

# Water and Sewer Rate Study

March 28, 2018



**CALAVERAS COUNTY WATER DISTRICT**

**Presented by:**

Jeffrey Meyer

Director of Administrative Services



# Today's Topics

- Review proposed rates for
  - Water
  - Sewer
  - Water shortage
  - Agricultural
- Review Proposition 218 requirements
- Outline public outreach process
- Set public rate hearing – May 23, 2018



# District's Current Water Rates

Bi-Monthly Rates		Rates
<b>Operating Rates</b>		
5/8"		113.56
3/4"		170.34
1"		283.91
1.5"		567.81
2"		908.50
3"		1,817.00
4"		2,839.06
<b>Consumption Rate per 100 cf</b>		
Tier 1	Included in Meter Rate	
Tier 2		1.44
Tier 3		1.80
Tier 4		2.30

Tier Sizing	Tier 1	Tier 2	Tier 3	Tier 4
5/8"	0 - 1,000 cf	1,001 - 6,000 cf	6,001 - 12,000 cf	Over 12,000 cf
3/4"	0 - 1,500 cf	1,501 - 9,000 cf	9,001 - 18,000 cf	Over 18,000 cf
1"	0 - 2,500 cf	2,501 - 15,000 cf	15,001 - 30,000 cf	Over 30,000 cf
1.5"	0 - 5,000 cf	5,001 - 30,000 cf	30,001 - 60,000 cf	Over 60,000 cf
2"	0 - 8,000 cf	8,001 - 48,000 cf	48,001 - 96,000 cf	Over 96,000 cf
3"	0 - 16,000 cf	16,001 - 96,000 cf	96,001 - 192,000 cf	Over 192,000 cf
4"	0 - 25,000 cf	25,001 - 150,000 cf	150,001 - 300,000 cf	Over 300,000 cf

\*100 cf = 748 gallons

# Proposed Water Rates

- Remove "free water" tier for residential rate; single tier for non-residential

Bi-Monthly Rates		Rates
<b>Operating Rates</b>		
5/8"		112.28
<b>Consumption Rate per 100 cubic feet (cf)</b>		
<b>Residential</b>		
Tier 1		1.09
Tier 2		1.14
Tier 3		1.56
Tier 4		1.77
<b>Non-Residential</b>		
All Consumption		1.47
<b>Irrigation/Landscape</b>		
All Consumption		1.78

	Tier 1	Tier 2	Tier 3	Tier 4
Residential	0 - 1,000 cf	1,001 - 6,000 cf	6,001 - 12,000 cf	Over 12,000 cf

(100 cf = 748 gallons)



# Proposed Water Rates

	Current Rates	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Bi-Monthly Base Rates</b>						
5/8"	\$113.56	\$112.28	\$114.23	\$116.22	\$118.26	\$120.35
3/4"	170.34	168.43	171.34	174.33	177.39	180.53
1"	283.91	280.71	285.57	290.55	295.65	300.89
1.5"	567.81	561.43	571.14	581.10	591.31	601.77
2"	908.50	898.28	913.83	929.76	946.09	962.83
3"	1,817.00	1,796.57	1,827.66	1,859.52	1,892.19	1,925.66
4"	2,839.06	2,807.14	2,855.71	2,905.50	2,956.54	3,008.85

## Residential Consumption Charges (\$/100 cf)

Tier 1, (0 – 1,000 cf)	\$0.00	\$1.09	\$1.11	\$1.13	\$1.15	\$1.17
Tier 2, (1,001 – 6,000 cf)	1.44	1.14	1.16	1.18	1.20	1.22
Tier 3, (6,001 – 12,000 cf)	1.80	1.56	1.59	1.62	1.65	1.68
Tier 4, (12,001 cf and Over)	2.30	1.77	1.80	1.83	1.86	1.90

<b>Non-Residential</b>	NA*	\$1.47	\$1.49	\$1.52	\$1.55	\$1.57
<b>Irrigation/Landscape</b>	NA*	\$1.78	\$1.81	\$1.84	\$1.87	\$1.91

\* Currently Non-Residential and Irrigation/Landscape customers pay the same tiered consumption charges as Residential customers

# Proposed Water Shortage Rates

- Board must approve surcharges prior to implementation

Proposed Water Shortage Rates		
Stage	% Target Reduction	Surcharge * \$/100 cf
Advisory Stage 1	<10%	\$ 0.15
Alert Stage 2	11% - 15%	0.20
Moderate Stage 3	16% - 25%	0.35
Critical Stage 4	26% - 49%	0.80
Emergency Stage 5	>50%	1.29

\* Surcharge is charged for all consumption regardless of tier.



# Proposed Agricultural Rates

- Current rate
  - \$9.70 per acre foot
- Proposed rate
  - January 1, 2019: \$12.00 per acre foot
  - January 1, 2020: \$15.00 per acre foot
  - January 1, 2021: \$18.00 per acre foot
  - January 1, 2022: \$18.00 per acre foot
  - January 1, 2023: \$18.00 per acre foot

# Proposed Sewer Rates

	Current Rates					
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	
<b>Residential Bi-Monthly</b>	\$172.32	\$179.91	\$187.23	\$194.78	\$202.58	\$210.63
Bi-Monthly Bill \$ Change	7.59	7.32	7.56	7.79	8.05	
Bi-Monthly Bill % Change	4.4%	4.1%	4.1%	4.0%	4.0%	
<b>Non-Residential B-Monthly</b>	\$172.32	\$176.25	\$183.38	\$190.74	\$198.33	\$206.18
Bi-Monthly Bill \$ Change	3.93	7.13	7.36	7.59	7.84	
Bi-Monthly Bill % Change	2.3%	4.0%	4.0%	4.0%	4.0%	

\* Non-Residential Rates are Per Equivalent Residential Unit



## Schedule

- March 28 – Board recommends proposed rates and initiates Prop 218 process
- April / May – public outreach
- May 23 – public hearing / adoption of new rates if no majority protest and Board adoption
- July 15, 2018 – new water, sewer, water shortage rates take effect
- January 1, 2019 – new agricultural rates take effect

## Proposition 218

- All impacted property owners receive written notice of proposed rate changes a minimum of 45 days prior to a Public Hearing.
- Prop 218 does not provide a process to vote for or against rate increases, it provides a “protest” process
- Protests must be submitted in writing, even if property owners plan to attend the Public Hearing
- If a majority (50% +1) of affected property owners file protests, proposed rate changes will not be imposed
- District verifies and counts all protests
- Rate Hearing must be publicly noticed



## Proposition 218 notice outline

- Why rate adjustments are necessary
- Description of proposed rate adjustment
- Basis of the proposed rates
  - Water (residential/non-residential/irrigation)
    - Base
    - Consumptive
  - Sewer (residential/non-residential)
  - Water shortage
  - Agricultural

## Proposition 218 notice outline

- What steps did CCWD take to reduce costs before considering increasing customer rates
- Compliance with Proposition 218
- How do I protest the proposed rate changes
- When will the rate changes take place
- Where do I find information about the rate changes



## Proposition 218 protest letter

- Protests must be submitted in writing, even if attending the Public Hearing, and include:
  - Description of property (APN or street address)
  - A statement that the letter constitutes a protest to the proposed rate changes, and indicate which proposed rate change is being protested (water and/or sewer).
  - The protest must be signed and dated by the property owner on record
  - Only one protest for each property will be counted.
  - Must be received, not postmarked, by the close of the Public Hearing on May 23, 2018.

# Public Outreach

- Town hall meetings
  - Copper Cove – April 5<sup>th</sup>
  - Sheep Ranch – April 13<sup>th</sup>
  - West Point / Wilseyville – April 16<sup>th</sup>
  - Ebbetts Pass / Arnold – April 24<sup>th</sup>
  - Jenny Lind / Rancho Calaveras – April 26<sup>th</sup>
- Continue to meet with local groups and organizations
- Newspapers and other media
- Website and other social media options



# Next Steps

- Today
  - Board recommends proposed rates:
    - Water
    - Sewer
    - Water shortage
    - Agricultural
  - Board initiates Proposition 218 process
    - Set public hearing (Wednesday, May 23<sup>rd</sup>, 1:00 p.m.)
    - Notify customers (mail Prop 218 notices)
    - Public outreach and town hall meetings

