Fiscal Year 2027 Proposed Non-Proposition 218 Rates and Charges

Board of Directors

May 12, 2026

Phoebe Grow, Principal Management Analyst

Proposed Fiscal Year 2027 Non-Prop 218 Fees and Charges

- The Report and Recommendation of the General Manager (GM Rate Report) proposes revisions to the Schedules of Rates and Charges, Capacity Charges, and Other Fees Not Subject to Proposition 218 for Fiscal Year 2027 (Schedules)
- The proposed System Capacity Charge (SCC) and Wastewater Capacity Charge (WCC) reflect the new SCC and WCC studies
  - Note name change: Wastewater Capacity *Fee* -> Wastewater Capacity *Charge*
  - SCC and WCC studies were prepared by independent consultant and are appended to the GM Rate Report

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Non-Proposition 218 Rates & Charges Updated to Reflect District Costs

- **Water System Rate Schedules**
  - Account Establishment Charge (Schedule B)
  - Charges for Special Services (Schedule C)
  - Water Service Installation Charges (Schedule D)
  - Private Fire Service Installation Charges (Schedule E)
  - Public Fire Service Installation Charges (Schedule F)
  - Water Main Extension Charges (Schedule G)
  - ~~Standard Participation Charge (SPC) (Schedule H)~~
  - **System Capacity Charges (SCC) (Schedule J)**

Proposed for recission

- **Wastewater System Schedules**
  - Wastewater Industrial Permit Fees (Schedule C)
  - Wastewater Department Other Fees (Schedule D)
  - Wastewater Department Testing Fees (Schedule E)
  - Resource Recovery Fees and Prices (Schedule F)
  - **Wastewater Capacity Charges (WCC) (Schedule G)**
  - Wastewater Interceptor Connection Review, Coordination, and Inspection Fee (Schedule H)

Updated based on SCC and WCC studies (appended to GM Rate Report)

- **Additional Schedules**
  - Public Records Act Fee Schedule
  - Real Property Use Application Fees
  - Recreation Use Fees

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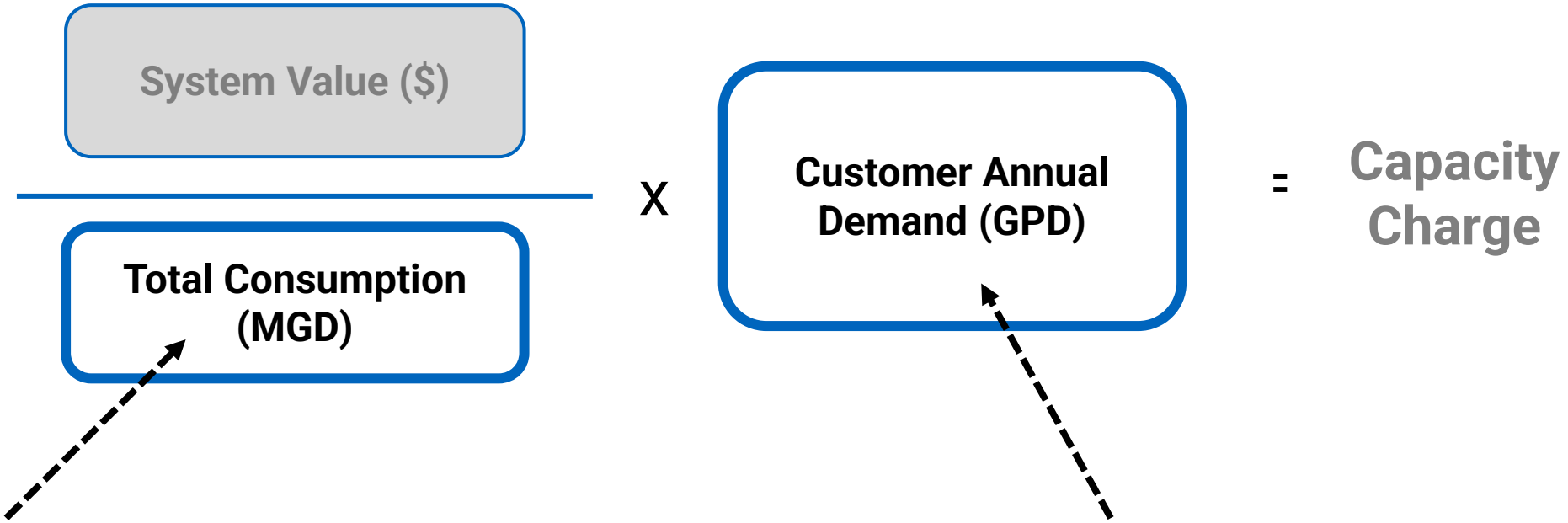
Fundamental Concept of Capacity Charges

$$\frac{\text{System Value (\$) (cost of “pie”)}}{\text{System Capacity (total “slices”)}} \times \text{New Customer Capacity (“slices” per account)} = \text{Capacity Charge}$$

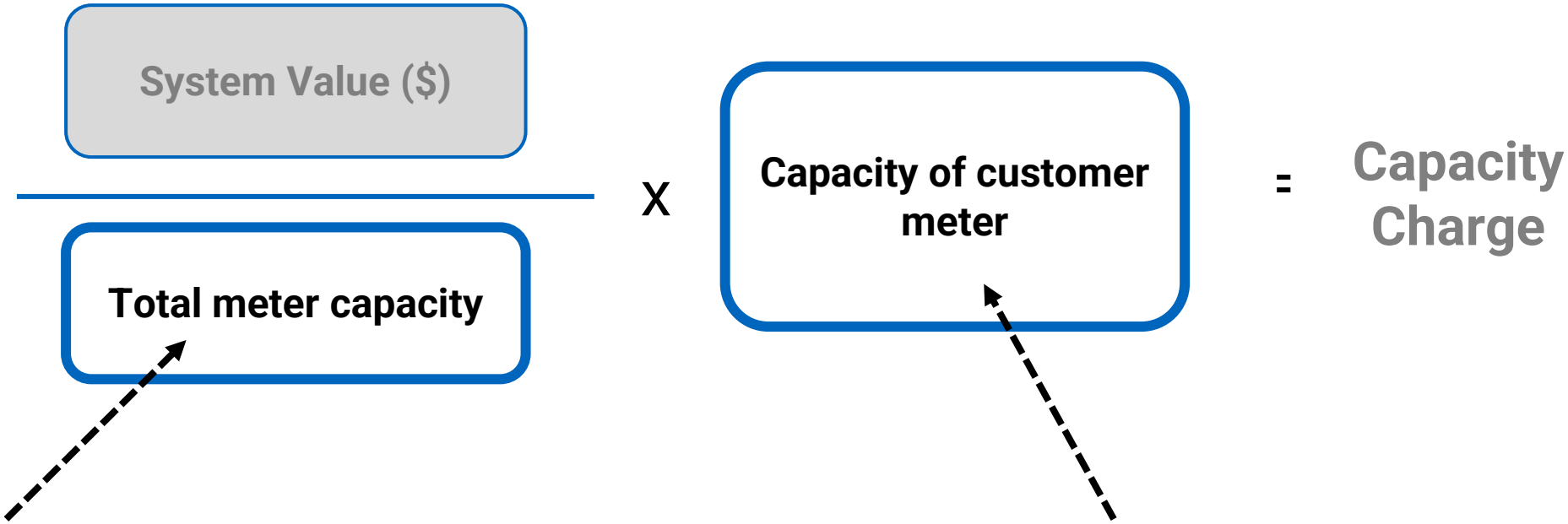
Capacity Under Current Methodology



- System capacity is based on system-wide water use (as projected for 2050)

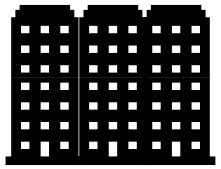
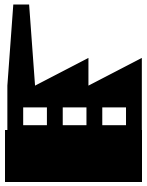
- New customer capacity based on complex schedule for meters up to 1½”
- Custom calculation conducted for meters >1½”

Proposed Approach



- System capacity is represented as the total projected capacity of all meters (as projected for 2050)
- Meter size represents each customer's capacity

Comparison of Current and Proposed SCCs

	Applicant	FY 2026 SCC (Region 1)	FY 2026 SCC (Region 2)	FY 2026 SCC (Region 3)	Proposed FY 2027 SCC
	Single-Family (1” meter)	**$13,881**	**$21,494**	**$40,614**	**$19,527**
	Apartment building (100 dwellings, each >500 sq ft, 4” meter)	$8,767 X 100 **=$876,700**	$12,282 X 100 **=$1,228,200**	$9,946 X 100 **=$994,600**	**$585,818**
	Commercial/industrial (25,000 gpd, 4” meter)	$7,305 X 250 **=$1,826,250**	$10,235 X 250 **=$2,558,750**	$8,288 X 250 **=$2,072,000**	**$585,818**

*12,200 units/year = 25,000 gallons per day (gpd)

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Proposed FY 2027 SCCs

Meter Size	Proposed FY 2027 SCCs
Residential Meters ≤1”	
≤1”	$19,527
Non-Residential Meters 5/8” to 1”	
5/8”	$19,527
3/4”	$29,291
1”	$48,818
All Meters >1”	
1½”	$97,527
2”	$156,218
3”	$341,727
4”	$585,818
6”	$1,318,091
8”	$1,562,182

- All residential meters ≤1” charged at 5/8” rate
  - Nearly all new-build homes have 1” meters (“dual-service”)
  - Residential domestic (non-fire) demands can generally be served by 5/8” meter

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Region 1 – FY2023-FY2025 Single-Family SCCs

Pinole: 2

El Sobrante: 1

San Pablo: 23
Includes a 20-home development

Richmond: 102
Includes a 95-home development

Albany: 1

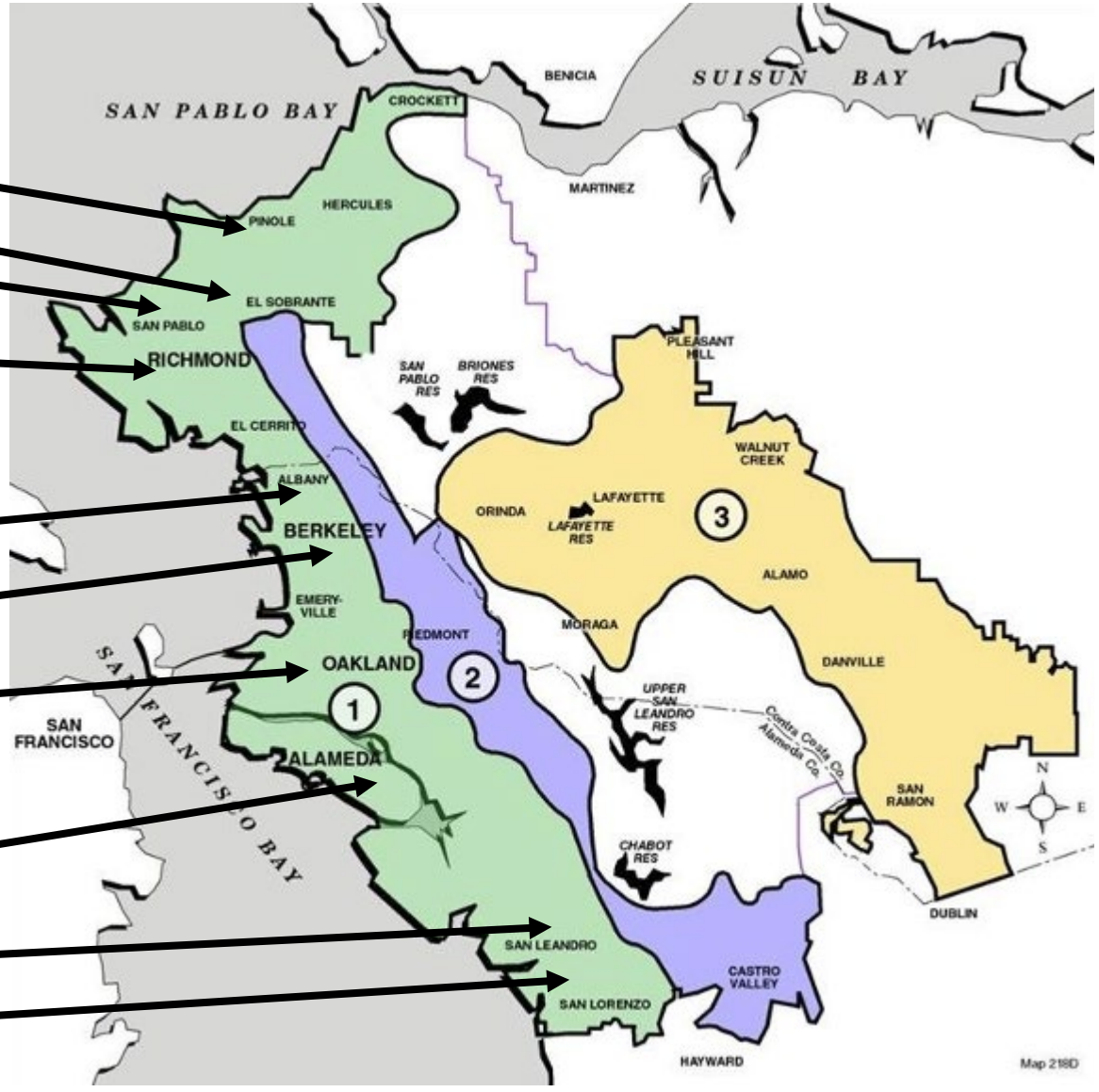
Berkeley: 2

Oakland: 23
Infill (one home) plus a 4-home development

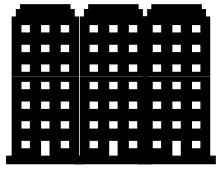
Alameda: 2

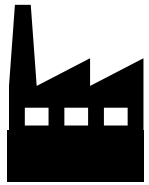
San Leandro: 2

Hayward: 8



Comparison of Current and Proposed WCCs





Applicant	Current WCF	Proposed WCC
Single-Family (1” dual-service meter)	**$3,125**	**$3,768**
Apartment building (100 dwellings, each >500 sq ft, 4” meter)	$2,192 X 100 **=$219,200**	**$113,039**
Commercial/industrial (25,000 gpd, 4” meter)	Low strength: $35.20/unit/year x 12,200 units/year = **$429,412** High strength: $139.49/unit/year x 12,200 units/year = **$1,701,666**	**$113,039**

*12,200 units/year = 25,000 gallons per day (gpd)

Comparison of Current and Proposed WCCs

Meter Size	Proposed FY 2027 WCCs
Residential meters ≤1”	
≤1”	$3,768
Non-Residential Meters 5/8” to 1”	
5/8”	$3,768
3/4"	$5,652
1”	$9,420
All Meters >1”	
1½”	$18,840
2”	$30,144
3”	$65,939
4”	$113,039
6”	$254,338
8”	$301,438

- All residential meters ≤1” charged at 5/8” rate.

Benefits of New Capacity Charge Methodology

- Straightforward rate schedule, including for Accessory Dwelling Units (ADUs)
  - Easier for applicants to understand
  - Efficient for staff to implement
- Well-suited to mature Water and Wastewater systems with gradual growth
- Revenue impacts manageable in Long-Range Financial Plan

Proposed Recission of Schedule H

- Schedule H – Standard Participation Charge (SPC) proposed for recission
  - SPC first established in 1978
  - Replaced by the SCC in 1983
  - Staff are not aware of any remaining circumstances where SPC could apply

New Charges Added to Schedules

- Water Schedule C – Charges for Special Services
  - New tree trimming/removal charge proposed
- Water Schedule G – Water Main Extension Charges
  - Proposed revisions reflect District costs and currently used pipe materials
- WW Schedule C – Wastewater Department Industrial Permit Fees
  - New General Wastewater Discharge Permit fee proposed
- WW Schedule E – Wastewater Department Testing Fees
  - Added fee for Biochemical Oxygen Demand laboratory test
- Recreation Fees for Calendar Year 2027
  - New fees proposed for boat slips and campsites for parties that concurrently pay the Mobilehome Space Rental
  - Camanche Regional Park Advisory Board (CRPAB) reviewed and approved Recreation Fees on March 19, 2026

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Next Steps: Non-Prop 218 Rates, Charges & Fees

Date	Milestone
May 12, 2026	**File General Manager's Rate Report; Set Public Hearing for Non-Prop 218 Rates and Charges**
May 26, 2026	Mid-Cycle Budget Update Board Workshop
June 11, 2026	Public Hearing on and Board consideration of FY 2027 Non-Prop 218 Rates, Charges & Fees
June 23, 2026	Consideration of revisions to the District's Regulations Governing Water Service
July 1, 2026	FY 2027 Rates, Charges and Fees effective (if approved)

Questions?

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Flowing into the Future