 20% by non-residential customers. Residential customers generated approximately 70% of the BOD and SS treated annually at the wastewater treatment plant. Generally, non-residential customers generate dirtier wastewater that requires greater costs to clean.

3.2 REVENUE REQUIREMENT

RATE METHODOLOGY STEP 2

Project the Revenue Requirement and Allocate to Collection and Treatment Costs

The revenue requirement is the amount to be raised by wastewater charges. The projection of the revenue requirement is the cornerstone for calculation of rates. This section explains the derivation of the revenue requirement for this Study.

Components of the revenue requirement include:

- Operating Expenses
- Capital Improvement and Debt Service
- System Rehabilitation

Non-wastewater sales revenue projections are credited against projected operations costs. Non-wastewater sales include interest income, fines and forfeits, and other miscellaneous revenues.

3.2.1 Operations Expenses

Operating expenses are projected based on fiscal year 2019 actual expenditures. Operating expenses include annual costs for personnel (including benefits), professional and contract services, treatment plant operations and maintenance, collection system and other wastewater facilities operations and maintenance, utilities, facilities equipment and other costs, and tools, subscriptions, and supplies. Operating expenses totaled \$1.34 million in fiscal year 2019. The rate study increases each of the operating cost categories over the next five years in anticipation of cost increases.

Personnel costs are increased 6.0% per year, utilities at 4.0% per year, and other costs between 2.5% and 3.5% per year.

3.2.2 Capital Improvements and Debt Service

Anticipated capital improvement expenses over the next five years include upgrades of the biosolids dewatering equipment at the treatment plant, as well as replacement of the SCADA tower. The collection system improvements include lift station rehabilitation, sewer line replacement, and vehicles. The CIP was provided in 2019 dollars (see **Appendix Table B-5**) and inflated to future dollars as shown in **Table 17**.

**Table 16
Wastewater User Characteristics**

Customer Category	Billing Basis	No. Billing Units (A)	Wastewater Characteristics				Treatment Capacity/Load				Annual Capacity/Load			
			Flow GPD (B)	BOD MG/L (C)	SS MG/L (D)	Avg. Day Dry Weather Flow (MGD) (E)=(A)(B)/1,000,000	Lbs/Day BOD (F)=(C)(E)x8.34	Lbs/Day SS (G)=(D)(E)x8.34	Flow MG (H)=(E)x365	Lbs/Year BOD (I)=(C)(H)x8.34	Lbs/Year SS (J)=(D)(H)x8.34			
Residential														
Detached	Unit	3,116	250	250	0.78	1,624.22	1,624.22	284.3	592,838	592,838				
Attached	Unit	576	220	250	0.13	264.21	264.21	46.3	96,437	96,437				
Non-Residential														
Churches/Temples/Comm. Ctrs.	Account	16	285	155	0.00	5.89	6.47	1.7	2,152	2,360				
Schools (with cafeteria)	Student	3,707	20	230	0.07	142.22	102.02	13.3	25,599	18,364				
Hotel/Motel	Room	93	100	350	0.01	27.15	38.78	3.4	9,909	14,155				
Light Industrial	Account	1	24,000	1,000	0.02	200.16	160.13	8.8	73,058	58,447				
Commercial	Account	119	850	525	0.10	442.89	548.33	36.9	161,653	200,142				
TOTAL					1.12	2,706.73	2,744.16	394.7	961,646	982,743				

Source: City of Livingston May 2019, and HEC.

char

Table 17
Inflated Wastewater CIP

Capital Project	Funding Source	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
Treatment Plant					3.5%		
Biosolids Dewatering Equipment	Rates	\$300,000	\$207,000	\$0	\$0	\$0	\$0
SCADA Tower	Rates	\$15,000	\$0	\$0	\$0	\$0	\$0
Total Treatment Plant		\$315,000	\$207,000	\$0	\$0	\$0	\$0
Collection System							
Lift Station Rehabilitation (Singh & Burgandy)	Rates	\$100,000	\$103,500	\$0	\$0	\$0	\$0
Sewer Line Replacement [1]	Grant	\$0	\$2,898,000	\$0	\$0	\$0	\$0
Additional Sewer Line Replacement	Rates	\$0	\$0	\$214,245	\$665,231	\$745,890	\$831,380
New Disc & Ripper Tractor	Rates	\$0	\$222,525	\$0	\$0	\$0	\$0
New Vac-On Sewer Truck	Rates	\$0	\$0	\$374,929	\$0	\$0	\$0
Total Collection System		\$100,000	\$3,224,025	\$589,174	\$665,231	\$745,890	\$831,380
Total Wastewater System		\$6,677,700	\$415,000	\$3,431,025	\$589,174	\$665,231	\$745,890
Funded by Grants		\$2,898,000	\$0	\$2,898,000	\$0	\$0	\$0
Funded by Rates		\$3,779,700	\$415,000	\$533,025	\$589,174	\$665,231	\$831,380
Funded by Loan		\$0	\$0	\$0	\$0	\$0	\$0

Source: City of Livingston Public Works May 2019.

inf cip

[1] The City anticipates that this cost will be funded by a CDBG grant.

Of the total \$6.68 million in the CIP, the City anticipates \$2.90 million will be funded by a Community Development Block Grant. The remaining \$3.78 million would be funded by wastewater rates and the projects would be funded on a pay-as-you-go basis.

No new debt is anticipated to be necessary over the next five years; however, the City does have existing wastewater system debt. The debt was refunded in 2016 with savings to the wastewater customers. The remaining debt payments are provided in **Appendix B Table B-6**. Debt service is about \$450,000 per year.

3.2.3 System Rehabilitation

All of the capital improvement plan is for system rehabilitation. As such, there is no additional collection included in the rates for depreciation. The City's current wastewater assets and estimated annual depreciation cost through the study period is provided in **Appendix B Table B-7** (with support **Table B-8**).

The projected revenue requirement is provided in **Table 18**. Included in the projection is an adjustment to allow for variances from year to year for non-residential use as well as delinquencies. The revenue requirement is projected to increase from \$1.81 million in fiscal year 2019 to \$3.04 million in fiscal year 2025. Currently, the City raises \$2.20 million in user fees. The rate study smooths out rate increases each year so that the amount to be collected from rates increases to \$2.48 million in 2020 and \$3.25 million in 2025.

Table 18
Projected Revenue Requirement for Wastewater

Expenses	inflator	Fiscal Year Ending						2025 Year 6
		2019	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	
Operating Expenses								
Personnel	6.0%	\$630,284	\$668,101	\$708,187	\$750,678	\$795,719	\$843,462	\$894,070
Professional & Contract Services	3.0%	\$95,330	\$98,190	\$101,136	\$104,170	\$107,295	\$110,514	\$113,829
Treatment Plant O&M	3.5%	\$51,286	\$53,081	\$54,939	\$56,862	\$58,852	\$60,912	\$63,044
Collection & Facilities O&M	3.5%	\$53,971	\$55,860	\$57,815	\$59,838	\$61,933	\$64,100	\$66,344
Utilities	4.0%	\$239,258	\$248,828	\$258,781	\$269,133	\$279,898	\$291,094	\$302,737
Facilities, Equipment & Other O&M	3.5%	\$65,969	\$68,278	\$70,667	\$73,141	\$75,701	\$78,350	\$81,092
Tools, Subscriptions, Supplies	2.5%	\$208,055	\$213,256	\$218,588	\$224,052	\$229,653	\$235,395	\$241,280
Total Operating Expenses		\$1,344,153	\$1,405,594	\$1,470,113	\$1,537,874	\$1,609,051	\$1,683,827	\$1,762,396
Debt Service								
Series 2016A Refunding		\$448,450	\$451,250	\$448,650	\$445,850	\$447,850	\$449,450	\$450,650
New Debt Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$448,450	\$451,250	\$448,650	\$445,850	\$447,850	\$449,450	\$450,650
System Rehabilitation and New Projects								
Equipment & Vehicle Purchases	constant	\$142,046	\$50,000	\$272,525	\$424,929	\$50,000	\$50,000	\$50,000
Cash-Funded Capital Projects			\$415,000	\$310,500	\$214,245	\$665,231	\$745,890	\$831,380
Subtotal System Rehab. And New Projects		\$142,046	\$465,000	\$583,025	\$639,174	\$715,231	\$795,890	\$881,380
Addition to Operating Reserve			\$50,000	\$50,000	\$50,000	\$0	\$0	\$0
Additional Collection for Depreciation			\$0	\$0	\$0	\$0	\$0	\$0
Total Costs		\$1,934,649	\$2,371,844	\$2,551,788	\$2,672,898	\$2,772,132	\$2,929,167	\$3,094,427
<i>Fixed</i>	70%	\$1,326,037	\$1,743,292	\$1,902,616	\$2,002,402	\$2,079,585	\$2,213,814	\$2,355,488
<i>Variable</i>	30%	\$608,612	\$628,552	\$649,172	\$670,495	\$692,547	\$715,353	\$738,939
Credits								
Intergovernmental	[1]	(\$3,035)	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	[1]	\$16,464	\$0	\$0	\$0	\$0	\$0	\$0
Fines & Forfeits	constant	\$22,417	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Return on Use of Money	constant	\$22,119	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Miscellaneous	constant	\$66,466	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Credits		\$124,431	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000
Total Revenue Requirement		\$1,810,217	\$2,317,844	\$2,497,788	\$2,618,898	\$2,718,132	\$2,875,167	\$3,040,427
Adjustment [2]			\$161,050	\$173,553	\$181,969	\$188,864	\$199,775	\$211,258
Estimated Revenue Requirement			\$2,478,894	\$2,671,341	\$2,800,866	\$2,906,995	\$3,074,942	\$3,251,684

Source: City of Livingston Financials provided September 2019, and HEC.

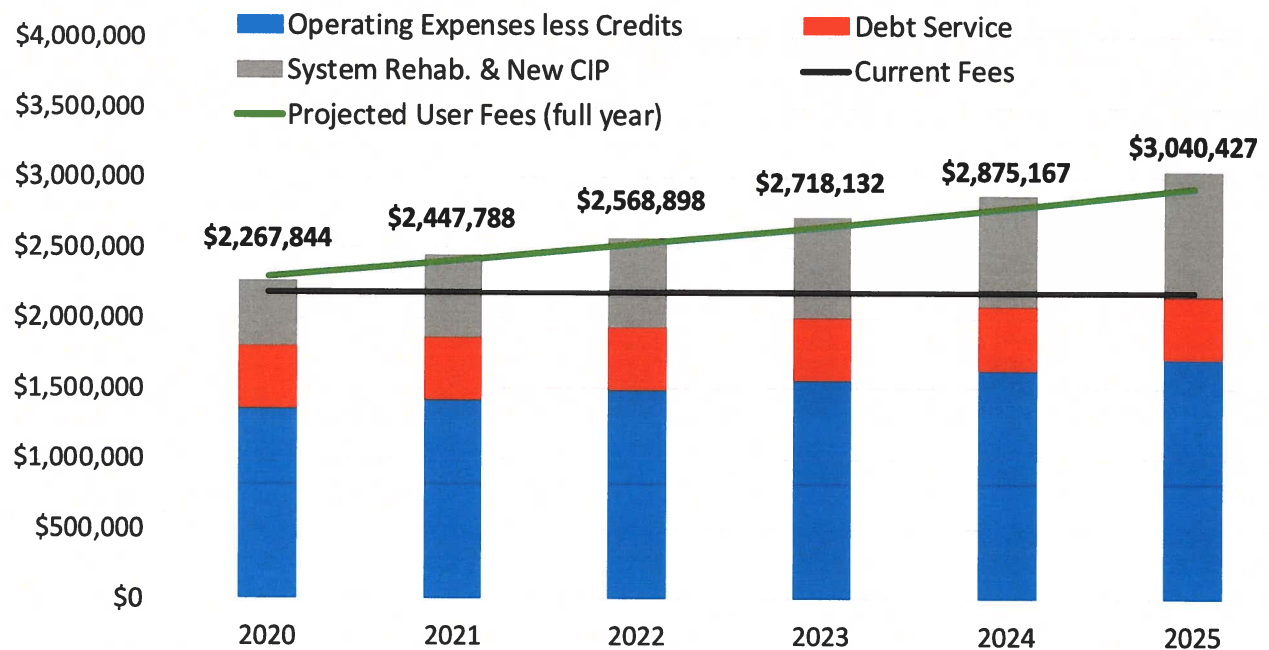
rev req

[1] Infrequent, one-time revenues.

[2] Includes allowance for variances year to year for non-residential use as well as delinquencies.

Figure 17 on the next page shows the current fee collections, projected fee collections and components of revenue requirement for the next five years.

Figure 17
Projected Revenue Requirement and Fee Collections



3.3 WASTEWATER RATE CALCULATIONS

All of the tables in this section show the calculations for the first year of the analysis, fiscal year 2019-20 to illustrate how the rates are calculated. The same cost allocation methodology is used for all years considered in this analysis.

RATE METHODOLOGY STEP 3

Allocate Revenue Requirement based on Flow and Strength and Determine Unit Costs

The cost to treat wastewater is a function of the total volume (“flow”) and the level of pollutants (“strength”) of the wastewater discharged by a customer.

Costs are allocated to customer categories as follows:

- A. Allocate the costs (by Cost Category) to flow, BOD and SS
- B. Determine the Unit Cost by Cost Category

Each of these steps is described in greater detail below.

A. Cost Allocation to Flow, BOD, and SS

Costs are first allocated between treatment and collection functions of the wastewater system, as shown in **Table B-9**. Then, costs are allocated to flow, BOD, and SS based on percentage allocation or distribution factors. These percentage allocation factors are based on the estimated distribution

of the treatment and collection facilities operations and maintenance (O&M) activities between or related to flow, BOD, and SS.

B. Unit Cost by Cost Category

The allocated costs are then divided by total annual capacity from **Table 16. Table B-10** in Appendix B shows the calculation of unit costs by cost category for flow, BOD, and SS. Collection costs are strictly related to flow and therefore 100 percent of the collection costs are allocated to flow. The offsetting revenues are allocated by cost category for flow, BOD and SS using the subtotal percentages from the collection and treatment cost allocations.

RATE METHODOLOGY STEP 4

Determine Revenue Requirement by Customer Type

The unit costs determined in **Table B-10** are multiplied by the flow, BOD, or SS for each customer type. These costs are then summed to determine the total costs allocated to each customer type. **Table B-11** in Appendix B shows the cost allocated to flow, BOD, and SS by customer category for fiscal year ending 2020.

Treatment Cost per Thousand Gallons

Total allocated costs to each customer category are shown in **Appendix B Table B-12**. Residential customers are responsible for 80% of the total costs. Commercial customers are responsible for 12% of the cost, and all other customer categories are responsible for 8% of the total cost.

Total treatment cost per thousand gallons is greatest for the highest strength customers (which are in the light industrial customer category) and lowest for churches/temples/community centers, which have the lowest strength wastewater. This is illustrated in **Figure 18**.

**Figure 18
Calculated Cost per Thousand Gallons**

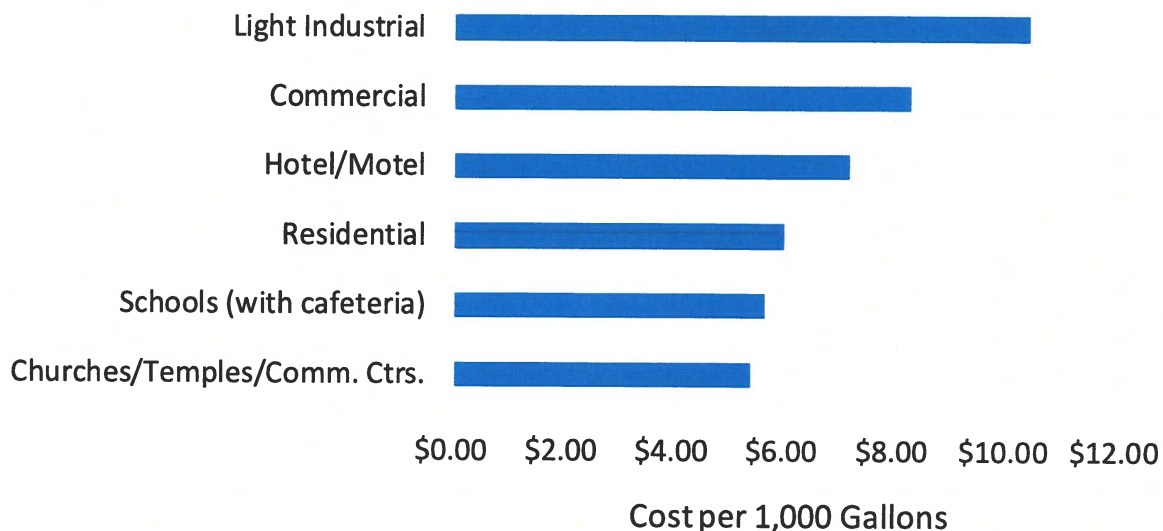


Table 19 on the following page presents the calculated rates for fiscal year ending 2020. The total allocated costs to each customer category provide the basis for the rates. All residential customers will pay for wastewater on a per unit basis. Schools will pay per student. Hotels/motels will pay monthly rates per room. Commercial wastewater customers will pay a flat monthly charge per account and flow charges based on 70% of their metered potable water use each month. Light industrial users will pay a flat monthly charge per account and flow charges based on 95% of their metered potable water use each month.

Table 20 shows the calculated rates for the next five years. The rates take into account anticipated additional growth within the City (shown in **Appendix B Table B-13**). Since 2014, the City has experienced growth in the number of commercial customers and types of commercial customer. The shift in the customer base, as well as updated cost allocation factors used in the rate calculations, results in calculated fees that are slightly lower than current fees for variable charges for light industrial customers. To smooth out the difference between current and January 2021 rates, the rate study takes the midpoint for light industrial variable rate, and for the residential, light industrial and commercial base rates which would otherwise experience a greater jump between 2020 and 2021.

The proposed schedule of rates shown in **Table 21** increases rates for all customer categories in January 2020.

Table 19
Calculated Rates by Customer Category – Fiscal Year 2020

Customer Category	Billing Basis	No. Billing Units	Allocated Cost	Base 70%	Flow 30%	Annual Cost per Billing Unit		Monthly Cost	
						Base	Flow	Base	Use
Residential	Unit	3,692	\$1,974,414	\$1,382,090	\$592,324	\$374.35	\$160.43	\$534.78	\$44.57
Non-Residential									
Churches/Temples/Comm. Ctrs.	Account	16	\$8,948	\$6,264	\$2,685	\$391.49	\$167.78	\$559.28	\$46.61
Schools (with cafeteria)	Student Room	3,707	\$74,967	\$52,477	\$22,490	\$14.16	\$6.07	\$20.22	\$1.69
Hotel/Motel	Room	93	\$24,297	\$17,008	\$7,289	\$182.88	\$78.38	\$261.26	\$21.77
Light Industrial	Account	1	\$91,135	\$535	\$90,600	\$534.78		\$534.78	\$0.010342
Commercial	Account	119	\$305,132	\$63,639	\$241,493	\$534.78		\$534.78	\$0.006541
TOTAL			\$2,478,894	\$1,522,013	\$956,881				

Source: 2019 HEC wastewater rate study.

calc

Table 20
Calculated Wastewater Rates

Customer Category	Billing Basis	Current Rates Effective --->	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
			Jan. 2020	Jan. 2021	Jan. 2022	Jan. 2023	Jan. 2024	Jan. 2025
Residential	per unit	\$43.84	\$44.57	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Non-Residential								
Churches/Temples/Comm. Ctrs.	per account	\$42.28	\$46.61	\$50.22	\$52.66	\$54.66	\$57.81	\$61.14
Schools (with cafeteria)	per student	\$1.46	\$1.69	\$1.82	\$1.90	\$1.98	\$2.09	\$2.21
Hotel/Motel	per room	\$17.22	\$21.77	\$23.46	\$24.60	\$25.53	\$27.01	\$28.56
Light Industrial (Base)	per account	\$43.84	\$44.57	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Commercial (Base)	per account	\$43.84	\$44.57	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Variable Charges for Non-Residential Only								
Light Industrial	per gallon	\$0.010417	\$0.010342	\$0.011145	\$0.011686	\$0.012129	\$0.012829	\$0.013567
Commercial	per gallon	\$0.003837	\$0.006541	\$0.007049	\$0.007391	\$0.007671	\$0.008114	\$0.008580
								sum

Source: 2019 HEC rate study.

**Table 21
Proposed Wastewater Rates**

Customer Category	Billing Basis	Current Rates Effective ---->	FY 2019/20 Jan. 2020	FY 2020/21 Jan. 2021	FY 2021/22 Jan. 2022	FY 2022/23 Jan. 2023	FY 2023/24 Jan. 2024	FY 2024/25 Jan. 2025
Residential	per unit	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Non-Residential								
Churches/Temples/Comm. Ctrs.	per account	\$42.28	\$46.61	\$50.22	\$52.66	\$54.66	\$57.81	\$61.14
Schools (with cafeteria)	per student	\$1.46	\$1.69	\$1.82	\$1.90	\$1.98	\$2.09	\$2.21
Hotel/Motel	per room	\$17.22	\$21.77	\$23.46	\$24.60	\$25.53	\$27.01	\$28.56
Light Industrial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Commercial (Base)	per account	\$43.84	\$45.93	\$48.02	\$50.35	\$52.26	\$55.28	\$58.46
Variable Charges for Non-Residential Only								
Light Industrial [1]	per gallon	\$0.010417	\$0.010781	\$0.011145	\$0.011686	\$0.012129	\$0.012829	\$0.013567
Commercial [2]	per gallon	\$0.003837	\$0.006541	\$0.007049	\$0.007391	\$0.007671	\$0.008114	\$0.008580
								summ

Source: 2019 HEC rate study.

[1] Charge applied to the first 95% of total water use per month.

[2] Charge applied to the first 70% of total water use per month.

3.4 CASH FLOW AND FUND BALANCE

The projected cash flow, with revenues that are based on the proposed wastewater rates presented in Table 21, is shown in Table 22.

Table 22
Projected Cash Flow for the Wastewater Fund

Revenues and Expenses	Fiscal Year Ending					
	2020	2021	2022	2023	2024	2025
Revenues	<i>Each fiscal year has 7 months under the 'old' rates and 5 months under the 'new' rates</i>					
User Fees	\$2,266,108	\$2,447,159	\$2,603,110	\$2,755,330	\$2,923,501	\$3,135,241
Fines & Forfeits	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Return on Use of Money	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Miscellaneous	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Subtotal Revenues	\$2,320,108	\$2,501,159	\$2,657,110	\$2,809,330	\$2,977,501	\$3,189,241
Operating Expenses	\$1,405,594	\$1,470,113	\$1,537,874	\$1,609,051	\$1,683,827	\$1,762,396
Net Income before Debt Service	\$914,514	\$1,031,046	\$1,119,236	\$1,200,280	\$1,293,674	\$1,426,844
Debt Service	\$451,250	\$448,650	\$445,850	\$447,850	\$449,450	\$450,650
<i>Debt Service Coverage</i>	<i>2.03</i>	<i>2.30</i>	<i>2.51</i>	<i>2.68</i>	<i>2.88</i>	<i>3.17</i>
System Rehabilitation and New Projects	\$465,000	\$583,025	\$639,174	\$715,231	\$795,890	\$881,380
Net Revenue	(\$1,736)	(\$629)	\$34,212	\$37,199	\$48,334	\$94,814
Beginning Balance [1]	\$928,571	\$926,835	\$926,206	\$960,418	\$997,617	\$1,045,950
Net Revenue	(\$1,736)	(\$629)	\$34,212	\$37,199	\$48,334	\$94,814
Ending Balance	\$926,835	\$926,206	\$960,418	\$997,617	\$1,045,950	\$1,140,764
Restricted Cash	\$451,850	\$451,850	\$451,850	\$451,850	\$451,850	\$451,850
Est. Ending Unrestricted Cash Balance	\$474,985	\$474,356	\$508,568	\$545,767	\$594,100	\$688,914
Target Ending Balance [2]	\$468,531	\$490,038	\$512,625	\$536,350	\$561,276	\$587,465

Source: City of Livingston September 2019 financials and HEC.

flow

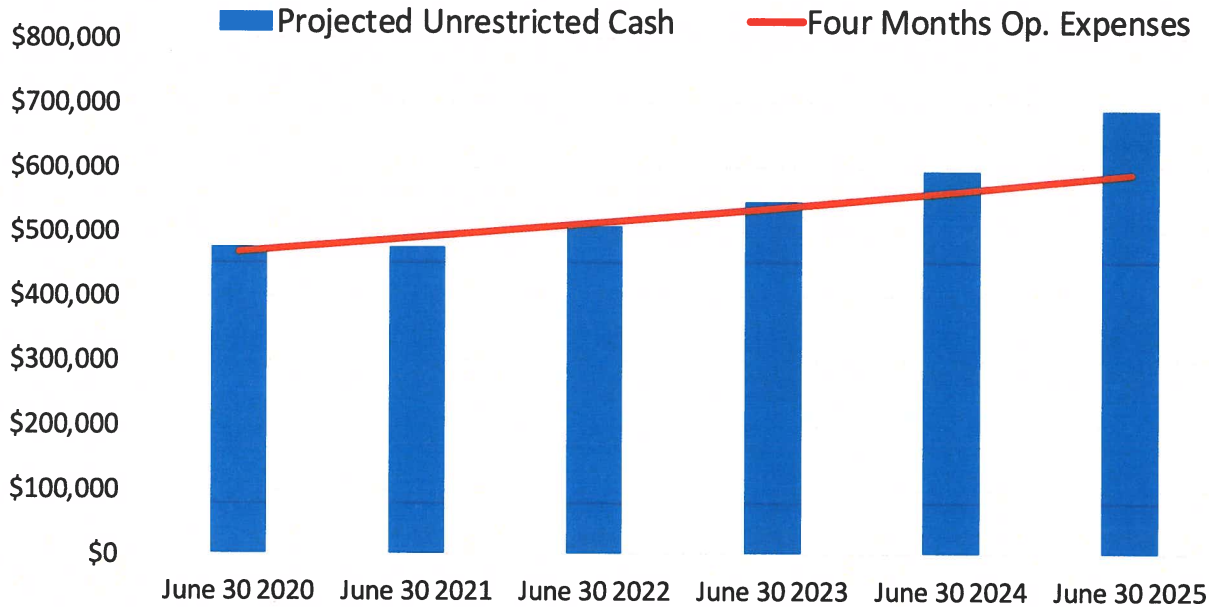
[1] Cash and investments as of July 1, 2019.

[2] Four months of operating expenses.

The projected wastewater fund ending cash balances are shown in Figure 19 on the next page. Note that although the total cash balance is projected to be greater than illustrated, one year of debt service must be restricted making this cash unavailable for any other purpose.

The target cash balance is four months of operating expenses. If cash accumulation is greater than projected, the City would be able to accelerate sewer main replacements.

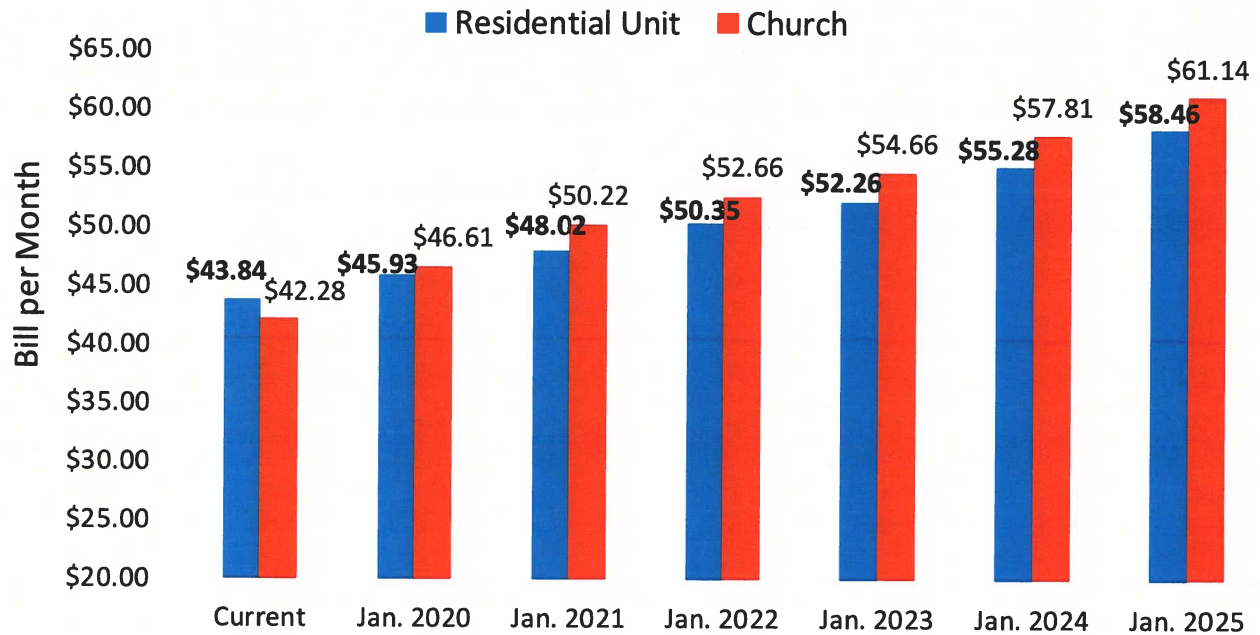
Figure 19
Projected Wastewater Cash Balance



3.5 BILL IMPACTS

Figure 20 illustrates the impact of the new rate schedule on a residential unit and a church. Currently, the monthly rate for churches is a little lower than for a residential unit but in the calculated future rates schedule the monthly charge to a church is greater than the monthly charge to a residential unit. This is because the rate study cost of service analysis assigns greater cost to the churches category in 2019 than it did in 2014. The cost allocation methodology for assigning costs to churches, and all customer categories, was updated following a review of BOD and SS parameters used in fifteen other California communities since 2014.

Figure 20
Bill Impact to a Residential Unit and a Church



Residential monthly wastewater bills are compared in **Figure 21** with other regional wastewater providers. The graph shows that Livingston’s monthly wastewater bill for a home is and will remain in the middle of the range with neighboring and regional cities.

3.5.1 Affordability

The SWRCB also administers the California Clean Water SRF (CWSRF) program and evaluates the affordability of wastewater rates on the same two criteria as water rates.

As shown in **Table 23**, under the calculated wastewater rates for January 2020, a household would pay \$45.93 each month, which is 1.04 percent of the estimated median household income for Livingston. The proposed wastewater rates are, per the SWRCB definitions, affordable.

Figure 21
Comparison of Monthly Residential Wastewater Bills

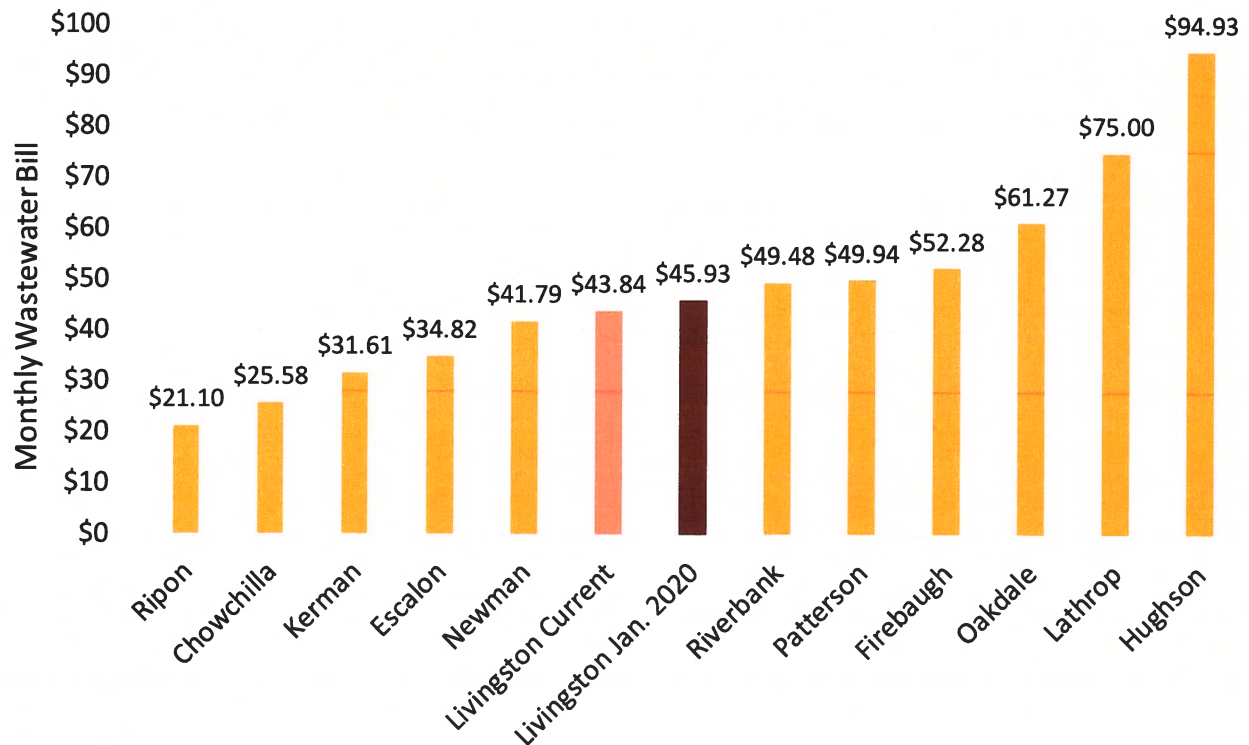


Table 23
Test of Wastewater Bill Affordability

Item	Current Rates	Rates Jan. 2020 [1]
Monthly Water Bill		
Monthly Median Household Income (MHI)	\$4,426.25	\$4,426.25
Monthly Wastewater Bill	\$43.84	\$45.93
Average Monthly Bill as Percentage of MHI [2]	0.99%	1.04%
Median Household Income (MHI)		
Statewide California	\$67,169	
Estimated Livingston [3]	\$53,115	
Livingston MHI as a percentage of the State MHI [4]	79.1%	

Source: HEC, State Water Resources Control Board, and US Census Bureau.

aff

[1] Bills must be greater than or equal to 1.5% of MHI to qualify for Disadvantaged principal forgiveness.

[2] Bills that are 1.5% to 2.0% of MHI are considered affordable.

[3] 2017 5-year American Community Survey.

[4] Per SWRCB, community with an MHI <80% of the Statewide MHI is Disadvantaged. For a Disadvantaged Community to qualify for principal forgiveness must exceed 1.5% of the service area MHI.

3.5.2 Non-Residential Bill Impacts

Figure 22 illustrates the annual impact of the January 2020 rate increase to a randomly selected convenience store and a randomly selected hotel. Figure 23 illustrates the annual impact of the rate increase on the Livingston Middle School and a randomly selected gas station.

Figure 22
Impacts on a Convenience Store and a Hotel

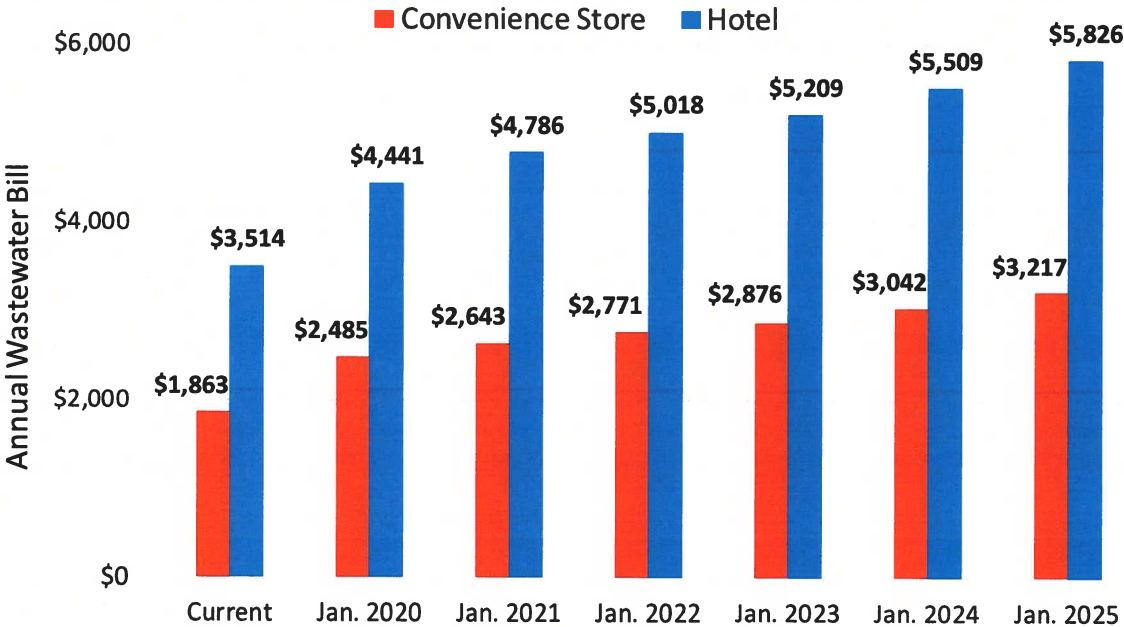
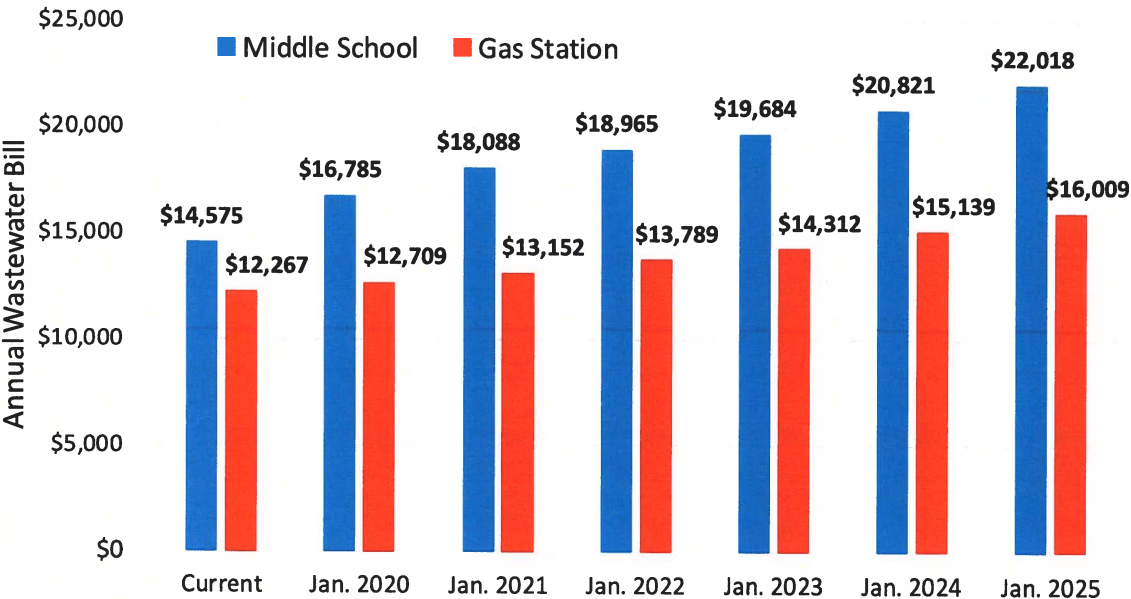


Figure 23
Impacts on a Gas Station and Livingston Middle School



Section 4: SOLID WASTE RATE STUDY

Solid waste service in Livingston is provided by Gilton under an exclusive solid waste collection franchise agreement. The agreement requires solid waste collection at least once a week to all residential customers and more frequently to commercial and industrial customers if needed. The solid waste is disposed at landfills in Merced County.

4.1 THE SOLID WASTE FUND AND ITS CUSTOMERS

The solid waste fund pays for the services provided by Gilton, landfill disposal costs, street sweeping (conducted by City staff, not Gilton), City staff costs to administer and manage both services, and associated City costs.

Historical sanitation fund revenues and expenses are shown in **Table 24**. The fund has been able to cover expenses for each of the past three years. Detail of revenues is provided **Appendix C Table C-1**. Detail of expenses is provided in **Table C-2**.

Table 24
Historical Sanitation Fund Revenues and Expenses

Expenses and Revenues	Fiscal Year Ending		
	2017	2018	2019
	actual	actual	actual
Revenues			
Intergovernmental	\$10,000	\$14,702	\$1,965
Charges for Services	\$1,371,342	\$1,386,815	\$1,417,249
Fines & Forfeitures	\$15,229	\$17,733	\$15,595
Return on Use of Money/Property	\$1,476	\$7,549	\$10,875
Miscellaneous	\$3,487	\$10,019	\$6,061
Subtotal Revenues	\$1,401,534	\$1,436,818	\$1,451,745
Expenses			
Personnel	\$91,307	\$180,716	\$177,295
Disposal Contract Services	\$907,749	\$919,518	\$997,084
Maintenance & Operations	\$97,734	\$75,308	\$91,808
Vehicles, Equip. Improvements	\$788	\$3,791	\$0
Subtotal Expenses	\$1,097,578	\$1,179,333	\$1,266,188
Net Operating Income	\$303,956	\$257,485	\$185,557

Source: City of Livingston financials November 2019.

net

Almost all of the revenues for solid waste provision is generated by monthly user rates. The current rate schedule is shown in **Table 25**. The table shows n/a for services that currently do not have any customers but that Gilton has provided the City a cost for. Current charges for service by Gilton are provided in **Appendix C Table C-3**.

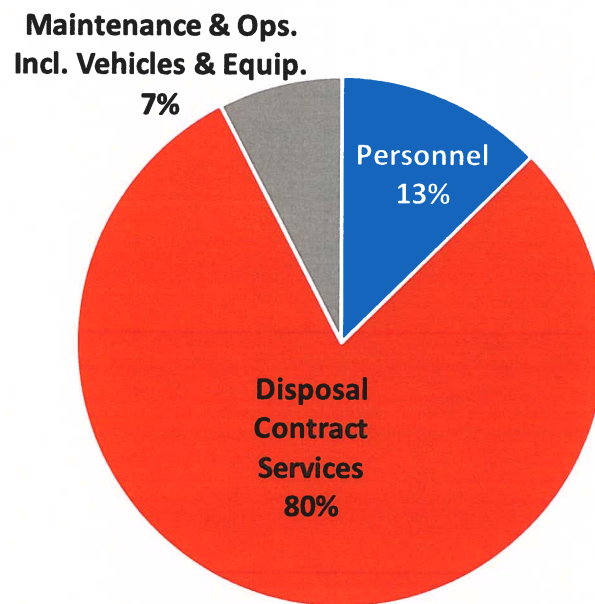
Table 25
Current Sanitation Fund Rates

Collections per Week	Current City Rates				
	x1	x2	x3	x4	x5
Residential					
96 gal. cart	\$25.16				
Add'l cart	\$5.97				
96 gal. cart greenwaste	\$1.33				
Add'l greenwaste cart	\$5.97				
Multi-Family & Comm'l					
1 CY	\$47.36	\$93.90	n/a	n/a	n/a
2 CY	\$94.41	\$187.14	n/a	n/a	n/a
3 CY	\$139.86	\$264.56	\$398.63	n/a	n/a
4 CY	\$179.04	\$348.86	\$545.64	n/a	n/a
6 CY	\$251.71	\$490.40	\$750.40	n/a	n/a
Commercial - Compacting Bins					
3 CY	n/a	n/a	n/a	n/a	n/a
4 CY	n/a	n/a	n/a	n/a	n/a
Standard Recycle Bins					
4 CY	\$71.41	n/a	n/a	n/a	n/a
6 CY	\$71.41	n/a	n/a	n/a	n/a

Source: City of Livingston May 2019. now

The majority of sanitation fund annual expenditures are for the disposal contract with Gilton. **Figure 24** shows that 80% of the total sanitation fund expenses for the last three fiscal years were for the Gilton contract.

Figure 24
Typical Annual Sanitation Fund Expenses



The City provides service to more than 3,000 customers of which 97% are single-family or duplex/triplex/four-plex residential. The projection of customer accounts with a 1.5% growth rate through the five-year rate period is provided in **Appendix Table C-4**.

4.2 REVENUE REQUIREMENT

The projected revenue requirement for the solid waste fund is shown in **Table 26**. The revenue requirement is projected to increase from \$1.23 million in fiscal year 2019 to \$1.83 million by fiscal year ending 2025.

Currently, user fees are greater than the revenue requirement. In fiscal year 2020 the revenue requirement is estimated at \$1.35 million, however, user fees were \$1.42 million in fiscal year 2019 and are expected to be about the same fiscal year 2020. Due to a sufficiency of cash reserves in the sanitation fund, the solid waste user fees do not need to be increased until January 2021.

The rate calculations are based on the user fee increases shown at the bottom of **Table 26**.

Table 26
Projected Revenue Requirement for the Sanitation Fund

Expenses	Inflator	Fiscal Year Ending						
		2019	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Operating Expenses								
Personnel	6.0%	\$177,295	\$187,933	\$199,209	\$211,161	\$223,831	\$237,261	\$251,496
Disposal Contract Service [1]	6.5%	\$997,084	\$1,061,895	\$1,130,918	\$1,204,428	\$1,282,716	\$1,366,092	\$1,454,888
Professional Services	3.0%	\$26,240	\$27,027	\$27,838	\$28,673	\$29,533	\$30,419	\$31,332
Computer Support Agreement	2.5%	\$21,136	\$21,665	\$22,206	\$22,761	\$23,331	\$23,914	\$24,512
Equipment and Repairs	3.5%	\$5,050	\$5,227	\$5,410	\$5,599	\$5,795	\$5,998	\$6,208
Insurance	2.5%	\$4,831	\$4,951	\$5,075	\$5,202	\$5,332	\$5,465	\$5,602
Supplies and Other	2.5%	\$34,608	\$35,473	\$36,360	\$37,269	\$38,200	\$39,155	\$40,134
Subtotal Operating Expenses		\$1,266,244	\$1,344,170	\$1,427,015	\$1,515,093	\$1,608,738	\$1,708,304	\$1,814,172
Equipment Purchase [2]	3.5%	\$0	\$40,000	\$41,400	\$42,849	\$44,349	\$45,901	\$47,507
Estimated Annual Costs		\$1,266,244	\$1,384,170	\$1,468,415	\$1,557,942	\$1,653,086	\$1,754,205	\$1,861,679
<i>Disposal Contract Service % of Op. Costs</i>		<i>79%</i>	<i>77%</i>	<i>77%</i>	<i>77%</i>	<i>78%</i>	<i>78%</i>	<i>78%</i>
Credits								
Intergovernmental	estimate	\$1,965	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Fines & Forfeitures	3.0%	\$15,595	\$16,063	\$16,545	\$17,042	\$17,553	\$18,079	\$18,622
Return on Use of Money	estimate	\$10,875	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Miscellaneous	constant	\$6,061	\$6,061	\$6,061	\$6,061	\$6,061	\$6,061	\$6,061
Total Credits		\$34,496	\$32,125	\$32,606	\$33,103	\$33,614	\$34,141	\$34,683
Total Revenue Requirement		\$1,231,748	\$1,352,046	\$1,435,809	\$1,524,839	\$1,619,472	\$1,720,065	\$1,826,996
Increase in User Fees			0.0%	3.5%	4.0%	4.5%	5.0%	5.0%
User Fees		\$1,417,249	\$1,417,249	\$1,466,853	\$1,525,527	\$1,594,176	\$1,673,884	\$1,757,579

Source: City of Livingston September 2019 and HEC.

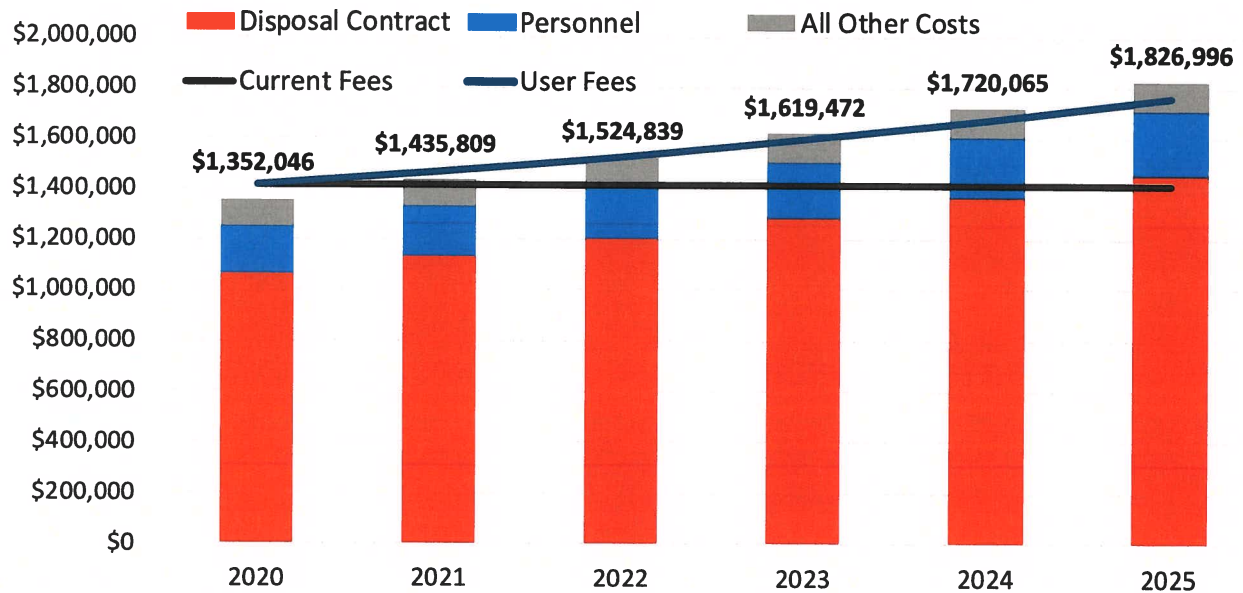
rev req

[1] The disposal contract will increase 3.5% fiscal year 19/20 (per Gilton's request as allowed by contract) for inflation; the model increases costs 6.5% per year to account for inflation, increased Merced County Regional Solid Waste Management Authority costs, and growth in number of customers.

[2] Estimate based on replacement of a street sweeper every five years as well as \$5,000 each year for various equipment needs.

Figure 25 on the following page illustrates the components of revenue requirement in the study period, the amount estimated to be collected in user fees, and the amount currently collected in user fees.

Figure 25
Projected Revenue Requirement and Fee Collections



4.3 SOLID WASTE RATE CALCULATIONS

The cost of service to each customer group is what the Gilton contract cost is plus additional City costs to provide sanitation and street sweeping services. Gilton contract costs are about 80% of total operating costs; however, the City should be collecting annually for capital costs such as replacement of street sweepers and specialized equipment. After accounting for capital replacement and upgrade costs, Gilton rates are about 77% of total annual costs.

The rate calculations are based on total user fees to be raised each year to provide revenue sufficiency for the sanitation fund. The calculated rates are shown in **Table 27**. These rates were calculated based on the Gilton rates plus the City’s service costs. The calculated rates are lower than current rates because the City is currently collecting more in revenue than necessary to pay for the Gilton contract and City costs.

Rather than lower the rates, which runs the risk of insufficient revenue collection in future years, the rates are frozen January 2020 and then gradually increased each year. Under this schedule of rates, as shown in **Table 28** on page 58, the City would draw down on reserves to meet the requirements of SB 1383.

Table 27
Calculated Fiscal Year 2019/20 Rates

Collections per Week	Calculated Rates				
	x1	x2	x3	x4	x5
Residential	<i>Gilton Contract as % of Total 77%</i>				
96 gal. cart	\$22.14				
Add'l cart	\$5.84				
96 gal. cart greenwaste	\$1.17				
Add'l greenwaste cart	\$5.84				
Multi-Family & Comm'l					
1 CY	\$41.69	\$82.65	\$123.48	\$164.40	\$205.31
2 CY	\$83.09	\$164.70	\$248.32	\$330.61	\$412.87
3 CY	\$123.10	\$232.84	\$350.86	\$461.65	\$561.64
4 CY	\$157.57	\$307.05	\$480.22	\$587.19	\$703.52
6 CY	\$221.55	\$431.62	\$660.44	\$823.48	\$1,036.58
Organics Bin (New)	\$232.52	\$453.06			
Commercial - Compacting Bins					
3 CY	\$428.09	\$825.01	\$1,651.69	\$1,651.69	\$2,064.60
4 CY	\$543.00	\$1,039.44	\$2,202.23	\$2,202.23	\$2,752.82
Standard Recycle Bins					
4 CY	\$62.84	\$125.69	\$251.40	\$251.40	\$314.23
6 CY	\$62.84	\$125.69	\$251.40	\$251.40	\$314.23

Source: City of Livingston and HEC November 2019.

new

A new service is included in the rate schedule for organics bins. The organics bins will be provided by Gilton to commercial and multi-family customers primarily for food waste services, which is a requirement of Senate Bill (SB) 1383.

Table 28
Five-Year Schedule of Solid Waste Rates

Service Type	Current	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
	<i>New Rates Effective ---></i>	<i>Jan. 2020</i>	<i>Jan. 2021</i>	<i>Jan. 2022</i>	<i>Jan. 2023</i>	<i>Jan. 2024</i>	<i>Jan. 2025</i>
	<i>Rate Increase ---></i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>
<i>Rates do not include charges for special services that are scheduled between the customer and provider such as off schedule pick up, container maintenance, and delivery charges.</i>							
SINGLE FAMILY RESIDENTIAL		Once per week pickup					
96 gal. cart	\$25.16	\$23.25	\$24.41	\$25.63	\$26.91	\$28.26	\$29.67
Add'l cart	\$5.97	\$6.14	\$6.44	\$6.77	\$7.10	\$7.46	\$7.83
96 gal. cart greenwaste	\$1.33	\$1.23	\$1.29	\$1.35	\$1.42	\$1.49	\$1.57
Add'l greenwaste cart	\$5.97	\$6.14	\$6.44	\$6.77	\$7.10	\$7.46	\$7.83
MULTI-FAMILY & COMMERCIAL		Once per week pickup					
1 cubic yard container	\$47.36	\$43.77	\$45.96	\$48.26	\$50.67	\$53.21	\$55.87
2 cubic yards container	\$94.41	\$87.25	\$91.61	\$96.19	\$101.00	\$106.05	\$111.35
3 cubic yards container	\$139.86	\$129.26	\$135.72	\$142.51	\$149.63	\$157.12	\$164.97
4 cubic yards container	\$179.04	\$165.45	\$173.72	\$182.41	\$191.53	\$201.11	\$211.16
6 cubic yards container	\$251.71	\$232.62	\$244.25	\$256.47	\$269.29	\$282.75	\$296.89
Organics Bin (New)		\$65.99	\$69.29	\$72.75	\$76.39	\$80.21	\$84.22
Recycle Bins							
4 & 6 cubic yard containers	\$71.41	\$65.99	\$69.29	\$72.75	\$76.39	\$80.21	\$84.22
Commercial Compacting							
3 cubic yards container	n/a	\$449.50	\$471.97	\$495.57	\$520.35	\$546.36	\$573.68
4 cubic yards container	n/a	\$570.15	\$598.66	\$628.59	\$660.02	\$693.02	\$727.67
MULTI-FAMILY & COMMERCIAL		Twice per week pickup					
1 cubic yard container	\$93.90	\$103.52	\$108.70	\$114.14	\$119.84	\$125.83	\$132.13
2 cubic yards container	\$187.14	\$206.32	\$216.64	\$227.47	\$238.84	\$250.79	\$263.32
3 cubic yards container	\$264.56	\$291.68	\$306.26	\$321.57	\$337.65	\$354.54	\$372.26
4 cubic yards container	\$348.86	\$384.62	\$403.85	\$424.04	\$445.24	\$467.51	\$490.88
6 cubic yards container	\$490.40	\$540.67	\$567.70	\$596.08	\$625.89	\$657.18	\$690.04
Organic Bins (New)	n/a	\$131.97	\$138.57	\$145.50	\$152.77	\$160.41	\$168.43
Recycle Bins							
4 & 6 cubic yard containers	n/a	\$131.97	\$138.57	\$145.50	\$152.77	\$160.41	\$168.43
Commercial Compacting							
3 cubic yards container	n/a	\$866.26	\$909.58	\$955.06	\$1,002.81	\$1,052.95	\$1,105.60
4 cubic yards container	n/a	\$1,091.41	\$1,145.98	\$1,203.28	\$1,263.45	\$1,326.62	\$1,392.95
MULTI-FAMILY & COMMERCIAL		Three times per week pickup					
1 cubic yard container	n/a	\$147.32	\$154.69	\$162.42	\$170.54	\$179.07	\$188.02
2 cubic yards container	n/a	\$296.27	\$311.08	\$326.64	\$342.97	\$360.12	\$378.12
3 cubic yards container	\$398.63	\$439.49	\$461.46	\$484.54	\$508.76	\$534.20	\$560.91
4 cubic yards container	\$545.64	\$601.57	\$631.65	\$663.23	\$696.39	\$731.21	\$767.77
6 cubic yards container	\$750.40	\$827.32	\$868.68	\$912.12	\$957.72	\$1,005.61	\$1,055.89
Recycle Bins							
4 & 6 cubic yard containers	n/a	\$263.97	\$277.17	\$291.03	\$305.58	\$320.86	\$336.90
Commercial Compacting							
3 cubic yards container	n/a	\$1,734.27	\$1,820.99	\$1,912.04	\$2,007.64	\$2,108.02	\$2,213.42
4 cubic yards container	n/a	\$2,312.35	\$2,427.96	\$2,549.36	\$2,676.83	\$2,810.67	\$2,951.20

Source: City of Livingston and HEC.

sum

Table 29 shows the amount of revenue estimated to be generated by each customer group in fiscal year 2019/20 with current rates frozen. The total revenue estimate is slightly lower than actually realized in fiscal year 2019 because approximately \$125,000 is collected not from monthly rates but from additional services that are specially requested by customers such as off-schedule pickups.

Table 29
Estimated Revenue Fiscal Year 2019/20

Customer	% of Revenue	Total Revenue	Projected Revenue in FY 2020		
			x1	x2	x3
Residential					
96 gal. cart	72.02%	\$930,517	\$930,517		
Add'l cart	1.57%	\$20,346	\$20,346		
96 gal. cart greenwaste	3.77%	\$48,758	\$48,758		
Add'l greenwaste cart	0.04%	\$501	\$501		
Multi-Family & Comm'l					
1 CY	0.31%	\$3,978	\$3,978	\$0	\$0
2 CY	2.54%	\$32,835	\$30,589	\$2,246	\$0
3 CY	2.67%	\$34,517	\$21,818	\$12,699	\$0
4 CY	9.25%	\$119,498	\$36,524	\$50,236	\$32,738
6 CY	7.83%	\$101,121	\$21,144	\$52,963	\$27,014
TOTAL	100.00%	\$1,292,072	\$1,114,176	\$118,144	\$59,753

Source: City of Livingston and HEC November 2019.

2020

Table 30 on the next page shows total revenue estimated through the five-year period. Due to estimated growth in number of customers, revenue generation is greater than required in **Table 26**. While customers will be required to use the organics bins, the number of customers in this rate category is not known at this time; therefore, no revenue from this category has been included in the projection.

Table 30
Projected Sanitation Fund Revenue

Customer Type	2019	Annual Revenue with Growth in Number of Services					
		2020	2021	2022	2023	2024	2025
Residential							
96 gal. cart	\$930,517	\$930,517	\$977,532	\$1,031,883	\$1,094,492	\$1,166,455	\$1,243,149
Add'l cart	\$20,346	\$20,346	\$21,374	\$22,562	\$23,931	\$25,505	\$27,181
96 gal. cart greenwaste	\$48,758	\$48,758	\$51,221	\$54,069	\$57,350	\$61,121	\$65,139
Add'l greenwaste cart	\$501	\$501	\$527	\$556	\$590	\$629	\$670
Multi-Family & Comm'l - 1x / Week							
1 CY	\$3,978	\$3,978	\$4,179	\$4,412	\$4,679	\$4,987	\$5,315
2 CY	\$30,589	\$30,589	\$32,134	\$33,921	\$35,979	\$38,345	\$40,866
3 CY	\$21,818	\$21,818	\$22,921	\$24,195	\$25,663	\$27,350	\$29,149
4 CY	\$36,524	\$36,524	\$38,370	\$40,503	\$42,960	\$45,785	\$48,795
6 CY	\$21,144	\$21,144	\$22,212	\$23,447	\$24,870	\$26,505	\$28,247
Multi-Family & Comm'l - 2x/Week							
1 CY	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 CY	\$2,246	\$2,246	\$2,359	\$2,490	\$2,641	\$2,815	\$3,000
3 CY	\$12,699	\$12,699	\$13,340	\$14,082	\$14,937	\$15,919	\$16,965
4 CY	\$50,236	\$50,236	\$52,774	\$55,708	\$59,088	\$62,973	\$67,114
6 CY	\$52,963	\$52,963	\$55,639	\$58,733	\$62,296	\$66,392	\$70,758
Multi-Family & Comm'l - 3x/Week							
1 CY	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 CY	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 CY	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 CY	\$32,738	\$32,738	\$34,393	\$36,305	\$38,508	\$41,039	\$43,738
6 CY	\$27,014	\$27,014	\$28,379	\$29,957	\$31,775	\$33,864	\$36,091
TOTAL	\$1,292,072	\$1,292,072	\$1,357,354	\$1,432,823	\$1,519,759	\$1,619,683	\$1,726,178
Other Services [1]	\$125,177	\$125,177	\$131,502	\$138,813	\$147,236	\$156,917	\$167,234
Total Estimated Revenue	\$1,417,249	\$1,417,249	\$1,488,856	\$1,571,636	\$1,666,995	\$1,776,600	\$1,893,411

Source: City of Livingston and HEC May 2019.

rev proj

[1] Includes off schedule pick up, container maintenance, and delivery charges

4.4 CASH FLOW AND FUND BALANCE

The projected sanitation fund cash flow is provided in **Table 31**. It is projected that the City could fund all anticipated operations costs and new costs associated with SB 1383 while maintaining at least four months of operating expenses in the fund. Included in the cost projection is \$100,000 per year in 2019 dollars to pay for the anticipated costs of implementing SB 1383. Anticipated costs include legal, education, outreach, software, enforcement and inspection costs. It is likely that the City will need to hire a recycling coordinator. Until the State has issued all the requirements of compliance this should be considered a “best estimate” of SB 1383 compliance costs.

**Table 31
Sanitation Fund Projected Cash Flow**

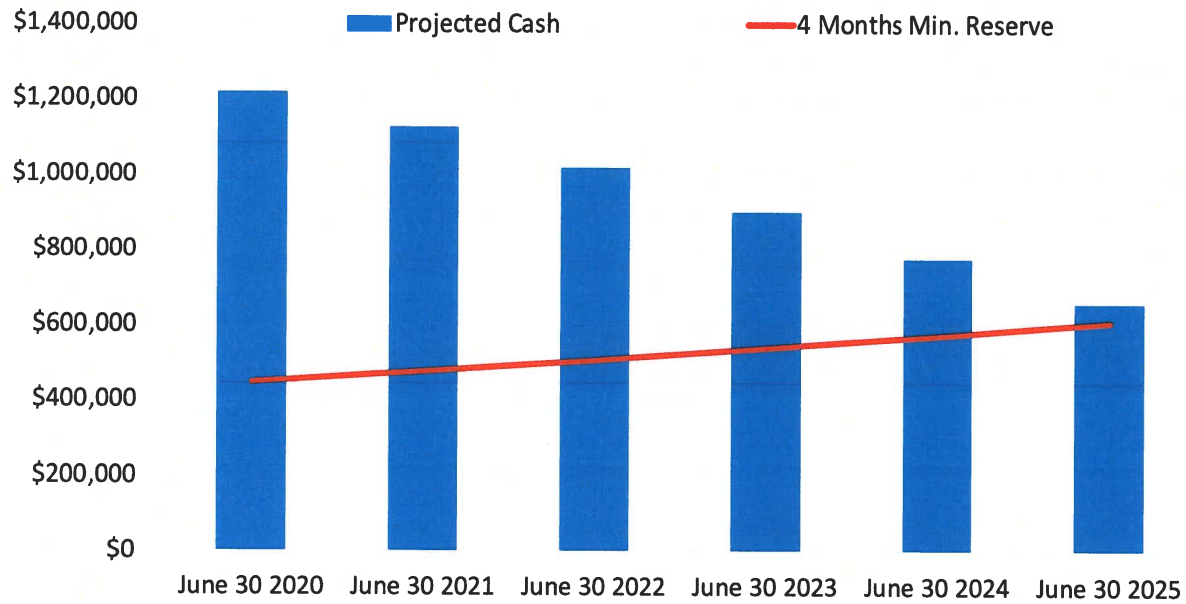
Revenues and Expenses	Fiscal Year Ending					
	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Operating Revenues						
User Fees	\$1,417,249	\$1,447,085	\$1,523,347	\$1,611,369	\$1,712,664	\$1,825,271
Intergovernmental	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Fines & Forfeitures	\$16,063	\$16,545	\$17,042	\$17,553	\$18,079	\$18,622
Return on Use of Money	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Miscellaneous	\$6,061	\$6,061	\$6,061	\$6,061	\$6,061	\$6,061
Total Operating Revenues	\$1,449,374	\$1,479,692	\$1,556,450	\$1,644,983	\$1,746,804	\$1,859,954
Operating Expenses						
Contract Disposal Service	\$1,061,895	\$1,130,918	\$1,204,428	\$1,282,716	\$1,366,092	\$1,454,888
All Other	\$273,046	\$286,361	\$300,393	\$315,183	\$330,773	\$347,210
Total Operating Expenses	\$1,334,941	\$1,417,279	\$1,504,821	\$1,597,898	\$1,696,865	\$1,802,098
Equipment Purchase	\$40,000	\$41,400	\$42,849	\$44,349	\$45,901	\$47,507
Net Revenues (Deficit)	\$74,433	\$21,013	\$8,781	\$2,736	\$4,038	\$10,349
Beginning Cash Balance [1]	\$1,043,552	\$1,117,985	\$1,035,998	\$938,173	\$830,573	\$720,414
Net Revenues (Deficit)	\$74,433	\$21,013	\$8,781	\$2,736	\$4,038	\$10,349
Enhanced Services [2]		(\$103,000)	(\$106,605)	(\$110,336)	(\$114,198)	(\$118,195)
Ending Cash Balance	\$1,117,985	\$1,035,998	\$938,173	\$830,573	\$720,414	\$612,567
Target Minimum Cash [3]	\$444,980	\$472,426	\$501,607	\$532,633	\$565,622	\$600,699

Source: City of Livingston September 2019 and HEC. flow

[1] Cash and cash equivalents; not necessarily the same as fund balance.
 [2] Enhanced services costs increased 3.5% per year.
 [3] Target minimum cash is 4 months of expenditures.

The projected ending fiscal year cash balances are illustrated in **Figure 26** on the next page.

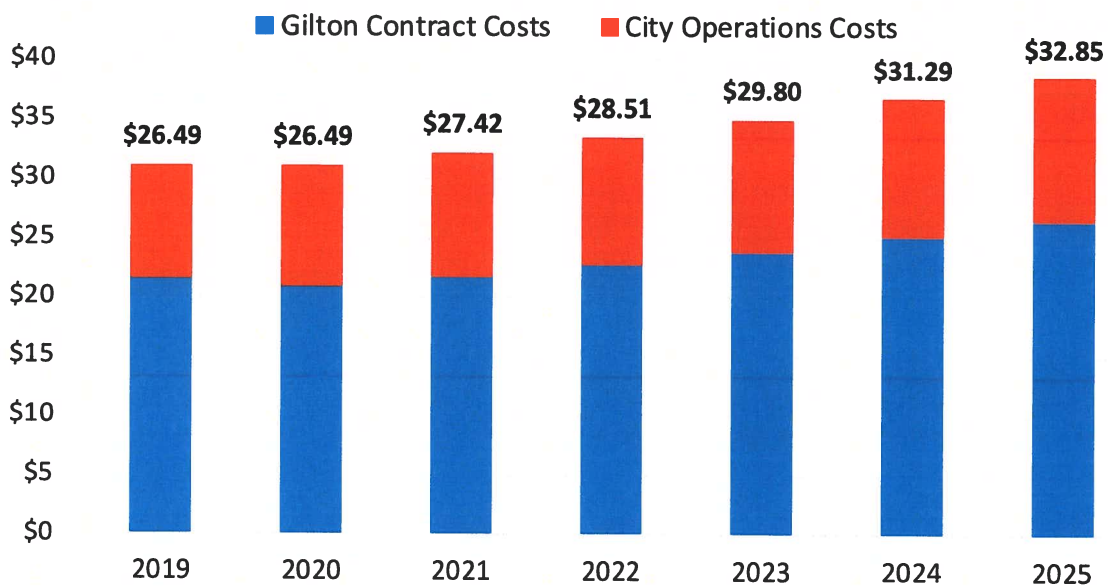
Figure 26
Projected Cash Flow and Fund Balance



4.5 BILL IMPACTS

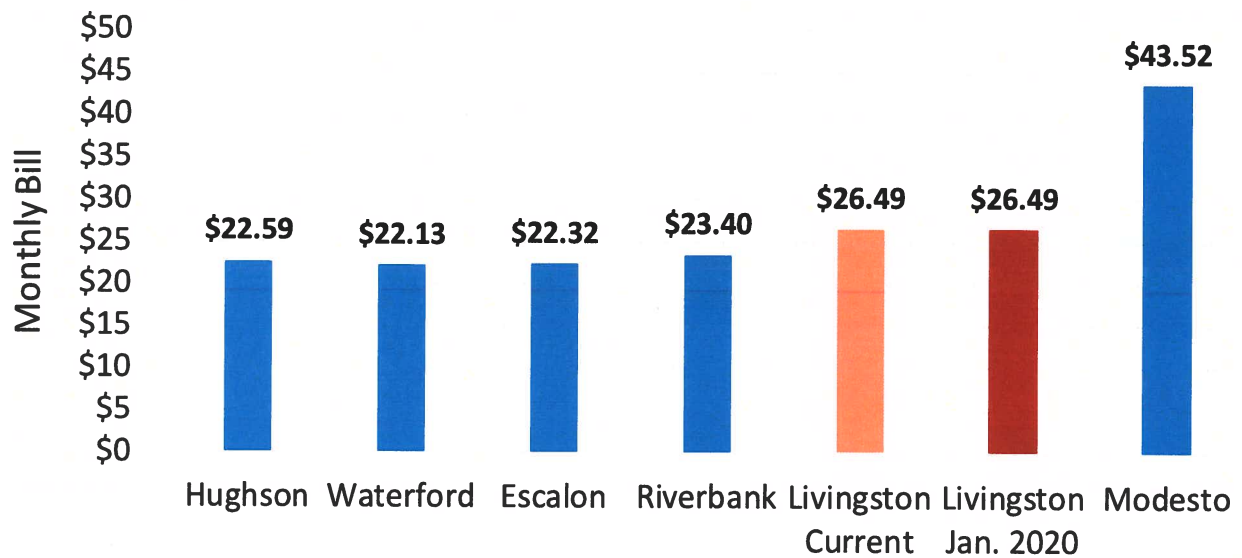
The projected five-year bill impacts for a single family home are shown in **Figure 27**. The monthly sanitation bill would increase from \$26.49 to \$32.85 over the five-year period.

Figure 27
Single Family Home Projected Bill Impact



In **Figure 28**, Livingston’s two-can monthly rate is compared with Modesto, Riverbank, Escalon, Waterford, and Hughson, all of which contract with Gilton for service provision. The rates for all comparison communities include two cans (one for recycle items) although not all can sizes are the same and additional cans cost more in most other communities than in Livingston.

Figure 28
Comparison of Single Family Solid Waste Monthly Bills



APPENDIX A

WATER RATE STUDY

SUPPORT TABLES

Table A-1
City of Livingston 2019 Water Rates Update
Historical Water Fund Revenues

DRAFT

Revenues	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Intergovernmental Revenue	\$0	\$68,868	(\$3,035)
Charges for Services			
User Fees	\$3,305,476	\$3,360,495	\$3,592,366
Connection Fees	\$0	\$25	\$0
Meter Installation	\$0	\$75,563	\$51,718
Meter Replacement Fees	\$142,204	\$148,077	\$158,192
Subtotal Charges for Services	\$3,447,680	\$3,584,161	\$3,802,276
Fines & Forfeitures	\$21,204	\$37,322	\$17,980
Interest Income	\$4,427	\$26,788	\$48,768
Miscellaneous Revenue	\$10,916	\$19,794	\$7,959
Total Revenues	\$3,484,226	\$3,736,933	\$3,873,948

Source: City of Livingston financials provided September 2019.

revs

Table A-2
City of Livingston 2019 Water Rates Update
Historical Water Fund Expenses

DRAFT

Expenses	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Personnel			
Salaries	\$302,942	\$348,123	\$399,090
Benefits	\$131,034	\$326,910	\$324,283
Medical	\$0	\$99	\$0
Uniforms	\$2,641	\$3,956	\$2,725
Subtotal Personnel	\$436,617	\$679,088	\$726,097
Maintenance and Operations			
Professional Services	\$67,097	\$12,795	\$9,632
Contract Services	\$137,619	\$117,483	\$110,320
Reg. Tuition Training	\$1,521	\$1,503	\$3,200
City Audit	\$7,501	\$7,600	\$7,600
Computer Support Agreements	\$24,764	\$38,631	\$28,947
Water Storage Tanks O&M	\$0	\$7,940	\$3,348
Water Wells O&M	\$330,266	\$140,513	\$284,608
Distribution O&M	\$60,431	\$33,708	\$60,746
Utilities	\$556,957	\$600,424	\$560,431
Vehicle O&M	\$18,623	\$35,258	\$19,981
Equipment O&M	\$5,625	\$3,962	\$6,855
Facilities O&M	\$7,427	\$3,306	\$5,977
Insurance	\$40,569	\$36,274	\$36,682
CommCell Phones	\$5,368	\$8,175	\$6,638
Advertisement	\$1,374	\$1,073	\$2,786
Printing	\$3,246	\$3,212	\$3,375
Bank Service Fees	\$5,176	\$6,467	\$7,496
Travel	\$1,966	\$992	\$3,166
Small Tools & Equip.	\$6,300	\$11,411	\$8,953
Office Supplies	\$3,220	\$2,540	\$2,679
Postage	\$8,453	\$7,627	\$8,105
Miscellaneous	\$1,178	\$1,270	(\$8,272)
Books/Subscriptions	\$0	\$66	\$397
Dues/Memberships	\$23,107	\$22,549	\$19,816
Reimbursements/Refunds	\$0	\$0	\$1,017
SGMA Compliance Contrib.	\$0	\$0	\$0
Water Meter Purchase	\$0	\$2,858	\$0
Water Hydrant Maint.	\$288	\$0	\$0
System Rehabilitation	(\$8,500)	\$0	\$0
Subtotal Maintenance and Operations	\$1,309,576	\$1,107,636	\$1,194,483
Projects			
Infrastructure	\$0	\$0	\$72,966
Water Tank Rehab.	\$0	\$0	\$477,935
New Well #8	\$0	\$0	\$10,094
Subtotal Projects	\$0	\$0	\$560,996
Vehicles, Equip. & Improvements			
Equipment Purchase	\$34,280	\$11,872	\$27,130
Vehicle Purchase	\$0	\$0	\$38,229
Meter Replacement	\$76,118	\$133,057	\$36,295
Furniture	\$0	\$498	\$0
Subtotal Vehicles, Equip. & Improvements	\$110,399	\$145,427	\$101,655
Total Expenses excl. Debt Service	\$1,856,591	\$1,932,151	\$2,583,231
Transfers Out	\$0	\$1,773,333	\$0
Debt Service	\$11,812	\$20,348	\$78,778

Source: City of Livingston financials provided September 2019.

exps

Table A-3
City of Livingston 2019 Water Rates Update

Historical Consumption

DRAFT

Year	Water Used
	gallons
2013	2,372,789,000
2014	2,388,570,000
2015	2,101,135,349
2016	2,096,915,212
2017	2,074,911,951
2018	2,254,177,000
Average	2,214,749,752
Average last 3 Years	2,142,001,388

Source: City of Livingston September 2019.

hist use

Table A-4
City of Livingston 2019 Water Rates Update

DRAFT

Well Production

Month	Calendar Year			Annual Average	% Delivery by Month
	2016	2017	2018		
<i>All Figures in Gallons</i>					
Jan	149,052,000	160,517,162	149,314,098	152,961,087	7.1%
Feb	134,313,000	132,900,237	139,437,808	135,550,348	6.3%
Mar	160,004,000	157,806,860	142,435,778	153,415,546	7.1%
Apr	174,700,000	144,083,799	165,066,889	161,283,563	7.5%
May	194,107,000	189,298,693	208,602,845	197,336,179	9.2%
Jun	219,983,000	178,863,153	221,974,266	206,940,140	9.6%
Jul	235,689,000	197,205,625	267,180,750	233,358,458	10.9%
Aug	223,396,000	215,617,627	231,995,178	223,669,602	10.4%
Sep	202,670,000	188,491,756	199,879,868	197,013,875	9.2%
Oct	194,270,000	192,171,330	187,961,790	191,467,707	8.9%
Nov	150,548,912	145,490,025	148,353,782	148,130,906	6.9%
Dec	152,557,513	135,045,974	150,523,769	146,042,419	6.8%
Total	2,191,290,425	2,037,492,241	2,212,726,821	A 2,147,169,829	100.0%
Peaking Period (May through October inclusive)				B 1,249,785,960	58%
Base Monthly Flow				C 149,563,978	
Base Annual Flow				D = C*12 1,794,767,737	84%
Additional Flow				E = A-D 352,402,092	16%

Source: City of Livingston May 2019.

wells

Table A-5
 City of Livingston 2019 Water Rates Update
 Estimated Water Capital Improvement Plan Costs

DRAFT

Water Project	Funding Source	Fiscal Year Ending					
		2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Water CIP Projects							
Well 8 - New Well	Reserves		\$1,000,000				
Well 9 - New Well	Reserves	\$1,200,000					
Well 11 - New Well	Foster Farms Reserves	\$1,200,000					
Well 12 Conveyance & Treatment	SRF Loan		\$3,375,000				\$1,720,000
Well 8 & 9 Conveyance & Treatment Plant	Connection Fees		\$1,125,000				
Well 14 & 16 Conveyance & Treatment Plant - <i>secured loan</i>	SRF Loan	\$4,000,000					
Well 13 & 17 Conveyance, Treatment Plant & Storage Tank	SRF Loan		\$6,375,000				
Water Line Replacement Ph 4 (Walnut, Davis, White, N Main)	Connection Fees		\$2,125,000				
Park Surface Water Irrigation	Reserves			\$1,331,320			
	Reserves		\$187,381				
	Grant		\$172,619				
Server Upgrades	Reserves	\$25,000					
Total Estimated Water Improvements Cost		\$6,425,000	\$14,360,000	\$1,331,320	\$0	\$0	\$1,720,000
Funding Sources							
SRF Loan		\$4,000,000	\$9,750,000	\$0	\$0	\$0	\$0
Reserves		\$1,225,000	\$1,187,381	\$1,331,320	\$0	\$1,720,000	\$0
Connection Fees		\$0	\$3,250,000	\$0	\$0	\$0	\$0
Grant		\$0	\$172,619	\$0	\$0	\$0	\$0
Foster Farms		\$1,200,000	\$0	\$0	\$0	\$0	\$0
Total Funding		\$6,425,000	\$14,360,000	\$1,331,320	\$0	\$1,720,000	\$0
Estimated New O&M Costs from CIP Projects							
Well 8 & 9 GAC		\$200,000		\$200,000		\$200,000	
Well 13 & 17 GAC		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Well 13 Green Sand				\$200,000		\$200,000	
Well 14 & 16 GAC		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Well 16 Green Sand		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Well 17 Green Sand		\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Bulk Chemicals - Wells		\$295,000	\$95,000	\$495,000	\$95,000	\$695,000	\$95,000
Estimated New Media & Chemicals Cost		\$295,000	\$95,000	\$495,000	\$95,000	\$695,000	\$95,000

Source: City of Livingston November 2019.

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Table A-6
 City of Livingston 2019 Water Rates Update
 Inflated CIP

DRAFT

Water Project	Funding Source	TOTAL	Fiscal Year Ending					
			2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Water CIP Projects								
Well 8 - New Well	Reserves	\$1,030,000	\$0	\$1,030,000	\$0	\$0	\$0	\$0
Well 9 - New Well	Reserves	\$1,200,000	\$1,200,000	\$0	\$0	\$0	\$0	\$0
Well 11 - New Well	Foster Farms	\$1,200,000	\$1,200,000	\$0	\$0	\$0	\$0	\$0
Well 12 Conveyance & Treatment	Reserves	\$1,935,875	\$0	\$0	\$0	\$1,935,875	\$0	\$0
Well 8 & 9 Conveyance & Treatment Plant	SRF Loan	\$4,635,000	\$0	\$4,635,000	\$0	\$0	\$0	\$0
Well 14 & 16 Conveyance & Treatment Plant - secured loan	SRF Loan	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0
Well 13 & 17 Conveyance, Treatment Plant & Storage Tank	SRF Loan	\$8,755,000	\$0	\$8,755,000	\$0	\$0	\$0	\$0
Water Line Replacement Ph 4 (Walnut, Davis, White, N Main)	Reserves	\$1,412,397	\$0	\$0	\$1,412,397	\$0	\$0	\$0
Park Surface Water Irrigation	Reserves	\$370,800	\$0	\$370,800	\$0	\$0	\$0	\$0
Server Upgrades	Reserves	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$0
Total Estimated Water Improvements Cost		\$24,564,073	\$6,425,000	\$14,790,800	\$1,412,397	\$0	\$1,935,875	\$0
Funding Sources								
SRF Loan		\$14,042,500	\$4,000,000	\$10,042,500	\$0	\$0	\$0	\$0
Reserves		\$5,796,275	\$1,225,000	\$1,223,002	\$1,412,397	\$0	\$1,935,875	\$0
Connection Fees		\$3,347,500	\$0	\$3,347,500	\$0	\$0	\$0	\$0
Grant		\$177,798	\$0	\$177,798	\$0	\$0	\$0	\$0
Foster Farms		\$1,200,000	\$1,200,000	\$0	\$0	\$0	\$0	\$0
Total Funding		\$24,564,073	\$6,425,000	\$14,790,800	\$1,412,397	\$0	\$1,935,875	\$0
Estimated New O&M Costs from CIP Projects								
Well 8 & 9 GAC		\$200,000	\$0	\$0	\$212,180	\$0	\$225,102	\$0
Well 13 & 17 GAC		\$0	\$0	\$0	\$0	\$0	\$225,102	\$0
Well 13 Green Sand		\$10,000	\$10,300	\$10,609	\$10,927	\$10,927	\$11,255	\$11,593
Well 14 & 16 GAC		\$0	\$0	\$212,180	\$0	\$225,102	\$0	\$0
Well 16 Green Sand		\$10,000	\$10,300	\$10,609	\$10,927	\$10,927	\$11,255	\$11,593
Well 17 Green Sand		\$10,000	\$10,300	\$10,609	\$10,927	\$10,927	\$11,255	\$11,593
Bulk Chemicals - Wells		\$65,000	\$66,950	\$68,959	\$71,027	\$73,158	\$75,353	\$77,653
Estimated New Media & Chemicals Cost		\$295,000	\$97,850	\$525,146	\$103,809	\$782,229	\$110,131	\$110,131

Source: City of Livingston November 2019.

cip inf

Table A-7
City of Livingston 2019 Water Rates Update
SRF Financing Agreement for Well 13

DRAFT

Fiscal Year				
Ending	Principal	Interest	Total Payment	Ending Balance
<i>Term</i>	<i>20 years</i>		<i>Completed Project</i>	
<i>Interest Rate</i>	<i>1.6%</i>			\$1,353,245
2017	\$66,967	\$11,811	\$78,778	\$1,286,278
2018	\$58,430	\$20,348	\$78,778	\$1,227,848
2019	\$59,369	\$19,409	\$78,778	\$1,168,479
2020	\$60,323	\$18,455	\$78,778	\$1,108,156
2021	\$61,292	\$17,486	\$78,778	\$1,046,864
2022	\$62,276	\$16,502	\$78,778	\$984,588
2023	\$63,277	\$15,501	\$78,778	\$921,311
2024	\$64,293	\$14,485	\$78,778	\$857,018
2025	\$65,326	\$13,452	\$78,778	\$791,692
2026	\$66,375	\$12,403	\$78,778	\$725,317
2027	\$67,442	\$11,336	\$78,778	\$657,875
2028	\$68,525	\$10,253	\$78,778	\$589,350
2029	\$69,626	\$9,152	\$78,778	\$519,724
2030	\$70,744	\$8,034	\$78,778	\$448,980
2031	\$71,881	\$6,897	\$78,778	\$377,099
2032	\$73,035	\$5,743	\$78,778	\$304,064
2033	\$74,209	\$4,569	\$78,778	\$229,855
2034	\$75,401	\$3,377	\$78,778	\$154,455
2035	\$76,612	\$2,166	\$78,778	\$77,843
2036	\$77,843	\$935	\$78,778	(\$0)
TOTAL	\$1,353,245	\$222,315	\$1,575,560	

Source: SRF Financing Agreement D15-02037 Exhibit C.

srf other

Table A-8
City of Livingston 2019 Water Rates Update
SRF Financing Agreement for Wells 14 & 16

DRAFT

Fiscal Year				
Ending	Principal	Interest	Total Payment	Ending Balance
<i>Term</i>	<i>30 years</i>		<i>Est. Construction Completion:</i>	
<i>Interest Rate</i>	<i>1.8%</i>		<i>7/1/2020</i>	
2020	\$0	\$60,758	\$47,358	\$3,224,618
2021	\$105,048	\$67,942	\$172,989	\$3,894,952
2022	\$103,343	\$69,646	\$172,989	\$3,971,609
2023	\$105,212	\$67,778	\$172,989	\$3,686,398
2024	\$107,114	\$65,875	\$172,989	\$3,579,284
2025	\$109,051	\$63,939	\$172,989	\$3,470,233
2026	\$111,022	\$61,967	\$172,989	\$3,359,211
2027	\$113,030	\$59,959	\$172,989	\$3,246,181
2028	\$115,074	\$57,916	\$172,989	\$3,131,107
2029	\$117,154	\$55,835	\$172,989	\$3,013,953
2030	\$119,272	\$53,717	\$172,989	\$2,894,681
2031	\$121,429	\$51,560	\$172,989	\$2,773,252
2032	\$123,625	\$49,365	\$172,989	\$2,649,627
2033	\$125,860	\$47,129	\$172,989	\$2,523,767
2034	\$128,136	\$44,854	\$172,989	\$2,395,632
2035	\$130,452	\$42,537	\$172,989	\$2,265,179
2036	\$132,811	\$40,178	\$172,989	\$2,132,368
2037	\$135,212	\$37,777	\$172,989	\$1,997,156
2038	\$137,657	\$35,332	\$172,989	\$1,859,499
2039	\$140,146	\$32,843	\$172,989	\$1,719,353
2040	\$142,680	\$30,309	\$172,989	\$1,576,672
2041	\$145,260	\$27,729	\$172,989	\$1,431,412
2042	\$147,886	\$25,103	\$172,989	\$1,283,526
2043	\$150,560	\$22,429	\$172,989	\$1,132,966
2044	\$153,283	\$19,707	\$172,989	\$979,683
2045	\$156,054	\$16,935	\$172,989	\$823,629
2046	\$158,876	\$14,114	\$172,989	\$664,753
2047	\$161,748	\$11,241	\$172,989	\$503,005
2048	\$164,673	\$8,316	\$172,989	\$338,332
2049	\$167,650	\$5,339	\$172,989	\$170,682
2050	\$170,682	\$2,308	\$172,989	\$0
TOTAL	\$4,000,000	\$1,250,437	\$5,237,037	

Source: SRF Financing Agreement D18-02003 Exhibit C.

srf 4M

**Table A-9
City of Livingston 2019 Water Rates Update**

Estimated New SRF Debt

DRAFT

Item	Well 8 & 9 Conveyance & Treatment Plant	Well 13 & 17 Conveyance, Treatment Plant & Storage Tank
<i>Estimated Completion Date</i>	<i>2/1/2021</i>	<i>2/1/2021</i>
Construction Proceeds	\$4,635,000	\$8,755,000
Estimated Annual Debt Service	\$221,500	\$418,300
Operations Fund	\$166,125	\$313,725
Capital Fund	\$55,375	\$104,575
Total Payments	\$6,645,000	\$12,549,000
Estimated Total Financing Costs	\$2,010,000	\$3,794,000
DWSRF loan assumptions:		
Interest Rate [1]	2.5000%	2.5000%
Term (years)	30	30

Source: City of Livingston and HEC.

new debt

[1] In 2019 the interest rate is 1.9%. The interest rate fluctuates year to year.

Table A-10
City of Livingston 2019 Water Rates Update
Meter Replacement Fee Calculation

DRAFT

Item	Assumption / Total	Meter Size							
		1"	1-1/2"	2"	3"	4"	6"	8"	10"
New Meter with Transponder [1]		\$235	\$554	\$1,058	\$1,320	\$3,125	\$5,400	\$8,805	\$11,363
Installation Costs [2]	25%	\$59	\$139	\$265	\$330	\$781	\$1,350	\$2,201	\$2,841
New Technology Fee [3]	25%	\$73	\$173	\$331	\$413	\$977	\$1,688	\$2,752	\$3,551
Administration Costs	5%	\$18	\$43	\$83	\$103	\$244	\$422	\$688	\$888
Total Cost per Meter		\$386	\$909	\$1,736	\$2,166	\$5,127	\$8,859	\$14,446	\$18,642
Total Number of Meters	3,332	3,220	12	72	11	13	3	0	1
Meter Cost Replacement		\$1,513,037	\$1,241,461	\$124,976	\$23,822	\$66,650	\$26,578	\$0	\$18,642
Replacement Interval (years)		10	10	10	10	10	10	10	10
Cost per Meter per Year		\$39	\$91	\$174	\$217	\$513	\$886	\$1,445	\$1,864
Monthly Cost per Meter		\$3.21	\$7.57	\$14.46	\$18.05	\$42.72	\$73.83	\$120.38	\$155.35
Updated Annual Fee Revenue		\$151,304	\$124,146	\$12,498	\$2,382	\$6,665	\$2,658	\$0	\$1,864

Source: City of Livingston and HEC.

[1] Prices from City's meter vendor, May 2019.

[2] Actual installation costs vary by meter size as a percentage of meter cost.

[3] Estimated costs to keep meters up to date with new technology.

meter prog

Table A-11

City of Livingston 2019 Water Rates Update

Estimated Meter Replacement Fee Program Revenue

DRAFT

Item	Fiscal Year Ending					
	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Projected New 1" or less Meters	0	25	25	25	25	25
Projected City Water Meters	3,332	3,357	3,382	3,407	3,432	3,457
Current Revenue Inflated	\$151,304	\$155,843	\$160,518	\$165,334	\$170,294	\$175,402
New Growth Revenue	\$0	\$993	\$1,023	\$1,053	\$1,085	\$1,117
Estimated Meter Replacement Fee Revenue	\$151,304	\$156,836	\$161,541	\$166,387	\$171,378	\$176,520

Source: City of Livingston and HEC.

meter rev

Table A-12
City of Livingston 2019 Water Rates Update
Functional Allocation of Plant In Service

DRAFT

Plant in Service	Customer	Capacity	Commodity (Use)	Total Cost	Customer	Capacity	Commodity (Use)
Pumps		80%	20%	\$159,869	\$0	\$127,895	\$31,974
Water Lines		80%	20%	\$5,833,669	\$0	\$4,666,936	\$1,166,734
Wells		80%	20%	\$7,947,079	\$0	\$6,357,663	\$1,589,416
Tanks		80%	20%	\$833,822	\$0	\$667,058	\$166,764
Equipment	45%	30%	25%	\$280,794	\$126,357	\$84,238	\$70,198
General	15%	85%		\$556,209	\$83,431	\$472,777	\$0
Total Plant in Service				\$15,611,442	\$209,789	\$12,376,567	\$3,025,086
Percentage of Plant in Service				100%	1%	79%	19%

Source: City of Livingston May 2019 and HEC.

plant

Table A-13
City of Livingston 2019 Water Rates Update

Functional Allocation of Operating Costs

DRAFT

Expenditures	ACTUAL FY 2018-19	Allocation Basis	Fixed Costs		Variable Cost	
			Customer	Capacity	Commodity (Use)	Unclassified
Personnel	\$726,097	Avg. of Classified	0%	0%	0%	100%
Professional Services	\$9,632	Avg. of Classified	0%	0%	0%	100%
Contract Services	\$110,320	Avg. of Classified	0%	0%	0%	100%
Reg. Tuition Training	\$3,200	Avg. of Classified	0%	0%	0%	100%
City Audit	\$7,600	Avg. of Classified	0%	0%	0%	100%
Computer Support Agreements	\$28,947	Avg. of Classified	0%	0%	0%	100%
Water Storage Tanks O&M	\$3,348	Ratio Avg. to Peak Month	84%	0%	16%	0%
Water Wells O&M	\$284,608	Ratio Avg. to Peak Month	84%	0%	16%	0%
Distribution O&M	\$60,746	Ratio Avg. to Peak Month	84%	0%	16%	0%
Utilities	\$560,431	Utilities	0%	0%	100%	0%
Vehicle O&M	\$19,981	Plant In Service	1%	79%	19%	0%
Equipment O&M	\$6,855	Plant In Service	1%	79%	19%	0%
Facilities O&M	\$5,977	Plant In Service	1%	79%	19%	0%
Insurance	\$36,682	Customers	100%	0%	0%	0%
CommCell Phones	\$6,638	Customers	100%	0%	0%	0%
Advertisement	\$2,786	Customers	100%	0%	0%	0%
Printing	\$3,375	Customers	100%	0%	0%	0%
Bank Service Fees	\$7,496	Customers	100%	0%	0%	0%
Travel	\$3,166	Customers	100%	0%	0%	0%
Small Tools & Equip.	\$8,953	Customers	100%	0%	0%	0%
Office Supplies	\$2,679	Customers	100%	0%	0%	0%
Postage	\$8,105	Customers	100%	0%	0%	0%
Miscellaneous	(\$8,272)	Avg. of Classified	0%	0%	0%	100%
Books/Subscriptions	\$397	Customers	100%	0%	0%	0%
Dues/Memberships	\$19,816	Avg. of Classified	0%	0%	0%	100%
Refunds/Reimb	\$1,017	Customers	100%	0%	0%	0%
Equipment Purchase	\$27,130	Plant In Service	1%	79%	19%	0%
Vehicle Purchase	\$38,229	Plant In Service	1%	79%	19%	0%
Meter Replacement	\$36,295	Customers	100%	0%	0%	0%
TOTAL OPERATING COSTS	\$2,022,235		\$410,382	\$77,829	\$636,684	\$897,340
Reallocate Unclassified	\$897,340		\$327,365	\$62,085	\$507,889	
ALLOCATION OF OPERATING COSTS	\$2,022,235		\$737,747	\$139,915	\$1,144,574	
Existing Debt Service	\$78,778	Plant In Service	1%	79%	19%	
Debt Service			\$1,059	\$62,454	\$15,265	
TOTAL ALLOCATED COSTS [1]	\$2,101,013		\$738,806	\$202,369	\$1,159,839	
Percentage of Allocation			35%	10%	55%	
Fixed/Variable Allocation				45%	55%	

Source: City of Livingston and HEC, September 2019.

func

[1] Excludes capital project costs in fiscal year 2018/19.

Table A-14
City of Livingston 2019 Water Rates Update
Number of Meters and Meter Equivalents

DRAFT

Meter Size	Billing Meters	Flow (gpm)	Ratio	Meter Equivalents
< 1	3,220	50	1.0	3,220
1.5	12	100	2.0	24
2	72	160	3.2	230
3	11	350	7.0	77
4	13	600	12.0	156
6	3	1,250	25.0	75
8	0	2,400	48.0	0
10	1	3,800	76.0	76
Total	3,332			3,858

Source: City of Livingston September 2019.

meters

**Table A-15
City of Livingston 2019 Water Rates Update**

Projection of Water Demand

DRAFT

Customer Category	Base	Fiscal Year Ending					
		2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Residential							
Single-Family	593,860,000	593,458,254	597,144,330	600,853,301	604,585,309	608,340,497	612,119,010
Multi-Family	68,351,000	68,295,513	68,295,513	68,295,513	68,295,513	68,295,513	68,295,513
Subtotal Residential	662,211,000	661,753,766	665,439,842	669,148,813	672,880,822	676,636,010	680,414,522
Non-Residential							
Commercial	81,815,000	81,704,304	83,477,401	85,288,977	87,139,866	89,030,922	90,963,017
Industrial	1,333,248,000	1,332,526,446	1,332,526,446	1,332,526,446	1,332,526,446	1,332,526,446	1,332,526,446
Irrigation	63,542,000	63,413,042	63,413,042	63,413,042	63,413,042	63,413,042	63,413,042
Other	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000
Subtotal Non-Residential	1,479,790,000	1,478,828,792	1,480,601,889	1,482,413,464	1,484,264,354	1,486,155,410	1,488,087,504
Total Water Demand Est.	2,142,001,000	2,140,582,558	2,146,041,731	2,151,562,278	2,157,145,175	2,162,791,420	2,168,502,027
Total Water Demand Excl. Other	2,140,816,000	2,139,397,558	2,144,856,731	2,150,377,278	2,155,960,175	2,161,606,420	2,167,317,027

Source: City of Livingston and HEC 2019.

proj d

Table A-16
City of Livingston 2019 Water Rates Update
Price Elasticity Assumptions

DRAFT

Customer Type	Estimated Elasticity	Fiscal Year Ending					
		2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Rate Increase		4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
Assumption for Inflation		2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Price Increase Adjusted for Inflation		2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
Customer Type							
Attached Residential	-0.10	-0.21%	-0.21%	-0.21%	-0.21%	-0.21%	-0.21%
Detached Residential	-0.12	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%
Commercial	-0.20	-0.41%	-0.41%	-0.41%	-0.41%	-0.41%	-0.41%
Industrial	-0.08	-0.16%	-0.16%	-0.16%	-0.16%	-0.16%	-0.16%
Irrigation	-0.30	-0.62%	-0.62%	-0.62%	-0.62%	-0.62%	-0.62%

Source: HEC.

elasticity

California CPI Change

February	2009	222.181
February	2019	276.655
Total Change		54.47
Average Annual Change		2.22%

Table A-17
City of Livingston 2019 Water Rates Update

Projected Changes in Water Demand due to Price Changes

DRAFT

Customer Category	Fiscal Year Ending					
	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6
Residential	<i>Projected Growth each year is twenty SF units and five 1" commercial meters</i>					
Single-Family	593,860,000	597,548,571	601,260,053	604,994,588	608,752,318	612,533,388
Multi-Family	68,351,000	68,351,000	68,351,000	68,351,000	68,351,000	68,351,000
Subtotal Residential	662,211,000	665,899,571	669,611,053	673,345,588	677,103,318	680,884,388
Non-Residential						
Commercial	81,815,000	83,590,499	85,404,529	87,257,926	89,151,544	91,086,256
Industrial	1,333,248,000	1,333,248,000	1,333,248,000	1,333,248,000	1,333,248,000	1,333,248,000
Irrigation	63,542,000	63,542,000	63,542,000	63,542,000	63,542,000	63,542,000
Other	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000
Subtotal Non-Residential	1,479,790,000	1,481,565,499	1,483,379,529	1,485,232,926	1,487,126,544	1,489,061,256
Total Water Demand Est.	2,142,001,000	2,147,465,071	2,152,990,582	2,158,578,514	2,164,229,862	2,169,945,645
Change in Demand due to Price						
Residential						
Single-Family	-401,746	-404,242	-406,752	-409,279	-411,821	-414,379
Multi-Family	-55,487	-55,487	-55,487	-55,487	-55,487	-55,487
Subtotal Residential	-457,234	-459,729	-462,240	-464,766	-467,308	-469,866
Non-Residential						
Commercial	-110,696	-113,098	-115,552	-118,060	-120,622	-123,240
Industrial	-721,554	-721,554	-721,554	-721,554	-721,554	-721,554
Irrigation	-128,958	-128,958	-128,958	-128,958	-128,958	-128,958
Other	0	0	0	0	0	0
Subtotal Non-Residential	-961,208	-963,610	-966,065	-968,572	-971,134	-973,752
Total Water Demand Est.	-1,418,442	-1,423,339	-1,428,304	-1,433,338	-1,438,443	-1,443,618

Source: HEC 2019.

elas eff

[1] Change applied to summer months consumption only.

APPENDIX B

WASTEWATER RATE STUDY

SUPPORT TABLES

Table B-1
City of Livingston 2019 Wastewater Rates Update

Historical Wastewater Fund Revenue

DRAFT

Revenues	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Intergovernmental			
FEMA Reimbursement	\$0	\$3,528	\$0
SJVAPCD-Grnt Veh Purchase Rev	\$0	\$9,702	(\$3,035)
Total Intergovernmental	\$0	\$13,230	(\$3,035)
Charges for Services			
User Fees	\$2,038,750	\$2,075,866	\$2,182,325
Connection Fees	\$0	\$0	\$0
MS4 Review Fees	\$0	\$2,809	\$16,464
Total Charges for Services	\$2,038,750	\$2,078,675	\$2,198,789
Fines & Forfeits			
Penalty Fees	\$24,803	\$28,702	\$22,417
Total Fines & Forfeits	\$24,803	\$28,702	\$22,417
Return on Use of Money/Property			
Interest Income	\$2,194	\$7,976	\$10,119
Rental Income	\$12,000	\$12,000	\$12,000
Doms WW Land Lease Agmt	\$2,500	\$1,000	\$0
Total Return on Use of Money	\$16,694	\$20,976	\$22,119
Miscellaneous			
Miscellaneous	\$4,188	\$19,281	\$0
Reimbursements	\$1,306	\$1,642	\$66,181
Other Revenue	\$5,494	\$20,923	\$285
Total Miscellaneous	\$10,988	\$41,847	\$66,466
Total Revenues	\$2,091,235	\$2,183,429	\$2,306,757

Source: City of Livingston financials, provided September 2019.

revs

**Table B-2
City of Livingston 2019 Wastewater Rates Update**

Historical Wastewater Fund Expenses

DRAFT

Operating Expenses	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Personnel	\$422,346	\$543,621	\$630,284
Maintenance and Operations			
Professional Services	\$29,159	\$2,627	\$3,467
Contract Services	\$170,414	\$93,526	\$84,263
RegistrationTuitionTraining	\$1,653	\$3,037	\$2,923
City Audit	\$7,420	\$7,600	\$7,600
Computer Support Agreements	\$15,757	\$21,453	\$21,012
Distribution O & M	\$6,147	\$8,141	\$6,214
Utilities	\$219,906	\$246,101	\$237,325
Soccer Field Utilities	\$1,907	\$1,890	\$1,933
Vehicle O & M	\$16,190	\$28,114	\$22,432
Equipment O & M	\$60,062	\$13,349	\$29,490
Facilities O & M	\$48,438	\$20,398	\$47,757
Storm Drain O & M	\$0	\$0	\$14,047
Wastewater Trtmnt Plant O&M	\$5,116	\$13,543	\$51,286
RentsLeases	\$8,600	\$4,390	\$5,736
Insurance	\$59,012	\$59,075	\$61,562
CommCell PhonesTelephone	\$4,641	\$7,844	\$7,185
Advertisement	\$140	\$1,671	\$437
Printing	\$463	\$366	\$1,121
Bank Service Fee Agreements	\$5,176	\$6,467	\$7,496
TravelConferencesMeetings	\$586	\$520	\$253
Lab Processing Expense	\$16,288	\$17,892	\$26,802
Small Tools & Equipment	\$7,748	\$5,897	\$7,997
Postage	\$7,763	\$7,233	\$7,911
Miscellaneous Expenditures	\$1,392	\$831	\$262
DuesMembershipFees	\$27,150	\$41,621	\$43,554
Cost of Issuance-2016ARfndBond	\$250,931	\$0	\$0
Amortizat. Exp 2016A Refunding	(\$4,548)	(\$6,822)	\$0
Merced County Taxes	\$11,106	\$11,237	\$11,342
Total Maintenance & Operations	\$978,618	\$618,001	\$711,411
Supplies			
Office Supplies	\$3,856	\$2,741	\$2,458
Total Supplies	\$3,856	\$2,741	\$2,458
Vehicles, Equip & Improvements			
Equipment Purchase	\$42,348	\$9,976	\$60,167
Vehicle Purchase	\$0	\$0	\$81,879
Vehicle Replacement Fee	\$0	\$0	\$0
FurnitureFixtureImprovements	\$0	\$500	\$0
ImprovementsInfrastructure	\$0	\$53,802	\$0
SJVAPCD Grnt Vehicle Purchase	\$0	\$0	\$0
Vehicles, Equip & Improvements	\$42,348	\$64,278	\$142,046
Debt Service			
Refnd Bond Ser.2016A-Principal	\$0	\$0	\$180,000
USDA Series A - Interest	\$31,470	\$0	\$0
USDA Series B - Interest	\$28,553	\$0	\$0
Refund Bond Ser.2016A-Interest	\$187,023	\$271,950	\$268,450
Debt Service	\$247,046	\$271,950	\$448,450
Transfer Out	\$0	\$0	\$148,566
Total Expenses	\$1,694,213	\$1,500,591	\$2,083,214

Source: City of Livingston financials, provided September 2019.

exps

Table B-3
City of Livingston 2019 Wastewater Rates Update
Current Number of Wastewater Accounts

DRAFT

Customer Code	Billing Cycle					TOTAL
	1	2	3	4	999	
Flat Monthly Charges						
SCOO Commercial Base	3		113	3		119
SOUT Residential Outside City	2		1			3
SRES Residential	3,048	58	5	2		3,113
SMU Multi Unit Residential		21	4			25
SC02 Churches/Temples/Comm Ctrs			16			16
SC16 Schools			5			5
SHM Hotels /Motels			2			2
SCC2 Laudromat					1	1
TOTAL	3,053	79	146	5	1	3,284

Source: City of Livingston Utility Billing May 2019.

accounts

Table B-4
City of Livingston 2019 Wastewater Rates Update

Wastewater Treatment Plant Flow

DRAFT

Month	2016	2017	2018	Average	
				BOD	SS
	Millions of Gallons			Mg/L	Mg/L
Jan	31.27	35.02	35.24	288	346
Feb	28.38	33.80	32.14	425	1,115
Mar	31.61	32.85	35.69	288	368
Apr	30.32	34.64	33.33	250	177
May	31.28	34.60	33.77	200	155
Jun	30.40	31.65	33.12	350	403
Jul	32.26	32.38	34.11	313	320
Aug	32.20	36.66	35.00	353	630
Sep	30.08	35.31	35.14	280	353
Oct	30.39	35.38	33.98	265	440
Nov	32.55	33.60	31.39	310	411
Dec	32.89	33.62	31.26	263	193
Total	373.63	409.51	404.17	299	409
Avg. Flow per Day	1.02	1.12	1.11		

Source: City of Livingston treatment plant records.

param

**Table B-5
City of Livingston 2019 Wastewater Rates Update**

Wastewater Capital Improvements Plan

DRAFT

Capital Project	Funding Source	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
Treatment Plant							
Biosolids Dewatering Equipment	Rates	\$300,000	\$200,000				
SCADA Tower	Rates	\$15,000					
Total Treatment Plant		\$315,000	\$200,000	\$0	\$0	\$0	\$0
Collection System							
Lift Station Rehabilitation (Singh & Burgandy)	Rates	\$100,000	\$100,000				
Sewer Line Replacement [1]	Grant		\$2,800,000				
Additional Sewer Line Replacement	Rates			\$200,000	\$600,000	\$650,000	\$700,000
New Disc & Ripper Tractor	Rates		\$215,000				
New Vac-On Sewer Truck	Rates			\$350,000			
Total Collection System		\$100,000	\$3,115,000	\$550,000	\$600,000	\$650,000	\$700,000
Total Wastewater System	\$6,230,000	\$415,000	\$3,315,000	\$550,000	\$600,000	\$650,000	\$700,000
Funded by Grants	\$2,800,000	\$0	\$2,800,000	\$0	\$0	\$0	\$0
Funded by Rates	\$3,430,000	\$415,000	\$515,000	\$550,000	\$600,000	\$650,000	\$700,000
Funded by Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Source: City of Livingston Public Works May 2019.

cip

[1] The City anticipates that this cost will be funded by a CDBG grant.

Table B-6
City of Livingston 2019 Wastewater Rates Update
2016A Sewer Revenue Refunding Bonds **DRAFT**

Fiscal Year Ending	Principal	Interest	Total Debt Service
2017	\$220,000	\$95,790	\$315,790
2018	\$175,000	\$273,700	\$448,700
2019	\$180,000	\$268,450	\$448,450
2020	\$190,000	\$261,250	\$451,250
2021	\$195,000	\$253,650	\$448,650
2022	\$200,000	\$245,850	\$445,850
2023	\$210,000	\$237,850	\$447,850
2024	\$220,000	\$229,450	\$449,450
2025	\$230,000	\$220,650	\$450,650
2026	\$240,000	\$211,450	\$451,450
2027	\$250,000	\$201,850	\$451,850
2028	\$260,000	\$191,850	\$451,850
2029	\$265,000	\$181,450	\$446,450
2030	\$280,000	\$170,850	\$450,850
2031	\$290,000	\$159,650	\$449,650
2032	\$300,000	\$148,050	\$448,050
2033	\$315,000	\$136,050	\$451,050
2034	\$325,000	\$123,450	\$448,450
2035	\$335,000	\$112,888	\$447,888
2036	\$345,000	\$102,000	\$447,000
2037	\$355,000	\$90,788	\$445,788
2038	\$365,000	\$78,806	\$443,806
2039	\$385,000	\$66,488	\$451,488
2040	\$395,000	\$53,494	\$448,494
2041	\$410,000	\$40,163	\$450,163
2042	\$420,000	\$26,325	\$446,325
2043	\$360,000	\$12,150	\$372,150

Source: Revenue Bond documents. ref bonds

**Table B-7
City of Livingston 2019 Wastewater Rates Update**

Summary of Depreciation in Rates

DRAFT

Facility Depreciation	Fiscal Year Ending					
	2020	2021	2022	2023	2024	2025
Existing System [1]	\$391,005	\$391,005	\$391,005	\$391,005	\$391,005	\$391,005
New Facilities	\$12,800	\$80,765	\$120,936	\$129,251	\$138,575	\$148,967
Total Depreciation	\$403,805	\$471,770	\$511,941	\$520,256	\$529,580	\$539,972
Percentage in Rates	0%	0%	0%	0%	0%	0%
Depreciation in Rates	\$0	\$0	\$0	\$0	\$0	\$0

Source: City of Livingston May 2019 and HEC.

depr

[1] Current annual depreciation:

Lift Stations	\$30,424
Collection System	\$12,516
Treatment Plant	\$324,512
Equipment & Vehicles	\$23,554
Total Annual Depreciation	\$391,005

**Table B-8
City of Livingston 2019 Wastewater Rates Update**

Depreciation for New CIP

DRAFT

Wastewater System	Useful Life	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
Treatment Plant							
	years						
Biosolids Dewatering Equipment	30	\$10,000	\$16,900	\$16,900	\$16,900	\$16,900	\$16,900
SCADA Tower	50	\$300	\$300	\$300	\$300	\$300	\$300
Total Treatment Plant		\$10,300	\$17,200	\$17,200	\$17,200	\$17,200	\$17,200
Collection System							
Lift Station Rehabilitation (Singh & Burgandy)	40	\$2,500	\$5,088	\$5,088	\$5,088	\$5,088	\$5,088
Sewer Line Replacement	80	\$0	\$36,225	\$36,225	\$36,225	\$36,225	\$36,225
Additional Sewer Line Replacement	80	\$0	\$0	\$2,678	\$10,993	\$20,317	\$30,709
New Disc & Ripper Tractor	10	\$0	\$22,253	\$22,253	\$22,253	\$22,253	\$22,253
New Vac-On Sewer Truck	10	\$0	\$0	\$37,493	\$37,493	\$37,493	\$37,493
Total Collection System		\$2,500	\$63,565	\$103,736	\$112,051	\$121,375	\$131,767
TOTAL		\$12,800	\$80,765	\$120,936	\$129,251	\$138,575	\$148,967

Source: City of Livingston capital improvement plan June 2019, and HEC.

new depr

Table B-9

City of Livingston 2019 Wastewater Rates Update

Year 1

Projected Costs and Distribution between Collection and Treatment System

DRAFT

Fiscal Year Ending 2020

Expenditures	Projected Total	Allocation		Collection		Treatment	
		Collection	Treatment	Operations	Capital	Operations	Capital
				Operations	Capital	Operations	Capital
Personnel	\$668,101	20%	80%	\$133,620		\$534,481	
Professional & Contract Services	\$98,190	20%	80%	\$19,638		\$78,552	
Treatment Plant O&M	\$53,081	20%	80%	\$10,616		\$42,465	
Collection & Facilities O&M	\$55,860	20%	80%	\$11,172		\$44,688	
Utilities	\$248,828	20%	80%	\$49,766		\$199,063	
Facilities, Equipment & Other O&M	\$68,278	20%	80%	\$13,656		\$54,622	
Tools, Subscriptions, Supplies	\$213,256	20%	80%	\$42,651		\$170,605	
Series 2016A Refunding	\$451,250	20%	80%		\$90,250		\$361,000
New Debt Service	\$0	20%	80%		\$0		\$0
System Rehabilitation and New Projects	\$465,000	20%	80%		\$93,000		\$372,000
Additional Collection for Depreciation	\$0	20%	80%		\$0		\$0
Subtotal Costs	\$2,321,844			\$281,119	\$183,250	\$1,124,475	\$733,000
Addition to Operating Reserve	\$50,000						
Less Offsetting Credits	(\$54,000)						
Adjustment	\$161,050						
Total	\$2,478,894						

Source: City of Livingston financials, September 2019, and HEC.

distr

Table B-10

City of Livingston 2019 Wastewater Rates Update

Year 1

Unit Cost Determination

DRAFT

Fiscal Year Ending 2020

Cost Category	Percent Allocation			Cost			Total Influent			Unit Cost Per:			
	Allocated Costs	Flow	BOD	SS	Flow	BOD	SS	Flow	BOD	SS	Mgal of Flow (\$/Mgal)	Klb of BOD (\$/Klb)	Klb of SS (\$/Klb)
	(A)	(B)	(C)	(D)	(E)=(A)*(B)	(F)=(A)*(C)	(G)=(A)*(D)	(H)	(I)	(J)	(K)=(E)/(H)	(L)=(F)/(I)	(M)=(G)/(J)
Operating Costs													
Collection System Costs	\$281,119	100%	0%	0%	\$281,119	\$0	\$0	395	962	983	\$712	\$0	\$0
Treatment Costs	\$1,124,475	60%	20%	20%	\$674,685	\$224,895	\$224,895	395	962	983	\$1,709	\$234	\$229
Capital Costs													
Collection System Costs	\$183,250	100%	0%	0%	\$183,250	\$0	\$0	395	962	983	\$464	\$0	\$0
Treatment Costs	\$733,000	60%	20%	20%	\$439,800	\$146,600	\$146,600	395	962	983	\$1,114	\$152	\$149
Subtotal Collection Costs	\$464,369	100%	0%	0%	\$464,369	\$0	\$0				\$1,177	\$0	\$0
Subtotal Treatment Costs	\$1,857,475	60%	20%	20%	\$1,114,485	\$371,495	\$371,495				\$2,824	\$386	\$378
Subtotal Costs	\$2,321,844	68%	16%	16%	\$1,578,854	\$371,495	\$371,495				\$4,000	\$386	\$378
Addition to Operating Reserve	\$50,000	68%	16%	16%	\$34,000	\$8,000	\$8,000	395	962	983	\$86	\$8	\$8
Less Offsetting Credits	(\$54,000)	68%	16%	16%	(\$36,720)	(\$8,640)	(\$8,640)	395	962	983	(\$93)	(\$9)	(\$9)
Adjustment	\$161,050	68%	16%	16%	\$109,514	\$25,768	\$25,768	395	962	983	\$277	\$27	\$26
TOTAL COSTS	\$2,428,894				\$1,685,648	\$396,623	\$396,623				\$4,271	\$412	\$404

Source: City of Livingston financials, September 2019, and HEC.

units

Table B-11

City of Livingston 2019 Wastewater Rates Update

Year 1

Allocation of Costs to Flow, BOD and SS by Customer Category

DRAFT

Fiscal Year Ending 2020

Unit Cost / Customer Category	Flow MG/Yr	BOD Klb/Yr	SS Klb/Yr	Collection		Treatment		Other		TOTAL
				Flow \$/Mgal	SS \$/Klb	Flow \$/Mgal	BOD \$/Klb	SS \$/Klb	Flow \$/Mgal	
Unit Cost				\$1,177	\$2,824	\$386	\$271	\$26	\$26	\$26
Residential										
Detached	284.3	592.8	592.8	\$334,547	\$802,913	\$229,020	\$76,938	\$15,491	\$15,158	\$1,698,173
Attached	46.3	96.4	96.4	\$54,421	\$130,610	\$37,255	\$12,516	\$2,520	\$2,466	\$276,242
Non-Residential										
Churches/Temples/Comm. Ctrs.	1.7	2.2	2.4	\$1,958	\$4,700	\$831	\$450	\$56	\$60	\$8,948
Schools (with cafeteria)	13.3	25.6	18.4	\$15,702	\$37,685	\$9,889	\$3,611	\$669	\$470	\$74,967
Hotel/Motel	3.4	9.9	14.2	\$3,994	\$9,585	\$3,828	\$919	\$259	\$362	\$24,297
Light Industrial	8.8	73.1	58.4	\$10,307	\$24,737	\$28,223	\$2,370	\$1,909	\$1,494	\$91,135
Commercial	36.9	161.7	200.1	\$43,440	\$104,255	\$62,448	\$9,990	\$4,224	\$5,117	\$305,132
TOTAL	394.7	961.6	982.7	\$464,369	\$1,114,485	\$371,495	\$106,794	\$25,128	\$25,128	\$2,478,894

Source: City of Livingston financials, September 2019, and HEC.

alloc

Table B-12

City of Livingston 2019 Wastewater Rates Update
Calculated Cost per Thousand Gallons

DRAFT Year 1
Fiscal Year Ending 2020

Customer Type	Allocated Cost	Percentage of Cost	Annual Flow (MG)	Cost per 1,000 Gallons
Residential				
Detached	\$1,698,173	68.5%	284.34	\$5.97
Attached	\$276,242	11.1%	46.25	\$5.97
Subtotal Residential	\$1,974,414	79.6%	330.59	\$5.97
Non-Residential				
Churches/Temples/Comm. Ctrs.	\$8,948	0.4%	1.66	\$5.38
Schools (with cafeteria)	\$74,967	3.0%	13.35	\$5.62
Hotel/Motel	\$24,297	1.0%	3.39	\$7.16
Light Industrial	\$91,135	3.7%	8.76	\$10.40
Commercial	\$305,132	12.3%	36.92	\$8.26
Subtotal Non-Residential	\$504,480	20.4%	64.08	\$7.87
TOTAL	\$2,478,894	100.0%	394.67	\$6.28

Source: City of Livingston financials, September 2019, and HEC.

cos

Table B-13
City of Livingston 2019 Wastewater Rates Update

Projected Number of Billing Units

DRAFT

Customer Categories	<i>Growth Rate [1] ---></i>	2020	2021	2022	2023	2024	2025
Residential	Units	3,692	3,747	3,804	3,861	3,919	3,977
Non-Residential							
Churches/Temples/Comm. Ctrs.	Accounts	16	16	16	16	16	16
Schools (with cafeteria) [2]	Students	3,892	3,912	3,931	3,951	3,971	3,991
Hotel/Motel	Rooms	93	93	93	93	93	93
Light Industrial	Accounts	1	1	1	1	1	1
Commercial	Accounts	119	121	123	124	126	128
Flow Projection							
Light Industrial	Mgals	8.8	8.8	8.8	8.8	8.8	8.8
Commercial	Mgals	36.9	37.5	38.0	38.6	39.2	39.8

Source: City of Livingston customer records May 2019, and HEC.

services

[1] Growth rate applied to residential and commercial categories only.

[2] Uses growth rate of 0.5%.

APPENDIX C

SOLID WASTE RATE STUDY

SUPPORT TABLES

Table C-1
City of Livingston 2019 Solid Waste Rates Update
Historical Sanitation Fund Revenues

DRAFT

Revenues	Fiscal Year Ending		
	2017 actual	2018 actual	2019 actual
Intergovernmental			
Grant Funds	\$10,000	\$5,000	\$5,000
CMAQ Grant For CNG Sweeper	\$0	\$0	\$0
SJVAPCD-Grnt Veh Purchase Rev	\$0	\$9,702	(\$3,035)
Subtotal Intergovernmental	\$10,000	\$14,702	\$1,965
Charges for Services			
User Fees	\$1,371,342	\$1,386,815	\$1,417,249
Developer Impact Fees	\$0	\$0	\$0
Subtotal Charges for Services	\$1,371,342	\$1,386,815	\$1,417,249
Fines & Forfeitures			
Penalty Fees	\$15,229	\$17,733	\$15,595
Subtotal Fines & Forfeitures	\$15,229	\$17,733	\$15,595
Return on Use of Money/Property			
True Value Parking Lot Maint	\$0	\$0	\$0
Plaza Parking Lot Maint	\$0	\$0	\$0
Interest Income	\$1,476	\$7,549	\$10,875
Subtotal Return on Use of Money/Property	\$1,476	\$7,549	\$10,875
Miscellaneous			
Reimbursements/Refunds	\$3,080	\$9,782	\$5,991
Other Revenue	\$407	\$236	\$71
RMA Insurance Refunds	\$0	\$0	\$0
Subtotal Miscellaneous	\$3,487	\$10,019	\$6,061
Total Revenues	\$1,401,534	\$1,436,818	\$1,451,745

Source: City of Livingston financials November 2019.

rev

Table C-2
City of Livingston 2019 Solid Waste Rates Update
Historical Sanitation Fund Expenses

DRAFT

Expenses	Fiscal Year Ending		
	2017	2018	2019
	actual	actual	actual
Personnel	\$91,307	\$180,716	\$177,295
Maintenance and Operations			
Professional Services	\$3,727	\$1,123	\$1,180
Contract Services	\$54,788	\$18,930	\$17,060
Service Agreements	\$0	\$0	\$0
Disposal Contract Services	\$907,749	\$919,518	\$997,084
RegistrationTuitionTraining	\$81	\$0	\$0
City Attorney	\$0	\$0	\$0
City Audit	\$7,420	\$7,600	\$8,000
Computer Support Agreements	\$14,639	\$22,009	\$21,136
Plaza Parking Lot O & M	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Vehicle O & M	\$2,807	\$942	\$5,050
Equipment O & M	\$13	\$39	\$0
Facilities O & M	\$810	\$120	\$0
True Value Parking Lot O & M	\$0	\$0	\$0
RentsLeases	\$0	\$0	\$0
Street Sweeper O & M	\$0	\$0	\$0
Insurance	\$5,594	\$4,811	\$4,831
CommCell PhonesTelephone	\$134	\$2,201	\$2,447
Advertisement	\$0	\$0	\$417
Printing	\$463	\$366	\$507
Bank Service Fee Agreements	\$5,176	\$6,467	\$7,496
Trustee Fees	\$0	\$0	\$0
TravelConferencesMeetings	\$586	\$102	\$146
Small Tools & Equipment	\$351	\$434	\$82
Office Supplies	\$3,230	\$2,412	\$2,178
Postage	\$7,774	\$7,192	\$7,905
ReimbursementRefunds	\$0	\$0	\$0
Miscellaneous Expenditures	\$0	\$78	(\$56)
BooksSubscriptionsPeriodical	\$0	\$0	\$0
DuesMembershipFees	\$2,088	\$482	\$732
RecycleLitter Grant Expense	(\$11,947)	\$0	\$12,698
Payment In Lieu Tax	\$0	\$0	\$0
Bad Debt Write Offs	\$0	\$0	\$0
Subtotal Maintenance and Operations	\$1,005,483	\$994,826	\$1,088,893
Vehicles, Equip & Improvements			
Equipment Purchase	\$788	\$3,592	\$0
Garbage Container Purchase	\$0	\$0	\$0
Vehicle Purchase	\$0	\$0	\$0
Vehicle Replacement Fee	\$0	\$0	\$0
Purchase Street Sweeper	\$0	\$0	\$0
FurnitureFixtureImprovements	\$0	\$199	\$0
SJVAPCD Grant Vehicle Purchase	\$0	\$0	\$0
Subtotal Vehicles, Equip. & Improvements	\$788	\$3,791	\$0
Total Expenses	\$1,097,578	\$1,179,333	\$1,266,188

Source: City of Livingston financials November 2019.

exp

Table C-3
City of Livingston 2019 Solid Waste Rates Update
Gilton Rates Fiscal Year 2019/20

DRAFT

Collections per Week	Rates Effective 1 July 2019				
	x1	x2	x3	x4	x5
Residential					
96 gal. cart	\$17.05				
Add'l cart	\$4.50				
96 gal. cart greenwaste	\$0.90				
Add'l greenwaste cart	\$4.50				
Multi-Family & Comm'l					
1 CY	\$32.10	\$63.64	\$95.08	\$126.59	\$158.09
2 CY	\$63.98	\$126.82	\$191.21	\$254.57	\$317.91
3 CY	\$94.79	\$179.29	\$270.16	\$355.47	\$432.46
4 CY	\$121.33	\$236.43	\$369.77	\$452.14	\$541.71
6 CY	\$170.59	\$332.35	\$508.54	\$634.08	\$798.17
Organics Bin (New)	\$179.04	\$348.86			
Commercial - Compacting Bins					
3 CY	\$329.63	\$635.26	\$1,271.80	\$1,271.80	\$1,589.74
4 CY	\$418.11	\$800.37	\$1,695.72	\$1,695.72	\$2,119.67
Standard Recycle Bins					
4 CY	\$48.39	\$96.78	\$193.58	\$193.58	\$241.96
6 CY	\$48.39	\$96.78	\$193.58	\$193.58	\$241.96

Source: Letter 5/22/19 from Gilton Solid Waste Management, Inc.

gilton

Table C-4
City of Livingston 2019 Solid Waste Rates Update

Projected Number of Sanitation Services

DRAFT

Customer Type	Current No. of Customers <i>Estimated Growth Rate --></i>	Projected Number of Services					
		2020 <i>0.0%</i>	2021 <i>1.5%</i>	2022 <i>1.5%</i>	2023 <i>1.5%</i>	2024 <i>1.5%</i>	2025 <i>1.5%</i>
Residential							
96 gal. cart	3,082	3,082	3,128	3,175	3,223	3,271	3,320
Add'l cart	284	284	288	293	297	301	306
96 gal. cart greenwaste	3,055	3,055	3,101	3,147	3,195	3,242	3,291
Add'l greenwaste cart	7	7	7	7	7	7	8
Multi-Family & Comm'l - 1x / Week							
1 CY	7	7	7	7	7	7	8
2 CY	27	27	27	28	28	29	29
3 CY	13	13	13	13	14	14	14
4 CY	17	17	17	18	18	18	18
6 CY	7	7	7	7	7	7	8
Multi-Family & Comm'l - 2x/Week							
1 CY	0	0	0	0	0	0	0
2 CY	1	1	1	1	1	1	1
3 CY	4	4	4	4	4	4	4
4 CY	12	12	12	12	13	13	13
6 CY	9	9	9	9	9	10	10
Multi-Family & Comm'l - 3x/Week							
1 CY	0	0	0	0	0	0	0
2 CY	0	0	0	0	0	0	0
3 CY	0	0	0	0	0	0	0
4 CY	5	5	5	5	5	5	5
6 CY	3	3	3	3	3	3	3
TOTAL	6,533	6,533	6,631	6,730	6,831	6,934	7,038

Source: City of Livingston and HEC May 2019.

services

STAFF REPORT

AGENDA ITEM: Resolution and Ordinance of the City Council of the City of Livingston
Establishing Rates for Solid Waste Service Fees

MEETING DATE: April 7, 2020

PREPARED BY: Vanessa L. Portillo, Finance Director
Catherine Hansford, Consultant

REVIEWED BY: Jose Antonio Ramirez, City Manager

RECOMMENDATION:

Staff recommends that the City Council take the following actions:

1. Open Public Hearing;
2. Close Public Hearing and determine whether a majority protest exists. If no majority protest exists, continue to recommendations 3 and 4 below;
3. Adopt Resolution 2020-__, establishing rates for solid waste services fees; and
4. Waive first reading and introduce Ordinance No. ____, establishing rates for solid waste service fees.

BACKGROUND:

In 1996, California voters approved Proposition 218, the “Right to Vote on Taxes Act,” which added Articles X111C and XIID to the California Constitution. Since its adoption, various court cases in 2005 and 2006, most notably *Bighorn-Desert View Water Agency v. Verjil*; *Richmond v. Shasta Community Services District*; and the *Howard Jarvis Taxpayers Association v. City of Fresno*, extended the application of Proposition 218 from general taxes and assessments to utility user fees provided by public agencies (i.e., sewer, water, and waste collection, etc.).

The City hired Hansford Economic Consulting on February 5, 2019, to perform utility rate studies on the City’s enterprise funds; water, wastewater, and solid waste/sanitation. After analysis, reviews, discussions, and input from various groups including but not limited to the following; City staff, Stakeholders’ Committee, City Council, the public, engineering firms, and other consultants, the City Council authorized staff on January 31, 2020, to conduct a Proposition 218 process and establish a public hearing date for consideration of increased fees charged for wastewater service.

Final Utility Rate Study reports were translated into Spanish and Punjabi, and were made available on City’s website for public access and review.

Proposition 218 (Article XIID of the California Constitution) required notification to affected property owners at least 45 days prior to the scheduled hearing. Staff sent property owners and affected tenants such notice.

The City held three (3) public workshops (February 25th, March 5th, and March 12th of 2020) regarding the proposed wastewater rate increase; one workshop was conducted in English, one in Spanish, and one in Punjabi.

Protest ballots are accepted up to the conclusion of the public hearing. At the conclusion of the public hearing, the protest ballots will be tabulated and presented to the City Council. If a majority of the owners of parcels on which the fee is imposed protest, the proposed new wastewater fees and charges cannot be adopted.

ANALYSIS

Although there is an argument that solid waste collection service fees (“Solid Waste Service Fees” or “Service Fees”) within the City of Livingston are not subject to Proposition 218 because the services are provided by a private solid waste hauler and not the City, the City Council and the City Manager have decided to follow the process detailed by Proposition 218 in order to promote transparency and involvement by City property owners and customers.

The rate study, which was done to study appropriate rates and to satisfy Proposition 218, determined that existing solid waste system revenues will be insufficient to cover projected operations and maintenance costs of the City’s solid waste system (the “System”). The study determined that increases to the schedule of rates for the City’s Service Fees are necessary for a five-year period to generate revenues sufficient to cover the City’s ongoing costs of the System’s operations, maintenance, and capital facilities.

Since the City must generate revenues in an amount sufficient to cover the City’s ongoing costs of the System’s operations, maintenance, and capital facilities, the City Council determined to initiate the Proposition 218 process.

The City Council is presented with both a Resolution and an Ordinance establishing the new rates. The City Council in 2013 and 2014 decided to do all rate increases by ordinances; however, since Livingston Municipal Code section 8-2-43 requires that solid waste collection rates be set by resolution, the Council is being asked to adopt both in order to comply with all intentions and requirements. Staff is presenting an ordinance to be consistent with past practice.

Although the rates are being established by a Resolution and an Ordinance, the intent is to have both establish rates at the same time. Since ordinances require two readings and a 30-day wait period after adoption for the rates to be effective, the attached Resolution indicates that the approval of the Solid Waste Service Fees under the Resolution are contingent on the adoption of Ordinance ____, and shall be in effect on May 7, 2020.

ATTACHMENTS:

1. Resolution 2020-__, Establishing Rates for Solid Waste Service Fees
2. Ordinance No. ____, Establishing Rates for Solid Waste Service Fees
3. Proposed Solid Waste Service Fees

3493018.3

RESOLUTION NO. 2020-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON
ESTABLISHING RATES FOR SOLID WASTE SERVICE FEES**

WHEREAS, in 1996, California voters approved Proposition 218, the “Right to Vote on Taxes Act,” which added Articles X111C and XIID to the California Constitution; and

WHEREAS, various court cases in 2005 and 2006, most notably *Bighorn-Desert View Water Agency v. Verjil*; *Richmond v. Shasta Community Services District*; and the *Howard Jarvis Taxpayers Association v. City of Fresno*, extended the application of Proposition 218 from general taxes and assessments to utility user fees (i.e., sewer, water, and waste collection, etc.); and

WHEREAS, although there is an argument that solid waste collection service fees (“Solid Waste Service Fees” or “Service Fees”) within the City of Livingston are not subject to Proposition 218 because the services are provided by a private solid waste hauler and not the City, the City Council and the City Manager have decided to follow the process detailed by Proposition 218 in order to promote transparency and involvement by City property owners and customers. Accordingly, the City does not waive its right to conduct Solid Waste Service Fee increases without following the Proposition 218 procedures; and

WHEREAS, the City of Livingston determined to undertake a rate study to analyze the revenue requirements, and the rate structure that should be adopted to proportionately allocate the costs of providing solid waste service to its solid waste customers. The rate study was prepared by Hansford Economic Consulting Inc., and has been on file at Livingston City Hall since the notices to property owners and customers were sent out on January 31, 2020; and

WHEREAS, the City must generate revenues in an amount sufficient to cover the City’s ongoing costs of the City’s solid waste system’s (the “System”) operations, maintenance, and capital facilities; and

WHEREAS, the revenues derived from the proposed Service Fees will not exceed the funds required to provide the solid waste services and shall be used exclusively for the System; and

WHEREAS, the amount of the proposed Service Fees will not exceed the proportional cost of the service attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the proposed Service Fees will not be imposed on a parcel unless the solid waste services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, California Constitution article XIII D, section 6 (“Article XIII D”) requires that prior to imposing any increase to the Service Fees, the City shall provide written notice (the “Notice”) by mail of the proposed increases to the Service Fees to the record owner of each parcel upon which the rate increases to the Service Fees are proposed for imposition, and any tenant directly liable for payment of such Service Fees, the amount of the rates for the Service Fees proposed to be imposed on each parcel, the basis upon which the rates for the Service Fees were calculated, the reason for the rate increases to the Service Fees, and the date time and location of a public hearing (the “Hearing”) on the proposed rate increases to the Service Fees; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the Service Fees not less than forty-five (45) days prior to the Hearing on the proposed rates; and

WHEREAS, on January 31, 2020, the City provided the Notice to the affected property owners and tenants of the proposed rate increases to the Service Fees in compliance with Article XIII D; and

WHEREAS, the Hearing was held March 17, 2020; and

WHEREAS, at the Hearing, the City Council heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases to the Service Fees; and

WHEREAS, upon close of the Hearing, the City did not receive written protests against the establishment and imposition of the proposed rate increases to the Service Fees from a majority of the affected property owners and tenants directly liable for the payment of the Service Fees; and

WHEREAS, Livingston Municipal Code section 8-2-43 requires that “monthly customer collection charges for single-family units, multi-family units, commercial units, industrial units, institutional units and Government units shall be set by Resolution of the City Council;” and

WHEREAS, this Resolution shall supersede all other previous resolutions that may conflict with, or be contrary to, this Resolution and Ordinance No. ___ respecting the rates for Service Fees described more particularly herein.

NOW, THEREFORE, the City Council of the City of Livingston resolves as follows:

1. **Recitals.** The City Council of the City of Livingston finds and determines that the foregoing Recitals are true and correct and incorporates the Recitals herein.

2. **Solid Waste Service Fee Adjustment and Effective Date.** The City Council of the City of Livingston does hereby approve the Solid Waste Service Fees set forth in the attached **Exhibit A** contingent on the adoption of Ordinance No. ___.

The Solid Waste Service Fees are also being adjusted by Ordinance No. ___, which is set to have its first reading on March 17, 2020, and its second reading and adoption on April 7, 2020. If adopted, Ordinance 603 will take effect thirty (30) days after adoption. The approval of the Solid Waste Service Fees set forth in **Exhibit A** of this Resolution shall be contingent on the adoption of Ordinance No. ___ and shall be in effect thirty (30) days after Ordinance No. ___’s adoption.

The City Council hereby authorizes and directs the City Manager to implement and take all actions necessary to effectuate the rates for the Service Fees set forth herein.

3. **CEQA:** The approval of this Resolution is not a project within the meaning of the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., “CEQA,” and 14 Cal. Code Reg. §§ 15000 et seq., “CEQA Guidelines”). Further, pursuant to CEQA Guidelines section 15273 and Public Resources Code § 21080(b)(8), this Resolution is not subject to CEQA because CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies for certain purposes, including for the purpose of meeting operating expenses. This Resolution does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If the Solid Waste Service Fees are used for any project that would have such effect, the City will undertake the required CEQA review for that particular project.

4. **Severability.** If any section, subsection, subdivision, sentence, clause, or phrase in this Resolution or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Resolution or any part thereof. The City Council hereby declares that it would have adopted each

section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

5. **Effective Date:** This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the City Council of the City of Livingston on the 7th day of April, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gurpal Samra, Mayor
of the City of Livingston

ATTEST:

I, hereby certify that the foregoing Resolution was regularly introduced, passed and adopted at a regular meeting of the City Council of the City of Livingston this 7th day of April, 2020.

Antonio Silva, City Clerk
of the City of Livingston

3493058.3

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON
ESTABLISHING RATES FOR SOLID WASTE SERVICE FEES**

WHEREAS, in 1996, California voters approved Proposition 218, the “Right to Vote on Taxes Act,” which added Articles XI11C and XIID to the California Constitution; and

WHEREAS, various court cases in 2005 and 2006, most notably *Bighorn-Desert View Water Agency v. Verjil*; *Richmond v. Shasta Community Services District*; and the *Howard Jarvis Taxpayers Association v. City of Fresno*, extended the application of Proposition 218 from general taxes and assessments to utility user fees (i.e., sewer, water, and waste collection, etc.); and

WHEREAS, although there is an argument that solid waste collection service fees (“Solid Waste Service Fees” or “Service Fees”) within the City of Livingston are not subject to Proposition 218 because the services are provided by a private solid waste hauler and not the City, the City Council and the City Manager have decided to follow the process detailed by Proposition 218 in order to promote transparency and involvement by City property owners and customers. Accordingly, the City does not waive its right to conduct Solid Waste Service Fee increases without following the Proposition 218 procedures; and

WHEREAS, the City of Livingston determined to undertake a rate study to analyze the revenue requirements and the rate structure that should be adopted to proportionately allocate the costs of providing solid waste service to its solid waste customers. The rate study was prepared by Hansford Economic Consulting Inc., and has been on file at Livingston City Hall since the notices to property owners and customers were sent out on January 31, 2020; and

WHEREAS, the City must generate revenues in an amount sufficient to cover the City’s ongoing costs of the City’s solid waste system’s (the “System”) operations, maintenance, and capital facilities; and

WHEREAS, the rate study determined that increases to the schedule of rates for the City’s solid waste service fees, (“Service Fees”) are necessary for a five (5) year period to generate revenues sufficient to cover the City’s ongoing costs of the System’s operations, maintenance, and capital facilities; and

WHEREAS, the revenues derived from the proposed Service Fees will not exceed the funds required to provide the solid waste services and shall be used exclusively for the System; and

WHEREAS, the amount of the proposed Service Fees will not exceed the proportional cost of the service attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the proposed Service Fees will not be imposed on a parcel unless the solid waste services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, California Constitution article XIII D, section 6 (“Article XIII D”) requires that prior to imposing any increase to the Service Fees, the City shall provide written notice (the “Notice”) by mail of the proposed increases to the Service Fees to the record owner of each parcel upon which the rate increases to the Service Fees are proposed for imposition, and any tenant directly liable for payment of such Service Fees, the amount of the rates for the Service Fees proposed to be imposed on each parcel, the basis upon which the rates for the Service Fees were calculated, the reason for the rate increases to the Service Fees, and the date time and location of a public hearing (the “Hearing”) on the proposed rate increases to the Service Fees; and

WHEREAS, pursuant to Article XIII D, such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the Service Fees not less than forty-five (45) days prior to the Hearing on the proposed rates; and

WHEREAS, on January 31, 2020 the City provided the Notice to the affected property owners and tenants of the proposed rate increases to the Service Fees in compliance with Article XIII D; and

WHEREAS, the Hearing was held March 17, 2020; and

WHEREAS, at the Hearing, the City Council heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases to the Service Fees; and

WHEREAS, upon close of the Hearing, the City did not receive written protests against the establishment and imposition of the proposed rate increases to the Service Fees from a majority of the affected property owners and tenants directly liable for the payment of the Service Fees; and

WHEREAS, Livingston Municipal Code section 8-2-43 requires that “monthly customer collection charges for single-family units, multi-family units, commercial units, industrial units, institutional units, and Government units shall be set by Resolution of the City Council;” and

WHEREAS, this Ordinance and Resolution No. 2020-__ shall supersede all other previous resolutions and ordinances that may conflict with, or be contrary to, this Ordinance and Resolution No. 2020-__ respecting the rates for Service Fees described more particularly herein.

THE CITY COUNCIL OF THE CITY OF LIVINGSTON DOES ORDAIN AS FOLLOWS:

SECTION 1. RECITALS

The foregoing recitals are true and correct and made a part of this Ordinance.

SECTION 2. SOLID WASTE SERVICE FEE ADJUSTMENT

The City Council of the City of Livingston does hereby approve the Solid Waste Service Fees set forth in the attached **Exhibit A**. The City Council hereby authorizes and directs the City Manager to implement and take all actions necessary to effectuate the rates for the Service Fees set forth herein.

SECTION 3. CEQA

The approval of this Ordinance is not a project within the meaning of the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., “CEQA,” and 14 Cal. Code Reg. §§ 15000 et seq., “CEQA Guidelines”). Further, pursuant to CEQA Guidelines section 15273 and Public Resources Code § 21080(b)(8), this Ordinance is not subject to CEQA because CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies for certain purposes, including for the purpose of meeting operating expenses. This Ordinance does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If the Solid Waste Service Fees are used for any project that would have such effect, the City will undertake the required CEQA review for that particular project.

SECTION 4. SEVERABILITY

If any provision of this Ordinance, or the application thereof to any person or circumstance, is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

SECTION 5. EFFECTIVE DATE

This Ordinance shall become effective thirty (30) days after its final passage and adoption.

Introduced: April 7, 2020

Passed and Adopted:

Gurpal Samra, Mayor
of the City of Livingston

ATTEST:

State of California)
County of Merced)
City of Livingston)

I, hereby certify that the foregoing Ordinance was duly introduced at a Regular Meeting of the City Council of the City of Livingston on April 7, 2020, and was regularly passed and adopted by the City Council of the City of Livingston this ____ day of _____, 2020.

AYES:
NOES:
ABSENT:
ABSTAIN:

ANTONIO SILVA, City Clerk
of the City of Livingston

3493028.3

Exhibit A

**Table 28
Five-Year Schedule of Solid Waste Rates**

Service Type	Current	Fiscal Year Ending					
		2020	2021	2022	2023	2024	2025
	<i>New Rates Effective ---></i>	<i>Jan. 2020</i>	<i>Jan. 2021</i>	<i>Jan. 2022</i>	<i>Jan. 2023</i>	<i>Jan. 2024</i>	<i>Jan. 2025</i>
	<i>Rate Increase ---></i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>
<i>Rates do not include charges for special services that are scheduled between the customer and provider such as off schedule pick up, container maintenance, and delivery charges.</i>							
SINGLE FAMILY RESIDENTIAL		Once per week pickup					
96 gal. cart	\$25.16	\$23.25	\$24.41	\$25.63	\$26.91	\$28.26	\$29.67
Add'l cart	\$5.97	\$6.14	\$6.44	\$6.77	\$7.10	\$7.46	\$7.83
96 gal. cart greenwaste	\$1.33	\$1.23	\$1.29	\$1.35	\$1.42	\$1.49	\$1.57
Add'l greenwaste cart	\$5.97	\$6.14	\$6.44	\$6.77	\$7.10	\$7.46	\$7.83
MULTI-FAMILY & COMMERCIAL		Once per week pickup					
1 cubic yard container	\$47.36	\$43.77	\$45.96	\$48.26	\$50.67	\$53.21	\$55.87
2 cubic yards container	\$94.41	\$87.25	\$91.61	\$96.19	\$101.00	\$106.05	\$111.35
3 cubic yards container	\$139.86	\$129.26	\$135.72	\$142.51	\$149.63	\$157.12	\$164.97
4 cubic yards container	\$179.04	\$165.45	\$173.72	\$182.41	\$191.53	\$201.11	\$211.16
6 cubic yards container	\$251.71	\$232.62	\$244.25	\$256.47	\$269.29	\$282.75	\$296.89
Organics Bin (New)		\$65.99	\$69.29	\$72.75	\$76.39	\$80.21	\$84.22
Recycle Bins							
4 & 6 cubic yard containers	\$71.41	\$65.99	\$69.29	\$72.75	\$76.39	\$80.21	\$84.22
Commercial Compacting							
3 cubic yards container	n/a	\$449.50	\$471.97	\$495.57	\$520.35	\$546.36	\$573.68
4 cubic yards container	n/a	\$570.15	\$598.66	\$628.59	\$660.02	\$693.02	\$727.67
MULTI-FAMILY & COMMERCIAL		Twice per week pickup					
1 cubic yard container	\$93.90	\$103.52	\$108.70	\$114.14	\$119.84	\$125.83	\$132.13
2 cubic yards container	\$187.14	\$206.32	\$216.64	\$227.47	\$238.84	\$250.79	\$263.32
3 cubic yards container	\$264.56	\$291.68	\$306.26	\$321.57	\$337.65	\$354.54	\$372.26
4 cubic yards container	\$348.86	\$384.62	\$403.85	\$424.04	\$445.24	\$467.51	\$490.88
6 cubic yards container	\$490.40	\$540.67	\$567.70	\$596.08	\$625.89	\$657.18	\$690.04
Organic Bins (New)	n/a	\$131.97	\$138.57	\$145.50	\$152.77	\$160.41	\$168.43
Recycle Bins							
4 & 6 cubic yard containers	n/a	\$131.97	\$138.57	\$145.50	\$152.77	\$160.41	\$168.43
Commercial Compacting							
3 cubic yards container	n/a	\$866.26	\$909.58	\$955.06	\$1,002.81	\$1,052.95	\$1,105.60
4 cubic yards container	n/a	\$1,091.41	\$1,145.98	\$1,203.28	\$1,263.45	\$1,326.62	\$1,392.95
MULTI-FAMILY & COMMERCIAL		Three times per week pickup					
1 cubic yard container	n/a	\$147.32	\$154.69	\$162.42	\$170.54	\$179.07	\$188.02
2 cubic yards container	n/a	\$296.27	\$311.08	\$326.64	\$342.97	\$360.12	\$378.12
3 cubic yards container	\$398.63	\$439.49	\$461.46	\$484.54	\$508.76	\$534.20	\$560.91
4 cubic yards container	\$545.64	\$601.57	\$631.65	\$663.23	\$696.39	\$731.21	\$767.77
6 cubic yards container	\$750.40	\$827.32	\$868.68	\$912.12	\$957.72	\$1,005.61	\$1,055.89
Recycle Bins							
4 & 6 cubic yard containers	n/a	\$263.97	\$277.17	\$291.03	\$305.58	\$320.86	\$336.90
Commercial Compacting							
3 cubic yards container	n/a	\$1,734.27	\$1,820.99	\$1,912.04	\$2,007.64	\$2,108.02	\$2,213.42
4 cubic yards container	n/a	\$2,312.35	\$2,427.96	\$2,549.36	\$2,676.83	\$2,810.67	\$2,951.20

Source: City of Livingston and HEC.

sum

STAFF REPORT

AGENDA ITEM: Approval of Warrant Register dated April 2, 2020

MEETING DATE: April 7, 2020

PREPARED BY: Nancy Fuentes, Sr. Account Clerk

REVIEWED BY: Jose Antonio Ramirez, City Manager

RECOMMENDATION:

Approve warrant register dated April 2, 2020

DISCUSSION:

In accordance with Section 37202 of the Government Code of the State of California there is presented here with a summary of the demands against the City of Livingston covering obligations to be paid during the period of:

March 12, 2020- April 2, 2020

Each demand has been audited and I hereby certify to their accuracy and that there are sufficient funds for their payment as of this date.

**IT IS HEREBY RECOMMENDED THE CITY COUNCIL
APPROVE THE REGISTER OF DEMANDS AS FOLLOWS:**

GENERAL WARRANTS.....	\$ 771,775.68	1814-1955*
PAYROLL/WIRE WARRANTS.....	\$ 120,846.24	1210-1227
TOTAL WARRANTS.....	\$ 892,621.92	

ATTACHMENTS:

Accounts payable checks by date, summary by check number register.

Note* Check # 1814- Report printed on check by error.

Check # 1872- Voided check vendor will not be paid at this time.

Accounts Payable

Checks by Date - Summary by Check Date

User: nfuentes
 Printed: 4/2/2020 3:27 PM



City of Livingston
 1416 C Street
 Livingston, CA 95334

Check No	Vendor No	Vendor Name	Check Date	Check Amount
1815	FAMILYSU	California State	03/12/2020	2,366.29
1816	mid2	Merced Irrigation District	03/12/2020	1,506.83
1817	SPRINGBR	Springbrook Software LLC	03/12/2020	1,145.00
Total for 3/12/2020:				5,018.12
1818	BANKCARE	Bank of America Business Card	03/19/2020	6,397.97
1819	BarreraM	Marci R. Barrera	03/19/2020	35.00
1820	Bright H	Bright Homes	03/19/2020	9,388.00
1821	ATWATER	City of Atwater	03/19/2020	280.00
1822	MERCED	City of Merced	03/19/2020	140.00
1823	LewisKim	Kimberly R.H. Lewis	03/19/2020	70.00
1824	LorLee	Lee Lor	03/19/2020	35.00
1825	MayMatth	Matthew May	03/19/2020	35.00
1826	MCAG	Merced County Assoc. of Govt	03/19/2020	315.00
1827	Mirrione	David Mirrione	03/19/2020	35.00
1828	WPDhomes	W.P.D Homes INC	03/19/2020	18,685.26
1829	wc3	West Coast Code Consultants, Inc.	03/19/2020	18,820.00
1830	Yoursand	Yours and Mine Sports	03/19/2020	7,120.39
Total for 3/19/2020:				61,356.62
1831	att1	AT&T Mobility	03/26/2020	257.30
1832	aulakh	Manbir Aulakh	03/26/2020	665.00
1833	baezmari	Marisol Baez	03/26/2020	150.00
1834	FAMILYSU	California State	03/26/2020	2,499.40
1835	cortezcl	Claudia Cortez	03/26/2020	35.00
1836	UB*01779	CARMEN CUEVAS	03/26/2020	76.49
1837	UB*01729	MARGARITA ESPINOZA	03/26/2020	74.92
1838	ewingirr	Ewing Irrigation Products Inc.	03/26/2020	213.38
1839	gonangel	Angelo Gonzalez	03/26/2020	25.00
1840	GuillJua	Juan Guillen	03/26/2020	150.00
1841	HOMEDP	Home Depot Credit Services	03/26/2020	598.05
1842	UB*01811	ILLEMENY BEAUTY SALON	03/26/2020	139.00
1843	UB*01797	TERESA LOPEZ	03/26/2020	1.23
1844	MannJati	Jatinder Mann	03/26/2020	250.00
1845	MartiDan	Daniel Martinez	03/26/2020	100.00
1846	UB*01800	JAIME & SAIDA MORENO	03/26/2020	0.99
1847	BeatrizR	Beatriz Ramirez	03/26/2020	50.00
1848	UB*01703	CREMILDE RIBEIRO	03/26/2020	1.68
1849	sanghrr	Rupinder Sanghera	03/26/2020	10.00
1850	WGRSOUTH	WGR SOUTHWEST, INC.	03/26/2020	2,181.16
1851	willdan	Willdan Financial Services	03/26/2020	9,123.02
Total for 3/26/2020:				16,601.62
1852	A1A	A-1-A/Preston's Lock Shop	04/02/2020	513.71

Check No	Vendor No	Vendor Name	Check Date	Check Amount
1853	abs	ABS Direct, Inc.	04/02/2020	1,309.22
1854	ASI	Administrative Solutions Inc	04/02/2020	568.56
1855	aguilart	Teresa Aguilar	04/02/2020	195.00
1856	ALHAMBR/	Alhambra & Sierra Springs	04/02/2020	261.87
1857	amercran	American Crane Rental	04/02/2020	2,689.38
1858	AFA	American Fidelity Assurance Company	04/02/2020	8,798.68
1859	AFAFLEX	American Fidelity Assurance Company	04/02/2020	391.64
1860	TatyanaA	Tatyana Anderson	04/02/2020	410.00
1861	AFSCME	AFSCME District Council 57 Attn: Finance	04/02/2020	719.68
1862	Avinalsa	Isabel Avina	04/02/2020	195.00
1863	bsk	BSK Associates	04/02/2020	1,790.00
1864	cabralch	Cabral Chrysler Jeep	04/02/2020	264.09
1865	CALAVERA	Calaveras Materials Inc.	04/02/2020	1,545.70
1866	casmog	California Smog & Repair	04/02/2020	143.50
1867	CALTRAFF	Cal-Traffic	04/02/2020	1,057.74
1868	martinzc	Clara Cervantes	04/02/2020	150.00
1869	collinss	Collins & Schoettler Planning Consultants,	04/02/2020	9,135.00
1870	MOVING	ComTech21	04/02/2020	37.28
1871	corelogi	CoreLogic Information Solution	04/02/2020	200.00
1873	CSJVRMAL	CSJVRMA - Liability	04/02/2020	33,875.00
1874	CSJVMAW	CSJVRMA - Workcomp	04/02/2020	81,411.00
1875	CALJUST	Department of Justice- Accounting Office	04/02/2020	226.00
1876	duran	Daniela Duran	04/02/2020	195.00
1877	evo	Emergency Vehicle Outfitters Inc.	04/02/2020	106.92
1878	SANJOAQ	Ernest Packaging Solutions	04/02/2020	86.29
1879	ferguson	Ferguson Enterprises Inc.	04/02/2020	378.88
1880	NEWACCES	First Communications, LLC	04/02/2020	9.22
1881	Freitas	Raymond Freitas	04/02/2020	350.00
1882	frontier	Frontier	04/02/2020	4,220.10
1883	frontie2	Frontier Communications Corp Frontier Co	04/02/2020	151.32
1884	GaetaAng	Angelica Gaeta	04/02/2020	200.00
1885	GILTON	Gilton Solid Waste	04/02/2020	87,831.16
1886	GOLSTA	Golden State Flow Measurement	04/02/2020	13,294.71
1887	gouveia	Gouveia Engineering Inc.	04/02/2020	94,405.46
1888	herreral	Lorena Herrera	04/02/2020	150.00
1889	hillumbr	Hilmar Lumber	04/02/2020	90.15
1890	hilmarr	Hilmar Ready Mix Rockery	04/02/2020	630.34
1891	HOFFMAN	Hoffman Security, Inc.	04/02/2020	196.90
1892	Imagesou	Image Source	04/02/2020	386.52
1893	J&F	J & F AG Welding Shop	04/02/2020	839.11
1894	jlanal	J L Analytical Services Inc.	04/02/2020	506.00
1895	SSS	JJC Security System Solutions	04/02/2020	305.00
1896	JOBS	Jobs Available Inc.	04/02/2020	390.00
1897	kamps	Kamps Propane	04/02/2020	6.47
1898	blevindu	Dulce Kowalkowski	04/02/2020	195.00
1899	LNCURTIS	L.N. Curtis and sons	04/02/2020	8,158.83
1900	LIEBERT	Liebert Cassidy Whitmore	04/02/2020	180.50
1901	TRUEVAL	Livingston True Value	04/02/2020	361.25
1902	loprest	Loprest Water Treatment Co.	04/02/2020	182,636.25
1903	morenon	Neiva Magana	04/02/2020	195.00
1904	MalMaria	Maria Maldonado	04/02/2020	195.00
1905	mendoant	Antonio Mendoza	04/02/2020	150.00
1906	LOSBANOS	Merced County Law Enforcement Chief's A	04/02/2020	125.00
1907	MID	Merced Irrigation District	04/02/2020	32,329.83
1908	MERCOMM	Merced Pest Control	04/02/2020	80.00
1909	MERSUN	Merced Sun-Star	04/02/2020	305.44
1910	milllaels	Elsa Millan	04/02/2020	195.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
1911	MISSION	Mission Linen Supply	04/02/2020	1,199.20
1912	NORT	Northstar Chemical	04/02/2020	3,092.63
1913	Officede	Office Depot	04/02/2020	1,247.35
1914	OPERATE	Operating Engineers Local #3	04/02/2020	384.00
1915	OPERATIN	Operating Engineers Local #3	04/02/2020	448.00
1916	oreillya	O'Reilly Automotive Store Inc.	04/02/2020	441.94
1917	PGE	Pacific Gas & Electric Company	04/02/2020	50,563.36
1918	PARAMOUN	Paramount Pest Control Inc.	04/02/2020	121.00
1919	PimeVict	Victoria Pimentel	04/02/2020	195.00
1920	PREMIER	Premier Access Insurance Company	04/02/2020	2,095.20
1921	pricefor	Price Ford of Turlock	04/02/2020	25.89
1922	neofunds	Quadient Finance USA, Inc.	04/02/2020	1,053.30
1923	QUALIWEL	Quality Well Drillers	04/02/2020	8,190.00
1924	RAHN	Rahn's Fire & Safety Services	04/02/2020	80.00
1925	RamYane	Yaneth Ramirez	04/02/2020	120.00
1926	RAND	Randik Paper	04/02/2020	1,320.92
1927	RAZZARIN	Razzari Auto Centers	04/02/2020	123.63
1928	ROBIC	Robic Refrigeration Inc.	04/02/2020	514.27
1929	workwell	Romeo Medical Clinic Inc.	04/02/2020	75.00
1930	saenz	Saenz Pest Control Inc.	04/02/2020	125.00
1931	sharpen	Sharpening Shop	04/02/2020	631.01
1932	shredit	Shred-it USA LLC	04/02/2020	185.21
1933	SW	Silver & Wright LLP	04/02/2020	7,721.30
1934	UB*01902	JOGA SINGH	04/02/2020	98.51
1935	St. Fran	St. Francis Electric, LLC.	04/02/2020	1,237.00
1936	SWRCB1	SWRCB- Wastewater Operator Certificatio	04/02/2020	235.00
1937	targetsp	Target Specialty Products	04/02/2020	1,731.86
1938	telstar	Telstar Instrument	04/02/2020	4,745.00
1939	MercedSu	The Merced Sun Star	04/02/2020	97.32
1940	TOTLCOM	TOTLCOM	04/02/2020	363.00
1941	TRANSUNI	Trans Union LLC	04/02/2020	281.07
1942	A&APORTA	United Site Services	04/02/2020	638.00
1943	uscfcc	University of South California	04/02/2020	144.00
1944	unum	Unum	04/02/2020	3,309.29
1945	USABLUE	USA Blue Book	04/02/2020	920.22
1946	VALLCOFF	Valley Coffee	04/02/2020	70.25
1947	LIVFARM	Valley Farm Supply Stores Inc.	04/02/2020	1,173.16
1948	VERIZON	Verizon Wireless	04/02/2020	1,038.57
1949	SunilVer	Sunil Verma DC	04/02/2020	80.00
1950	VISION	Vision Service Plan - CA	04/02/2020	1,165.07
1951	breshear	W.H. Breshears, Inc.	04/02/2020	5,647.47
1952	chevprod	WEX BANK	04/02/2020	19.00
1953	willdan	Willdan Financial Services	04/02/2020	9,140.52
1954	xerox	Xerox Financial Services	04/02/2020	637.10
1955	ZapienL	Laura Zapien	04/02/2020	350.00
Total for 4/2/2020:				688,799.32
Report Total (140 checks):				771,775.68

STAFF REPORT

AGENDA ITEM: Resolution Adopting City of Livingston Master Employee Salary Schedule Effective January 1, 2020.

MEETING DATE: April 7, 2020

PREPARED BY: Danna Rasmussen, Human Resources Coordinator

REVIEWED BY: Jose Antonio Ramirez, City Manager

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 2020-___, establishing a City of Livingston Master Employee Salary Schedule confirming rates/ranges for all City of Livingston established positions.

BACKGROUND:

The City Council approves all salary schedules which include classification titles and pay rates/ranges at the time a Memorandum of Understanding (MOU) for each bargaining unit is approved; when updates to the Employment and Benefit Policies for Unrepresented Employees are approved; or when specific wage and classification title adjustments are needed. Also, in order to confirm that the California Public Employees' Retirement System (CalPERS) will appropriately consider City of Livingston employee compensation earnable when calculating retirement benefits, the City of Livingston's Salary Schedule is required to be formally adopted by the City Council in a public meeting.

The City of Livingston's Salary Schedule will now reflect the implemented minimum wage increase effective January 1, 2020. Also, to stay competitive with surrounding agencies the Lifeguard classification has been adjusted to be paid at \$1.00 above minimum wage.

DISCUSSION:

Senate Bill 3, approved by the governor on April 4, 2016, amended Section 1182.12 of the State of California relating to wages. Section 1182.12(b) of the Labor Code was amended to read:

“(b) Notwithstanding subdivision (a), the minimum wage for all industries shall not be less than the amounts set forth in this subdivision, except when the scheduled increases in paragraphs (1) and (2) are temporarily suspended under subdivision (d).

(1) For any employer who employs 26 or more employees, the minimum wage shall be as follows:

(A) From January 1, 2017, to December 31, 2017, inclusive,--ten dollars and fifty cents (\$10.50) per hour.

(B) From January 1, 2018, to December 31, 2018, inclusive,--eleven dollars (\$11) per hour.

(C) From January 1, 2019, to December 31, 2019, inclusive,--twelve dollars (\$12) per hour.

(D) From January 1, 2020, to December 31, 2020, inclusive,--thirteen dollars (\$13) per hour.

(E) From January 1, 2021, to December 31, 2021, inclusive,--fourteen dollars (\$14) per hour.

(F) From January 1, 2022, and until adjusted by subdivision (c)--fifteen dollars (\$15) per hour.”

Resolution No. 2020-___, has been prepared to implement the minimum wage increase effective January 1, 2020 and to increase the Lifeguard classification to stay competitive within the surrounding agencies.

FISCAL IMPACT:

There is minimal fiscal impact associated with the adoption of the City of Livingston Master Employee Salary Schedule.

ATTACHMENTS:

1. Resolution No. 2020-___
2. City of Livingston Master Employee Salary Schedule REVISED EXHIBIT "A"

RESOLUTION NO. 2020-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON
ADOPTING CITY OF LIVINGSTON MASTER EMPLOYEE SALARY
SCHEDULE**

WHEREAS, the City Council approves and adopts the Master Salary Schedule and/or directs the City Manager to prepare and/or update said schedule to reflect City Council direction; and

WHEREAS, Senate Bill 3, approved by the Governor on April 4, 2016 amended Section 1182.12 of the State of California Labor Code relating to wages, specifically to increase the minimum wage for all industries to not be less than specified amounts to be increased from January 1, 2017, to January 1, 2022, inclusive, for employers employing 26 or more employees, except when the scheduled increases are temporarily suspended by the Governor, based on certain determinations; and

WHEREAS, the minimum wage rate effective January 1, 2020 increases from \$12.00 per hour to \$13.00 per hour. Proposed Salary Schedule increases applicable classifications to insure the hourly rate is equal to or greater than \$13.00 per hour.

WHEREAS, the salary adjustment be made for the classification of Lifeguard to stay competitive with the surrounding agencies.

NOW, THEREFORE, BE IT RESOLVED: That the City Council of the City of Livingston hereby adopt City of Livingston Employee Master Salary Schedule, **EXHIBIT "A"** attached hereto and made a part herein.

Passed and adopted this 7th day of April, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gurpal Samra, Mayor
of the City of Livingston

ATTEST:

I, hereby certify, that the foregoing resolution was regularly introduced, passed and adopted at a regular meeting of the City Council of the City of Livingston this 7th day of April, 2020.

City Clerk of the City of Livingston

MASTER SALARY SCHEDULE

**Eff 01/01/2020
EXHIBIT "A"**

1/1/2020 CLASSIFICATION	A	B	C	D	E	Clerical Grp	
						F	G
Account Clerk	2,756	2,894	3,039	3,191	3,350	3,518	
Accountant	4,435	4,657	4,890	5,134	5,391		
Accounting Technician	3,275	3,439	3,611	3,791	3,981	4,180	
Administrative Analyst	3,892	4,087	4,291	4,506	4,731	4,968	
Administrative Assistant	3,357	3,525	3,701	3,886	4,080	4,284	
Administrative Services Manager	4,667	4,900	5,145	5,402	5,673		
Animal Control Officer	3,722	3,908	4,104	4,309	4,524		
Assistant Planner	3,691	3,876	4,070	4,272	4,487		
Building Official	3,262	3,425	3,597	3,776	3,965		
Chief of Police	9,808	10,299	10,814	11,354	11,922		
City Manager	15,010	15,761	16,549	17,376	18,245		
Communications/Records Manager	4,023	4,224	4,435	4,657	4,890		
Community Development Director	8,108	8,513	8,939	9,386	9,855		
Community Service Officer	3,105	3,260	3,423	3,594	3,774		
Corporal	5,377	5,646	5,928	6,224	6,536		
Corporal w/Degree	5,649	5,932	6,228	6,540	6,867		
Custodian	2,442	2,564	2,692	2,827	2,968		
Director of Finance/Assistant City Manager	8,886	9,330	9,797	10,286	10,801		
Dispatcher	3,132	3,289	3,454	3,626	3,808		
Executive Assistant to the City Manager	4,282	4,495	4,720	4,955	5,204		
Executive Assistant/Deputy City Clerk	4,481	4,705	4,941	5,188	5,447		
Human Resources Coordinator (Confidential)	4,707	4,942	5,189	5,449	5,721		
Lead Maintenance Worker, Lead Parks/Landscape Worker	3,367	3,535	3,712	3,898	4,093		
Maintenance Mechanic	3,717	3,903	4,098	4,303	4,518		
Maintenance Worker	2,978	3,127	3,283	3,447	3,619		
Office Assistant I	2,304	2,419	2,540	2,667	2,800	2,941	
Police Captain	9,202	9,662	10,145	10,652	11,185		
Police Commander	5,802	6,092	6,397	6,717	7,053		
Police Office Assistant II	2,798	2,937	3,084	3,239	3,401		
Police Officer	4,213	4,424	4,645	4,877	5,121		
Police Officer w/degree *	4,426	4,648	4,880	5,124	5,380		
Police Public Assistant	2,771	2,909	3,055	3,207	3,368		
Police Records Assistant	2,271	2,385	2,504	2,629	2,761		
Police Sergeant	6,863	7,206	7,566	7,945	8,342		
Police Sergeant w/degree *	7,210	7,571	7,949	8,346	8,764		
Public Services Officer	3,132	3,289	3,454	3,626	3,808		
Public Works Director	7,855	8,247	8,660	9,093	9,547		
Public Works Leadman	3,906	4,101	4,306	4,521	4,747		
Public Works Street Supervisor	4,371	4,589	4,819	5,060	5,312		
Public Works Superintendent	4,691	4,926	5,172	5,431	5,702		
Public Works Supervisor Water Division	4,576	4,805	5,045	5,297	5,562		
Recreation Coordinator	2,167	2,275	2,389	2,509	2,634		
Recreation Leader	2,080	2,184	2,293	2,408	2,528		
Recreation Specialist	2,755	2,893	3,038	3,189	3,350	3,518	
Recreation Superintendent	3,769	3,957	4,155	4,363	4,581		
Senior Account Clerk	3,196	3,356	3,524	3,700	3,885	4,079	
Sr. Accountant	6,992	7,341	7,708	8,094	8,498		
Sr. Administrative Analyst	4,297	4,511	4,737	4,974	5,223	5,484	
Sr. Administrative Analyst/Community Development	4,532	4,758	4,996	5,246	5,508	5,784	
Senior Office Assistant	2,400	2,520	2,646	2,779	2,918	3,063	
Sr. Maintenance Worker	3,367	3,535	3,712	3,898	4,093		
Senior Planner	5,483	5,757	6,045	6,347	6,664		
Street Sweeper Operator	3,204	3,365	3,533	3,709	3,895		
Utility Worker I	3,367	3,535	3,712	3,898	4,093		
Utility Worker II	3,717	3,903	4,098	4,303	4,518		
Water/Wastewater Operator I	4,519	4,745	4,982	5,231	5,492		
Water/Wastewater Operator II	5,124	5,380	5,649	5,932	6,229		
Water/Wastewater Operator III	5,738	6,025	6,326	6,643	6,975		
Water/Wastewater Manager	5,775	6,064	6,367	6,686	7,020		
Transitional Phase for Water/Wastewater Operators							
Operator in Training/Temporary	3713	3898	4093	4298	4512	4737	4981

PART-TIME MASTER SALARY SCHEDULE

CLASSIFICATION						
	A	A	B	C	D	E
Administrative Analyst		18.82	19.76	20.75	21.79	22.88
Administrative Assistant		16.23	17.04	17.89	18.79	19.73
Custodian		13.03	13.68	14.37	15.08	15.84
Lifeguard		14.00	14.70	15.44	16.21	17.02
Maintenance Worker		15.88	16.67	17.51	18.38	19.30
Office Assistant I		13.00	13.65	14.33	15.05	15.80
Office Assistant II		13.00	13.65	14.33	15.05	15.80
Police Dispatcher		16.55	17.38	18.25	19.16	20.12
Police Records Assistant		13.00	13.65	14.33	15.05	15.80
Recreation Leader		13.00	13.65	14.33	15.05	15.80
Recreation Specialist		14.35	15.07	15.82	16.61	17.44
Sr. Administrative Analyst		20.78	21.82	22.91	24.06	25.26

STAFF REPORT

AGENDA ITEM: Denial of Claim for Damages from Enedina Acuna de Avila

MEETING DATE: April 7, 2020

PREPARED BY: Danna Rasmussen, Human Resources Coordinator

REVIEWED BY: Jose Antonio Ramirez, City Manager

RECOMMENDATION:

Staff recommends that the City Council (1) deny the claim for damages from Enedina Acuna de Avila; (2) submit the claim to AIMS, the City's insurance adjustors for review and processing; and (3) direct staff to send a letter to the claimant advising of the City's denial of the claim.

BACKGROUND:

On February 25, 2020, the City received a claim from Enedina Acuna de Avila alleging injuries sustained at or near the roundabout on B and Main Street in Livingston California on February 20, 2020.

DISCUSSION:

Ms. Acuna de Avila alleges that due to the sidewalk being raised she lost her balance causing injuries to her forehead and teeth.

FISCAL IMPACT:

Unknown at this time. Total costs to the City will be determined after review by the AIMS office.

ATTACHMENTS:

Claim Form.



CLAIM FORM
(Please Type Or Print)

CLAIM AGAINST City of Livingston
(Name of Entity)

Claimant's Name Enequina Acuña de Avila

Claimant's Date of Birth 7/28/1951 Telephone# (209) 809-16479

Claimant's Address 318 First Street Livingston CA 95334

Address where Notices about Claim are to be sent, if different from above:
Same

Date of Incident/Accident/Arrest: 2/20/2020
Time of Incident/Accident/Arrest: 1:15 PM

Date Injuries, Damages or Losses were Discovered: 2/20/2020

Location of Incident/Accident/Arrest Roundabout B/Main St

What did Entity or Employee do to cause this Loss, Damage or Injury?
Sidewalk raised, lost balance provoked injuries

(Use back of this form or separate sheet if necessary to answer this question in detail)

What are the Names of the Entity's Employees who caused this Injury, Damage or Loss (if known)?
N/A

What specific Injuries, Damages or Losses did Claimant receive? Cut on forehead, broken front teeth, requires bridge, soreness; see attached hospital diagnosis and pictures

What amount of money is claimant seeking, or if amount is in excess of \$10,000, which is the appropriate court of jurisdiction. Note: If Superior and Municipal Courts are consolidated, you must represent whether it is a "limited civil case" (see Government Code 910(f))
unknown amount as of yet

How was this amount calculated (please itemize and attach bills, repair receipts, etc.; if vehicle damage, obtain and attach two repair estimates)? awaiting bills

What is the name, address, and phone number of any witnesses who can substantiate your claim?

Ruben Hermenegildo Lopez Acuña; 318 First St Livingston CA 95334
(209) 4371024501
011521

Any additional information that you believe might be helpful to the Agency in considering this claim: _____

All notices and communications with regard to this claim will be directed to the Claimant shown as the "Representative" below, unless you complete the following to identify to whom further communication should be directed:

Name: _____ Relationship: _____

Address: _____ State _____ Zip _____

Daytime Phone Number: _____ Home Phone Number _____

I/We, the undersigned, declare under penalty of perjury that I/We have read the foregoing claim for damages and know the contents thereof; that the same is true of my/our own knowledge and belief, save and except as to those matter wherein stated on information and belief, and as known to them, I/we believe to be true.

Enequina Acuña de Avila
Claimant Printed Name

Enequina Acuña de Avila
Claimant's Signature

2/25/2020
Date Signed

Claimant Printed Name

Claimant's Signature

Date Signed

Note: If the claim is filed by someone on behalf of the claimant, the person making the claim on behalf of the claimant should sign above.

STAFF REPORT

AGENDA ITEM: Resolution Approving the City of Livingston FY 20/21 List of Eligible Projects for Funding from the Road Maintenance and Rehabilitation Account (RMRA) Created by Senate Bill (SB) 1 Road Repair and Accountability Act of 2017, and Authorizing the City Manager to File with the California Transportation Commission the Project List and Annual Expenditure Report for FY 20/21 RMRA Funding

MEETING DATE: April 7, 2020

PREPARED BY: Noe Martinez, Gouveia Engineering

REVIEWED BY: Jose Antonio Ramirez, City Manager

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. ____, as follows:

1. Approving the City of Livingston FY 20/21 List of eligible projects for funding from the Road Maintenance and Rehabilitation Account administered by the California Transportation Commission in partnership with the State Controller's office, and
2. Authorizing the City Manager to file with the California Transportation Commission (CTC) the Project List and Annual Expenditure Report for FY 20/21 RMRA Funding.

BACKGROUND:

Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor on April 28, 2017, in order to address the transportation funding shortfalls statewide. The 2016 California Statewide Local Streets and Roads Needs Assessment found that a majority of the city streets and roads in California are at an "at-risk" condition and this funding will provide for improving the roads system. It is anticipated that over the next decade, SB 1 will contribute to restoring streets and roads into a "good" condition. SB 1 funding will be generated from increased gasoline and diesel fuel excise taxes and additional vehicle registration fees for California residents.

SB 1 includes accountability and transparency provisions to ensure the funding is used on a fiscal year basis for eligible transportation projects including, but not limited to, road maintenance and rehabilitation, safety projects, railroad grade separations, complete streets components, and traffic control devices. Funding recipients must prepare a list of eligible projects to receive funding from the Road Maintenance and Rehabilitation Account on a fiscal year basis with these funds appropriated in the City budget. This list must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. Funding recipients will also be required to prepare annual reports to indicate expenditure levels and completion status for each proposed project on a fiscal year basis.

Cities and counties will receive an annual allocation, determined from a population formula, which will be distributed on a monthly basis. SB 1 mandates that this new RMRA funding must not be used to supplant the current level of General Fund expenditures for street improvements and will be subject to oversight by the State Controller as part of the accountability and transparency provisions.

DISCUSSION:

This year’s allocation corresponds to the fourth year of funding and the third consecutive full allocation since the program’s inception. The funds were first made available to cities and counties during Fiscal Year 2017-2018 as a partial allocation from the regular fiscal year amount.

In order to receive the FY 20/21 SB 1 funding, the City of Livingston must submit to the California Transportation Commission by May 1, 2020, or as extended by the Commission, a list of eligible projects approved by resolution by the City Council and submitted electronically using the CTC-developed online tool.

The City has determined a project list consisting of any new projects to be funded with the RMRA FY 20/21 allocation and previously proposed and adopted projects (re-listed) for the RMRA Program.

The City of Livingston’s FY 20/21 allocation is estimated at \$279,733 per the Local Streets and Roads – Projected Revenues dated January, 2020 and as published by the California City Finance website. It is recommended that these funds be appropriated for the following new or re-listed eligible projects:

1. Winton Parkway Rehabilitation (from Joseph Gallo Drive to SR 99) – **Re-listed**
2. Hammatt Avenue Rehabilitation (from Campbell Boulevard to SR 99) – **Re-listed**
3. Stefani Avenue Rehabilitation (from Davis to Campbell Boulevard) – **Re-listed**

The attached project list provides more detail including the project description, location, estimated completion date, and useful life.

The City’s FY 20/21 Budget will include the following revenue and expenditure items for the FY 20/21 SB 1 Allocation:

Revenue: Road Maintenance and Rehabilitation Account: \$279,733

Expenditure: Road Maintenance and Rehabilitation Projects: \$279,733

FISCAL IMPACT:

The expenditures for the FY 20/21 eligible projects is anticipated to be funded 100% from the City’s Road Maintenance and Rehabilitation Account. The proposed project expenditures for FY 20/21 are anticipated to match the estimated revenue of \$279,733 for FY 20/21.

ATTACHMENTS:

1. Resolution No. _____
2. FY 20-21 Project List

RESOLUTION NO. 2020-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON
APPROVING THE CITY OF LIVINGSTON FY 20/21 LIST OF ELIGIBLE PROJECTS FOR
FUNDING FROM THE ROAD MAINTENANCE AND REHABILITATION ACCOUNT (RMRA)
CREATED BY SENATE BILL 1: ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017,
AND AUTHORIZING THE CITY MANAGER TO FILE WITH THE CALIFORNIA
TRANSPORTATION COMMISSION THE PROJECT LIST AND ANNUAL EXPENDITURE
REPORT FOR FY 2020/2021 RMRA FUNDING**

WHEREAS, the City of Livingston is eligible to receive funding from the Road Maintenance and Rehabilitation Account (RMRA) created by Senate Bill (SB) 1, Road Repair and Accountability Act of 2017, passed by the Legislature and signed into law by the Governor on April 28, 2017, in order to address the transportation funding shortfalls statewide; and

WHEREAS, RMRA funding will be generated from increased gasoline and diesel fuel excise taxes and additional vehicle registration fees for California residents, cities and counties will receive an annual allocation, determined from a population formula, which will be distributed on a monthly basis; and

WHEREAS, SB 1 includes accountability and transparency provisions to ensure the funding is used on a fiscal year basis for eligible transportation projects including, but not limited to, road maintenance and rehabilitation, safety projects, railroad grade separations, complete streets components, and traffic control devices, this new RMRA funding must not be used to supplant the current level of General Fund expenditures for street improvements and will be subject to oversight by the State Controller's office; and

WHEREAS, funding recipients must prepare a list of eligible projects to receive funding from the Road Maintenance and Rehabilitation Account on a fiscal year basis with these funds appropriated in the City budget. This list must include a description and location of each proposed project, a proposed schedule for completion, and the estimated useful life of the improvements; and

WHEREAS, the City has ensured public input and developed the most high-priority and cost-effective projects to receive SB 1 revenues and that would meet the City's priorities for transportation investment; and

WHEREAS, the selected project list includes any new projects to be funded with the RMRA FY 20/21 allocation and previously proposed and adopted projects (re-listed) to reaffirm the public and the State the City's intent to fund these projects with Road Maintenance and Rehabilitation Account revenues; and

WHEREAS, the City of Livingston's FY 2020/2021 allocation for RMRA funding is estimated at \$279,733 and the City intends to appropriate these funds on its FY 20/21 Budget; and

WHEREAS, the City's FY 2020/2021 allocation will be appropriated for the following new or re-listed eligible projects:

1. Winton Parkway Rehabilitation (from Joseph Gallo Drive to SR 99) – **Re-listed**
2. Hammatt Avenue Rehabilitation (from Campbell Boulevard to SR 99) – **Re-listed**
3. Stefani Avenue Rehabilitation (from Davis to Campbell Boulevard) – **Re-listed**; and

WHEREAS, the City is required to submit to the California Transportation Commission by May 1, 2020, or as extended by the Commission, the FY 2020/2021 List of eligible projects and a resolution that shows these projects were approved to receive FY 20/21 SB 1 funds; and

WHEREAS, funding recipients must prepare an annual report to indicate expenditure levels and completion status for each proposed project on a fiscal year basis.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Livingston as follows:

Section 1. The above recitals are true and correct findings of the Livingston City Council.

Section 2. The City Council hereby approves the above proposed FY 2020/2021 List for eligible projects to receive funding from the Road Maintenance and Rehabilitation Account.

Section 3. The FY 20/21 SB 1 funds will be appropriated on the City's FY 20/21 Budget.

Section 4. The City Manager is hereby authorized and directed to submit to the California Transportation Commission the Project List and Annual Expenditure Report for FY 2020/2021 RMRA Funding.

Passed and adopted this 7th day of April, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby approved.

Gurpal Samra, Mayor
of the City of Livingston

ATTEST:

I, hereby certify that the foregoing resolution was regularly introduced, passed and adopted at a Regular Meeting of the City Council of the City of Livingston this 7th day of April, 2020.

Monica Cisneros, Deputy City Clerk
of the City of Livingston

Local Streets and Roads Program

Agency Name:		Agency Contact:	
Livingston		Jose Antonio Ramirez	
		(209) 394-8041	
LoCode: 5256		citymanager@livingstoncity.com	

FY	
20/21	

Summary of Proposed Project List

Project No.	Project Title	Project Description	Project Location	Estimated Completion Date (mm/dd/yyyy)		Estimated Useful Life (# of yrs)	
				Pre-Construction	Construction	Min.	Max.
PP01	Winton Parkway Rehabilitation (Re-listed)	Roadway rehabilitation	In the City of Livingston between Joseph Gallo Drive and SR 99	08/2020	08/2021	10	20
PP02	Hammatt Avenue Rehabilitation (Re-listed)	Roadway rehabilitation	In the City of Livingston between Campbell Boulevard and SR 99	08/2020	08/2021	10	20
PP03	Stefani Avenue Rehabilitation (Re-listed)	Reconstruction of the roadway structural section.	In the City of Livingston between Davis Street and Campbell Boulevard	08/2023	08/2024	10	20
PP04							
PP05							
PP06							
PP07							
PP08							
PP09							
PP10							
PP11							
PP12							
PP13							
PP14							
PP15							
PP16							
PP17							
PP18							
PP19							
PP20							

STAFF REPORT

AGENDA ITEM: Resolution Appointing 3 Parks Recreation and Arts Commissioners and 1 Alternate Commissioner

MEETING DATE: April 7, 2020

PREPARED BY: Jacquelyn Benoit, Recreation Superintendent

REVIEWED BY: Jose Antonio Ramirez, City Manager

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution ____, appointing 3 Parks Recreation and Arts Commissioners and 1 Alternate Commissioner.

BACKGROUND:

In January, Commissioner Linda Deol, Commissioner Eva Garibay, Commissioner Erik Aguilar and Alternate Commissioner Ana Alberto terms were up. In mid-November 2019 notices of upcoming vacancies were put out to the community with a deadline of January 17, 2020. As of January 17th only 1 application had been received and direction was given by council to publicize the opening until mid-February. A deadline was set for February 18, 2020 at 5pm and as of the deadline the department had received 5 applications. Publicity went out through social media, press release and the opening was posted on the city hall bulletin board.

Five applications were received by the deadline Linda Deol, Hector Becerra, Eva Garibay, Dennis Brusenski and Eric Aguilar.

Attached are the 5 applications and the parties have been asked to be available for the Council meeting to answer any questions you may have. Appointing the 3 members and 1 alternate will give the commissioner 7 members and 2 alternate members.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. Applications: Linda Deol, Hector Becerra, Eva Garibay, Dennis Brusenski, and Eric Aguilar.
2. Resolution 2020-__.

City of Livingston

Recreation Commission



Deadline for Submission September 4, 2018 5pm

Supplemental Questionnaire

Please return to:

City of Livingston

Attn: City Clerk

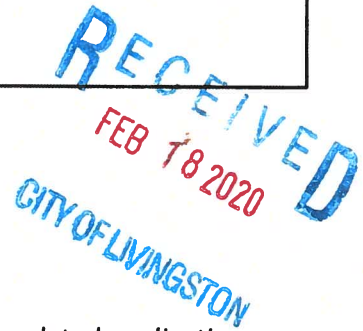
1416 C Street

Livingston, CA 95334

(209)394-8041 ext 121

NAME: DENNIS BRUSENSKI

DATE: FEB 17 2020



Please print or type your answers to the following questions and submit them with your completed application. You may submit additional sheets, if necessary, to complete your answers.

1) Have you ever attended a recreation commission meeting? YES NO

Date attended _____

2) How did you learn about the vacancy on the Recreation Commission?

Face Book - WEB SITE -

3) Describe your involvement in community activities, volunteer and civic organizations:

Since 1996 have volunteered activities by coaching Baseball, Basketball, Football - Bicycle Safety - Red Ribbon

4) What is it about the Recreation Commission that interests you? What qualities, experience and expertise would you bring to the Recreation Commission? Active member of the community when it comes to kids and kid programs seen the positive impact on kids when you get them involved in sports

5) How would you see your role as a commissioner when recommending policy and working with the council?

Spokesperson, as I have had in the past in getting Council to see the positive of sports + events the impact the children of the community.

6) What are the current issues that the Recreation Commission will face?

as with every program money is the biggest issue. Second getting members of the community to get more involved in helping with coaching/fundraisers and donations.

7) If appointed, what specific goals would you like to see the Recreation Commission achieve?

Grants/programs to help build more recreation areas.
Grants to help fund programs to get more children involved.



Committee/Commission Application

Name Dennis Brusenski	Address 14550 Longview Ave	Committee/Commission Applying For RECREATION
Live Within City Limits	Phone Number	Occupation
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	209 756 6664	Retired Police Sgt.
Please describe you background and qualifications		
<p>Came to the US from Germany. Had to learn English and sports was one of the ways I learned English. Played Football/Basketball and Baseball. I was on a competitive swim team through high school. I also competed in long distance running. I became an US Marine for 6 years and then a police officer. This is when I started coaching, played late night basketball and had three kids come through the sports program which led them to play school sports. I continue to believe that if you get involved show positive and fun activities, it makes a difference in a kid's life no matter where they come from.</p>		

RECEIVED
FEB 14 2020

City of Livingston

Recreation Commission



Deadline for Submission September 4, 2018 5pm

CITY OF LIVINGSTON

Supplemental Questionnaire

Please return to:

City of Livingston

Attn: City Clerk

1416 C Street

Livingston, CA 95334

(209)394-8041 ext 121

NAME:

Eva Garibay

DATE:

2/14/20

Please print or type your answers to the following questions and submit them with your completed application. You may submit additional sheets, if necessary, to complete your answers.

1) Have you ever attended a recreation commission meeting? YES NO

Date attended Past 2 years - about every month.

2) How did you learn about the vacancy on the Recreation Commission?

Currently on the commission

3) Describe your involvement in community activities, volunteer and civic organizations:

Recreation commission since 2018

Coach & Assistant coach - since 2005

4) What is it about the Recreation Commission that interests you? What qualities, experience and expertise would you bring to the Recreation Commission?

I am most interested in sports & developing our youth & giving them a positive outlet. I am also very interested in events that united our community

5) How would you see your role as a commissioner when recommending policy and working with the council?

I have and will continue to do what's best for the community as a whole.

6) What are the current issues that the Recreation Commission will face?

We continue to struggle with participation, as a commission we have made progress in right direction - but it continues to be an issue. But I think spending time w/ community members could change that.

7) If appointed, what specific goals would you like to see the Recreation Commission achieve?

More community events - where our diverse cultures can come together.

A successful 100 year celebration in 2022.



Committee/Commission Application

Name	Address	Committee/Commission Applying For
Eva Garibay <small>Live Within City Limits</small>	1813 F St.	Recreation
<input checked="" type="radio"/> Yes <input type="radio"/> No	<small>Phone Number</small>	<small>Occupation</small>
(209) 756-8675 Public Programs		
<small>Please describe you background and qualifications</small>		
<p>For the past two & half years I have served on the Recreation commission as the vice chair. I have participated in events such as Sweet Potato festival, color run, tree lighting, sports ratings, etc. Prior to serving on the commission I coached basketball, softball, soccer and baseball. I also participated in "Love Livingston", when we planted a garden behind the senior center.</p>		

City of Livingston
Recreation Commission



Deadline for Submission September 4, 2018 5pm

Supplemental Questionnaire

Please return to:

City of Livingston

Attn: City Clerk

1416 C Street

Livingston, CA 95334

(209)394-8041 ext 121

NAME: Eric Aguilar

DATE: 2/18/20

RECEIVED
FEB 18 2020

CITY OF LIVINGSTON

Please print or type your answers to the following questions and submit them with your completed application. You may submit additional sheets, if necessary, to complete your answers.

1) Have you ever attended a recreation commission meeting? YES NO

Date attended _____

2) How did you learn about the vacancy on the Recreation Commission?

Term is ending.

3) Describe your involvement in community activities, volunteer and civic organizations:

Volunteer coach (soccer, basketball and baseball.
Currently in the Parks and Recreation and Arts commission.

4) What is it about the Recreation Commission that interests you? What qualities, experience and expertise would you bring to the Recreation Commission?

What interest me about the recreation commission is supporting the community, creating opportunity fo others such as the youth and adults.

I am a current Parks and Recreation commission memeber.

I like to say that I like to listen to members of the community and share information regarding local programs and projects.

5) How would you see your role as a commissioner when recommending policy and working with the council?

A supportive individual and someone who is willing to fairly listen to others and engage in discussion about policy and working with council. Attempt to attend meetings and areas of importance to support the community.

6) What are the current issues that the Recreation Commission will face?

Some of the current issues are funding. The budget cuts have caused an impact on the recreation department. Which has affected various program (participants, parents, employees, and volunteers).

7) If appointed, what specific goals would you like to see the Recreation Commission achieve?

Friendly user website. Something that can be easier to navigate. Possibly having a translation option Making payments online. Documents more accessible. More importantly keeping the programs going for the community. Possibly adding track to the sports program for youth.



Committee/Commission Application

Name	Address	Committee/Commission Applying For
Eric Aguilar	1653 Spruce Ct	Parks and Recreation
Live Within City Limits	Phone Number	Occupation
Yes No Yes	209-620-4909	MH Clinician/Counselor
Please describe you background and qualifications		
Volunteer coach for soccer, basketball and baseball.		
Current parks and recreation commission.		
Livingston resident for 38 years.		

City of Livingston

Recreation Commission



Deadline for Submission September 4, 2018 5pm

Supplemental Questionnaire

Please return to:

City of Livingston

Attn: City Clerk

1416 C Street

Livingston, CA 95334

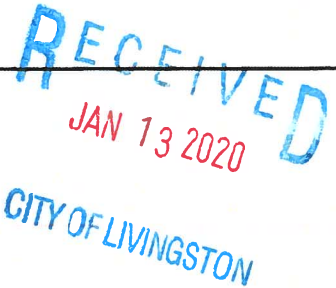
(209)394-8041 ext 121

NAME:

Linda Deal

DATE:

1-13-20



Please print or type your answers to the following questions and submit them with your completed application. You may submit additional sheets, if necessary, to complete your answers.

1) Have you ever attended a recreation commission meeting? YES NO

Date attended

all of them

Current chairperson of the Recreation Committee.

2) How did you learn about the vacancy on the Recreation Commission?

Jacquie Bennett and current chairperson of the recreation & Art Committee.

3) Describe your involvement in community activities, volunteer and civic organizations:

Baseball, softball, soccer & basketball coach for 8 years LMS School site council member, volunteer at Sweet Potato Festival & 4th of July festival for 5+ years, Color Run, Ymas parade, Casino bus Fundraiser, Raffle Fundraising

4) What is it about the Recreation Commission that interests you? What qualities, experience and expertise would you bring to the Recreation Commission?

All aspects of the Recreation Committee excites me. I have a proven positive track record of Fundraising, I am present at the meetings and events, I go above and beyond what is expected. I also know how to get things done before deadlines,

5) How would you see your role as a commissioner when recommending policy and working with the council?

I see my role as highly positive and helpful working with the council, I am a team player and always available to help when needed or wanted.

6) What are the current issues that the Recreation Commission will face?

The current issues are the budget cuts pertaining to the Rec. Dept, Successful fundraisers and the "new" community center.

7) If appointed, what specific goals would you like to see the Recreation Commission achieve?

The completion of the "new" community center, completion of the sports complex, the continuous sports programs, court of trees and a new dog park.



Committee/Commission Application

Name	Address	Committee/Commission Applying For
Linda Deol	4399th St.	Rec & Arts
Live Within City Limits	Phone Number	Occupation
<input checked="" type="radio"/> Yes <input type="radio"/> No	(209)230-1044	social worker.
Please describe you background and qualifications		
<p>I am currently a social worker for Merced County in which I deal with community outreach programs. I enjoy giving back to my community. I am a member of LMS school site council. For the past few years, I am the chairperson for the Rec & Art committee. I have coached over 45+ teams in the last 8 years. (basketball, baseball, softball, Hoop and Soccer) I volunteer for all the sports assessments, SPF, 4th of July, street fairs, Casino bus trips, trunk or treat and Fundraisers. I love being a part of making LIVINGSTON a better community and day by day.</p>		

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JAN 29 2020
CITY OF LIVINGSTON

City of Livingston
Recreation Commission



Deadline for Submission September 4, 2018 5pm

Supplemental Questionnaire

Please return to:

City of Livingston

Attn: City Clerk

1416 C Street

Livingston, CA 95334

(209)394-8041 ext 121

NAME: HECTOR C. BECERRA

DATE: 1-29-20

Please print or type your answers to the following questions and submit them with your completed application. You may submit additional sheets, if necessary, to complete your answers.

1) Have you ever attended a recreation commission meeting? (YES) NO

Date attended 3 To 4 YEAR Ago I WAS ON THE REC. BOARD

2) How did you learn about the vacancy on the Recreation Commission?

SOCIAL MEDIA AND WORD OF MOUTH.

3) Describe your involvement in community activities, volunteer and civic organizations:

I have coached for the Livingston REC department for the last 10 to 15 YEARS (BASEBALL, SOFTBALL, SOCCER, BASKETBALL).
- Livingston youth FOOTBALL, coaches LMS BASEBALL / SOFTBALL.
- I've also coached TRAVEL BASEBALL / SOFTBALL

4) What is it about the Recreation Commission that interests you? What qualities, experience and expertise would you bring to the Recreation Commission?

- everything I do is for the kids of Livingston
- I bring years of experience, coaching, mentoring and serving on the REC BOARD.

5) How would you see your role as a commissioner when recommending policy and working with the council?

my role would be positive role for
the good of all kids that want to
play sports

6) What are the current issues that the Recreation Commission will face?

The current issues are the Budget
(money) for sports programs

7) If appointed, what specific goals would you like to see the Recreation Commission achieve?

- I would like to see better facilities
for all sports
- better training for all sports
- also try to get the sports complex
completed for the kids and to
bring in revenue for the city's
sports programs



Committee/Commission Application

Name	Address	Committee/Commission Applying For
HECTOR C. BECERRA	913 misty HARBOR dr.	RECREATION Commission
Live Within City Limits	Phone Number	Occupation
<input checked="" type="radio"/> Yes <input type="radio"/> No	(209) 648-1199	Police officer
Please describe you background and qualifications		
<p>I've lived in the city of Livingston over 50 YEARS, I work for the city AS Police officer. I PLAYED sports AT LHS. I COACHED mens football in the US ARMY. I've also coached for the city of Livingston (10-15 yrs) BASEBALL, softball, BASKETBALL, SOCCER, youth FOOTBALL.</p> <p>I've also coached for the Livingston middle school (BASEBALL/softball) and coached TRAVEL BASEBALL/softball. I've put 5 kids through Livingston REC sports and one little ONE in program NOW. I've also take several NATIONAL FEDERATION of state High school ASSOCIATIONS (NFHS) COURSES on How to COACH. I've ALK TAKE BASEBALL/SOFTBALL hitting COURSES.</p> <p>so if given the opportunity to SERVE I'll give you A 101%.</p>		

RESOLUTION NO. 2020- ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIVINGSTON
APPOINTING _____, _____,
_____, TO THE PARKS RECREATION AND ARTS COMMISSION**

WHEREAS, Commissioner Linda Deol, Commissioner Eva Garibay, Commissioner Erik Aguilar and Alternate Commissioner Ana Alberto terms on the Parks Recreation and Arts Commission expired January 30, 2020; and

WHEREAS, the City Council, at their January 21, 2020, meeting directed staff to extend the deadline to January 17th for another month because only 1 application had been received, the deadline was extended to February 18, 2020 at 5pm.

WHEREAS, as of the new deadline there were 5 applicants.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Livingston hereby appoint _____, _____, _____, and _____ as alternate to the Parks Recreation and Arts Commission for a 4-year term expiring on January 30, 2024.

Passed and adopted this 7th day of April, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gurpal Samra, Mayor
of the City of Livingston

ATTEST:

I, hereby certify that the foregoing resolution was regularly introduced, passed and adopted at a regular meeting of the City Council of the City of Livingston this 7th day of April, 2020.

Monica Cisneros, Deputy City Clerk
of the City of Livingston