



# CUSTOMER PROPOSITION 218 NOTICE ABOUT PROPOSED WATER RATES AND PUBLIC HEARING JUNE 16, 2021 AT 6 P.M.

## About the Proposed Rate Change

In 2021, Sierraville Public Utility District (SPUD/District) conducted a comprehensive water rate study, which provided a thorough review of the District's cost to provide utility services and the revenue needed to guarantee the District's financial stability to maintain a compliant system.

The District's primary income source is from monthly water fees collected from its 109 residential and commercial customers, which are used to fund the overall operations and maintenance of the water system and the District's water infrastructure rehabilitation and improvements.

The proposed new rate structure, if adopted, will be implemented in September 2021 and will set rates with annual increases through fiscal year ending 2026. The proposed water rate structure is designed to ensure several factors needed to maintain a safe, reliable and compliant water system are met:

- Provide sufficient revenue to operate the system safely as mandated by Federal and State regulations
- Ability to pay for planned capital improvements
- Ability to repay debt (loans) to the United States Department of Agriculture (USDA)
- Maintain adequate reserves per policy adopted by the the Board of Directors on January 20, 2021.

## Why a Change in Rates?

SPUD has not increased water rates since 2007 and while the District has managed to remain solvent over recent years, increases in operations and maintenance costs, the new water tank cost, and the need for additional system-wide capital improvements, is impacting District reserves. The District needs to increase revenues to match projected expenses over the next five years. Customers would see a significant increase in the next three-to-five years should a more gradual rate increase not be considered now.

SPUD anticipates maintenance costs for its older water tank, major upgrades and improvements to its distribution pipeline and pump station, and implementing a meter replacement program over the next five years.

Similar to the USDA secured loans to fund Tank #1 in 1998 and Tank #2 in 2019, SPUD anticipates securing a mix of loans and grants to help pay for the upcoming necessary capital improvement projects (CIPs). One factor considered when applying for state and federal funds is demonstrating the ability to pay back the debt service. Reliable income to support debt service is a requirement to secure outside funding.

The proposed new rate structure and five-year schedule of rates is designed to provide the District with sufficient revenue to complete its planned CIPs, meet all expense obligations, and maintain prudent reserves.

## Significant Water Rate Changes

Topic	Current	Proposed
<b>Standby Customers</b>	Any customer that has their water service turned off either permanently or during winter months.	Redefines standby customers as possessing Equivalent Dwelling Units (EDUs) with a will-serve for a lot without a building or a lot with a building that has not yet connected to the District's facilities.
<b>Base Monthly Fee</b>	The base monthly fee per Equivalent Dwelling Unit (EDU) is multiplied by the customer's number of EDUs.	The base monthly fee is separated into two components: a <i>customer charge</i> and a <i>capacity charge</i> .  All customers pay the monthly customer charge (including stand-by customers) each month.  All full-service EDU customers (excluding standby EDUs) pay every month based on their number of EDUs.
<b>Base Monthly Allowance</b> <i>(included with base monthly fee)</i>	40,000 gallons per month per EDU.	30,000 gallons per month per EDU.
<b>Use Fee</b>	Overage charges applied when water use exceeds base allowance of 40,000 gallons per month per EDU.	Overage charges applied when water use exceeds base allowance of 30,000 gallons per month per EDU.
<b>Church of Latter-Day Saints (LDS)</b>	Undefined Customer (not charged monthly fees).	Wholesale Customer – customer charge every month plus fee per 1,000 gallons used (in September 2021 \$1.39 per 1,000 gallons).

## Summary of Proposed Water Rates

Fee Category	Current	9/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025
<b>Base Monthly Fees</b>		<b>flat fee per month includes customer + EDU charge</b>				
Customer Charge per Customer	\$0.00	\$21.16	\$24.83	\$28.49	\$32.15	\$35.82
Capacity Charge per Full-Service EDU [1]	\$41.00	\$28.17	\$33.00	\$37.83	\$42.66	\$47.49
<b>Total Base Monthly Fees for 1 EDU [2]</b>	<b>\$41.00</b>	<b>\$49.34</b>	<b>\$57.83</b>	<b>\$66.32</b>	<b>\$74.81</b>	<b>\$83.31</b>
<b>Use Fees per 1,000 Gallons</b>	<b>[3]</b>	<b>Per EDU Allowance @ 30,000 galls</b>				
Base Monthly Allowance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Overage Charge [3]	\$3.50	\$3.68	\$4.32	\$4.96	\$5.60	\$6.23
<b>Wholesale Customers (LDS Camp)</b>						
Monthly Customer Charge	\$0.00	\$21.16	\$24.83	\$28.49	\$32.15	\$35.82
Charge per 1,000 Gallons (all water)	\$0.00	\$1.39	\$1.78	\$2.18	\$2.57	\$2.96

[1] Standby (lot) customers do not pay an EDU charge. Customers with a full-time EDU and a lot pay one customer charge and one full-service EDU charge per month.

[2] Customers that are connected and receiving service with one EDU. Greater base monthly fees will be due for customers with more than one EDU.

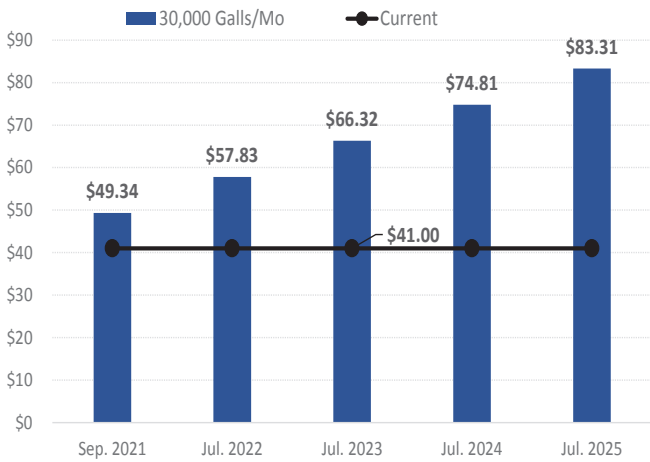
[3] The overage charge is currently for use exceeding 40,000 gallons per EDU per month.

The following figures show impacts of the proposed rates on residential customers at different water consumption levels during summer months. Most homes will not exceed the base monthly water allowance of 30,000 gallons. About one-third of homes may exceed the base amount during peak, hot summer months.

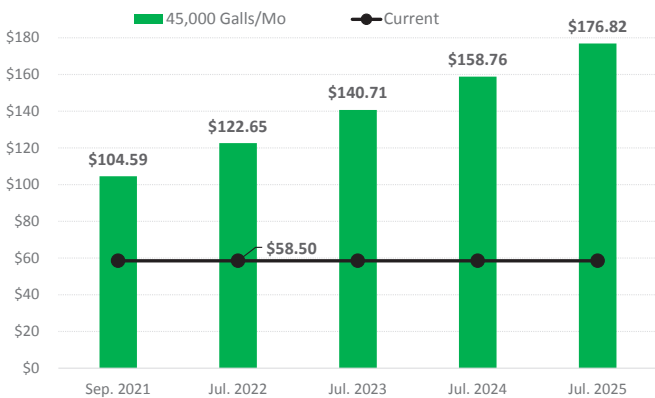
### Monthly Bill Change for One EDU in Year 1 (most homes have 1 EDU)

Water Use	Current			1-Sep-21		
	Base	Use	Total	Base	Use	Total
	<i>base allowance 40,000 galls/EDU/mo</i>			<i>base allowance 30,000 galls/EDU/mo</i>		
20,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$0.00	<b>\$49.34</b>
22,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$0.00	<b>\$49.34</b>
24,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$0.00	<b>\$49.34</b>
26,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$0.00	<b>\$49.34</b>
28,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$0.00	<b>\$49.34</b>
30,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$0.00	<b>\$49.34</b>
32,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$7.37	<b>\$56.70</b>
34,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$14.73	<b>\$64.07</b>
36,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$22.10	<b>\$71.44</b>
38,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$29.47	<b>\$78.81</b>
40,000	\$41.00	\$0.00	<b>\$41.00</b>	\$49.34	\$36.84	<b>\$86.17</b>
42,000	\$41.00	\$7.00	<b>\$48.00</b>	\$49.34	\$44.20	<b>\$93.54</b>
44,000	\$41.00	\$14.00	<b>\$55.00</b>	\$49.34	\$51.57	<b>\$100.91</b>
46,000	\$41.00	\$21.00	<b>\$62.00</b>	\$49.34	\$58.94	<b>\$108.27</b>
48,000	\$41.00	\$28.00	<b>\$69.00</b>	\$49.34	\$66.30	<b>\$115.64</b>
50,000	\$41.00	\$35.00	<b>\$76.00</b>	\$49.34	\$73.67	<b>\$123.01</b>
52,000	\$41.00	\$42.00	<b>\$83.00</b>	\$49.34	\$81.04	<b>\$130.38</b>
54,000	\$41.00	\$49.00	<b>\$90.00</b>	\$49.34	\$88.40	<b>\$137.74</b>
56,000	\$41.00	\$56.00	<b>\$97.00</b>	\$49.34	\$95.77	<b>\$145.11</b>
58,000	\$41.00	\$63.00	<b>\$104.00</b>	\$49.34	\$103.14	<b>\$152.48</b>
60,000	\$41.00	\$70.00	<b>\$111.00</b>	\$49.34	\$110.51	<b>\$159.84</b>
65,000	\$41.00	\$87.50	<b>\$128.50</b>	\$49.34	\$128.92	<b>\$178.26</b>

### Residential Summer Month Use up to 30,000 Gallons



### Residential Summer Month Use of 45,000 Gallons



### Customer Rights – Submit a Written Comment

Under Proposition 218, ratepayers and property owners have the right to oppose the proposed rate changes. If you oppose the water rate adjustment, your protest must be submitted in writing to be valid, even if you attend the public hearing. If written protests are submitted by a majority of affected parcel owners, the proposed rate changes cannot be imposed. **Your written protest may be submitted to Sierraville Public Utility District any time via mail or in person prior to close of the public hearing on Wednesday, June 16, 2021.**

All protests must contain:

- Statement that the proposed rate increase is being protested
- Name of the property owner OR customer of record who is submitting the protest
- Parcel number OR street address
- Original signature and legibly printed name of the property owner of record or tenant
- Indicate if signature is of property owner or tenant
- Date of signature

At the conclusion of the public hearing, the Sierraville Public Utility District Board of Directors will consider adopting the proposed water rate increases. If, at the close of the public hearing, complete written protests are submitted by the record owners for the majority of the parcels served by the District’s water service (50% plus one, a “majority protest”), the Board of Directors cannot approve the proposed rate changes. If, at the close of the public hearing a majority protest does not exist, the Board of Directors may impose rate adjustments up to the maximum amounts proposed.

Only one written protest per parcel will be counted (either owner or tenant, not both). Written protests received after the close of the public hearing will not be counted. Protests emailed or submitted by any electronic means **will not** be accepted.

**Mail protests to:**  
**Sierraville Public Utility District**  
**P.O. Box 325**  
**Sierraville, CA 96126**

### Public Hearing June 16, 2021

A Public Hearing to adopt the proposed water rates is scheduled for Wednesday, June 16, 2021 at 6 p.m. at the Sierraville School Community Center located at 305 South Lincoln Street (Highway 89) across from the Post Office in Sierraville. Customers are encouraged to attend.

### Attend a Workshop! April 26, 2021

SPUD invites its customers to attend a workshop on Monday, April 26, 2021 at 6 p.m. to learn details about the proposed rate changes. Staff will be on hand to discuss questions and concerns, and share information about upcoming District projects. The meeting will be held at the Sierraville School Community Center located at 305 South Lincoln Street. (Highway 89) across from the Post Office. More information about the workshop and rates may be found at [spud.specialdistrict.org](http://spud.specialdistrict.org).

