



Address

Notice of Public Hearing on Proposed Water and Wastewater Rate Increases



Date: January 17, 2024

Time: 6:30 pm



JOIN US IN PERSON

22099 River View Drive
Cottonwood, CA 96022

Dear Property Owner or Customer of Record,

The Rio Alto Water District (the District) is proposing to gradually phase in water and wastewater rate increases over the next five years to support operating and maintenance needs and provide adequate funding for capital improvements that will support safe and reliable service. The rates shown in this notice are the proposed maximum rates to be authorized. The District will periodically review its financial position to determine the necessary rate increases. The District's utilities are self-supporting and rely on service charge revenues to meet annual funding needs. As such, water and wastewater rates need to be set at levels adequate to fund the costs of providing service.

The proposed rate increases are phased in over the next five years, with the first rate increases scheduled to become effective for service provided on and after March 1, 2024. The proposed rates are based on a recently updated Water Rate Study, developed by an independent rate consultant, and reflects substantial input from District staff.

Proactively Replacing Aging Pipelines to Prevent Breaks and Reduce Costly Emergency Repairs

A large portion of the District's infrastructure remains from when it was originally installed. When the pipes become weak, damaged or are simply old, they are in danger of breaking and resulting in water leaks that can cause property damage and are expensive to fix. Our staff is strategically identifying pipelines most in need of repair or replacement and performing scheduled shutdowns on the pipes that need it most. The District is pursuing grants to offset some of the costs of upcoming projects.

Community Input & Written Protest Procedures

Customers, property owners, and community members are invited to attend the Public Hearing to provide input. Customers and property owners may also submit written protests against the proposed rate increases. Pursuant to California law, protests must be submitted in writing and must a) identify the affected property or properties, such as by service address or Assessor's Parcel Number, b) include the name and original signature of the customer or property owner submitting the protest, and c) indicate opposition to the proposed water rate increases. Protests or comments submitted by e-mail, fax or other electronic means are not counted as written protests. The proposed rates cannot be adopted if written protests are received from a majority (more than 50%) of affected parcels with one protest counted per parcel. Written protests can be mailed or hand delivered to the District's office at 22099 River View Drive, Cottonwood, CA 96022, or may be hand-delivered to the Board Clerk at the Public Hearing on January 17, 2024 at the District's office. Written protests must be received by the Board Clerk before the close of the Public Hearing on January 17, 2024.

Pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fees. This statute of limitations applies to the water and wastewater service charges proposed in the notice and future changes to water and wastewater rates and charges.

As a public utility, the District does not profit from charges for services. Pursuant to California law, all funds collected are used to pay for the costs of operating, maintaining our utilities, and investing in our infrastructure. We understand that rate increases place additional burden on our customers, particularly people on fixed incomes, and we plan to evaluate our finances and rates in an on-going manner to ensure rates continue to recover the costs of providing service without unnecessary increase.

Informational Meeting

The District plans to hold an informational meeting at the Lake Club at 22431 Rio Alto Drive, Cottonwood, CA 96022 on January 10, 2024, at 6:30 P.M.

Proposed Maximum Water Rates

The District is proposing to phase in a series of annual water rate increases over the next five years with the maximum allowable rates being those shown in the table below. Water rate increases are needed to support water system operating expenses, provide adequate funding for maintenance of facilities and equipment, meet annual debt service funding requirements, keep up with cost inflation, and help ensure continued compliance with regulatory requirements. The proposed water rates also help support high-priority capital improvements to the District's aging water system infrastructure to support safe and reliable service.

Water Capital Projects	Projected 10-Year Cost
Repair Storage Tanks (1A, 1B, 2A, & 2B)	\$1,927,000
Wells 5&6 Replace Pumps, Motors & Controls	\$494,000
Water Line Repair & Replacement	\$1,169,000
Hydrant Replacement	\$270,000
Vehicle Replacement	\$226,000

In order to better align rates with the cost of service, the District is proposing to transition to a uniform rate structure where customers pay for each unit of water consumed. The component of the proposed water rates are as follows:

- **Fixed Bi-Monthly Service Charges:** These charges are levied independently of water use and are based on the size of each customer's water meter. The proposed charges do not include water use.
- **Volumetric Charges:** As proposed, all customers will be billed a uniform rate for all water use. Water volumetric charges are billed in units of 100 cubic feet.

Current and Proposed Water Rates	Existing FY 22-23	Proposed Mar 1, 2024	Proposed Jul 1, 2024	Proposed Jul 1, 2025	Proposed Jul 1, 2026	Proposed Jul 1, 2027
Volumetric Rates (\$/CCF)						
Base Use (0-15 CCF)	\$0.00					
Volumetric (>15 CCF)	\$1.30					
Uniform Rate (All CCF)		\$1.21	\$1.35	\$1.50	\$1.65	\$1.82
Bi-Monthly Fixed Charge						
<i>Meter Size</i>						
3/4"	\$42.87	\$37.03	\$41.10	\$45.62	\$50.18	\$55.20
1"	\$58.45	\$50.46	\$56.01	\$62.17	\$68.39	\$75.23
2"	\$144.15	\$123.81	\$137.43	\$152.55	\$167.81	\$184.59

Proposed Maximum Wastewater Rates

The District is proposing to phase in a series of annual wastewater rate increases over the next five years with the maximum allowable rates as shown on the table below. Wastewater rate increases are needed to support wastewater system operating expenses, provide adequate funding for maintenance of facilities and equipment, meet annual debt service funding requirements, and help ensure continued compliance with regulatory requirements. The proposed wastewater rates also help support high-priority capital improvements to the District's aging sewer collection system pipelines, sewer lift stations, and treatment plant to support safe and reliable service.

Wastewater Capital Projects	Projected 10-Year Cost
Onsite Hypo Generation at WWTP	\$273,000
Replace Oxidation Ditch Aeration System	\$693,000
Replace Muffin Monster w/ Multi-rake Bar Screen	\$431,000
Repairs Lift Stations 1, 2, 3, 4, 5, 6, & 7	\$568,000
Pipe Replacement	\$593,000
Wastewater Treatment Repair & Replacement	\$341,000
Vehicle Replacement	\$169,000

Existing and Proposed Wastewater Rates	Existing FY 22-23	Proposed Mar 1, 2024	Proposed Jul 1, 2024	Proposed Jul 1, 2025	Proposed Jul 1, 2026	Proposed Jul 1, 2027
Bi-Monthly Fixed Charges						
Single Family Resid.	\$89.18	\$102.68	\$115.52	\$127.07	\$139.78	\$153.76
1/2 single Fam Resid.	\$44.59	\$51.34	\$57.76	\$63.54	\$69.89	\$76.88
TriPlex Sewer	\$267.56	\$308.08	\$346.59	\$381.25	\$419.38	\$461.32
Duplex Sewer	\$178.37	\$205.38	\$231.05	\$254.16	\$279.58	\$307.54
Sewer Extention	\$105.26	\$102.68	\$115.52	\$127.07	\$139.78	\$153.76
Low Pressure	\$105.26	\$130.14	\$146.41	\$161.05	\$177.16	\$194.88
Low Pressure Duplex	\$210.52	\$260.28	\$292.82	\$322.10	\$354.31	\$389.74
Commercial	\$202.46	\$233.06	\$262.19	\$288.41	\$317.25	\$348.98
Volumetric Charges						
Commercial	\$0.55	\$0.65	\$0.73	\$0.80	\$0.88	\$0.97

The District is committed to operating as cost-effectively as possible while providing safe and reliable service. For questions or more information about the District or the proposed rates, please contact us at (530) 347-3835 or mslack@rawd.org or visit our website at www.rawd.org.