

**A presentation of this report was presented  
at the May 27, 2026 Board meeting.**



## **2026 Crockett Sewer Financial Plan**

Crockett Community Services District

Draft Report

June 3, 2026



Mr. Jena Goodman  
General Manager  
Crockett Community Services District



Re: 2026 Crockett Sewer Financial Plan

Dear Ms. Goodman,

Hildebrand Consulting is pleased to present this 2026 Crockett Sewer Financial Plan (Financial Plan) for Crockett Community Services District's Crockett Sewer Enterprise. We appreciate the fine assistance provided by you and all of the members of the District staff who participated in the study.

If you or others at the District have any questions, please do not hesitate to contact me at:

[mhildebrand@hildco.com](mailto:mhildebrand@hildco.com)  
(510) 316-0621

We appreciate the opportunity to be of service to the District and look forward to the possibility of doing so again in the near future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Hildebrand', written in a cursive style.

Mark Hildebrand  
Hildebrand Consulting, LLC

Enclosure

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## List of Acronyms

AWWA	American Water Works Association
C&H	C&H Sugar Company
COSA	cost of service analysis
DCR	debt service coverage ratio
FY	fiscal year (which ends on June 30 for the District)
HCF	hundred cubic feet (equal to 748 gallons)
JTP	Joint Treatment Plant (operated by C&H Sugar Company)
O&M	operations and maintenance

## **SECTION 1. INTRODUCTION AND SUMMARY**

Crockett Community Services District (District) has retained Hildebrand Consulting to conduct an update to the financial plan for the Crockett Sewer Enterprise. This report describes in detail the assumptions, procedures, and results of the study, including conclusions and recommendations.

### **1.1 CROCKETT SEWER UTILITY BACKGROUND**

Sewer service in Crockett is provided by the Crockett Sanitary Department within the Crockett Community Services District. Crockett sewer facilities include 16 miles of gravity sewer lines throughout the Town of Crockett along with several force mains and two pump stations. Wastewater collected throughout the District flows to the Joint Treatment Plant (JTP) that the District shares with C&H Sugar Company (C&H). C&H is responsible for the operation, maintenance, improvements, and regulatory reporting at the JTP. The District has no direct operational responsibility at the JTP.

Originally the Crockett-Valona Sanitary District (CVSD) built a primary treatment plant that was placed in operation in 1960. In 1972, changes in regulations required that sewage be treated to a higher level therefore a secondary wastewater treatment plant was constructed by C&H and CVSD became co-owner. After a series of annexations, CVSD was dissolved and the Crockett Community Services District was formed as the successor agency in 2006. The Crockett Sanitary Commission was created and charged with oversight of sewer services provided by a new Crockett Sanitary Dept throughout the town of Crockett. The service area now includes all buildings and properties in Crockett, with the exception of the Crockett Striped Bass Club. The Crockett Sanitary Commission which has the authority to set policy, make and enforce regulations, regulate sewer use and construction, charge for services, incur expenses, and enter into contracts.

The District also operates a separate sewer service area (Port Costa) which is fiscally independent of the Crockett service area. This report only addresses the Crockett sewer service area and associated funds.

## **1.2 STUDY BACKGROUND**

The District's last formal sewer financial study for the Crockett Enterprise was conducted in 2012, which concluded that the sewer rates should be increased by 7 percent per year for three years and then 6 percent per year through FY 2021/22. Ultimately the District adopted lower rate increases during that time period.

## **1.3 STUDY OBJECTIVES**

The purpose of this Study is to develop a new 10-year projection of operating and capital expenses in order to create a financial plan, including a new 5-year rate schedule, which will generate sufficient revenue to meet the Sewer Enterprise's financial needs for ongoing operation and maintenance, debt service, and capital improvements while maintaining prudent reserves. The District intends to conduct a more comprehensive rate structure and cost-of-service analysis for Crockett in 2027.

## **1.4 STUDY METHODOLOGY**

This Study applied methodologies that are aligned with industry standard practices for rate setting as laid out in the AWWA M1 Manual, and applicable law, including the California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

The Study began with a review of the Crockett fund's current financial dynamics and the latest available cost data for the utilities' operations. A multi-year financial management plan was then developed to determine the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and capital cost requirements while maintaining adequate reserves. This portion of the Study was conducted using MS Excel®-based financial planning models which were customized to reflect financial dynamics and latest available data for the District's operations in order to develop a long-term

financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

## **SECTION 2. CROCKETT SEWER ENTERPRISE FINANCIAL PLAN**

This section presents the 2026 Financial Plan for the Crockett Sewer Enterprise, including a description of the source data, assumptions, and District’s financial policies. The District has provided actual financial data for FY 2024/25, estimated year-end financial data for FY 2025/26, and draft budgeted financial information for FY 2026/27. District staff also assisted in confirming other financial assumptions and policies, such as reserve targets and escalation rates for operating costs (all of which are described in the following subsections).

The Crockett Sewer Enterprise’s rate revenue requirement is the amount of revenue needed from sewer rates to cover planned operating, maintenance, debt service, and capital program costs with consideration of other revenues and financial reserves.

### **2.1 FINANCIAL PLAN ASSUMPTIONS**

The financial plan is an annual cash flow model. As a cash flow model, it differs from standard accounting income statements, and balance sheets. The financial plan models sources and uses of funds into, out of, and between the various funds and reserves of the sewer utility.

This update to the Crockett Sewer Enterprise financial plan reflects the FY 2026/27 budget and estimated financial conditions at the beginning of the fiscal year. The financial plan also reflects the Sewer Enterprise’s debt service obligations and capital improvement program, as identified by District staff, during the planning period that extends through FY 2035/36. The financial plan is based on the best available information and reasonable assumptions; future estimates have been reviewed with staff and are believed to be reasonable.

### **2.2 CROCKETT SEWER FUND BEGINNING FUND BALANCES**

The financial plan model is based on the fund structure currently used by the District. The Crockett Sanitary Department has three associated funds: Funds 3426, 3427, and 3429. Only Fund 3426 is considered in this financial plan since the latter two funds are restricted. The

starting cash balance in Fund 3426 at the beginning of FY 2025/26 was about \$4.38 million (\$1.28 million in cash and \$3.09 million invested in LAIF).

### **2.3 PROJECTED CUSTOMER GROWTH**

The District serves under 1,700 connections throughout the Town of Crockett. The majority of customers are single family and multi-family residential units. Development in Crockett is constrained by the Carquinez Strait to the north and the hilly topography and unstable soils of territory in the other directions, most of which is now owned by the East Bay Regional Park District thereby removed from consideration for development. The District foresees only limited infill growth in Crockett. As such, this Study assumes an annual growth rate of zero percent for the duration of the planning period.

### **2.4 RESERVE TARGETS**

Target cash reserves for utilities are balances retained for specific cash flow needs. The target for reserves is an important component when developing a multi-year financial plan. Utilities rely on reserves for financial stability; credit rating agencies evaluate utilities in part on their adherence to formally adopted reserve targets; and lending agencies require utilities to maintain specific debt reserves for outstanding loans.

The District does not have a formal reserve policy for the Crockett Enterprise Fund. This Study recommends the following reserve guidelines and proposes that the District adopt formal policies:

**Operating Reserve** – An operating reserve is maintained in order to meet the liquidity needs for the utility’s day-to-day operations. Such a reserve ensures continuity of service regardless of short-term changes in cash flow (revenue) or sudden increases in operating costs. Given the fact that the District receives most of its revenue from the County (from the tax roll) only twice per year, it is recommended that Crockett maintain a minimum cash reserves in an amount equal to 8 months of operating budget. Given the FY 2026/27 operation and maintenance (O&M) budget of \$3.046 million, the suggested minimum Operating Reserve target is about **\$1.6 million.**

**Capital Reserve** – A capital improvement and replacement fund balance policy is designed to meet the cash flow requirements of the annual capital budget, which can be inherently volatile. The purpose of the Capital Reserve is to both (1) create a “buffer” such that the reserve is drawn down during years of higher-than-average capital spending and (2) provides a source of funds in the event of catastrophic failure of sewer infrastructure. Based on input from District staff, this Study recommends that the Sewer Fund target a Capital Reserve equal to the Crockett’s average annual capital spending (about \$1.45 million).

The target levels of the policies above are consistent with 1) Hildebrand Consulting’s industry experience for similar systems and the findings of reserve studies conducted by the American Water Works Association (AWWA). It is recommended that the District formally adopt the proposed reserve policies. Formal reserve policies are a best practice and will also benefit the District when being rated by credit agencies.

## 2.5 CURRENT REVENUE

The District's primary source of revenue is sewer use charges (SUC) which are collected annually with the Contra Costa County property taxes. Other revenue sources include property taxes, connection fees, interest earnings, permit fees, and grants. Most of the District’s rates are fixed per dwelling unit for residential accounts and variable based on water usage<sup>1</sup> for non-residential accounts. The District also receives rate revenue from C&H based on negotiated rates that are currently capped at 3 percent annual increases.

The Financial Plan starts with FY 2025/26 estimated revenues as a starting point. Projected rate revenues (which include proposed rate adjustments) are listed in **Schedule 2**.

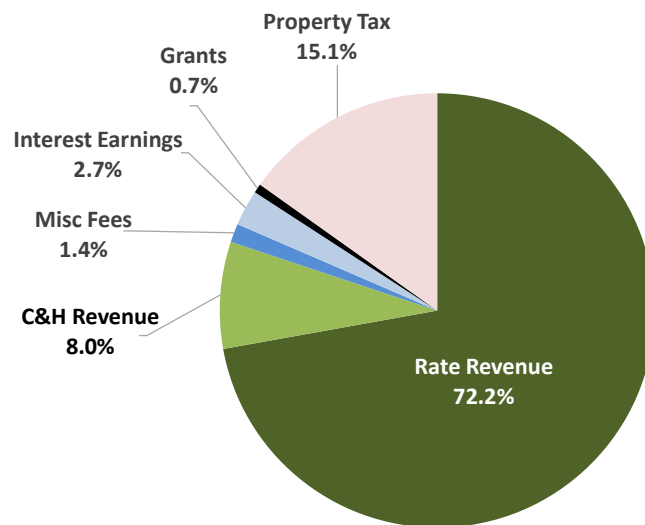
In addition to rate revenue, the District receives interest revenue on investments. Future interest income was estimated based upon projected fund balances and an assumed

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<sup>1</sup> Water usage for residential accounts is based on winter water usage during the months of December through March since this period minimizes the amount of outdoor water usage. These accounts have a minimum bill equal to a single multifamily dwelling unit.

effective<sup>2</sup> interest rate of 2.5 percent, which is consistent with the District’s recent interest earnings which have been 4.0 percent for LAIF investments.

Assumed sewer rate and miscellaneous earnings for FY 2026/27 are depicted in **Figure 1** below and listed in detail in **Schedule 2**.



**Figure 1: Crockett Sanitation Revenue Categories (FY 2026/27 Draft Budget)**

## 2.6 OPERATING AND DEBT EXPENSES

The Crockett Sewer Enterprise’s expenses include operating and maintenance expenses, debt service, and capital spending. Capital spending is addressed separately in Section 2.8. Future operating and maintenance expenses were projected based upon the budgeted expenditures for FY 2026/27 and adjusted for inflation (see Section 2.7).

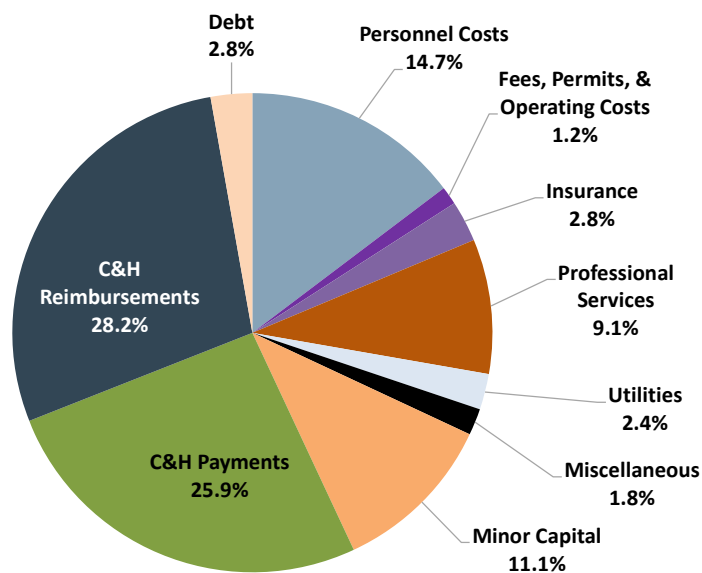
Major budgeted expense categories for FY 2026/27 are depicted in **Figure 2**. Crockett’s largest expenses are payments to C&H for costs associated with operating the JTP. In FY 2026/27 these payments to C&H include both the standard annual payment (“C&H Payments” in Figure

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<sup>2</sup> The effective interest rate is the rate relative to the fund’s total reserves, not just the amount in investments.

2) and reimbursements to C&H for past accrued expenses (“C&H Reimbursements” in Figure 2). The amount owed to C&H for past expenses is currently being contested. This financial plan assumes that the total amount that will be reimbursed to C&H is \$2.65 million over three years. This is roughly 82 percent of the amount claimed by C&H, plus interest payments.

Crockett currently has two outstanding debt obligations and one interdepartmental loan. The total annual payments are currently about \$91 thousand, but this will drop to \$65 thousand per year by FY2027/28 and then drop to \$44 thousand per year by FY 2029/30.



**Figure 2: Crockett Operating & Debt Expenses (Draft Budget FY 2026/27)**

## 2.7 COST ESCALATION ASSUMPTIONS

Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with District staff. During the projection period, most operating expenses are projected to increase at 3.0 percent per year. As an exception, insurance is projected to

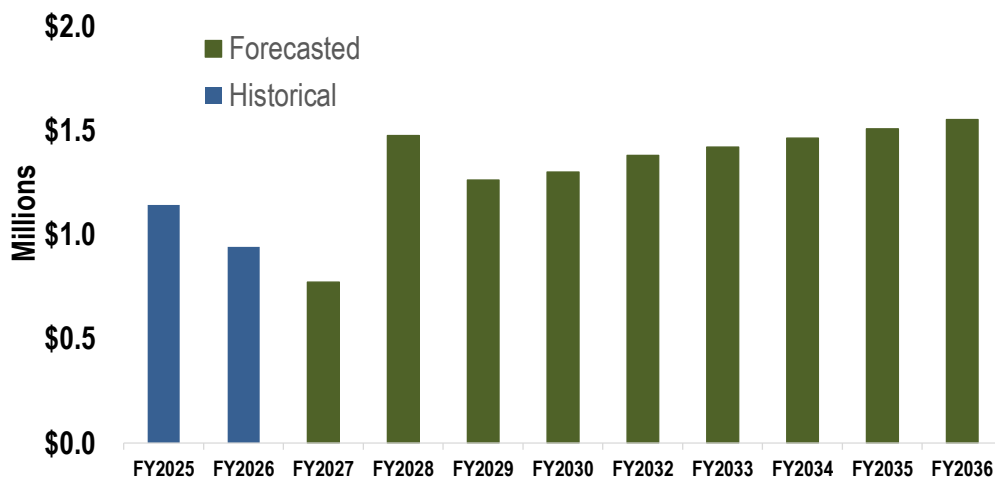
increase at 10.0 percent per year for three years and then 3 percent per year thereafter. The payment to C&H for operating the JTP is projected to increase by 4 percent per year. These inflation assumptions are consistent with long-term historical inflation rates and are reasonable for financial planning purposes.

Budgeted and projected operating and maintenance costs as well as debt service expenses are listed in detail in **Schedule 1**.

## 2.8 CAPITAL IMPROVEMENT PROGRAM

While Crockett does not currently have a formal capital spending plan, District staff were able to make estimates regarding annual spending forecasts. The collection system has estimated rehabilitation needs amounting to \$4 million, which this financial plan assumes will be spent over the course of the next 10 years (\$400 thousand per year). It is assumed that the JTP will require about \$625 thousand per year and Crockett’s pump stations will require \$200 thousand in rehabilitation per year. Finally, the District’s “1 RPD Building” will require about \$250 thousand in improvements! Figure 3 depicts the estimated capital spending by year through FY 2036 (after inflation).

**Figure 3: Historical and Projected Capital Spending**



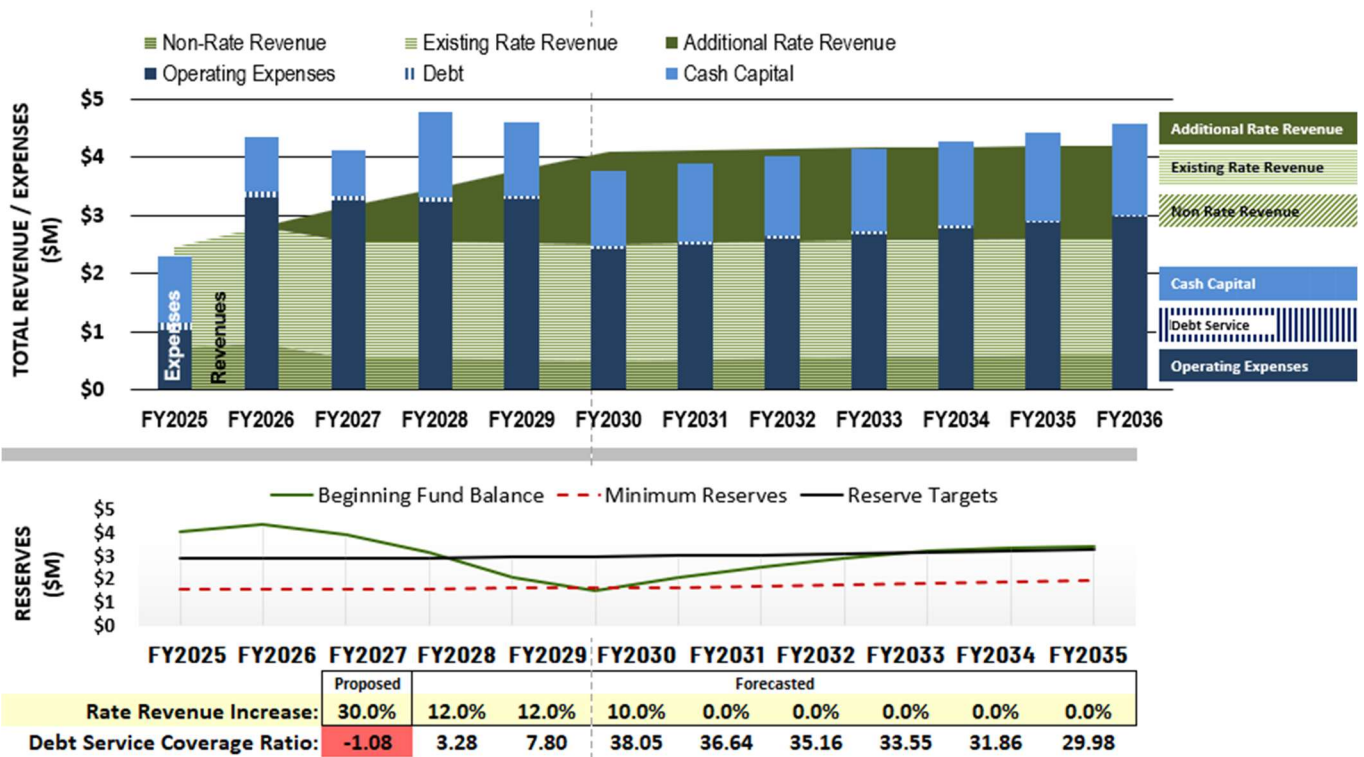
## 2.9 SEWER RATE REVENUE ADJUSTMENTS WITH CASH FUNDING

All the above information was entered into a financial planning model to produce a 10-year projection of the sufficiency of current rate revenues to meet projected financial requirements and determine the level of rate revenue increases necessary in each year of the projection period. Based on the assumption that the District will cash finance its capital spending (also known as “pay as you go” or “PayGo”), this Study proposes an immediate 30 percent for FY 2026/27. This increase will prevent the depletion of reserves and will address the Crockett Enterprise’s debt service coverage ratio<sup>3</sup>, which is currently below 1.0 and therefore too low. Following this rate spike for FY 2026/27, the financial plan forecasts that additional rate increases of 12 percent in FY 2027/28, 12 percent in FY 2028/29, and 10 percent in FY 2029/30.

The numbers provided in **Schedule 2** (cash flow proforma) are summarized graphically in Figure 4, which shows the Sewer Fund minimum reserves being met throughout the planning period.

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<sup>3</sup> Debt Service Coverage Ratio is a financial metric that measures whether the sewer enterprise generates enough income to pay its debts. Lenders use it to determine a borrower’s creditworthiness. Based on recently published guidance from Fitch Ratings, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.50 times annual debt service.



**Figure 4: 10-Year Cash Flow Projection – PayGo**

The complete proposed schedule of rates is provided in **Schedule 3**.

### 2.10 SEWER RATE REVENUE ADJUSTMENTS WITH DEBT FUNDING

As an alternative to the PayGo strategy described in Section 2.9, this Study also considered the option of issuing near-term debt in order to mitigate the need for large rate increases following FY 2026/27. While an immediate 30 percent rate increase in FY 2026/27 is still recommended in order to increase the District’s debt service coverage ratio, the rate increases in the subsequent years could be lowered and levelized with the use of near-term debt. Figure 5 shows that the rate increases from FY 2027/28 through FY 2034/35 could be lowered to 5.5 percent per year by issuing about \$2.7 million in debt in 2027. This would be sufficient to pay for most capital spending in FY 2027/28 and FY 2028/29. While the debt service coverage ratio

would be below recommended levels through FY 2028/29, this is caused by the temporary reimbursements to C&H Sugar and therefore not a long-term concern.

The debt is assumed to have an interest rate of 5 percent and a repayment period of 25 years (and an issuance cost of 1 percent).

The results for this debt financing approach are summarized graphically in Figure 5, which shows the Sewer Fund reserve targets being met throughout the planning period and the debt service coverage ratio recovering in FY 2029/30 (after the C&H reimbursement payments are completed). The District will likely need to actively engage lenders to work through any concerns associated with the near-term debt service coverage levels.

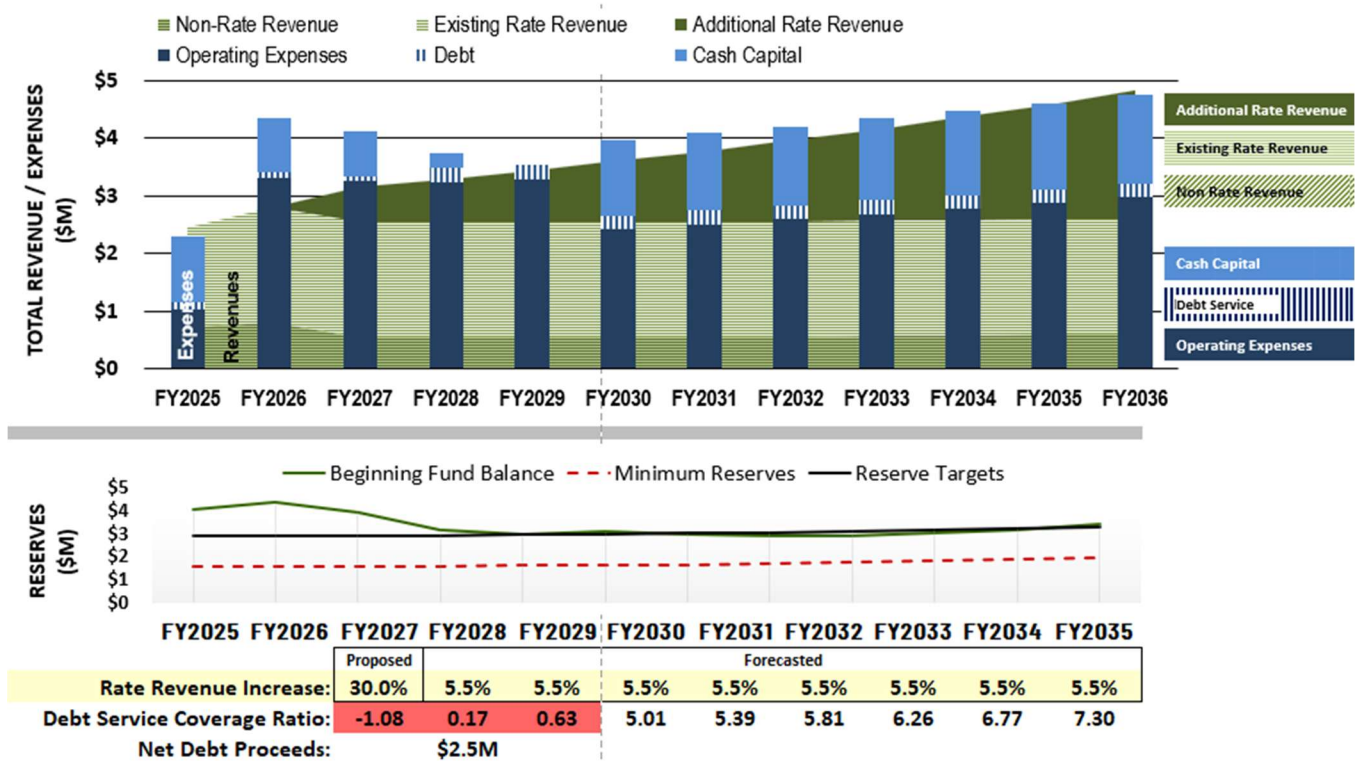


Figure 5: 10-Year Cash Flow Projection – Debt Strategy

### **SECTION 3. CONCLUSION**

This report used methodologies that are aligned with industry standard practices for rate setting as promulgated by the AWWA, Water Environment Federation (WEF), and all applicable laws, including California’s Proposition 218. This Study has calculated and is proposing a one-time sewer rate increase of 30 percent for FY 2026/27, which is designed to address immediate financial pressures. While this study provides some guidance regarding the necessary rate increases in subsequent year, we recommend that the District conduct a comprehensive rate study in 2027 to update the rate structure and re-evaluate financial projections.

The District will need to adopt the rates in accordance with Proposition 218, which will require a detailed notice describing the proposed charges to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

## **SCHEDULES**

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- Schedule 1: Detailed Projected Operating and Debt Expenses**
- Schedule 2: 10-Year Cash Flow Pro Forma**
- Schedule 3: Proposed Crockett Sewer Rates**

**Schedule 1 – Detailed Projected Operating and Debt Expense**

	Budget FY2026/27	Forecast FY2027/28	Forecast FY2028/29	Forecast FY2029/30	Forecast FY2030/31	Forecast FY2031/32	Forecast FY2032/33	Forecast FY2033/34	Forecast FY2034/35	Forecast FY2035/36
1 2060 - US Bank - 8450	\$35,000	\$36,100	\$37,100	\$38,200	\$39,400	\$40,600	\$41,800	\$43,000	\$44,300	\$45,700
2 2120 - Due to C&H (Liability)***	\$930,600	\$883,300	\$836,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 2136 - Payroll Liabilities	\$2,400	\$2,400	\$2,500	\$2,600	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100
4 5200 - County & State Charges	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300
5 5305 - Memberships	\$12,500	\$12,900	\$13,300	\$13,700	\$14,100	\$14,500	\$14,900	\$15,400	\$15,800	\$16,300
6 5310 - Software Subscriptions	\$300	\$300	\$300	\$300	\$300	\$300	\$400	\$400	\$400	\$400
7 5315 - Licenses & Permits	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300	\$7,500	\$7,800	\$8,000	\$8,200	\$8,500
8 5350 - Elections	\$5,000	\$5,200	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500
9 5405 - Postage & Shipping	\$5,000	\$5,200	\$5,300	\$5,500	\$5,600	\$5,800	\$6,000	\$6,100	\$6,300	\$6,500
10 5410 - Office Supplies and Expens	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$900	\$900	\$900
11 Gas, Fuel, Vehicle (Dist. Owned)	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300
12 5415 - Staff Meals	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
13 5510 - Liability & Property	\$72,200	\$79,400	\$87,300	\$96,000	\$98,900	\$101,900	\$105,000	\$108,100	\$111,300	\$114,700
14 5515 - Worker's Comp	\$18,900	\$20,800	\$22,800	\$25,100	\$25,900	\$26,600	\$27,400	\$28,300	\$29,100	\$30,000
15 5605 - CalPERS Retirement Exper	\$72,000	\$74,200	\$76,400	\$78,700	\$81,000	\$83,500	\$86,000	\$88,600	\$91,200	\$93,900
16 5615 - LTD & STD Insurance	\$800	\$900	\$1,000	\$1,100	\$1,100	\$1,200	\$1,200	\$1,300	\$1,300	\$1,300
17 5620 - SDRMA Health Benefits	\$32,200	\$33,200	\$34,200	\$35,200	\$36,200	\$37,300	\$38,400	\$39,600	\$40,800	\$42,000
18 5625 - Training & Certification	\$9,000	\$9,300	\$9,500	\$9,800	\$10,100	\$10,400	\$10,700	\$11,100	\$11,400	\$11,700
19 5630 - Payroll Processing Fees	\$3,200	\$3,300	\$3,400	\$3,500	\$3,600	\$3,800	\$3,900	\$4,000	\$4,100	\$4,200
20 Additional cost for New FTE (part-t	\$20,000	\$20,600	\$21,200	\$21,900	\$22,500	\$23,200	\$23,900	\$24,600	\$25,300	\$26,100
21 5715 - O&M Salary	\$345,000	\$355,400	\$366,000	\$377,000	\$388,300	\$399,900	\$411,900	\$424,300	\$437,000	\$450,100
22 5800 - Printing/Publishing/Advertisi	\$3,500	\$3,600	\$3,700	\$3,800	\$3,900	\$4,100	\$4,200	\$4,300	\$4,400	\$4,600
23 5855 - Accounting & Consulting	\$56,000	\$57,700	\$59,400	\$61,200	\$63,000	\$64,900	\$66,900	\$68,900	\$70,900	\$73,100
24 5860 - Auditor	\$10,000	\$10,300	\$10,600	\$10,900	\$11,300	\$11,600	\$11,900	\$12,300	\$12,700	\$13,000
25 5865 - Engineering	\$10,000	\$10,300	\$10,600	\$10,900	\$11,300	\$11,600	\$11,900	\$12,300	\$12,700	\$13,000
26 5870 - Legal	\$75,000	\$77,300	\$79,600	\$82,000	\$84,400	\$86,900	\$89,600	\$92,200	\$95,000	\$97,900
27 5920 - Building Maintenance & Su	\$15,000	\$15,500	\$15,900	\$16,400	\$16,900	\$17,400	\$17,900	\$18,400	\$19,000	\$19,600
28 5925 - Janitorial Services & Supplk	\$6,500	\$6,700	\$6,900	\$7,100	\$7,300	\$7,500	\$7,800	\$8,000	\$8,200	\$8,500
29 5930 - Landscape Services & Supp	\$17,500	\$18,000	\$18,600	\$19,100	\$19,700	\$20,300	\$20,900	\$21,500	\$22,200	\$22,800
30 5950 - Security Alarm/CCTV	\$33,600	\$34,600	\$35,600	\$36,700	\$37,800	\$39,000	\$40,100	\$41,300	\$42,600	\$43,800
31 5960 - Telephone & Internet	\$2,500	\$2,600	\$2,700	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300
32 5970 - Uniforms	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$2,000
33 5980 - Utilities	\$80,000	\$82,400	\$84,900	\$87,400	\$90,000	\$92,700	\$95,500	\$98,400	\$101,300	\$104,400
34 5990 - Vehicle & Travel Reimburse	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300
35 6005 - Collection System	\$355,000	\$365,700	\$376,600	\$387,900	\$399,600	\$411,500	\$423,900	\$436,600	\$449,700	\$463,200
36 6015 - Admin/General - CVSAN	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	\$1,300
37 6020 - Other CVSAN Expenses	\$10,000	\$10,300	\$10,600	\$10,900	\$11,300	\$11,600	\$11,900	\$12,300	\$12,700	\$13,000
38 C&H Payments	\$856,400	\$890,600	\$926,300	\$963,300	\$1,001,800	\$1,041,900	\$1,083,600	\$1,126,900	\$1,172,000	\$1,218,900
39 On-going Consulting Support	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 Arbitration	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41 Existing Debt	\$92,000	\$65,000	\$65,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000
	<b>\$3,253,100</b>	<b>\$3,241,300</b>	<b>\$3,277,500</b>	<b>\$2,428,600</b>	<b>\$2,510,800</b>	<b>\$2,596,500</b>	<b>\$2,684,900</b>	<b>\$2,776,100</b>	<b>\$2,870,700</b>	<b>\$2,968,500</b>

**Schedule 2 – Crockett Sewer 10-Year Cash Flow Proforma**

	Estimate FY2026	Budget FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	Forecast FY2034	Forecast FY2035	Forecast FY2036
1	<b>Rate Revenue Increase:</b>		30.00%	12.00%	12.00%	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Rate Revenue</b>											
2	<b>Service Charge Revenue</b>	\$2,002,000	\$2,002,497	\$2,603,000	\$2,915,000	\$3,265,000	\$3,592,000	\$3,592,000	\$3,592,000	\$3,592,000	\$3,592,000
3	Increase due to rate adjustments		\$601,000	\$312,000	\$350,000	\$327,000	\$0	\$0	\$0	\$0	\$0
<b>Non-Rate Revenues</b>											
4	C&H Rate Payments	\$1,128,000	\$221,000	\$228,000	\$235,000	\$242,000	\$249,000	\$257,000	\$264,000	\$272,000	\$280,000
4	Misc Fees	\$32,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000
5	Interest Earnings	\$100,000	\$74,000	\$55,000	\$28,000	\$13,000	\$27,000	\$39,000	\$49,000	\$56,000	\$60,000
6	Grants	\$19,000	\$19,000	\$17,000	\$15,000	\$14,000	\$12,000	\$11,000	\$10,000	\$9,000	\$8,000
7	Property Tax	\$645,000	\$420,000	\$428,000	\$437,000	\$446,000	\$455,000	\$464,000	\$473,000	\$482,000	\$492,000
8	<b>Total Revenue</b>	<b>\$3,926,000</b>	<b>\$3,375,497</b>	<b>\$3,681,000</b>	<b>\$4,018,000</b>	<b>\$4,345,000</b>	<b>\$4,373,000</b>	<b>\$4,401,000</b>	<b>\$4,426,000</b>	<b>\$4,449,000</b>	<b>\$4,470,000</b>
<b>O&amp;M Costs</b>											
9	Personnel Costs	\$406,000	\$485,000	\$499,000	\$514,000	\$530,000	\$546,000	\$562,000	\$579,000	\$596,000	\$614,000
10	Fees, Permits, & Operating Costs	\$34,000	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000
11	Insurance	\$57,000	\$91,000	\$100,000	\$110,000	\$121,000	\$125,000	\$129,000	\$132,000	\$136,000	\$140,000
12	Professional Services	\$43,000	\$300,000	\$259,000	\$264,000	\$169,000	\$174,000	\$179,000	\$184,000	\$190,000	\$196,000
13	Utilities	\$60,000	\$80,000	\$82,000	\$85,000	\$87,000	\$90,000	\$93,000	\$96,000	\$98,000	\$101,000
14	General Administration	\$52,000	\$46,000	\$47,000	\$48,000	\$50,000	\$51,000	\$53,000	\$55,000	\$56,000	\$58,000
15	Miscellaneous	\$19,000	\$59,000	\$61,000	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000	\$73,000	\$75,000
16	Minor Capital	\$352,000	\$366,000	\$377,000	\$388,000	\$400,000	\$412,000	\$424,000	\$437,000	\$450,000	\$464,000
17	C&H Payments	\$2,277,000	\$856,000	\$891,000	\$926,000	\$963,000	\$1,002,000	\$1,042,000	\$1,084,000	\$1,127,000	\$1,172,000
18	C&H Reimbursements	\$0	\$931,000	\$883,000	\$836,000	\$0	\$0	\$0	\$0	\$0	\$0
19	<b>Total Operating Expenses</b>	<b>\$3,300,000</b>	<b>\$3,254,000</b>	<b>\$3,240,000</b>	<b>\$3,276,000</b>	<b>\$2,429,000</b>	<b>\$2,512,000</b>	<b>\$2,597,000</b>	<b>\$2,686,000</b>	<b>\$2,775,000</b>	<b>\$2,871,000</b>
<b>Capital Costs</b>											
20	<b>Total Capital Spending</b>	<b>\$940,000</b>	<b>\$773,000</b>	<b>\$1,475,000</b>	<b>\$1,262,000</b>	<b>\$1,300,000</b>	<b>\$1,339,000</b>	<b>\$1,379,000</b>	<b>\$1,420,000</b>	<b>\$1,463,000</b>	<b>\$1,507,000</b>
21	Existing Debt Service	\$118,000	\$92,000	\$65,000	\$65,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000
22	Cash Funded Capital Projects	\$940,000	\$773,000	\$1,475,000	\$1,262,000	\$1,300,000	\$1,339,000	\$1,379,000	\$1,420,000	\$1,463,000	\$1,507,000
23	<b>Total Capital Expenses</b>	<b>\$1,058,000</b>	<b>\$865,000</b>	<b>\$1,540,000</b>	<b>\$1,327,000</b>	<b>\$1,344,000</b>	<b>\$1,383,000</b>	<b>\$1,423,000</b>	<b>\$1,464,000</b>	<b>\$1,507,000</b>	<b>\$1,596,000</b>
24	<b>Total Expenditures</b>	<b>\$4,358,000</b>	<b>\$4,119,000</b>	<b>\$4,780,000</b>	<b>\$4,603,000</b>	<b>\$3,773,000</b>	<b>\$3,895,000</b>	<b>\$4,020,000</b>	<b>\$4,150,000</b>	<b>\$4,282,000</b>	<b>\$4,422,000</b>
25	<b>Beginning Year Balance</b>	<b>\$4,380,000</b>	<b>\$3,948,000</b>	<b>\$3,204,497</b>	<b>\$2,105,497</b>	<b>\$1,520,497</b>	<b>\$2,092,497</b>	<b>\$2,570,497</b>	<b>\$2,951,497</b>	<b>\$3,227,497</b>	<b>\$3,394,497</b>
26	Surplus/(Shortfall)	(\$432,000)	(\$743,503)	(\$1,099,000)	(\$585,000)	\$572,000	\$478,000	\$381,000	\$276,000	\$167,000	\$48,000
27	<b>End of Year Balance</b>	<b>\$3,948,000</b>	<b>\$3,204,497</b>	<b>\$2,105,497</b>	<b>\$1,520,497</b>	<b>\$2,092,497</b>	<b>\$2,570,497</b>	<b>\$2,951,497</b>	<b>\$3,227,497</b>	<b>\$3,394,497</b>	<b>\$3,365,497</b>
28	Reserve Target	\$2,900,000	\$2,900,000	\$2,922,000	\$2,978,000	\$2,970,000	\$3,026,000	\$3,082,000	\$3,142,000	\$3,201,000	\$3,265,000
29	Debt Coverage Ratio	-4.25	-1.08	3.28	7.80	38.05	36.64	35.16	33.55	31.86	29.98

### Schedule 3 – Proposed Crockett Sewer Rates

	Current	Proposed for FY 2026/27	
Single Family Residence	\$1,217	\$1,582	per account
Apartment	\$974	\$1,266	per dwelling unit
Non-residential / Mixed Use	\$974 \$12.79	\$1,266 \$16.63	fixed per year, plus... per 100 cf of water consumption in excess of 3,871 cf per year*

\* Based on average discharge of sewage per unit of the user classification.