CITY OF HEALDSBURG

Water and Wastewater Capacity Charge Study

FINAL REPORT

August 5, 2013

THE REED GROUP, INC.

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WATER AND WASTEWATER CAPACITY CHARGE STUDY

SUMMARY AND RECOMMENDATIONS

In the summer of 2012, the City of Healdsburg retained The Reed Group, Inc. to assist the City with updating water and wastewater capacity charges. Capacity charges are the one-time charges for new service connections to the City's utility systems. The charges are intended to reflect the estimated reasonable cost of capacity in the systems and capacity charge revenue is used to help pay for the capacity needed to serve new development.

Current water and wastewater capacity charges were last updated in 2005. At present, water and wastewater capacity charges are based on the estimated costs of planned projects at the time the charges were developed, and not all details of the methodology are broadly understood. This capacity charge study proposes changes to the methodology used to calculate capacity charges for both utilities. Following discussions with City staff, a system buy-in charge methodology is recommended. This approach has the ability to provide:

- Consistency between water and wastewater capacity charge calculations
- Assurances that new development will continue to pay the estimated reasonable costs associated with capacity in the utility systems
- Greater understanding and acceptance within the City and with stakeholders
- Administrative ease and simplified calculations for periodic updates.

This report presents proposed water and wastewater capacity charges for FY 13-14 and describes the charge methodology, underlying data and assumptions, and benefits of the changes to the methodology. It is recommended that the City annually adjust the capacity charges, in July of each year, based on inflation in construction costs, as detailed near the end of this report.

Proposed Water and Wastewater Capacity Charge Schedules

Exhibit 1 summarizes the proposed water and wastewater capacity charge schedules. The proposed capacity charges reflect the present value cost of capacity in each utility system for various types of new connections. Separate capacity charges would apply to single family and multi-family dwellings, based on differences in the capacity requirements of each type of residential development. Non-residential capacity charges are based on the size of the water meter. In addition, the wastewater capacity charge also varies with the low, medium, and high strength classifications also used for wastewater rates.

The proposed water and wastewater capacity charges should bring greater equity across the range of potential development, as well as a simple means of determining the charges for proposed development projects. In addition to the charge schedule presented in Exhibit 1, an alternative wastewater capacity charge calculation formula is presented near the end of this report. That formula could be applied in special circumstances when wastewater flow and loading characteristics justify a more project-specific calculation.

Exhibit 1
City of Healdsburg
Proposed Water and Wastewater Capacity Charges

	Water	Wastewater		
Single Family Residential	$ 5,548		$ 9,202	
Multi-Family Residential (per DU) (1)	$ 3,329		$ 8,282	
Non-Residential		Low	Medium	High
Up to 1" meter	$ 9,265	$ 15,367	$ 22,731	$ 33,629
1 1/2" meter	$ 18,475	$ 30,642	$ 45,325	$ 67,056
2" meter	$ 29,571	$ 49,046	$ 72,547	$ 107,329
3" meter	$ 55,480	$ 92,019	$ 136,112	$ 201,368
4" meter	$ 92,485	$ 153,396	$ 226,898	$ 335,681

Notes:
(1) Includes secondary living units (e.g., granny units).

Comparison of Current and Proposed Capacity Charges for Sample Development Projects

Exhibit 2 summarizes the change in water and wastewater capacity charges for various types of new development. The changes for non-residential development will depend on the unique characteristics of each proposed new development, but the examples provided are considered representative of potential development within the City. In most cases, the proposed water and wastewater capacity charges will result in lower charges for new development. In some cases, the reduction in charges is significant.

Exhibit 2
City of Healdsburg
Comparison of Current and Proposed Capacity Charges

	Water Capacity Charge		WW Capacity Charge		Combined Charge		Change	
	Current	Proposed	Current	Proposed	Current	Proposed	$	%
Single Family Home	$ 7,213	$ 5,548	$ 14,242	$ 9,202	$ 21,455	$ 14,750	$ (6,705)	-31%
Eight Unit Apartment Bldg.	$ 57,704	$ 26,630	$ 113,936	$ 66,254	$ 171,640	$ 92,884	$ (78,756)	-46%
Retail store	$ 10,820	$ 9,265	$ 18,515	$ 15,367	$ 29,334	$ 24,632	$ (4,702)	-16%
Hotel (75 rooms) (1)	$ 126,949	$ 92,485	$ 682,192	$ 226,898	$ 809,141	$ 319,383	$(489,758)	-61%
Restaurant (50 seats) (2)	$ 29,573	$ 18,475	$ 351,777	$ 67,056	$ 381,351	$ 85,530	$(295,820)	-78%

Notes:
(1) Six thousand square foot retail store with 1.5 ERU for water, 1.3 ERUs for wastewater, 1" water meter, low strength.
(2) Seventy-five room hotel with restaurant, 17.6 ERUs for water, 47.9 ERUs for wastewater, 4" water meter, medium strength.
(3) Fifty seat restaurant with 4.1 ERUs for water, 24.7 ERUs for wastewater, 1 1/2" water meter, high strength.

The balance of this report includes (1) the legal requirements for capacity charges as well as the capacity charge methodology used herein, (2) underlying assumptions and information used in the calculations, (3) capacity charge calculations and schedules, and (4) administrative and future update recommendations.

LEGAL REQUIREMENTS AND CAPACITY CHARGE METHODOLOGIES

There are numerous methods to calculate capacity charges. Each method has varying advantages and disadvantages and no method is universally recognized as the best. The methodology appropriate for any particular service or utility is dependent on a number of issues including the availability of a defined capital improvement program and the extent to which the utility's infrastructure is built out. Any methodology used for calculating capacity charges should be:

- *Financially Stable* – Capacity charges should reflect the estimated reasonable cost of providing capacity to new development and should be effective in covering the costs of providing such capacity.
- *Equitable* – Capital improvement costs should be allocated on a proportional basis that is reasonably related to the needs that are created and the benefits that are received by new development.
- *Administratively Feasible* – Capacity charges should be administratively simple and easily explained and accepted by developers and the public.
- *Legally Justifiable* – Capacity charges must be developed in accordance with California statutes and court decisions.

Legal Requirements

The City has broad authority to charge users for capital facilities. The limitations of that authority are encompassed by the requirement that charges on new development bear a *reasonable relationship* to the needs created by, and the benefits accruing to that development. California courts have long used that *reasonableness* standard or *nexus* test to evaluate the constitutionality of exactions, including water and wastewater capacity charges.

During the 1988 session of the California Legislature sections of the Government Code were added to codify constitutional and decisional law related to fees imposed on new development. Assembly Bill 1600 (AB 1600) enacted Government Code Sections 66000-66003 related to development fees. These code sections generally contain three requirements:

1) Local agencies must follow a process set forth in the statutes and make certain determinations regarding the purpose and use of the fee and to establish a nexus or connection between a development project and the public improvement being financed with the fee.
2) The fee revenue must be segregated from the general fund in order to avoid commingling of impact fees and the general fund.
3) If a local agency has unspent or uncommitted development impact fees for five years or more, then it must make annual findings describing the continuing need for that money or it must refund the fees.

Since the passage of AB 1600 various code sections have been added and modified to further clarify and expand the requirements related to developer fees. In particular, Government Code Section 66013 contains requirements specific to water and wastewater capacity charges. **Appendix A**, at the end of this report, includes Section 66013 and other sections of the Government Code related to water and wastewater capacity charges.

The key to the statutory requirements is that water and wastewater capacity charges shall not exceed the *estimated reasonable cost* of providing service. Capacity charges should also meet the reasonable relationship standard or nexus test mentioned earlier and should reflect consideration of the following criteria, which would likely be considered by a court in evaluating the validity of the fees:

- *Need* – Capacity charges should only be imposed on development that will need capacity in facilities provided by the District.
- *Benefit* – Improvements to be funded (or costs to be reimbursed) by capacity charges should satisfy the service needs related to the development on which the charges are imposed.
- *Amount* – The amount of the capacity charges should reflect the reasonable cost of providing service capacity and the share of the costs attributable to the service needs of new development.
- *Earmarking* – Revenue from capacity charges should be segregated from other funds and used solely to pay for the facilities for which the charge was imposed.
- *Timely Expenditure* – Revenue from capacity charges should be expended within a reasonable time after it is collected.

Applying these criteria to the City's situation requires an understanding of how improvement needs are established, how capacity is provided to new development, how costs are estimated and allocated, and how capacity charge revenues are accounted for and spent. Capacity charges that reflect the needs of future new facilities and capacity should be based the City's planning documents, including General Plans, master plans, and capital improvement programs. Capacity charges that reflect the cost of capacity in existing facilities should be based on fixed asset records, historical cost data, and related information.

The Reed Group, Inc. is not a law firm, and the information contained in this section should not be considered legal advice. Information presented here represents our understanding of the legal framework by which capacity charges are calculated. The City should seek the advice of legal counsel regarding the specific statutory requirements for each type of capacity charge.

Methodology for Calculating Capacity Charges

There are numerous methodologies for calculating capacity charges. The number has proliferated with the growing popularity of this type of charge. Various methodologies have evolved to meet changing public policy, legal requirements, and the unique or special circumstances of each local agency.

Several major publications regarding capacity charges for various infrastructure needs, including water and wastewater system improvements, are generally recognized in the industry. These publications include:

- Development Impact Fees, Arthur C. Nelson, 1998.
- Principles of Water Rates, Fees, and Charges, Manual M1, American Water Works Association, 5th Edition, 2000.
- Comprehensive Guide to Water and Wastewater Finance and Pricing, Second Edition, George A. Raftelis, 1993.
- System Development Charges for Water, Wastewater, and Stormwater Facilities, Arthur C. Nelson, 1995.

These publications describe a number of methodologies including their applicability to various situations and the relative advantages and disadvantages of each. Within all of the available methodologies there are two primary approaches – the system buy-in methodology and the incremental-cost methodology. Other methodologies are usually some variation or combination of these two methods. The two primary methods are generally described below to illustrate the different perspectives that can be used to determine appropriate charges.

System Buy-In Method

The system buy-in method is based on the average investment in capital facilities by current customers. Raftelis describes the system buy-in methodology as follows: "Under this approach, capital recovery charges are based upon the 'buy-in' concept that existing users, through service charges, tax contributions, and other up-front charges, have developed a valuable public capital facility. The charge to users is designed to recognize the current value of providing the capacity necessary to serve additional users. The charge is computed by establishing fixed asset value under a historical or reproduction cost basis and deducting relevant liabilities (long-term debt, loans, etc.) from this amount. The number of units of service is then divided into this difference (considered to be the utility's equity) to establish the capital recovery charge."

More simply, the buy-in charge is determined by taking the current value of assets (depreciated historical cost escalated to current dollars) divided by the current number of customers (expressed in equivalent residential units). By paying capacity charges calculated on this basis new development buys into the existing capital facilities on par with existing development. Responsibility for new capital improvements is then shared equally by all customers. A simplified version of the calculation equation is:

$$\frac{\text{Present Value of Existing Facilities}}{\text{Total Units of Existing Development}}$$

The system buy-in methodology has four distinct advantages:

- The buy-in methodology is a common and generally well-accepted methodology for calculating capacity charges. The method is popular with developers in part because it is generally understood and often encountered by the development community.

- The buy-in methodology includes only the cost of existing facilities and excludes the costs of future or planned facilities; therefore, it does not require a formal capital improvement program.
- The buy-in methodology does not necessarily depend on an assessment of existing capacity availability; it therefore does not require the more detailed capacity analyses required to justify charges based on other methodologies.
- Capacity charges based on the buy-in method are a reimbursement for past capital costs. Therefore, the *use* of capacity charge revenue is to reimburse the utility for prior infrastructure investments. Once reimbursed, the utility is able to spend charge revenue as it desires. As a result, detailed accounting of capacity charge expenditures is greatly simplified[1].

The system buy-in method is best applied in areas that are largely buildout and with infrastructure already in place. However, if significant expansion of utility systems is required and future costs may be significantly different from historical costs then the system buy-in approach may not be the best approach.

Incremental Cost Method

The incremental cost methodology is a fairly common approach for capacity charges, particularly for communities experiencing considerable new growth. The approach is based on the cost of new or planned capital facilities. The cost of growth-related facilities is allocated to the new development to be served by the facilities. Allowances for existing capacity that may also serve new connections are often not made or only included on a limited basis. Under this approach, new customers pay for the incremental investment necessary for system expansion. The incremental approach is most commonly applied when new facilities are required to provide capacity for new development.

For example, when new customers connect to a utility system they use either reserve capacity available to existing customers (which then needs to be replaced), or they require new capacity, which must be added to the system. The goal of this method is to minimize or eliminate the need to raise user rates in order to provide for system expansion. Consequently, new customers pay fully for additional capacity in new facilities to avoid imposing a burden on existing customers.

The incremental cost methodology is generally supported by engineering analyses in order to satisfy nexus requirements. First, the capacity requirements of new development must be defined using service level standards. Second, the amount of capacity provided by new facilities must be determined, and capacity enhancements required to address existing deficiencies should be considered. To the extent that existing capacity does not provide the specified level of service to existing development, new facilities must be identified to correct these deficiencies, and charges paid by new development cannot be used to correct existing deficiencies. As a result, it is fairly common for only a portion of new capital facility costs to be included in capacity charge calculations.

[1] By accepting fee payments from new development the utility is indicating a willingness and ability to provide service. Therefore, it is recommended that capacity charge revenues be utilized for capital improvements that enhance service delivery capabilities.

The incremental cost methodology is simplified when all-new infrastructure is required to serve new development areas. In this situation, service level standards are defined, new facilities identified, and costs are determined. The cost of facilities is then allocated (or spread) across all new development to be served by the facilities, as demonstrated with the following equation:

$$\frac{\text{Present Value of Planned Facilities}}{\text{Total Units of Planned New Development}}$$

Units of development must be defined as well as demand factors for different types of development. Capacity charges based on the incremental cost methodology are subject to statutory accounting requirements because charge revenue must be accounted for until specific capital improvements are constructed.

Recommended Methodology for Healdsburg's Capacity Charges

Following a review of the City's water and wastewater capital improvement programs and master plan documents, as well as discussions with City staff, it was recommended that water and wastewater capacity charges be based on the system buy-in methodology. This methodology has several administrative benefits, and does not rely on detailed capacity analysis. In addition, the water and wastewater capital improvement program largely include rehabilitation and upgrade projects, rather than expansion projects, and most new development is expected to rely largely on existing system capacities. Therefore, the incremental cost methodology seems less applicable to the City's situation.

CURRENT WATER AND WASTEWATER CAPACITY CHARGES

Current water and wastewater capacity charges are summarized in **Exhibit 3**. Water and wastewater capacity charges were last updated in 2005.

Exhibit 3
City of Healdsburg
Current Water and Wastewater Capacity Charges

	Water (1)	Wastewater (2)
Single Family Residential (per DU)	$ 7,213	$ 14,242
Secondary Units (e.g. granny units)	$ 3,607	$ 7,121
Multi-Family Residential (per DU)	$ 7,213	$ 14,242
Non-Residential (per ERU) (2)	$ 7,213	$ 14,242

Notes:

(1) Adopted August 15, 2005 by Resolution 98-2005.

(2) Water and sewer usage factors were adopted in Resolution 147-2005 for determining the number of Equivalent Residential Units (ERUs) associated with non-residential water and wastewater connections.

The current water and wastewater capacity charges are based on the number of residential dwelling units served or, in the case of non-residential development, based on a calculation of the number of equivalent residential units (ERUs).

The City has indicated a preference for establishing an administratively simpler means for determining capacity charges for various types of development. In particular, the ERU determination can be cumbersome and complex, and can make it difficult to ascertain charge amounts early in the development planning process.

WATER AND WASTEWATER CAPACITY CHARGE CALCULATIONS

Capacity charge calculations rely on data and information obtained from the City including:

- Water and wastewater fixed asset records providing historical cost, age, and expected life of facilities
- Existing and past long-term debt used to finance existing water and wastewater facilities
- Financial information for each utility identifying reserves specifically set aside for capital improvements
- Customer account information from the utility billing system

Specific components of the capacity charge calculations are described below.

Value of Existing Water and Wastewater Facilities

The first step to calculating capacity charges is to estimate the value of the existing water and wastewater system facilities. This is accomplished with the use of the City's fixed asset records. The value of the existing facilities can be determined using a variety of methods. However, the most common, and the one we recommend, is depreciated replacement cost.

The City's fixed asset records provide data for water and wastewater system assets including historical cost, date of acquisition, and service life. This information is used for determining the City's annual depreciation of utility assets. The depreciated replacement cost of water and wastewater assets is determined by taking the historical cost of each asset escalating to a current value (replacement cost) using the *Engineering News Record's* 20-Cities Construction Cost Index (20-Cities CCI) and depreciating this value using the age and expected service life. The same result is obtained by escalating the book value of each asset to current value using the 20-Cities CCI. This calculation is performed for each asset item. Costs have been escalated to January 2013 using a 20-Cities CCI value of 9,437.

The City's fixed asset records include more than 250 water system assets and more than 200 wastewater system assets. These include some fully depreciated items that remain in service. Fully depreciated items have no value in the capacity charge calculations even though they obviously still have value since they are still in active service. In this way, the proposed capacity charge analysis is somewhat conservative.

Exhibit 4 summarizes the valuation of existing water and wastewater system assets as of June 30, 2011. The valuation summary includes original cost, book value, replacement cost, and depreciated replacement cost. The last column, depreciated replacement cost, is used in

capacity charge calculations. **Appendix B** includes a complete listing of the water and wastewater system fixed assets summarized in Exhibit 4.

Exhibit 4
City of Healdsburg
Summary of Water and Wastewater Fixed Asset Valuation

	Original Cost (1)	Book Value as of 6/30/2011 (2)	Replacement Cost (3)	Replacement Cost Less Depreciation (4)
Water System				
Buildings	$ 1,481,000	$ 634,000	$ 3,238,000	$ 980,000
Land and Improvements	$ 311,000	$ 311,000	$ 836,000	$ 836,000
Other Equipment	$ 631,000	$ 169,000	$ 914,000	$ 222,000
Utility Systems	$ 27,437,000	$ 20,630,000	$ 51,849,000	$ 29,910,000
CIP Work in Process	$ -	$ -	$ -	$ -
Water System Total	**$ 29,860,000**	**$ 21,744,000**	**$ 56,837,000**	**$ 31,948,000**
Wastewater System				
Buildings	$ 206,000	$ 51,000	$ 374,000	$ 83,000
Land and Improvements	$ 683,000	$ 683,000	$ 1,131,000	$ 1,131,000
Other Equipment	$ 582,000	$ 78,000	$ 842,000	$ 108,000
Utility Systems	$ 55,412,000	$ 46,027,000	$ 83,365,000	$ 58,032,000
CIP Work in Process	$ 646,000	$ 646,000	$ 699,000	$ 699,000
Wastewater System Total	**$ 57,529,000**	**$ 47,485,000**	**$ 86,411,000**	**$ 60,053,000**

Notes:

(1) Based on the City's fixed asset records for June 30, 2011.
(2) Original cost less depreciation, based on the City's fixed asset records.
(3) Original cost for each asset escalated to current value based on changes in the 20-Cities CCI.
(4) Book value for each asset escalated to current value based on changes in the 20-Cities CCI.

Past and Current Long-Term Debt Obligations

The cost of acquiring and constructing existing water and wastewater facilities should also include the cost of long-term debt financing. Both issuance and interest costs associated with financing capital facilities are legitimate costs of the facilities, and are appropriately included in capacity charge calculations. Outstanding principal on long-term debt should be deducted from utility system valuation.

Long-term debt has been used to finance both the water and wastewater systems. For purposes of capacity charge calculations interest payments for the past twenty years have been included in the analyses. Debt service payment information prior to FY 92-93 has not been included due

to inaccessibility of information. Debt issuance costs have been included on all issues occurring since 1992. Since the most significant debt issues have occurred since 2000 the omission of earlier interest and issuance costs is not likely to be significant, and makes the capacity charge calculations a bit conservative.

Past interest and issuance costs on all past and existing debt obligations have been adjusted to the present value to reflect the time value of money. Escalation has been made using the actual historical rate of return on Local Agency Investment Fund (LAIF) accounts.

Exhibit 5 summarizes the water and wastewater debt issues included in the capacity charge analysis, including the present values of issuance costs and of past interest payments on past and existing long-term debt obligations, as well as the amount of outstanding principal on existing long-term debt. The present values of debt issuance and of past interest costs is added to fixed asset values of existing water and wastewater facilities as part of the capacity charge calculations. Outstanding principal is deducted from the valuations.

Capital Fund Reserves

Moneys held within each utility enterprise and dedicated for future capital improvements can be added to the utility system valuation. The City maintains three separate capital fund reserves within each of the utilities. **Exhibit 6** summarizes the cash-equivalent balances within each of the reserves. These moneys have all been set aside specifically to pay for future capital improvements (or future debt service payments). These fund balances are added to the utility system valuation used to calculate capacity charges.

Exhibit 5
City of Healdsburg
Summary of Past Issuance and Interest Costs and Outstanding Principal on Long-Term Debt

Debt Issue	Par Amount	Issuance Costs	Present Value of Issuance Costs (1)	Interest Payments Through FY 12-13	Present Value of Past Interest Payments (1)	Outstanding Principal (2)
Water System						
1992 Certificates of Participation	$ 995,000	n/a	$ -	$ 493,000	$ 866,000	$ -
1995 Certificates of Participation	$ 1,890,000	n/a	$ -	$ 604,000	$ 962,000	$ -
1996A Certificates of Participation	$ 2,375,000	n/a	$ -	$ 518,000	$ 777,000	$ -
2000B CSCDA Revenue Bond (Water Portion)	$ 3,130,000	n/a	$ -	$ 841,000	$ 1,059,000	$ -
2001A CSCDA Water Revenue Bond	$ 7,170,000	$ 300,000	$ 389,000	$ 3,123,000	$ 3,544,000	$ 4,080,000
2002C CSCDA Water Revenue Bond	$ 5,510,000	$ 237,000	$ 297,000	$ 2,173,000	$ 2,394,000	$ 4,285,000
2005D CSCDA Revenue Bond (Water Portion)	$ 3,130,000	$ 78,000	$ 92,000	$ 908,000	$ 954,000	$ 2,515,000
Water System Totals	**$ 24,200,000**	**$ 615,000**	**$ 778,000**	**$ 8,660,000**	**$ 10,556,000**	**$ 10,880,000**
Wastewater System						
1993 REFA Certificates of Participation	$ 2,605,000	n/a	$ -	$ 1,143,000	$ 1,892,000	$ -
1996B Certificates of Participation	$ 6,845,000	n/a	$ -	$ 436,000	$ 594,000	$ -
2000B CSCDA Revenue Bond (WW Portion)	$ 2,605,000	n/a	$ -	$ 701,000	$ 882,000	$ -
2005D CSCDA Revenue Bond (WW Portion)	$ 3,375,000	$ 84,000	$ 99,000	$ 974,000	$ 1,024,000	$ 2,670,000
2006 Wastewater Revenue Bond	$ 26,150,000	$ 427,000	$ 486,000	$ 8,224,000	$ 8,542,000	$ 24,540,000
Wastewater System Totals	**$ 41,580,000**	**$ 511,000**	**$ 585,000**	**$ 11,478,000**	**$ 12,934,000**	**$ 27,210,000**

Notes:

(1) Issuance costs and past interest payments escalated to current value based on LAIF rate of return.

(2) Outstanding principal as of the end of FY 12-13

Exhibit 6
City of Healdsburg
Summary of Water and Wastewater Capital Fund Reserves

Capital Funds	Water System	Wastewater System
Capital Replacement Fund	$ 350,000	$ 2,441,000
Capital Projects Fund	$ 298,000	$ 521,000
Capacity Fund	$ 1,142,000	$ 2,947,000
Capital Fund Totals	**$ 1,790,000**	**$ 5,909,000**

Notes:
(1) From financial system balance sheets as of June 30, 2012.

Water and Wastewater Capacity Charge Calculation Summary

Exhibit 7 summarizes the capacity charge calculations for the water and wastewater utilities. The calculations are based on the information described in the previous pages and include present values of existing facilities, financing costs, and capital fund reserves. Utility system valuations are then divided by the number of existing equivalent single family dwellings (ESFDs) served by each utility. The number of ESFDs for each utility represents the current customer base, expressed in a common unit. The number of ESFDs for each utility was determined as follows:

- *Water Utility* – For the water utility, each single family dwelling is considered 1 ESFD and each multi-family dwelling is considered 0.6 ESFD. The factor for multi-family dwellings is based on the average monthly water use per multi-family dwelling relative to the average monthly water use for single family dwellings. Non-residential water accounts are converted to ESFDs based on the hydraulic capacity associated with each meter size. This calculation is consistent with the City's water rate calculations, and is the basis for allocating capacity-related costs within the water rate structure. Using these criteria, the City's 4,535 water service connections equate to 6,163 water system ESFDs.
- *Wastewater Utility* – For the wastewater utility, each single family dwelling is considered 1 ESFD and each multi-family dwelling is considered 0.9 ESFD. The factor for multi-family dwellings is based on the average monthly winter water use per multi-family dwelling relative to the average monthly winter water use for single family dwellings. For residential customers, winter water use is an indicator of indoor water use and sewer flow generation. Non-residential wastewater accounts are converted to ESFDs based on the hydraulic capacity associated with each meter size. This calculation is consistent with the City's wastewater rate calculations, and is the basis for allocating capacity-related costs within the wastewater rate structure. Using these criteria, the City's 4,217 wastewater service connections equate to 5,680 wastewater system ESFDs.

Exhibit 7
City of Healdsburg
Summary of Water and Wastewater Capacity Charge Calculations

	Water System	Wastewater System
Summary of Fixed Asset Valuation (1)		
Buildings	$ 980,000	$ 83,000
Land and Improvements	$ 836,000	$ 1,131,000
Other Equipment	$ 222,000	$ 108,000
Utility Systems	$ 29,910,000	$ 58,032,000
CIP Work in Process	$ -	$ 699,000
Total Fixed Asset Valuation	$ 31,948,000	$ 60,053,000
Adjustments to Financial Valuation		
Plus Present Value of Past Debt Issuance Costs	$ 778,000	$ 585,000
Plus Present Value of Past Interest Costs	$ 10,556,000	$ 12,934,000
Minus Outstanding Principal on Debt	$ (10,880,000)	$ (27,210,000)
Plus Capital Fund Reserves	$ 1,790,000	$ 5,909,000
Total Water System Buy-In Valuation	**$ 34,192,000**	**$ 52,271,000**
No. of Equivalent Single Family Dwellings (ESFDs)	6,163	5,680
Buy-In Capacity Charge ($/ESFD)	**$ 5,548**	**$ 9,202**

The standard capacity charge for 1 ESFD, as presented in Exhibit 7, represents the cost of existing capacity in each utility system. As new development connects to the utility systems, and pays this proposed capacity charge, they are contributing to the investment made into each system on par with existing customers. Capacity charge revenue is then available to rehabilitate, upgrade, and expand the utility system. In effect, new customers become equal partners with existing customers.

Water and Wastewater Capacity Charge Schedules

The final step in determining water and wastewater capacity charges is to develop the schedule of charges for various types of development. Single family homes, by definition, are one ESFD, and the charge amounts shown in Exhibit 7 are appropriate for single family development.

At present single family homes and multi-family dwellings are each charged the same amount for the two charges. However, data obtained from the utility billing system (used in the 2012 rate study[2]) indicates that multi-family dwellings place a lesser demand on the water and wastewater systems, than do single family homes. Average monthly water use for single family homes in Healdsburg is 10 HCF[3]. By contrast, the average monthly water use for multi-family

[2] *City of Healdsburg Water and Wastewater Financial Plans and Rate Study Final Report*, prepared by The Reed Group, Inc., May 24, 2012.

[3] One HCF equals one hundred cubic feet, or 748 gallons.

dwellings is 6 HCF. Several factors can account for the difference, including fewer people per household and limited landscaping (or separately metered irrigation) for multi-family developments. Because multi-family dwelling require less capacity from the water system, it is recommended that multi-family dwellings pay water capacity charges at 60 percent of the single family amount. That is, a multi-family dwelling unit is equivalent to 0.60 ESFD for water capacity charge purposes.

Residential wastewater generation is commonly estimated from winter water use data. During winter months irrigation system are generally turned off, and it is reasonable to assume that water usage results in wastewater flows. Utility billing data indicated that average single family winter water usage in Healdsburg is 5.9 HCF per month. By contrast, the average winter water use for multi-family dwellings is 5.3 HCF per month. While the relationship between single family and multi-family usage is closer in winter than overall, a difference still exists (due partially to differences in household size). As a result of this difference, it is recommended that wastewater capacity charges for multi-family development be set at 90 percent of the amount for single family homes, or a multi-family dwelling is equal to 0.90 ESFD for wastewater capacity charge purposes.

Water and wastewater capacity charges for non-residential development are currently determined based on the number of Equivalent Residential Units (ERUs) represented by each new development project. While the City has water and wastewater factors to help determine ERUs, this method is often cumbersome and time consuming. Staff has indicated a preference for a simpler approach to determining non-residential water and wastewater capacity charges.

The proposed water and wastewater capacity charge structures for non-residential development are based on the size of the water meter. The wastewater capacity charge is also based on the low, medium, and high strength categories established in 2012 for wastewater rates.

With respect to meter size, non-residential customers have water meters that range from 1" to 4". Customers with larger meters can (and do) place larger demands on the water and wastewater systems. It is common to use the hydraulic capacity of various meter sizes as a basis for assigning capacity-related costs across meter sizes. This practice is common for both user rates and capacity charges. Non-residential customers, as a group, place larger demands on the water system than single family customers even when accounting for meter size. For this reason, the non-residential water capacity charge are proposed to range from 1.67 ESFD for a 1" meter to 16.67 ESFD for a 4" meter. These factors result in the proper proportioning of capacity costs between residential and non-residential development, as well as across meter sizes within the non-residential classification, as required by the Government Code.

The same rational is used to determine non-residential wastewater capacity charges across the range of meter sizes. However, wastewater capacity charges (like wastewater rates) should also reflect the variation in wastewater strength created by different types of businesses. Wastewater strength is measured in terms of biochemical oxygen demand (BOD) and total suspended solids (TSS). Consistent with the 2012 rate study, residential and non-residential customer classes have been assigned the following strengths.

	BOD (mg/l)	TSS (mg/l)
Single family residential	240	200
Multi-family residential	240	200
Low strength non-residential	240	200
Medium strength non-residential	500	400
High strength non-residential	1,000	600

Wastewater collection facilities, as well as disposal facilities, are allocated based on flow. However, wastewater treatment facilities are allocated based on a combination of flow, BOD, and TSS. Review of fixed asset records indicates that about 69 percent of wastewater fixed asset valuation (depreciated replacement cost) is related to treatment capacity. Treatment capacity has been allocated equally between flow, BOD, and TSS cost components. Considering collection, treatment, and disposal capacity, the resulting distribution of wastewater capital facility costs is 54 percent flow, 23 percent BOD, and 23 percent TSS.

Residential and low strength non-residential connections have the same general strength characteristics, and the same basic capacity charges, although low strength non-residential capacity charges are higher than residential due to capacity requirements, as reflected through meter size. Medium and high strength non-residential capacity charges are proportionately higher than the residential and low-strength non-residential charges due to the higher loading characteristics. For these, 23 percent of the charge amount is proportioned based on BOD and 23 percent is proportioned based on TSS.

Complete water and wastewater capacity charge schedules reflecting the proportioning of the charge amounts, as described above, are presented **Exhibit 8**.

Exhibit 8
City of Healdsburg
Proposed Water and Wastewater Capacity Charges

	Water	Wastewater		
Single Family Residential	$ 5,548	$ 9,202		
Multi-Family Residential (per DU) (1)	$ 3,329	$ 8,282		
Non-Residential		Low	Medium	High
Up to 1" meter	$ 9,265	$ 15,367	$ 22,731	$ 33,629
1 1/2" meter	$ 18,475	$ 30,642	$ 45,325	$ 67,056
2" meter	$ 29,571	$ 49,046	$ 72,547	$ 107,329
3" meter	$ 55,480	$ 92,019	$ 136,112	$ 201,368
4" meter	$ 92,485	$ 153,396	$ 226,898	$ 335,681

Notes:
(1) Includes secondary living units (e.g., granny units).

Occasionally, the City may be presented with a non-standard development project for which the proposed capacity charge schedule would not adequately reflect the capacity needs of the project. This could be particularly true with the wastewater capacity charge if a development project presents unique wastewater discharge characteristics. A production winery might be an example. In situations where the City determines that the standard charge schedule is not appropriate the equation below could be used to calculate an appropriate wastewater capacity charge.

Wastewater capacity charge = Flow x [$33.71 + $0.0598 x BOD + $0.0718 x TSS]

Where

Flow = Wastewater flow in gallons per day

BOD = Biochemical oxygen demand in milligrams per liter

TSS = Total suspended solids in milligrams per liter

It is recommended that the ordinance or resolution adopting the proposed wastewater capacity charges include a provision enabling the Director of Public Works to determine when and how the above formula would be applied to non-standard development projects.

CAPACITY CHARGE ADMINISTRATION AND UPDATES

While not reviewed in detail, we believe that the City already follows required steps for accounting for capacity charge revenues and expenditures. For reference, **Appendix A**, at the end of this report, includes statutory requirements for accounting for capacity charges.

It is recommended that the City of Healdsburg annually adjust the capacity charges for the affects of inflation using the *Engineering News Record's* 20-Cities Construction Cost Index (20-cities CCI). The capacity charges presented herein have been indexed to a 20-cities CCI value of 9,437 (January 2013). The 20-cities CCI is a broadly accepted and used construction cost index that attempts to reflect the monthly changes in general construction costs. Adjusting capacity charges annually using this index can help the City to maintain charges commensurate with inflationary cost changes between periodic comprehensive updates.

While capacity charge calculations using the system buy-in method should be relatively stable over time, it is recommended that the City formally update capacity charge calculations at least once every three to five years. Water and wastewater facility additions, financing arrangements, disposal of worn out facilities, the customer base, and other aspects of charge calculation all evolve over time and periodically updating the calculations will help ensure that new development is paying fair and proportionate share of water and wastewater system costs.

Finally, annual capacity charge revenues are subject to the fluctuations in the pace of new development. Capacity charges are primarily a means of equitably assigning costs of capacity to new development. However, they are often also used as a primary source of capital improvement revenue. Caution should be exercised when relying upon capacity charge revenue as a predictable revenue source. In addition, while capacity charges revenue can be used to make debt service payments, relying on the revenue for debt payments is risky.

APPENDIX A – GOVERNMENT CODE SECTIONS 66013, 66016, 66022, AND 66023

66013. (a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

(b) As used in this section:

(1) "Sewer connection" means the connection of a structure or project to a public sewer system.

(2) "Water connection" means the connection of a structure or project to a public water system, as defined in subdivision (f) of Section 116275 of the Health and Safety Code.

(3) "Capacity charge" means a charge for facilities in existence at the time a charge is imposed or charges for new facilities to be constructed in the future that are of benefit to the person or property being charged.

(4) "Local agency" means a local agency as defined in Section 66000.

(5) "Fee" means a fee for the physical facilities necessary to make a water connection or sewer connection, including, but not limited to, meters, meter boxes, and pipelines from the structure or project to a water distribution line or sewer main, and that does not exceed the estimated reasonable cost of labor and materials for installation of those facilities.

(c) A local agency receiving payment of a charge as specified in paragraph (3) of subdivision (b) shall deposit it in a separate capital facilities fund with other charges received, and account for the charges in a manner to avoid any commingling with other moneys of the local agency, except for investments, and shall expend those charges solely for the purposes for which the charges were collected.

Any interest income earned from the investment of moneys in the capital facilities fund shall be deposited in that fund.

(d) For a fund established pursuant to subdivision (c), a local agency shall make available to the public, within 180 days after the last day of each fiscal year, the following information for that fiscal year:

(1) A description of the charges deposited in the fund.

(2) The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.

(3) The amount of charges collected in that fiscal year.

(4) An identification of all of the following:

(A) Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.

(B) Each public improvement on which charges were expended that was completed during that fiscal year.

(C) Each public improvement that is anticipated to be undertaken in the following fiscal year.

(5) A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

(e) The information required pursuant to subdivision (d) may be included in the local agency's annual financial report.

(f) The provisions of subdivisions (c) and (d) shall not apply to any of the following:

(1) Moneys received to construct public facilities pursuant to a contract between a local agency and a person or entity, including, but not limited to, a reimbursement agreement pursuant to Section 66003.

(2) Charges that are used to pay existing debt service or which are subject to a contract with a trustee for bondholders that requires a different accounting of the charges, or charges that are used to reimburse the local agency or to reimburse a person or entity who advanced funds under a reimbursement agreement or contract for facilities in existence at the time the charges are collected.

(3) Charges collected on or before December 31, 1998.

(g) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion imposing a fee or capacity charge subject to this section shall be brought pursuant to Section 66022.

(h) Fees and charges subject to this section are not subject to the provisions of Chapter 5 (commencing with Section 66000), but are subject to the provisions of Sections 66016, 66022, and 66023.

(i) The provisions of subdivisions(c) and (d) shall only apply to capacity charges levied pursuant to this section.

66016. (a) Prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this section is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting on new or increased fees or service charges. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service. At least 10 days prior to the meeting, the local agency shall make available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including General Fund revenues. Unless there has been voter approval, as prescribed by Section 66013 or 66014, no local agency shall levy a new fee or service charge or increase an existing fee or service charge to an amount which exceeds the estimated amount required to provide the service for which the fee or service charge is levied. If, however, the fees or service charges create revenues in excess of actual cost, those revenues shall be used to reduce the fee or service charge creating the excess.

(b) Any action by a local agency to levy a new fee or service charge or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution. The legislative body of a local agency shall not delegate the authority to adopt a new fee or service charge, or to increase a fee or service charge.

(c) Any costs incurred by a local agency in conducting the meeting or meetings required pursuant to subdivision (a) may be recovered from fees charged for the services which were the subject of the meeting.

(d) This section shall apply only to fees and charges as described in Sections 51287, 56383, 57004, 65104, 65456, 65863.7, 65909.5, 66013, 66014, and 66451.2 of this code, Sections 17951, 19132.3, and 19852 of the Health and Safety Code, Section 41901 of the Public Resources Code, and Section 21671.5 of the Public Utilities Code.

(e) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion levying a fee or service charge subject to this section shall be brought pursuant to Section 66022.

66022. (a) Any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance, resolution, or motion adopting a new fee or service charge, or modifying or amending an existing fee or service charge, adopted by a local agency, as defined in Section 66000, shall be commenced within 120 days of the effective date of the ordinance, resolution, or motion.

If an ordinance, resolution, or motion provides for an automatic adjustment in a fee or service charge, and the automatic adjustment results in an increase in the amount of a fee or service charge, any action or proceeding to

attack, review, set aside, void, or annul the increase shall be commenced within 120 days of the effective date of the increase.

(b) Any action by a local agency or interested person under this section shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

(c) This section shall apply only to fees, capacity charges, and service charges described in and subject to Sections 66013 and 66014.

66023. (a) Any person may request an audit in order to determine whether any fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of any product or service provided by the local agency. If a person makes that request, the legislative body of the local agency may retain an independent auditor to conduct an audit to determine whether the fee or charge is reasonable.

(b) Any costs incurred by a local agency in having an audit conducted by an independent auditor pursuant to subdivision (a) may be recovered from the person who requests the audit.

(c) Any audit conducted by an independent auditor to determine whether a fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of providing the product or service shall conform to generally accepted auditing standards.

(d) The procedures specified in this section shall be alternative and in addition to those specified in Section 54985.

(e) The Legislature finds and declares that oversight of local agency fees is a matter of statewide interest and concern. It is, therefore, the intent of the Legislature that this chapter shall supersede all conflicting local laws and shall apply in charter cities.

(f) This section shall not be construed as granting any additional authority to any local agency to levy any fee or charge which is not otherwise authorized by another provision of law, nor shall its provisions be construed as granting authority to any local agency to levy a new fee or charge when other provisions of law specifically prohibit the levy of a fee or charge.

APPENDIX B – WATER AND WASTEWATER FIXED ASSET LISTS

Exhibit B-1
City of Healdsburg
Water System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Buildings - 10 YR Life	W	166	UTIL W/H IMPRV 96/97 (ID#	10	1/1/97	Fully deprec	CY	1	6,175	-	10,003	-
Buildings - 20 YR Life	W	161	BLDG,CONTRL BLDG 53/54(ID	20	12/31/53	Active	WOPER	1	6,049	-	95,143	-
Buildings - 20 YR Life	W	162	UTIL WH/GARAGE 77/78(ID#1	20	12/31/77	Active	CY	1	388,292	-	1,422,522	-
Buildings - 20 YR Life	W	163	UTIL WH/GARAGE 78/79 (ID#	20	12/31/78	Active	CY	1	10,798	-	36,709	-
Buildings - 20 YR Life	W	164	UTIL WH/GARAGE 83/84 (ID#	20	1/1/84	Fully deprec	CY	1	13,675	-	31,128	-
Buildings - 20 YR Life	W	170	ROOF AUX W/H 99/98 (ID#32	20	1/1/99	Active	CYA	1	10,524	4,054	16,392	6,314
Buildings - 20 YR Life	W	1894	Gauntlett Roof-PWW008 07/	20	6/30/08	Active	WOPER	1	30,634	26,804	34,789	30,440
Buildings - 25 YR Life	W	165	UTIL W/H IMPRV 89/90 (ID#	25	1/1/90	Active	CY	1	10,960	1,648	21,858	3,287
Buildings - 30 YR Life	W	167	BLDG,CITY HALL 96/97 (ID#	30	1/1/97	Active	CHGEN	1	110,775	57,758	179,439	93,560
Buildings - 30 YR Life	W	168	BLDG,WTR OP ADMIN 98/99(I	30	1/1/99	Active	WTROP	1	490,968	307,477	764,714	478,915
Buildings - 30 YR Life	W	169	BLDG,WTR OP CHEM 98/99(ID	30	1/1/99	Active	WTROP	1	401,701	236,093	625,674	367,729
Total Buildings									**1,480,552**	**633,834**	**3,238,372**	**980,245**
Land & Improvements - 0 YR	W	171	LAND,DRY CRK WELL 50/51(I	0	12/31/50	Active	WOPER	1	12,830	12,830	237,412	237,412
Land & Improvements - 0 YR	W	172	LAND PURCH 69/70 (ID#146)	0	12/31/69	Active	WOPER	1	25,000	25,000	185,919	185,919
Land & Improvements - 0 YR	W	173	LAND PURCH 96/97 (ID#2862	0	1/1/97	Active	WOPER	1	35,100	35,100	56,857	56,857
Land & Improvements - 0 YR	W	174	LAND,PNRAM RESERV 98/99(I	0	1/1/99	Active	WOPER	1	39,900	39,900	62,147	62,147
Land & Improvements - 0 YR	W	175	LAND,PNRAM RESERV 99/00(I	0	1/1/00	Active	WOPER	1	167,225	167,225	253,681	253,681
Land & Improvements - 0 YR	W	1397	LAND,PANRM RESERV IMPR(PW	0	1/1/01	Active	WOPER	1	5,725	5,725	8,518	8,518
Land & Improvements - 0 YR	W	1704	Land, Easement Gauntlett/	0	1/1/05	Active	WOPER	1	25,000	25,000	31,686	31,686
Total Land & Improvements									**310,780**	**310,780**	**836,220**	**836,220**
Other Equipment - 10 YR Life	W	176	FLOURIDAT EQUIP 83/84 (ID	10	1/1/84	Active	WOPER	1	8,011	-	18,235	-
Other Equipment - 10 YR Life	W	177	UNDRGRND PIERCE 84/85 (ID	10	1/1/85	Active	WOPER	1	6,148	-	13,831	-
Other Equipment - 10 YR Life	W	178	AUTO CRANE 85/86 (ID#1027	10	1/1/86	Active	VEH	1	5,924	-	13,017	-
Other Equipment - 05 YR Life	W	182	PUMP & MTR 60HP 90/91(ID#	5	1/1/91	Active	WOPER	1	12,687	-	24,763	-
Other Equipment - 05 YR Life	W	183	COUNTER,PARTICLE 91/92(ID	5	1/1/92	Active	WOPER	1	11,467	-	21,708	-
Other Equipment - 10 YR Life	W	191	FLOW METER 12" 94/95(ID#2	10	1/1/95	Fully deprec	WOPER	1	6,631	-	11,438	-
Other Equipment - 10 YR Life	W	192	FLOW METER 12" 94/95(ID#2	10	1/1/95	Fully deprec	WOPER	1	6,631	-	11,438	-
Other Equipment - 05 YR Life	W	186	COUNTER,PARTICLE 95/96(ID	5	1/1/96	Fully deprec	STP	1	5,660	-	9,504	-
Other Equipment - 10 YR Life	W	185	CHLOR. ANALYZER 95/96(ID#	10	1/1/96	Fully deprec	WOPER	1	6,392	-	10,734	-
Other Equipment - 25 YR Life	W	184	RESERVOIR FENCE 95/96 (ID	25	1/1/96	Active	WOPER	1	10,424	4,037	17,504	6,780
Other Equipment - 10 YR Life	W	193	AUDIO SYST 96/97 (ID#2891	10	1/1/97	Fully deprec	CCHAMB	1	8,909	-	14,431	-
Other Equipment - 10 YR Life	W	187	WKSTAT SYST 96/97 (ID#288	10	1/1/97	Fully deprec	CHGEN	1	7,069	-	11,451	-
Other Equipment - 10 YR Life	W	188	WRKSTA SYST 96/97 (ID#288	10	1/1/97	Fully deprec	CHGEN	1	7,069	-	11,451	-
Other Equipment - 10 YR Life	W	189	WRKSTA SYST 96/97 (ID#288	10	1/1/97	Fully deprec	CHGEN	1	7,069	-	11,451	-
Other Equipment - 10 YR Life	W	190	WRKSTA SYST 96/97 (ID#288	10	1/1/97	Fully deprec	CHGEN	1	7,069	-	11,451	-
Other Equipment - 10 YR Life	W	194	SCADA SYST (98/99) (ID#32	10	1/1/99	Fully deprec	WTROP	1	33,754	-	52,575	-
Other Equipment - 10 YR Life	W	195	SCADA SYST 98/99 (ID#3235	10	1/1/99	Fully deprec	WTROP	1	9,521	-	14,829	-
Other Equipment - 10 YR Life	W	1395	FLOWMETER,MAGMETR 00/01(P	10	1/1/01	Active	WOPER	1	7,211	-	10,728	-
Other Equipment - 22 YR Life	W	1393	GENERATOR,STANDBY 00/01(P	22	1/1/01	Active	WOPER	1	149,310	53,782	222,147	80,018

Exhibit B-1
City of Healdsburg
Water System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Other Equipment - 22 YR Life	W	1394	GENERATOR,STANDBY 00/01(P	22	1/1/01	Active	WOPER	1	39,453	20,623	58,699	30,684
Other Equipment - 10 YR Life	W	1551	GENERATION SYS(PWW043)02/	10	1/1/03	Active	WOPER	1	34,800	5,220	49,061	7,359
Other Equipment - 05 YR Life	W	1588	Counter, Particle Equip 0	5	1/1/04	Fully deprec	WOPER	1	11,526	-	15,288	-
Other Equipment - 05 YR Life	W	1627	Misc Equip PWW094 clean u	5	1/1/04	Active	WOPER	1	65,448	-	86,809	-
Other Equipment - 07 YR Life	W	1587	Plate Compactor Equip 03/	7	1/1/04	Active	WOPER	1	10,022	-	13,293	-
Other Equipment - 05 YR Life	W	1660	Flowmeter #4 PWW043 05	5	1/1/05	Active	WOPER	1	10,269	-	13,015	-
Other Equipment - 05 YR Life	W	1661	Flowmeter 3" 2005	5	1/1/05	Active	WOPER	1	5,109	-	6,476	-
Other Equipment - 05 YR Life	W	1662	Flowmeter 3" 2005	5	1/1/05	Active	WOPER	1	6,319	-	8,008	-
Other Equipment - 10 YR Life	W	1659	Spin Dr. Hurco 13 hp 05	10	1/1/05	Active	WOPER	1	9,643	3,375	12,221	4,277
Other Equipment - 05 YR Life	W	1725	Flowmeter 8" 2006	5	1/1/06	Active	WOPER	1	6,789	407	8,266	496
Other Equipment - 10 YR Life	W	1749	Trailer PW Water 2006	10	1/1/06	Active	WOPER	1	5,274	2,716	6,422	3,307
Other Equipment - 10 YR Life	W	PWW094	Misc Equip Over $5,000	10	6/30/08	Active	WOPER	1	98,075	68,662	111,379	77,976
Other Equipment - 10 YR Life	W		Electromagnetic Flowmeter System	10	6/30/10	Active	WOPER	1	11,347	10,212	12,166	10,949
Total Other Equipment									**631,029**	**169,035**	**913,790**	**221,847**
Utility System - 50 YR Life	W	1281	UTIL SYST 49/50(ID#8)	50	12/31/49	Active	WOPER	1	13,297	-	263,076	-
Utility System - 50 YR Life	W	2	UTIL SYS 50/51 (ID#9)	50	12/31/50	Fully deprec	WOPER	1	8,494	-	157,177	-
Utility System - 50 YR Life	W	3	UTIL SYS 50/51 (ID#10)	50	12/31/50	Fully deprec	WOPER	1	148,826	-	2,753,943	-
Utility System - 50 YR Life	W	4	UTIL SYS 51/52 (ID#11)	50	12/31/51	Active	WOPER	1	15,074	-	261,984	-
Utility System - 50 YR Life	W	5	UTIL SYS 52/53 (ID#12)	50	12/31/52	Fully deprec	WOPER	1	11,966	-	198,465	-
Utility System - 50 YR Life	W	6	UTIL SYS 55/56 (ID#13)	50	12/31/55	Fully deprec	WOPER	1	16,487	-	235,746	-
Utility System - 20 YR Life	W	9	UTIL SYS 56/57 (ID#16)	20	12/31/56	Active	WOPER	1	70,515	-	961,661	-
Utility System - 20 YR Life	W	10	UTIL SYS 57/58 (ID#17)	20	12/31/56	Active	WOPER	1	40,628	-	554,071	-
Utility System - 50 YR Life	W	7	UTIL SYS 56/57 (ID#14)	50	12/31/56	Fully deprec	WOPER	1	30,956	-	422,168	-
Utility System - 50 YR Life	W	8	UTIL SYS 56/57 (ID#15)	50	12/31/56	Fully deprec	WOPER	1	13,712	-	187,000	-
Utility System - 20 YR Life	W	12	UTIL SYST 58/59 (ID#19)	20	12/31/58	Active	WOPER	1	6,218	-	77,313	-
Utility System - 20 YR Life	W	14	UTIL SYST 59/60 (ID#21)	20	12/31/59	Active	WOPER	1	10,313	-	122,116	-
Utility System - 50 YR Life	W	13	UTIL SYST 59/60 (ID#20)	50	12/31/59	Active	WOPER	1	8,333	-	98,671	-
Utility System - 20 YR Life	W	15	UTIL SYST 60/61 (ID#22)	20	12/31/60	Active	WOPER	1	14,422	-	165,175	-
Utility System - 20 YR Life	W	16	UTIL SYST 60/61 (ID#23)	20	12/31/60	Active	WOPER	1	10,440	-	119,569	-
Utility System - 20 YR Life	W	17	UTIL SYST 62/63 (ID#25)	20	12/31/62	Active	WOPER	1	87,048	-	942,082	-
Utility System - 50 YR Life	W	18	UTIL SYST 62/63(ID#26)	50	12/31/62	Active	WOPER	1	21,576	717	233,507	7,760
Utility System - 20 YR Life	W	19	UTIL SYST 63/64(ID#27)	20	12/31/63	Active	WOPER	1	10,454	-	109,497	-
Utility System - 20 YR Life	W	20	UTIL SYST 64/65(ID#28)	20	12/31/64	Active	WOPER	1	11,430	-	115,244	-
Utility System - 20 YR Life	W	22	UTIL SYST 65/66(ID#30)	20	12/31/65	Active	WOPER	1	26,192	-	254,563	-
Utility System - 20 YR Life	W	23	UTIL SYST 66/67 (ID#32)	20	12/31/66	Active	WOPER	1	18,480	-	171,149	-
Utility System - 50 YR Life	W	24	UTIL SYST 66/67 (ID#33)	50	12/31/66	Active	WOPER	1	53,799	5,918	498,249	54,806
Utility System - 20 YR Life	W	25	UTIL SYST 67/68 (ID#34)	20	12/31/67	Active	WOPER	1	79,218	-	696,091	-
Utility System - 20 YR Life	W	26	UTIL SYST 68/69 (ID#36)	20	12/31/68	Active	WOPER	1	66,947	-	547,010	-
Utility System - 50 YR Life	W	27	UTIL SYST 68/69 (ID#37)	50	12/31/68	Active	WOPER	1	48,380	7,197	395,303	58,802
Utility System - 20 YR Life	W	28	UTIL SYST 69/70 (ID#38)	20	12/31/69	Active	WOPER	1	21,705	-	161,415	-
Utility System - 20 YR Life	W	29	UTIL SYST 70/71 (ID#39)	20	12/31/70	Active	WOPER	1	9,916	-	67,762	-

Exhibit B-1
City of Healdsburg
Water System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Utility System - 20 YR Life	W	30	UTIL SYST 71/72 (ID#40)	20	12/31/71	Active	WOPER	1	24,446	-	145,923	-
Utility System - 50 YR Life	W	31	UTIL SYST 73/74 (ID#43)	50	12/31/73	Active	WOPER	1	5,985	1,474	29,806	7,339
Utility System - 50 YR Life	W	32	UTIL SYST 74/75 (ID#44)	50	12/31/74	Active	WOPER	1	115,020	30,764	537,364	143,725
Utility System - 50 YR Life	W	33	UTIL SYST 77/78 (ID#49)	50	12/31/77	Active	WOPER	1	96,115	31,292	352,121	114,639
Utility System - 50 YR Life	W	34	UTIL SYST 7879 (ID#50)	50	7/1/78	Active	WOPER	1	202,330	69,860	687,840	237,497
Utility System - 50 YR Life	W	314	U/S 79/80(ID#125)UTIL W/H	50	9/10/79	Active	WOPER	1	43,913	16,159	138,002	50,781
Utility System - 50 YR Life	W	35	UTIL SYST 79/80 (ID#53)	50	12/31/79	Active	WOPER	1	15,828	5,872	49,741	18,453
Utility System - 50 YR Life	W	36	UTIL SYST 79/80 (ID#56)	50	12/31/79	Active	WOPER	1	125,426	46,660	394,166	146,634
Utility System - 50 YR Life	W	37	UTIL SYST 79/80 (ID#59)	50	12/31/79	Active	WOPER	1	48,031	14,462	150,943	45,449
Utility System - 50 YR Life	W	38	UTIL SYST 79/80 (ID#60)	50	12/31/79	Active	WOPER	1	14,547	5,567	45,716	17,496
Utility System - 50 YR Life	W	39	UTIL SYST 79/80 (ID#62)	50	12/31/79	Active	WOPER	1	18,511	6,861	58,173	21,562
Utility System - 50 YR Life	W	315	U/S 79/90(ID#126)NPC SUBS	50	12/31/79	Active	WOPER	1	39,358	13,618	123,687	42,796
Utility System - 50 YR Life	W	316	U/S 79/80(ID#127)GAUNT WE	50	2/4/80	Active	WOPER	1	143,607	53,430	418,677	155,770
Utility System - 50 YR Life	W	40	UTIL SYST 80/81 (ID#63)	50	12/31/80	Active	WOPER	1	5,683	2,217	16,568	6,465
Utility System - 50 YR Life	W	41	UTIL SYST 80/81 (ID#70)	50	12/31/80	Active	WOPER	1	34,384	13,435	100,244	39,169
Utility System - 50 YR Life	W	42	UTIL SYST 80/81 (ID#72)	50	12/31/80	Active	WOPER	1	6,531	2,551	19,041	7,437
Utility System - 50 YR Life	W	43	UTIL SYST 81/82 (ID#76)	50	1/1/82	Active	WOPER	1	14,685	6,048	36,232	14,922
Utility System - 50 YR Life	W	44	UTIL SYST 81/82 (ID#78)	50	1/1/82	Active	WOPER	1	59,204	24,414	146,072	60,235
Utility System - 50 YR Life	W	45	UTIL SYST 81/82 (ID#86)	50	1/1/82	Active	WOPER	1	422,126	153,679	1,041,495	379,165
Utility System - 50 YR Life	W	46	UTIL SYST 82/83 (ID#88)	50	1/1/83	Active	WOPER	1	64,326	27,807	149,302	64,540
Utility System - 50 YR Life	W	47	UTIL SYST 82/83 (ID#95)	50	1/1/83	Active	WOPER	1	163,640	70,741	379,812	164,190
Utility System - 50 YR Life	W	48	UTIL SYST 82/83 (ID#98)	50	1/1/83	Active	WOPER	1	42,716	18,471	99,145	42,873
Utility System - 50 YR Life	W	49	UTIL SYST 83/84 (ID#101)	50	1/1/84	Active	WOPER	1	22,118	10,002	50,346	22,766
Utility System - 50 YR Life	W	50	UTIL SYST 83/84 (ID#106)	50	1/1/84	Active	WOPER	1	85,544	38,684	194,718	88,053
Utility System - 50 YR Life	W	51	UTIL SYST 83/84 (ID#109)	50	1/1/84	Active	WOPER	1	21,243	9,604	48,354	21,860
Utility System - 50 YR Life	W	317	U/S 83/84(ID#131)SIMI INT	50	1/1/84	Active	WOPER	1	301,339	136,276	685,918	310,196
Utility System - 50 YR Life	W	52	UTIL SYST 84/85 (ID#116)	50	1/1/85	Active	WOPER	1	9,625	4,544	21,653	10,222
Utility System - 50 YR Life	W	53	UTIL SYST 84/85 (ID#117)	50	1/1/85	Active	WOPER	1	11,020	5,201	24,791	11,701
Utility System - 50 YR Life	W	54	UTIL SYST 84/85 (ID#118)	50	1/1/85	Active	WOPER	1	20,515	9,685	46,152	21,787
Utility System - 50 YR Life	W	55	UTIL SYST 84/85 (ID#119)	50	1/1/85	Active	WOPER	1	24,490	11,561	55,094	26,008
Utility System - 50 YR Life	W	56	UTIL SYST 84/85 (ID#120)	50	1/1/85	Active	WOPER	1	16,595	7,834	37,333	17,624
Utility System - 50 YR Life	W	57	UTIL SYST 84/85 (ID#121)	50	1/1/85	Active	WOPER	1	18,419	8,696	41,436	19,563
Utility System - 50 YR Life	W	58	UTIL SYST 85/86 (ID#1023)	50	1/1/86	Active	WOPER	1	5,159	2,538	11,335	5,577
Utility System - 50 YR Life	W	59	UTIL SYST 86/87 (ID#1219)	50	1/1/87	Active	WOPER	1	9,280	4,705	19,877	10,079
Utility System - 50 YR Life	W	60	UTIL SYST 86/87 (ID#1260)	50	1/1/87	Active	WOPER	1	175,830	90,307	376,613	193,429
Utility System - 50 YR Life	W	61	UTIL SYST 86/87 (ID#1262)	50	1/1/87	Active	WOPER	1	104,675	53,600	224,205	114,807
Utility System - 50 YR Life	W	62	UTIL SYST 86/87 (ID#1278)	50	1/1/87	Active	WOPER	1	155,272	79,508	332,580	170,300
Utility System - 50 YR Life	W	63	UTIL SYST 86/87 (ID#1283)	50	1/1/87	Active	WOPER	1	6,108	3,128	13,083	6,700
Utility System - 50 YR Life	W	64	UTIL SYST 86/87 (ID#1288)	50	1/1/87	Active	WOPER	1	40,597	20,788	86,955	44,525
Utility System - 50 YR Life	W	65	UTIL SYST 86/87 (ID#1289)	50	1/1/87	Active	WOPER	1	26,442	13,540	56,636	29,001
Utility System - 50 YR Life	W	66	UTIL SYST 86/87 (ID#1290)	50	1/1/87	Active	WOPER	1	32,334	16,557	69,257	35,465
Utility System - 50 YR Life	W	67	UTIL SYST 87/88 (ID#1369)	50	1/1/88	Active	WOPER	1	15,206	8,090	31,756	16,895
Utility System - 50 YR Life	W	68	UTIL SYST 87/88 (ID#1370)	50	1/1/88	Active	WOPER	1	9,466	5,036	19,769	10,518

Exhibit B-1
City of Healdsburg
Water System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Utility System - 50 YR Life	W	69	UTIL SYST 87/88 (ID#1374)	50	1/1/88	Active	WOPER	1	29,218	15,544	61,017	32,462
Utility System - 50 YR Life	W	70	UTIL SYST 87/88 (ID#1375)	50	1/1/88	Active	WOPER	1	92,417	49,167	193,000	102,677
Utility System - 50 YR Life	W	71	UTIL SYST 87/88 (ID#1376)	50	1/1/88	Active	WOPER	1	22,505	12,144	46,998	25,360
Utility System - 50 YR Life	W	72	UTIL SYST 87/88 (ID#1384)	50	1/1/88	Active	WOPER	1	113,693	60,485	237,430	126,313
Utility System - 50 YR Life	W	73	UTIL SYST 88/89 (ID#1530)	50	1/1/89	Active	WOPER	1	192,716	106,365	394,087	217,507
Utility System - 50 YR Life	W	74	UTIL SYST 88/89 (ID#1531)	50	1/1/89	Active	WOPER	1	52,201	28,812	106,746	58,918
Utility System - 50 YR Life	W	75	UTIL SYST 88/89 (ID#1532)	50	1/1/89	Active	WOPER	1	57,737	31,868	118,067	65,168
Utility System - 50 YR Life	W	76	UTIL SYST 88/89 (ID#1533)	50	1/1/89	Active	WOPER	1	25,625	14,144	52,401	28,923
Utility System - 50 YR Life	W	77	UTIL SYST 88/89 (ID#1534)	50	1/1/89	Active	WOPER	1	65,938	36,395	134,837	74,424
Utility System - 50 YR Life	W	78	UTIL SYST 88/89 (ID#1535)	50	1/1/89	Active	WOPER	1	17,179	9,482	35,129	19,390
Utility System - 50 YR Life	W	79	UTIL SYST 88/89 (ID#1536)	50	1/1/89	Active	WOPER	1	5,862	3,236	11,988	6,617
Utility System - 50 YR Life	W	80	UTIL SYST 89/90 (ID#1763)	50	1/1/90	Active	WOPER	1	17,130	9,797	34,164	19,538
Utility System - 50 YR Life	W	81	UTIL SYST 89/90 (ID#1764)	50	1/1/90	Active	WOPER	1	13,924	7,964	27,770	15,882
Utility System - 50 YR Life	W	82	UTIL SYST 89/90 (ID#1901)	50	1/1/90	Active	WOPER	1	15,000	8,578	29,915	17,108
Utility System - 50 YR Life	W	85	UTIL SYST 89/90 (ID#1932)	50	1/1/90	Active	WOPER	1	5,450	3,117	10,869	6,216
Utility System - 50 YR Life	W	84	UTIL SYST 90/91 (ID#1958)	50	1/1/91	Active	WOPER	1	33,488	19,820	65,364	38,686
Utility System - 50 YR Life	W	86	UTIL SYST 90/91 (IDE1959)	50	1/1/91	Active	WOPER	1	109,423	64,763	213,579	126,408
Utility System - 50 YR Life	W	87	UTIL SYST 90/91 (IDE1961)	50	1/1/91	Active	WOPER	1	22,026	13,037	42,993	25,446
Utility System - 50 YR Life	W	88	UTIL SYST 90/91 (ID#1962)	50	1/1/91	Active	WOPER	1	147,294	87,177	287,499	170,158
Utility System - 50 YR Life	W	89	UTIL SYST 90/91 (ID#1997)	50	1/1/91	Active	WOPER	1	41,809	24,745	81,606	48,300
Utility System - 50 YR Life	W	90	UTIL SYST 90/91 (ID#1998)	50	1/1/91	Active	WOPER	1	84,711	50,137	165,345	97,861
Utility System - 50 YR Life	W	91	UTIL SYST 91/92 (ID#2090)	50	1/1/92	Active	WOPER	1	7,123	4,358	13,484	8,250
Utility System - 50 YR Life	W	92	UTIL SYST 91/92 (ID#2091)	50	1/1/92	Active	WOPER	1	33,519	20,507	63,455	38,823
Utility System - 50 YR Life	W	93	UTIL SYST 91/92 (ID#2092)	50	1/1/92	Active	WOPER	1	118,554	72,532	224,438	137,314
Utility System - 50 YR Life	W	94	UTIL SYST 91/92 (ID#2093)	50	1/1/92	Active	WOPER	1	149,052	91,191	282,175	172,638
Utility System - 50 YR Life	W	95	UTIL SYST 91/92 (ID#2096)	50	1/1/92	Active	WOPER	1	258,230	157,988	488,864	299,093
Utility System - 50 YR Life	W	96	UTIL SYST 91/92 (ID#2098)	50	1/1/92	Active	WOPER	1	7,382	4,516	13,975	8,550
Utility System - 50 YR Life	W	97	UTIL SYST 92/93 (ID#2215)	50	1/1/93	Active	WOPER	1	14,056	8,880	25,461	16,085
Utility System - 50 YR Life	W	98	UTIL SYST 93/94 (ID#2408)	50	1/1/94	Active	WOPER	1	28,027	18,267	48,909	31,876
Utility System - 50 YR Life	W	99	UTIL SYST 93/94 (ID#2409)	50	1/1/94	Active	WOPER	1	12,406	8,085	21,649	14,109
Utility System - 50 YR Life	W	100	UTIL SYST 93/94 (ID#2410)	50	1/1/94	Active	WOPER	1	51,813	33,767	90,416	58,926
Utility System - 50 YR Life	W	101	UTIL SYST 93/94 (ID#2411)	50	1/1/94	Active	WOPER	1	83,156	54,196	145,112	94,574
Utility System - 50 YR Life	W	102	UTIL SYST 93/94 (ID#2412)	50	1/1/94	Active	WOPER	1	13,982	9,112	24,399	15,901
Utility System - 50 YR Life	W	103	UTIL SYST 93/94 (ID#2425)	50	1/1/94	Active	WOPER	1	105,618	68,834	184,309	120,119
Utility System - 50 YR Life	W	104	UTIL SYST 93/94 (D#2426)	50	1/1/94	Active	WOPER	1	75,720	49,349	132,136	86,117
Utility System - 50 YR Life	W	105	UTIL SYST 94/95 (ID#2571)	50	1/1/95	Active	WOPER	1	31,314	21,034	54,016	36,282
Utility System - 50 YR Life	W	106	UTIL SYST 94/95 (ID#2572)	50	1/1/95	Active	WOPER	1	40,409	27,142	69,703	46,818
Utility System - 50 YR Life	W	107	UTIL SYST 94/95 (ID#2574)	50	1/1/95	Active	WOPER	1	9,909	6,655	17,092	11,480
Utility System - 50 YR Life	W	108	UTIL SYST 94/95 (ID#2575)	50	1/1/95	Active	WOPER	1	59,070	39,676	101,893	68,440
Utility System - 50 YR Life	W	109	UTIL SYST 94/95 (ID#2576)	50	1/1/95	Active	WOPER	1	250,681	168,380	432,415	290,449
Utility System - 50 YR Life	W	110	UTIL SYST 94/95 (ID#2578)	50	1/1/95	Active	WOPER	1	31,234	20,979	53,877	36,188
Utility System - 50 YR Life	W	111	UTIL SYST 94/95 (ID#2580)	50	1/1/95	Active	WOPER	1	9,430	6,334	16,266	10,926
Utility System - 50 YR Life	W	112	UTIL SYST 95/96 (ID#2714)	50	1/1/96	Active	WOPER	1	29,321	20,280	49,237	34,055

Exhibit B-1
City of Healdsburg
Water System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Utility System - 50 YR Life	W	113	UTIL SYST 95/96 (ID#2715)	50	1/1/96	Active	WOPER	1	15,693	10,854	26,352	18,227
Utility System - 50 YR Life	W	114	UTIL SYST 95/96 (ID#2717)	50	1/1/96	Active	WOPER	1	609,703	421,702	1,023,832	708,134
Utility System - 50 YR Life	W	115	UTIL SYST 95/96 (ID#2719)	50	1/1/96	Active	WOPER	1	81,678	56,493	137,156	94,864
Utility System - 50 YR Life	W	116	UTIL SYST 95/96 (ID#2721)	50	1/1/96	Active	WOPER	1	238,359	164,862	400,260	276,841
Utility System - 50 YR Life	W	117	UTIL SYST 95/96 (ID#2723)	50	1/1/96	Active	WOPER	1	21,050	15,922	35,348	26,737
Utility System - 50 YR Life	W	118	UTIL SYST 96/97 (ID#2863)	50	1/1/97	Active	WOPER	1	224,658	159,870	363,912	258,965
Utility System - 50 YR Life	W	119	UTIL SYST 96/97 (ID#2864)	50	1/1/97	Active	WOPER	1	25,522	18,166	41,341	29,427
Utility System - 50 YR Life	W	120	UTIL SYST 96/97 (ID#2865)	50	1/1/97	Active	WOPER	1	199,279	141,806	322,803	229,704
Utility System - 50 YR Life	W	121	UTIL SYST 96/97 (ID#2866)	50	1/1/97	Active	WOPER	1	62,946	44,793	101,963	72,558
Utility System - 50 YR Life	W	122	UTIL SYST 96/97 (ID#2867)	50	1/1/97	Active	WOPER	1	273,719	194,783	443,385	315,520
Utility System - 50 YR Life	W	123	UTIL SYST 96/97 (ID#2868)	50	1/1/97	Active	WOPER	1	121,236	86,273	196,385	139,750
Utility System - 50 YR Life	W	124	UTIL SYST 96/97 (ID#2869)	50	1/1/97	Active	WOPER	1	47,834	34,039	77,484	55,139
Utility System - 50 YR Life	W	125	UTIL SYST 96/97 (ID#2870)	50	1/1/97	Active	WOPER	1	24,662	17,550	39,948	28,428
Utility System - 50 YR Life	W	126	UTIL SYST 96/97 (ID#2870)	50	1/1/97	Active	WOPER	1	157,287	111,928	254,781	181,307
Utility System - 50 YR Life	W	127	UTIL SYST 96/97 (ID#2872)	50	1/1/97	Active	WOPER	1	259,081	184,366	419,674	298,646
Utility System - 50 YR Life	W	128	UTIL SYST 96/97 (ID#2873)	50	1/1/97	Active	WOPER	1	136,362	97,037	220,886	157,186
Utility System - 50 YR Life	W	129	UTIL SYST 97/98 (ID#3078)	50	1/1/98	Active	WOPER	1	68,028	49,769	108,446	79,338
Utility System - 50 YR Life	W	130	UTIL SYST 97/98 (ID#3079)	50	1/1/98	Active	WOPER	1	41,495	30,357	66,149	48,393
Utility System - 50 YR Life	W	131	UTIL SYST 97/98 (ID#3080)	50	1/1/98	Active	WOPER	1	202,812	148,374	323,310	236,528
Utility System - 50 YR Life	W	132	UTIL SYST 97/98 (ID#3081)	50	1/1/98	Active	WOPER	1	44,384	32,471	70,754	51,763
Utility System - 50 YR Life	W	133	UTIL SYST 97/98 (ID#3082)	50	1/1/98	Active	WOPER	1	28,825	21,088	45,951	33,617
Utility System - 50 YR Life	W	134	UTIL SYST 97/98 (ID3083)	50	1/1/98	Active	WOPER	1	15,780	11,544	25,155	18,403
Utility System - 50 YR Life	W	135	UTIL SYST 97/98 (ID#3084)	50	1/1/98	Active	WOPER	1	38,278	28,003	61,020	44,641
Utility System - 50 YR Life	W	136	UTIL SYST 97/98 (ID#3085)	50	1/1/98	Active	WOPER	1	82,171	60,115	130,992	95,831
Utility System - 50 YR Life	W	137	UTIL SYST 97/98 (ID#3086)	50	1/1/98	Active	WOPER	1	83,474	61,068	133,068	97,350
Utility System - 50 YR Life	W	138	UTIL SYST 97/98 (ID#3087)	50	1/1/98	Active	WOPER	1	554,269	405,493	883,578	646,410
Utility System - 50 YR Life	W	139	UTIL SYST 98/99 (ID#3208)	50	1/1/99	Active	WOPER	1	107,525	80,810	167,477	125,866
Utility System - 50 YR Life	W	140	UTIL SYST 98/99 (ID#3209)	50	1/1/99	Active	WOPER	1	16,715	12,562	26,034	19,566
Utility System - 50 YR Life	W	141	UTIL SYST 98/99 (ID#3210)	50	1/1/99	Active	WOPER	1	12,255	9,210	19,088	14,345
Utility System - 50 YR Life	W	142	UTIL SYST 98/99 (ID#3211)	50	1/1/99	Active	WOPER	1	7,735	5,813	12,047	9,054
Utility System - 50 YR Life	W	143	UTIL SYST 98/99 (ID#3212)	50	1/1/99	Active	WOPER	1	1,519,951	1,172,370	2,367,418	1,826,040
Utility System - 50 YR Life	W	144	UTIL SYST 98/99 (ID#3213)	50	1/1/99	Active	WOPER	1	146,141	109,833	227,624	171,071
Utility System - 50 YR Life	W	145	UTIL SYST 98/99 (ID#3214)	50	1/1/99	Active	WOPER	1	17,895	13,448	27,872	20,947
Utility System - 50 YR Life	W	146	UTIL SYST 98/99 (ID#3215)	50	1/1/99	Active	WOPER	1	120,849	90,824	188,230	141,464
Utility System - 50 YR Life	W	147	UTIL SYST 98/99 (ID#3216)	50	1/1/99	Active	WOPER	1	11,925	8,963	18,574	13,960
Utility System - 50 YR Life	W	148	UTIL SYST 98/99 (ID#3217)	50	1/1/99	Active	WOPER	1	59,673	44,847	92,945	69,853
Utility System - 50 YR Life	W	149	UTIL SYST 98/99 (ID#3218)	50	1/1/99	Active	WOPER	1	157,986	118,735	246,073	184,936
Utility System - 50 YR Life	W	150	UTIL SYST 98/99 (ID#3219)	50	1/1/99	Active	WOPER	1	11,395	8,570	17,749	13,348
Utility System - 50 YR Life	W	151	UTIL SYST 98/99 (ID#3221)	50	1/1/99	Active	WOPER	1	88,647	66,623	138,073	103,769
Utility System - 50 YR Life	W	152	UTIL SYST 98/99 (ID#3222)	50	1/1/99	Active	WOPER	1	8,251	6,201	12,851	9,659
Utility System - 50 YR Life	W	153	UTIL SYST 99/00 (ID#3369)	50	1/1/00	Active	WOPER	1	80,942	62,448	122,789	94,733
Utility System - 50 YR Life	W	154	UTIL SYST 99/00 (ID#3370)	50	1/1/00	Active	WOPER	1	128,101	98,833	194,330	149,930
Utility System - 50 YR Life	W	155	UTIL SYST 99/00(ID#3371)	50	1/1/00	Active	WOPER	1	62,730	48,397	95,162	73,419

Exhibit B-1
City of Healdsburg
Water System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Utility System - 50 YR Life	W	156	UTIL SYST 99/00 (ID#3372)	50	1/1/00	Active	WOPER	1	16,574	12,788	25,143	19,399
Utility System - 50 YR Life	W	157	UTIL SYST 99/00 (ID#3373)	50	1/1/00	Active	WOPER	1	65,402	50,459	99,215	76,547
Utility System - 50 YR Life	W	158	UTIL SYST 99/00 (ID#3375)	50	1/1/00	Active	WOPER	1	52,840	40,767	80,158	61,844
Utility System - 50 YR Life	W	159	UTIL SYST 99/00 (ID#3376)	50	1/1/00	Active	WOPER	1	6,034	4,655	9,153	7,062
Utility System - 50 YR Life	W	160	UTIL SYST 99/00 (ID#3384)	50	1/1/00	Active	WOPER	1	14,476	11,169	21,960	16,943
Utility System - 50 YR Life	W	1398	U/S PKLAND HILLS 1 00/01(	50	1/1/01	Active	WOPER	1	49,255	38,912	73,283	57,894
Utility System - 50 YR Life	W	1399	U/S PIEDMONT TERR 00/01(D	50	1/1/01	Active	WOPER	1	153,600	121,344	228,530	180,539
Utility System - 50 YR Life	W	1400	U/S IVERSON RETRO 00/01(P	50	1/1/01	Active	WOPER	1	38,000	30,020	56,537	44,665
Utility System - 50 YR Life	W	1401	U/S NEW WTR SERV 00/01(PW	50	1/1/01	Active	WOPER	1	18,623	14,712	27,708	21,889
Utility System - 50 YR Life	W	1403	U/S DEV ENGR 00/01(PWW045	50	1/1/01	Active	WOPER	1	37,368	29,521	55,598	43,922
Utility System - 50 YR Life	W	1487	U/S PKLAND HILLS 4-5 DEV.	50	1/1/02	Active	WOPER	1	197,740	160,169	285,428	231,196
Utility System - 50 YR Life	W	1488	U/S PKLAND HILLS #9 DEV.C	50	1/1/02	Active	WOPER	1	36,100	29,241	52,109	42,207
Utility System - 50 YR Life	W	1489	U/S PWW045-DEVELOP ENGR.	50	1/1/02	Active	WOPER	1	61,274	49,632	88,445	71,641
Utility System - 50 YR Life	W	1490	U/S PWW082 DRY CRK WELLS	50	1/1/02	Active	WOPER	1	4,620	3,742	6,668	5,401
Utility System - 50 YR Life	W	1548	U/S(PWW017) REPL RESERVR	50	1/1/03	Active	WOPER	1	2,104,352	1,746,612	2,966,737	2,462,392
Utility System - 50 YR Life	W	1549	U/S(PWW045)WTR DEV.ENGR 0	50	1/1/03	Active	WOPER	1	69,676	57,831	98,230	81,530
Utility System - 50 YR Life	W	1550	U/S(PWW456)CHLOR.EQUIP 02	50	1/1/03	Active	WOPER	1	10,000	8,300	14,098	11,702
Utility System - 20 YR Life	W	1592	US PWW422 Value Rpl 03/04	20	1/1/04	Active	WOPER	1	23,291	15,954	30,893	21,162
Utility System - 50 YR Life	W	1589	US PWW042 Water Supply 03	50	1/1/04	Active	WOPER	1	58,086	49,373	77,044	65,488
Utility System - 50 YR Life	W	1590	US PWW045 Develp Engr. 03	50	1/1/04	Active	WOPER	1	59,245	50,359	78,583	66,795
Utility System - 50 YR Life	W	1624	US PWW084 Panorama Reserv	50	1/1/04	Active	WOPER	1	1,894,820	1,631,510	2,513,271	2,164,020
Utility System - 50 YR Life	W	1625	U/S PWW017 Tayman Resrvoi	50	1/1/04	Active	WOPER	1	78,903	67,935	104,656	90,109
Utility System - 50 YR Life	W	1676	US PWW045 Develp Engr 05	50	1/1/05	Active	WOPER	1	91,998	80,039	116,601	101,443
Utility System - 50 YR Life	W	1677	US PWW084 Panorama Reserv	50	1/1/05	Active	WOPER	1	7,046	6,130	8,930	7,770
Utility System - 50 YR Life	W	1698	US PWW020 Distrib PipeRpl	50	1/1/05	Active	WOPER	1	431,808	375,673	547,286	476,139
Utility System - 50 YR Life	W	1699	US PWW043 Pump Rpl 2001 2	50	1/1/05	Active	WOPER	1	969,907	843,819	1,229,288	1,069,480
Utility System - 50 YR Life	W	1700	US Pww201 Oversize WaterM	50	1/1/05	Active	WOPER	1	10,862	9,450	13,766	11,977
Utility System - 50 YR Life	W	1701	US Pww490 Water Serv Rpl	50	1/1/05	Active	WOPER	1	1,405,332	1,222,614	1,781,158	1,549,575
Utility System - 50 YR Life	W	1752	U/S Dev Enginr PWW045 05/	50	1/1/06	Active	WOPER	1	155,902	140,406	189,820	170,952
Utility System - 50 YR Life	W	1753	U/S Product Pump PWW043 0	50	1/1/06	Active	WOPER	1	9,897	8,913	12,050	10,852
Utility System - 50 YR Life	W	1754	U/S Dist Pipe Svc PWW020	50	1/1/06	Active	WOPER	1	15,653	14,097	19,059	17,164
Utility System - 50 YR Life	W	1768	US Water Service PWW490 0	50	1/1/06	Active	WOPER	1	355,316	319,998	432,617	389,615
Utility System - 50 YR Life	W	1822	Gauntlett/Fitch Trtmnt PW	50	6/30/07	Active	WOPER	1	29,272	27,522	34,678	32,605
Utility System - 50 YR Life	W	1823	U/S Water Svc Replmt PWW4	50	6/30/07	Active	WOPER	1	256,449	238,498	303,813	282,547
Utility System - 50 YR Life	W	1824	U/S Develop Engin PWW045	50	6/30/07	Active	WOPER	1	162,163	150,812	192,114	178,666
Utility System - 50 YR Life	W	1826	U/S Distrib Pipe Sys PWW0	50	6/30/07	Active	WOPER	1	30,103	27,996	35,663	33,167
Utility System - 50 YR Life	W	1980	U/S PWW045 07/08	50	6/30/08	Active	WOPER	1	156,834	148,992	178,109	169,203
Utility System - 50 YR Life	W	1981	U/S PWW490 07/08	50	6/30/08	Active	WOPER	1	114,565	108,837	130,106	123,601
Utility System - 50 YR Life	W	1983	U/S PWW701 07/08	50	6/30/08	Active	WOPER	1	105,189	98,877	119,458	112,290
Utility System - 50 YR Life	W		SCADA Software-Lift Station Radio	50	6/30/08	Active	WOPER	1	18,465	17,357	20,970	19,711
Utility System - 50 YR Life	W	PWW005	WATER METER REPLACEMENT	50	6/30/08	Active	WOPER	1	129,045	121,303	146,551	137,758
Utility System - 50 YR Life	W	PWW005	WATER METER REPLACEMENT	50	6/30/08	Active	WOPER	1	43,981	41,342	49,947	46,950
Utility System - 50 YR Life	W	PWW006	SCADA UPGRADE	50	6/30/08	Active	WOPER	1	21,041	19,779	23,896	22,462

Exhibit B-1
City of Healdsburg
Water System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Utility System - 50 YR Life	W	PWW011	IVERSON RES RETROFIT	50	6/30/08	Active	WOPER	1	38,000	35,720	43,155	40,565
Utility System - 50 YR Life	W	PWW031	NORTH ST PRV	50	6/30/08	Active	WOPER	1	85,357	80,235	96,936	91,120
Utility System - 50 YR Life	W	PWW037	EMERGENCY MAIN REPLACEMENT	50	6/30/08	Active	WOPER	1	9,997	9,397	11,353	10,671
Utility System - 50 YR Life	W	PWW038	REVEL PUMP STATION	50	6/30/08	Active	WOPER	1	132,516	124,565	150,493	141,463
Utility System - 50 YR Life	W	PWW040	GENERATORS-GAUNTLETT	50	6/30/08	Active	WOPER	1	205,160	192,850	232,990	219,011
Utility System - 50 YR Life	W	PWW041	GROVE ST WATER MAIN	50	6/30/08	Active	WOPER	1	64,494	60,624	73,243	68,848
Utility System - 50 YR Life	W	PWW044	GAUNTLETT/FITCH TREATMENT	50	6/30/08	Active	WOPER	1	976,572	937,286	1,109,046	1,064,431
Utility System - 50 YR Life	W	PWW082	DRY CREEK SYSTEM - WELLS	50	6/30/08	Active	WOPER	1	7,264	6,828	8,250	7,755
Utility System - 50 YR Life	W	PWW084	PANORAMA RESERVOIR	50	6/30/08	Active	WOPER	1	1,900,545	1,786,512	2,158,358	2,028,857
Utility System - 50 YR Life	W	PWW201	OVERSIZE WATER MAINS-CITY	50	6/30/08	Active	WOPER	1	10,862	10,210	12,335	11,595
Utility System - 50 YR Life	W	PWW223	DOWNTOWN PRV-FITCH/NORTH	50	6/30/08	Active	WOPER	1	5,342	5,022	6,067	5,703
Utility System - 50 YR Life	W	PWW422	VALVE REPLACEMENT	50	6/30/08	Active	WOPER	1	8,400	7,896	9,539	8,967
Utility System - 50 YR Life	W	PWW456	CHLORINATION EQUIP-GAUNTLETT	50	6/30/08	Active	WOPER	1	9,927	9,332	11,274	10,598
Utility System - 50 YR Life	W	PWW472	IRON/MANG RMVL-DRY CRK WELL	50	6/30/08	Active	WOPER	1	12,040	11,317	13,673	12,853
Utility System - 50 YR Life	W	PWW482	WELL EVALUATION	50	6/30/08	Active	WOPER	1	6,034	5,672	6,852	6,441
Utility System - 50 YR Life	W	PWW017	TAYMAN RESERVOIR REPLACEMENT	50	6/30/08	Active	WOPER	1	1,898,197	1,793,859	2,155,692	2,037,199
Total Utility System									**27,436,979**	**20,629,927**	**51,848,872**	**29,909,970**
WATER SYSTEM TOTALS									**29,859,340**	**21,743,577**	**56,837,254**	**31,948,282**

Exhibit B-2

City of Healdsburg

Wastewater System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Buildings - 10 YR Life	S	325	BLDG,CY MAIN 96/97(ID2908	10	1/1/97	Fully deprec	CY	1	6,102	-	9,885	-
Buildings - 20 YR Life	S	321	BLDG,CY MAIN 83/84(ID#279	20	1/1/84	Fully deprec	CY	1	12,382	-	28,184	-
Buildings - 20 YR Life	S	320	BLDG,CY MAIN 84/85(ID#280	20	1/1/85	Fully deprec	CY	1	27,410	-	61,663	-
Buildings - 20 YR Life	S	322	BLDG,CY MAIN 87/88(ID1406	20	1/1/88	Fully deprec	CY	1	6,560	-	13,700	-
Buildings - 20 YR Life	S	323	BLDG,CY MAIN 88/89(ID1553	20	1/1/89	Fully deprec	CY	1	21,449	-	43,860	-
Buildings - 20 YR Life	S	324	BLDG,PAINT SHED 91/92(ID#	20	1/1/92	Active	CYA	1	10,964	(0)	20,756	(0)
Buildings - 20 YR Life	S	327	BLDG,CY AUX W/H 98/99(ID#	20	1/1/99	Active	CYA	1	10,524	3,539	16,392	5,513
Buildings - 30 YR Life	S	326	BLDG,CITY HALL 96/97 (ID#	30	1/1/97	Active	CHGEN	1	110,775	47,639	179,439	77,168
Total Buildings									**206,166**	**51,178**	**373,880**	**82,681**
Land & Improvements - 0 YR	S	328	EASEMENT,STRM DRN 93/94(I	0	1/1/94	Active	SOPER	1	21,000	21,000	36,646	36,646
Land & Improvements - 0 YR	S	329	LAND,BOLLA PROP 94/95(ID#	0	1/1/95	Active	SOPER	1	5,905	5,905	10,186	10,186
Land & Improvements - 0 YR	S	330	DETENT BASIN 94/95(ID#271	0	1/1/95	Active	SOPER	1	12,076	12,076	20,830	20,830
Land & Improvements - 0 YR	S	332	DETEN BASIN 95/96 (ID#274	0	1/1/96	Active	SOPER	1	344,640	344,640	578,730	578,730
Land & Improvements - 0 YR	S	333	LAND,PASALAQUA 96/97(ID#2	0	1/1/97	Active	SOPER	1	205,360	205,360	332,653	332,653
Land & Improvements - 0 YR	S	336	LAND,DTENT BASIN 96/97(ID	0	1/1/97	Active	SOPER	1	93,900	93,900	152,104	152,104
Total Land & Improvements									**682,881**	**682,881**	**1,131,149**	**1,131,149**
Other Equipment - 10 YR Life	S	357	AERATOR 88/89(ID#1555)	10	1/1/89	Active	SOPER	1	5,392	-	11,027	-
Other Equipment - 10 YR Life	S	358	AERATOR 88/89(ID#1555)	10	1/1/89	Active	SOPER	1	5,392	-	11,027	-
Other Equipment - 10 YR Life	S	359	AERATOR 89/90(ID#1803)	10	1/1/90	Active	SOPER	1	10,882	-	21,702	-
Other Equipment - 10 YR Life	S	360	COMMINUTER IMPR 89/90(ID#	10	1/1/90	Active	SOPER	1	12,339	-	24,608	-
Other Equipment - 10 YR Life	S	362	ATV,YAMAHA 94/95(ID#2602)	10	1/1/95	Active	SOPER	1	6,106	-	10,533	-
Other Equipment - 17.5 YR Life	S	361	GENERATOR 94/95(ID#2599)	17.5	1/1/95	Active	VEH	1	32,245	615	55,621	1,061
Other Equipment - 10 YR Life	S	363	ENCLOSURE 95/96(ID#2745)	10	1/1/96	Fully deprec	SOPER	1	7,853	-	13,187	-
Other Equipment - 10 YR Life	S	364	ENCLOSURE 95/96(ID#2746)	10	1/1/96	Fully deprec	SOPER	1	7,853	-	13,187	-
Other Equipment - 10 YR Life	S	370	AUDIO SYST 96/97(ID#2924)	10	1/1/97	Fully deprec	CCHAMB	1	8,909	-	14,431	-
Other Equipment - 10 YR Life	S	365	WORKSTAT SYST 96/97(ID#29	10	1/1/97	Fully deprec	CHGEN	1	6,067	-	9,828	-
Other Equipment - 10 YR Life	S	366	WORKSTAT SYST 96/97(ID#29	10	1/1/97	Fully deprec	CHGEN	1	6,067	-	9,828	-
Other Equipment - 10 YR Life	S	367	WORKSTAT SYST 96/97(ID#29	10	1/1/97	Fully deprec	CHGEN	1	6,067	-	9,828	-
Other Equipment - 10 YR Life	S	368	WORKSTAT SYST 96/97(ID#29	10	1/1/97	Fully deprec	CHGEN	1	6,067	-	9,828	-
Other Equipment - 10 YR Life	S	369	WORKSTAT SYST 96/97(ID#29	10	1/1/97	Fully deprec	CHGEN	1	6,067	-	9,828	-
Other Equipment - 10 YR Life	S	371	SANDBAGGER 97/98(ID#3109)	10	1/1/98	Fully deprec	VEH	1	8,964	-	14,289	-
Other Equipment - 12 YR Life	S	372	PUMP, EMERGENCY 99/00(ID#	12	1/1/00	Active	SOPER	1	23,185	0	35,172	0
Other Equipment - 12 YR Life	S	373	PUMP 99/00(ID#3394)	12	1/1/00	Active	SOPER	1	16,161	(0)	24,516	(0)
Other Equipment - 10 YR Life	S	1371	WATER SAMPLER 00/01 PWS09	10	1/1/01	Active	SOPER	1	6,458	-	9,609	-
Other Equipment - 22 YR Life	S	1362	GENERATOR,STANDBY 00/01(P	22	1/1/01	Active	SOPER	1	35,563	16,973	52,912	25,253
Other Equipment - 22 YR Life	S	1461	GENERATOR,STANDBY EMERG/F	22	1/1/02	Active	SOPER	1	61,865	32,338	89,299	46,679
Other Equipment - 10 YR Life	S	1533	CAMERA SYST(PWS094) 02/03	10	1/1/03	Active	SOPER	1	9,793	490	13,807	690
Other Equipment - 05 YR Life	S	1626	Misc Equip PWS094 clean u	5	1/1/04	Active	SOPER	1	38,131	-	50,576	-

Exhibit B-2

City of Healdsburg

Wastewater System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Other Equipment - 07 YR Life	S	1578	Pump Chopper 04	7	1/1/04	Active	SOPER	1	8,579	-	11,378	-
Other Equipment - 07 YR Life	S	1579	Pump 03/04 Sewer Lift Sta	7	1/1/04	Active	SOPER	1	8,557	-	11,350	-
Other Equipment - 07 YR Life	S	1580	Pump Motors 03/04	7	1/1/04	Active	SOPER	0	10,161	-	13,477	-
Other Equipment - 10 YR Life	S	1576	Channel Sewer Grinder 04	10	1/1/04	Active	SOPER	1	60,619	9,093	80,404	12,061
Other Equipment - 10 YR Life	S	1577	Channel Sewer Grinder 04	10	1/1/04	Active	SOPER	1	59,807	8,971	79,327	11,899
Other Equipment - 05 YR Life	S	1663	Filtration Sys PWS445 05	5	1/1/05	Active	SOPER	1	10,408	-	13,192	-
Other Equipment - 05 YR Life	S	1664	Filtration Sys PWS445 05	5	1/1/05	Active	SOPER	1	45,588	-	57,780	-
Other Equipment - 05 YR Life	S	1665	Refrig Sampler PWS445 05	5	1/1/05	Active	SOPER	1	6,081	-	7,707	-
Other Equipment - 05 YR Life	S	1729	High Pressure Jetting Uni	5	1/1/06	Active	SOPER	1	34,462	(0)	41,960	(0)
Other Equipment - 10 YR Life	S		Sewer Pipeline Camera	10	6/30/10	Active	SOPER	1	10,241	9,216	10,980	9,882
Total Other Equipment									**581,928**	**77,697**	**842,196**	**107,525**
Utility System - 10 YR Life	S	214	U/S 7879(ID#184)	10	12/31/78	Active	SOPER	1	17,295	-	58,796	-
Utility System - 20 YR Life	S	203	UTIL SYST 62/63 (ID#166)	20	12/31/62	Active	SOPER	1	23,387	-	253,107	-
Utility System - 30 YR Life	S	207	UTIL SYST 70/71 (ID#173)	30	12/31/70	Active	SOPER	1	260,613	-	1,780,938	-
Utility System - 30 YR Life	S	208	U/S 71/72(ID#174)SEWER PL	30	12/31/71	Active	SOPER	1	1,164,068	-	6,948,529	-
Utility System - 30 YR Life	S	209	U/S 72/72(ID#1750 SEWER P	30	12/31/72	Fully deprec	SOPER	1	88,343	-	475,594	-
Utility System - 50 YR Life	S	196	UTIL SYST 49/50 (ID#156)	50	12/31/49	Active	SOPER	1	10,770	-	213,080	-
Utility System - 50 YR Life	S	197	UTIL SYST 50/51 (ID157)	50	12/31/50	Active	SOPER	1	8,089	-	149,683	-
Utility System - 50 YR Life	S	198	UTIL SYST 51/52 (ID#158)	50	12/31/51	Active	SOPER	1	14,356	-	249,505	-
Utility System - 50 YR Life	S	199	UTIL SYST 52/53 (ID#159)	50	12/31/52	Fully deprec	SOPER	1	11,397	-	189,027	-
Utility System - 50 YR Life	S	200	UTIL SYST 55/56 (ID#160)	50	12/31/55	Fully deprec	SOPER	1	10,112	-	144,590	-
Utility System - 50 YR Life	S	201	UTIL SYST 56/57 (ID#161)	50	12/31/56	Fully deprec	SOPER	1	13,061	-	178,122	-
Utility System - 50 YR Life	S	202	UTIL SYST 59/60 (ID#163)	50	12/31/59	Active	SOPER	1	7,937	-	93,982	-
Utility System - 50 YR Life	S	204	UTIL SYST 62/63 (ID#167)	50	12/31/62	Active	SOPER	1	20,664	304	223,637	3,290
Utility System - 50 YR Life	S	205	UTIL SYST 66/67 (ID#170)	50	12/31/66	Active	SOPER	1	51,325	4,577	475,336	42,392
Utility System - 50 YR Life	S	206	UTIL SYST 68/69 (ID#172)	50	12/31/68	Active	SOPER	1	53,654	6,942	438,396	56,718
Utility System - 50 YR Life	S	210	U/S 73/74(ID#177)	50	12/31/73	Active	SOPER	1	5,700	1,298	28,387	6,466
Utility System - 50 YR Life	S	211	U/S 74/75(ID#179)	50	12/31/74	Active	SOPER	1	56,375	17,994	263,379	84,067
Utility System - 50 YR Life	S	212	U/S 77/78(ID#181)	50	12/31/77	Active	SOPER	1	89,696	27,501	328,605	100,752
Utility System - 50 YR Life	S	213	U/S 78/79 (ID182)	50	12/31/78	Active	SOPER	1	235,062	75,909	799,115	258,061
Utility System - 50 YR Life	S	215	U/S 79/80(ID#186)HASSETT	50	12/31/79	Active	SOPER	1	99,184	35,177	311,697	110,547
Utility System - 50 YR Life	S	216	U/S 79/80(ID#190)	50	12/31/79	Active	SOPER	1	51,161	17,975	160,779	56,490
Utility System - 50 YR Life	S	217	U/S 80/81(ID#193) EPA SEW	50	12/31/80	Active	SOPER	1	136,528	50,729	398,039	147,897
Utility System - 50 YR Life	S	218	U/S 80/81(ID#194)	50	12/31/80	Active	SOPER	1	70,400	26,152	205,247	76,244
Utility System - 50 YR Life	S	219	U/S 80/81(ID#199) NO.ST.	50	12/31/80	Active	SOPER	1	36,010	13,364	104,985	38,961
Utility System - 50 YR Life	S	220	U/S 81/82(IDE202) PLANT M	50	1/1/82	Active	SOPER	1	14,876	5,838	36,703	14,404
Utility System - 50 YR Life	S	221	U/S 81/82(ID#215) SEWER C	50	1/1/82	Active	SOPER	1	7,011	2,748	17,298	6,780
Utility System - 50 YR Life	S	222	U/S 81/82(ID#216)	50	1/1/82	Active	SOPER	1	202,700	79,591	500,114	196,372
Utility System - 50 YR Life	S	223	U/S 82/83(ID#223)	50	1/1/83	Active	SOPER	1	136,354	56,255	316,480	130,570
Utility System - 50 YR Life	S	224	U/S 83/84(ID#226) EPA PAR	50	1/1/84	Active	SOPER	1	60,776	26,284	138,340	59,828

Exhibit B-2

City of Healdsburg

Wastewater System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Utility System - 50 YR Life	S	225	U/S 83/84(228)PWR LINE/TR	50	1/1/84	Active	SOPER	1	30,877	13,353	70,283	30,394
Utility System - 50 YR Life	S	226	U/S 83/84(ID#229)EPA PHAS	50	1/1/84	Active	SOPER	1	9,125	3,945	20,771	8,980
Utility System - 50 YR Life	S	228	U/S 83/84(ID#236)EPA VINE	50	1/1/84	Active	SOPER	1	103,961	44,962	236,640	102,344
Utility System - 50 YR Life	S	229	U/S 83/84(ID#244)MATHESON	50	1/1/84	Active	SOPER	1	11,421	4,939	25,997	11,242
Utility System - 50 YR Life	S	318	U/S 83/84(ID#1022)DRYCRK	50	1/1/84	Active	SOPER	1	200,991	86,981	457,502	197,990
Utility System - 50 YR Life	S	227	U/S 83/84(ID#230)PLANT MO	50	1/1/84	Active	STP	1	5,873	2,539	13,368	5,779
Utility System - 50 YR Life	S	230	U/S 84/85(ID#247)EPA CHLO	50	1/1/85	Active	SOPER	1	239,872	108,505	539,627	244,098
Utility System - 50 YR Life	S	231	U/S 84/85(ID#248)EPA A-LI	50	1/1/85	Active	SOPER	1	331,215	149,825	745,117	337,053
Utility System - 50 YR Life	S	232	U/S 84/85(ID#249)EPA FORC	50	1/1/85	Active	SOPER	1	149,466	67,610	336,246	152,099
Utility System - 50 YR Life	S	233	U/S 84/85(ID#251)NEW SEW.	50	1/1/85	Active	SOPER	1	13,383	6,053	30,107	13,617
Utility System - 50 YR Life	S	234	U/S 84/85(ID#252)EPA ADM	50	1/1/85	Active	SOPER	1	8,347	3,774	18,778	8,491
Utility System - 50 YR Life	S	235	U/S 84/85(ID#253)EPA EXCH	50	1/1/85	Active	SOPER	1	15,629	7,069	35,160	15,902
Utility System - 50 YR Life	S	236	U/S 84/85(ID#254) EPA PUM	50	1/1/85	Active	SOPER	1	119,805	54,193	269,519	121,914
Utility System - 50 YR Life	S	237	U/S 84/85(ID#256)EPA CONS	50	1/1/85	Active	SOPER	1	26,919	12,175	60,558	27,390
Utility System - 50 YR Life	S	238	U/S 84/85(ID#258)EPA ADMI	50	1/1/85	Active	SOPER	1	10,763	4,868	24,213	10,950
Utility System - 50 YR Life	S	239	U/S 84/85(ID#260)EPA CONS	50	1/1/85	Active	SOPER	1	163,584	73,996	368,006	166,464
Utility System - 50 YR Life	S	240	U/S 84/85(ID#261)EPA INSP	50	1/1/85	Active	SOPER	1	32,213	14,570	72,468	32,777
Utility System - 50 YR Life	S	241	U/S 84/85(ID#262)EPA LAT.	50	1/1/85	Active	SOPER	1	91,895	41,568	206,731	93,514
Utility System - 50 YR Life	S	242	U/S 84/85(ID#263)RUSS RIV	50	1/1/85	Active	SOPER	1	33,396	15,106	75,129	33,983
Utility System - 50 YR Life	S	244	U/S 84/85(ID#265)EPA R-LI	50	1/1/85	Active	SOPER	1	1,157,001	523,368	2,602,844	1,177,393
Utility System - 50 YR Life	S	245	U/S 84/85(ID#266) HASSETT	50	1/1/85	Active	SOPER	1	19,569	8,852	44,023	19,914
Utility System - 50 YR Life	S	243	U/S 85/85(ID#264)EPA OUTF	50	1/1/86	Active	SOPER	1	128,505	58,129	282,360	127,726
Utility System - 50 YR Life	S	246	U/S 85/86(ID#1029)CNST EN	50	1/1/86	Active	SOPER	1	8,552	4,039	18,790	8,875
Utility System - 50 YR Life	S	248	U/S 85/86(ID#1030)EPA CON	50	1/1/86	Active	SOPER	1	39,131	18,484	85,982	40,614
Utility System - 50 YR Life	S	250	U/S 86/87(ID#1220)EPA CNS	50	1/1/87	Active	SOPER	1	7,099	3,494	15,205	7,485
Utility System - 50 YR Life	S	251	U/S 86/87(ID#1263)FCAD/OA	50	1/1/87	Active	SOPER	1	66,520	32,747	142,480	70,141
Utility System - 50 YR Life	S	252	U/S 86/87(ID#1264)PRESID	50	1/1/87	Active	SOPER	1	164,168	80,818	351,634	173,106
Utility System - 50 YR Life	S	253	U/S 86/87(ID#1282)NEW SEW	50	1/1/87	Active	SOPER	1	16,402	8,075	35,132	17,296
Utility System - 50 YR Life	S	254	U/S 86/87(ID#1286)SEWR CA	50	1/1/87	Active	SOPER	1	46,150	22,992	98,850	49,246
Utility System - 50 YR Life	S	255	U/S 86/87(ID#1287)SEWR PU	50	1/1/87	Active	SOPER	1	6,279	3,091	13,449	6,621
Utility System - 50 YR Life	S	1295	U/S 86/87 (ID#1218)	50	1/1/87	Active	SOPER	1	7,600	3,742	16,279	8,014
Utility System - 50 YR Life	S	256	U/S 87/88(ID#1367)DEVELOP	50	1/1/88	Active	SOPER	1	15,501	7,940	32,372	16,581
Utility System - 50 YR Life	S	257	U/S 87/88(ID#1372)RECIRC	50	1/1/88	Active	SOPER	1	34,859	17,856	72,798	37,289
Utility System - 50 YR Life	S	258	U/S 87/88(ID#1373)AERATOR	50	1/1/88	Active	SOPER	1	12,375	6,339	25,843	13,238
Utility System - 50 YR Life	S	259	U/S 87/88(ID#1383)RIO VIS	50	1/1/88	Active	SOPER	1	135,283	69,295	282,518	144,713
Utility System - 50 YR Life	S	260	U/S 88/89(ID#1545)THE GRE	50	1/1/89	Active	SOPER	1	97,866	52,081	200,127	106,502
Utility System - 50 YR Life	S	261	U/S 88/89(ID#1547)AERATOR	50	1/1/89	Active	SOPER	1	24,978	13,292	51,077	27,181
Utility System - 50 YR Life	S	262	U/S 88/89(ID#1549)SEWR DE	50	1/1/89	Active	SOPER	1	17,883	9,517	36,569	19,461
Utility System - 50 YR Life	S	263	U/S 89/90(ID#1765)SEWR DE	50	1/1/90	Active	SOPER	1	18,907	10,438	37,706	20,818
Utility System - 50 YR Life	S	264	U/S 89/90(ID#1952)MATHESO	50	1/1/90	Active	SOPER	1	23,800	13,140	47,465	26,205
Utility System - 50 YR Life	S	265	U/S 89/90(ID#1853)SEWR/SU	50	1/1/90	Active	SOPER	1	24,515	13,535	48,892	26,994
Utility System - 50 YR Life	S	266	U/S 89/90(ID#1854)CENTR/P	50	1/1/90	Active	SOPER	1	50,472	27,867	100,659	55,576

Exhibit B-2

City of Healdsburg

Wastewater System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Utility System - 50 YR Life	S	267	U/S 89/90(ID#1855)PUMP MO	50	1/1/90	Active	SOPER	1	13,116	7,242	26,158	14,442
Utility System - 50 YR Life	S	268	U/S 89/90(ID#1928)BARCELO	50	1/1/90	Active	SOPER	1	15,875	8,765	31,660	17,480
Utility System - 50 YR Life	S	269	U/S 89/90(ID#1931)BAKER S	50	1/1/90	Active	SOPER	1	6,072	3,353	12,110	6,687
Utility System - 50 YR Life	S	270	U/S 90/91(ID#1971)DEVELOP	50	1/1/91	Active	SOPER	1	23,237	13,293	45,356	25,946
Utility System - 50 YR Life	S	271	U/S 90/91(ID#1972)SCADA	50	1/1/91	Active	SOPER	1	61,345	35,093	119,736	68,496
Utility System - 50 YR Life	S	272	U/S 91/92(ID#2105)DEVELOP	50	1/1/92	Active	SOPER	1	23,690	14,024	44,848	26,550
Utility System - 50 YR Life	S	273	U/S 91/92(ID#2106)CPS/R-L	50	1/1/92	Active	SOPER	1	33,612	19,898	63,632	37,670
Utility System - 50 YR Life	S	274	U/S 91/92(ID#2107)AERATOR	50	1/1/92	Active	SOPER	1	27,816	16,468	52,660	31,176
Utility System - 50 YR Life	S	275	U/S 91/92(ID#2108)SEWR/CO	50	1/1/92	Active	SOPER	1	179,301	106,148	339,440	200,952
Utility System - 50 YR Life	S	276	U/S 91/92(ID#2109)HUDSON/	50	1/1/92	Active	SOPER	1	15,501	9,177	29,346	17,373
Utility System - 50 YR Life	S	277	U/S 91/92(ID#2110)TRANSF	50	1/1/92	Active	SOPER	1	82,688	48,948	156,539	92,665
Utility System - 50 YR Life	S	279	U/S 91/92(ID#2112)POND MO	50	1/1/92	Active	SOPER	1	170,356	100,853	322,506	190,928
Utility System - 50 YR Life	S	280	U/S 91/92(ID#2113)SCADA	50	1/1/92	Active	SOPER	1	7,255	4,295	13,735	8,131
Utility System - 50 YR Life	S	278	U/S 91/92(ID#2111)GENERAT	50	1/1/92	Active	STP	1	675,453	399,877	1,278,723	757,020
Utility System - 50 YR Life	S	281	U/S 92/93(ID#2221)SEWR CO	50	1/1/93	Active	SOPER	1	9,115	5,712	16,511	10,347
Utility System - 50 YR Life	S	282	U/S 92/93(ID#2223)GENERAT	50	1/1/93	Active	SOPER	1	9,298	5,690	16,842	10,307
Utility System - 50 YR Life	S	283	U/S 92/93(ID#2224)TEST WE	50	1/1/93	Active	SOPER	1	51,739	33,217	93,719	60,168
Utility System - 50 YR Life	S	284	U/S 92/93(ID#2225)RR AVE/	50	1/1/93	Active	SOPER	1	16,293	9,970	29,512	18,060
Utility System - 50 YR Life	S	286	U/S 92/93(ID#2226)DREW/PU	50	1/1/93	Active	SOPER	1	16,656	10,192	30,170	18,462
Utility System - 50 YR Life	S	287	U/S 93/94(ID#2417)SEWR DE	50	1/1/94	Active	SOPER	1	28,411	17,953	49,579	31,329
Utility System - 50 YR Life	S	288	U/S 93/94(ID#2419)POND MO	50	1/1/94	Active	SOPER	1	64,258	40,606	112,134	70,860
Utility System - 50 YR Life	S	289	U/S 93/94(ID#2420)TEST WE	50	1/1/94	Active	SOPER	1	5,468	3,455	9,542	6,029
Utility System - 50 YR Life	S	290	U/S 93/94(ID#2421)RR AVE/	50	1/1/94	Active	SOPER	1	16,365	10,342	28,558	18,047
Utility System - 50 YR Life	S	291	U/S 93/94(ID#2424)SEWR RE	50	1/1/94	Active	SOPER	1	233,917	147,817	408,199	257,949
Utility System - 50 YR Life	S	292	U/S 94/95(ID#2590)DEVEL.	50	1/1/95	Active	SOPER	1	26,664	17,382	45,994	29,983
Utility System - 50 YR Life	S	294	U/S 94/95(ID#2592)REMOVE	50	1/1/95	Active	SOPER	1	15,457	10,076	26,663	17,381
Utility System - 50 YR Life	S	297	U/S 94/95(ID#2598)SCHOOL	50	1/1/95	Active	SOPER	1	10,950	7,138	18,888	12,313
Utility System - 50 YR Life	S	293	U/S 94/95(ID#2591)CHLOR.H	50	1/1/95	Active	STP	1	16,203	10,562	27,949	18,219
Utility System - 50 YR Life	S	295	U/S 94/95(ID#2593)MOTOR I	50	1/1/95	Active	STP	1	64,562	42,087	111,367	72,598
Utility System - 50 YR Life	S	296	U/S 94/95(ID#2597)PERIM.F	50	1/1/95	Active	STP	1	56,580	36,883	97,598	63,622
Utility System - 50 YR Life	S	298	U/S 95/96(ID#2737)DEVEL.	50	1/1/96	Active	SOPER	1	29,304	19,687	49,208	33,060
Utility System - 50 YR Life	S	299	U/S 96/97(ID#2899)DEVEL.	50	1/1/97	Active	SOPER	1	26,729	18,491	43,298	29,953
Utility System - 50 YR Life	S	300	U/S 96/97(ID#2902)PUMP MO	50	1/1/97	Active	SOPER	1	15,275	10,567	24,743	17,117
Utility System - 50 YR Life	S	301	U/S 96/97(ID#2904)MAGNOL.	50	1/1/97	Active	SOPER	1	37,764	26,125	61,172	42,319
Utility System - 50 YR Life	S	302	U/S 96/97(ID#2905)COLLEGE	50	1/1/97	Active	SOPER	1	24,836	17,182	40,231	27,832
Utility System - 50 YR Life	S	303	U/S 96/97(ID#2906)12"MAIN	50	1/1/97	Active	SOPER	1	8,750	6,054	14,174	9,806
Utility System - 50 YR Life	S	304	U/S 96/97(ID#2907)AREA A	50	1/1/97	Active	SOPER	1	64,297	44,481	104,152	72,052
Utility System - 50 YR Life	S	305	U/S 97/98(ID#3105)MAGNOL	50	1/1/98	Active	SOPER	1	28,896	20,566	46,064	32,786
Utility System - 50 YR Life	S	306	U/S 98/99(ID#3239)HBG EST	50	1/1/99	Active	SOPER	1	106,875	78,203	166,464	121,806
Utility System - 50 YR Life	S	307	U/S 98/99(ID#3240)CONTROL	50	1/1/99	Active	SOPER	1	201,211	147,230	313,398	229,320
Utility System - 50 YR Life	S	309	U/S 98/99(ID#3242)TRUNK L	50	1/1/99	Active	SOPER	1	3,014,517	2,205,879	4,695,297	3,435,794
Utility System - 50 YR Life	S	310	U/S 98/99(ID#3244)DEVEL E	50	1/1/99	Active	SOPER	1	86,502	63,295	134,732	98,586

Exhibit B-2

City of Healdsburg

Wastewater System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Utility System - 50 YR Life	S	308	U/S 98/99(ID#3241)SLIDE G	50	1/1/99	Active	STP	1	20,420	14,941	31,805	23,272
Utility System - 50 YR Life	S	311	U/S 99/00(ID#3381)DEVELP	50	1/1/00	Active	SOPER	1	55,510	41,725	84,208	63,298
Utility System - 50 YR Life	S	313	U/S 99/00(ID#3383)REPL PU	50	1/1/00	Active	SOPER	1	37,770	28,391	57,297	43,069
Utility System - 50 YR Life	S	312	U/S 99/00(ID#3382)SYAR PH	50	1/1/00	Active	STP	1	14,185	10,663	21,519	16,176
Utility System - 50 YR Life	S	1363	U/S 00/01 PKLAND HILLS 1(	50	1/1/01	Active	SOPER	1	54,375	41,869	80,900	62,294
Utility System - 50 YR Life	S	1364	U/S 00/01 PIEDMONT TERR(D	50	1/1/01	Active	SOPER	1	112,758	86,824	167,764	129,178
Utility System - 50 YR Life	S	1365	U/S 00/01 (PWS045) DEV EN	50	1/1/01	Active	SOPER	1	35,599	27,411	52,965	40,783
Utility System - 50 YR Life	S	1366	U/S 00/01 PWS090 33"MAIN	50	1/1/01	Active	SOPER	1	1,703,762	1,311,897	2,534,899	1,951,873
Utility System - 50 YR Life	S	1367	U/S 00/01 PWS169 PUMP#3 M	50	1/1/01	Active	SOPER	1	1,647	1,268	2,450	1,887
Utility System - 50 YR Life	S	1462	U/S PKLAND HILL 4-5 DEV.C	50	1/1/02	Active	SOPER	1	217,128	171,531	313,413	247,596
Utility System - 50 YR Life	S	1463	U/S PKLAND HILL#9 DEV.CON	50	1/1/02	Active	SOPER	1	33,960	26,828	49,020	38,725
Utility System - 50 YR Life	S	1464	U/S PWS015 EMERG SEWER RE	50	1/1/02	Active	SOPER	1	110,199	87,057	159,066	125,662
Utility System - 50 YR Life	S	1465	U/S PWS045 DEVELOP ENGR.	50	1/1/02	Active	SOPER	1	48,654	38,436	70,229	55,481
Utility System - 50 YR Life	S	1529	U/S PKLAND HILLS-10A 02/0	50	1/1/03	Active	SOPER	1	26,100	21,141	36,796	29,805
Utility System - 50 YR Life	S	1530	U/S(PWS-004)REMOV SLUDGE	50	1/1/03	Active	SOPER	1	48,610	39,374	68,531	55,510
Utility System - 50 YR Life	S	1531	U/S(PWS045)DEV.ENGR. 02/0	50	1/1/03	Active	SOPER	1	48,819	39,543	68,825	55,749
Utility System - 50 YR Life	S	1532	U/S(PWS090)RPL 33"TRUNK 0	50	1/1/03	Active	SOPER	1	85,846	69,545	121,027	98,045
Utility System - 50 YR Life	S	1581	US 03/04 PWS015 Sewer Rpr	50	1/1/04	Active	SOPER	1	110,251	91,508	146,236	121,376
Utility System - 50 YR Life	S	1582	US PWS045 Develp Engr 03/	50	1/1/04	Active	SOPER	1	51,255	42,542	67,984	56,427
Utility System - 50 YR Life	S	1583	US 03/04 PWS439	50	1/1/04	Active	SOPER	1	28,450	23,614	37,736	31,321
Utility System - 50 YR Life	S	1619	U/S PWS012 Collection Sys	50	1/1/04	Active	SOPER	1	1,133,320	953,348	1,503,225	1,264,513
Utility System - 50 YR Life	S	1620	U/S PWS014 Outfall reloca	50	1/1/04	Active	SOPER	1	992,245	834,677	1,316,105	1,107,108
Utility System - 50 YR Life	S	1675	US PWS045 Develp Engr 05	50	1/1/05	Active	SOPER	1	71,198	60,518	90,238	76,702
Utility System - 50 YR Life	S	1692	US PWS012 Collect Sys Mai	50	1/1/05	Active	SOPER	1	42,846	36,419	54,304	46,158
Utility System - 50 YR Life	S	1693	US PWS014 Outfall Relocat	50	1/1/05	Active	SOPER	1	227,370	193,265	288,176	244,949
Utility System - 50 YR Life	S	1761	U/S Develop Engin PWS045	50	1/1/06	Active	SOPER	1	150,046	132,160	182,689	160,912
Utility System - 50 YR Life	S	1762	U/S Outfall Reloc PWS014	50	1/1/06	Active	SOPER	1	45,781	40,324	55,741	49,097
Utility System - 50 YR Life	S	1763	U/S Coll Sys Main PWS012	50	1/1/06	Active	SOPER	1	3,600	3,171	4,383	3,860
Utility System - 50 YR Life	S		Waste Water Data Mgmt System	50	6/30/07	Active	SOPER	1	5,630	5,382	6,670	6,377
Utility System - 50 YR Life	S	1839	U/S Develop Engin PWS045	50	6/30/07	Active	SOPER	1	141,520	128,783	167,658	152,568
Utility System - 50 YR Life	S	1840	Sewer Sys Rebuild PWS029	50	6/30/07	Active	SOPER	1	27,168	25,005	32,186	29,623
Utility System - 50 YR Life	S	1841	System Main Repl PWS012 0	50	6/30/07	Active	SOPER	1	184,111	167,541	218,115	198,485
Utility System - 50 YR Life	S	1842	U/S Outfall Reloc PWS014	50	6/30/07	Active	SOPER	1	106,345	96,774	125,987	114,648
Utility System - 50 YR Life	S	1905	U/S WWTP Const. PWS701 07	50	6/30/08	Active	SOPER	1	30,291,824	28,519,475	34,400,977	32,388,205
Utility System - 50 YR Life	S	PWS004	WWTP Sludge Removal	50	6/30/08	Active	SOPER	1	1,055	992	1,198	1,126
Utility System - 50 YR Life	S	PWS077	Treatment Plant Modification	50	6/30/08	Active	SOPER	1	14,185	13,618	16,109	15,465
Utility System - 50 YR Life	S	PWS094	Misc Equip Over $5,000	50	6/30/08	Active	SOPER	1	79,051	75,889	89,775	86,184
Utility System - 50 YR Life	S	PWS095	Corp Yard Improvements	50	6/30/08	Active	SOPER	1	16,000	15,360	18,171	17,444
Utility System - 50 YR Life	S	PWS169	Pump #3 Magnolia	50	6/30/08	Active	SOPER	1	75,291	72,279	85,504	82,084
Utility System - 50 YR Life	S	PWS201	Oversizing Sewer Lines	50	6/30/08	Active	SOPER	1	2,528	2,377	2,871	2,699
Utility System - 50 YR Life	S	PWS575	Parallel Collection sys	50	6/30/08	Active	SOPER	1	516,933	496,256	587,056	563,574
Utility System - 50 YR Life	S	PWS405	U/S Magnolia Stn PWS405 0	50	6/30/08	Active	SOPER	1	461,166	442,720	523,724	502,775

Exhibit B-2

City of Healdsburg

Wastewater System Fixed Assets as of June 30, 2011

Asset Type			Asset Description	Life	Purchase Date		Location		Original Cost	Book Value as of 6/30/2011	Replacement Cost	Replacement Cost Less Depreciation
Utility System - 50 YR Life	S	PWS445	WWTP Modifications	50	6/30/08	Active	SOPER	1	1,240,293	1,190,682	1,408,542	1,352,200
Utility System - 50 YR Life	S	PWS601	WWTP Design & Planning	50	6/30/08	Active	SOPER	1	1,973,585	1,894,642	2,241,306	2,151,654
Utility System - 50 YR Life	S	1917	U/S Outfall Reallocation	50	6/30/08	Active	SOPER	1	82,967	77,989	94,222	88,569
Utility System - 50 YR Life	S	1961	SYS MAIN REPL PWS012 07/0	50	6/30/08	Active	SOPER	1	17,191	16,159	19,523	18,351
Utility System - 50 YR Life	S	1962	LIFT STN SEWER REBUILD PW	50	6/30/08	Active	SOPER	1	14,731	13,847	16,729	15,725
Utility System - 50 YR Life	S	1964	U/S PWS045 07/08	50	6/30/08	Active	SOPER	1	115,712	108,770	131,409	123,524
Utility System - 50 YR Life	S		WWTP Construction	50	6/30/09	Active	SOPER	1	1,155,165	1,108,958	1,272,065	1,221,183
Utility System - 50 YR Life	S	PWS001	Lift Station Alarms-Scada	50	6/30/10	Active	SOPER	1	217,163	212,820	232,836	228,180
Utility System - 50 YR Life	S	PWS405	Magnolia Lift Stat.	50	6/30/10	Active	SOPER	1	859,738	842,543	921,788	903,352
Total Utility Systems									**55,412,317**	**46,026,927**	**83,365,330**	**58,032,251**
CIP	S	PWS801	WW Reclamation Sys Design	0	6/30/09	Active	SOPER	1	434,307	434,307	478,258	478,258
CIP	S	PWS101	Heron Drive Force Main	0	6/30/10	Active	SOPER	1	3,579	3,579	3,837	3,837
CIP	S	PWS101	Heron Drive Force Main	0	6/30/11	Active	SOPER	1	35,859	35,859	37,311	37,311
CIP	S	PWS904	WW Reclamation Sys Design	0	6/30/11	Active	SOPER	1	172,262	172,262	179,240	179,240
Total CIP									**646,006**	**646,006**	**698,647**	**698,647**
									57,529,298	**47,484,688**	**86,411,201**	**60,052,253**