

**PROJECTED FIVE-YEAR FORECAST OF REVENUES AND EXPENDITURES
EXISTING SANITATION STRUCTURE**

	<u>Year 0</u> ^a	<u>Year 1</u> ^b	<u>Year 2</u> ^c	<u>Year 3</u> ^c	<u>Year 4</u> ^c	<u>Year 5</u> ^c	5 YEAR TOTALS
State Highway Sweeping	\$ 4,276						
Enterprise Revenue	\$ 2,595,581						
Landfill Disposal Fee	\$ 239,153						
Refuse Container Reimburse	\$ 23,522						
Interest Earned	\$ 11,120						
OPERATING REVENUE	\$ 2,873,652	\$ 2,931,125	\$ 2,989,748	\$ 3,049,542	\$ 3,110,533	\$ 3,172,744	\$ 15,253,692
OPERATING EXPENDITURES							
Personnel Services ^d	1,272,786	1,425,520	1,596,583	1,788,173	2,002,753	2,243,084	\$ 11,075,947
Materials & Services ^f	237,441	249,313	261,779	274,868	288,611	303,042	\$ 1,377,612
Special Payments	329,135	340,984	353,259	365,977	379,152	392,801	\$ 1,832,173
Debt Service	1,075	1,114	1,154	1,195	1,238	1,283	\$ 5,984
Transfers	836,197	866,300	897,487	929,796	963,269	997,947	\$ 4,654,799
RESERVE ACCOUNTS							
Equipment Replacement ^e	341,145	341,145	353,426	366,150	379,331	392,987	\$ 1,833,039
OPERATING EXPENDITURES	3,017,779	3,224,376	3,463,688	3,726,158	4,014,355	4,331,143	\$ 18,759,720
Net Operating Income	\$ (144,127)	\$ (293,251)	\$ (473,940)	\$ (676,616)	\$ (903,821)	\$ (1,158,399)	\$ (3,506,027)

^a Year 0 Revenue was determined by utilizing current fee structure.

^b 3.6% CPI increase applied to total operating revenue since Year 0 calculations were based on 2018 data. CPI not applied to Year 1 Reserve Accounts since estimates are in 2017 dollars.

^c 2% population growth factor (KCOG) applied annually to Operating Revenue. 3.6% CPI increase based on 2017 CPI for LA-Riverside-Orange County for all items.

^d From Finance Department, 12% increase applied annually to Salary and Benefits

^e From Annual Equipment Replacement and Capital Improvement Cost Estimate, assumed 3.6% CPI annual increase.

^f Annual increase of 5% applied to Materials and Services.

EQUIPMENT REPLACEMENT COSTS					
EQUIPMENT	QUANTITY (EACH)	COST PER UNIT	TOTAL COST	USEFUL LIFE (YRS.)	ANNUAL COST
Replace Chevy Ext. Cab Pickup for Supervisor	1	\$ 35,000	\$ 35,000	10	\$ 3,500
New GMC 1/2-Ton Pickup Ext. Cab	1	\$ 35,000	\$ 35,000	10	\$ 3,500
1 Ton Flatbed Truck	4	\$ 40,000	\$ 160,000	8	\$ 20,000
Roll Off Truck	1	\$ 100,000	\$ 100,000	10	\$ 10,000
Loader	1	\$ 150,000	\$ 150,000	30	\$ 5,000
New Street Sweeper	1	\$ 335,000	\$ 335,000	10	\$ 33,500
Replace 96-Gal Sanitation Truck #19, 2002	1	\$ 325,000	\$ 325,000	10	\$ 32,500
Replace 96-Gal. Sanit. Truck #15 2005	1	\$ 325,000	\$ 325,000	10	\$ 32,500
Replace 96-Gal. Sanit. Truck #13 2006	1	\$ 325,000	\$ 325,000	10	\$ 32,500
Replace Comm. Bin Sanit. Truck #18, 2007	1	\$ 325,000	\$ 325,000	10	\$ 32,500
Replace 96-Gal. Sanit. Truck #22, 2010	1	\$ 325,000	\$ 325,000	10	\$ 32,500
Steam Cleaner for Wash Rack	1	\$ 7,000	\$ 7,000	5	\$ 1,400
Unloading Dock for Sweeper at WWTP	1	\$ 75,000	\$ 75,000	30	\$ 2,500
Chain Link Fence around Greenwaste Site	2280	\$ 45	\$ 102,600	30	\$ 3,420
Electric Remote Back Entry Gate at G.W.S.	1	\$ 20,000	\$ 20,000	5	\$ 4,000
CNG Fueling Station (City Use Only)	1	\$ 7,000	\$ 7,000	10	\$ 700
96 gal. cart recycling	4050	\$ 75	\$ 303,750	10	\$ 30,375
Replace 96 gal. carts	8100	\$ 75	\$ 607,500	10	\$ 60,750

ANNUAL REPLACEMENT COST: \$2,955,350 \$ 341,145

UNIT OPERATING COST

Annual Operating and Maintenance Cost					
ITEM	FISCAL YEAR ENDING				
	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Personnel Services	\$ 1,020,577	\$ 1,004,125	\$ 983,244	\$1,010,400.00	\$1,272,786.00
Materials and Services	\$ 192,728	\$ 215,744	\$ 242,001	\$219,260.00	\$237,441.00
Special Payments	\$ 319,816	\$ 313,296	\$ 335,825	\$323,959.00	\$329,135.00
Debt Service	\$ 750	\$ 2,133	\$ (6,702)	\$911.00	\$1,075.00
Transfer	\$ 494,167	\$ 574,852	\$ 589,127	\$734,136.00	\$836,197.00
ANNUAL TOTALS	\$ 2,028,038	\$ 2,110,150	\$ 2,143,495	\$ 2,288,666	\$ 2,676,634

Sanitation Volume - 2016					
CATEGORY	VOLUME (GALLONS)	VOLUME (CY)	ANNUAL COST	COST PER GALLON	COST PER CY
Single Family Residential	41,184,000	203,861			
Multi-Family Residential	4,666,453	23,104			
Commercial	8,814,267	43,641			
General	987,932	4,891			
Industrial	549,342	2,720			
Institutional	8,263,904	40,916			
	64,465,898	319,133	\$2,676,634	\$0.04152	\$8.39
			Average cost		

Equipment Replacement Cost	
Equipment Replacement Cost	\$ 2,955,350
Annual Equipment Replacement Cost	\$ 341,145
Annual Treatment Volume (Gallons)	64,465,898
Annual Treatment Volume (CY)	319,133
Annual Cost per Volume (\$ per gal.)	\$ 0.005
Annual Cost per Volume (\$ per CY)	\$ 1.07

Unit Cost of Sanitation		
	\$ / gal.	\$ / CY
Operating Cost	\$0.04152	\$ 8.39
Equipment Replacement Cost	\$0.00500	\$ 1.07
Total Unit Cost	\$0.04652	\$ 9.46

Projected Five-Year Forecast of Revenues and Expenditures

	<u>Year 0</u> ^a
OPERATING REVENUE	
Single Family Residential	\$ 1,496,841
Multi-Family	\$ 551,937
Commercial	\$ 411,873
General	\$ 46,998
Industrial	\$ 25,663
Institutional	\$ 364,277
Total Operating Revenue	\$ 2,897,590

^a Year 0 Revenue was determined by applying the proposed fee structure to the actual usage for FY 2016.

**PROJECTED FIVE-YEAR FORECAST OF REVENUES AND EXPENDITURES
PROPOSED SANITATION RATE STRUCTURE**

	<u>Year 0</u> ^a	<u>Year 1</u> ^b	<u>Year 2</u> ^c	<u>Year 3</u> ^c	<u>Year 4</u> ^c	<u>Year 5</u> ^c	5 YEAR TOTALS
State Highway Sweeping	\$ 4,276	\$ 4,519	\$ 4,775	\$ 5,046	\$ 5,332	\$ 5,634	
Enterprise Revenue	\$ 2,897,590	\$ 3,061,941	\$ 3,235,615	\$ 3,419,139	\$ 3,613,072	\$ 3,818,006	
Landfill Disposal Fee	\$ 239,153	\$ 252,718	\$ 267,052	\$ 282,199	\$ 298,205	\$ 315,120	
Refuse Container Reimburse	\$ 23,522	\$ 24,856	\$ 26,266	\$ 27,756	\$ 29,330	\$ 30,994	
Interest Earned	\$ 11,120	\$ 11,751	\$ 12,417	\$ 13,122	\$ 13,866	\$ 14,652	
OPERATING REVENUE	\$ 3,175,661	\$ 3,355,785	\$ 3,546,125	\$ 3,747,261	\$ 3,959,805	\$ 4,184,406	\$ 18,793,381
OPERATING EXPENDITURES							
Personnel Services ^d	1,272,786	1,425,520	1,596,583	1,788,173	2,002,753	2,243,084	\$ 11,075,947
Materials & Services ^f	237,441	249,313	261,779	274,868	288,611	303,042	\$ 1,377,612
Special Payments	329,135	340,984	353,259	365,977	379,152	392,801	\$ 1,832,173
Debt Service	1,075	1,114	1,154	1,195	1,238	1,283	\$ 5,984
Transfers	836,197	866,300	897,487	929,796	963,269	997,947	\$ 4,654,799
RESERVE ACCOUNTS							
Equipment Replacement ^e	341,145	341,145	353,426	366,150	379,331	392,987	\$ 1,833,039
OPERATING EXPENDITURES	3,017,779	3,224,376	3,463,688	3,726,158	4,014,355	4,331,143	\$ 18,759,720
Net Operating Income	\$ 157,882	\$ 131,409	\$ 82,437	\$ 21,103	\$ (54,549)	\$ (146,738)	\$ 33,661

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RESIDENTIAL SANITATION RATES					
Residential	# Units	Current Wasco Bill	Proposed Wasco Bill	Shafter	Delano
Single Family	4082	\$ 28.12	\$ 30.37	\$ 26.50	\$ 15.25
Multi-Family	1593	\$ 28.12	\$ 30.37		\$ 12.66

Refuse rates were last updated January 1, 2016. This represents an 8% increase the first year. Subsequent years would increase the rate by the Consumer Price Index.



PROPOSED SANITATION RATES				
Name	Charge Desc.	WASCO		DELANO
		Current	Proposed	
Church	1/4 - 300 GAL CONT 2XWK	\$ 28.22	\$ 30.24	\$ 98.13
Church	1 - 300 GAL CONT 2XWK	\$ 112.85	\$ 120.95	\$ 257.60
High School	2 METAL BINS 5XWK	\$ 1,090.22	\$ 1,229.44	\$ 1,214.40
Elementary School	1 - METAL BIN 5XWK	\$ 564.19	\$ 614.72	\$ 1,214.40
Industrial	1 - 300 GAL CONT 2XWK	\$ 112.85	\$ 120.95	\$ 257.60
Industrial	1 - METAL BIN 2XWK	\$ 225.68	\$ 245.89	\$ 496.80
Hotel	1 - METAL BIN 2XWK	\$ 225.68	\$ 245.89	\$ 496.80
Retail	100 GAL. CART	\$ 37.61	\$ 40.32	\$ 98.13

Many communities (Taft, McFarland, Ridgecrest, Arvin) are contracting out sanitation services.