

Public Hearing FY19 Proposed Non-Prop 218 Rates, Charges & Fees

Board of Directors
June 12, 2018

Key Dates



- FY19 Adopted Prop 218 Rates, Fees & Charges July 11, 2017
- FY19 GM Report on Recommended Non-Prop 218 Rates, Fees & Charges May 8, 2018
- Public Hearing June 12, 2018

Proposed Updates to Rates, Fees & Charges (Non-Prop 218)



Ensuring reasonable fees based on cost recovery

- Water Account Establishment (Schedule B)
- Special Services Charges (Schedule C)
- Real Property Use Application Fees
- Installation Charges: Meter, Fire Service, and Hydrant (Schedules D, E, F)
- Water Main Extension Charges (Schedule G)
- Water and Wastewater Capacity Fee (Schedules H, J, N and G) Calculations
- Wastewater R2 Rates (Schedule B)

Updated Schedules B, C and Real Property Use Fees



- Fees increased approximately 3% to 5% for changes in labor, materials, and administrative costs.

Example of increases to charges and fees:

Fee	Current Charge	Proposed Charge
Schedule B – Account Establishment Charge	\$54	\$56
Schedule C – Trip Charge	\$46	\$48
Real Property Use Application Fee – Utility Easement	\$2,100	\$2,200

Schedules D, E, F and G – Updated Installation Charges



- FY19 Comprehensive update analyzed each component of installation costs:
 - Labor
 - Equipment and materials
 - Paving
 - Overhead
- Recommend implementing increases gradually over the next three years
- Resulting installation fees are comparable to fees charged by neighboring water utilities

Updated Schedules D, E and F



Example of installation charge increases:

Installation Type	Current	Updated	3 Year Phase-In FY19	% Increase
Sched D Standard Meter Install 1-1/2" Lateral	\$6,379	\$14,349	\$9,650	51%
Sched E Private Fire Service Install 6" Meter	\$20,830	\$29,699	\$23,786	14%
Sched F Public Fire Hydrant Install District Installed	\$13,796	\$29,511	\$19,034	38%

Schedule G – Main Extension Charges



District Installed (up to 1,000 feet)

Material	Size	Surface	Current Charge per Foot	Updated Charge per Foot	3-Yr Phase-In FY19 Charge per Foot	% Increase
Steel	6- & 8-inch	Paved	\$277	\$479	\$344	24%
HDPE and PVC	6- & 8-inch	Paved	\$249	\$434	\$311	25%

Applicant Installed (over 1,000 feet)

	Current Charge per Foot	Updated FY19 Charge per Foot	3-Yr Phase-In FY19 Charge per Foot	% Increase
6- & 8-inch	\$34	\$55	\$41	21%

Proposed Water and Wastewater Capacity Charges Increase



- **Water System Capacity Charge (SCC)**
 - Adjust charges for Engineering News Record (ENR) Construction Cost Index
 - Updated costs for the Future Water Supply component
 - SFR SCC increase 3.3% for Regions 1, 2 and 3
- **Wastewater Capacity Fee (WCF)**
 - Adjust charges for ENR Construction Cost Index
 - SFR WCF increase 4% from \$2,510 to \$2,610

SCC SFR Rates by Region and Sub Region



Region	SFR Consumption* (gpd)	Current SCC	Proposed FY19 SCC	Increase	Unit Costs \$/100 gpd
1	280	\$17,530	\$18,100	3.25%	\$6,463
2	360	\$30,340	\$31,350	3.33%	\$8,708
3	580	\$38,770	\$40,040	3.28%	\$6,903
3C**	775	\$89,640	\$91,930	2.55%	\$11,861
3D**	775	\$100,850	\$103,450	2.58%	\$13,348

*Based on average water demand for a ¾-inch meter for a new single family residential premises under normal water use conditions

**Special SCC subregion as part of an agreement with the developer

Wastewater Resource Recovery Rate Schedule



- Add new category for Clean Liquid Food Waste Slurry
 - \$0.04/gallon up to 3% Total Solids
 - PLUS \$0.005/gallon for each additional 1% Total Solids between 3% and 20%

Next Steps



Milestone	Date
Board action on non-218 rates, capacity fees, budget, and position resolution	June 12
Water & WW rates take effect	July 1
SCC and WCF rates take effect	August 13

Summary of Proposed Board Actions



Item 16- Adopt FY19 Non-Prop 218 Rates & Charges

- Held public hearing on rates & charges

Item 17- Affirm Water and Wastewater FY19 Budget

- No changes proposed

Item 18- Adopt the FY19 Position Resolution

- Added 7 full-time equivalent positions approved as part of the FY18 & FY19 adopted budget
- No new positions added
- Deleted the Word Processing Specialist II classification

Item 19- Adopt July 2018 Strategic Plan

- Incorporated revisions from the May 22nd Board workshop