

AGENDA

CITY OF PLYMOUTH

City Council

REGULAR MEETING

THURSDAY, APRIL 9, 2026

Council Chambers
9426 Main Street, Plymouth, California



Don Nunn, Mayor

Holger Hornisch, Vice Mayor

Wendy Cranford, Council Member

Wendy Bottomley, Council Member

Deborah Dill, Council Member

PLEASE NOTE: The Council may take up any agenda item at any time, regardless of the order listed. Action may be taken on any item on the agenda. **Members of the public who wish to speak may be subject to a three (3) minute maximum time limit when addressing the Council, and/or the City may require speaker identification sheets be submitted to the City Clerk prior to being called upon by the Mayor to provide public comment.**



**CITY OF PLYMOUTH CITY COUNCIL
REGULAR MEETING AGENDA
Thursday April 9, 2026
6:30 PM**

City Council Chambers - 9426 Main Street - Plymouth, CA

In-person participation by the public is permitted. Alternatively, remote/electronic public participation is available in one of the following ways:

City of Plymouth's City Council Zoom Meeting

Meeting ID: 933 5187 3627 Passcode: 331805

Join via link: <https://zoom.us/j/93351873627?pwd=D8iblg8ZBww7RNWShpaHEAXwbZfq7.1>

Members of the public not attending in-person may submit written comments prior to the meeting by emailing comments to the City Clerk at vmchenry@cityofplymouth.org before 3:30 PM on the day of the meeting. Emailed public comments will be distributed to the City Council and made part of the official record.

Don Nunn, Mayor

Holger Hornisch, Vice Mayor

Wendy Bottomley, Council Member

Wendy Cranford, Council Member

Deborah Dill, Council Member

MISSION STATEMENT

The City of Plymouth preserves our small-town atmosphere and provides fiscally responsible services that fulfill public needs while protecting their quality of life.

1. CALL TO ORDER/ROLL CALL:

- Roll Call
- Pledge of Allegiance

2. APPROVAL OF CITY COUNCIL REGULAR MEETING AGENDA OF APRIL 9, 2026

3. REGULAR MEETING PUBLIC COMMENT

Under provisions of the Government Code, citizens wishing to address the Council for any matter not on the agenda may do so at this time. Please submit a completed Speaker Submittal Form to the City Clerk. Comments are limited to three minutes or less and speakers are requested to state their name and community of residence. For public comments on agenda items, speakers will be called by the Mayor at the point on the agenda when the item will be heard. The City Council is prohibited from materially discussing or acting on any item not on the agenda unless it can be demonstrated to be of an emergency nature or an urgent need to take immediate action arose after the posting of the agenda.

4. PRESENTATIONS/PROCLAMATIONS/APPOINTMENTS: NONE

5. CONSENT CALENDAR ITEMS:

All matters listed under the Consent Calendar are to be considered routine by the City Council and will be enacted by one motion in the form listed. There will be no separate discussion of these items unless, before the City Council votes on the motion to adopt, members of the Council, staff or the public request specific items to be removed from the Consent Calendar for separate discussion and action.

5.1 CORRESPONDENCE

5.2 APPROVE THE REGULAR MEETING MINUTES OF MARCH 26, 2026

5.3 RECEIVE MARCH WARRANT REGISTER

5.4 SECOND READING AND ADOPTION OF ORDINANCE 2026-03 AMENDING PLYMOUTH MUNICIPAL TO ADD CHAPTER 17.74 – ACCESSORY DWELLING UNITS

5.5 SECOND READING AND ADOPTION OF ORDINANCE 2026-04 ADOPTING PROCUREMENT POLICY CC-45

6. PUBLIC HEARINGS: NONE

7. REGULAR AGENDA ITEMS:

7.1 PRESENTATION ON WATER AND WASTEWATER RATE STUDY AND REQUESTING CITY COUNCIL DIRECTION TO DO PROP 218 RATE SETTING

8. CITY MANAGER’S REPORT

9. MAYOR & COUNCIL MEMBERS’ REPORTS AND COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

10. CLOSED SESSION:

10.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: APNs 008-070-036, -037, -038, -039, and -040

Agency Negotiators: Cameron Begbie, City Manager & Andreas Booher, City Attorney

Negotiating Parties: Sutter Home Winery

Terms Under Negotiation: All terms associated with possible acquisition of property by the City

11. ADJOURNMENT

LEVINE ACT PUBLIC PARTY/APPLICANT DISCLOSURE OBLIGATIONS:

Applicants, parties, and their agents who have made campaign contributions totaling more than \$500 (aggregated) to a Council Member over the past 12 months, must publicly disclose that fact for the official record of that agenda item. Disclosures must include the amount of the campaign contribution aggregated, and the name(s) of the campaign contributor(s) and Council Member(s). The disclosure may be made either in writing to the City Clerk prior to the agenda item consideration, or by verbal disclosure at the time of the agenda item consideration.

The foregoing statements do not constitute legal advice, nor a recitation of all legal requirements and obligations of parties/applicants and their agents. Parties and agents are urged to consult with their own legal counsel regarding the requirements of the law.

ADDITIONAL INFORMATION

Public documents related to an item on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the City Clerk’s office located in Plymouth City Hall and at the time of the meeting. Persons interested in proposing an item for the City Council Agenda should contact a member of the City Council, or the City Manager.

NOTICE:

As presiding officer for this meeting, the Mayor has the authority to preserve order at all City Council meetings, to remove or cause the removal of any person from any such meeting for disruptive conduct, and to enforce the rules of the Council.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (209) 245-6941 prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Victoria McHenry, City Clerk for the City of Plymouth, declare that the foregoing agenda for April 9, 2026, Regular Meeting of the Plymouth City Council was posted and available for review on April 3, 2026, at the City Hall of the City of Plymouth, 9426 Main Street, Plymouth, California, 95669. The agenda is also available on the city website at cityofplymouth.org.

Signed at Plymouth, California

//s//

Victoria McHenry City Clerk

3

PUBLIC COMMENT

4

**PRESENTATIONS
PROCLAMATIONS
APPOINTMENTS**

5.1

CORRESPONDENCE

5.2



**CITY OF PLYMOUTH CITY COUNCIL
REGULAR MEETING MINUTES DRAFT
Thursday March 26, 2026
6:30 PM**

City Council Chambers - 9426 Main Street - Plymouth, CA

Don Nunn, Mayor

Holger Hornisch, Vice Mayor
Wendy Cranford, Council Member

Wendy Bottomley, Council Member
Deborah Dill, Council Member

MISSION STATEMENT

The City of Plymouth preserves our small-town atmosphere and provides fiscally responsible services that fulfill public needs while protecting their quality of life.

- 1. CALL TO ORDER/ROLL CALL:** Called to order at 6:33 PM
- COUNCIL MEMBERS' PRESENT:** Don Nunn, Holger Hornisch, Wendy Bottomley, Wendy Cranford, Deborah Dill
- COUNCIL MEMBERS ABSENT:** None
- STAFF/ADVISORY PRESENT:** Andreas Booher, City Attorney, Cameron Begbie, City Manager, Victoria McHenry, City Clerk, Jacob Smith, Audio/Video Technician, Ricky VanDyke, Accountant
- STAFF/ADVISORY ABSENT:** None

Flag Salute led by Mayor Nunn

2. APPROVAL OF CITY COUNCIL REGULAR MEETING AGENDA OF MARCH 26, 2026

Council Member Cranford motioned to approve the City Council Regular Meeting Agenda for March 26, 2026, with the amendment of moving Item 7.1 to be heard before Item 6.1. Second by Vice Mayor Hornisch. Motion passed with a roll call vote of 5-0.

3. REGULAR MEETING PUBLIC COMMENT

Steve Pinotti stated that he'd notice that the lights and heat were left on after the City Council was there. He felt that the council needed to apologize for doing so.

Ellon Brittingham introduced herself as our new PG&E Local Government Affairs Representative. She left her contact information with the City Clerk.

A brief recess was taken from 6:40pm to 6:44pm due to technical difficulties with the cameras not working on Zoom.

Robert Moody is concerned with the trucks that are dumping septage waste driving on the roads on Old Sacramento and Latrobe. He questioned the long-term effect from them dumping at our plant. Mr. Moody said you can hear the trailers hitting part of the road and feels the roads are getting torn up. He also stated the best time for the Sheriff to catch people speeding is in the morning and evenings. Mr. Moody stated that he spoke with Public Works Superintendent Canaan Quinn regarding the flashing signs. City Manager Begbie noted that the signs came in a few weeks ago and should be put in shortly. Mayor Nunn

also voiced his concern about the people speeding on Main Street.

Steve Saunders from Hawksview wanted to bring an ongoing issue regarding weed abatement in that area. He wanted to know if the City enforces our codes. Mr. Saunders stated this has been an ongoing issue for about three weeks. City Manager Begbie stated that he is looking into that issue.

Amy White who lives on Old Sacramento Road is concerned about the wear and tear that the septage dumping is causing on the roads. She also requested that the test on the test wells be done during the wet seasons.

Rosemarie Moody is concerned about the weeds around town and the walking path. She asked if the City has reached out to CalTrans. She is also concerned about rattlesnakes in the weeds. Ms. Moody also asked if more work was going to be done at the cemetery.

Council Member Cranford wanted to go on record stating “thanks CalTrans” regarding the walking path weed issue.

4. PRESENTATIONS/PROCLAMATIONS/APPOINTMENTS: NONE

5. CONSENT CALENDAR ITEMS:

5.1 CORRESPONDENCE

5.2 APPROVE THE REGULAR MEETING MINUTES OF MARCH 12, 2026

5.3 RECEIVE THE FEBRUARY WARRANT REGISTER

Council Member Cranford motioned to approve the Consent Calendar as presented. Second by Council Member Bottomley. Motion passed with a roll call vote of 5-0.

Item 7.1 was presented at this time.

6. PUBLIC HEARINGS:

6.1 INTRODUCTION AND FIRST READING OF ORDINANCE 2026-03 AMENDING PLYMOUTH MUNICIPAL TO ADD CHAPTER 17.74 – ACCESSORY DWELLING UNITS

Vice Mayor Hornisch motioned to Conduct the First Reading of Ordinance 2026-03 Amending Plymouth Municipal to Add Chapter 17.74 – Accessory Dwelling Units. Second by Council Member Cranford. Motion passed with a roll call vote of 5-0.

6.2 INTRODUCTION AND FIRST READING OF ORDINANCE 2026-04 ADOPTING PROCUREMENT POLICY CC-45

Council Member Cranford motioned to Conduct the First Reading of Ordinance 2026-04 Adopting Procurement Policy CC-45. Second by Vice Mayor Hornisch. Motion passed with a roll call vote of 5-0.

7. REGULAR AGENDA ITEMS:

7.1 RECEIVE MID-YEAR BUDGET UPDATE FROM FINANCE DIRECTOR ANDY HEATH AND CONSIDER APPROVAL OF RESOLUTION NO 2026-04 INCORPORATING BUDGET UPDATE AND FUND BALANCE PROJECTIONS INTO FISCAL YEAR 2025-2026 BUDGET

After a thorough presentation from Finance Director Heath, the Mayor opened public comment.

Written public comment was submitted by Stephanie Moreno.

Rosemarie Moody stated she is confused that there is no actual financial report. She doesn't understand if all the information is in how come there is no report they can look at. Ms. Moody wanted to know the actual cash reserve that the City has available for use.

Elizabeth Pinotti asked if every number on the report was the fiscal year or calendar year.

After council discussion, Council Member Bottomley motioned to approve Resolution 2026-04 Incorporating Budget Update and Fund Balance Projections into Fiscal Year 2025-2026. Second by Council Member Dill. Motion passed with a roll call vote of 5-0.

A brief recess was taken from 7:57pm and reconvened at 8:05pm.

7.2 DISCUSSION AND POSSIBLE APPROVAL TO GRANT KIT CARSON MOUNTAIN MEN \$650 IN TOT FUNDS FOR THE 2026 WAGON TRAIN

Council Member Cranford motioned to approve to grant Kit Carson Mountain Men \$650 in TOT Funds for the 2026 Wagon Train. Second by Council Member Dill. Motion passed with a roll call vote of 5-0

7.3 REVIEW AND ADOPT RESOLUTION 2026-05 OF THE 2025 AMADOR COUNTY LOCAL HAZARD MITIGATION PLAN, INCLUDING ANNEX D AND INCORPORATION INTO THE SAFETY ELEMENT OF THE GENERAL PLAN IN ACCORDANCE WITH AB2140

Rosemarie Moody asked if this means that we will be responsible for Old Sacramento Road officially. City Manager Begbie stated that a very large portion of Old Sacramento Road was adopted by the council in 2012.

City Attorney Booher had a recommendation from a citizen regarding the noticing of this item. He stated they would amend this item by removing the incorporation in the safety element of the general plan in accordance with AB2140 until it could be noticed properly.

Vice Mayor Hornisch motioned to Adopt the Plan and Resolution 2026-05 of the 2025 Amador County Local Hazard Mitigation Plan, Including Annex D as amended. Second by Council Member Cranford. Motion passed with a roll call vote of 5-0.

7.4 DISCUSSION AND POSSIBLE ACTION TO APPROVE CITY MANAGER EMPLOYMENT AGREEMENT

Rosemarie Moody was asking about the deferred compensation program offered to employees. She wondered if the council had seen the supporting documentation regarding this benefit. Ms. Moody also asked if there was a contract term on this contract. She felt it would benefit both parties to have one in place.

Vice Mayor Hornisch motioned to Approve City Manager Employment Agreement Second by Council Member Cranford. Motion passed with a roll call vote of 5-0.

8. CITY MANAGER'S REPORT

City Manager Begbie stated that Public Works has been busy with weed abatement in the cemetery and around town. He stated they had also begun spraying in some areas. City Manager Begbie also stated that they have been in contact with Caltrans and that they have stated they would come to take care of the weeds on the walking path. City Manager Begbie stated the TAPCO flashing signs will be put in place. He also stated the front entry lights that the HOA wanted were ordered for Zinfandel Ridge. City Manager Begbie also stated that we have hired six Lifeguards and two Recreational Aides for the upcoming 2026 Swim Season. He stated that the pool would be open Wednesday through Sunday from 12:30pm to 6:30pm and swim lessons would be from 11:00am to 12:30pm Wednesday through Saturday. City Manager Begbie gave an update on Nettie's Table. He also stated he is working on getting deputies in line for the 4th of July event. City Manager Begbie mentioned that the study fee is still underway and is hoping that it will be taken care of after the water study is complete. He also stated that Prop 218 draft will be brought to the City Council Meeting on April 9th. City Manager Begbie stated that we will be getting RFPs for our next audit in the near future. He also stated that they had located funds from the McGee Park Grant that were still owed to us and a FEMA grant that we are working on getting

reimbursed for as well. City Manager Begbie addressed the high legal expenses and gave a breakdown of where those funds are being spent, specifically the amount incurred from PRAs. He also stated that the City had applied for the ACF Grant to refurbish our gazebo.

9. MAYOR & COUNCIL MEMBERS' REPORTS AND COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

Council Member Cranford congratulated Council Member Dill on her daughter enlisting in the Navy and thanked her daughter for her service. She also asked to we have an agenda item discussing the 49er Village. Council Member Cranford also would like to have an item regarding the revenue brought in regarding septage dumping and the comments made regarding the road damage. She also asked if it would be cheaper to contract with another City for Sheriff for help at the July 4th event.

Council Member Bottomley asked how many PRAs we get and are they effective for the City. She asked for a list along with the warrant register so the council can view what is being requested. Council Member Bottomley welcomed City Manager Begbie aboard. She is looking forward to taking her Grandkids to see the Wagon Train.

Vice Mayor Hornisch stated he had discussions with the beautification committee at Zinfandel Ridge and thanked the City for getting the lights ordered. He said they are still figuring out landscaping duties. Vice Mayor Hornisch would also like to discuss the TOT Grant issue and also the 49er.

Mayor Nunn asked about the Flea Market and if it was cancelled this year. City Manager Begbie stated that the citizen who had been spearheading it had decided not to do it anymore. He stated that the City is looking into options to put it on next year. Mayor Nunn also asked if the City had found a place to put the Christmas Tree this year. He also asked to have a calendar of upcoming agenda items. Mayor Nunn also wanted to inform everyone that he may not be able to attend the meeting on 9th.

10. CLOSED SESSION:

Written public comment was submitted by Terri Sweet.

ADJOURNMENT INTO CLOSED SESSION AT 8:54PM

10.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: APNs 008-070-036, -037, -038, -039, and -040

Agency Negotiators: Cameron Begbie, City Manager & Andreas Booher, City Attorney

Negotiating Parties: Sutter Home Winery

Terms Under Negotiation: All terms associated with possible acquisition of property by the City

11. REPORT OUT FROM CLOSED SESSION – DIRECTION GIVEN TO STAFF

ADJOURNMENT AT 9:28PM

Respectfully submitted at Plymouth, California

//s//

Victoria McHenry City Clerk

5.3

CITY OF PLYMOUTH
Claims and/or Payroll Checks List
For the Accounting Period: 3/26

Claims

Check #	Type	Vendor/Employee/Payee Number/Name	Check/Doc Amount	Period	Date Issued	Fund	Org	Acct	Object	Proj	Cash Account
-99885	E	181 PAYCHEX INC.	133.50	3/26	03/12/26						
4175			133.50	3/26							
		03/05/26 FLEX TIME	133.50			1		511000	781000		101001
-99884	E	403 PAYA SERVICES INC	159.90	3/26	03/12/26						
4196			159.90	3/26							
		03/06/26 Processing Fees	79.95			40		600000	761000		101001
		03/06/26 Processing Fees	79.95			50		700000	761000		101001
30519	SC	26 AMADOR COUNTY FAIR	715.00	3/26	03/05/26						
4195			715.00	3/26							
		03/02/26 Corp Yard Rent - March 2026	715.00			1		531000	721700		101001
30520	SC	418 CALIFORNIA LANDSCAPING & DESIGN I	5750.00	3/26	03/05/26						
4206			5750.00	3/26							
		03/03/26 ZR Monthly Services	5750.00			80		519000	740100		101001
30521	SC	89 MICHELE GERMAN-DAVIS	1990.00	3/26	03/05/26						
4185			1990.00	3/26							
		03/01/26 Web Site	1990.00			1		511000	761000		101001
30522	SC	178 PACIFIC GAS & ELECTRIC	2380.75	3/26	03/05/26						
4208			2380.75	3/26							
		03/02/26 18565 Empire Street	43.21			1		551000	731000		101001
		03/02/26 18358 Empire Street	16.09			1		551000	731000		101001
		03/02/26 Shenandoah Rd SS Hwy 49 E 150	26.28			40		600000	731000		101001
		03/02/26 E/Plymouth	75.79			40		600000	731000		101001
		03/02/26 9426 Main Street	285.79			1		511000	731000		101001
		03/02/26 9426 Main Street	285.79			40		600000	731000		101001
		03/02/26 9426 Main Street	285.79			50		700000	731000		101001
		03/02/26 18500 Sherwood Street	702.24			1		531000	731000		101001
		03/02/26 7151 Old Sacrament Road	401.53			50		700000	731000		101001
		03/02/26 9395 Main Street	217.41			1		551000	731000		101001
		03/02/26 Hwy 49 WS Main St N 250 ft	20.42			10		560000	731000		101001
		03/02/26 Hwy 49 WS Main St N 250 ft	20.41			50		700000	731000		101001
30523	SC	321 SACRAMENTO VALLEY DIVISION	105.00	3/26	03/05/26						
4216			105.00	3/26							
		01/26/26 Membership Dues 2026	105.00			1		512000	720800		101001

Check Types: MC=Manual Claim, SC=System Claim, V=Void (never in system), E=ACH
P=Payroll, C=Cancelled (cancelled in system), R=Reissued, D=Deleted (deleted in system)

04/01/26
09:44:20

CITY OF PLYMOUTH
Claims and/or Payroll Checks List
For the Accounting Period: 3/26

Page: 2 of 7
Report ID: W100X2

Claims

Check #	Type	Vendor/Employee/Payee Number/Name	Check/Doc Amount	Period	Date Issued						Cash Account
Claim		Invoice #/Inv Date/Description	Line Amount	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Account
30524	SC	381 ABSO TECHNOLOGIES, INC.	1852.42	3/26	03/12/26						
	4187		1852.42	3/26							
		03/01/26 Tech Support	1852.42			1	511000	784000			101001
30525	SC	359 AMADOR COUNTY ANIMAL CONTROL	1156.43	3/26	03/12/26						
	4200		1156.43	3/26							
		03/05/26 02/01/2026 to 02/28/2026	294.29			1	511000	761000			101001
		03/05/26 02/01/2026 to 02/28/2026	862.14			1	511000	761000			101001
30526	SC	35 AMADOR WATER AGENCY	2710.28	3/26	03/12/26						
	4212		2710.28	3/26							
		03/06/26 Water Contract Services	2710.28			40	600000	767000			101001
30527	SC	254 AT&T	221.46	3/26	03/12/26						
	4205		221.46	3/26							
		03/06/26 9391047017	47.45			50	700000	732000			101001
		03/06/26 9391047027	47.45			50	700000	732000			101001
		03/06/26 9391047035	126.56			1	511000	732000			101001
30528	SC	253 BAHALA NA CORP	654.60	3/26	03/12/26						
	4178		654.60	3/26							
		02/28/26 PW/Tools	309.91			1	531000	740100			101001
		02/28/26 Equipt Repair	138.52			1	531000	740700			101001
		02/28/26 Pool	50.60			1	554000	740100			101001
		02/28/26 PW Repair/Fluids/Misc	108.65			1	531000	720000			101001
		02/28/26 Parks Repair Maint	46.92			1	551000	740500			101001
30529	SC	45 BEST BEST & KRIEGER	14676.00	3/26	03/12/26						
	4173		14676.00	3/26							
		03/05/26 Retainer	3350.50			1	511000	762000			101001
		03/05/26 Labor-Employment	6524.60			1	511000	762000			101001
		03/05/26 Arroyo Ditch	419.90			1	511000	762000			101001
		03/05/26 Casino Project	193.80			33	560000	762000			101001
		03/05/26 ADV. Outfront Media LLC	1910.60			1	511000	762000			101001
		03/05/26 Sutter Home Winery	768.60			1	511000	762000			101001
		03/05/26 Retainer (overage)	1508.00			1	511000	762000			101001
30530	SC	66 CALIFORNIA LABORATORY SERVICES	961.00	3/26	03/12/26						

Check Types: MC=Manual Claim, SC=System Claim, V=Void (never in system), E=ACH
P=Payroll, C=Cancelled (cancelled in system), R=Reissued, D=Deleted (deleted in system)

04/01/26
09:44:20

CITY OF PLYMOUTH
Claims and/or Payroll Checks List
For the Accounting Period: 3/26

Page: 3 of 7
Report ID: W100X2

Claims

Check #	Type	Vendor/Employee/Payee Number/Name	Check/Doc Amount	Period	Date Issued	Fund	Org	Acct	Object	Proj	Cash Account
4182			961.00	3/26							-----
		02/28/26 Drinking Water Lab	504.00			40	600000	728100			101001
		02/28/26 Waste Water Lab	457.00			50	700000	728100			101001
30531	SC	434 CAPITAL MACHINE	455.45	3/26	03/12/26						
4219			455.45	3/26							
		03/03/26 WWTP Supplies	455.45			50	700000	740700			101001
30532	SC	76 CLARK PEST CONTROL	377.00	3/26	03/12/26						
4191			377.00	3/26							
		03/05/26 City Hall	134.00			1	531000	740100			101001
		03/05/26 Water Treatment Plant	102.00			40	600000	740100			101001
		03/05/26 18565 Empire Street	141.00			1	551000	740100			101001
30533	SC	334 FIRE RISK MANAGEMENT SERVICES	588.90	3/26	03/12/26						
4179			588.90	3/26							
		03/08/26 Benefits	299.86			1	511000	705000			101001
		03/08/26 Benefits	284.29			1	551000	705000			101001
		03/08/26 Benefits	0.00			40	600000	705000			101001
		03/08/26 Benefits	4.75			50	700000	705000			101001
30534	SC	164 NBS	2616.48	3/26	03/12/26						
4207			2616.48	3/26							
		03/04/26 Water Rate Study	1058.98			40	600000	761000			101001
		03/04/26 Wastewater Rate Study	1557.50			50	700000	761000			101001
30535	SC	181 PAYCHEX INC.	330.45	3/26	03/12/26						
4181			330.45	3/26							
		02/26/26 Payroll	330.45			1	511000	781000			101001
30536	SC	201 SHENANDOAH STATION	1476.12	3/26	03/12/26						
4192			1476.12	3/26							
		02/28/26 Fuel 02/02/26 to 02/27/26	1476.12			1	531000	721100			101001
30537	SC	141 SUPERIOR PLUS ENERGY SERVICES INC	306.06	3/26	03/12/26						
4176			306.06	3/26							
		03/06/26 9426 Main Street	306.06			1	511000	721900			101001

Check Types: MC=Manual Claim, SC=System Claim, V=Void (never in system), E=ACH
P=Payroll, C=Cancelled (cancelled in system), R=Reissued, D=Deleted (deleted in system)

Claims

Check #	Type	Vendor/Employee/Payee Number/Name	Check/Doc Amount	Period	Date Issued					Cash Account	
Claim		Invoice #/Inv Date/Description	Line Amount	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Account
30538	SC	411 TRENCH & TRAFFIC SUPPLY, INC	442.46	3/26	03/12/26						-----
	4217		442.46	3/26							
		03/04/26 Aluminum Sign	442.46			1	532000	755000			101001
30539	SC	245 WALKER'S SUPPLY CO.	165.49	3/26	03/12/26						
	4177		165.49	3/26							
		03/10/26 Supplies	165.49			1	511000	740500			101001
30540	SC	322 WILKINSON PORTABLES INC	216.00	3/26	03/12/26						
	4172		216.00	3/26							
		03/11/26 CORP YARD	108.00			1	531000	721700			101001
		03/11/26 SEWER PLANT	108.00			50	700000	721700			101001
30541	SC	370 4LEAF, INC.	3700.00	3/26	03/23/26						
	4186		3700.00	3/26							
		02/28/26 Planning Services	2266.25			1	542000	761000			101001
		02/28/26 Pokerville	462.50			1	280028				101001
		02/28/26 ARCO	277.50			1	280026				101001
		02/28/26 Greilich	231.25			1	280020				101001
		02/28/26 Plan Serv Reimb Fees	462.50			1	542000	751000			101001
30542	SC	384 ANDY HEATH FINANCIAL SERVICES	4205.00	3/26	03/23/26						
	4221		4205.00	3/26							
		01/14/26 Finance Consult Services	4205.00			1	514000	761000			101001
30543	SC	256 AT&T	31.76	3/26	03/23/26						
	4183		31.76	3/26							
		03/07/26 Monthly Services	31.76			40	600000	732000			101001
30544	SC	41 AT&T MOBILITY	821.31	3/26	03/23/26						
	4194		821.31	3/26							
		03/01/26 CM Devices	205.32			1	511000	732000			101001
		03/01/26 PW Devices	205.33			1	531000	732000			101001
		03/01/26 Water Devices	205.33			40	600000	732000			101001
		03/01/26 WWTP Devices	205.33			50	700000	732000			101001
30545	SC	75 CITY OF PLYMOUTH	212.40	3/26	03/23/26						
	4180		212.40	3/26							
		03/16/26 2016-01 Zinfandel Irrigation	212.40			80	519000	770400			101001

Check Types: MC=Manual Claim, SC=System Claim, V=Void (never in system), E=ACH
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Claims

Check #	Type	Vendor/Employee/Payee Number/Name	Check/Doc Amount	Period	Date Issued						Cash Account
Claim		Invoice #/Inv Date/Description	Line Amount	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Account
30546	SC	147 LEDGER DISPATCH	260.35	3/26	03/23/26						
4203			160.35	3/26							
		03/06/26 Ad# 69701	160.35			1	511000	720300			101001
4222			100.00	3/26							
		03/16/25 Subscription renewal	100.00			1	511000	732000			101001
30547	SC	305 NAPA AUTO PARTS	426.80	3/26	03/23/26						
4223			426.80	3/26							
		02/28/26 Equip Maint & Repair	426.80			1	531000	740700			101001
30548	SC	178 PACIFIC GAS & ELECTRIC	9222.01	3/26	03/23/26						
4209			8117.45	3/26							
		03/11/26 CFD 2016-1 NS/O Zinf Pkwy	13.72			80	519000	731000			101001
		03/11/26 7784 Old Sacramento Road	7992.39			50	700000	731000			101001
		03/05/26 End/Burke Dr at White Oak	26.28			40	600000	731000			101001
		03/05/26 End/Burke Dr at White Oak	36.57			40	600000	731000			101001
		03/07/26 W/O Hwy 49 on Main St	48.49			10	560000	731000			101001
4210			1104.56	3/26							
		03/17/26 CFD 2016-1 Vintner & Sommelier	13.45			80	519000	731000			101001
		03/17/26 Corner of Hwy 49, S/O Zinf Pkw	18.44			40	600000	731000			101001
		03/17/26 Street Lights	1072.67			10	560000	731000			101001
30549	SC	245 WALKER'S SUPPLY CO.	32.59	3/26	03/23/26						
4220			32.59	3/26							
		03/12/26 Janitorial Suplies	32.59			1	511000	740500			101001
30550	SC	247 WEBER, GHIO & ASSOCIATES, INC	1909.75	3/26	03/23/26						
4204			1909.75	3/26							
		03/10/26 General City Engineering	509.50			1	518000	763000			101001
		03/10/26 18170 Hwy 49	282.00			1	280028				101001
		03/10/26 Water System	366.00			40	600000	763000			101001
		03/10/26 Building Insp	362.50			1	541000	763100			101001
		03/10/26 9702 Main St	100.00			1	280027				101001
		03/10/26 ZR Drain & Maint Issues	289.75			80	519000	763000			101001
30551	SC	260 WELLS FARGO	2239.25	3/26	03/23/26						
4214			2239.25	3/26							
		03/03/26 Amazon/Wal-mart	107.59			1	511000	720100			101001
		03/03/26 8x8/zoom/micro/OWP	1430.80			1	511000	784000			101001

Check Types: MC=Manual Claim, SC=System Claim, V=Void (never in system), E=ACH
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Claims

Check #	Type	Vendor/Employee/Payee Number/Name	Check/Doc Amount	Period	Date Issued	Fund Org	Acct	Object Proj	Cash Account
		03/03/26 Amazon/Watco Floors	260.24			1	531000	740500	101001
		03/03/26 Amazon	118.28			1	511000	740100	101001
		03/03/26 8x8	161.17			40	600000	784000	101001
		03/03/26 8x8	161.17			50	700000	784000	101001
30552	SC	393 WIZIX TECHNOLOGY GROUP, INC	72.39	3/26	03/23/26				
	4198		72.39	3/26					
		03/20/26 P6035CDN	2.15			1	511000	720100	101001
		03/20/26 P6035CDN	2.15			40	600000	720100	101001
		03/20/26 P6035CDN	2.16			50	700000	720100	101001
		03/20/26 4054ci	21.91			1	511000	720100	101001
		03/20/26 4054ci	21.90			40	600000	720100	101001
		03/20/26 4054ci	21.90			50	700000	720100	101001
		02/20/26 P6035CDN-2/20/26	0.08			1	511000	720100	101001
		02/20/26 P6035CDN-2/20/26	0.07			40	600000	720100	101001
		02/20/26 P6035CDN-2/20/26	0.07			50	700000	720100	101001
30553	SC	34 AMADOR WATER AGENCY	36168.27	3/26	03/26/26				
	4174		36168.27	3/26					
		03/18/26 Service Charge	17495.66			40	600000	729200	101001
		03/18/26 Water Consumption	13606.50			40	600000	729100	101001
		03/18/26 Water Debt Service	5066.11			40	600000	729200	101001
30554	SC	255 AT&T	107.00	3/26	03/26/26				
	4184		107.00	3/26					
		03/10/26 WWTP Internet	107.00			50	700000	732000	101001
30555	SC	78 COMCAST	156.44	3/26	03/26/26				
	4211		156.44	3/26					
		03/16/26 Internet	156.44			1	511000	784000	101001
30556	SC	73 FIRST-CITIZENS BANK & TRUST CO	311.40	3/26	03/26/26				
	4201		311.40	3/26					
		03/12/26 TASKALFA 4054CI	103.80			1	511000	761000	101001
		03/12/26 TASKALFA 4054CI	103.80			40	600000	761000	101001
		03/12/26 TASKALFA 4054CI	103.80			50	700000	761000	101001
30557	SC	999999 FRANK ADAMS	1.29	3/26	03/26/26				
	4224		1.29	3/26					
		03/24/26 W/S overpayment @ close	1.29			40	220002		101001

Check Types: MC=Manual Claim, SC=System Claim, V=Void (never in system), E=ACH
P=Payroll, C=Cancelled (cancelled in system), R=Reissued, D=Deleted (deleted in system)

04/01/26
09:44:20

CITY OF PLYMOUTH
Claims and/or Payroll Checks List
For the Accounting Period: 3/26

Page: 7 of 7
Report ID: W100X2

Claims

Check #	Type	Vendor/Employee/Payee Number/Name	Check/Doc Amount	Period	Date Issued					Cash Account
Claim		Invoice #/Inv Date/Description	Line Amount	Disc \$	PO #	Fund	Org	Acct	Object	Proj
30558	SC	147 LEDGER DISPATCH	208.88	3/26	03/26/26					
	4226		208.88	3/26						
		03/13/26 Ad# 70078	208.88			1	512000	720300		101001
30559	SC	150 LOWE'S BUSINESS ACCT/SYNCB	2239.98	3/26	03/26/26					
	4213		2239.98	3/26						
		03/17/26 02/25/26 to 03/17/26	1721.57			1	551000	740100		101001
		03/17/26 02/25/26 to 03/17/26	430.94			1	531000	740500		101001
		03/17/26 02/25/26 to 03/17/26	87.47			1	519000	770700		101001
30560	SC	164 NBS	966.46	3/26	03/26/26					
	4225		966.46	3/26						
		03/20/26 Pro Serv 4-1-26 to 6-30-26	966.46			80	519000	769000		101001
30561	SC	383 QUADIENT FINANCE USA INC	500.00	3/26	03/26/26					
	4199		500.00	3/26						
		03/16/26 Postage	166.67			1	511000	720100		101001
		03/16/26 Postage	166.66			40	600000	720100		101001
		03/16/26 Postage	166.67			50	700000	720100		101001

Claims Total # of Checks: 45 Total: 104234.08

Grand Total # of Checks: 45 Total: 104234.08

Check Types: MC=Manual Claim, SC=System Claim, V=Void (never in system), E=ACH
P=Payroll, C=Cancelled (cancelled in system), R=Reissued, D=Deleted (deleted in system)

CITY OF PLYMOUTH
Check Register for Wells Fargo Checking
For the Accounting Period: 3/26

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
-99885	E	181 PAYCHEX INC.	133.50	03/12/26	3/26	CL 4175	133.50
-99884	E	403 PAYA SERVICES INC	159.90	03/12/26	3/26	CL 4196	159.90
30519	S	26 AMADOR COUNTY FAIR	715.00	03/05/26	_____	CL 4195	715.00
30520	S	418 CALIFORNIA LANDSCAPING & DESIGN INC.	5750.00	03/05/26	_____	CL 4206	5750.00
30521	S	89 MICHELE GERMAN-DAVIS	1990.00	03/05/26	_____	CL 4185	1990.00
30522	S	178 PACIFIC GAS & ELECTRIC	2380.75	03/05/26	_____	CL 4208	2380.75
30523	S	321 SACRAMENTO VALLEY DIVISION	105.00	03/05/26	_____	CL 4216	105.00
30524	S	381 ABSO TECHNOLOGIES, INC.	1852.42	03/12/26	_____	CL 4187	1852.42
30525	S	359 AMADOR COUNTY ANIMAL CONTROL	1156.43	03/12/26	_____	CL 4200	1156.43
30526	S	35 AMADOR WATER AGENCY	2710.28	03/12/26	_____	CL 4212	2710.28
30527	S	254 AT&T	221.46	03/12/26	_____	CL 4205	221.46
30528	S	253 BAHALA NA CORP	654.60	03/12/26	_____	CL 4178	654.60
30529	S	45 BEST BEST & KRIEGER	14676.00	03/12/26	_____	CL 4173	14676.00
30530	S	66 CALIFORNIA LABORATORY SERVICES	961.00	03/12/26	_____	CL 4182	961.00
30531	S	434 CAPITAL MACHINE	455.45	03/12/26	_____	CL 4219	455.45
30532	S	76 CLARK PEST CONTROL	377.00	03/12/26	_____	CL 4191	377.00
30533	S	334 FIRE RISK MANAGEMENT SERVICES	588.90	03/12/26	_____	CL 4179	588.90
30534	S	164 NBS	2616.48	03/12/26	_____	CL 4207	2616.48
30535	S	181 PAYCHEX INC.	330.45	03/12/26	_____	CL 4181	330.45
30536	S	201 SHENANDOAH STATION	1476.12	03/12/26	_____	CL 4192	1476.12
30537	S	141 SUPERIOR PLUS ENERGY SERVICES INC	306.06	03/12/26	_____	CL 4176	306.06
30538	S	411 TRENCH & TRAFFIC SUPPLY, INC	442.46	03/12/26	_____	CL 4217	442.46
30539	S	245 WALKER'S SUPPLY CO.	165.49	03/12/26	_____	CL 4177	165.49
30540	S	322 WILKINSON PORTABLES INC	216.00	03/12/26	_____	CL 4172	216.00

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
30541	S	370 4LEAF, INC.	3700.00	03/23/26	_____	CL 4186	3700.00
30542	S	384 ANDY HEATH FINANCIAL SERVICES	4205.00	03/23/26	_____	CL 4221	4205.00
30543	S	256 AT&T	31.76	03/23/26	_____	CL 4183	31.76
30544	S	41 AT&T MOBILITY	821.31	03/23/26	_____	CL 4194	821.31
30545	S	75 CITY OF PLYMOUTH	212.40	03/23/26	_____	CL 4180	212.40
30546	S	147 LEDGER DISPATCH	260.35	03/23/26	_____	CL 4203 CL 4222	160.35 100.00
30547	S	305 NAPA AUTO PARTS	426.80	03/23/26	_____	CL 4223	426.80
30548	S	178 PACIFIC GAS & ELECTRIC	9222.01	03/23/26	_____	CL 4209 CL 4210	8117.45 1104.56
30549	S	245 WALKER'S SUPPLY CO.	32.59	03/23/26	_____	CL 4220	32.59
30550	S	247 WEBER, GHIO & ASSOCIATES, INC	1909.75	03/23/26	_____	CL 4204	1909.75
30551	S	260 WELLS FARGO	2239.25	03/23/26	_____	CL 4214	2239.25
30552	S	393 WIZIX TECHNOLOGY GROUP, INC	72.39	03/23/26	_____	CL 4198	72.39
30553	S	34 AMADOR WATER AGENCY	36168.27	03/26/26	_____	CL 4174	36168.27
30554	S	255 AT&T	107.00	03/26/26	_____	CL 4184	107.00
30555	S	78 COMCAST	156.44	03/26/26	_____	CL 4211	156.44
30556	S	73 FIRST-CITIZENS BANK & TRUST CO	311.40	03/26/26	_____	CL 4201	311.40
30557	S	999999 FRANK ADAMS	1.29	03/26/26	_____	CL 4224	1.29
30558	S	147 LEDGER DISPATCH	208.88	03/26/26	_____	CL 4226	208.88
30559	S	150 LOWE'S BUSINESS ACCT/SYNCB	2239.98	03/26/26	_____	CL 4213	2239.98
30560	S	164 NBS	966.46	03/26/26	_____	CL 4225	966.46
30561	S	383 QUADIENT FINANCE USA INC	500.00	03/26/26	_____	CL 4199	500.00
Total for Claim Checks			104234.08				
Count for Claim Checks			45				

* denotes missing check number(s)

of Checks: 45 Total: 104234.08

Fund/Account	Amount
1 General Fund	
101001	41,274.39
10 Gas Tax Fund	
101001	1,141.58
33 Miwok Indian Project Fund	
101001	193.80
40 Water Enterprise Fund	
101001	42,152.76
50 Sewer Enterprise Fund	
101001	12,225.77
80 CFD 2016-01 ZR	
101001	7,245.78
Total:	104,234.08

5.4



CITY COUNCIL AGENDA ITEM NO. 5.4

04/09/2026

SUBJECT: Second Reading and Adoption of Ordinance No. 2026-03
Accessory Dwelling Units – Zoning Ordinance Amendment

DEPARTMENT: City Planner’s Office

STAFF: Erica Fraser, City Planner

BACKGROUND

At the March 26, 2026, City Council meeting, the City Council conducted the first reading to introduce Ordinance 2026-03 as proposed by staff.

Through Ordinance 2026-03, Staff is recommending the addition of Chapter 19.74, Accessory Dwelling Units, to the Zoning Ordinance. The new Chapter includes regulations regarding the size, development standards, and number of Accessory Dwelling Units (ADU) allowed for single family and multi-family properties. The draft Chapter is included in Attachment 1.

The proposed Chapter has been drafted by the City Attorney’s Office and Staff. The Chapter is consistent with State Law requirements.

A City is required to allow ADUs on properties where a residential dwelling is permitted by right or conditionally permitted and where the ADU will be an accessory to the primary dwelling unit. ADUs are exempt from the density limitations in the General Plan and Zoning Ordinance. In the City of Plymouth, ADUs are allowed in the Agriculture (A), Rural Residential (RR), Standard Residential (SR), and Village Residential (VR) Zoning Districts. ADUs cannot be prohibited by a Homeowners Association (HOA).

A single-family property can have one ADU and one JADU per lot within the existing or proposed space of a single-family dwelling or existing accessory structure and one detached new construction ADU (potentially a total of 3 ADUs).

Multi-family properties are permitted to have at least one conversion ADU and ADUs which equal up to 25 percent of the total number of existing multi-family units. Additionally, multi-family properties are permitted to have a minimum of two (2) detached ADUs and up to eight (8) ADUs on the property.

The number of allowed units can be found in Section 19.74.040, Maximum Number of Units.



CITY COUNCIL AGENDA ITEM NO. 5.4

04/09/2026

As proposed, a planning permit (ADU Permit) is proposed to be required prior to a building permit so that the Planning Department can ensure the proposed ADU complies with all of the requirements of the new Chapter.

Development standards, such as lot coverage, setbacks and height, can be found in Section 19.74.070.

The proposed Ordinance is consistent with State Law. By adopting an Ordinance related to Accessory Dwelling Units, the City will comply with State Law as well as complete an action item required by our Housing Element. The new Ordinance clearly outlines the rules and regulations for constructing ADUs within the City which will benefit Staff as well as the public. Once adopted, a planning permit will be required prior to applying for a building permit, to ensure that the proposed ADU meets all City requirements.

ENVIRONMENTAL DETERMINATION

Under California Public Resources Code section 21080.17, CEQA does not apply to the adoption of an ordinance by a city or county implementing the provisions of Chapter 13 of Division 1 of Title 7 of the California Government Code, which is California's ADU law. Therefore, the proposed ordinance is statutorily exempt from CEQA in that the proposed ordinance implements state ADU law.

FISCAL IMPACT

Approval of this Ordinance adopting a Procurement Policy will not result in additional fiscal impacts to the City as it is intended to standardize the City's procurement processes.

RECOMMENDATION

Conduct second reading and adopt Ordinance No. 2026-03 to amend the City's Zoning Ordinance to include Chapter 19.74 regarding Accessory Dwelling Units.

ATTACHMENT(S)

1. City Council Ordinance No. 2026-03 adopting an amendment to the Zoning Ordinance to add Chapter 17.74, Accessory Dwelling Units, to the Zoning Ordinance.

ORDINANCE 2026-03

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLYMOUTH AMENDING THE ZONING ORDINANCE (TITLE 19 OF THE MUNICIPAL CODE) TO INCLUDE CHAPTER 19.74, ACCESSORY DWELLING UNITS

WHEREAS, the City of Plymouth (“City”) is a municipal corporation, duly organized under the California Constitution and laws of the State of California; and

WHEREAS, the City occasionally initiates an amendment to the Zoning Ordinance in order to codify requirements pursuant to State Law; and

WHEREAS, the State of California has passed several Bills into law which limits how cities can regulate and review Accessory Dwelling Units; and

WHEREAS, the Planning Commission reviewed the proposed Ordinance on March 5, 2026; and

WHEREAS, on March 5, 2026, during a duly noticed public hearing, the Planning Commission adopted Resolution No. 2026-1 recommending City Council approval of Chapter 19.74, Accessory Dwelling Units; and

WHEREAS, on March 26, 2026, during a duly noticed public hearing, the City Council provided all interested parties had the opportunity to be heard regarding the proposed Ordinance, and conducted the first reading of the proposed Ordinance; and

WHEREAS, the City Council did hear and consider all said reports, recommendations, and testimony herein and used its independent judgement to evaluate the proposed amendments; and

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Plymouth does hereby ordain as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. Chapter 19.74, Accessory Dwelling Units. This Chapter is hereby added to the Zoning Ordinance as follows:

Chapter 19.74 Accessory Dwelling Units

19.74.010 Purpose

- A. Purpose. The purpose of this Chapter is to allow and regulate Accessory Dwelling units (ADUs) and Junior Accessory Dwelling Units (JADUs) in compliance with

Chapter 13 of Division 1 of Title 7 of the California Government Code (Sections 66310-66342).

- B. Effect of Conforming. An ADU or JADU that conforms to the standards in this Chapter will not be:
1. Deemed to be inconsistent with the city's general plan and zoning designation for the lot on which the ADU or JADU is located.
 2. Deemed to exceed the allowable density for the lot on which the ADU or JADU is located.
 3. Considered in the application of any local ordinance, policy, or program to limit residential growth.
 4. Required to correct a nonconforming zoning condition. This does not prevent the City from enforcing compliance with applicable building standards in accordance with Health and Safety Code section 17980.12.

19.74.020 Definitions

Definitions. As used in this section, terms are defined as follows:

- A. "Accessory dwelling unit" or "ADU" means an attached or a detached residential dwelling unit that provides complete independent living facilities (see definition below) for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:
1. An efficiency unit, as defined by section 17958.1 of the California Health and Safety Code; and
 2. A manufactured home, as defined by section 18007 of the California Health and Safety Code.
- B. "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot. "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.
- C. "Complete independent living facilities" means permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.
- D. "Conversion Accessory Dwelling Unit" means an ADU which is created within either the existing space of the primary dwelling unit or the existing space of an attached or detached garage, shed, barn, or any other accessory structure. A Conversion ADU may add up to 150 square feet beyond the physical dimensions of the existing

space to provide for ingress and egress (including, but not limited to, entryways, stairwells, and hallways).

- E. “Efficiency kitchen” means a kitchen that includes all of the following:
 - 1. A cooking facility with appliances.
 - 2. A food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.

- F. “Junior accessory dwelling unit” or “JADU” means a residential unit that satisfies all of the following:
 - 1. It is no more than 500 square feet of interior livable space in size.
 - 2. It is contained entirely within an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.
 - 3. It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.
 - 4. If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the existing or proposed single-family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.
 - 5. It includes an efficiency kitchen.

- G. “Livable space” means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.

- H. “Living area” means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.

- I. “Major transit stop” shall have the same meaning as defined in subdivision (b) of Section 21155 of the Public Resources Code.

- J. “Multi-family” for the purposes of this Chapter, multifamily means a property in which there is two (2) or more attached primary dwelling units.

- K. “New construction accessory dwelling unit” means an ADU which does not otherwise meet the definition of a Conversion ADU. This shall also include attached or detached ADUs which expand upon existing space of the primary dwelling. This definition also includes the conversion of an existing accessory structure which includes an addition of greater than 150 square feet.

- L. “Nonconforming zoning condition” means a physical improvement on a property that does not conform with current zoning standards.
- M. “Passageway” means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.
- N. “Proposed dwelling” means a dwelling that is the subject of a permit application and that meets the requirements for permitting.
- O. “Public transit” means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.
- P. “Tandem parking” means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

19.74.030 Approvals

The following approvals apply to ADUs and JADUs created under this section:

- A. Ministerial ADU and Building Permits Required. Every ADU and JADU requires an ADU Permit (from the Planning Department) and a building permit. The city will review and approve permit applications in accordance with subsection (C) below.
- B. Processing Fee. The application for an ADU Permit shall be accompanied by the fee listed in the City’s Fee Schedule.
- C. Process and Timing.
 - 1. Completeness.
 - a. Completeness Review. The City will review an application for an ADU and/or JADU for completeness and will provide written notice of all items necessary to deem the application complete to the applicant within 15 business days after the City receives the application.
 - b. Incomplete items. If the City’s determination under subsection (d)(3)(A)(i) above is that the application is incomplete, the City’s notice must list the incomplete items and describe how the application can be made complete.
 - c. Cure. After receiving a notice that the application is incomplete, the applicant may cure and address the items that were deemed by the city to be incomplete.

- d. Subsequent Submittals. Within 15 business days of each+ subsequent submittal the city will determine in writing whether the additional information remedies all the incomplete items that the city identified in its original notice.
 - e. Deemed Complete. If the city does not make a timely determination as required by this subsection, the application or resubmitted application is deemed complete.
 - f. Appeal of Incompleteness. An applicant may appeal the city's determination that the application is incomplete by submitting a written appeal to the city clerk. The planning commission will review the written appeal and affirm or reverse the completeness determination and provide a final written determination to the applicant within 60 business days after receipt of the appeal.
2. Ministerial Review. Ministerial permits for an ADU or JADU are considered and approved without discretionary review or a hearing.
3. Determination. The city must approve or deny an application to create an ADU or JADU within 60 days from the date that the city receives a complete application. If the city has not approved or denied the complete application within 60 days, the application is deemed approved unless either:
 - a. The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or
 - b. When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the City may delay acting on the permit application for the ADU or JADU until the City acts on the permit application to create the new single-family or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.
4. Denial. If the City denies an application to create an ADU or JADU, the city must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period established by subsection (d)(3)(C) above.
5. Appeal of denial. An applicant may appeal the City's denial of the application by submitting a written appeal to the City Clerk. The planning commission will review the written appeal and affirm or reverse the denial and provide a final written determination to the applicant within 60 business days after receipt of the appeal.

6. Concurrent review of demolition. A demolition permit for a detached garage that is to be replaced with an ADU shall be reviewed with the application for the ADU and issued at the same time.

19.74.040 Maximum Number of ADUs

- A. Single-Family Properties. Properties with an existing or proposed single-family dwelling may have a combination of Class 1 and Class 2 units which do not exceed one conversion ADU, one JADU and one new construction ADU.
- B. Multi-Family Properties. Multi-family properties are allowed to have the following ADUs:
 1. Conversion ADU. At least one conversion ADU and up to a quantity that is equal to 25 percent of the total number of existing multi-family dwelling units.
 2. Detached ADU. A minimum of two (2) detached ADUs and up to eight (8) attached ADUs are permitted. In no case shall the number of ADUs exceed the total number of existing dwelling units on the site.

19.74.050 Accessory Dwelling Unit Classes (Types)

- A. Class 1 Single Family. Statutorily Regulated. Class 1 ADUs and JADUs are approved under Government Code Section 66323 and include the following.
 1. Conversion. Conversion ADU or JADU is allowed on a parcel with a proposed or existing single-family dwelling on it, is permitted anywhere on the parcel and not subject to development standards or size limitations if all of the following apply:
 - a. The ADU and/or JADU is located within the space of an existing or proposed single-family dwelling; or (in the case of an ADU only) within the existing space of an existing accessory structure.
 - b. Has exterior access that is independent of that for the single-family dwelling; and
 - c. May include an expansion of up to 150 square feet to accommodate ingress and egress; and
 - d. Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes; and
 - e. The JADU complies with the requirements of Government Code Sections 66333 through 66339.

2. Detached. Detached, new-construction ADU on a lot with a proposed or existing single-family dwelling, is allowed to be located on the parcel if all of the following are met:
 - a. The side- and rear-yard setbacks are at least four feet.
 - b. The total floor area is 800 square feet of livable space or smaller.
 - c. The peak height above grade does not exceed the applicable height limit in Section 19.74.060(B).
- B. Class 1 Multi-Family. Statutorily Regulated. Class 1 multi-family ADUs are approved under Government Code Section 66323 if they conform to the following:
1. Conversion ADU. A multi-family site is permitted to have at least one conversion ADU and up to a quantity that is equal to 25 percent of the total number of existing multi-family dwelling units. Conversion ADUs are ADUs that are located within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, garages, or community buildings, if each converted ADU complies with state building standards for dwellings.
 2. Detached ADU. No more than two detached ADUs on a lot with a proposed multifamily dwelling, or up to eight detached ADUs on a lot with an existing multifamily dwelling, if each detached ADU satisfies all of the following:
 - a. The side- and rear-yard setbacks are at least four feet. If the existing multifamily dwelling has a rear or side yard setback of less than four feet, the city will not require any modification to the multifamily dwelling as a condition of approving the ADU.
 - b. The peak height above grade does not exceed the applicable height limit provided in Section 19.74.060(B).
 - c. If the lot has an existing multifamily dwelling, the number of detached ADUs does not exceed the number of primary dwelling units on the lot.
- C. Class 2. Locally Regulated. Class 2, single-family, ADUs are approved under Government Code Sections 66314–66322. Except for Class 1 ADUs approved under Section 19.74.050(A) above, all other ADUs are subject to the standards set forth in Section 19.74.070.

19.74.060 General Requirements

The following requirements apply to all Class 1 and Class 2 ADUs and JADUs:

A. Zoning.

1. A Class 1 ADU approved under Section 17.74.040 (A) and (B) may be created on a lot in a residential or mixed-use zone.
2. A Class 2 ADU approved under Section 17.94.040(C) above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.
3. In accordance with Government Code section 66333(a), a JADU may only be created on a lot zoned for single-family residences.

B. Height.

1. Except as otherwise provided below, a detached ADU created on a lot with an existing or proposed single family or multifamily dwelling unit may not exceed 18 feet in height.
2. A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or high quality transit corridor, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit.
3. The height of ADUs which are attached to the single-family dwelling unit is limited to the maximum height allowed for the Zoning District in which the property is located as listed in Section 19.56.040 of the Zoning Ordinance
4. For purposes of this subsection, height is measured from existing legal grade or the level of the lowest floor, whichever is lower, to the peak of the structure.

C. Fire Sprinklers

1. Fire sprinklers are required in an ADU or JADU if sprinklers are required in the primary residence.
2. The construction of an ADU or JADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.

D. No Separate Conveyance. An ADU or JADU may be rented (for 30 days or more), but, except as otherwise provided in Government Code Section 66341, no ADU or JADU may be sold or otherwise conveyed separately from the lot and the primary

dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).

- E. **Septic System.** If the ADU or JADU will connect to an onsite wastewater-treatment system, the owner must include with the application a percolation test completed within the last five years or, if the percolation test has been recertified, within the last 10 years.
- F. **Owner Occupancy.**
 - 1. **ADUs.** ADUs are not subject to an owner-occupancy requirement.
 - 2. **JADUs.**
 - a. **Generally.** JADUs are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the person's legal domicile and permanent residence.
 - b. **Exceptions.** The owner-occupancy requirement in this subsection do not apply in either of the following situations:
 - I. The JADU has separate sanitation facilities (i.e., does not share sanitation facilities with the existing primary dwelling unit structure).
 - II. The property is entirely owned by another governmental agency, land trust, or housing organization.
 - c. **Deed Restriction.** Prior to issuance of a Building Permit for a JADU, a deed restriction must be recorded against the title of the property in the Amador County Recorder's office and a proof of recording filed with the City. The deed restriction shall run with the land and bind all future owners. The form of the deed restriction will be provided by the City and must provide that:
 - I. The JADU may not be sold separately from the primary dwelling.
 - II. The JADU is restricted to the approved size and to other attributes allowed by this section.
 - III. The deed restriction runs with the land and may be enforced against future property owners.
 - IV. The deed restriction may be removed if the owner eliminates the JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a

written request of the Planning Director, providing evidence that the JADU has in fact been eliminated. The Planning Director may then determine whether the evidence supports the claim that the JADU has been eliminated. Appeal may be taken from the Planning Director's determination consistent with other provisions of this Code. If the JADU is not entirely physically removed but is only eliminated by virtue of having a necessary component of a JADU removed, the remaining structure and improvements must otherwise comply with applicable provisions of this Code.

- V. The deed restriction is enforceable by the Planning Director or his or her designee for the benefit of the city. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the City is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the JADU in violation of the recorded restrictions or abatement of the illegal unit.

19.74.070 Specific ADU Requirements

The following requirements apply only to Class 2 ADUs. This subsection does not apply to Class 1 ADUs or JADUs.

A. Maximum Size.

1. The maximum size of a detached or attached ADU subject to this subsection is 850 square feet of interior livable space for a studio or one-bedroom unit and 1,200 square feet of interior livable space for a unit with two or more bedrooms.
2. An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling.
3. Lot coverage, FAR, front setback, lot coverage limit, or open-space requirement will be waived if they preclude the construction of an ADU which is less 800 square feet of interior livable space.

B. Setbacks.

1. Front Yard. Front Yard setback for the ADU shall conform to the requirements of the Zoning District in which the property is located.
2. Side Yard. ADUs shall be set back a minimum of 4 feet to the side property lines.

3. Rear Yard. ADUs shall be set back a minimum of 4 feet to the rear property line.
 4. No setback is required for an ADU that is subject to this subsection if the ADU is constructed in the same location and to the same dimensions as an existing structure.
- C. Floor Area Ratio (FAR). For properties located in the Village Commercial Zoning District, the total FAR of the property, including the ADU, shall meet the requirements of Section 19.60.040 of the Zoning Ordinance.
- D. Lot Coverage. Lot coverage shall be limited to the maximum allowed lot coverage of the Zoning District in which the property is located as listed in Section 19.56.040 of the Zoning Ordinance.
- E. Minimum Open Space. No ADU subject to this subsection may reduce the total open space area of the site so that it is below the minimum open space requirement for the Zoning District in which the property is located.
- F. Passageway. No passageway is required for an ADU.
- G. Parking.
1. Generally. One off-street parking space is required for each ADU. The parking space may be provided in setback areas or as tandem parking.
 2. Exceptions. Parking is not required to be provided in the following situations:
 - a. The ADU is located within one-half mile walking distance of public transit.
 - b. The ADU is located within an architecturally and historically significant historic district.
 - c. The ADU is part of the proposed or existing primary residence or an accessory structure.
 - d. When on-street parking permits are required but not offered to the occupant of the ADU.
 - e. When there is an established car share vehicle stop located within one block of the ADU.
 - f. When the permit application to create an ADU is submitted with an application to create a new single-family or new multifamily dwelling on

the same lot, provided that the ADU or the lot satisfies any other criteria listed Above.

3. No Replacement. When a garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an ADU, those off-street parking spaces are not required to be replaced.

G. Architectural Requirements.

1. For properties which are visible from the public right-of-way, the materials and colors of the exterior walls, roof, and windows and doors shall be the same as those of the primary dwelling.
2. The exterior lighting shall be limited to down-lights or as otherwise required by the building or fire code.
3. The ADU shall have an independent exterior entrance, apart from that of the primary dwelling.
4. The interior horizontal dimensions of an ADU shall be at least 10 feet wide in every direction, with a minimum interior wall height of seven feet.

H. Historical Protections. An ADU that is on real property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.

19.74.080 Building & Safety

- A. Codes. All ADUs and JADUs must comply with all local building and fire code requirements.
- B. No Change of Occupancy. Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the building official or code enforcement officer makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection prevents the City from changing the occupancy code of a space that was uninhabitable space or that was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.
- C. Certificate of Occupancy Timing.
 1. Generally. No certificate of occupancy for an ADU or JADU may be issued before the certificate of occupancy is issued for the primary dwelling unit.

2. Limited Exception for State-declared Emergencies. Notwithstanding subsection (f)(10)(A) above, a certificate of occupancy for an ADU may be issued before a certificate of occupancy for the primary dwelling if each of the following requirements are met:
 - a. The county is subject to a proclamation of a state of emergency made by the California Governor on or after February 1, 2025.
 - b. The primary dwelling was substantially damaged or destroyed by an event referenced in the Governor's state of emergency proclamation.
 - c. The ADU has been issued construction permits and has passed all required inspections.
 - d. The ADU is not attached to the primary dwelling.

19.74.090 Impact Fees

The following requirements apply to all Class 1 ADUs and JADUs and Class 2 ADUs that are approved under subsections (e)(1) or (e)(2) above.

- A. No impact fee is required for a JADU or for an ADU that has less than 750 square feet of interior livable space. For purposes of this subsection (h)(1), "impact fee" means a "fee" under the Mitigation Fee Act (Gov. Code § 66000(b)) and a fee under the Quimby Act (Gov. Code § 66477). "Impact fee" here does not include any connection fee or capacity charge for water or sewer service.
- B. A JADU or ADU with less than 500 square feet of interior livable space does not increase assessable space by 500 square feet for purposes of Education Code section 17620(a)(1)(C) and is therefore not subject to school fees under Education Code section 17620.
- C. Any impact fee that is required for an ADU that has 750 square feet or more of interior livable space must be charged proportionately in relation to the square footage of the primary dwelling unit. (E.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling.)
- D. Utility Fees.
 1. If an ADU or JADU is constructed with a new single-family home, a separate utility connection directly between the ADU or JADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.

2. Except as described above, JADUs and converted ADUs on a single-family lot that are not required to have a new or separate utility connection directly between the JADU or ADU and the utility. Nor is a connection fee or capacity charge required. Notwithstanding the rest of this paragraph, a direct utility connection is required for separate conveyance of an ADU when separate conveyance is allowed under this code.
3. Except as described by subsection (2) above, all ADUs that are not covered) above require a new, separate utility connection directly between the ADU and the utility for any utility that is provided by the City. All utilities that are not provided by the City are subject to the connection and fee requirements of the utility provider.
 - i. The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixtured units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.
 - ii. The portion of the fee or charge that is charged by the City may not exceed the reasonable cost of providing this service.

19.74.060 Nonconforming Zoning Code Conditions, Building Code Violations, and Unpermitted Structures

- A. Generally. The City will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.
- B. Unpermitted ADUs and JADUs constructed before 2020.
 1. Permit to Legalize. As required by state law, the city may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if denial is based on either of the following grounds:
 - I. The ADU or JADU violates applicable building standards, or
 - II. The ADU or JADU does not comply with state ADU or JADU law or this ADU ordinance.
 2. Exceptions:
 - I. Notwithstanding the subsection above, the city may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if the city makes a finding that

correcting a violation is necessary to comply with the standards specified in California Health and Safety Code section 17920.3.

- II. Subsection (B) above does not apply to a building that is deemed to be substandard in accordance with California Health and Safety Code section 17920.3.

Section 3. California Environmental Quality Act (“CEQA”). The City Council finds that this Ordinance is exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines because the proposed amendments will not result in any direct physical change to the City and therefore the proposed amendments are not a project under CEQA and are exempt from further review (CEQA Guidelines Section 15378).

Section 4. Publication. The City Clerk shall certify the adoption of this Ordinance and shall cause publication to occur in a newspaper of general circulation and published and circulated in the City in a manner permitted under Section 36933 of the Government Code of the State of California.

Section 5. Severability. If any provision, clause, sentence or paragraph of this chapter and modifications or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter and modifications are declared to be severable.

Section 6. Effective Date. This Ordinance shall take effect and be in full force and effect thirty (30) days from and after the date of its final passage and adoption.

Introduced on the 26th of March 2026 and **PASSED AND ADOPTED** by the City Council of the City of Plymouth on 9th day of April 2026 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Don Nunn, Mayor

ATTEST:

Victoria McHenry, City Clerk

APPROVED AS TO FORM:

Andreas Booher, City Attorney

5.5



CITY COUNCIL AGENDA ITEM NO. 5.5

04/09/2026

SUBJECT: Second Reading and Adoption of Ordinance No. 2026-02
Adopting Procurement Policy CC-45.

DEPARTMENT: City Manager's Office

STAFF: Cameron Begbie, City Manager

BACKGROUND

At the March 26, 2026 City Council meeting, the City Council conducted the first reading to introduce Ordinance 2026-02 as proposed by staff.

Government Code Sections 54201 through 54204 require local agencies including cities, to adopt policies and procedures, including bidding regulations, governing the purchase of supplies, equipment, and services. The City requires materials, supplies, equipment, and services to carry out its mission and provide services to the public. To ensure that public funds are expended responsibly and in compliance with applicable law, the City has prepared a comprehensive Procurement Policy entitled Procurement Policy CC-45.

The Procurement Policy will establish efficient policies and procedures for the procurement of public works projects, general services, professional services, maintenance services, supplies, and equipment at the lowest possible cost commensurate with quality and need. Such policies and procedures shall clearly define authority for the purchasing function and shall ensure compliance with all applicable laws in a professional and ethical manner. The Procurement Policy applies to all City departments, officials, employees, and others participating in City procurement activities.

Plymouth City Council previously considered Resolution 2023-40 on October 12, 2023, opting the City into the California Uniform Public Construction Cost Accounting Act (the "Act" or "CUPCCAA") governing the procurement of public works projects. This policy effectuates the adoption of that Resolution and the requirements of the Act.

ENVIRONMENTAL DETERMINATION

This action is not a project under the California Environmental Quality Act (CEQA) and is therefore not subject to CEQA review



CITY COUNCIL AGENDA ITEM NO. 5.5

04/09/2026

FISCAL IMPACT

Approval of this Ordinance adopting a Procurement Policy will not result in additional fiscal impacts to the City as it is intended to standardize the City's procurement processes.

RECOMMENDATION

Conduct second reading and adopt Ordinance No. 2026-02 to adopt Procurement Policy CC-45

ATTACHMENT(S)

1. Ordinance 2026-02 – An Ordinance of the City of Plymouth Adopting Procurement Policy CC-45
2. Procurement Policy CC-45
3. Resolution 2023-40 – Adopting CUPCCAA (approved by the City Council on October 12, 2023)

ORDINANCE 2026-02
AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF PLYMOUTH ADOPTING PROCUREMENT POLICY CC-45

WHEREAS, Government Code sections 54201 through 54204 require cities to adopt Ordinances, policies, and procedures governing the purchase of supplies, equipment, and services; and

WHEREAS, the City of Plymouth (“City”) requires materials, supplies, equipment, services, professional services, and public works construction to carry out its mission and provide services to the public; and

WHEREAS, the City Council desires to ensure that public funds are expended responsibly, efficiently, and in compliance with applicable federal, state, and local laws; and

WHEREAS, the City Council previously adopted Resolution No. 2023-40 on October 12, 2023, electing to become subject to the California Uniform Public Construction Cost Accounting Act (Public Contract Code section 22000 et seq.) (“CUPCCAA”) governing the procurement of public works projects; and

WHEREAS, the proposed Procurement Policy establishes policies and procedures governing the procurement of goods, supplies, equipment, maintenance services, general services, professional services, and public works projects, including procurement procedures consistent with CUPCCAA; and

WHEREAS, the proposed Procurement Policy defines authority for the purchasing function, establishes thresholds and procedures for informal and formal bidding, ensures ethical procurement practices, and promotes fiscal accountability; and

WHEREAS, the proposed Procurement Policy includes a local business preference for goods, supplies, equipment, and non-professional services (excluding public works), providing a three percent (3%) differential to qualified local vendors, consistent with applicable law; and

WHEREAS, adoption of the Procurement Policy is not a “project” within the meaning of the California Environmental Quality Act (Public Resources Code section 21000 et seq.) and therefore is not subject to environmental review; and

WHEREAS, the City Council has reviewed the proposed Procurement Policy, held a first reading and introduction of this Ordinance at its regular meeting on March 26, 2026, and finds that the approval of this Ordinance adopting the Procurement Policy is in the best interest of the City.

NOW, THEREFORE, THE MAYOR AND CITY COUNCIL OF THE CITY OF PLYMOUTH DO HEREBY ORDAIN AS FOLLOWS:

1. Recitals. The above recitals are true and represent findings of the City Council.

2. Adoption of Procurement Policy. The Procurement Policy attached hereto as Exhibit “A” and incorporated herein by this reference, is hereby adopted in order for the City to adopt a comprehensive and uniform Procurement Policy.
3. Implementation. The City Manager is authorized and directed to implement the Procurement Policy and to take such administrative actions as are necessary to carry out its provisions.
4. Consistency with Law. In the event of any conflict between this Procurement Policy and applicable federal or state law, the provisions of such law shall control.
5. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance or the Procurement Policy is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions.

The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published in the manner required by law. This ordinance shall become effective thirty days (30) from and after its passage.

Approved on the 9th day of April, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Don Nunn, Mayor

ATTEST:

Victoria McHenry, City Clerk



PROCUREMENT POLICY		CC- 45
CITY POLICY	Effective Date: 04/09/2026	Revised Date: N/A

I. PURPOSE AND SCOPE

The Plymouth City Council recognizes the need for materials, supplies, equipment, and services for the City to carry out its mission. The purpose of this policy is to:

- A. Implement Council direction to seek out and stimulate competition;
- B. purchase personal property, materials, supplies, and services at a standard consistent with the required levels of quality;
- C. ensure that all qualified and responsible suppliers and bidders have an equal opportunity to do business with the City;
- D. utilize accepted public purchasing practices in the conduct of services;
- E. comply with all federal, state, and local laws; and
- F. conform to ethical business practices in all transactions.

This policy applies to all City departments, officials, executives, employees, interns, volunteers, contractors, vendors, suppliers, members of the public, and other persons participating in City programs and services.

II. POLICY

The City of Plymouth shall procure materials, supplies, and services in a manner that promotes competition, inspires good business relationships, and ensures the confidence of the public.

III. DEFINITIONS

- A. **Appropriation:** City Council approved revenue allocation through the budget process to make expenditures and incur obligations for specific City purposes. Expenditures may not legally exceed appropriations. The Council must approve any amendments to the total appropriations for a fund or transfers between funds. The Council must authorize supplemental budget appropriations from unanticipated revenues during the fiscal year.
- B. **Approval:** The signature from authorized personnel obligates the City to a purchase, contractual service agreement, or public project (i.e., Purchasing Agent, City Manager, or Council).
- C. **Authorization:** City Council expressed approval by ordinance, code, or policy to obligate the City to a purchase, contractual service agreement, or public project.
- D. **Contractual/Professional Service Agreements:** An agreement for the performance of services not provided by City personnel, excluding public works projects.

- E. **Cooperative Purchasing:** An arrangement in which multiple businesses combine their buying requirements into a single contract to aggregate demand to reduce costs. Government agencies often use these Agreements to reduce costs and streamline procurement processes.
- F. **Emergency:** An unforeseen circumstance in which an immediate purchase, service, or construction is necessary to avoid a substantial hazard to life, health, or property, a severe interruption of the operation of the City, or a department thereof.
- G. **Encumber:** Funds will be encumbered through the purchase requisition/purchase order process
- H. **Invitation to Bid:** A public announcement to companies and suppliers that the City is seeking bids for specific supplies, equipment, or services.
- I. **Lowest Responsive and Responsible Bidder:** The bidder who offers a responsive proposal at the most competitive price. NOTE: This is not necessarily the lowest *responsible* bidder. Responsibility pertains to whether a bidder has furnished, when requested, information and data to provide that the bidder's financial resources, production or service reputation, and experience adequate to make satisfactory delivery of specified supplies and equipment, services, or public projects to satisfy any provision of this policy.
- J. **Multi-Year Agreements:** Contracts that extend beyond 12 months from the date of execution.
- K. **Open Market Purchase:** The purchase of supplies and equipment, services, or the sale of surplus property without the need for soliciting bids or awarding to the lowest bidder.
- L. **Professional Services:** The specialized, short-term, or intermittent services that the City does not provide but are needed to conduct City business effectively. The services may include but not be limited to accounting, administration, architecture, custodial, economics, engineering, financial, insurance, labor relations, law, legislation, maintenance, mechanics, medicine, planning, science, technology, and other services which are incidental to the operation of the City.
- M. **Public Notice/Bid:** Notice of a solicitation by posting a pending procurement on the City's website and may include other information, such as publication in a newspaper, use of an electronic mailing list, or posting on one or more different websites.
- N. **Public Works Project:** a public works project is:
 - 1. Construction, reconstruction, erection, alteration, renovation, improvement, demolition, installation, and repair work involving any publicly owned, leased, or operated facility

2. Painting or repainting of any publicly owned, leased, or operated facility.
 3. In the case of a publicly owned electric utility system, “public project” shall include only the construction, erection, improvement, or repair of dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.
 4. “Public project” does not include maintenance work. For purposes of this section, “maintenance work” includes all of the following:
 - i. Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
 - ii. Minor repainting.
 - iii. Resurfacing of streets and highways at less than one inch.
 - iv. Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
 - v. Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.
- O. **Purchase:** all obligations to disburse public funds except for personnel services. Purchases are limited to one of the following categories:
1. supplies and equipment,
 2. services, or
 3. public projects.
- P. **Purchase Order:** a document issued by the City that encumbers available appropriations to pay a contractor.
- Q. **Purchasing Agent:** the individual with the responsibility to authorize purchases. The City Manager acts as the purchasing agent for the City.
- R. **Request for proposal (“RFP”):** process in which the City asks suppliers to propose a scope of work for services needed and a plan to achieve a desired result at a fair and competitive price.
- S. **Request for Qualifications (“RFQ”):** process in which the City asks suppliers to submit qualifications related to a specific service.

IV. PROCEDURES

- A. General
- a. All purchases and the execution of contracts shall conform to this policy. Any employee who purchases, orders, or makes obligations contrary to this policy’s provisions shall be subject to discipline up to and including termination.
 - b. All purchases shall be per policies approved by the Council through budget

processes, ordinances, resolutions, grants, agreements, and donations. Accordingly, no employee shall purchase, provide notice of award, or execute a contract, until the approving authority has determined that the appropriation is sufficient and approves the transaction.

- c. All determinations and other written records about any solicitation or requisition of purchase shall be maintained by the City in a contract file determined by each department. The City shall retain all records as required by law or regulation but in no event less than the years indicated in the City Records Retention Policy.

B. Roles and Responsibilities

- a. Purchasing Agent - The City of Plymouth Purchasing Agent shall act in the City's best interest in a manner consistent with City rules, regulations, and policies set forth and all applicable law provisions.
- b. Employees - Employees are responsible for complying with this policy concerning procurement and purchasing. Employees shall report all violations to the Purchasing Agent or designee.

C. Purchasing Methods - All purchases shall be made in the name of the City using the following means:

- a. Employee-issued procurement cards (i.e., Credit Cards)
- b. Purchase orders
- c. The city-authorized charge accounts
- d. Reimbursement

D. Approval Authority and Limits

- a. Council-approved amounts in the annual budget for the purchase of specifically identified items of personal property or professional services shall constitute spending authority to the City Manager.
- b. All purchases shall meet the purchasing solicitation and approval requirements outlined herein before entering into the transaction.
- c. Approval Authority for procurement of services, supplies, or other property:
 - i. Up to \$25,000: City Manager
 - ii. \$25,001 or more: City Council

E. Approval Authority and Limits (Emergency):

- a. The following personnel have the authority to approve emergency purchases or repairs for the continuing operations of the City in the event of an emergency without following the solicitation requirements outlined below.
 - i. Up to \$25,000: City Manager
 - ii. \$25,001 or more: City Council

F. Multi-Year Agreements:

- a. Multi-year agreements shall be included in the approved budget.
- b. All multi-year agreements shall be reviewed and approved by the City Manager for budget compliance and the City Attorney for legal compliance.
- c. Staff has the authority to approve multi-year agreements if the cumulative cost of

the agreement is within their approving threshold limit.

- i. For example, the City Manager may approve a three-year agreement for \$4,000 per year (\$24,000 total, which is under the \$25,000 authorization limit).

G. Sole Source/Standardization Purchase: Pursuant to Public Contract Code 3400: A purchase accomplished through solicitation or acceptance of a proposal from only one source A sole source procurement must include documentation regarding why only one supplier is acceptable. The City may use sole source purchases when the following circumstances apply:

- a. Inadequate Competition: After soliciting several sources, competition is determined inadequate.
- b. Patents or Restricted Data Rights: Patent or data rights restrictions preclude competition.
- c. Standardization and Substantial Duplication Costs: In the case of a follow-on contract for the continued development or production of highly specialized professional services, equipment, and materials, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition.
- d. Unacceptable Delay: In the case of a follow-on contract for the continued development or production of highly specialized professional services, equipment, and materials, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the City's needs.
- e. Unique Capability or Availability: The supplier demonstrates a unique or innovative concept or capability unavailable from another source. A unique or innovative concept means a new, novel, or changed concept, approach, or method that is the product of original thinking, the details of which are kept confidential or are patented or copyrighted and are available to the City only from one source and has not in the past been available to the City from another vendor.

V. SOLICITATION TYPES

A. Request for Qualification

- a. Staff may use the Request for Qualification ("RFQ") process as a pre-qualification for a competitive bid. Only those bidders who successfully respond to the RFQ and

meet the qualification criteria will be invited to the Request for Proposal (“RFP”) process. An RFQ may make the solicitation process more efficient as there will be fewer responses, and all the bidders will be qualified. This two-stage approach is not required for every RFP. The approving authority will determine if this extra step helps streamline the solicitation process and to gather information about candidates for future use.

- b. An RFQ may also be used for projects or services that are not well defined, are unusual, or are exceptionally complex, and flexibility is needed to establish the scope of work; for this process, personnel shall perform the following steps:
 - i. Personnel shall issue a public notice outlining a preliminary scope of work and the applicable contractual terms and conditions, including any unique capabilities or qualifications that will be required of the contractor.
 - ii. Personnel must use the City’s RFQ template.
 - iii. There shall be no public opening of RFQ proposals, and the contents of all submissions shall remain confidential. The proposals shall be open for public inspection after contract execution, except for information identified by the proposer as confidential or proprietary information and determined by the City Attorney to be confidential or proprietary information.
 - iv. Proposals received after the date and time specified in the RFQ may not be accepted.
 - v. If provided for in the RFQ, the approving authority may conduct discussions with responsible proposers. The purpose of the talks is for clarification to ensure complete understanding and accuracy of responses to the requirements in the request for proposals. Proposers shall then have an opportunity to revise their proposals before the contract award for the City to obtain the best and final proposals. In conducting discussions, the City may not disclose any information derived from proposals submitted by competing proposers.
 - vi. The approving authority shall evaluate the final proposals based on criteria contained in the RFQ and shall rank in order of preference the most qualified proposers.
 - vii. The approving authority may request the best and final offers from one or more proposers and negotiate contracts with the highest-ranked proposer or proposers.
 - viii. The City shall award the contract to the highest-ranked proposer with whom a satisfactory agreement has been negotiated. If the City cannot reach an acceptable contract with a vendor, negotiations may be terminated, and the RFQ process may start over.
 - ix. If, at any time during the process, the approving authority determines that only one proposer is fully qualified or that one proposer is significantly more capable than the other proposers under consideration, the City Manager may negotiate a contract with that proposer.
 - x. Multiple contract awards may be made under a single RFQ if the request

- for proposals provides for multiple contract awards.
- xi. RFQs shall be evaluated based on the criteria stated within the proposal.

B. Request for Proposal

A Request for Proposal (“RFP”) is a formal, competitive solicitation process for purchasing supplies, equipment, or services. An RFP is used when the City cannot precisely set forth its needs. Rather than including specifications, the City shall provide vendors a statement of work and the vendors are then asked to propose solutions. The RFP will detail what items the vendors are to submit, the qualifications of the proposer, the cost of their proposals, how the City will evaluate the proposals, select the vendor, and develop the contract. The RFP award is based upon various factors, including the lowest price, expertise of the proposer, and technical superiority of the proposal as compared to the other proposals submitted to the City. Proposals in response to an RFP are subject to negotiation after they have been submitted to the City.

- a. Personnel shall issue a public notice outlining the scope of work and the applicable contractual terms and conditions, including any unique capabilities or qualifications that will be required of the contractor.
- b. Personnel must use the City’s RFP template.
- c. It is the City’s practice to post the RFP for a minimum of ten (10) business days.
- d. There shall be no public opening of RFP proposals, and the contents of all submissions shall remain confidential. The proposals shall be open for public inspection after contract execution, except for information identified by the proposer as confidential or proprietary information and determined by the City Attorney to be confidential or proprietary information.
- e. Proposals received after the date and time specified in the RFP shall not be accepted.
- f. If provided for in the RFP, the approving authority may conduct discussions with responsible proposers. The purpose of the talks is for clarification to ensure complete understanding and accuracy of responses to the requirements in the request for proposals. Proposers shall then have an opportunity to revise their proposals before the contract award for the City to obtain the best and final proposals. In conducting discussions, the City may not disclose any information derived from proposals submitted by competing proposers.
- g. The approving authority shall evaluate the final proposals based on criteria contained in the RFP on a best-value basis. It shall rank in order of preference the most qualified proposers. The approving authority, or designee, may request the best and final offers from one or more proposers and negotiate contracts with the highest-ranked proposer or proposers.
- h. The contract shall be awarded to the highest-ranked proposer with whom a satisfactory agreement has been negotiated. If the City cannot reach an acceptable contract with a vendor, negotiations may be terminated, and the RFQ process may start over.
- i. If, at any time during the process, the approving authority determines that only one proposer is fully qualified or that one proposer is more highly skilled than the

others under consideration, the City Manager may negotiate and award a contract to that proposer.

- j. Multiple contract awards may be made under a single RFP if the request for proposals provides for multiple contract awards.
- k. RFPs shall be evaluated based on the criteria stated in the proposal.
- l. Invitation to Bid
 - i. In the context of goods, materials, or non-professional services, City staff may utilize an Invitation to Bid process.

C. Invitation to Bid (ITB)

- a. ITBs should be used for purchases of materials, services, and equipment that must meet City specifications. These ITBs shall be awarded to the bidder presenting either the “best value” to the City or on the basis of the lowest responsive and responsible bidder. The basis for award shall be set forth in the ITB documents.
- b. Notice Inviting Bid (NIB): When the materials, supplies, or services are to be secured through the formal bidding process, the approving authority shall give notice of the purchase(s) to be made or services to be acquired, inviting sealed bids. The notice requesting proposals or bids shall meet, at a minimum, the following requirements:
 - i. The City shall place an ad in a newspaper of general circulation in the City. The publication or posting of the notice shall be at least ten business days before the date of opening the bids or proposals.
 - ii. The ad shall state the service, materials, supplies, or personal property to be obtained to enable bidders to know with reasonable accuracy the personal property, materials, supplies, or services sought.
 - iii. Specify any applicable surety requirements.
 - iv. Identify where and when specifications can be obtained.
 - v. Specify the deadline to submit proposals or bids.
 - vi. Contain notice that all submittals shall be sealed.
 - vii. Specify when, where, and how to submit proposals or bids.
 - viii. Include the date and time for opening bids.
 - ix. Identify the contact person and phone number.
- c. Bidder Security: All bids shall be presented under sealed cover and accompanied by one of the following forms of bidder’s security:
 - i. Cash.
 - ii. Cashier’s check made payable to the City.
 - iii. A certified check made payable to the City.
 - iv. A bidder’s bond executed by an admitted surety insurer made payable to the City.
 - v. Acceptable surety shall not exceed 10% of the aggregate amount of the Bid: If the bidder to whom the contract is awarded fails or neglects to enter into the contract and file the required performance bond after 20 days of

notification of award. In that case, the bid security shall be forfeited, and the City Manager shall draw the money due on such bid security and deposit it in the City's name.

- d. Opening and Public Record: Bids shall be opened in public at the time and place stated in the public notice. Staff shall prepare and present a tabulation of all bids to the Council.
- e. Award of Bid: The City should award the contract to the lowest responsible bidder except as otherwise provided in the State Public Contract Code.
- f. Successful Bidder: Upon bid award, the successful bidder shall submit the following:
 - 1. Performance Bond and Payment Bond equal to one hundred percent (100%) of the contract price.
 - 2. Proof to the satisfaction of the City of appropriate insurance coverage, such as a Comprehensive General Liability policy, a Professional Errors and Omissions policy, or a Workers' Compensation policy, depending upon the nature of the services, materials, or personal property requested.
 - 3. Proof to the satisfaction of the City of possession of all appropriate and required licenses or governmental permits to perform the work requested.
- g. No Successful Bidders: If a competitive bid process results in no successful bidders, personnel shall reevaluate the scope of service and conduct a second competitive bid. If time or resources do not allow for a second competitive bid, the approving authority may authorize personnel to execute an informal request.

VI. SUPPLIES, GOODS, EQUIPMENT, MATERIALS, AND NON-PROFESSIONAL SERVICES

Procurements of Supplies, Goods, Equipment, Materials, and Non-Professional Services

- a. Supplies, Goods, or Equipment: shall mean those regularly purchased and consumed by the City. These items include, but are not limited to, office supplies, janitorial supplies, building and maintenance materials and supplies, asphalt, fertilizers, chemicals, pipes, fittings, etc. This shall also mean mechanical implements and apparatus used in an operation or activity, such as motors, pumps, and rolling stock. Equipment shall include capitalized fixed assets and items entirely expensed in the year purchased.
- b. No Bids or Quotes Strictly Required: The City encourages but does not require

written quotes or bids to purchase one-time supplies, goods, equipment, or services under \$2,500.

- c. Informal Solicitation: personnel must obtain informal written bids/ proposals / quotes for purchasing one-time supplies, goods, equipment, or services for \$2,501 to \$25,000.
 - i. The department making the purchase shall solicit the quotations by written (including email) or verbal request to prospective vendors.
 - 1. City shall attempt to obtain at least three (3) quotes, but the failure to obtain three quotes will not limit City's ability to enter into contracts under this section.
 - ii. For purchases between \$2,501 and \$25,000 a Purchase Order or Contract is required.
- d. Formal Solicitation: personnel must obtain written bids or proposals for the purchase of supplies, goods, equipment, or services that are \$25,001 or more or are for a multi-year contract. Formal Solicitations are performed through a Invitation to Bid (ITB) or Request for Proposal (RFP) process. Award will be determined on the basis of award set forth in the solicitation documents, either best value to the City or lowest responsive and responsible bidder. Procurements greater than \$25,001 shall require a contract.
- e. Personnel will conduct procurement transactions in a manner providing full and open competition. Some of the situations considered to be restrictive of the competition included, but not limited to:
 - iii. Unreasonable requirements are placed on firms for them to qualify to do business.
 - iv. Unnecessary experience and excessive bonding requirements.
 - v. Noncompetitive pricing practices between firms or between affiliated companies.
 - vi. Noncompetitive award to any person or firm on retainer contracts.
 - vii. The specification of only a brand name product without listing its salient characteristics and not allowing a similar product to be offered.
 - viii. Exclusionary or discriminatory specifications.
 - ix. Any arbitrary action in the procurement process.
- f. **Single transactions shall not be split into two or more transactions to evade the solicitation requirements outlined in this policy.**
- g. Many businesses provide discounts for bulk purchases. Personnel should consolidate purchases whenever possible to receive such discounts. Personnel should consolidate City purchases with other departments, divisions, and sections when possible.

- h. The approving authority may cancel a solicitation when cancellation is in the City's best interests and may reject, in whole or in part, any or all offers for a solicitation.

VII. PROFESSIONAL SERVICES

A. Purchasing and Contracting for Professional Services

i. Professional services are those services provided by any specially trained and experienced person, firm, or corporation for services and advice in those areas including, but not limited to, architectural, environmental, land surveying, financial, economic, accounting, engineering, legal, construction management, or administrative matters. These services shall be procured on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the City.

ii. The City does not strictly require competitive solicitation for the procurement of professional services that involve specialized skill, training, expertise, use of professional judgment or discretion, and/or a high degree of creativity. Still, the selection of any professional services must be on the basis of demonstrated competence and qualifications at fair and reasonable prices.

iii. When prudent, the City will use the RFP process to ensure that the City receives the desired service on the most favorable terms or for the best value. While the City is not specifically required to issue RFPs for professional services, it has established this process to ensure that the City obtains qualified and necessary professional services as economically as possible.

1. For purchases of Professional Services less than \$25,000, no quotes or solicitation procedures are required. The City will endeavor to obtain the best value through competitive solicitations as circumstances permit.

2. For purchases of Professional Services between \$25,000 and \$100,000 the City shall attempt to obtain at least three (3) written quotes, but the failure to obtain three quotes will not limit the District's ability to enter into contracts under this section.

3. For Professional Services of \$100,001 or greater, the District shall procure those services pursuant to a formal RFP.

VIII. Procurement Table – Goods, Materials, Equipment, Services (Professional & Non-

Professional)

The following table summarizes the relevant purchase amounts, bid type, contract type, and the approval levels for goods, materials, equipment, professional and non-professional services. To the extent that any ambiguity exists between this table and the text of this Policy, the express language of the Policy will control.

Procurement Table – Goods, Services, Professional Services				
Purchase Type	Purchase Amount	Bid Type	Contract Type	Approval Level
Goods/ Supplies, Equipment or Non-Professional Services	\$0 - \$2,500	No Quotes, Written ITBs or RFPs explicitly required	Purchase Order	City Manager
Goods/ Supplies, Equipment or Non-Professional Services	\$2,501 - \$25,000	Solicitation of 3 Quotes	Purchase Order or Contract	City Manager (up to \$25,000) City Council (\$25,001+)
Goods/ Supplies, Equipment or Non-Professional Services	\$25,001+	Written ITBs and/or RFPs	Contract	City Council
Professional Services	\$0-25,000	No IQs or RFPs explicitly required.	Contract	City Manager
Professional Services	\$25,001 - \$100,000	Solicitation of 3 Quotes	Contract	City Council
Professional Services	\$100,001+	RFPs	Contract	City Council

**Award of Professional Services shall be based on demonstrated competence and qualifications.
 ***Award of Procurements for Goods, Services and Non-Professional Services shall be on the basis of best-value or lowest responsive and responsible bidder, as set forth in the solicitation documents.

IX. PUBLIC WORKS (CONSTRUCTION) PROCUREMENT

A. Public Projects

a. The Uniform Public Construction Cost Accounting Act (Act), enacted in 1983 under Public Contract Code section 22000 et seq., establishes an alternative set of bidding and accounting procedures for local agencies that choose to participate. The Act permits agencies that have opted in to perform certain public works projects with their own workforce, up to specified monetary thresholds, provided they follow the cost accounting procedures set forth in the Act.

b. The City of Plymouth elected to participate in the Act by formally notifying the State Controller and adopting the Act on October 12, 2023. The Act supersedes only the bidding procedures for public projects. All other contracting requirements of the Public Contract Code remain applicable. Contractors for public projects, as defined, shall be procured in accordance with the contracting procedures set forth in the Act (Section 22030 et. seq. of the Public Contract Code) as it may be amended from time to time.

c. The procedures set forth in this section shall apply to the procurement of “public projects” defined as any of the following:

1. Construction, reconstruction, erection, alteration, renovation, improvement, demolition, installation, and repair work involving any publicly owned, leased, or operated facility.
2. Painting or repainting of any publicly owned, leased, or operated facility.
3. In the case of a publicly owned electric utility system, “public project” shall include only the construction, erection, improvement, or repair of dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

d. “Public project” does not include maintenance work. For purposes of this section, “maintenance work” includes all of the following:

1. Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
2. Minor repainting.
3. Resurfacing of streets and highways at less than one inch.
4. Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
5. Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

e. For purposes of this section, “facility” means any plant, building, structure, ground facility, utility system, subject to the limitation found in paragraph (5) of subdivision (2) above, real property, streets and highways, or other public work improvement.

f. **It is improper to split or separate any project into smaller projects to evade City awards or competitive bidding processes.**

B. No Formal or Informal Bidding Required (Projects less than \$75,000):

Contracts for public projects below the relevant bidding thresholds under the Act for formal or informal bidding, as they may be amended from time to time, may be done pursuant to force account or negotiated contract. As of January 1, 2025 this threshold was \$75,000. Nothing in this section shall prohibit the City from using either informal bid processes or formal bid process for projects that fall below the relevant threshold under this section.

C. Informal Bidding (Between \$75,000 and \$220,000)

- i. When a public project is to be performed which qualifies for informal bidding under the Act, a notice of such project shall be given as follows, except where the product or service is proprietary:
 - a. Mailed notices shall be given to all construction trade journals specified by the Commission for the receipt of such a notice for Amador County; or
 - b. Additional notices posted on the City website or delivered through an electronic bidding system to other contractors, may, in the discretion of the City, be given.
- ii. If the product or service to be acquired is proprietary in nature, such that it can only be obtained from a certain contractor or contractors, notice inviting bids may be sent only to such contractor or contractors.
- iii. All mailing, emailed, City website postings, and electronic bidding system notices to contractors and construction trade journals shall be completed not less than 10 calendar days before bids are due.
- iv. The notice shall describe the project in general terms, how to obtain more detailed information about the project and shall state the time and place for submission of bids.
- v. If all bids received are in excess of the amount of two hundred twenty thousand dollars (\$220,000) as may be amended from time to time, the City Council may, by adoption of a resolution by a four-fifths vote, award the contract, at two hundred thirty-five thousand dollars (\$235,000) or less, to the lowest responsible bidder, if it determines the cost estimate of the Authority was reasonable.

vi. Award of a project procured pursuant to this section shall be made to the lowest responsible bidder submitting a responsive bid.

D. Formal Bidding (for Construction Projects \$220,000 or More)

- i. When a public project is to be performed which qualifies for formal bidding under the Act, notice of such project shall be given as follows except where the product or service is proprietary:
 - a. A notice shall be published at least 14 calendar days before the date of opening of the bids in a newspaper of general circulation, printed and published in the jurisdiction of the City. In addition, notice may also be published on the City website or through an electronic bidding system.
 - b. The notice inviting formal bids shall also be sent to all construction trade journals specified by the Commission for the receipt of such notice for Amador County at least 15 calendar days before the date of opening the bids.
 - c. Additional notices to other contractors and/or trade journals may, in the discretion of City, be given.
- i. If the product or service to be acquired is proprietary in nature such that it can only be obtained from a certain contractor or contractors, notice inviting bids may be sent only to such contractor or contractors.
- ii. The notice shall distinctly describe the project, describe how to obtain more detailed information about the project, and shall state the time and place for submission of bids.
- iii. **Award of the contract procured pursuant to this section shall be made to the lowest responsible bidder submitting a responsive bid.**
- iv. If two or more bids are the same and the lowest, the City may accept the one it chooses.
- v. The City Manager or the City Council may, in their respective discretion, reject all bids and proceed as authorized by the Act.

E. Formal & Informal Bidding Miscellaneous Requirements.

- i. Plans and Specifications: Before soliciting any contract for a construction project, the City shall prepare full, complete, and accurate plans and specifications providing adequate direction to enable any contractor or builder to carry them out. Plans and specifications shall sufficiently define the details of the work, which affects costs, to

apprise bidders of all the essential and substantial parts of the work and enable them to know with reasonable accuracy the outlay they will have to make in performing the work to be contracted for.

ii. Bidder Security:

a) All bids for construction projects shall be presented under sealed cover and accompanied by one of the following forms of bidder's security:

(a) Cash.

(b) Cashier's check made payable to the City.

(c) A certified check made payable to the City.

(d) A bidder's bond executed by an admitted surety insurer made payable to the City.

b) Acceptable surety shall not exceed 10% of the aggregate amount of the Bid: If the bidder to whom the contract is awarded fails or neglects to enter into the contract and file the required performance bond after 20 days of notification of award. In that case, the bid security shall be forfeited, and the City Manager shall draw the money due on such bid security and deposit it in the City's name.

iii. Opening and Public Record: Bids shall be opened in public at the time and place stated in the public notice. Staff shall prepare and present a tabulation of all bids to the Council.

iv. No Successful Bidders: If a competitive bid process results in no successful bidders, personnel shall reevaluate the scope of service and conduct a second competitive bid. If time or resources do not allow for a second competitive bid, the approving authority may authorize personnel to execute an informal request.

v. Contract: It is the City's practice for the Council to delegate signing authority to the City Manager for public project contracts awarded by the Council.

vi. Contract Change Orders: The Council authorizes the City Manager to perform change orders up to the contingency amount, as outlined in the bid award staff report. To alleviate administrative costs, delay of work, and work extensions, the City Manager is authorized to approve change orders up to \$10,000, all within the total amount of the Council approved contingency. Change orders cannot change the scope of the approved project.

vii. Council Actions: Staff shall prepare a staff report to request the following Council actions:

1. Award of Bid.

2. Approval of contract change orders beyond amounts authorized in bid award.

3. Acceptance of Notice of Completion for public projects.

viii. Public Project Administration: Per Public Contract Code, all public projects shall have an alphabetical filing system containing the following filing categories: Accounting, Contract & Bid Documents, Construction, Consultants, Design Correspondence, Drawings, Environmental Documents, Permits, Photos, Planning, Specifications, and Submittals. At a minimum, files shall contain Award of Bid Staff Reports, Bid Notices, Notice of Completion, contracts, Permits, Progress Payments, Change Orders w/ supporting documentation, Change order summary sheets, Insurance documents, Bonds, Preliminary notices, Inspections, Certified Payroll Information

F. Public Works Emergency Pub. Contract Code, § 22050

(a)(1) In the case of an emergency, the City, pursuant to a four-fifths vote of its City Council, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.

(2) Before the City takes any action pursuant to paragraph (1), it shall make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.

(b)(1) The City Council, by a four-fifths vote, may delegate, by resolution or ordinance, to the appropriate county administrative officer, city manager, chief engineer, or other nonelected agency officer, the authority to order any action pursuant (a)(1).

(2) RESERVED

(3) If a person with authority delegated pursuant to paragraph (1) or (2) orders any action specified in paragraph (1) of subdivision (a), that person shall report to the City Council, at its next meeting required pursuant to this section, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

(c)(1) If the City Council orders any action specified in subdivision (a), the City Council shall review the emergency action at its next regularly scheduled meeting and, except as specified below, at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action. If the City Council meets weekly, it may review the emergency action in accordance with this paragraph every 14 days.

(2) If a person with authority delegated pursuant to subdivision (b) orders any action specified in paragraph (1) of subdivision (a), the City Council shall initially review the emergency action not later than 7 days after the action, or at its next regularly scheduled

meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless a person with authority delegated pursuant to subdivision (b) has terminated that action prior to the City Council reviewing the emergency action and making a determination pursuant to this subdivision. If the City Council meets weekly, it may, after the initial review, review the emergency action in accordance with this paragraph every 14 days.

(3) When the City Council reviews the emergency action pursuant to paragraph (1) or (2), it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

X. ADMINISTRATIVE PROCEDURES

A. Requisitions and Purchase Orders

- a. Designated personnel from each department will create a purchase order within the City's Finance system for all purchases as described below. The purchase order must contain a completed Purchase Request Form and copies of quotes or bids, as described herein.
- b. A purchase of \$500 or less does not require a purchase order or a Purchase Request Form; however, all purchases must be approved by the Purchasing Agent.
- c. A purchase order is required for all purchases over \$500.
- d. A Purchase Request Form is required with purchase orders over \$2,000 and must be approved by the approval authority before the purchase is made. The Purchase Request form date should be before the invoice date. An exception to the Purchase Request Form date before the invoice date shall be only allowed in case of emergency purchases as approved by the proper approval authority.
- e. A purchase order is encouraged but not required when an approved contract is in place for purchasing goods and services established between a vendor and City. Purchases covered by contracts will follow the same approval thresholds as purchase orders. When invoices are received from the vendor, the assigned contract purchase order number must be written on the invoice. When an invoice is processed, the contract amount will be drawn down by the invoice amount.
- f. A purchase order is not required when payments are made for goods or services needed to conduct the day-to-day business. For example, utility charges, leases, insurance or risk management claims, workers' compensation claims, permits, debt service payments, legal fees, employee benefits, etc.
- g. Types of Purchase Orders
 - i. Standard purchase orders are issued, and an order is placed for specific items after the appropriate solicitation and requisition process is completed.
 - ii. Blanket purchase orders may be issued for vendors from whom the City

regularly purchases items of a small quantity and low unit cost.

A. Year-End Processing of Purchase Orders

- a. To close the City's books on time, the Finance Division will send out a Year-End Purchasing Memo to all personnel indicating the deadlines and exceptions for creating purchase orders in the last month of the fiscal year.

B. Purchasing Used Supplies and Equipment

- a. Previously owned equipment and other used items present unique comparison-shopping problems. Accordingly, alternative means of establishing market value need to be considered on a case-by-case basis. Such means may include "blue book" values and public auctions.

C. Equal Employment Opportunity/Affirmative Action - All procurement using federal funds requires all interested vendors to certify the following:

- a. That the vendor does not discriminate against any employee or applicant for employment because of race, religion, sex, age, creed, color, disability, or national origin;
- b. The vendor complies with all Executive Orders and Federal, State, and local laws regarding fair employment practices and non-discrimination in employment

D. Solicitation and Utilization of Disadvantaged Business Enterprises

- a. For all procurement related to construction, equipment, services, and supplies using Federal funds, the City shall comply with the applicable agency requirements for utilizing small, minority, and women business enterprises as defined in 49 CFR Part 26.
- b. The City will ensure that sub-recipients, loan recipients, and prime contractors under these federally funded programs comply with the applicable agency requirements. In addition, the City shall make good faith efforts to solicit and utilize small businesses, minority-owned firms, and women's business enterprises (collectively Disadvantaged Business Enterprises or DBEs).
- c. Examples of good faith efforts include, but are not limited to, the following:
 - i. Ensuring DBEs are fully aware of contracting opportunities practicable through outreach and recruitment activities.
 - ii. Making information on forthcoming opportunities available to DBEs and time frames for contacts and establishing delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process.
 - iii. Considering in the contracting process whether firms competing for large contracts could subcontract with DBEs.
 - iv. Encouraging contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
 - v. Using the services and assistance of the Small Business Association and the Minority Business Development Agency of the Department of Commerce

- or equivalent state or local agencies.
- vi. If the prime contractor awards a subcontract, requiring the prime contractor to make the same good faith efforts listed above.

E. Conflict of Interest

- a. Council Members and City personnel shall not participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved.
 - i. Such a conflict would arise when any previously listed has a financial or other interest in the firm selected for award.
 - ii. In cases where there may be a direct or indirect benefit, the Council Member is responsible for reporting such benefit to the Council in writing.
 - iii. If anyone fails to report such benefit, they will be subject to any disciplinary proceeding deemed appropriate by the Council, including possible dismissal.
- b. Council Members and City personnel are subject to the conflict-of-interest laws of the State of California. Anyone who violates the standards of the law shall be subject to the penalties, sanctions, or other disciplinary actions provided for therein.
- c. Council Members and City personnel shall not solicit, demand, or accept from any person, contractor, potential contractor, or potential subcontractors, anything of a monetary value, including gifts, gratuities, and favors, except as the receipt and reporting of gifts are permitted by The Political Reform Act (Government Code Section 81000, et.seq.). Anyone failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the City, including possible dismissal.
- d. Council Members and City personnel shall not use confidential information for actual or anticipated personal gain or the actual or anticipated personal gain of any other person related to them by blood, marriage, or common commercial or financial interest. Anyone failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the City, including possible dismissal.
- e. In recognition that some vendors, as their company policy for purposes of product promotion and client relations, may extend specific discounts or other benefits to employees of their clients, this section is intended to prevent even the appearance of conflict between what is best for the City and what may be good for employees of the City. It is not permissible to accept less than the best deal for the City because of discounts or other benefits accruing to employees.
- f. The City will not recognize and participate in vendor programs for employees unless all the points below apply:
 - i. Any employee discount or other benefit shall not be a factor in the selection of a vendor. Ideally, decision-makers shall not even know of such vendor programs.
 - ii. Any employee discount or other benefit shall accrue to all employees in

equal measure.

- iii. Decision makers shall comply with the Conflict of Interest policy and the Fair Political Practices Commission's ("FPPC's") Conflict of Interest procedures regarding the disclosure of gifts.

F. Debarment and Suspended Parties

- a. The City will not solicit or accept offers from, give awards to, or consent to subcontracts with contractors or vendors who are debarred or suspended from government contracting and government-approved subcontracting.

G. Use of State and Federal Grant Funds

- a. The City may receive funds through a state or federal grant process. To ensure sound accounting practices, provide consistency in the administration of grants, and be compliant with all laws, rules, and regulations involving the use of state and federal grant revenue, it is imperative and incumbent upon any person who is purchasing items using grant revenue to be aware of all provisions of the specific grant and follow all requirements, rules, and laws therein.
- b. City policy does not supersede any state statute, administrative rule, federal law, or regulation that may govern each specific grant program. The laws and regulations that must be complied with include, but are not limited to, the following:
 - i. California Local Assistance Procedures Manual (LAPM)
 - ii. California Labor Code
 - iii. Federal Grant Management OMB Circulars 48 and 49 Code of Federal Regulations (CFR)

XI. LOCAL BUSINESS PREFERENCE (Goods, Supplies, Equipment, Non-Professional Services, Non-Public Works)

A local business preference allows the City to promote local businesses, as well as benefit from enhanced economic activity as dollars re-circulate in the local economy by way of multiplier effects. Multiplier effects have been shown to benefit the community in the following ways:

- Direct effects: Benefits the local economy by directly investing money in a local business.
- Indirect effects: Occurs when money awarded to a local business results in inter-industry purchases of materials, supplies, goods and services. Another potential indirect effect is the increase in employment associated with greater workloads/demands.
- Induced effects: Increases in household income as a result of both the direct and indirect effects.

A. Percent Differential: Local vendors are granted a **three percent (3%)** differential in lieu of sales and transactions tax loss for the purchase of materials, supplies, equipment and

personal property. Prices, fitness, quality, delivery and service being equal, preference will be given to the local vendor, in the purchase of supplies and equipment.

B. This Local vendor preference shall not be granted for contracts involving public works, personal, professional, and consultant services, or as otherwise prohibited by law.

C. For the purposes of this section, “local vendor” means a business having its principal place of operation within the jurisdictional boundaries of the City and a valid business license.

D. For purposes of this section, when the City considers a local vendor’s bid, quote, or proposal in connection with the purchase of supplies and equipment, the local vendor’s bid shall be the bid amount after the applicable percent differential is applied.”

E. Public Contract Code § 22030 et seq., preempts local preference in regard to the procurement of goods and services for public works projects which requires the City to award to the lowest responsible bidder. This local preference policy shall not apply to public works projects.

RESOLUTION 2023-40

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLYMOUTH DECLARING THE CITY'S INTENT TO BECOME SUBJECT TO THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. The City Council finds and declares as follows:

A. Pursuant to Public Contract Code §20160, et seq., general law cities in California must competitively bid all public projects in excess of \$5,000 in accordance with state-mandated formal bidding procedures.

B. In 1983, the California Legislature adopted the Uniform Public Contract Cost Accounting Act (commencing with Public Contract Code § 22000) to provide for a uniform cost accounting standard for construction work performed or contracted by local agencies and further providing an alternative method for bidding and awarding contracts for public projects.

C. Public Contract Code § 22030 provides that any city that desires to utilize the alternative procedures for bidding and contracting for public projects must elect, by resolution, to become subject to the uniform construction cost accounting procedures set forth in the Act and must notify the State Controller of its election.

D. The City desires to become subject to the uniform construction cost accounting procedures set forth in Public Contract Code §§ 22000, et seq.

E. Public Contract Code § 22034 requires each public agency that elects to become subject to the uniform construction cost accounting procedures to enact an informal bidding ordinance that complies with the requirements set forth in Public Contract Code § 22034.

F. The City is adopting an Ordinance enacting informal bidding procedures consistent with the Uniform Public Construction Cost Accounting Act.

SECTION 2. The City Council of the City of Plymouth elects under Public Contract Code § 22030 to become subject to the uniform construction accounting procedures set forth in Public Contract Code § 22010, et seq.

SECTION 3. The City Clerk is directed to inform the California State Controller forthwith of the City's election to become subject to the Uniform Public Construction Cost Accounting Act.

SECTION 4. This Resolution does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Resolution's effective date. Any such amended part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Resolution.

SECTION 5. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

SECTION 6. To the extent that any other Resolution pertaining to the City's election to become subject to the Uniform Public Construction Cost Accounting Act is incorporated into this Resolution, it is superseded in its entirety.

SECTION 7. Electronic Signatures. This Resolution may be executed with electronic signatures in accordance with Government Code § 16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 8. The Mayor is hereby authorized to affix her signature to this Resolution signifying its adoption by the City Council of the City of Plymouth, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 9. This Resolution will become effective immediately upon adoption.

Passed and adopted this 12th day of October 2023 by the following vote:

AYES:	Marianne Akerland, Doug Sim, Michael McLaughlin, Keith White
NOES:	None
ABSTAIN:	None
ABSENT:	None


Marianne Akerland, Mayor

ATTEST:


Victoria McHenry, Deputy City Clerk

6.1

PUBLIC HEARINGS

7.1



CITY COUNCIL AGENDA ITEM NO. 7.1

04/09/2026

SUBJECT: Presentation of the Water and Wastewater rate study and requesting City Council preliminary approval and authorization to send notices and set Public Hearing.

DEPARTMENT: City Manager's Office

STAFF: Cameron Begbie, City Manager

TITLE

PRESENTATION ON WATER AND WASTEWATER RATE STUDY AND REQUESTING CITY COUNCIL DIRECTION TO DO PROP 218 RATE SETTING.

BACKGROUND

California Proposition 218 requires agencies to notify property owners and ratepayers of proposed changes to utility rates, and to hold a public hearing prior to implementing any increases. The purpose of this process is to ensure transparency and allow for public participation. The City has also opted to utilize the exhaustion of administrative remedies procedure pursuant to Government Code Section 53759.1. The mailed notice will include all information required.

Water and wastewater systems are essential services funded entirely by user rates. Periodic rate reviews and adjustments are necessary to ensure that revenues are sufficient to support operations, maintenance, capital improvements, regulatory compliance, and long-term financial stability.

The City's most recent rate study was completed in 2017, and rate adjustments were last adopted in 2011. Since that time, increases in operating costs, infrastructure needs, and regulatory requirements have impacted the City's utility funds.

DISCUSSION

In partnership with City staff, NBS is conducting comprehensive rate studies evaluating the City's water and wastewater enterprise funds. The studies review current and projected operating expenses, capital improvement needs, reserve targets, and revenue requirements over a five-year planning period.

Key factors driving the proposed rate adjustments include:

- Aging infrastructure requiring rehabilitation and replacement
- Inflationary increases in labor, energy, and chemical costs
- State and federal regulatory mandates
- The need to replenish and maintain reserve levels and debt service coverage



ratios

CITY COUNCIL AGENDA ITEM NO. 7.1

04/09/2026

Council has been presented with various rate scenarios and provided direction to move forward with the selected alternatives which are presented in the Rate Study Report. Staff and NBS are seeking direction from Council to proceed with setting the Public Hearing date and providing direction to mail the required Rate Notices to comply with the requirements of Proposition 218 and Government Code Section 53759.1.

ENVIRONMENTAL DETERMINATION

This is not a "project" under Section 15378 of the California Environmental Quality Act (CEQA) Guidelines.

FISCAL IMPACT

Approval of the rate adjustments is necessary to ensure the financial health of the City's water and wastewater utilities. Without the adjustments, the City risks falling short of funding obligations for operations and capital projects.

Mailing costs and consultant support for the Proposition 218 process are included in the current contract and will be paid from the Water and Wastewater Enterprise Funds.

RECOMMENDATION

Staff recommends that the City Council:

1. Receive a presentation on the proposed adjustments to water and wastewater rates.
2. Set the Public Hearing date.
3. Authorize NBS to proceed with production and mailing of the Notice of Public Hearing.

ATTACHMENT(S)

1. Rate Study Presentation
2. Rate Study Report

City of Plymouth Overview of Water and Sewer Rate Study

April 9, 2026



Overview of a Rate Study



Rate Study Purpose & Methodology

Why Prepare a Rate Study?

1. Required to comply with Prop 218
2. Typically prepared every 5 years
3. They demonstrate the fairness & equity of customer rates

General Rate Study Methodology:



Rate Study Methodology – Financial Plan

What are “Net Revenue Requirements”?

The Financial Plan estimates the costs to be recovered from customer rates:

$$\begin{aligned} & \text{O\&M Costs} \\ & + \text{Debt Service} \\ & + \text{Capital Costs} \\ & - \text{Non-Rate Revenues*} \\ & \text{Net Revenue Requirements} \end{aligned}$$

* licenses, fines, application fees, etc.

These costs should also include funding for adequate levels of reserves.

Rate Study Methodology – Cost of Service

How Are Water Costs Assigned to Customers?

Cost of Service Analysis (COSA) allocates costs based on the cost to serve each type of customer.

Water Costs are typically allocated by:

1. System Capacity Costs (based on system meter size factors)
2. Commodity Costs (annual consumption)
3. Customer Costs (number of accounts)

Cost Allocations – Costs are then allocated to each customer class based on their proportional share of the above criteria.

5

Rate Study Methodology – Cost of Service

How Are Sewer Costs Assigned to Customers?

Sewer Costs are typically allocated to customers based on:

1. Flow-Related Costs (the amount of effluent generated)
2. Effluent Strength-Related Costs
 - Biochemical Oxygen Demand (BOD/COD)
 - Total Suspended Solids (TSS)
3. Customer Costs

What are Customer Classes? – Customers with similar characteristics (effluent strength, volume, system demands, etc.) are grouped into classes.

(Note: Costs, rates and Prop 218 requirements are focused on Classes, not individual customers or properties)

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Rate Study Methodology – Rate Design

What are Rate Design Objectives?

- Rates are proportional to cost of service (i.e., the cost to serve each customer or customer class)
- The San Juan Capistrano court decision (2015) mandated that rates “demonstrate the cost basis” in order to comply with Prop 218
- Equitable & non-discriminating
- Ease of administration and understanding
- Provide revenue stability

7

Water Rate Study Overview

8

Water Rate Study Objectives

Purpose of a Water Rate Study:

- Ensuring water rates will be able to cover all operating and maintenance costs.
- Build appropriate reserve funds.
- Complying with legal requirements of Prop 218.



Water Utility Financial Plan Summary

Summary of Water Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget					5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31				
Sources of Water Funds										
Rate Revenue	\$ 650,000	\$ 663,000	\$ 676,260	\$ 689,785	\$ 703,581	\$ 717,653				
Wholesale Water Sales	-	-	-	-	-	-				
Interest Earnings	78,450	80,019	81,619	83,252	84,917	86,615				
Total Sources of Funds:	\$ 728,450	\$ 743,019	\$ 757,879	\$ 773,037	\$ 788,498	\$ 804,268				
Uses of Water Funds										
Operating Expenses	\$ 736,054	\$ 774,929	\$ 816,828	\$ 862,049	\$ 910,922	\$ 963,812				
Debt Service	146,566	149,766	149,613	149,309	148,851	151,289				
Rate-Funded Capital Expenses	-	-	-	-	-	-				
Total Use of Funds:	\$ 882,620	\$ 924,695	\$ 966,441	\$ 1,011,358	\$ 1,059,773	\$ 1,115,101				
Surplus (Deficiency) Before Rate Increase	\$ (154,170)	\$ (181,676)	\$ (208,562)	\$ (238,321)	\$ (271,275)	\$ (310,833)				
Additional Revenue from Rate Increases ¹	-	198,900	308,375	374,802	447,450	526,843				
Surplus (Deficiency) after Rate Increase	\$ (154,170)	\$ 17,224	\$ 99,813	\$ 136,480	\$ 176,176	\$ 216,009				
Projected Annual Rate Revenue Increase	0.00%	3.000%	12.000%	6.00%	6.00%	6.00%				
Cumulative Rate Increases	0.00%	3.000%	45.60%	54.34%	63.60%	73.41%				
Net Revenue Requirement²	\$ 807,370	\$ 844,523	\$ 884,518	\$ 927,649	\$ 977,294	\$ 1,026,109				

1. Assumes new rates are implemented July 1, 2026.
 2. This is the annual amount needed from water rates. (Net Revenue Requirement = Total Use of Funds - (Non-Rate Revenues + Interest Earnings)).

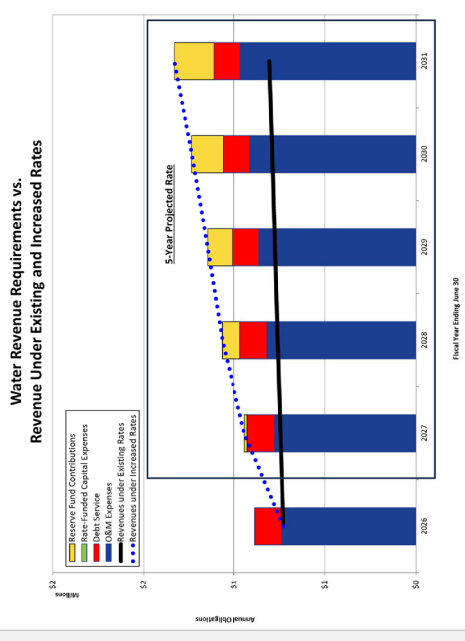
- Year 1 and Year 2 rate adjustments have been smoothed, but these adjustments are still critical to address existing budget deficit
- Years 3 through 5 rate adjustments necessary to keep pace with inflation and begin to build reserve levels from current negative balance



Water Rate Study – Financial Plan

Graphical Picture of Water Financial Plan:

Revenues under increased rates will be used to pay for expenses as well as replenish reserve levels (shown on next slide)

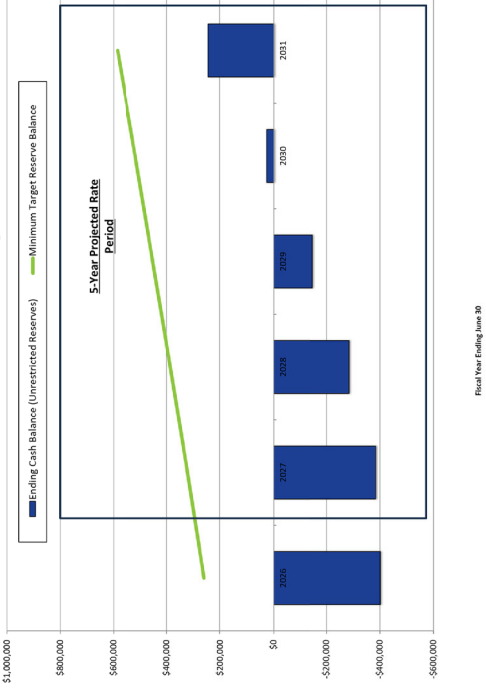


Note: No rate-funded capital expenditures are depicted because those funds are allocated to reserve replenishment



Reserve Fund Levels

Ending Cash Balances vs. Recommended Reserve Targets



Proposed Draft Water Rate Schedule

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2024/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Monthly Fixed Service Charge						
3/4 inch	\$33.23	\$43.16	\$48.34	\$51.24	\$54.32	\$57.58
1 inch	\$54.60	\$71.10	\$79.63	\$84.41	\$89.47	\$94.84
1 1/2 inch	\$107.56	\$140.94	\$157.86	\$167.33	\$177.37	\$186.01
2 inch	\$171.35	\$224.76	\$251.73	\$266.83	\$282.84	\$299.81
3 inch	\$320.32	\$448.26	\$502.05	\$532.17	\$564.10	\$597.94
4 inch	\$533.08	\$699.69	\$783.66	\$830.68	\$880.52	\$933.35
6 inch	\$1,064.50	\$1,397.99	\$1,565.75	\$1,659.69	\$1,759.28	\$1,864.83
Commodity Rate (\$/CCF)¹						
Commodity Rate	\$4.61	\$6.56	\$7.34	\$7.78	\$8.25	\$8.75

1. CCF = Hundred cubic feet or 748 gallons.



Proposed Water Rate Regional Comparison



Sewer Rate Study Overview



Sewer Rate Study Objectives

Purpose of a Sewer Rate Study:

- Ensuring sewer rates will be able to cover all operating and maintenance costs.
- Ensuring sufficient funding for essential Capital Improvement Projects.
- Maintaining appropriate reserve funds.
- Complying with legal requirements of Prop 218.



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Equivalent Dwelling Units

Current Code of Ordinances

- EDU method based on 2013 Wastewater Collection System Master Plan
- Used 200 gallons per day based on peak water usage November - April
- EDUs to be updated annually, but not recalculated for several years

Revised EDU Calculation

- Considers volume and strength of effluent (BOD & TSS)
- Residential – 1 EDU per Unit
- Other Customer Classes – EDUs calculated based on volume & strength factors
- 109 gallons per day basis from current customer data



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Summary of Sewer Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	5-Year Projected Rate Period					
	Budget FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Sources of Sewer Funds						
Sewer Service Fees	\$ 620,000	\$ 632,400	\$ 645,048	\$ 657,949	\$ 671,108	\$ 684,530
Low Income Credit	(2,880)	(2,938)	(2,996)	(3,056)	(3,117)	(3,180)
Sewer Misc Fees	67,400	68,748	70,123	71,525	72,956	74,415
Total Sources of Funds:	\$ 684,520	\$ 698,210	\$ 712,175	\$ 726,418	\$ 740,946	\$ 755,765
Uses of Sewer Funds						
Operating Expenses:	\$ 682,892	\$ 719,873	\$ 761,275	\$ 808,114	\$ 861,691	\$ 923,684
Other Expenditures:	\$ 23,700	\$ 25,700	\$ 24,550	\$ 8,400	\$ -	\$ -
Total Use of Funds:	\$ 706,592	\$ 745,573	\$ 785,825	\$ 816,514	\$ 861,691	\$ 923,684
Surplus (Deficiency) before Rate Increase	\$ (22,072)	\$ (47,363)	\$ (73,651)	\$ (90,096)	\$ (120,745)	\$ (167,918)
Additional Revenue from Rate Increases ¹	-	31,620	66,117	103,709	144,628	189,123
Surplus (Deficiency) after Rate Increase	\$ (22,072)	\$ (15,743)	\$ (7,533)	\$ 13,614	\$ 23,883	\$ 21,205
Projected Annual Rate Revenue Increase	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cumulative Rate Increases	0.00%	5.00%	10.27%	15.76%	21.55%	27.63%
Net Revenue Requirement²	\$ 642,072	\$ 679,763	\$ 718,699	\$ 748,044	\$ 791,853	\$ 852,449

1. Assumes new rates are implemented July 1, 2026.

2. This is the annual amount needed from sewer rates. (Net Revenue Requirement = Total Use of Funds - (Non-Rate Revenues + Interest Earnings)).



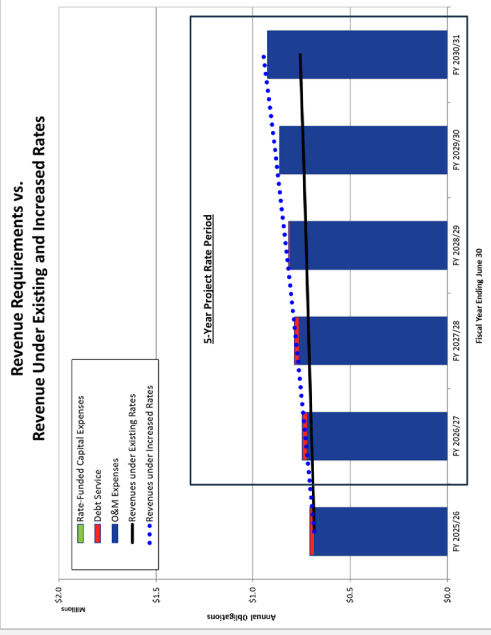
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Sewer Utility Financial Plan Summary

Sewer Rate Study – Financial Plan

Graphical Picture of Sewer Financial Plan:

Revenues under increased rates will be used to pay for expenses as well as maintain reserve levels (shown on next slide)



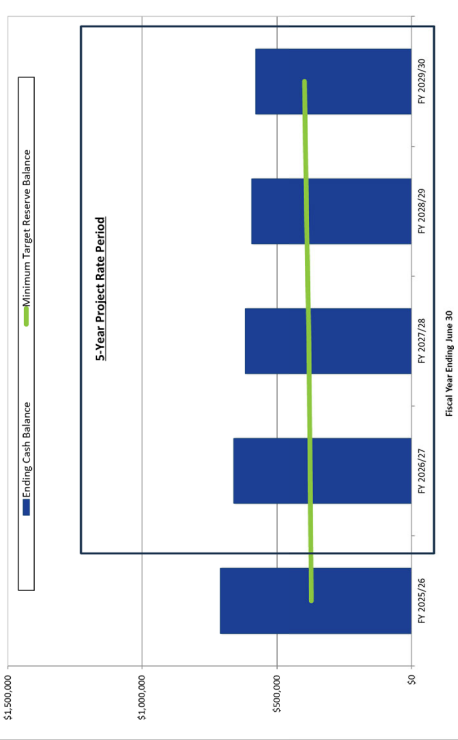
Note: No rate-funded capital expenditures are depicted because the minimal capital costs are funded via capital reserves



Reserve Fund Levels

Sewer Reserves Under Proposed Sewer Rates & Financial Plan:

Ending Cash Balances vs. Recommended Reserve Targets

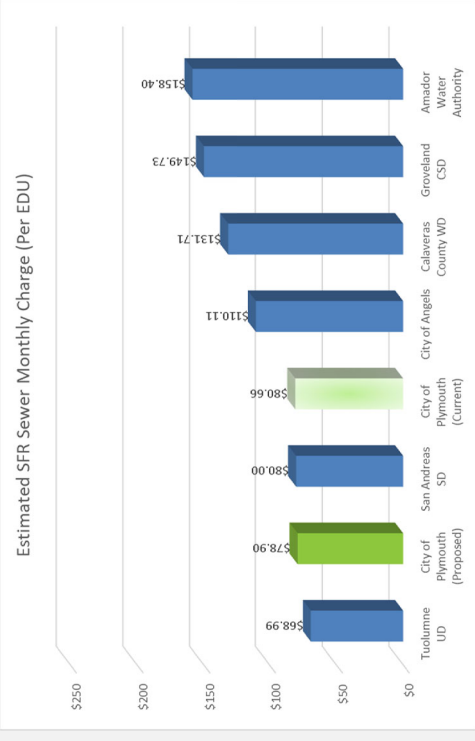


Proposed Draft Sewer Rate Schedule

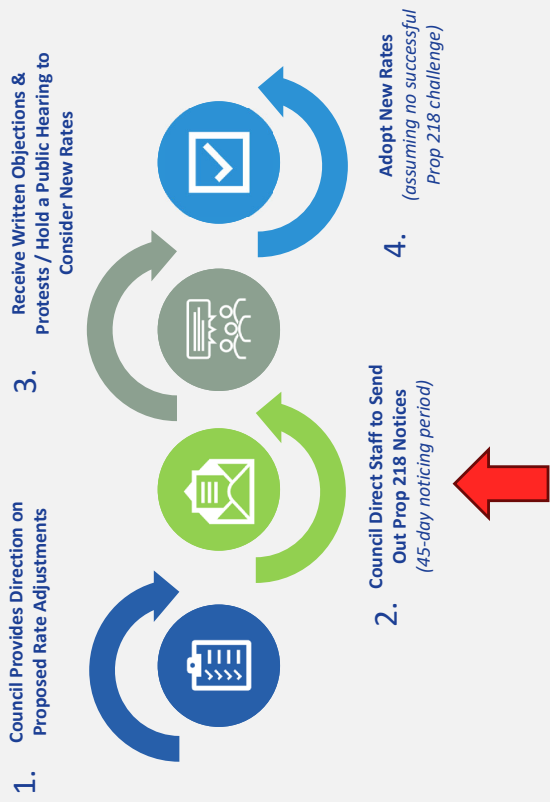
Sewer Rate Schedule	Current Rates (\$/EDU)	Proposed Monthly Sewer Rates			
		FY 2026/27	FY 2027/28	FY 2028/29	FY 2030/31
Fixed Service Charges (Per EDU)					
ALL CUSTOMERS					
All Customers - per EDU	\$80.66	\$78.90	\$82.85	\$86.99	\$91.34
					\$95.91



Proposed Sewer Rate Regional Comparison



Prop 218 Process for Utility Rates



Questions & Discussion



CITY OF PLYMOUTH

Water and Sewer Rate Study

DRAFT *Report*

April 2026



nbsgov.com

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1. Introduction

1.1 Purpose

The City of Plymouth (City) retained NBS to conduct a comprehensive utility rate study for its water and sewer enterprise funds. The City had several objectives and goals in mind for this study including meeting revenue requirements, reviewing the rising costs of providing services, funding capital improvements and changes in costs, and complying with certain legal requirements (e.g., California Constitution Article XIII D, Section 6, which is commonly referred to as Proposition 218 [Prop 218]). The City's broader objectives in this study include ensuring adequate funding for operating and capital costs, reviewing reserve funding, and ensuring revenue stability in utility rates. The rates resulting from this study were developed in a manner that is consistent with industry standard cost-of-service principles. In addition to documenting the rate study methodology, this report is provided with the intent to assist the City in its continuing effort to maintain transparent communications with the residents and community it serves.

In developing new rates for the City's enterprise funds, NBS worked cooperatively with City staff and the City Council (Council) in selecting the appropriate rate alternatives that address the City's goals and objectives. Based on input provided by City staff and City Council, NBS proposes the rates summarized in this report. The Council has the final decision regarding the adoption of the proposed rates and whether to proceed with the Prop 218 approval process.

1.2 Overview of the Study

Comprehensive rate studies, such as this one, typically include three components: (1) preparation of a financial plan that identifies the net revenue requirements for the utility; (2) analysis of the cost to serve each customer class, and (3) the rate structure design. These steps are shown in **Figure 1** and are intended to follow industry standards and reflect the fundamental principles of cost-of-service rate making embodied in the American Water Works Association's (AWWA) *Principles of Water Rates, Fees, and Charges*,¹ also referred to as Manual M1, and the Water Environment Federation's *Financing and Charges for Wastewater Systems* (Manual of Practice No. 27).²

Rate studies also address requirements under Prop 218 that rates not exceed the cost of providing the service and be proportionate to the cost of providing service for all customers. In terms of the chronology of the study, the three steps shown in **Figure 1** represent the order in which they were performed in this study.

¹ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, American Water Works Association (AWWA), 8th Edition, 2025.

² *Financing and Charges for Wastewater Systems*, Manual of Practice No. 27, Water Environment Federation, Fourth Edition, 2018.

Figure 1. Primary Components of a Rate Study



NBS projected revenues and expenditures, developed net revenue requirements, performed cost-of-service rate analyses, and developed new water and sewer rates for the City using this approach. The following sections in this report present an overview of the methodologies, assumptions, and data used along with the financial plans and rates developed. Detailed tables and figures documenting the development of the proposed rates are provided in the Technical Appendices.

The City provided NBS with the data necessary to conduct the study, including historical, current, and projected revenues and expenditures, number of customer accounts and Equivalent Dwelling Units, and water consumption data along with other operational and capital cost information.

FINANCIAL PLAN

As a part of the rate study, NBS projected revenues and expenditures on a cash-flow basis for the next five (5) years. The amount of rate revenue required, that will allow reserves to be maintained at the recommended levels, is known as the net revenue requirement. As current rate revenue falls short of the net revenue requirement, rate adjustments – or more accurately, adjustments in the total revenue collected from rates – are recommended. This report presents an overview of the methodologies, assumptions, and data used along with the financial plan and proposed rates developed in this study.³

COST-OF-SERVICE ANALYSIS

The basic purpose of the cost-of-service analysis (COSA) is to fairly and equitably allocate costs to customer classes. The cost-of-service analysis consists of two major components: (1) the classification of expenses, and (2) the allocation of costs to customer classes. For example, a key task is the “classification” of the water revenue requirements into the following categories:

- Commodity related costs
- Capacity related costs
- Customer related costs

³ The complete financial plans are available in the Technical Appendices.

For the sewer utility, the normal classification of sewer revenue requirements uses the following categories:

- Volume related costs
- Strength related costs
- Customer related costs

RATE DESIGN ANALYSIS

During the rate design phase of the study, NBS and City staff worked together to develop rate alternatives that will meet the City's objectives. It is important for the City to send proper price signals to its customers about the actual cost of providing service. This objective is typically addressed through both the magnitude of the rate adjustments and the rate structure design. In other words, both the amount of revenue collected and the way in which the revenue is collected from customers are important.

Several criteria are typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been well documented in several rate-setting manuals, such as AWWA's Manual M1. The foundation for evaluating rate structures is generally credited to James C. Bonbright in *Principles of Public Utility Rates*,⁴ which outlines pricing policies, theories, and economic concepts along with various rate designs. The following is a simplified list of the attributes of a sound rate structure:

- Rates should be easy to understand from the customer's perspective.
- Rates should be easy to administer from the utility's perspective.
- Rates should be equitable and non-discriminating (i.e., cost-based).
- Rates should promote the efficient allocation of the resource.
- There should be continuity in the rate making philosophy over time.
- Rates should address other utility policies (e.g., conservation and economic development).
- Rates should provide month-to-month and year-to-year revenue stability.

RATE STRUCTURE TERMINOLOGY

This section covers basic rate design criteria that NBS and City staff considered as a part of their review of the rate structure alternatives. One of the most fundamental points in considering rate structures is the relationship between fixed and variable costs. Fixed costs, such as debt service and personnel costs, typically do not vary with the amount of water consumed. In contrast, variable costs, such as the cost of purchased water, chemicals, and electricity, tend to change with the quantity of water sold. Most rate structures contain a fixed, or minimum, charge in combination with a volumetric charge.

Fixed Charges – Fixed charges can be called base charges, minimum monthly charges, customer charges, fixed meter charges, etc. Fixed charges for water utilities typically increase by meter size. For example, a customer with a 2-inch meter, such as a hotel or supermarket, has a fixed meter charge that is more than five times greater than the typical residential customer with a 3/4-inch meter based on the safe operating

⁴ James C. Bonbright, Albert L. Danielsen, and David R. Kamerschen, *Principles of Public Utility Rates*, Arlington, VA: Public Utilities Report, Inc., Second Edition, 1988, pp. 383-384.

capacity of the meter.⁵ Since a large portion of utility costs are typically related to meeting capacity requirements, individual capacity demands are important in establishing equitable rates for customers.

Variable (Consumption-Based) Charges – In contrast to fixed charges, variable costs, such as purchased water, groundwater replenishment costs, and the cost of electricity used in pumping water and chemicals for treatment, tend to change with the quantity of water produced. For a water utility, variable charges are calculated based on a metered consumption per unit price (e.g., per 100 cubic feet, or HCF). For a sewer utility, variable charges are typically based on winter water consumption.

Uniform (Single-Tier) Rates – There are significant variations in the basic philosophy of variable charge rate structure alternatives. Under a uniform (single tier) rate structure, the cost per unit does not change with based on meter size or customer type and, therefore, provides a simple and straightforward approach from the customer’s perspective and in terms of the City’s rate administration.

KEY FINANCIAL ASSUMPTIONS

The following is a summary of the key financial assumptions used in the analyses. The following capital and operational fund targets reflect input from City staff to meet specific utility objectives.

Funding of Capital Projects – The capital improvement costs related to the water utility have been put on hold due to the overall financial status of the utility and are not anticipated to be funded unless the City obtains grant funding. The capital improvement costs related to the sewer utility will be funded with cash in reserves.

Reserve Targets – For each utility (i.e., water and sewer), the City maintains reserves for operations, capital, and other specific needs. The details of each utility’s reserve targets are covered in their respective sections of this report.

Inflation and Growth Projections – Assumptions were made in the analysis regarding cost inflation to project future revenues and expenses for the study period. The following inflation factors were used in the analysis:

- Customer growth is estimated at 2.0% per year.
- General cost inflation is estimated at 2.5% annually.
- Labor cost inflation is estimated at 4.0% annually.
- Electricity cost inflation is estimated at 20.0% annually.
- Fuel & Utilities cost inflation is estimated at 7.08% annually.
- Water purchase inflation factor is estimated at 10.0% annually.

These inflation factors are based on long-term trends; therefore, the City should re-examine these factors in another year to assess the impacts on utility costs and whether projected rate increases will be sufficient for the remainder of the rate adoption period.

⁵ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, pp. 151-152.

2. Water Rate Study

2.1 Key Water Rate Study Issues

The City's water rate analysis was undertaken with a few specific objectives, including:

- Generating sufficient revenue to meet anticipated operating and maintenance costs.
- Continuing with a rate design that promotes revenue stability.
- Updating the cost-of-service linkage in proposed rates from the current rate structure which was implemented around 2008.
- Rebuild reserve levels to ensure continuity in operations.
- Complying with the legal requirements of Prop 218 to ensure the cost of providing service is properly allocated amongst user classifications.

NBS developed various water rate alternatives as requested by City staff over the course of this study. All rate structure alternatives relied on industry standards and cost-of-service principles. The rate alternative that will ultimately be implemented is the decision of the Council. The fixed and volume-based charges were calculated based on the net revenue requirements, number of customer accounts, water consumption and other relevant data provided by the City.

The following are the basic components included in this analysis:

Developing Cost Allocations – The water revenue requirements were “functionalized” into three categories: (1) commodity (or volume-based) costs; (2) fixed capacity costs; and (3) customer service costs. These functionalized costs were then used to develop unit costs based on various factors, such as water consumption, peaking factors, and number of accounts by meter size.

Determining Revenue Requirements by Customer Class – The total revenue that needs to be collected from each customer class was determined using the functional costs and allocation factors. For example, customer costs are allocated based on the number of meters, while volume-related costs are allocated based on the water consumption of each customer class. Once the costs are allocated and the net revenue requirement for each customer class is determined, collecting the revenue requirements from each customer class is addressed within the rate design.

Evaluating Rate Design (Fixed vs. Variable Charges) – The revenue requirements for each customer class are collected through a combination of fixed monthly service charges and volumetric rates. Based on direction from City staff, the rates proposed in this report will collect 44% of the rate revenue from the fixed charge and 56% from the variable charges.

2.2 Financial Plan

It is important for municipal utilities to not only collect sufficient revenues every year, but to also maintain reasonable reserves to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate adjustments are governed by the need to meet operating and capital costs as well as maintain reasonable reserve levels. The current state of the City's water utility, regarding these objectives, is as follows:

Meeting Net Revenue Requirements: For FY 2026/27 through FY 2030/31, the projected net revenue requirement (that is, total annual expenses plus debt service, less non-rate revenues) for the water system averages \$844,000 - \$1 million annually. If no rate adjustments are implemented, the City is projected to run an annual deficit of approximately \$182,000 in FY 2026/27, increasing to more than \$300,000 by FY 2030/31.

Maintaining Reserve Funds: Reserve funds provide a basis for a utility to cope with fiscal emergencies, such as revenue shortfalls, asset failure, and natural disasters, among other events. Reserve policies provide guidelines for sound financial management, with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and unexpected emergencies.

- The City's operating reserve balance is estimated to be negative \$244,000 by the end of the 2024/25 fiscal year and the City has no funds in capital reserves. The challenge is to replenish the reserves and to be able to meet future revenue requirements and still maintain adequate reserves. NBS together with City staff have chosen to set the following reserve targets:
 - **Operating Reserve** equal to 3 months of operating and maintenance expenses, or approximately \$194,000 in FY 2026/27. An operating reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures, such as those caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (e.g., volumetric charges), and – particularly in periods of economic distress – changes or trends in the age of receivables. NBS considers a 3-month operating reserve to be analogous reserve fund target (i.e., most municipal water utilities use a 3-month target for the operating reserve).
 - **Capital Rehabilitation & Replacement Reserve** equal to 3% of the net assets, which puts the target reserve is between \$128,000 and \$345,000 during the 5 year rate period. This reserve is intended to be a cash resource set aside to address long-term capital system replacement and rehabilitation needs. NBS considers a 3% of the net assets capital reserve target to be in line with what most utilities aim for. Many utilities aim for 3% to 6% of net assets.

Funding Capital Improvement Projects: The City must fund necessary capital improvements to maintain current service levels. City staff has identified roughly \$4.94 million in expected capital improvement needs over the next five years (FY 2026/27 through FY 2030/31) which is an average of \$988,000 in capital expenditures annually. The City has opted to not fund their capital improvement plan for the next 5 years as they work to rebuild their operating reserves.

Inflation and Growth Projections: Cost inflation and growth assumptions are necessary to project future revenues and expenses for the study period. Customer growth is expected to be nearly 2.0% annually. This factor was used in the analysis for rate revenues while specific inflation factors were used for various components of the operating and maintenance budget, as detailed in the Technical Appendices.

Maintaining Adequate Bond Coverage: The water utility currently has outstanding debt with the USDA for the Plymouth Pipeline. The debt does not require a minimum debt service coverage ratio, however it is

essential to maintain sufficient fund balances to meet the annual debt service payments. The rate increases increase coverage to generally acceptable levels over the rate period.

Figure 2 summarizes the sources and uses of funds, net revenue requirements, and the annual percent adjustments in total rate revenue recommended for the next five years.

Figure 2. Summary of Water Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget	5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Sources of Water Funds						
Rate Revenue	\$ 650,000	\$ 663,000	\$ 676,260	\$ 689,785	\$ 703,581	\$ 717,653
Wholesale Water Sales	-	-	-	-	-	-
Interest Earnings	78,450	80,019	81,619	83,252	84,917	86,615
Total Sources of Funds:	\$ 728,450	\$ 743,019	\$ 757,879	\$ 773,037	\$ 788,498	\$ 804,268
Uses of Water Funds						
Operating Expenses	\$ 736,054	\$ 774,929	\$ 816,828	\$ 862,049	\$ 910,922	\$ 963,812
Debt Service	146,566	149,766	149,613	149,309	148,851	151,289
Rate-Funded Capital Expenses	-	-	-	-	-	-
Total Use of Funds:	\$ 882,620	\$ 924,695	\$ 966,441	\$ 1,011,358	\$ 1,059,773	\$ 1,115,101
Surplus (Deficiency) before Rate Increase	\$ (154,170)	\$ (181,676)	\$ (208,562)	\$ (238,321)	\$ (271,275)	\$ (310,834)
Additional Revenue from Rate Increases ¹	-	198,900	308,375	374,802	447,450	526,843
Surplus (Deficiency) after Rate Increase	\$ (154,170)	\$ 17,224	\$ 99,813	\$ 136,480	\$ 176,176	\$ 216,009
Projected Annual Rate Revenue Increase	0.00%	30.00%	12.00%	6.00%	6.00%	6.00%
<i>Cumulative Rate Increases</i>	<i>0.00%</i>	<i>30.00%</i>	<i>45.60%</i>	<i>54.34%</i>	<i>63.60%</i>	<i>73.41%</i>
Net Revenue Requirement²	\$ 807,370	\$ 844,523	\$ 884,518	\$ 927,649	\$ 977,294	\$ 1,026,109

1. Assumes new rates are implemented July 1, 2026.

2. This is the annual amount needed from water rates. [Net Revenue Requirement = Total Use of Funds - (Non-Rate Revenues + Interest Earnings)].

Figure 3 summarizes the projected reserve fund balances and reserve targets for the City’s unrestricted funds. A detailed version of the proposed 5-year financial plan is included in *Appendix A. Water Rate Study Tables and Figures*. The tables in the appendix include the revenue requirement, reserve funds, revenue sources and the proposed rate adjustments needed to meet the City’s funding requirements.

Figure 3. Summary of Primary Water Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget	5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Operating Reserve						
Ending Balance	\$ (401,457)	\$ (384,080)	\$ (283,963)	\$ (147,025)	\$ 26,713	\$ 228,000
<i>Recommended Minimum Target</i>	<i>184,000</i>	<i>194,000</i>	<i>204,000</i>	<i>216,000</i>	<i>228,000</i>	<i>241,000</i>
Capital Reserve						
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,099
<i>Recommended Minimum Target</i>	<i>75,100</i>	<i>127,700</i>	<i>180,800</i>	<i>234,600</i>	<i>289,000</i>	<i>344,300</i>
Total Ending Balance	\$ (401,457)	\$ (384,080)	\$ (283,963)	\$ (147,025)	\$ 26,713	\$ 245,099
<i>Total Recommended Minimum Target</i>	<i>\$ 259,100</i>	<i>\$ 321,700</i>	<i>\$ 384,800</i>	<i>\$ 450,600</i>	<i>\$ 517,000</i>	<i>\$ 585,300</i>

2.3 Cost-of-Service Analysis

Once the net revenue requirements are determined, the cost-of-service analysis (COSA) proportionately distributes the revenue requirements to each of the customer classes. The COSA consists of two major components: (1) the classification of expenses, and (2) the allocation of costs to each customer class. Costs are classified according to the function they serve. All costs in the City’s budget are allocated to each component of the rate structure in proportion to the level of service required by customers.

The level of service is related to the volume of water purchased and treated, infrastructure capacity, and customer services. These costs are based on allocation factors, such as water consumption, number of

meters, and customer class. Ultimately, a COSA is intended to result in rates that are proportional to the cost of providing service to each customer class.

FUNCTIONALIZATION AND CLASSIFICATION OF COSTS

Most costs are not typically allocated just to fixed or variable categories but rather allocated to multiple functions of water service. The functionalization and classification process provides the basis for allocating costs to various customer classes based on the cost causation (classification) components described below:

- **Commodity-related costs** are costs associated with the change in the volume of water produced and delivered. These commonly include the costs of water quality testing, energy related to pumping for transmission and distribution, and source of supply.
- **Capacity-related costs** are costs associated with sizing facilities to meet the maximum demand. This includes both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events.
- **Customer-related costs** are costs associated with having a customer connected to the water system, such as meter reading, postage, billing, and other administrative duties.

The City's budgeted costs were reviewed and allocated to these cost causation components which are used as the basis for establishing new water rates and translated into fixed and variable charges. Tables in the Technical Appendices show how the City's expenses were classified and allocated to these cost causation components. In the analysis, these cost causation components are also considered to be either fixed or variable.

FIXED AND VARIABLE COSTS

Ideally, utilities should recover all of their fixed costs from fixed charges and all of their variable costs from volumetric charges. When this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses, which provides greater revenue stability for the utility. However, other factors are often considered when designing water rates, such as community values, water conservation goals, ease of understanding, and ease of administration.⁶

NBS functionalized the City's costs into categories that represent fixed and variable costs. This analysis resulted in a cost distribution that is approximately 44% fixed and 56% variable (i.e., volumetric), which is consistent with the City's current rate collection proportions. The proposed rates are based on these 44% fixed and 56% variable allocations.

Figure 4 summarizes how costs are allocated to each cost component and used to establish new water rates. **Figure 5** shows the resulting cost allocation to each cost classification component.

⁶ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, pp. 6 and 96.

Figure 4. Allocation Percentages of Revenue Requirements

Classification Components	Cost-of-Service Net Revenue Requirements (FY 2026/27)	
Commodity-Related Costs	\$ 482,664	56.0%
Capacity-Related Costs	370,617	43.0%
Customer-Related Costs	8,619	1.0%
Net Revenue Requirement	\$ 861,900	100.0%

Figure 5. Allocated Net Revenue Requirements

Customer Classes	Classification Components			Cost of Service Net Rev. Req'ts	% of COS Net Revenue Req'ts
	VARIABLE	FIXED			
	Commodity-Related Costs	Capacity-Related Costs	Customer-Related Costs		
All Customers	\$ 482,664	\$ 370,617	\$ 8,619	\$ 861,900	100.0%
Total Net Revenue Requirement	\$ 482,664	\$ 370,617	\$ 8,619	\$ 861,900	100%

2.4 Characteristics of Water Customers by Customer Class

Customer classes are determined by combining customers with similar demand characteristics and types of use into categories that reflect the cost differentials to serve each type of customer. The hydraulic capacity and the number of meters by size are used to allocate costs to customer classes and determine the appropriate rate structures for each.

2.5 Rate Design Analysis

Evaluating the water rate structure includes reviewing rate-design objectives and policies, including continuity of rate design, revenue stability, equity among customers, and water conservation. NBS discussed the 44%/56% rate designs with City staff and City Council over the course of this study. Ultimately, City staff and Council selected the 44%/56% rate alternative, as it is closest to the actual cost of service based on NBS' analysis. Also, a uniform tier for all customers was selected to continue. The following section describes how the proposed water rates were determined.

DEVELOPMENT OF PROPOSED RATES

Fixed Service Charges

The fixed meter charge recognizes that the water utility incurs fixed costs regardless of whether customers use water. Two components comprise the fixed meter charge: (1) the capacity component, and (2) the customer component. The capacity component recovers costs associated with sizing the water system to ensure there is sufficient capacity in the system to meet peak demand. A user class with higher-hydraulic capacity is allocated a proportionately higher share of the capacity-related costs compared to customer classes with lower hydraulic capacity. The customer component includes those costs related to reading and maintaining meters, customer billing and collection, and other customer service-related costs.

Fixed charges also vary based on meter sizes because larger meters have higher capacity requirements and reflect their potential to use more of the system’s capacity.⁷ The potential capacity demands is proportional to the maximum hydraulic flow through each meter size based on the hydraulic capacity ratios established by AWWA.⁸ The AWWA capacity ratios used for this report are shown in **Figure 6**.

Figure 6. Hydraulic Capacity Factors

Meter Size	Standard Meters	
	Meter Capacity (GPM) ¹	Equivalency to 3/4 inch
	<i>Displacement Meters</i>	
3/4 inch	30	1.00
1 inch	50	1.67
1 1/2 inch	100	3.33
2 inch	160	5.33
	<i>Compound Class I Meters</i>	
3 inch	320	10.67
4 inch	500	16.67
6 inch	1,000	33.33
8 inch	1,600	53.33

1. Per AWWA, M1 Manual, Table B-1.

The actual number of meters by size is multiplied by the corresponding capacity ratios to calculate “equivalent” meters. The number of equivalent meters is used as a proxy for the potential demand that each customer can place on the water system. **Figure 7** summarizes the number of meters, the hydraulic capacity factors, and the number of equivalent meters (i.e., the number of meters multiplied by the hydraulic capacity factor) by customer class and meter size.

Figure 7. Equivalent Meters

Number of Meters by Class and Size ¹	FY 2026/27							Total
	3/4" meter	1" meter	1.5" meter	2" meter	3" meter	4" meter	6" meter	
All Customers	459	96	6	9	0	1	1	572
Total Meters/Accounts	459	96	6	9	0	1	1	572
<i>Hydraulic Capacity Factor²</i>	<i>1.00</i>	<i>1.67</i>	<i>3.33</i>	<i>5.33</i>	<i>10.67</i>	<i>16.67</i>	<i>33.33</i>	
Total Equivalent Meters	459	160	20	48	0	17	33	737

1. Meter by Class and Size are based on June 2023 customer billing data.

Using the costs allocated to each customer class from Figure 5, **Figure 8** shows the calculation of the fixed monthly service charges for all customer classes based on meter size. As previously mentioned, the customer service charge is calculated by dividing the customer service-related costs by the total number of meters, whereas the fixed capacity charge is calculated by dividing the capacity-related costs by the total number of equivalent meters for each meter size.

⁷ System capacity is the system’s ability to supply water to all delivery points at the time when demanded.

⁸ *Principles of Water Rates, Fees and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, p. 386. *Water Meters – Selection, Installation, Testing and Maintenance*, Manual M6, AWWA, 5th Edition, 2012, pp. 63-65.

Figure 8. Calculation of Fixed Service Charges

Number of Meters by Class and Size ¹	FY 2026/27							Total
	3/4" meter	1" meter	1.5" meter	2" meter	3" meter	4" meter	6" meter	
All Customers	459	96	6	9	0	1	1	572
Total Meters/Accounts	459	96	6	9	0	1	1	572
Hydraulic Capacity Factor ²	1.00	1.67	3.33	5.33	10.67	16.67	33.33	
Total Equivalent Meters	459	160	20	48	0	17	33	737
Monthly Fixed Service Charges								
Customer Costs (\$/Acct/month) ³	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	
Capacity Costs (\$/Acct/month) ⁴	\$41.91	\$69.84	\$139.69	\$223.50	\$447.00	\$698.44	\$1,396.73	
Total Monthly Meter Charge	\$43.16	\$71.10	\$140.94	\$224.76	\$448.26	\$699.69	\$1,397.99	
Annual Fixed Costs Allocated to Monthly Meter Charges								
Customer Costs	\$ 8,619							
Capacity Costs	370,617							
Total Fixed Meter Costs	\$ 379,236							
Annual Revenue from Monthly Meter Charges								
Customer Charges	\$ 6,916	\$ 1,447	\$ 90	\$ 136	\$ -	\$ 15	\$ 15	\$ 8,619
Capacity Charges	\$ 230,820	\$ 80,460	\$ 10,057	\$ 24,138	\$ -	\$ 8,381	\$ 16,761	\$ 370,617
Total Revenue from Monthly Meter Charges	\$ 237,736	\$ 81,907	\$ 10,148	\$ 24,274	\$ -	\$ 8,396	\$ 16,776	\$ 379,236

1. Meter by Class and Size are based on June 2023 customer billing data.
2. Source: *Principles of Water Rates, Fees, and Charges*, Manual M1, AWWA, Table B-1.
3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

Volumetric Rates

Currently, the City uses uniform, or single tier, volumetric rate. Given the single source of water supply, a uniform volumetric rate is more appropriate from a Prop 218 perspective.

Figure 9 shows the calculation of the uniform tier rate per unit of water for all customers, including the basic commodity rate (without pumping costs) and rates for each zone (including pumping costs).

Figure 9. Uniform Tier Rates for FY 2026/27

Customer Classes	Number of Meters ¹	Water Consumption (HCF/yr)	Total Target Rev. Req't from Vol. Charges	% of Total Rate Revenue	Uniform Commodity Rates (\$/HCF)	Proposed Rate Structure
All Customers	572	73,606	\$ 482,664	56.0%	\$6.56	Uniform
Total Water	572	73,606	\$ 482,664	56.0%		

1. Consumption data is based on the City of Plymouth's billing data.

2.6 Proposed Water Rates

The City's previous rate study appears to have been completed in 2008. Since then, the underlying cost factors (e.g., consumption by class, number of meters, peaking factors) have changed. The cost-of-service analysis by nature "re-balances" how costs are allocated between customer classes and, as a result, there are uneven adjustments in the first year of the 5-year rate adoption period. In contrast, in the subsequent four years of the rate planning period, proposed charges are simply adjusted by the proposed adjustment in total rate revenue needed to meet projected revenue requirements.

Figure 10 provides a comparison of the current and proposed water rates for FY 2026/27 through 2030/31 for each customer class and meter size. Projected rates for each fiscal year⁹ reflect adjustments based on the cost-of-service analysis, the 44% fixed/56% variable rate design structure, and the recommended percent increases in rate revenue planned for each year. More detailed tables on the development of the proposed water rates are documented in Appendix A.

⁹ All rate adjustments are scheduled to be effective on July 1, 2026.

Figure 10. Current and Proposed Water Rates

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Monthly Fixed Service Charge						
3/4 inch	\$33.23	\$43.16	\$48.34	\$51.24	\$54.32	\$57.58
1 inch	\$54.60	\$71.10	\$79.63	\$84.41	\$89.47	\$94.84
1 1/2 inch	\$107.56	\$140.94	\$157.86	\$167.33	\$177.37	\$188.01
2 inch	\$171.35	\$224.76	\$251.73	\$266.83	\$282.84	\$299.81
3 inch	\$320.32	\$448.26	\$502.05	\$532.17	\$564.10	\$597.94
4 inch	\$533.08	\$699.69	\$783.66	\$830.68	\$880.52	\$933.35
6 inch	\$1,064.50	\$1,397.99	\$1,565.75	\$1,659.69	\$1,759.28	\$1,864.83
Commodity Rate (\$/CCF)¹						
Commodity Rate	\$4.61	\$6.56	\$7.34	\$7.78	\$8.25	\$8.75

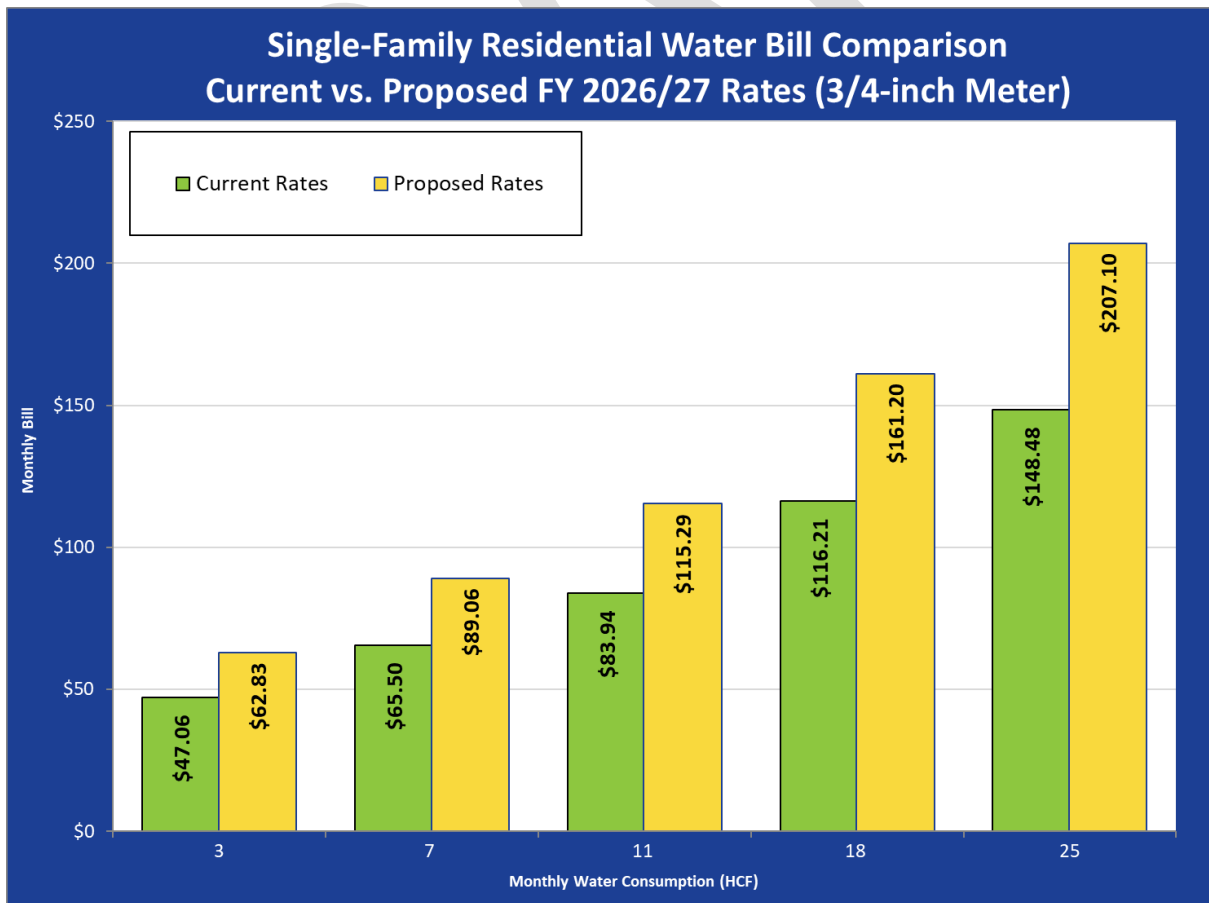
1. CCF = Hundred Cubic Feet or 748 gallons.

2.7 Comparison of Current and Proposed Water Bills

Figure 11 compares a range of monthly water bills under the current and proposed water rates for residential customers. These monthly bills are based on typical meter sizes and highlight various consumption levels for customers.

These bill comparisons assume that financial plan projections remain accurate. However, some costs that are outside of the City’s control could change, such as the cost of water purchased from Amador Water Agency. There is a “pass-through” provision that allows the City to make adjustments to water rates if these types of costs exceed those in the City’s projections.

Figure 11. Monthly Water Bill Comparison for Residential Customers



3. Sewer Rate Study

3.1 Key Sewer Rate Study Issues

The City's sewer rate analysis was undertaken with a few specific objectives, including:

- Ensuring equity among customer classes by collecting rate revenue through the cost-of-service process based on both fixed monthly charges and volumetric rates.
- Maintain adequate reserve levels to ensure continuity in operations.
- Comply with Prop 218 requirements to ensure costs are properly allocated between user classifications.

3.2 Financial Plan

It is important for the sewer utility to ensure rates provide sufficient funding to cover operating and maintenance costs, planned capital expenditures, and maintain reasonable reserves. The sewer utility's rate increases are governed by these needs, and the current state of the City's sewer utility is as follows:

Meeting Net Revenue Requirements: For FY 2026/27 through FY 2030/310, the projected net revenue requirements (that is, total operating expenses plus rate-funded capital costs less non-rate revenues) for the City averages approximately \$680,000 to \$852,000 annually. If no rate increases are implemented, the City is projected to run an annual deficit of approximately \$47,000 beginning in FY 2026/27 but increasing to \$168,000 by FY 2030/31, and the utility would struggle to meet its operating costs and debt service payments.

Maintaining Reserve Funds: Reserve funds provide a basis for a utility to cope with fiscal emergencies such as revenue shortfalls, asset failure, and natural disasters, among other events. Reserve policies provide guidelines for sound financial management, with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and emergencies. The reserve funds for the sewer utility are considered unrestricted reserves and consist of the following:

- **Operating Reserve:** The target ending fund balance for the operating reserve is equal to three months of operating expenses, or approximately \$180,000 in FY 2026/27. An operating reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Fluctuations in revenue can be caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (such as volumetric charges), and – particularly in periods of economic distress – changes or trends in age of receivables.
- **Capital Rehabilitation & Replacement Reserve** equal to 3% of the net assets, which puts the target reserve at approximately \$194,000 in FY 2026/27. This reserve is intended to be a cash resource set aside to address long-term capital system replacement and rehabilitation needs. NBS considers a 3% of the net assets capital reserve target to be in line with what most utilities aim for. Many utilities aim for 3% to 6% of net assets.

Maintaining Adequate Bond Coverage: The sewer utility currently has two outstanding Sewer Revenue Bonds with the USDA. The debt does not require a minimum debt service coverage ratio, however it is essential to maintain sufficient rate revenue to meet the annual debt service payments.

The recommended rate revenue increase is 5% annually throughout the five-year rate adoption period. **Figure 12** summarizes the sources and uses of funds, net revenue requirements, and the recommended annual increases in sewer rate revenue proposed for the next five years. **Figure 13** summarizes the projected reserve fund balances and reserve targets for the sewer utility’s unrestricted funds.

Figure 12. Summary of Sewer Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget		5-Year Projected Rate Period			
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Sources of Sewer Funds						
Sewer Service Fees	\$ 620,000	\$ 632,400	\$ 645,048	\$ 657,949	\$ 671,108	\$ 684,530
Low Income Credit	(2,880)	(2,938)	(2,996)	(3,056)	(3,117)	(3,180)
Sewer Misc Fees	67,400	68,748	70,123	71,525	72,956	74,415
Total Sources of Funds:	\$ 684,520	\$ 698,210	\$ 712,175	\$ 726,418	\$ 740,946	\$ 755,765
Uses of Sewer Funds						
Operating Expenses:	\$ 682,892	\$ 719,873	\$ 761,275	\$ 808,114	\$ 861,691	\$ 923,684
Other Expenditures:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing Debt Service	\$ 23,700	\$ 25,700	\$ 24,550	\$ 8,400	\$ -	\$ -
Total Use of Funds:	\$ 706,592	\$ 745,573	\$ 785,825	\$ 816,514	\$ 861,691	\$ 923,684
Surplus (Deficiency) before Rate Increase	\$ (22,072)	\$ (47,363)	\$ (73,651)	\$ (90,096)	\$ (120,745)	\$ (167,918)
Additional Revenue from Rate Increases ¹	-	31,620	66,117	103,709	144,628	189,123
Surplus (Deficiency) after Rate Increase	\$ (22,072)	\$ (15,743)	\$ (7,533)	\$ 13,614	\$ 23,883	\$ 21,205
Projected Annual Rate Revenue Increase	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%
<i>Cumulative Rate Increases</i>	0.00%	5.00%	10.25%	15.76%	21.55%	27.63%
Net Revenue Requirement²	\$ 642,072	\$ 679,763	\$ 718,699	\$ 748,044	\$ 791,853	\$ 852,449

1. Assumes new rates are implemented July 1, 2026.

2. This is the annual amount needed from sewer rates. [Net Revenue Requirement = Total Use of Funds - (Non-Rate Revenues + Interest Earnings)].

Figure 13. Summary of Sewer Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget		5-Year Projected Rate Period			
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Operating Reserve						
Ending Balance	\$ 192,756	\$ 173,485	\$ 168,188	\$ 183,969	\$ 204,371	\$ 217,634
<i>Recommended Minimum Target</i>	171,000	180,000	190,000	202,000	215,000	231,000
Capital Reserve						
Ending Balance	\$ 517,331	\$ 486,976	\$ 449,186	\$ 409,918	\$ 374,967	\$ 343,144
<i>Recommended Minimum Target</i>	199,100	194,200	189,500	185,000	180,600	176,500
Total Ending Balance	\$ 710,087	\$ 660,461	\$ 617,373	\$ 593,887	\$ 579,338	\$ 560,778
<i>Recommended Minimum Target</i>	\$ 370,100	\$ 374,200	\$ 379,500	\$ 387,000	\$ 395,600	\$ 407,500

A more detailed version of the utility’s proposed five-year financial plan is included in Appendix B. The appendix tables include revenue requirements, reserve funds, revenue sources, proposed rate increases, and the City’s capital improvement program.

3.3 Cost-of-Service Analysis

Once the net revenue requirements are determined, the cost-of-service analysis (COSA) proportionately distributes the revenue requirements to each of the customer classes. The COSA consists of the classification of expenses and then the allocation of those expenses to customer classes based on allocation factors, such as water consumption and number of equivalent dwelling units (EDUs), or accounts. Ultimately, a COSA is intended to result in rates that are proportional to the cost of providing service to each customer class.

CUSTOMER CLASSES AND ALLOCATION FACTORS

Customer classes are determined by combining customers with similar demand characteristics and types of use into categories that reflect the cost differentials to serve each type of customer. The January 2024 water consumption data was the basis for estimating the amount of flow that each customer class sends to the treatment plant.

Figure 14 shows the development of the flow/volume allocation factors by customer class calculated by taking the January 2024 water consumption lowest consecutive 3-month water usage for 2023 for residential customers, annualizing that usage, and using the annual consumption for non-residential customer classes.

Figure 14. Development of the Flow Allocation Factor

Customer Class	Number of Accounts ¹	Number of Units	Estimated Annual Winter Volume (Gallons) ²	Percentage of Volume
Residential	476	524	20,880,065	81.7%
Non-Residential				
Low Strength	40	N/A	1,294,025	5.1%
Medium Strength		N/A		0.0%
High Strength	9	N/A	1,181,331	4.6%
RV Park	1	156	2,135,250	8.4%
Septage	1		72,000	0.3%
Total:	527		25,562,671	100.0%

1. Number of accounts provided by City Staff.

2. January 2024 water consumption.

Volumetric charges for non-residential customer classes were based on the annual consumption and their estimated effluent. **Figure 15** summarizes the development of the strength allocation factors by customer class. These strength-related percentages were used to allocate strength-related costs. (Note: Residential customer strengths, and their estimated pounds of BOD and TSS, are used to allocate capacity-related costs to multi-family and commercial customers.)

Figure 15. Development of the Strength Allocation Factor

Customer Class	Estimated Annual Winter Volume (Gallons) ¹	Biochemical Oxygen Demand (BOD)				Total Suspended Solids (TSS)			
		Avg. Strength Factor (mg/l) ²	Calculated BOD (lbs./yr.) ³	Adjusted BOD (lbs./yr.)	Percent of Total	Avg. Strength Factor (mg/l) ²	Calculated TSS (lbs./yr.) ³	Adjusted TSS (lbs./yr.)	Percent of Total
Residential	20,880,065	175	30,474	30,474	61.5%	175	30,474	30,474	62.9%
Non-Residential									
Low Strength	1,294,025	200	2,158	2,158	4.4%	200	2,158	2,158	4.5%
Medium Strength	-	450	-	-	0.0%	450	-	-	0.0%
High Strength	1,181,331	600	5,911	5,911	11.9%	600	5,911	5,911	12.2%
RV Park	2,135,250	434	7,729	7,729	15.6%	150	2,671	2,671	5.5%
Septage	72,000	5,400	3,243	3,243	6.5%	12,000	7,206	7,206	14.9%
Total:	25,562,671		49,516	49,516	100.0%		48,421	48,421	100.0%

1. Estimated sewer flow based on average winter consumption.

2. Source: CA State Water Resources Control Board, *Revenue Program Guidelines (Appendix G)*, G-21.

Figure 16 summarizes the development of the customer allocation factor.

Figure 16. Development of the Customer Allocation Factor

Sewer Customer Classes	Number of Accounts	Percent of Total
Residential	476	90.3%
Non-Residential		
Low Strength	40	7.6%
Medium Strength	-	0.0%
High Strength	9	1.7%
RV Park	1	0.2%
Septage	1	0.2%
Total:	527	100.0%

CLASSIFICATION AND ALLOCATION OF COSTS

As previously noted, costs are classified into the following three categories: (1) flow-related costs, (2) strength-related costs (BOD and TSS), and (3) customer-related costs. Costs are typically allocated to more than one of these .

The City’s budgeted costs were allocated to these three categories which serve as the basis for calculating the proposed charges. Tables in Appendix B. Sewer Rate Study Tables and Figures show how the City’s expenses were classified and allocated to these cost-causation components.

Figure 17 summarizes the allocation of the net revenue requirements to each cost causation component for the proposed rates.

Figure 17. Allocation of Revenue Requirements by Customer Class

Customer Class	Cost Classification Components				Cost-of-Service Net Revenue Req'ts.	% of COS Net Revenue Req'ts.
	Volume	Treatment		Customer Related		
		BOD	TSS			
Net Revenue Requirements¹	\$ 393,482	\$ 130,225	\$ 130,225	\$ 25,831	\$ 679,763	
	58.0%	19.1%	19.1%	3.8%	100.0%	
ALL CUSTOMERS						
Residential	\$ 321,403	\$ 80,147	\$ 81,959	\$ 23,331	\$ 506,840	74.6%
Non-Residential						
Low Strength	19,919	5,677	5,805	1,961	33,361	4.9%
Medium Strength	-	-	-	-	-	0.0%
High Strength	18,184	15,547	15,898	441	50,070	7.4%
RV Park	32,868	20,326	7,184	49	60,427	8.9%
Septage	1,108	8,528	19,379	49	29,065	4.3%
Total:	\$ 393,482	\$ 130,225	\$ 130,225	\$ 25,831	\$ 679,763	100%

1. The revenue requirement for each customer class is determined by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.

3.4 Rate Design Analysis

During this rate study, NBS discussed with City staff various rate alternatives. Ultimately, the rate alternative selected by City staff is one similar to the existing rate design, which is to use a fixed only rate with no volumetric charge. The reasons for selecting this alternative are (1) it maintains the existing rate design developed during the last study which utilize sewer strengths for various customers types based on

values in the State water Resources Control Board guidelines,¹⁰ (2) it provides continuity for sewer customers, (3) it recognizes that the sewer utility incurs fixed costs regardless of whether customers send any sewer into the City’s collection system, and (4) it is easy to understand from a customer’s perspective and easy to administrate from City staff’s perspective.

FIXED CHARGES

The monthly fixed charge is calculated by taking 100% of total revenue requirements and dividing by the number of equivalent dwelling units (EDUs). EDUs are based on dwelling units for residential accounts. EDUs are based on the relative volume and strength of effluent for other customer classes.

The fixed charge calculations are summarized in **Figure 18**. The estimated sewer flow is based on average winter consumption for residential customers, while it is based on annual consumption for non-residential customers.

Figure 18. Development of Fixed Charges

Customer Class	Number of Accounts	No. of EDUs	Adjusted Annual Volume Total (Gallons)	Total Revenue Requirement	Fixed & Volumetric Charges	
					Monthly Fixed Charge	Vol. Rate \$/HCF
ALL CUSTOMERS						
All Customers - per EDU	527	717.9	25,562,671	\$ 679,763	\$78.90	N/A

3.5 Proposed Sewer Rates

The proposed sewer rates are similar to existing rates in terms of the rate design and rate methodology. **Figure 19** compares the current and proposed rates for FY 2026/27 through FY 2030/31 by customer class. More detailed tables on the development of the proposed rates are documented in Appendix B.

Figure 19. Current vs. Proposed Sewer Rates

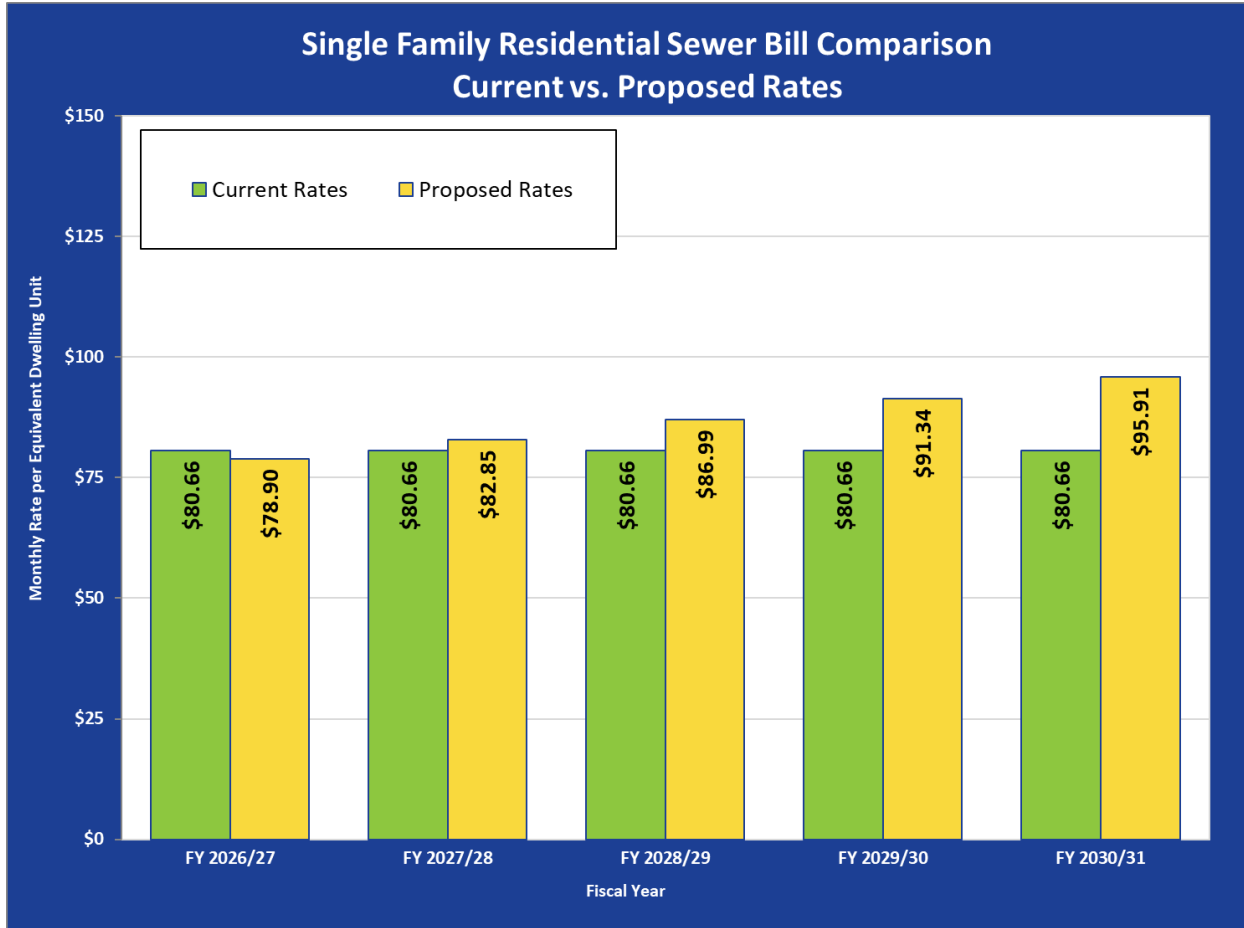
Sewer Rate Schedule	Current Rates (\$/EDU)	Proposed Monthly Sewer Rates				
		FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Fixed Service Charges (Per EDU)						
ALL CUSTOMERS						
All Customers - per EDU	\$80.66	\$78.90	\$82.85	\$86.99	\$91.34	\$95.91

3.6 Comparison of Current and Proposed Sewer Bills

The following figure presents a comparison of the current and proposed monthly rate per equivalent dwelling unit for residential customers.

¹⁰ Residential strength factors used here are the 175 mg/l shown in Table 22.

Figure 20. Residential Sewer Bill Comparison



4. Recommendations and Next Steps

4.1 Consultant Recommendations

NBS recommends the City take the following actions:

- **Approve and Accept this Study:** NBS recommends the City Council formally approve and adopt this Study and its recommendations and proceed with the next steps outlined below to implement the proposed rates. This will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates.
- **Implement Recommended Levels of Rate Increases and Proposed Rates:** Based on successfully meeting the Prop 218 procedural requirements, the City should proceed with implementing the 5-year schedule of proposed rates and rate increases previously shown in Figure 10 and Figure 19. This will help ensure the continued financial health of City's utilities.

4.2 Next steps

Annually Review Rates and Revenue – Any time an agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements — particularly those related to environmental regulations that can significantly affect capital improvements and repair and replacement costs.

Note: The attached Technical Appendices provide more detailed information on the analysis of the financial plan, revenue requirements, cost-of-service, and the rate design analyses that have been summarized in this report.

4.3 NBS' Principal Assumptions and Considerations

In preparing this report and the opinions and recommendations included herein, NBS has relied on several principal assumptions and considerations regarding financial matters, conditions, and events that may occur in the future. This information and these assumptions, including the City's budgets, capital improvement costs, customer accounts and consumption, and information from City staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

Technical Appendices

These Appendices contain:

- Appendix A: Water Rate Study Tables and Figures
- Appendix B: Sewer Rate Study Tables and Figures

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Appendix A. Water Rate Study Tables and Figures

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CITY OF PLYMOUTH
 WATER RATE STUDY
 Financial Plan and Reserve Projections
 Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 1 : FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY	Budget	5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Sources of Water Funds¹						
Rate Revenue	\$ 650,000	\$ 663,000	\$ 676,260	\$ 689,785	\$ 703,581	\$ 717,653
Wholesale Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-rate Revenue	\$ 78,450	\$ 80,019	\$ 81,619	\$ 83,252	\$ 84,917	\$ 86,615
Total Sources of Funds:	\$ 728,450	\$ 743,019	\$ 757,879	\$ 773,037	\$ 788,498	\$ 804,268
Uses of Water Funds¹						
Operating Expenses:						
Water System	\$ 736,054	\$ 774,929	\$ 816,828	\$ 862,049	\$ 910,922	\$ 963,812
Subtotal: Operating Expenses	\$ 736,054	\$ 774,929	\$ 816,828	\$ 862,049	\$ 910,922	\$ 963,812
Other Expenditures:						
Existing Debt Service	\$ 149,766	\$ 149,613	\$ 149,309	\$ 148,851	\$ 151,289	\$ 148,912
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate-Funded Capital Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Other Expenditures	\$ 149,766	\$ 149,613	\$ 149,309	\$ 148,851	\$ 151,289	\$ 148,912
Total Uses of Water Funds:	\$ 885,820	\$ 924,542	\$ 966,137	\$ 1,010,900	\$ 1,062,211	\$ 1,112,724
plus: Revenue from Rate Increases ³	\$ -	\$ 198,900	\$ 308,375	\$ 374,802	\$ 447,450	\$ 526,843
Annual Surplus/(Deficit)	\$ (157,370)	\$ 17,377	\$ 100,117	\$ 136,938	\$ 173,738	\$ 218,586
Net Revenue Req't. (Total Uses less Non-Rate Revenue)	\$ 807,370	\$ 844,523	\$ 884,518	\$ 927,649	\$ 977,294	\$ 1,026,109
Total Rate Revenue After Rate Increases (Water)	\$ 650,000	\$ 861,900	\$ 984,635	\$ 1,064,587	\$ 1,151,031	\$ 1,244,495
Projected Annual Rate Revenue Increase	0.00%	30.00%	12.00%	6.00%	6.00%	6.00%
Cumulative Increase from Annual Revenue Increases	0.00%	30.00%	45.60%	54.34%	63.60%	73.41%
Debt Coverage After Rate Increase	(0.05)	1.12	1.67	1.92	2.15	2.47

1. Revenue and expenses through FY 2024/25 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions in Table 8.

2. Interest earnings through FY 2024/25 are from the City's Budget. For all other years, interest is calculated based on historical LAIF returns.

3. Revenue from rate increases assumes an implementation date of July 1, 2026 for new rates. For each year thereafter, the assumption is that new rates will be implemented on July 1st of each year.

3	← Select Financial Plan Scenario Here	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
1	Alternative 1 - 12% Annual Rate Increases	0.00%	12.00%	12.00%	12.00%	12.00%	12.00%
2	Alternative 2 - Custom Rate Increase	0.00%	20.00%	16.00%	8.00%	8.00%	8.00%
3	Alternative 3 - Custom Rate Increases	0.00%	30.00%	12.00%	6.00%	6.00%	6.00%
4	Alternative 4 - No Rate Increases	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF PLYMOUTH
 WATER RATE STUDY
 Financial Plan and Reserve Projections
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TABLE 2 : RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Budget	5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Unrestricted Reserve:						
Total Beginning Cash ¹	\$ (244,087)					
Operating Reserve						
Beginning Reserve Balance	\$ (244,087)	\$ (401,457)	\$ (384,080)	\$ (283,963)	\$ (147,025)	\$ 26,713
Plus: Net Cash Flow (After Rate Increases)	(157,370)	17,377	100,117	136,938	173,738	218,386
Plus: Interest Earnings	-	-	-	-	-	345
Less: Transfer out to Capital and Infrastructure Reserve	-	-	-	-	-	(17,099)
Ending Operating Reserve Balance	\$ (401,457)	\$ (384,080)	\$ (283,963)	\$ (147,025)	\$ 26,713	\$ 228,345
Target Ending Balance (90 days of O&M)²	\$ 184,000	\$ 194,000	\$ 204,000	\$ 216,000	\$ 228,000	\$ 241,000
Capital Reserve						
Beginning Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Grant Proceeds	-	-	-	-	-	-
Plus: Transfer of Operating Reserve Surplus	-	-	-	-	-	17,099
Plus: Interest Earnings	-	-	-	-	-	-
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-
Ending Capital Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,099
Target Ending Balance (3% of net assets)³	\$ 75,100	\$ 127,700	\$ 180,800	\$ 234,600	\$ 289,000	\$ 344,300
Ending Balance - Excl. Restricted Reserves	\$ (401,457)	\$ (384,080)	\$ (283,963)	\$ (147,025)	\$ 26,713	\$ 245,443
Min. Target Ending Balance - Excl. Restricted Reserves	\$ 259,100	\$ 321,700	\$ 384,800	\$ 450,600	\$ 517,000	\$ 585,300
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ (660,557)	\$ (705,780)	\$ (668,763)	\$ (597,625)	\$ (490,287)	\$ (339,857)
Annual Interest Earnings Rate⁴	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%

1. Beginning cash balances provided by City staff for Fund 40. Source file: FY 2024-25 Adopted Budget - Water & Sewer
 2. The target ending balance is set equal to 90 days of O&M expenses.
 3. The target ending balance is set equal to 3% of net capital assets. See Exhibit 2 (CIP) for details.
 4. Historical interest earning rates are per the average annual yields for funds invested in LAIF (2018-2022). The source is the California State Treasurer's website: <https://www.treasurer.ca.gov/pmia-laff/historical/annual.asp>.

Water Revenue Requirements vs. Revenue Under Existing and Increased Rates

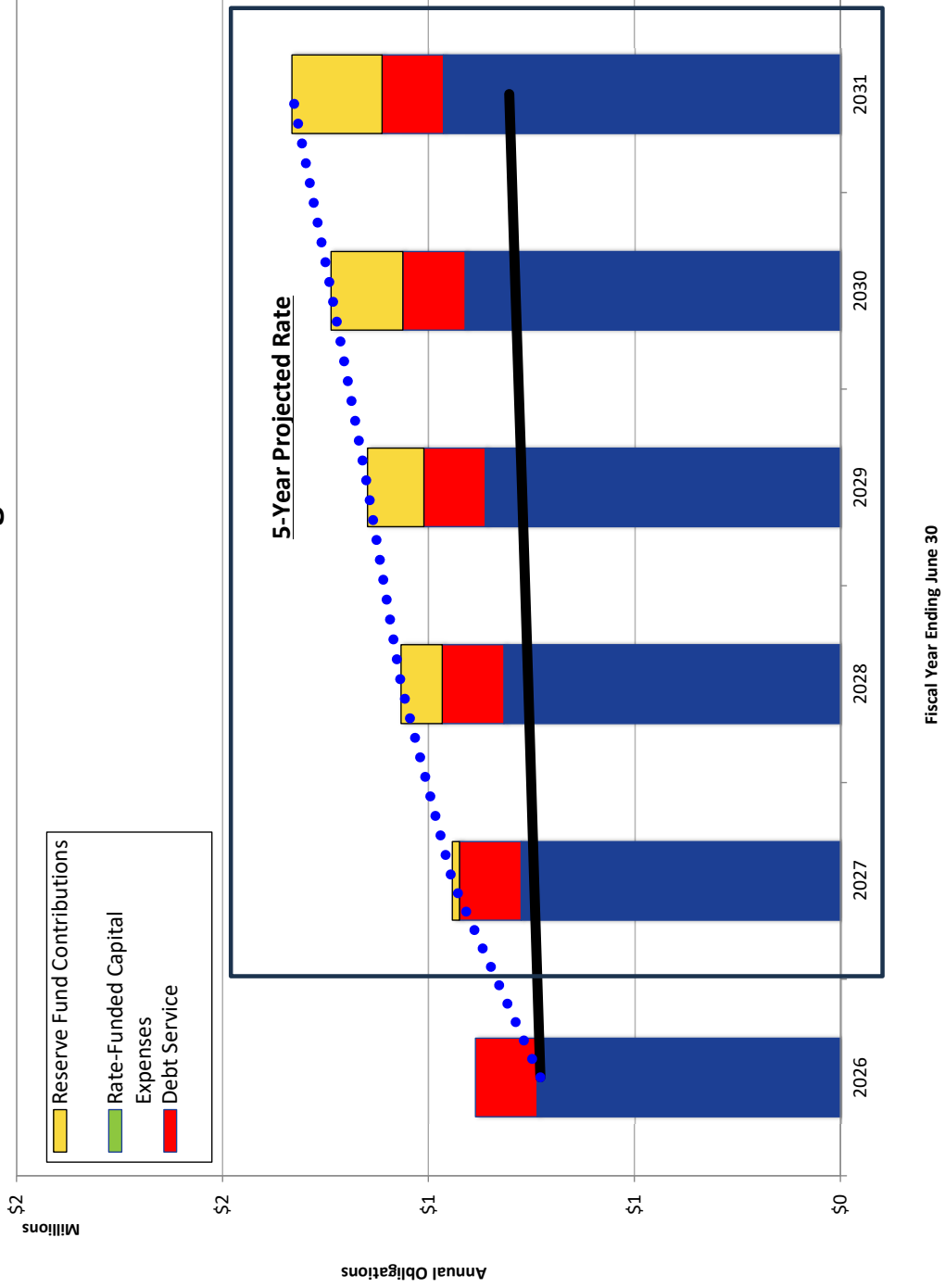
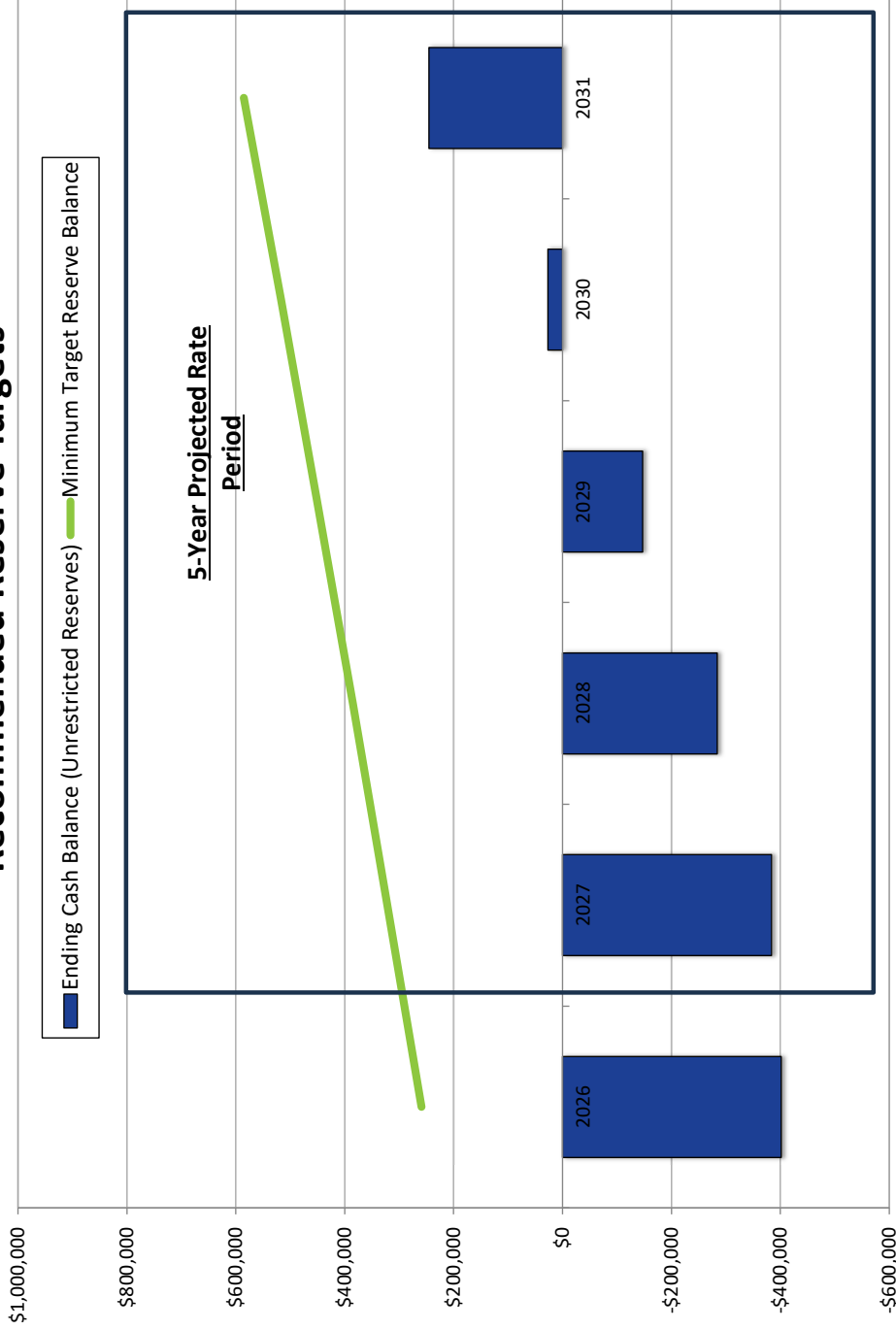


CHART 2

Ending Cash Balances vs. Recommended Reserve Targets



Fiscal Year Ending June 30

CITY OF PLYMOUTH
 WATER RATE STUDY
 Operating Revenue and Expenses
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TABLE 3 : REVENUE FORECAST¹

DESCRIPTION	Basis	Budget	5-Year Projected Rate Period					
		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	
Operating Revenue								
Water Commodity Charge	1	285,000	290,700	296,514	302,444	308,493	314,663	
Water Service Charge	1	365,000	372,300	379,746	387,341	395,088	402,989	
Wholesale Water Sales	1	-	-	-	-	-	-	
Cell Tower Lease	1	18,450	18,819	19,195	19,579	19,971	20,370	
Penalties	1	50,000	51,000	52,020	53,060	54,122	55,204	
Misc Charges	1	10,000	10,200	10,404	10,612	10,824	11,041	
TOTAL: REVENUE		\$ 728,450	\$ 743,019	\$ 757,879	\$ 773,037	\$ 788,498	\$ 804,268	

0.44
 0.56

TABLE 4 : REVENUE SUMMARY

DESCRIPTION	Basis	Budget	5-Year Projected Rate Period				
		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Rate Revenue		\$ 650,000	\$ 663,000	\$ 676,260	\$ 689,785	\$ 703,581	\$ 717,653
Wholesale Water Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-rate Revenue		\$ 78,450	\$ 80,019	\$ 81,619	\$ 83,252	\$ 84,917	\$ 86,615
TOTAL: REVENUE		\$ 728,450	\$ 743,019	\$ 757,879	\$ 773,037	\$ 788,498	\$ 804,268

CITY OF PLYMOUTH
 WATER RATE STUDY
 Operating Revenue and Expenses
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TABLE 5 : OPERATING EXPENSE FORECAST¹

DESCRIPTION	Basis	Budget	5-Year Projected Rate Period						
		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31		
WATER ENTERPRISE FUND - 40									
Salaries & Wages	3	\$ 85,921	\$ 89,358	\$ 92,932	\$ 96,649	\$ 100,515	\$ 104,536		
FICA	3	6,304	6,556	6,818	7,091	7,375	7,670		
Workers Comp. Ins.	3	2,914	3,031	3,152	3,278	3,409	3,545		
Employee Health Ins.	3	4,355	4,529	4,710	4,899	5,095	5,299		
Office Expense	2	2,500	2,563	2,627	2,692	2,760	2,829		
Advertising	2	100	103	105	108	110	113		
Miscellaneous Expense	2	1,000	1,025	1,051	1,077	1,104	1,131		
Gasoline-Fuel	7	25	27	29	31	33	35		
Propane	7	50	54	57	61	66	70		
Computer Software	2	3,750	3,844	3,940	4,038	4,139	4,243		
Contract Services	2	10,000	10,250	10,506	10,769	11,038	11,314		
Water Testing By Lab	2	3,500	3,588	3,677	3,769	3,863	3,960		
Repair and Maintenance of Meter	2	500	513	525	538	552	566		
Water Commodity Purchase	6	240,000	264,000	290,400	319,440	351,384	386,522		
Water Meter Charge - AWA	2	260,000	266,500	273,163	279,992	286,991	294,166		
Electricity	5	5,500	6,600	7,920	9,504	11,405	13,686		
Communications	2	1,700	1,743	1,786	1,831	1,876	1,923		
Building & Grounds Maintenance	2	1,250	1,281	1,313	1,346	1,380	1,414		
Maintenance Supplies	2	150	154	158	162	166	170		
Maintenance Contracts	2	40,000	41,000	42,025	43,076	44,153	45,256		
Equipment Repair & Mtc	2	7,000	7,175	7,354	7,538	7,727	7,920		
Permits	2	9,250	9,481	9,718	9,961	10,210	10,466		
City Attorney	3	1,040	1,082	1,125	1,170	1,217	1,263		
Engineering	2	2,000	2,050	2,101	2,154	2,208	2,263		
Contract Services - AWA	2	7,500	7,688	7,880	8,077	8,279	8,486		
HR Expense Allocation	2	31,785	32,580	33,394	34,229	35,085	35,962		
IT Expense	2	8,000	8,200	8,405	8,615	8,831	9,051		
TOTAL: EXPENSES		\$ 736,054	\$ 774,929	\$ 816,828	\$ 862,049	\$ 910,922	\$ 963,812		

TABLE 6 : FORECASTING ASSUMPTIONS

INFLATION FACTORS ²	Basis	2026	2027	2028	2029	2030	2031
Customer Growth ³	1	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
General Cost Inflation ³	2	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Labor Cost Inflation ³	3	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Chemicals ³	4	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Electricity ³	5	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Source of Supply ³	6	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Fuel & Utilities ⁴	7	7.08%	7.08%	7.08%	7.08%	7.08%	7.08%
No Escalation	8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenue and expenses for FY 2021/22 through FY 2023/24 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions in Table 8. Source file: 1_ O & M Budgets-Water & Wastewater & 2_ Total Revenue Report FY 2023

2. Expenses are inflated each year by the following annual inflation factor categories.

3. Inflation factors provided by the City. Source file: 9_ Projected Growth Rates

4. Fuel & Utilities cost inflation is based on the 5-year average annual change in the Consumer Price Index - Average Price Data for Fuels and related products and power. This factor is used for utility costs other than electricity.

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 WATER RATE STUDY
 Capital Improvement Plan Expenditures
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TABLE 7 : CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Budget		5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	
Funding Sources:							
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Use of Capacity Fee Reserves	-	-	-	-	-	-	
SRF Loan Funding	-	-	-	-	-	-	
Use of New Revenue Bond Proceeds	-	-	-	-	-	-	
Use of Capital Rehabilitation and Replacement Reserve	-	-	-	-	-	-	
Rate Revenue	-	-	-	-	-	-	
Total Sources of Capital Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Uses of Capital Funds:							
Total Project Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Funding Surplus (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SRF Loan Funding¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
New Revenue Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

1. Funds from the SRF Loan will be used to pay for the development of Wells 17 and 18 with arsenic and lead treatment currently estimated at \$16.7 million (See Projects 3-5)

TABLE 8 : CAPITAL IMPROVEMENT PROGRAM FUNDING OPTIONS

Policy Choice	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
1 Alternative 1 - Full Funding of CIP	\$ 879,252	\$ 913,631	\$ 949,354	\$ 986,474	\$ 1,025,045	\$ 1,065,124
2 Alternative 2 - 50% Funding of CIP	\$ 439,626	\$ 456,816	\$ 474,677	\$ 493,237	\$ 512,523	\$ 532,562
3 Alternative 3 - 50% Funding of CIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Insert policy choice in box to right, based on options listed above: **3**

Capital Improvement Program Funding Choice	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Effective Annual Funding Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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 WATER RATE STUDY
 Capital Improvement Plan Expenditures
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CAPITAL IMPROVEMENT PROGRAM

TABLE 9 : CAPITAL IMPROVEMENT PROGRAM COSTS (in Current-Year Dollars) ¹

Project Description ²	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Capital Outlay						
Phase 1 Master Plan Improvements	\$ 378,278	\$ 378,278	\$ 378,278	\$ 378,278	\$ 378,278	\$ 378,278
Phase 2 Master Plan Improvements	467,890	467,890	467,890	467,890	467,890	467,890
Estimated Future Projects						
Future Projects ³						
Total: CIP Program Costs (Current-Year Dollars)	\$ 846,167	\$ 846,167	\$ 846,167	\$ 846,167	\$ 846,167	\$ 846,167

TABLE 10 : CAPITAL IMPROVEMENT PROGRAM COSTS (in Future-Year Dollars) ⁴

Project Description ²	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Capital Outlay						
Phase 1 Master Plan Improvements	\$ 393,068	\$ 408,437	\$ 424,407	\$ 441,001	\$ 458,244	\$ 476,162
Phase 2 Master Plan Improvements	486,184	505,194	524,947	545,473	566,801	588,962
Estimated Future Projects						
Future Projects ³						
Total: CIP Program Costs (Future-Year Dollars)	\$ 879,252	\$ 913,631	\$ 949,354	\$ 986,474	\$ 1,025,045	\$ 1,065,124

CITY OF PLYMOUTH
WATER RATE STUDY
Debt Service

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TABLE 12 : EXISTING DEBT OBLIGATIONS

EXISTING DEBT OBLIGATIONS	Budget		5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	
Annual Repayment Schedules:							
Debt Service							
Principal Payment	\$ 63,998	\$ 67,045	\$ 70,093	\$ 73,140	\$ 79,235	\$ 79,235	
Interest Payment	\$ 85,768	\$ 82,568	\$ 79,216	\$ 75,711	\$ 72,054	\$ 69,677	
Subtotal: Annual Debt Service	\$ 149,766	\$ 149,613	\$ 149,309	\$ 148,851	\$ 151,289	\$ 148,912	
Coverage Requirement (\$-Amnt above annual payment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Reserve Requirement (total fund balance)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Grand Total: Existing Annual Debt Service	\$ 149,766	\$ 149,613	\$ 149,309	\$ 148,851	\$ 151,289	\$ 148,912	
Grand Total: Existing Annual Coverage Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Grand Total: Existing Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

TABLE 13 : EXISTING ANNUAL DEBT OBLIGATIONS TO BE SATISFIED BY WATER RATES

Annual Obligations	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Existing Annual Debt Service	\$ 149,766	\$ 149,613	\$ 149,309	\$ 148,851	\$ 151,289	\$ 148,912
Existing Annual Coverage Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF PLYMOUTH
 WATER RATE STUDY
 Projected Water Rates Under Existing Rate Schedule
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 17 : CURRENT WATER RATE SCHEDULE

Water Rate Schedule ¹	Current Rates as of July 1, 2019 ²
Monthly Fixed Service Charge	
3/4 inch	\$33.23
1 inch	\$54.60
1 1/2 inch	\$107.56
2 inch	\$171.35
3 inch	\$320.32
4 inch	\$533.08
6 inch	\$1,064.50
Commodity Rate (\$/CCF)²	
Commodity Rate	\$4.61

1. Source file: 11_Plymouth Fee Schedule_2020-07-13
 2. CCF = Hundred Cubic Feet or 748 gallons.

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 WATER RATE STUDY
 Cost-of-Service Analysis & Rate Design
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TABLE 18 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Budget Categories		Total Revenue Requirements		Commodity		Capacity		Customer		Basis of Classification		
		FY 2026/27		(COM)	(CAP)	(CA)	(CA)	(COM)	(CAP)	(CA)		
Water Enterprise Fund - 40												
Salaries & Wages	\$	89,358	\$	35,743	\$	44,679	\$	8,936	40.0%	50.0%	10.0%	
Fica		6,556		2,622		3,278		656	40.0%	50.0%	10.0%	
Workers Comp. Ins.		3,031		1,212		1,515		303	40.0%	50.0%	10.0%	
Employee Health Ins.		4,529		1,812		2,265		453	40.0%	50.0%	10.0%	
Office Expense		2,563		1,025		1,281		256	40.0%	50.0%	10.0%	
Advertising		103		51		41		10	50.0%	40.0%	10.0%	
Miscellaneous Expense		1,025		410		513		103	40.0%	50.0%	10.0%	
Gasoline-Fuel		27		13		11		3	50.0%	40.0%	10.0%	
Propane		54		27		21		5	50.0%	40.0%	10.0%	
Computer Software		3,844		1,538		1,922		384	40.0%	50.0%	10.0%	
Contract Services		10,250		4,100		5,125		1,025	40.0%	50.0%	10.0%	
Water Testing By Lab		3,588		3,588		-		-	100.0%	0.0%	0.0%	
Repair And Maintenance Of Meter		513		256		205		51	50.0%	40.0%	10.0%	
Water Commodity Purchase		264,000		264,000		-		-	100.0%	0.0%	0.0%	
Water Meter Charge - Awa		266,500		159,900		106,600		-	60.0%	40.0%	0.0%	
Electricity		6,600		3,300		3,300		-	50.0%	50.0%	0.0%	
Communications		1,743		697		871		174	40.0%	50.0%	10.0%	
Building & Grounds Maintenance		1,281		513		769		-	40.0%	60.0%	0.0%	
Maintenance Supplies		154		-		154		-	0.0%	100.0%	0.0%	
Maintenance Contracts		41,000		-		41,000		-	0.0%	100.0%	0.0%	
Equipment Repair & Mtc		7,175		2,870		4,305		-	40.0%	60.0%	0.0%	
Permits		9,481		4,741		4,741		-	50.0%	50.0%	0.0%	
City Attorney		1,040		416		520		104	40.0%	50.0%	10.0%	
Engineering		2,050		820		1,025		205	40.0%	50.0%	10.0%	
Contract Services - Awa		7,688		3,075		3,844		769	40.0%	50.0%	10.0%	
Hr Expense Allocation		32,580		13,032		16,290		3,258	40.0%	40.0%	10.0%	
It Expense		8,200		3,280		4,100		820	40.0%	50.0%	10.0%	
Subtotal	\$	774,929	\$	509,040	\$	248,374	\$	17,515	65.7%	32.1%	2.3%	

TABLE 19 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Budget Categories	Total Revenue Requirements		Commodity (COM)	Capacity (CAP)	Customer (CA)	Basis of Classification		
	FY 2026/27					(COM)	(CAP)	(CA)
Debt Service Payments								
Outstanding Debt	\$ 149,613	\$ -	-	\$ 149,613	-	0.0%	100.0%	0.0%
New Debt Issue - SRF Loan	-	-	-	-	-	0.0%	100.0%	0.0%
New Debt Issue - Revenue Bond	-	-	-	-	-	0.0%	100.0%	0.0%
Total Debt Service Payments	\$ 149,613	\$ -	-	\$ 149,613	-	0.0%	100.0%	0.0%
Capital Expenditures								
Rate Funded Capital Expenses	\$ -	\$ -	-	\$ -	-	0.0%	100.0%	0.0%
TOTAL REVENUE REQUIREMENTS	\$ 924,542	\$ 509,040	55.1%	\$ 397,987	\$ 17,515	55.1%	43.0%	1.9%
Less: Non-Rate Revenues								
Wholesale Water Sales	\$ -	\$ -	-	\$ -	-	50.0%	40.0%	10.0%
Other Non-rate Revenue	(80,019)	(40,010)		(32,008)	(8,002)	50.0%	40.0%	10.0%
NET REVENUE REQUIREMENTS	\$ 844,523	\$ 469,031	55.5%	\$ 365,979	\$ 9,513	55.5%	43.3%	1.1%
<i>Allocation of Revenue Requirements</i>								

TABLE 20 : ADJUSTMENT TO CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses, continued			
Adjustments to Classification of Expenses			
Adjustment for Current Rate Level:	Total	(COM)	(CAP)
Test Year (FY 2026/27) Target Rate Rev. After Rate Increases	\$ 861,900		
Projected Rate Revenue at Current Rates	\$ 663,000		
Test Year (FY 2026/27) Projected Rate Adjustment	30%		
Adjusted Net Revenue Req'ts	\$ 861,900	\$ 478,682	\$ 373,510
<i>Percent of Revenue</i>	<i>100.0%</i>	<i>55.5%</i>	<i>43.3%</i>

TABLE 21 : NET REVENUE REQUIREMENTS PER COSA RESULTS

Net Revenue Requirements - Per COSA Results 44% Fixed / 56% Variable	Total Rate Revenue Requirements FY 2026/27	Fixed Costs	
		Commodity Related Costs	Capacity Related Costs
Rate-Design Adjustments to Fixed/Variable %	100.0%	56.0%	43.0%
Rate-Design Adjustments to Fixed/Variable (\$)	\$861,900	\$482,664	\$370,617
			Customer Related Costs
			1.0%
			\$8,619

Cost-of-Service Analysis & Rate Design

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TABLE 22 : DEVELOPMENT OF THE COMMODITY ALLOCATION FACTOR

Development of the Volumetric/Variable Allocation Factor ¹		
Customer Class	CY 2023 Consumption (HCF)	% of Total Volume
All Customers	73,606	100.0%
Total	73,606	100.0%

1. Consumption data is based on the City of Plymouth's billing data.

TABLE 23 : DEVELOPMENT OF THE CAPACITY ALLOCATION FACTORS

Development of the PEAK CAPACITY (MAX MONTH) Allocation Factors				
Customer Class	Average Monthly Use (HCF)	Peak Monthly Use (HCF) ¹	Peak Monthly Factor	% of Max Month Capacity
All Customers	6,134	6,134	1.00	100.0%
Total	6,134	6,134	1.00	100.0%

1. Based on peak monthly data (peak day data not available).

TABLE 24 : DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTORS

Development of the Customer Allocation Factor		
Customer Class	No. of Meters CY 2023	% of Total Meters/EDUs
All Customers	572	100.0%
Total	572	100.0%

1. Meter count data is based on the City's billing data for June 2023.

2. Multi-family residential customers are by dwelling units.

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 WATER RATE STUDY
 Cost-of-Service Analysis & Rate Design
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TABLE 25 : ALLOCATION OF WATER REVENUE REQUIREMENTS

Classification Components	Cost-of-Service Net Revenue Requirements (FY 2026/27)	
Commodity-Related Costs	\$ 482,664	56.0%
Capacity-Related Costs	370,617	43.0%
Customer-Related Costs	8,619	1.0%
Net Revenue Requirement	\$ 861,900	100.0%

TABLE 26 : ALLOCATION OF NET REVENUE REQUIREMENTS - FY 2026/27

Customer Classes	Classification Components				Cost of Service Net Rev. Req'ts	% of COS Net Revenue Req'ts
	VARIABLE		FIXED			
	Commodity-Related Costs	Capacity-Related Costs	Customer-Related Costs			
All Customers	\$ 482,664	\$ 370,617	\$ 8,619	\$ 861,900	\$ 861,900	100.0%
Total Net Revenue Requirement	\$ 482,664	\$ 370,617	\$ 8,619	\$ 861,900	\$ 861,900	100%
<i>Total Net Revenue Requirement by Classification Component</i>	<i>VARIABLE</i>	<i>FIXED</i>		<i>\$482,664</i>	<i>\$379,236</i>	

56%

TABLE 27 : COST-OF-SERVICE SUMMARY OF REVENUE REQUIREMENTS

Customer Class	Allocated Costs		Net Revenue Requirements				
	FY 2025/26 COS Rev. Req't	% of COS Rev. Req't.	% Fixed Revenue	% Variable Revenue	Revenue from Volumetric Charges	Revenue from Hydraulic Capacity Charges	Revenue from Customer Costs
All Customers	\$ 861,900	100.0%	44%	56%	\$ 482,664	\$ 370,617	\$ 8,619
Total	\$ 861,900	100%			\$ 482,664	\$ 370,617	\$ 8,619

TABLE 28 : METER EQUIVALENCY FACTORS USED IN FIXED CHARGES CALCULATION

Meter Size	Standard Meters	
	Meter Capacity (GPM) ¹	Equivalency to 3/4 inch
3/4 inch		
1 inch	30	1.00
1 1/2 inch	50	1.67
2 inch	100	3.33
	160	5.33
3 inch	320	10.67
4 inch	500	16.67
6 inch	1,000	33.33
8 inch	1,600	53.33

1. Per AWWA, M1 Manual, Table B-1.

Proposed Fixed Charges

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TABLE 29 : CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES FOR FY 2026/27

Number of Meters by Class and Size ¹	FY 2026/27						Net Revenue Requirements		
	3/4" meter	1" meter	1.5" meter	2" meter	3" meter	4" meter	6" meter	Total	
All Customers	459	96	6	9	0	1	1	1	572
Total Meters/Accounts	459	96	6	9	0	1	1	1	572
Hydraulic Capacity Factor ²	1.00	1.67	3.33	5.33	10.67	16.67	33.33	33.33	
Total Equivalent Meters	459	160	20	48	0	17	33	33	737
Monthly Fixed Service Charges									
Customer Costs (\$/Acct/month) ³	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26
Capacity Costs (\$/Acct/month) ⁴	\$41.91	\$69.84	\$139.69	\$223.50	\$447.00	\$698.44	\$1,396.73	\$1,396.73	
Total Monthly Meter Charge	\$43.16	\$71.10	\$140.94	\$224.76	\$448.26	\$699.69	\$1,397.99	\$1,397.99	
Annual Fixed Costs Allocated to Monthly Meter Charges									
Customer Costs	\$ 8,619								
Capacity Costs	370,617								
Total Fixed Meter Costs	\$ 379,236								
Annual Revenue from Monthly Meter Charges									
Customer Charges	\$ 6,916	\$ 1,447	\$ 90	\$ 136	\$ -	\$ 15	\$ 15	\$ 15	\$ 8,619
Capacity Charges	\$ 230,820	\$ 80,460	\$ 10,057	\$ 24,138	\$ -	\$ 8,381	\$ 16,761	\$ 16,761	\$ 370,617
Total Revenue from Monthly Meter Charges	\$ 237,736	\$ 81,907	\$ 10,148	\$ 24,274	\$ -	\$ 8,396	\$ 16,776	\$ 16,776	\$ 379,236

1. Meter by Class and Size are based on June 2023 customer billing data.
 2. Source: Principles of Water Rates, Fees, and Charges, Manual M1, AWWA, Table B-1.
 3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
 4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

TABLE 30 : ESTIMATED FIXED REVENUE BY CUSTOMER CLASS

Customer Class and Meter Size	Hydraulic Capacity Factor	Number of Meters	Total Equivalent Meters	Fixed Meter Charge		Total Fixed Meter Charge	Estimated Revenue from Fixed Charges
				Customer Component	Capacity Component		
All Customers							
3/4"	1.00	459	459	\$1.26	\$41.91	\$43.16	\$ 237,736
1"	1.67	96	160	\$1.26	\$69.84	\$71.10	\$ 81,907
1 1/2"	3.33	6	20	\$1.26	\$139.69	\$140.94	\$ 10,148
2"	5.33	9	48	\$1.26	\$223.50	\$224.76	\$ 24,274
3"	10.67	0	0	\$1.26	\$447.00	\$448.26	\$ -
4"	16.67	1	17	\$1.26	\$698.44	\$699.69	\$ 8,396
6"	33.33	1	33	\$1.26	\$1,396.73	\$1,397.99	\$ 16,776
Subtotal: All Customers		572	737			\$ 1,397.99	\$ 379,236

Proposed Volumetric Charges

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WATER RATE STUDY

Cost-of-Service Analysis & Rate Design

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TABLE 31 : PROPOSED VOLUMETRIC CHARGES FOR FY 2026/27

Net Revenue Requirements						
Customer Classes	Number of Meters ¹	Water Consumption (HCF/yr)	Total Target Rev. Req't from Vol. Charges	% of Total Rate Revenue	Uniform Commodity Rates (\$/HCF)	Proposed Rate Structure
All Customers	572	73,606	\$ 482,664	56.0%	\$6.56	Uniform
Total Water	572	73,606	\$ 482,664	56.0%		

1. Consumption data is based on the City of Plymouth's billing data.

TABLE 32 : ESTIMATED VOLUMETRIC REVENUE BY CUSTOMER CLASS

Customer Class	Estimated Consumption (HCF)	Estimated Variable Revenue	% of Variable Rate Revenue	Estimated Fixed Revenue	Total Estimated Revenue	Cost of Service Net Revenue Req'ts
All Customers	73,606	\$ 482,664	100.0%	\$ 379,236	\$ 861,900	\$ 861,900
Grand Total	73,606	\$ 482,664	100.0%	\$ 379,236	\$ 861,900	\$ 861,900

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TABLE 33 : CURRENT VS. PROPOSED WATER RATES

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Monthly Fixed Service Charge						
3/4 inch	\$33.23	\$43.16	\$48.34	\$51.24	\$54.32	\$57.58
1 inch	\$54.60	\$71.10	\$79.63	\$84.41	\$89.47	\$94.84
1 1/2 inch	\$107.56	\$140.94	\$157.86	\$167.33	\$177.37	\$188.01
2 inch	\$171.35	\$224.76	\$251.73	\$266.83	\$282.84	\$299.81
3 inch	\$320.32	\$448.26	\$502.05	\$532.17	\$564.10	\$597.94
4 inch	\$533.08	\$699.69	\$783.66	\$830.68	\$880.52	\$933.35
6 inch	#####	\$1,397.99	\$1,565.75	\$1,659.69	\$1,759.28	\$1,864.83
Commodity Rate (\$/CCF)¹						
Commodity Rate	\$4.61	\$6.56	\$7.34	\$7.78	\$8.25	\$8.75

1. CCF = Hundred Cubic Feet or 748 gallons.

Appendix B. Sewer Rate Study Tables and Figures

DRAFT

TABLE 1: FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY ¹	5-Year Projected Rate Period					
	Budget FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Sources of Sewer Funds¹						
Sewer Service Fees	\$ 620,000	\$ 632,400	\$ 645,048	\$ 657,949	\$ 671,108	\$ 684,530
Low Income Credit	(2,880)	(2,938)	(2,996)	(3,056)	(3,117)	(3,180)
Sewer Misc Fees	67,400	68,748	70,123	71,525	72,956	74,415
Total Sources of Funds:	\$ 684,520	\$ 698,210	\$ 712,175	\$ 726,418	\$ 740,946	\$ 755,765
Uses of Sewer Funds¹						
Operating Expenses:	\$ 682,892	\$ 719,873	\$ 761,275	\$ 808,114	\$ 861,691	\$ 923,684
Other Expenditures:	23,700	25,700	24,550	8,400	-	-
Existing Debt Service	-	-	-	-	-	-
Rate-Funded Capital Expenses	-	-	-	-	-	-
Total Uses of Sewer Funds:	\$ 706,592	\$ 745,573	\$ 785,825	\$ 816,514	\$ 861,691	\$ 923,684
plus: Revenue from Rate Increases ²	-	31,620	66,117	103,709	144,628	189,123
Annual Surplus/(Deficit)	\$ (22,072)	\$ (15,743)	\$ (7,533)	\$ 13,614	\$ 23,883	\$ 21,205
Net Revenue Req't. (Total Uses less Non-Rate Revenue)	\$ 642,072	\$ 679,763	\$ 718,699	\$ 748,044	\$ 791,853	\$ 852,449
Total Rate Revenue After Rate Increases	\$ 620,000	\$ 664,020	\$ 711,165	\$ 761,658	\$ 815,736	\$ 873,653
Projected Annual Rate Revenue Increase	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cumulative Increase from Annual Revenue Increases	0.00%	5.00%	10.25%	15.76%	21.55%	27.63%
Debt Coverage After Rate Increase	N/A	28.40	31.70	98.82	N/A	N/A

1. Revenue and expenses through FY 2025/26 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions in Table 6.

2. Revenue from rate increases assumes an implementation date of July 1, 2026 for new rates. For each year thereafter, the assumption is that new rates will be implemented on July 1st of each year.

1	← Select Financial Plan Scenario Here	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
1	Alternative 1 - Custom Rate Increases	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2	Alternative 2 - Custom Rate Increases	0.00%	17.00%	5.00%	5.00%	5.00%	5.00%
3	Alternative 3 - Custom Rate Increases	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%
4	Alternative 4 - No Rate Increases	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF PLYMOUTH
SEWER RATE STUDY
Financial Plan and Reserve Projections
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 2: RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Budget	5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Total Beginning Cash¹	\$ 756,903					
Unrestricted Reserves:						
Sewer Enterprise Fund						
Beginning Reserve Balance	\$ 756,903	\$ 192,756	\$ 173,485	\$ 168,188	\$ 183,969	\$ 204,371
Plus: Net Cash Flow (After Rate Increases)	(22,072)	(15,743)	(7,533)	13,614	23,883	21,205
Plus: Transfer of Debt Reserve Surplus	-	-	-	-	-	-
Plus: Interest Earnings	9,756	2,485	2,236	2,168	2,371	2,634
Less: Transfer out to Capital and Infrastructure Reserve	(551,831)	(6,014)	-	-	(5,853)	(10,576)
Ending Operating Reserve Balance	\$ 192,756	\$ 173,485	\$ 168,188	\$ 183,969	\$ 204,371	\$ 217,634
Target Ending Balance (90 days of O&M)²	\$ 171,000	\$ 180,000	\$ 190,000	\$ 202,000	\$ 215,000	\$ 231,000
Capital Reserve						
Beginning Reserve Balance	\$ -	\$ 517,331	\$ 486,976	\$ 449,186	\$ 409,918	\$ 374,967
Plus: Grant Proceeds	-	-	-	-	-	-
Plus: Transfer of Operating Reserve Surplus	551,831	6,014	-	-	5,853	10,576
Plus: Interest Earnings	-	-	-	-	-	-
Less: Use of Reserves for Capital Projects	(34,500)	(36,369)	(37,791)	(39,268)	(40,804)	(42,399)
Ending Capital Reserve Balance	\$ 517,331	\$ 486,976	\$ 449,186	\$ 409,918	\$ 374,967	\$ 343,144
Target Ending Balance (3% of net assets)³	\$ 199,100	\$ 194,200	\$ 189,500	\$ 185,000	\$ 180,600	\$ 176,500
Ending Balance - Excl. Restricted Reserves	\$ 710,087	\$ 660,461	\$ 617,373	\$ 593,887	\$ 579,338	\$ 560,778
Min. Target Ending Balance - Excl. Restricted Reserves	\$ 370,100	\$ 374,200	\$ 379,500	\$ 387,000	\$ 395,600	\$ 407,500
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 339,987	\$ 286,261	\$ 237,873	\$ 206,887	\$ 183,738	\$ 153,278
Annual Interest Earnings Rate⁴	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%

1. Beginning cash balances provided by City staff. Source file: 3. Trial Balance - Chart of Accounts

2. The target ending balance is set equal to 90 days of O&M expenses.

CHART 1

Revenue Requirements vs. Revenue Under Existing and Increased Rates

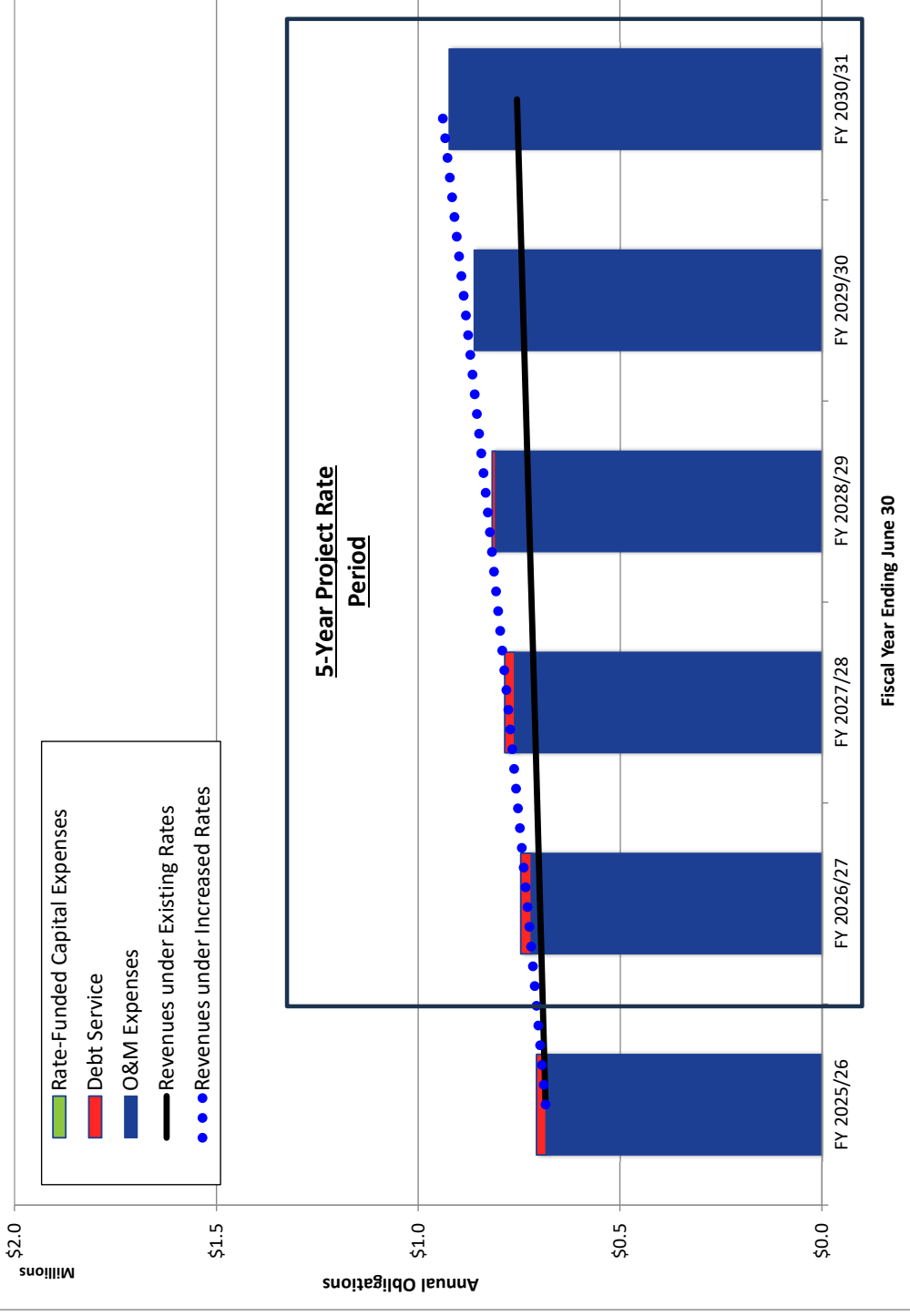
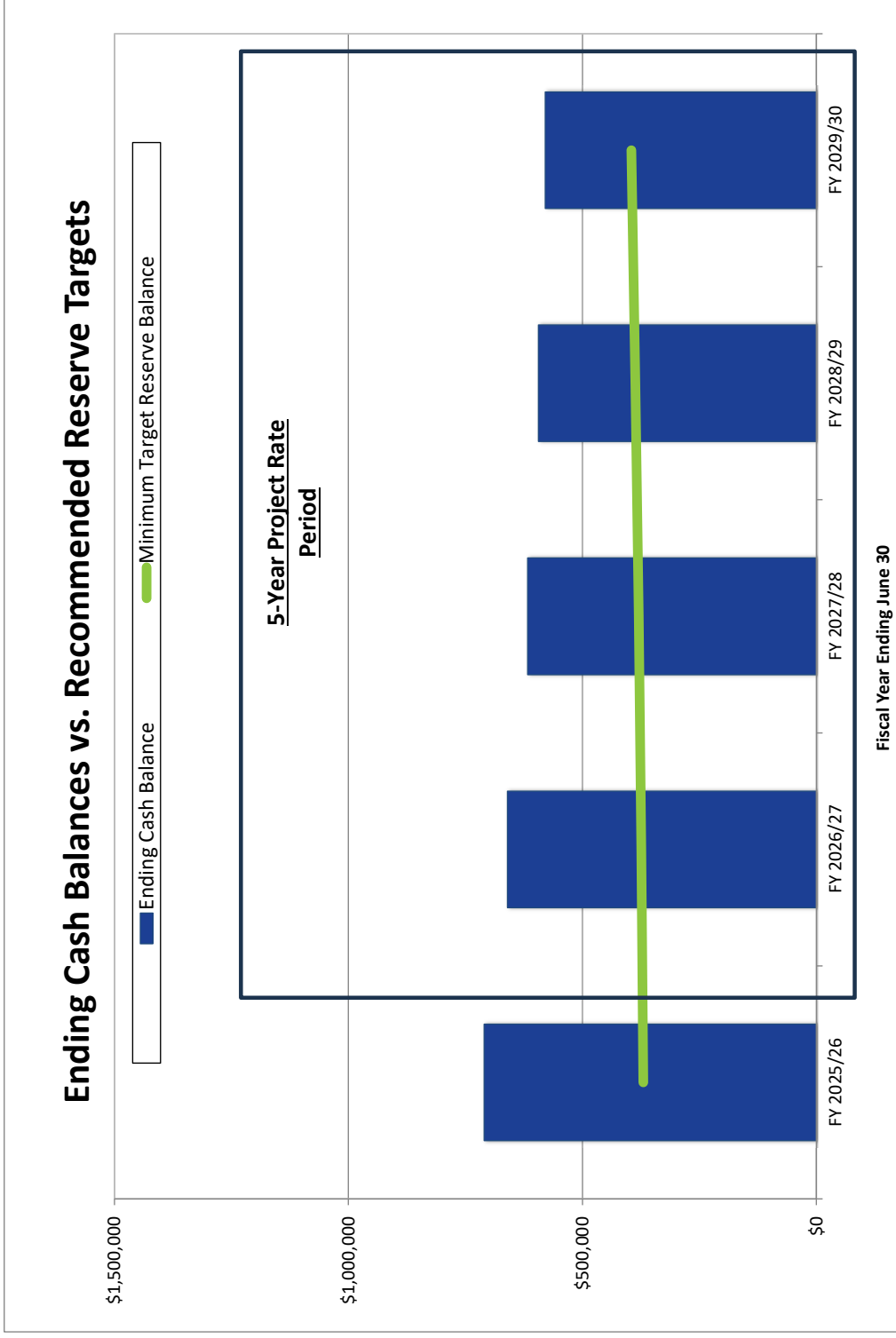


CHART 2



CITY OF PLYMOUTH
SEWER RATE STUDY
Operating Revenue and Expenses
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 3: REVENUE FORECAST¹

Operations and Maintenance Forecast		5-Year Projected Rate Period										
DESCRIPTION	Basis	Budget		FY 2026/27		FY 2027/28		FY 2028/29		FY 2030/31		
		FY 2025/26		FY 2026/27		FY 2027/28		FY 2028/29		FY 2029/30		FY 2030/31
Operating Revenue												
Sewer Service Fees	1	\$ 620,000	\$	632,400	\$	645,048	\$	657,949	\$	671,108	\$	684,530
Low Income Credit	1	\$ (2,880)		(2,938)		(2,996)		(3,056)		(3,117)		(3,180)
Non-Operating Revenue												
Sewer Misc Fees	1	\$ 67,400	\$	68,748	\$	70,123	\$	71,525	\$	72,956	\$	74,415
TOTAL: REVENUE		\$ 684,520	\$	698,210	\$	712,175	\$	726,418	\$	740,946	\$	755,765

TABLE 4: REVENUE SUMMARY

DESCRIPTION	Basis	FY 2025/26		FY 2026/27		FY 2027/28		FY 2028/29		FY 2029/30		FY 2030/31	
Sewer Service Fees		\$ 620,000	\$	632,400	\$	645,048	\$	657,949	\$	671,108	\$	684,530	
Low Income Credit		(2,880)		(2,938)		(2,996)		(3,056)		(3,117)		(3,180)	
Sewer Misc Fees		67,400		68,748		70,123		71,525		72,956		74,415	
TOTAL: REVENUE		\$ 684,520	\$	698,210	\$	712,175	\$	726,418	\$	740,946	\$	755,765	

CITY OF PLYMOUTH
SEWER RATE STUDY
Operating Revenue and Expenses
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 5: OPERATING EXPENSE FORECAST¹

FUND	CATEGORY	Basis	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
SEWER ENTERPRISE FUND								
	Salaries & Wages	3	\$ 222,271	\$ 231,162	\$ 240,408	\$ 250,025	\$ 260,026	\$ 270,427
	FICA	3	16,609	17,273	17,964	18,683	19,430	20,207
	Workers Comp. Ins.	3	6,233	6,482	6,742	7,011	7,292	7,583
	Employee Health Ins.	3	11,749	12,219	12,708	13,216	13,745	14,294
	Training & Education	3	500	520	541	562	585	608
	Office Expense	2	2,000	2,050	2,101	2,154	2,208	2,263
	Gasoline-Fuel	6	300	321	344	368	394	422
	Rents, Leases Of Equip & Prop	2	2,550	2,614	2,679	2,746	2,815	2,885
	Chemicals	4	35,000	45,500	59,150	76,895	99,964	129,953
	Contract Services	2	75,000	76,875	78,797	80,767	82,786	84,856
	Water Testing By Lab	2	16,000	16,400	16,810	17,230	17,661	18,103
	Electricity	6	1,400,000	1,499,910	1,600,521	1,711,883	1,840,049	1,977,077
	Communications	2	4,500	4,613	4,728	4,846	4,967	5,091
	Building & Grounds Maintenance	2	1,500	1,538	1,576	1,615	1,656	1,697
	Maintenance Supplies	2	4,000	4,100	4,203	4,308	4,415	4,526
	Equipment Maint & Repair	2	15,000	15,375	15,759	16,153	16,557	16,971
	Permits	2	58,000	59,450	60,936	62,460	64,021	65,622
	Engineering	2	13,000	13,325	13,658	14,000	14,350	14,708
	Contract Services - AWA	2	15,000	15,375	15,759	16,153	16,557	16,971
	HR Expense Allocation	2	36,180	37,085	38,012	38,962	39,936	40,934
	IT Expense	2	7,500	7,688	7,880	8,077	8,279	8,486
TOTAL: SEWER SYSTEM			\$ 682,892	\$ 719,873	\$ 761,275	\$ 808,114	\$ 861,691	\$ 923,684

TABLE 6: FORECASTING ASSUMPTIONS²

INFLATION FACTORS ²	Basis	2026	2027	2028	2029	2030	2031
Customer Growth ³	1	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
General Cost Inflation ³	2	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Labor Cost Inflation ³	3	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Chemicals ³	4	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Electricity ³	5	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Fuel & Utilities ⁴	6	7.08%	7.08%	7.08%	7.08%	7.08%	7.08%
No Escalation	7	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenue and expenses through FY 2025/26 provided by the City. Revenues and expenses for all other years are escalated based on the forecast inflation factor categories.
 2. Expenses are inflated each year by the following annual inflation factor categories.
 3. Inflation factors provided by the City. Source file: 9_Projected Growth Rates
 4. Fuel & Utilities cost inflation is based on the 5-year average annual change in the Consumer Price Index - Average Price Data for Fuels and related products and power. This factor is used for utility costs other than electricity.

CITY OF PLYMOUTH
SEWER RATE STUDY
Capital Improvement Plan Expenditures
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 7: CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Budget		5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	
Funding Sources:							
ARPA Funds ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Use of Capacity Fee Reserves	-	-	-	-	-	-	
SRF Loan Funding	-	-	-	-	-	-	
Use of New Revenue Bond Proceeds	-	-	-	-	-	-	
Use of Capital Reserve	34,500	36,369	37,791	39,268	40,804	42,399	
Transfer In	-	-	-	-	-	-	
Rate Revenue	-	-	-	-	-	-	
Total Sources of Capital Funds	\$ 34,500	\$ 36,369	\$ 37,791	\$ 39,268	\$ 40,804	\$ 42,399	
Uses of Capital Funds:							
Total Project Costs	\$ 34,500	\$ 36,369	\$ 37,791	\$ 39,268	\$ 40,804	\$ 42,399	
Capital Funding Surplus (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
New Revenue Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

TABLE 8: CAPITAL IMPROVEMENT PROGRAM FUNDING OPTIONS

Policy Choice	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
1 Alternative 1 - Full Funding of CIP	\$ 34,500	\$ 36,369	\$ 37,791	\$ 39,268	\$ 40,804	\$ 42,399
2 Alternative 2 - 50% Funding of CIP	\$ 17,250	\$ 18,184	\$ 18,895	\$ 19,634	\$ 20,402	\$ 21,199
3 Alternative 3 - 0% Funding of CIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Insert policy choice in box to right, based on options listed above:

Capital Improvement Program Funding Choice	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Effective Annual Funding Amount	\$ 34,500	\$ 36,369	\$ 37,791	\$ 39,268	\$ 40,804	\$ 42,399

CITY OF PLYMOUTH
SEWER RATE STUDY
Capital Improvement Plan Expenditures
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

CAPITAL IMPROVEMENT PROGRAM

TABLE 9: CAPITAL IMPROVEMENT PROGRAM COSTS (in Current-Year Dollars)¹

Project Description ²	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Equipment	\$ 34,500	\$ -	\$ -	\$ -	\$ -	\$ -
Future Projects ³	-	35,000	35,000	35,000	35,000	35,000
Total: CIP Program Costs (Current-Year Dollars)	\$ 34,500	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000

TABLE 10: CAPITAL IMPROVEMENT PROGRAM COSTS (in Future-Year Dollars)⁴

Project Description ²	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Equipment	\$ 34,500	\$ -	\$ -	\$ -	\$ -	\$ -
Future Projects ³	-	36,369	37,791	39,268	40,804	42,399
Total: CIP Program Costs (Future-Year Dollars)	\$ 34,500	\$ 36,369	\$ 37,791	\$ 39,268	\$ 40,804	\$ 42,399

TABLE 11: FORECASTING ASSUMPTIONS

Economic Variables	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Annual Construction Cost Inflation, Per Engineering News Record ⁵	0.00%	3.91%	3.91%	3.91%	3.91%	3.91%
Cumulative Construction Cost Multiplier from FY 2025/26	1.00	1.04	1.08	1.12	1.17	1.21

- Capital project costs were provided by City Staff and assumes Year 1 begins in FY 2024/25. Source file: FY23-24 CIP PROJECTS FOR BUDGET & SEWER SYSTEM IMPROVEMENTS 032323.
- Project costs beyond Year 5 in the City's capital improvement plan have been allocated equally across a 7-year period (FY 2029/30 through FY 2035/36).
- Future project costs beyond FY 2033/34 are calculated based on the City's 10-year average.
- The capital project costs have been inflated using the Construction Cost Index (See Table 13). Website: <http://enr.construction.com>.
- For reference purposes, the annual Construction Cost Inflation percentage is the 5-year average change in the Construction Cost Index from 2017 to 2022 (3.91%). Source: Engineering News Record website (<http://enr.construction.com>).

CITY OF PLYMOUTH
SEWER RATE STUDY
Debt Service

Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 12: EXISTING DEBT OBLIGATIONS

EXISTING DEBT OBLIGATIONS	Budget					5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	
Annual Repayment Schedules: ¹										
1988 Sewer Revenue Bonds - \$368,550										
Principal Payment	\$ 13,000	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	
Interest Payment	2,150	1,500	750	-	-	-	-	-	-	
Subtotal: Annual Debt Service	\$ 15,150	\$ 16,500	\$ 15,750	\$ -	\$ -	\$ 15,750	\$ -	\$ -	\$ -	
Coverage Requirement (\$-Amnt above annual payment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Reserve Requirement (total fund balance)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
USDA Loan - \$201,500										
Principal Payment	\$ 7,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ -	\$ 8,000	\$ 8,000	\$ -	\$ -	
Interest Payment	1,550	1,200	800	400	-	-	-	-	-	
Subtotal: Annual Debt Service	\$ 8,550	\$ 9,200	\$ 8,800	\$ 8,400	\$ -	\$ 8,800	\$ 8,400	\$ -	\$ -	
Coverage Requirement (\$-Amnt above annual payment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Reserve Requirement (total fund balance)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Grand Total: Existing Annual Debt Service	\$ 23,700	\$ 25,700	\$ 24,550	\$ 8,400	\$ -	\$ 24,550	\$ 8,400	\$ -	\$ -	
Grand Total: Existing Annual Coverage Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Grand Total: Existing Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

1. Source file: 7. Debt Service Schedules

TABLE 13: EXISTING ANNUAL DEBT OBLIGATIONS TO BE SATISFIED BY WATER RATES

Annual Obligations	Budget					5-Year Projected Rate Period				
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	
Existing Annual Debt Service	\$ 23,700	\$ 25,700	\$ 24,550	\$ 8,400	\$ -	\$ 24,550	\$ 8,400	\$ -	\$ -	
Existing Annual Coverage Requirement	-	-	-	-	-	-	-	-	-	
Existing Debt Reserve Target	-	-	-	-	-	-	-	-	-	

Exhibit 4 - Current Rates

**CITY OF PLYMOUTH
SEWER RATE STUDY
Projected Sewer Rates Under Existing Rate Schedule
*Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute***

TABLE 14: CURRENT SEWER RATES

Wastewater Rate Schedule ¹		Current Rates as of July 1, 2019 ¹
Monthly Fixed Service Charge		
Per EDU		\$80.66

1. Source file: 11_Plymouth Fee Schedule_2020-07-13

TABLE 15: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Budget Categories	Total Revenue Requirements		Flow		Strength		Customer		Basis of Classification			
	FY 2026/27		(VOL)		(BOD)	(TSS)	(CA)		(VOL)	(BOD)	(TSS)	(CA)
SEWER ENTERPRISE FUND												
Salaries & Wages	\$ 231,162	\$ 127,139	\$ 46,232	\$ 46,232	\$ 11,558	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Fica	17,273	9,500	3,455	3,455	864	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Workers Comp. Ins.	6,482	3,565	1,296	1,296	324	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Employee Health Ins.	12,219	6,720	2,444	2,444	611	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Training & Education	520	286	104	104	26	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Office Expense	2,050	1,128	410	410	103	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Gasoline-Fuel	321	193	64	64	-	60.0%	20.0%	20.0%	60.0%	20.0%	20.0%	0.0%
Rents, Leases Of Equip & Prop	2,614	1,438	523	523	131	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Chemicals	45,500	27,300	9,100	9,100	-	60.0%	20.0%	20.0%	60.0%	20.0%	20.0%	0.0%
Contract Services	76,875	42,281	15,375	15,375	3,844	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Water Testing By Lab	16,400	9,840	3,280	3,280	-	20.0%	20.0%	20.0%	60.0%	20.0%	20.0%	0.0%
Electricity	149,910	89,946	29,982	29,982	-	60.0%	20.0%	20.0%	60.0%	20.0%	20.0%	0.0%
Communications	4,613	2,537	923	923	231	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Building & Grounds Maintenance	1,538	923	308	308	-	60.0%	20.0%	20.0%	60.0%	20.0%	20.0%	0.0%
Maintenance Supplies	4,100	2,255	820	820	205	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Equipment Maint & Repair	15,375	8,456	3,075	3,075	769	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Permits	59,450	32,698	11,890	11,890	2,973	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Engineering	13,325	7,329	2,665	2,665	666	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Contract Services - Awa	15,375	8,456	3,075	3,075	769	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Hr Expense Allocation	37,085	20,396	7,417	7,417	1,854	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
It Expense	7,688	4,228	1,538	1,538	384	20.0%	20.0%	20.0%	55.0%	20.0%	20.0%	5.0%
Total Sewer System	\$ 719,873	\$ 406,614	\$ 143,975	\$ 143,975	\$ 25,310	20.0%	20.0%	20.0%	56.5%	20.0%	20.0%	3.5%

TABLE 16: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Budget Categories	Total Revenue Requirements		Flow		Strength		Customer		Basis of Classification			
	FY 2026/27		(VOL)		(BOD)	(TSS)	(CA)		(VOL)	(BOD)	(TSS)	(CA)
Classification of Expenses, cont.												
Debt Service Payments												
Outstanding Debt	\$ 25,700	\$ 25,700	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Total Debt Service Payments	\$ 25,700	\$ 25,700	\$ -	\$ -	\$ -	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
TOTAL REVENUE REQUIREMENTS	\$ 745,573	\$ 432,314	\$ 143,975	\$ 143,975	\$ 25,310	19.3%	19.3%	19.3%	58.0%	19.3%	19.3%	3.4%
<i>Less: Non-Rate Revenues</i>												
Non-Operating Revenue	2,938	-	-	-	2,938	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Low Income Credit	(68,748)	(38,832)	(13,750)	(13,750)	(2,417)	56.5%	20.0%	20.0%	56.5%	20.0%	20.0%	3.5%
Sewer Misc Fees												
NET REVENUE REQUIREMENTS	\$ 679,763	\$ 393,482	\$ 130,225	\$ 130,225	\$ 25,831	19.2%	19.2%	19.2%	57.9%	19.2%	19.2%	3.8%
<i>Allocation of Revenue Requirements</i>												
	100.0%											

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TABLE 17: DEVELOPMENT OF THE VOLUME ALLOCATION FACTOR

Development of the VOLUME Allocation Factor				
Customer Class	Number of Accounts ¹	Number of Units	Estimated Annual Winter Volume (Gallons) ²	Percentage of Volume
Residential	476	524	20,880,065	81.7%
Non-Residential				
Low Strength	40	N/A	1,294,025	5.1%
Medium Strength	9	N/A	1,181,331	4.6%
High Strength	1	156	2,135,250	8.4%
RV Park	1	N/A	72,000	0.3%
Septage				
Total:	527		25,562,671	100.0%

1. Number of accounts provided by City Staff.
2. Estimated using January 2024 water consumption.

TABLE 18: DEVELOPMENT OF THE STRENGTH ALLOCATION FACTOR

Development of the STRENGTH Allocation Factor									
Customer Class	Estimated Annual Winter Volume (Gallons) ¹	Biochemical Oxygen Demand (BOD)			Total Suspended Solids (TSS)			Percent of Total	Percent of Total
		Avg. Strength Factor (mg/l) ²	Calculated BOD (lbs./yr.) ³	Adjusted BOD (lbs./yr.)	Avg. Strength Factor (mg/l) ²	Calculated TSS (lbs./yr.) ³	Adjusted TSS (lbs./yr.)		
Residential	20,880,065	175	30,474	30,474	175	30,474	30,474	62.9%	62.9%
Non-Residential									
Low Strength	1,294,025	200	2,158	2,158	200	2,158	2,158	4.5%	4.5%
Medium Strength	-	450	-	-	450	-	-	0.0%	0.0%
High Strength	1,181,331	600	5,911	5,911	600	5,911	5,911	12.2%	12.2%
RV Park	2,135,250	434	7,729	7,729	150	2,671	2,671	5.5%	5.5%
Septage	72,000	5,400	3,243	3,243	12,000	7,206	7,206	14.9%	14.9%
Total:	25,562,671		49,516	49,516		48,421	48,421	100.0%	100.0%

1. Estimated sewer flow based on average winter consumption.
2. Source: CA State Water Resources Control Board, Revenue Program Guidelines (Appendix G), G-21.

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TABLE 19: CALCULATION OF EQUIVALENT DWELLING UNITS

Development of the EQUIVALENT DWELLING UNITS (EDUs) Per Customer Class								
Customer Class	Flow	Biochemical Oxygen Demand (BOD)		Total Suspended Solids (TSS)		EDUs ³		
	Adjusted Total Annual Volume (Gallons) ¹	Avg. Strength Factor (mg/l) ²	Adjusted BOD (lbs./yr.)	Percent of Total	Avg. Strength Factor (mg/l) ²		Adjusted TSS (lbs./yr.)	Percent of Total
Residential Non-Residential	20,880,065	175	30,474	61.5%	175	30,474	62.9%	524.0
Low Strength	1,294,025	200	2,158	4.4%	200	2,158	4.5%	34.3
Medium Strength	-	450	-	0.0%	450	-	0.0%	0.0
High Strength	1,181,331	600	5,911	11.9%	600	5,911	12.2%	58.4
RV Park	2,135,250	434	7,729	15.6%	150	2,671	5.5%	50.5
Septage	72,000	5,400	3,243	6.5%	12,000	7,206	14.9%	50.6
Total:	25,562,671		49,516	100.0%		48,421	100.0%	717.9

1. Estimated sewer flow based on average winter consumption.
2. Source: CA State Water Resources Control Board, *Revenue Program Guidelines (Appendix G), G-21*.
3. Number of EDUs calculated based on 60% Flow, 20% BOD and 20% TSS.

TABLE 20: DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTOR

Development of the CUSTOMER Allocation Factor		
Sewer Customer Class	Number of Accounts	Percent of Total
Residential Non-Residential	476	90.3%
Low Strength	40	7.6%
Medium Strength	-	0.0%
High Strength	9	1.7%
RV Park	1	0.2%
Septage	1	0.2%
Total:	527	100.0%

TABLE 22: ALLOCATION OF NET REVENUE REQUIREMENTS

Customer Class	Allocation of FY 2024/25 Revenue Requirements by Customer Class						Cost-of-Service Net Revenue Req 'ts.	% of COS Net Revenue Req 'ts.
	Volume	Cost Classification Components			Customer Related	Total Revenue Requirement		
		BOD	Treatment	TSS				
Net Revenue Requirement	\$ 393,482	\$ 130,225	\$ 130,225	\$ 25,831	\$ 679,763	\$ 679,763	100.0%	
	58.0%	19.1%	19.1%	3.8%				
ALL CUSTOMERS								
Residential	\$ 321,403	\$ 80,147	\$ 81,959	23,331	\$ 506,840	\$ 506,840	74.6%	
Non-Residential								
Low Strength	19,919	5,677	5,805	1,961	33,361	33,361	4.9%	
Medium Strength	-	-	-	-	-	-	0.0%	
High Strength	18,184	15,547	15,898	441	50,070	50,070	7.4%	
RV Park	32,868	20,326	7,184	49	60,427	60,427	8.9%	
Septage	1,108	8,528	19,379	49	29,065	29,065	4.3%	
Total:	\$ 393,482	\$ 130,225	\$ 130,225	\$ 25,831	\$ 679,763	\$ 679,763	100%	

1. The revenue requirement for each customer class is determined by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.

TABLE 23: PROPOSED SEWER RATES

Customer Class	Number of Accounts	No. of EDUs	Adjusted Annual Volume Total (Gallons)	Total Revenue Requirement	Fixed & Volumetric Charges Monthly Fixed Charge	Vol. Rate \$/HCF
ALL CUSTOMERS						
All Customers - per EDU	527	717.9	25,562,671	\$ 679,763	\$78.90	N/A

Current & Proposed Rates

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 Sewer Cost of Service Analysis/Rate Design
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TABLE 24: CURRENT VS. PROPOSED SEWER RATES

Sewer Rate Schedule	Current Rates (\$/EDU)	Proposed Monthly Sewer Rates			
		FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30 FY 2030/31
Fixed Service Charges (Per EDU)					
ALL CUSTOMERS					
All Customers - per EDU	\$80.66	\$78.90	\$82.85	\$86.99	\$91.34 \$95.91

10.1

CLOSED SESSION

