

Water Forecast Assumptions

| A | B | C | G | H | I | J | K |
|----|--|-----------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1 | Assumptions in Income Statement | Line | Proposed FY 22-23 | Forecast FY 23-24 | Forecast FY 24-25 | Forecast FY 25-26 | Forecast FY 26-27 |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 5 | Potable water Gallon per Capita | | 119 | 129 | 130 | 130 | 130 |
| 6 | Population from the 2020 Urban Water Master Plan | | 109,593 | 112,264 | 114,934 | 117,605 | 120,967 |
| 7 | Potable water sales (in CCF) | | 6,005,169 | 6,685,581 | 6,890,786 | 7,050,900 | 7,252,471 |
| | Potable water sales decrease per year due to conservation | | -9.5% | 11.3% | 3.1% | 2.3% | 2.9% |
| 8 | Recycled water sales (in CCF) | | 1,383,466 | 1,374,754 | 1,387,822 | 1,392,178 | 1,392,178 |
| 9 | Recycled water as % of total water sales | | 18.7% | 17.1% | 16.8% | 16.5% | 16.1% |
| 10 | Burbank Operable Unit (BOU) operating capacity | | 76% | 76% | 75% | 75% | 75% |
| 11 | Water delivery to LADWP (in CCF) | | 322,344 | 322,344 | 322,344 | 322,344 | 322,344 |
| 12 | BOU as % of total water supply | 10 | 72% | 65% | 63% | 61% | 59% |
| 13 | Water loss | 10 | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| 13 | Chemical | 10 | 60.0% | 15.0% | 15.0% | 2.0% | 2.0% |
| 14 | Potable and recycled water rate increase effective July 1 | 10 | 9.0% | 9.0% | 8.0% | 6.0% | 6.0% |
| 15 | MWD's Full Service Treated Water Tier 1 rates, Jan 1 * | 10 | \$ 1,252 | \$ 1,322 | \$ 1,395 | \$ 1,476 | \$ 1,552 |
| 16 | MWD's Full Service Treated Water Tier 1, rate increases effective Jan 1 | 10 | 9.5% | 5.6% | 5.5% | 5.8% | 5.1% |
| 17 | MWD's Untreated Water Tier 1 rates, Jan 1 * | 10 | \$ 888 | \$ 952 | \$ 1,001 | \$ 1,055 | \$ 1,116 |
| 18 | MWD's Untreated Water Tier 1, rate increases effective Jan 1 | 10 | 11.1% | 7.2% | 5.1% | 5.4% | 5.8% |
| 19 | MWD fixed charges * | 10 | \$ 1,228,413 | \$ 1,449,668 | \$ 1,659,438 | \$ 1,669,818 | \$ 1,682,793 |
| 20 | LA Recycled Water Exchange - Volume in A.F. | | 200 | 260 | 260 | 260 | 260 |
| 21 | Average MWD untreated volumetric rate/ A.F. | | \$ 844 | \$ 920 | \$ 977 | \$ 1,028 | \$ 1,086 |
| 22 | LA Water Exchange - value in \$, used to offset WCAC expense | 10 | \$ 168,700 | \$ 239,200 | \$ 253,890 | \$ 267,280 | \$ 282,230 |
| 23 | | | | | | | |
| 24 | Water fund shared services | 19 | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% |
| 25 | | | | | | | |
| 26 | Water public benefits spending as % potable sales (approximate) | 19 | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| 27 | Interest income | 28 | 1.30% | 1.75% | 2.00% | 2.00% | 2.00% |
| 28 | General inflation | 10, 17-22 | 7.1% | 2.2% | 2.1% | 2.10% | 2.10% |
| 29 | Staffing Full time equivalent (FTE) | 17-18 | 54.0 | 54.0 | 54.0 | 54.0 | 54.0 |
| 30 | Other Income: | | | | | | |
| 31 | Recycled water credits from MWD up to \$250/AF. LRP1 expires August 2020 | 6 | 96,000 | 96,000 | 96,000 | 96,000 | 96,000 |
| 32 | Water Pipefitter Apprentice training program | 6 | 233,358 | 238,025 | 242,786 | 247,641 | 252,594 |
| 33 | Hydro gen at VPP 308 MWh @ \$75/MWh | 6 | 23,100 | 23,100 | 23,100 | 23,100 | 23,100 |
| 34 | Connection fees | 6 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| 35 | Other | 6 | 156,000 | 156,000 | 156,000 | 156,000 | 156,000 |
| 36 | Front footage fees | 6 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| 37 | Fire protection services | 6 | 640,000 | 640,000 | 640,000 | 640,000 | 640,000 |
| 38 | Reimbursement for water delivery to LADWP | 6 | 62,382 | 63,834 | 66,281 | 67,769 | 68,767 |
| 39 | | | 1,350,840 | 1,356,959 | 1,364,167 | 1,370,511 | 1,376,461 |
| 40 | Assumptions in Cash Statement | | | | | | |
| 41 | | | | | | | |
| 42 | Capital spending: 90% of budget or forecast | | \$15,307,452 | \$16,262,791 | \$10,656,032 | \$7,715,178 | \$6,491,522 |
| 43 | | | | | | | |
| 44 | Annual untreated water purchases from MWD in AF | | | | | 6,700 | 6,700 |
| 45 | Physical solution water purchases from LADWP in AF | | 4,200 | 4,200 | 4,200 | | |
| 45 | Use of cyclic water in AF | | 3,750 | 3,783 | | | |
| 46 | Water groundwater inventory, ending balance in AF | | 21,762 | 19,255 | 17,076 | 17,501 | 18,007 |
| 47 | | | | | | | |
| | * Based on MWD proposed biennial budget FY2022-23 and FY2023-24 budget including ten-year financial forecast published in February 2022. | | | | | | |
| | <u>Future costs not included in the budget forecast:</u> | | | | | | |
| | MWD rate projections exclude water supply investments for the Delta conveyance project, desalination, direct potable re-use and alternative water supply by moving water from east to west | | | | | | |
| | Financial reserves policy is due for an update by June 2023 | | | | | | |
| | Additional revenue loss due to drought mandate extension | | | | | | |
| | Cash balances post FY22-23 assume no additional pension liability payments | | | | | | |