

ARBUCKLE PUBLIC UTILITY DISTRICT

WASTEWATER RATE STUDY

Prepared for:

Arbuckle PUD

Colusa County, California

Prepared by:

MC Engineering, Inc.

March 2026

Rev. April 14th, 2026

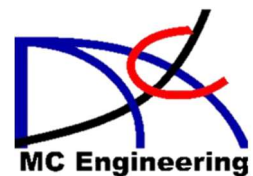


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ABBREVIATIONS

Abbreviation	Meaning
ADWF	Average Dry Weather Flow
AMP	Asset Management Plan
APUD	Arbuckle Public Utility District
CAO	Cleanup and Abatement Order
CRP	Capital Replacement Project
CRWQCB/SWRCB	California Regional Water Quality Control Board
DFA	Division of Financial Assistance (State Water Resources Control Board)
EDU	Equivalent Dwelling Unit
FY	Fiscal Year
GPD	Gallons Per Day
NPDES	National Pollutant Discharge Elimination System
O&M	Operations and Maintenance
R&R	Repairs and Replacement
RCAC	Rural Community Assistance Corporation
RWQCB	Regional Water Quality Control Board
SRF	State Revolving Fund
WDRs	Waste Discharge Requirements
WEF	Water Environment Federation
WWTP	Wastewater Treatment Plant

SECTION 1- INTRODUCTION

The Arbuckle Public Utility District (APUD) provides both water and sewer service to their customers in the town of Arbuckle that includes approximately 884 residential rate payers and 76 commercial customers (including multi-family residential accounts). The commercial customers equate to an estimated 229 equivalent dwelling units (EDUs). The APUD wastewater facilities consist of a collection system and pump station, along with a wastewater treatment facility that is regulated through the California Regional Water Quality Control Board Waste Discharge Order (CRWQCB) No. 93-208.

In conjunction with addressing on-going operational issues relating to the existing deteriorated wastewater facilities, the Board and Staff of the Arbuckle Public Utility District are taking the necessary financial steps and actions to assure fiscal sustainability for the District and its customers, both now and into the future. An initial study was prepared on behalf of APUD by the Rural Community Assistance Corporation (RCAC). This report references the findings and recommendations from the RCAC study and further expounds on the immediate implications of emergency investments in capital expenditures. Updates on the number of EDUs for the commercial customers and schools is also included herein.

After identifying a need for additional investments in immediate projects deemed necessary to comply with recent violations at the District's wastewater plant, the District retained MC Engineering, Inc. to provide analysis of needed improvements and related financing measures. This analysis is intended to provide the basis for the next 5 years of rates while long-term improvements and costs are further identified through an upcoming system-wide planning study being funded by the State Water Resources Control Board (SWRCB). The study objectives and components are discussed further in the following pages.

Rate Study Objectives

The major objectives of this study include the following:

1. Preparing a "Cost of Services" analysis for all the existing, required and proposed emergency wastewater facilities and related operations and maintenance costs.
2. Developing a revenue and financial plan for the wastewater enterprise to ensure financial sufficiency, meet current and proposed operation and maintenance (O&M) costs, and to help ensure that there is sufficient funding for capital repairs and replacement (R&R) needs, including the replenishment of expended emergency reserves associated with recent system-wide deficiencies and failures.
3. Developing interim wastewater rates for the next five (5) year planning period to help ensure fairness and equity is incorporated into future rates, and to enhance revenue stability for recovering both fixed and variable costs.
4. Outlining the framework for a new rate structure that complies with Proposition 218 requirements.
5. Provide for an operating reserve (Funds 6 and 7) that typically ranges from 10-20% of the actual budget to be used in the event of unforeseen operational and maintenance issues.

6. Developing and providing for a short-term emergency capital improvement plan that will ensure that the District stays in compliance with regulatory requirements and avoiding future water quality violation(s). This includes the necessary funding through emergency loans and grants, along with a debt repayment plan.

Other objectives and considerations for rate setting and revenue generation include analysis of on-going revenue streams, cost-based charges, stability of revenue sources, economic and equitable rate setting, understandable rate structures, and compliance with State and Federal requirements that are legally defensible.

Rate Study Components

This rate study evaluates ten (10) major budget and rate components. These components are addressed separately while some components will be deferred to a future date. The components under consideration included the following:

1. Fixed and Variable Operation and Maintenance Costs (manpower, overhead, energy, chemical, lab/testing, parts supplies, and other misc. expenses)
2. Inflationary factors
3. Miscellaneous Operational Equipment Replacements (i.e. > \$20,000)
4. Short-term Capital Replacement Costs including Emergency Expenditures in the near future (i.e. 3 Years to 5 Years)
5. Long-term Capital Improvement Costs/Capital Replacement Reserves CRP – 5, 10, 25 Years – (Refer to SWRCB DFA Planning Grant).
6. Short-term small asset replacement lists that will be addressed in more detail with information provided within future wastewater facilities studies (Refer to pending SWRCB DFA Planning Grant for initial lists).
7. Debt service financing for current (Short-term and Emergency) and future replacement and improvement programs (i.e. grants, and special financing loans).
8. Consideration is given to the 1st year of operation of the wastewater treatment facilities following the construction of the recommended improvement projects as described and approved within the SWRCB grant funded Project Report. Current operation and maintenance costs were evaluated by reviewing existing budgets and annual audit reports and are subject to more detailed analysis in future studies.
9. In order to truly capture asset depreciation, associated costs, and life expectancy, an abbreviated (draft) “Asset Management List and Plan” should be prepared and presented as a guide for future District capital replacements and improvements budgeting. These will be a part of future studies.
10. Future State Water Resources Control Board Division of Financial Assistance (SWRCB DFA) grant funding for wastewater facility upgrades is not a part of this study.

This rate study also takes into account recent and on-going capital reserve expenditures for emergency actions requiring expenditures for equipment and labor to address serious WWTP component failures due to the old and deteriorated wastewater treatment facilities. These aging facilities pose a serious risk to water quality related to health and safety

issues and could result in future violations of existing California Regional Water Quality Waste Discharge Requirements (CRWQCB WD Requirements).

This study includes a projection for District customer revenues as established by the stabilization of the wastewater utility rates for the next 5-year period. At the end of the 5-year period it is recommended that the District re-evaluate both its operational costs, capital replacement needs, related improvement costs (short and long-term), and corresponding revenue requirements. A future re-evaluation of the District's rate structure will be centered around information and recommendations detailed within the SWRCB DFA 100% Grant funded Facilities Plan which includes both a Project Report and associated Environmental Documents, which, as of March 2026, will be initiated through an approved contractual grant agreement with the SWRCB (refer to Item 10, above).

It is important to note that this study only analyzes the budgeting requirements and year end net operating balances. It does not address the required yearly cash flow requirements associated with the billing, payroll, accounts receivable and other fiscal responsibilities that are directly related to cash flow. The purpose of the study is to evaluate the District's year-end balance, proposed yearly budgets for the next five years, and the associated revenue required to meet yearly budget expenses while taking into account methods of stabilizing and replenishing the capital reserve funds and providing for required revenues to fulfill debt service requirements.

SECTION 2- RATE STUDY BACKGROUND AND METHODOLOGY

The District recently issued a Cleanup and Abatement Order (CAO No. 5-2024-0703 (CAO) as a result of water quality violations due to wastewater spills, limited sludge processing capacity, disposal deficiencies, and bypass of treatment. To address the current wastewater treatment deficiencies, and in order to develop recommendations to improve the existing emergency conditions and respond to the requirements of the CAO, MC Engineering, Inc., prepared an initial water balance identifying potential emergency disposal improvements. This study includes a proposed list of emergency remediation projects recommended for the short-term based on the water balance results in an effort to avoid additional spills. It is considered imperative that these recommended emergency improvement projects be completed as soon as possible. The water balance identified the need for the acquisition of a minimum of 80 acres for disposal and additional land for new treatment facilities to address emergency needs.

The District recently contracted with the Rural Community Assistance Corporation (RCAC) to prepare an initial rate study. Given the recent emergency conditions and anticipated shortfalls, the District later retained MC Engineering, Inc, to both evaluate and provide necessary recommendations related directly to the current emergency and near-term wastewater facilities maintenance and operations budget. As such, this wastewater rate adjustment is intended to cover the next five (5) years until such time that more detailed long-term planning, funded by an upcoming SWRCB planning grant, can be completed. Once the recommended rate adjustments and stabilization are approved, the District will initiate a re-evaluation its overall wastewater facility condition and assets and develop a long-term facility improvement plan with detailed information and cost-effective improvement recommendations as part of the SWRCB DFA Grant Funded Wastewater Facilities Plan (Master Plan).

The first step in this current rate study and analysis is to re-evaluate capital and O&M related costs in order to determine the adequate and appropriate affordable rate structure and related revenues for the immediate fiscal sustainability of the 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. Several factors may affect these projections, including the number of customers served, water-use trends (as applied to wastewater rates), non-recurring sales, weather, conservation, permit and water use restrictions, inflation, interest rates, interest rates, wholesale contracts, capital finance needs, and other changes in operating and economic conditions.

A utility’s revenue requirements are determined based on 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, such as treatment, disposal, collection, pumping expenses, and assets of the utility system in order to determine the cost of service.

The District, on a regular yearly basis, approves their annual budget which relies on revenue acquired through the approved rate structure as adopted through District Ordinances and Resolutions, with the most recent user rate adjustments being in FY 2015/16.

To properly prepare the annual budget for approval by the Board, the Staff will provide their forecast for the operational and maintenance expenses for the coming fiscal year. These proposed O & M expenses consider operational costs, inflationary factors, fixed and variable costs, utility costs, and conditional and predictable assessment of existing facilities (i.e. pumps, fittings, and miscellaneous equipment). For the purposes of this Rate Study, the General Manager has provided a final version of the FY 2025/27 budget, which is now the basis for future operational costs with the addition of inflationary factors. Other components of the fiscal year budgets include capital replacement budgets and improvement reserves to fund future capital improvements and upgrades to the existing facilities.

Yearly generated wastewater revenue depends upon a combination of tax assessments (Special District Reserve Funds- Funds 506/507) through Colusa County and the current wastewater utility rates and as approved by the Board in prior years, as shown in Table 2.1. These approved rates are then applied to the number of District customers to properly forecast predictable revenue for the coming year. In 2016, the District adopted a new rate schedule. This new rate schedule is based on a single-family dwelling unit or one (1) EDU equaling \$28.00/month for FY 2024/25, with the residential and commercial customer rates being calculated as shown on Table 2.1 below, which lists the existing customer classes and corresponding pre-existing and proposed rates for FY 2025/26 and FY 2026/27.

Determining the APUD revenue requirements and future cost of service is a key first step in the rate study process. This section of the report provides a discussion of the projected revenues, O&M expenses, and other reserve funding, with consideration given to estimated revenue adjustments, as required, to ensure the fiscal sustainability and solvency of the APUD Wastewater Enterprise. Numbers shown in all the tables of this section are rounded; therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown. The most recent Fiscal Year (FY) Audits used for this rate study included July 1, 2022/23, and July 1, 2023/2024. The original proposed FY 2023/24 Rate Study was prepared by RCAC and this updated version of the was prepared by MC Engineering, Inc. with assistance from the Arbuckle PUD General Manager.

Other recent and serious considerations that have been taken into account for the setting of rates for upcoming years include costs associated with the recent failures of the District's wastewater treatment facility that can be attributed to age and deterioration of facilities, including the failing status of the percolation ponds and other treatment facility and collection system components requiring emergency funding to address the ongoing WWTP system deficiencies that have placed the District under a CRWQCB Cleanup and Abatement Order (CAO). Since 2023 the District has incurred very expensive emergency repair and mitigation costs to avoid additional water quality violations. These costs were

attributed directly to the inability and failure to properly discharge treated wastewater by means of the existing WWTP percolation ponds. As a result of percolation pond failures, the District has depleted its County of Colusa's (Special District) APUD Reserve (Funds 506 and 507) from a once adequate reserve fund on 6/30/23 of approximately \$2,819,476 to a predicted reserve fund account of \$367,519 (as of January 1, 2026).

It is the intent of this rate study to also take into account the lack of current wastewater facility reserves to address emergency improvements and other system needs. This rate study also includes a review with recommendations by the General Manager and Engineering Team to establish a fair and equitable billing system that utilizes Equivalent Dwelling Units (EDUs) that are applied to each customer. Also, as a part of this Rate Study, short-term capital replacement reserves will provide required short-term emergency funding capital for the FY 2025/26 and 2026/2027 budgets in order to upgrade and provide emergency relief to the wastewater disposal facilities in an effort to avoid additional serious water quality violations due to the lack of adequate capital reserves. It is recommended that the District acquire loan financing to complete the recommended "emergency capital improvements" in order to avoid future spills and related violations and fines.

The District has taken the necessary steps to facilitate and address the planning of its **long-term capital** replacement needs through a State Water Resources Division of Financial Assistance (SWRCB DFA) 100% Planning Grant. The planning grant will fund the preparation of a Facilities Plan that will, when completed, provide the District with recommendations to fund long-term capital replacements, while also providing recommendations on system-wide improvements both within the collection system and at the wastewater treatment plant. The SWRCB funded Facilities Plan will include a Project Engineering Report and accompanying environmental documents. The entire planning, design, and construction process is expected to take a minimum of 5 years to complete. It is anticipated that the planning grant for the facilities plan to be approved by contract with the SWRCB DFA, in early spring of 2026. The facilities plan, once completed, will provide the catalyst to acquire follow-up design and construction grant funding from the SWRCB DFA, at a 100% grant funding level. Regardless of the future SWRCB DFA planning, design, and construction grant funding, the District will need to address its current emergency treatment and disposal issues over the next five years, with the necessary revenues coming from proposed District rate increase(s) along with the annual tax appropriations from the County of Colusa Special District reserve funds.

In summary, the current financial and budgeting plan for the District provides the required justifications for proposed rates based on monthly operating expenses and emergency expenditures. When approved, this plan will be a part of the future District wastewater budgeting expenditure process and will provide the basis for future revenue projections and rate setting processes. The required rate setting process and yearly cash flow projections include, and are not limited to, the following new and updated budgetary line items to address capital replacements and improvements:

- I. Operating Expenses (Fund 6- Admin./General Expenditures and Fund 7-Operating Expenditures)
- II. Small Capital Expenditures (Fund 7-typically less than \$20,000 yearly)
- III. Short-term Capital Expenditures (new proposed Fund 8 - emergency replenishment capital replacement expenditures)
- IV. Long-term Capital Replacement Expenditures (Pending) to be completed in 2028.

Equivalent Dwelling Unit (EDU) Rate Basis

It is common practice to equate a given user account to an “Equivalent Dwelling Unit” or EDU for the purpose of establishing and allocating utility rates. The cost for wastewater service is flow based with the required revenue to operate and maintain facilities coming from the district customers base by using the single-family residential customer as the foundation for establishing a uniform method for acquiring necessary revenue. A typical EDU is based on an average daily wastewater flow rate from a single-family resident which historically ranges from 225 gallons per day (GPD) to 275 GPD for Arbuckle. There are various methods to calculate the average daily wastewater flows (ADWF) for a single residence. The first and most common method is to calculate an ADWF based on historical winter water meter flow records and data, with the assumption that the winter water usage is confined to indoor plumbing. The calculated EDU is uniformly applied and becomes a component of the monthly sewer rate for each residential customer (Refer to **Table 2.1**, above).

Once an appropriate EDU value is calculated for single family residence, the EDU value can be applied to commercial, industrial, government/institutional, and multifamily connections (non-residential customers) that are also discharging waste flows to the public sewer system(s). Calculating the total average daily waste flow from commercial, industrial, government/institutional, and/or multifamily customers can be calculated by various methods, including and not limited to:

1. Utilizing metered water usage during winter months and calculating an average daily flow rate with the assumption that a majority of the water usage is discharged directly into the public sewer system(s). It is important to note that the District is not fully metered and metered water use for calculating sewer fees is not recommended at this time.
2. Utilizing “Book Values” for typical average daily flow rates for commercial, industrial, and multi-family type customers. These book values can be acquired through various nationwide flow studies as compiled within various journals. Sources used in this study included Metcalf and Eddy “Wastewater Engineering” - 1979 and Water Environment Federation (WEF) Manual of Practice 8, 4th Addition- 1998)

In order to establish the value of a typical single family residential customer, the total number of

EDUs contributing to the wastewater treatment plant influent flow were considered along with an estimated at 1,084 (FY 2024/25) sewer services. Historically, the average flow at the plant is reportedly between 250,000 gallons per day (gpd) and 300,000 gpd. Using 275,000 gpd as the average flow at the plant and dividing by roughly 1,100 services results in a typical waste flow rate of 250 gpd. This value is typical for residential customers and can be used for calculating the number of EDUs for other commercial, industrial, multi-family, and government/institutional accounts, including those accounts that typically generate higher waste flow rates on a daily basis, such as schools, car washes, laundromats, etc. It was found that book values (for method 2, above) would be the most appropriate means of calculating the EDUs for each non-residential customer in the absence of flow metering, while relying on the value of 250 GPD/EDU.

An example of applying book values was established for the Pierce Unified School District account (i.e. middle school and high school) with a combined total number of students of 765 as follows:

$$765 \text{ students} \times 10 \text{ gpd/student}^{(1)} / 250 \text{ gpd per EDU} = \mathbf{30.6 \text{ EDUs}}$$

(1) Reference: Metcalf and Eddy Wastewater Engineering 3rd Edition

Similar methodology was applied to other high use accounts as reflected in **Attachment A**. Efforts were made to use the lower book values where possible (i.e. typical high school waste flows were listed at 10 to 30 GPM per student in Metcalf and Eddy). In the future, and once the District installs. New system-wide water flow meters, flow studies will then be conducted to acquire accurate waste flow rates from individual accounts or groups of customers.

Legal Requirements and Other Assumptions

1. Reviewed and utilize current reports; expenditures and costs; regulatory actions, letters, and communications; and other pertinent information relating to the existing catastrophic system failures at the WWTP.
2. Utilize information and certain recommendations as found within the FY 2025/26 Rate Study as prepared by the RCAC.
3. Adhere to all requirements as per Proposition 218, reflected in the California Constitution as Article xiii d, as enacted in 1996, which is to ensure that rates and fees are reasonable and proportional to the cost of providing service. the principal requirements for fairness of the fees, as they relate to public and water and wastewater service including and not limited to certain requirements, hereto:
 - A property-related charge (such as water and wastewater rates) imposed by a public agency on a parcel shall not exceed the costs required to provide the property-related service.
 - Revenues derived by the charge shall not be used for any purpose other than that for which the charge was imposed.
 - The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
 - No charge may be imposed for a service unless that service is used or immediately available to the owner of property.

- A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing, when the agency considers all written protests against the charges/increases.
 - " Proposition 218 requires that rates cannot be arbitrary and capricious, meaning that the rate-setting methodology must be sound and that there must be a nexus between the costs and the rates charged". This study follows industry standard rate setting methodologies set forth by the M1 Manual, adhering to Proposition 218 requirements by developing rates that do not exceed the proportionate cost of providing water services.
4. Guidance will be provided for the final recommendations by the District Staff, Board, and Attorney prior to being provided to the public.

SECTION 3- BUDGETARY BASIS

The budgetary assumptions are based on projected annual expenditures (both variable and fixed costs), including administrative, general expenses, operating expenditures, small emergency/short-term items, and long-term capital replacement expenditures all of which are required to operate and maintain the District's wastewater facilities now and in the immediate future in order to achieve initial compliance with State and Federal requirements. Long-term compliance will be subject to additional analysis and recommendations from the pending SWRCB funded planning study.

Each budget year the required yearly operation and maintenance expenditures are re-evaluated along with the required revenue to meet those projected yearly expenditure requirements in order to ensure financial sustainability. Revenue is typically generated by both commercial and residential customers, with each single-family resident being one (1) equivalent dwelling unit (EDU) which is described in more detail in subsequent sections.

Current Revenues

The current revenue received by the District from various customer types was \$358,043 for the fiscal year ending on June 30, 2025, with revenues from rates being \$340,043 and other sewer connection revenues totaling \$18,000. These are unaudited figures. Table 3.1 below presents the estimated operating budget without annual inflationary factors and without consideration of additional capital expenditures and operating costs for anticipated emergency facilities.

Table 3.1								
Budget Revenue Projections FY 2024/25, - 2030/31								
<i>Anticipated Growth Rate</i>		0%	0%	0%	0%	0%	0%	0%
Sewer Revenue Projection								
	FY 2023/24	FY 2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Fund 40 - Operating Income								
Sewer Charges		\$340,043	\$340,043	\$340,043	\$340,043	\$340,043	\$340,043	\$340,043
Sewer Connection Fees		\$18,000	\$0	\$0	\$0	\$0	\$0	\$0
Penalties & Interest Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues		\$358,043	\$340,043	\$340,043	\$340,043	\$340,043	\$340,043	\$340,043
Rate Revenues		\$340,043	\$340,043	\$340,043	\$340,043	\$340,043	\$340,043	\$340,043
Other Revenues		\$18,000	\$0	\$0	\$0	\$0	\$0	\$0

In addition to the sewer connection revenues, the APUD receives income from the Colusa County Special Districts Operating Funds. The total tax fund revenue in Fiscal Year 2025/2026 is \$100,000. This tax revenue is estimated to increase by 3% per year. Future estimated tax revenue is shown in Section 4 of this study.

Current Debt Service (Obligations)

The District currently has no debt obligations. To the extent possible, the District will continue to pursue grant funding to minimize rate impacts associated with future capital expenditures, however, given the immediate need for emergency upgrades, it is anticipated that an initial loan will be necessary as reserves are re-established.

Current Expenses and Revenue

Current operating expenses and revenues for FY 2023/24 and FY 2024/25 are projected and were developed for Fiscal Year budgeting purposes as shown within **Table 3.2**:

Table 3.2		
Current Expenses and Revenue (FY 2024/25 and FY 2025/26)		
Revenues		
Main Categories	FY 2024/25	FY 2025/26 ⁽¹⁾
Sewer Fees Monthly	\$358,000	\$358,000
Colusa County Special Districts Operating Funds ⁽²⁾	\$134,155	\$131,153
	\$492,155	\$489,153
Operations and Maintenance Expenses		
Main Categories	FY 2024/25	FY 2025/26 ⁽¹⁾
Fund 6 - Admin/General Expenditures		
Salaries/Wages	\$37,358	\$103,663
Payroll Tax Expense	\$9,149	\$13,405
EUI	\$93	\$100
Employee Benefits	\$4,534	\$13,500
OPEB Expense	\$45,039	\$2,381
Commercial pkg	\$13,450	\$12,000
Health Medical and DentalDental	\$19,205	\$46,500
Workers Comp	\$11,220	\$8,000
Planning & Develop.	\$4,739	\$2,000
Accounting/Pre-Audit	\$787	\$700
Accounting Audit	\$4,246	\$6,500
Computer Repairs	\$225	\$5,400
Telephone	\$2,670	\$1,710
Printing & Reproduction	\$146	\$1,000
Continuing Education	\$633	\$633
Office Supplies	\$8,934	\$10,000
Penalties	\$777	\$777
Public Notices	\$354	\$354
Bank Service Charge	\$1	\$600
Dues, Subscription	\$133	\$500
Consulting ⁽³⁾	\$129,607	\$0
Legal	\$50,000	\$35,000
Fund 6 Totals	\$343,300	\$264,723
Fund 7 - General Expenditures		
Salaries & Wages	\$66,700	\$85,078
State Payroll Taxes	\$155	Fund 6
Employee Benefits	\$3,368	Fund 6
General Repairs	\$2,626	\$33,159
Vehicle Repairs	\$15	\$1,500
Gas and Electirc	\$8,695	\$9,600
Waste Removal	\$275	\$275
Fuel	\$3,351	\$15,600
Licenses & Permits	\$32	\$35
Testing Fees	\$19,029	\$20,000
Parts & Supplies	\$3,322	\$18,000
Contract Labor	\$2,386	\$3,000
Continuing Educ	\$66	\$66
Regulatory Fees	\$37,617	\$37,617
Propane	\$0	\$0
Chemicals & Sprays	\$1,220	\$500
Annual Year-End Operating Reserves		
Fund 7 Totals	\$148,857	\$224,430
Total Expenses - Fund 6 and 7	\$492,155	\$489,153
Notes:		
(1) Budget information as provided by the General Manager		
(2) County Reserve Funds through Special Districts Allocations and amounts borrowed vary		
(3) Consulting fees to be reimbursed by SWRCB Grant Funding		

Projected Operating Expenses

Operating expenses for the next five years have been estimated with an assumed 5% annual inflation rate.

TABLE 3.3- OPERATING EXPENSES							
Main Categories	Fiscal Year						
	2024/25	2025/26 Current	2026/27	2027/28	2028/29	2029/30	2030/31
Annual Operations Increase (%)	NA	Prorated ⁽²⁾	5.00%	5.00%	5.00%	5.00%	5.00%
Operating Expenses							
Fund 6 - Admin/General Expenditures							
Salaries/Wages	\$37,358	\$103,663	\$108,846	\$114,288	\$120,003	\$126,003	\$132,303
Payroll Tax Expense	\$9,149	\$13,405	\$14,075	\$14,779	\$15,518	\$16,294	\$17,109
EUI	\$93	\$100	\$105	\$110	\$116	\$122	\$128
Employee Benefits	\$4,534	\$13,500	\$14,175	\$14,884	\$15,628	\$16,409	\$17,230
OPEB Expense	\$45,039	\$2,381	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039
Commercial pkg	\$13,450	\$12,000	\$12,600	\$13,230	\$13,892	\$14,586	\$15,315
Health Medical and DentalDental	\$19,205	\$46,500	\$48,825	\$51,266	\$53,830	\$56,521	\$59,347
Workers Comp	\$11,220	\$8,000	\$8,400	\$8,820	\$9,261	\$9,724	\$10,210
Planning & Develop.	\$4,739	\$2,000	\$2,100	\$2,205	\$2,315	\$2,431	\$2,553
Accounting/Pre-Audit	\$787	\$700	\$735	\$772	\$810	\$851	\$893
Accounting Audit	\$4,246	\$6,500	\$6,825	\$7,166	\$7,525	\$7,901	\$8,296
Computer Repairs	\$225	\$5,400	\$5,670	\$5,954	\$6,251	\$6,564	\$6,892
Telephone	\$2,670	\$1,710	\$1,796	\$1,885	\$1,980	\$2,079	\$2,182
Printing & Reproduction	\$146	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216	\$1,276
Continuing Education	\$633	\$633	\$665	\$698	\$733	\$769	\$808
Office Supplies	\$8,934	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155	\$12,763
Penalties	\$777	\$777	\$816	\$857	\$899	\$944	\$992
Public Notices	\$354	\$354	\$372	\$390	\$410	\$430	\$452
Bank Service Charge	\$1	\$600	\$630	\$662	\$695	\$729	\$766
Dues, Subscription	\$133	\$500	\$525	\$551	\$579	\$608	\$638
Consulting ⁽⁵⁾	\$129,607	\$0	\$0	\$0	\$0	\$0	\$0
Legal	\$50,000	\$35,000	\$36,750	\$38,588	\$40,517	\$42,543	\$44,670
Fund 6 Totals	\$343,300	\$264,723	\$277,959	\$291,857	\$306,450	\$321,772	\$337,861
Fund 7 - General Expenditures			0.05	0.05	0.05	0.05	0.05
Salaries & Wages	\$66,700	\$85,078	\$89,332	\$93,798	\$98,488	\$103,413	\$108,583
State Payroll Taxes	\$155	Fund 6	Fund 6	Fund 6	Fund 6	Fund 6	Fund 6
Employee Benefits	\$3,368	Fund 6	Fund 6	Fund 6	Fund 6	Fund 6	Fund 6
General Repairs	\$2,626	\$33,159	\$34,817	\$36,558	\$38,386	\$40,305	\$42,320
Vehicle Repairs	\$15	\$1,500	\$1,575	\$1,654	\$1,736	\$1,823	\$1,914
Gas and Electirc	\$8,695	\$9,600	\$10,080	\$10,584	\$11,113	\$11,669	\$12,252
Waste Removal	\$275	\$275	\$289	\$303	\$318	\$334	\$351
Fuel	\$3,351	\$15,600	\$16,380	\$17,199	\$18,059	\$18,962	\$19,910
Licenses & Permits	\$32	\$35	\$37	\$39	\$41	\$43	\$45
Testing Fees	\$19,029	\$20,000	\$21,000	\$22,050	\$23,153	\$24,310	\$25,526
Parts & Supplies	\$3,322	\$18,000	\$18,900	\$19,845	\$20,837	\$21,879	\$22,973
Contract Labor	\$2,386	\$3,000	\$3,150	\$3,308	\$3,473	\$3,647	\$3,829
Continuing Educ	\$66	\$66	\$69	\$73	\$76	\$80	\$84
Regulatory Fees	\$37,617	\$37,617	\$39,498	\$41,473	\$43,546	\$45,724	\$48,010
Propane	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chemicals & Sprays	\$1,220	\$500	\$525	\$551	\$579	\$608	\$638
Annual Year-End Operating Reserves ⁽⁵⁾			\$45,000	\$47,250	\$49,613	\$52,093	\$54,698
Fund 7 Totals	\$148,857	\$224,430	\$280,652	\$294,684	\$309,418	\$324,889	\$341,134
Total Operating Expenses Funds 6	\$492,155	\$489,153	\$558,611	\$586,541	\$615,868	\$646,662	\$678,995

General Notes: FY 25/26 combined medical and dental, Please refer to Fund Account 11- SWRCB Grant for Consulting, Please refer to Fund 8 (Small Capital Replacements) for general repairs.

Capital Replacement Recommendations

The District's current rate structure does not categorize short- and long-term capital replacement projects and related expenditures using separate fund accounts within its yearly approved budget process. The District has used, and continues to use, funds that are collected and received by Colusa County as a part of the Special District's Operating Fund that are obtained through yearly special tax proceeds. The annual amount of tax revenue is adjusted from year to year based on various factors, including population, per capita income, and appraised property values.

The recommended rates below consider the impact of Special District tax proceeds, along with the revenue from the customer user rates, to fund existing emergencies and future capital improvements. It is also assumed that the County Special District funds can be used within the operating budget. New fund accounts and budget line items should be established within the District's fiscal year budgets to include funding revenues for the following capital replacements and improvements:

- Miscellaneous Operational Equipment Replacements (line item already provided for in the current 2024/24 FY and 2025/26 budgets and also found under General Repairs in Fund 7 with a FY 2025/26 (base year) projection of \$33,159
- Capital Replacement Costs (Emergency/Immediate and Short-term facilities needed for the next 5 years)
- Other Capital Improvement Costs (Long-term Capital Replacement Reserves for 5, 10, 25 Years) to be further quantified in future planning studies.

The establishment of dedicated capital replacement fund accounts will more accurately reflect the need to address existing wastewater facility upgrades in the near-term and for the long-term to provide a cost-effective means to replace old and deteriorated wastewater facilities. The funding of predicted and planned system-wide improvement projects will help the District minimize emergency system-wide repairs that result in serious water quality violations and excessive unplanned depletion of reserve funds in the future.

An example of an unplanned emergency response totaling over \$3.5 million occurred over the last two years when County Special District Operating and Reserve Funds (Funds 506/507) were used for emergency remediations and actions taken by the District staff to overt serious water quality issues (refer to Attachment B). The emergency actions taken by the District were acute and immediate and were not intended to provide any lasting solutions for addressing existing known WWTP system deficiencies.

In June of 2025, MC Engineering Inc. was retained to prepare water balance as directed by the SWRCB in the recent Cleanup and Abatement Order, which included identification of emergency short-term recommendations totaling and estimated **\$5 million**. The recommended emergency short-term improvements are to be designed and completed within the next six (6) months, assuming interim financing can be acquired in order to avoid future unplanned discharges and water quality violations.

The District approves and adopts the yearly Special District's fund expenditure levels through yearly resolution(s) that typically range from approximately \$210,000/year, with approximately \$105,000 be allocated for wastewater operations. The District receives its annual Special District's revenues in tranches each year. These funds have recently been used to fund various emergency system-wide mitigation of failures and associated emergency actions, along with some capital improvement projects. It is important to note that the tax proceeds can be split 50/50 between the Water and Wastewater Enterprises, with the total FY 2024-25 District appropriation being **\$209,301**, with 50% of the funds (revenues) going to the wastewater operations.

It is recommended, beginning with the new FY 2026/27 budget, that the County Special District's Operating Revenues be included and reflected within the District's fiscal year budgets. These funds, along with the rate-based revenues, should be allocated primarily for capital replacements and improvements for deteriorated facilities, both now and into the future.

Miscellaneous Small Operational Equipment Replacements

These budgeted expenses typically are for small replacement items that are updated on an annual basis. These costs should be included within new recommended Fund 8. These small equipment purchases and replacements have been recommended by the District and are a part of the RCAC Rate Study. The associated costs include an assumed inflationary factor of 5%. It is recommended that the starting base year amount for this replacement fund be \$33,159, as requested by the General Manager, with annual inflationary increases applied annually up to FY 2030/31 (refer to Fund 7 – General Repairs).

Capital Replacement Costs (Emergency/Immediate and Short-term, 3-5 years)

This Section is separated into two (2) capital replacement funding categories, as noted below.

- I. Expenditures from the County Property Tax and Special District's Reserves (Funds 506/507): A total of **\$3,566,462** has been expended over the last 1½ years for emergency actions and repairs taken by the District staff to avoid serious health and safety issues at the WWTP. Most of the immediate and emergency expenditure was for the hauling of effluent by trucks to other wastewater treatment and disposal facilities in the region, totaling **\$2,915,676** as itemized in **Table 3.4.2a**, below is an approximate breakdown of emergency expenditures applied to various operational emergency actions taken by the District in 2024 and 2025 to avoid serious water quality issues.

Table 3.4.2a

Cleanup and Abatement Expenses (Emergency)

	Expenditure Description	Cost
1	Wastewater Hauling and Disposal	\$ 2,295,930
2	Sludge Removal, Hauling and Disposal	\$ 619,746
3	Engineering (WSC)	\$ 164,000
4	Contract Labor Excavator and Backhoe	\$ 50,000
5	Diesel Pump Rental	\$ 44,436
6	Road Base for Berm Repair	\$ 50,000
7	Emergency Embankment Repair	\$ 97,850
8	Legal	\$ 20,000
9	Fuel for Pumps and Generator	\$ 18,000
10	Coleman Engineering	\$ 144,000
11	Evaporator Rental	\$ 62,500
	Total	\$ 3,566,462

II. Short-term Capital Improvements Funding: These funds provide necessary revenue for emergency capital replacements and improvements intended to avoid future wastewater spills and violations. These revenues are required to construct necessary short-term capital improvements, as recommended and found within a memo addressed to the RWQCB titled "Proposed Emergency Discharge Work Plan and Related Permitting Needs" dated June 3, 2025. The capital costs are estimated at \$4.7 million, with possible land acquisition costs of \$2.1 million.

Capital Improvement Cost

(Long-term Capital Replacement and Improvements Reserves (CRP)
for 5, 10, 25 Years)

Pending Long-term Capital Replacements and Improvement Projects will be recommended as part of the SWRCB Division of Financial Assistance (DFA) State Revolving Fund (SRF) Grant Funded Facilities Plan which will include environmental documentation, as well as an engineering and operations evaluation of the District's wastewater facilities, including the collection and interceptor pipelines, manholes, pump stations, wastewater treatment and disposal facilities.

It is also recommended that an Asset Management Plan (AMP) be prepared to assist the District in documenting future planned and predictable cost-effective system-wide capital improvements (with alternatives). The proposed AMP will provide safe and dependable short-term and long-term operations of District wastewater facilities. The plan will also help ensure that any existing and new facilities meet all Federal and State Waste District NPDES and CRWQCB Waste Discharge Requirements (WDRs), along with avoiding unplanned and costly system-wide failures.

SECTION 4- PROPOSED WASTEWATER RATES (RECCOMENDATIONS)

This Section provides rate(s) adjustment recommendations in order to generate the required revenue to properly achieve the goal of yearly and long-term fiscal sustainability. The recommended rate adjustments are based on anticipated needs while taking into consideration affordability to help ensure current users are able to pay for the required cost of services. At a minimum, the recommended rate adjustments are intended to help ensure that in the short term, the District will avoid insolvency while operating and maintaining its wastewater infrastructure in a manner necessary to meet CRWQCB water quality objectives and to avoid significant water quality violations. **Table 4.1**, includes projected rate increase for FY 2025/26 (pro-rated), FY 2026/27, FY 2027/28, FY 2028/29, FY 2029/30, and FY 2030/31.

The recommended annual rate increase includes the two (2) following components:

1. Operations, Maintenance, and Administration Expenses- Fund 6 and Fund 7
2. Capital Reserves and Replacements (including projected annual debt service of \$373,507) – Fund 8 and 9

The combined overall rate increase is 121% for FY 2026/2027, with the Operations and Maintenance Budget being 20% in the 1st year, 10% in the 2nd year, and 5% thereafter. The largest impact on the customer rates is the required debt service to fund the emergency and short-term Improvements at the WWTP. The debt service will add an approximate and additional \$384,976 to the budget annually. The debt service, itself, will increase the rates by an additional 121% the 1st year with no increases required thereafter required for the debt service and Capital Replacement – Fund 8.

The monthly customer rates will increase from the current \$28/mo./EDU to \$61.84/mo./EDU for the 1st fiscal year starting in 2026/27. The annual increases, once the debt service is established, will be \$65.20/mo./EDU for FY 2027/28, \$67.05/mo./EDU For FY 2028/29, \$68.99/mo./EDU for FY 2029/30, and \$71.03/mo./EDU for FY 2030/31, with the largest impact on the proposed rate increases being the required and necessary revenue from the customers to fund the “Emergency Capital Improvements”.

Table 4.1- Proposed Rate Increase

ORDINARY INCOME	<i>FY 24/25</i>	<i>FY 25/26</i>	<i>FY 26/27</i>	<i>FY 27/28</i>	<i>FY 28/29</i>	<i>FY 29/30</i>	<i>FY 30/31</i>
OPERATING INCOME AND RESERVE FUNDS (FUND 40)							
Increase		20% (2 mos.)	20%	10%	5%	5%	5%
Sewer Fees Monthly (Based on 25/26 Assumption)	\$365,481	\$382,385	\$458,862	\$504,748	\$529,986	\$556,485	\$584,309
Colusa County Special Districts Operating Funds ⁽¹⁾		\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927
Total District Projected Revenues		\$482,385	\$561,862	\$610,838	\$639,258	\$669,036	\$700,237

EXPENSES	<i>FY 24/25</i>	<i>FY 25/26</i>	<i>FY 26/27</i>	<i>FY 27/28</i>	<i>FY 28/29</i>	<i>FY 29/30</i>	<i>FY 30/31</i>
OPERATING EXPENSES (FUNDS 6 AND 7)							
Total Operating Expenses Funds 6 & 7 (From Section 3)	\$492,155	\$489,153	\$558,611	\$586,541	\$615,868	\$646,662	\$678,995
Total Projected Base Revenue			\$561,862	\$610,838	\$639,258	\$669,036	\$700,237
Total Projected Net Budget			\$3,251	\$24,297	\$23,390	\$22,374	\$21,242
CAPITAL RESERVES AND REPLACEMENTS (FUNDS 8 AND 9)							
Fund 8							
Small Capital Replacements		Refer to Fund 7	Refer to Fund 7	Refer to Fund 7	Refer to Fund 7	Refer to Fund 7	Refer to Fund 7
Short-term Emergency Replacements ⁽²⁾ (Annual Debt Service)		NA	\$384,976	\$384,976	\$384,976	\$384,976	\$384,976
Fund 9 Capital Improvements							
Long-term Capital Improvements ⁽⁴⁾ (No Funding Available, Pending Facilities Plan)		NA	Pending	Pending	Pending	Pending	Pending
Funds 8 & 9 Totals			\$384,976	\$384,976	\$384,976	\$384,976	\$384,976
Total Annual Expenditures/Expenses		\$489,153	\$946,838	\$995,814	\$1,024,234	\$1,054,012	\$1,085,213

PROPOSED RATES (1138 EDUs)	<i>FY 24/25</i>	<i>FY 25/26</i>	<i>FY 26/27</i>	<i>FY 27/28</i>	<i>FY 28/29</i>	<i>FY 29/30</i>	<i>FY 30/31</i>
Combined Monthly Funds 6 & 7 - EDU Sewer Rate	\$28	\$28	\$33.60	\$36.96	\$38.81	\$40.75	\$42.79
Monthly Rate Increase Required to Fund Debt Service, only			\$28.24	\$28.24	\$28.24	\$28.24	\$28.24
Combined Monthly EDU Sewer Rate (Operating Expenses and Debt Service)			\$61.84	\$65.20	\$67.05	\$68.99	\$71.03
<i>Proposed Combined Annual Rate Increase (%)</i>			121%	5%	3%	3%	3%

Notes:

(1) District receives annually/approximately \$100,000 from a County Special District's Fund Acct. (also know as a reserve fund acct) this amount increases by an estimated 3%/year. Since 2023 this fund has been depleted from \$3, 400,000 to a current \$ 367,519.

(2) Pro-rated 2025/26 Budget by General Manager based on monthly adjustments to emergency expenditures for WWTP issues.

(3) One-time emergency loan acquisition, including a yearly required debt service to construct and install emergency related infrastructure at WWTP. 5.5% over 20 years is assumed.

(4) It is anticipated that that following completion of the SWRCB funded Facilities Plan an "Asset Management Plan" will be prepared that will include recommended 5, 10, 25-year capital improvements.

(5) Operations reserve is typically 1 - 1.5 (10% min.) month of operation costs = \$40,000. This operating reserve is critical for cash flow, and the District has depleted it Special District's Reserve account in FY 2024-2026

ATTACHMENT A

EDU CALCULATIONS

DRAFT COMMERCIAL REVISED MONTHLY RATES w/ EDUs

Account No.	Customer Class and Name			Calculation for Current Monthly User Rate				Book Value Calculation ⁽¹⁾ (Metcalf and Eddy -1979 and WEF Manual of Practice 8)					Water Use Calculation (NOT USED) ⁽²⁾			Revised EDU and Applied Monthly User Rate		Recommended Revised Monthly User Rate (\$)
				Current No. of EDUs Applied	Gallons/Day Per EDU	Value of EDU Monthly Rate \$	Current Monthly Rate	Unit GPD Calculation ⁽¹⁾	Calculated EDUs	Corrected Monthly Rate (\$28/EDU)	Total Monthly Water Usage Avg. GPD	Total No. of EDUs to be Applied	Corrected Monthly Rate (\$)	Increased or Decreased EDU Calculation	Net Increase/Decrease Monthly User Rate (\$)			
	Customer Class	Additional EDUs/Class	Customer Name					Unit Type and GPD	Recommended EDU Value (Engineers Recommendation)									
	Service Sations	Food Service Food/Car Wash Food/Car Wash	Ghoman, Rick (76 gas station)	1.207	250	\$28.00	\$33.80	Vehicle=10	1.5	\$42.00				0.293	\$8.20			
			j and J Gas Mini Mart- Food	1.1	250	\$28.00	\$30.73	Employee=12	2.5	\$70.00				1.4	\$39.27			
			Davies Oil Company (Chevron)-Food	1.207	250	\$28.00	\$33.80	Food Service = 1 EDU	3	\$84.00				1.793	\$50.20			
			Poppy Market, LLC- Food w/car wash	1.207	250	\$28.00	\$33.80		3	\$84.00				1.793	\$50.20			
	Bars		Charter, Perry (113 4th Street)	1.12	250	\$28.00	\$33.30	Customer= 3	1.5	\$42.00				0.38	\$8.70			
				Charter, Perry (Tex's)	1.12	250	\$28.00	\$33.30	Minimum= 1 EDU	1.5	\$42.00				0.38	\$8.70		
	Restaurants	Food Service	Alisco-Geyer (Central Valley Foods)	1.207	250	\$28.00	\$33.80		1.5	\$42.00				0.293	\$8.20			
			El Jalisience Mexican Grill	1.34	250	\$28.00	\$37.50	Meat Served= 8	1.5	\$42.00				0.16	\$4.50			
			Mariscos El Capi, LLC	1.34	250	\$28.00	\$37.50		1.5	\$42.00				0.16	\$4.50			
	Government/Institutions		Arbuckle College City Fire District(3)	3	250	\$28.00	\$84.00	Employee= 13	3	\$84.00				0	\$0.00			
				Arbuckle Parks & Rec. - Balfour	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Arbuckle Post Office	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Colusa County Library	1	250	\$28.00	\$28.00	Employee= 13	1	\$28.00				0	\$0.00		
				Colusa County Water District	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				County Road Department	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Colusa County Office of Education	1.207	250	\$28.00	\$33.80	Employee= 13	1.207	\$33.80				0	-0.004		
	Religious Institutions		Arbuckle Christian Fellowship	2.05	250	\$28.00	\$57.40		2.05	\$57.40				0	\$0.00			
				Sacred Heart Catholic Churc	2.05	250	\$28.00	\$57.54		2.05	\$57.40				0	-\$0.14		
				Methodist Church and Parsonage	2.05	250	\$28.00	\$57.53		2.05	\$57.40				0	-\$0.13		
	Small Retail		Almond Diesel Repair, Inc.	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00			
				Arbuckle Mini Storage (Kline)	0	250	\$28.00	\$0.00		0	\$0.00				0	\$0.00		
				Bouchelaghem, Tahar (411 5th)	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Bouchelaghem, Tahar (413 5th)	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Bouchelaghem, Tahar (storage)	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Bouchelaghem, Tahar (store)	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Corona Family Barber Shop	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Duarte Hay, Inc.	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Kreative Salon c/o Vanessa Madera	1	250	\$28.00	\$28.00	Restroom= 500	1	\$28.00				0	\$0.00		
				Mikes Universal Services (Auto Shop)-1 man	1	250	\$28.00	\$28.00	Employee=13	1	\$28.00				0	\$0.00		
				Umpqua Bank (billing)	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Valley Farm Transport, Inc	2.41	250	\$28.00	\$67.60		2.41	\$67.48				0	\$0.00		
				Deroda Inc. c/o Orland Auto Parts, Inc.	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				El Tapatio Western Wear	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				High Noon Guns and Ammo	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
			ResidentialRetail	Alcaraz, Elise (La Altenita)	1.207	250	\$28.00	\$33.80		1.207	\$33.80				0	\$0.00		
			Office	Frontier Communications	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
			Boles, MaryAnn	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00			
	Large Retail/Markets		Arbuckle Market, Inc.	1.24	250	\$28.00	\$34.73	Restroom= 500	2	\$56.00				0.76	\$21.27			
				DeLoza Meat Market	1	250	\$28.00	\$28.00	Employee=10	2	\$56.00			1	\$28.00			
				Dollar General	1.04	250	\$28.00	\$29.04		3	\$84.00			1.96	\$54.96			
	Medical		Gill, Dr. SherHimmat S.	1.04	250	\$28.00	\$29.04	Bed=100	1.04	\$29.12				0	\$0.08			
				Arbuckle Family Health Center	1.207	250	\$28.00	\$33.80	Employee=10	1.207	\$33.80				0	-\$0.04		
				Colusa Med Center	1	250	\$28.00	\$28.00		1	\$28.00				0	0		
	Schools	Showers 327 Students 609 Students 8 Students	E Center Migrant Head Start	1.13	250	\$28.00	\$31.55		1.13	\$31.64				0	\$0.09			
				Pierce Joint Unified School District 438 (57.3%)	3.76	250	\$28.00	\$105.13	High School= 10	17.52	\$490.56				13.76	\$385.43		
				Johnson Jr High - 327 (42.7%)	2.8	250	\$28.00	\$78.34	Junior High= 10	13.08	\$366.24				10.28	\$287.90		
				Arbuckle Elementary - 609 (542.44)	6.46	250	\$28.00	\$180.81	Elementary Schoo= 10	24.36	\$682.08				17.9	\$501.27		
	Daycare Facilities		Arbuckle ALternative 8	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00			
				Arbuckle Family Action Center	1.24	250	\$28.00	\$34.70	Employee= 8 Child= 8	1.24	\$34.72				0	\$0.02		
	Multi-Family/Apartments		Alexander Apartments	50	250	\$28.00	\$1,400.00		50	\$1,400.00				0	\$0.00			
				Creekview Apartments	36	250	\$28.00	\$1,008.00		36	\$1,008.00				0	\$0.00		
				Esposito, Barbara (4 apts.)	4	250	\$28.00	\$112.00		4	\$112.00				0	\$0.00		
				Garcia, Carlos (8 apts.)	8	250	\$28.00	\$224.00		8	\$224.00				0	\$0.00		
				J K Farms, Inc. (rentals)	2	250	\$28.00	\$56.00	Person= 70-100	2	\$56.00				0	\$0.00		
				Kessler, Raymond	6	250	\$28.00	\$168.00		6	\$168.00				0	\$0.00		
				Pierce Unified School Dist-rentals	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
				Smoke Land Arbuckle LLC	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00		
	Mobile Home Parks		Vraitch, S.K. (3 apts.)	3	250	\$28.00	\$84.00		3	\$84.00				0	\$0.00			
				Ferry Trailer Park (3 units)	3	250	\$28.00	\$84.00	Person= 40-60	3	\$84.00				0	\$0.00		
			Arbuckle Mobile Home Park	10	250	\$28.00	\$280.00		10	\$280.00				0	\$0.00			
			Ferry's Suburban Mobile Home Park (6)	6	250	\$28.00	\$168.00		6	\$168.00				0	\$0.00			
	Laundromats		E & S Laundromat	1.3	250	\$28.00	\$36.40		3	\$84.00	850 GPD	3		1.7	47.6			
	Private Meeting Halls		I.O.O.F	1	250	\$28.00	\$28.00		1	\$28.00				0	\$0.00			
				200.039			\$5,604.74		254.051	\$7,113.43				54.012	\$1,508.81			

DRAFT RESIDENTIAL REVISED MONTHLY RATES W/EDUs

Residential Connections	884	250	\$28.00	\$24,752.00		884	\$24,752.00
Total Commercial and Residential EDUs and Monthly Charges	1084.04			\$30,356.74		1138.051	\$31,865.43

Projected Yearly Revenue 2025/26 **\$382,385.14**

ATTACHMENT B

RECENT EMERGENCY ACTIONS SUMMARY

Date: June 3, 2025

To: Regional Water Quality Control Board

Attn: John Baum (john.baum@waterboards.ca.gov)` `

c.c.

Howard Hold (howard.hold@waterboards.ca.gov)

Kari Holmes (kari.holmes@waterboards.ca.gov)

Guy Childs (guy.childs@waterboards.ca.gov)

From: Mark Carey, PE, MC Engineering Inc. and Gary Felkins, General Manager Arbuckle Public Utility District

RE: Proposed Emergency Discharge Work Plan and Related Permitting Needs

Background

The Arbuckle Public Utility District (APUD) wastewater treatment facility, located north of Bailey Road, is currently regulated under WDR Order No. 93-208. The primary disposal mechanism for the plant consists of percolation ponds downstream of an existing aging primary clarifier and headworks. The infiltration rates in the ponds have been decreasing over time and are now to the point where the influent flows and loading have exceeded the capacity of the ponds. As a result, the District has experienced several uncontrolled discharges to the adjacent lands and Salt Creek beginning in September of 2023. More recently, the pond levels have continued to increase beyond the required freeboard and they are dangerously close to breaching the tops of the pond embankments.

In March of 2025, the District began trucking wastewater to the City of Orland in order to turn the tide on the rising pond levels as a desperate effort to avoid additional uncontrolled discharges. In the absence of an immediate discharge solution that does not rely solely on the percolation rates, the ponds will likely become full again and the District is at an extreme risk of additional uncontrolled discharges. The current cost for providing the emergency hauling of the primary treated waste is averaging up to \$25,000 per day and this rate of expenditures will deplete the District's current wastewater reserve fund in the coming months.

A Notice of Violation was issued by the RWQCB on October 24, 2018 that identified various violations including, among other items:

- Inadequate site fencing
- Exceedance of 2.2 MPN/100 ml coliform in monitoring wells

- High TDS and related constituents in monitoring wells in violation of groundwater limits
- Other possible issues relate to influent flow monitoring and possible high I/I wastewater entering facility.

More recently, the District received a Cleanup and Abatement Order (No. R5-2024-0703) that identified additional violations:

- Bypass of Treatment
- Inadequate Storage and Disposal Capacity
- Sludge Disposal and Removal Deficiencies
- Wastewater Spills: From September 19, 2023 to September 2024, APUD reported 18 spills totaling an estimated 77,000 gallons. The order required a variety of mitigation measures, some of which are in progress but most of which are subject to future analysis and will require long-term capital improvements.

An Operations and Maintenance Plan was required to be submitted by February of 2025 that outlines how the bypass of treatment or lack of capacity does not occur again. Without immediate action, as described herein, additional uncontrolled discharges appear eminent. As such, the required action plan and response has become a matter of urgency demanding that a solution be reached immediately.

A primary solution/mitigation for the current situation is the need for additional storage and disposal capacity in an effort to prevent further spills into Salt Creek along with impacts to active farming operations (adjacent private properties). The proposed approach would require support from the RWQCB along with immediate action under an emergency authorization and declaration approved by the District for land acquisition, including the construction of emergency piping and appurtenances, as described herein. It is important to note that a preliminary water balance has been prepared by the MC Engineering Team that is based on current flows. The water balance provides sufficient information that reinforces the recommendation, in accordance with the Order, that the additional disposal area is required to mitigate the failing performance of the percolation ponds.

Beyond the need for emergency actions are recommendations for the short and long-term planning and environmental documents that will provide cost-effective solutions for future wastewater facilities improvements for the District, including those as required and necessary for the collection system, WWTP and disposal facilities. These future preliminary planning and engineering documents are to be funded by the SWRCB DFA SRF program. Also, the future documents will provide a more detailed water balance along with other solutions and recommendations for the cost-effective operation and maintenance of

the wastewater facilities while at the same time meeting and adhering to the requirements as listed in Attachment A of the CRWQCB's CAO. The recommended short and long-term facility improvements will include the need to provide for future growth accommodations up to 2035 for this extreme disadvantaged community (DAC).

The District retained MC Engineering, Inc. to address the immediate "emergency" concerns and develop an emergency wastewater action management plan, briefly described herein, in an effort to provide a cost-effective path forward for meeting the current emergency. A more detailed plan is in progress that will follow the emergency strategy outlined herein. This initial memo is intended to help build consensus with the RWQCB staff and the District while identifying critical immediate milestones and establishing a proposed initial schedule and work plan. The initial objectives of this work plan include the following:

- Inform the Regional Water Quality Control Board of the District's intentions for the proposed emergency discharge strategy
- Request direction and concurrence from the RWQCB on the proposed emergency discharge permitting requirements
- Request cooperation in meeting the time frames established herein for issuing interim emergency waste discharge requirements and verify the minimum interim Report of Waste Discharge requirements to support an emergency permit until such time additional planning and preliminary engineering is completed for the next phase
- Establish milestones for OPUD to acquire property on adjacent lands for land disposal of effluent.

Two primary disposal mechanisms are identified in the proposed emergency strategy including reliance on evaporation during the coming summer months to lower water surface levels and, most importantly, discharge as soon as possible on adjacent ag lands in an effort lower ponds and to obtain sufficient freeboard to avoid uncontrolled discharges in the coming 2025/2026 rainy season.

The District is considering the use of temporary brush aerators that can be placed in the existing ponds primarily to increase evaporation rates and improve algal growth within the ponds. The existing system is likely providing a fair amount of treatment/oxidation prior to discharge and experience has shown that the effluent BOD will likely be due, in large part, to the algal concentrations inherent with pond systems. Portable, diesel driven generators would be relied upon for temporary power for the brush aerators. It is important to note that odors may increase as a result of the brush aerator additions.

- Our preliminary water balance indicates that the District is in need of approximately 80 acres of additional agricultural land that would be suitable for flood irrigation and storage. The water balance relies on a combination of evapotranspiration and percolation. Given the undisinfected secondary effluent being produced currently, adequate buffers should be established in the proposed permit. We anticipate the possibility of encroaching on one existing agricultural well whereby a minimum 100' buffer is anticipated.
- A temporary engine driven effluent discharge pump will be placed at a strategic location to withdraw water from the existing ponds and convey effluent via above ground temporary piping to the upslope portion of the disposal area. Initial disposal will be achieved through flood irrigation. Temporary berms and, if appropriate, tailwater capture will be constructed for the land disposal area with the goal of avoiding ponding beyond regulatory requirements.
- Public access will be limited by the addition of appropriate signage and, where deemed necessary, additional fencing.
- Existing monitoring wells may need to be augmented by the installation of additional wells as time permits and without impeding the emergency disposal needs.

Other Considerations and Request

Given the relatively long detention period and nature of pond systems, the BOD and TSS are typically reduced without the need for extensive process upgrades and we are requesting that the emergency permit reflect the temporary and emergency nature of the initial discharge. The District is currently in the process of finalizing a grant agreement through the SWRCB Department of Financial Assistance (DFA) that will provide funding for additional short-term and long-term planning. The proximity of the plant to adjacent agricultural land and the absence of viable surface discharge options will likely preclude the feasibility of such. The grant funding and subsequent planning is anticipated to begin in July of this year and be completed by mid-2026 at which time the District anticipates requesting a more permanent waste discharge permit that will likely include reliance on a more robust aerobic process as has been the trend for several neighboring communities.

It is suspected that the algae is contributing significantly to the current effluent BOD values and we would like to request that future permits distinguish between the algae based BOD and the BOD of wastewater origins. Because algae is known to create rather dramatic diurnal dissolved oxygen and pH swings those fluctuations should be recognized. It is also suspected that the ponds contain a large amount of accumulated sludge and solids that could pose issues as the ponds are drained. A solids handling/biosolids management

strategy should be included in the anticipated planning phase being funded through DFA later this year.

Other studies that would be considered in the upcoming SWRCB planning phase will include additional hydrogeologic and soils analysis with consideration of the underlying soils and groundwater as well as more extensive and updated water balance and process evaluation. More refined percolation rates will also be provided during the upcoming planning phase.

The attached schedule reflects the District's immediate goals to meet the emergency conditions. The schedule assumes that land is available, and the emergency measures are in place by August of this year.

The District is requesting that the RWQCB provide interim WDRs now assuming effluent will be applied to approximately 80 acres of adjacent irrigable land. As the attached schedule reflects, if we wait for the District to close on the land it will be too late. In addition, required reporting is requested now so the District and the Engineering team can make appropriate preparations in advance of the land acquisition which is on the critical path for the proposed solution.

We look forward to receiving input from the RWQCB executive staff and assigned engineers in order to address the emergency conditions. Upon review of our proposed strategy we would like to schedule a meeting to review the timelines and work plan.

Thank you for your support and consideration,



Mark Carey, PE



Gary Felkins, APUD General Manager