



TAHOE CITY PUBLIC UTILITY DISTRICT

January 2009

Notice of Proposed Rate Increases



Board Supports Rate Increases for Capital

At their November 24, 2008 meeting, the TCPUD Board of Directors voted to change water and sewer rates effective April 1, 2009, and to set a Public Protest Hearing for February 25, 2009.

In compliance with Section 6 of Article XIII D of the California Constitution (Proposition 218), affected property owners are notified by this mailing about the proposed rate changes.

This notice explains the rate increases and the public protest process. If protests are received from 50% + 1 of the property owners or tenants responsible for payment, the new rates can not be implemented. (See back page for protest process informa-

tion.)
Current Rates Addressed Operating Costs Only

In recent years, rates have been kept low addressing operating costs only. While making every effort to keep costs as low as possible, the District is currently challenged with a combination of increasing regulatory requirements and aging infrastructure.

Infrastructure Needs
Understanding the magnitude of the needs, the Board undertook a comprehensive 18-month public process. During 13 separate public meetings and workshops, the District evaluated the water and sewer infrastructure,

developed a 5-year Capital Improvement Program (CIP) for water and sewer, and determined a method to fund both the required and necessary capital improvements. The Board received and reviewed extensive public testimony as well as input from regulatory agencies and the North Tahoe Fire Protection District.

Additionally, the Board held the 2009 Operating Budget to a 2.1% increase. Maintaining low operating costs provides more funding to begin the long-term strategy of addressing local, State, & Federal mandates and replacement of the District's aging water and sewer infrastructure.

NEW RATES = Dedicated Funds for Meeting Mandates and Necessary Capital Replacement Projects

The proposed new rates will provide a dedicated funding source to implement the District's Five Year Capital Improvement Plans for both water and sewer.

Specific projects are planned to improve fire protection, provide additional water sources, add water storage, provide emergency backup power supplies, and replace and/or rehabilitate aging water and sewer infrastructure. (See TCPUD's complete five year water and sewer plans on our website at www.tahoecitypud.com.)

WATER INFRASTRUCTURE : The Tahoe City PUD operates five separate water systems including over 67 miles of water lines, 11 water tanks, and 10 water supply wells. The oldest water facilities were built in 1953 and the average age of the water infrastructure is thirty years. Many of the water lines and some of the tanks are undersized and do not meet current industry standards, nor provide the flows necessary to meet modern fire suppression requirements.

Critical water capital projects are intended to address significant water system deficiencies (i.e. undersized pipes for modern fire flow) and/or to comply with regulatory mandates.

Continued on inside →

Public Information and Assistance Open Houses:

- ⇒ January 16, 2009
Drop-in: 10 am-4 pm
 - ⇒ February 18, 2009
Drop-in: 10 am-4 pm
- Or call for an appointment –
530/583-3796 ext. 10

PROTEST HEARING:

February 25, 2009
8:30 AM
TCPUD Board Room
221 Fairway Drive
Tahoe City, CA 96145

For more information:
See our website at
www.tahoecitypud.com
Or call
530/583-3796 ext. 21

Tahoe City's Bunker Tank
- built in 1960



Booster pump station
built 1964



Inside:

| | |
|------------------------|----------|
| Water Rates | 2 |
| Sewer Rates | 3 |
| Protest Process | 4 |
| Conservation | 4 |

Consumption Billing - The State's mandates for metered billing provides an added incentive to conserve one of California's most precious resources - **WATER!**
 Customers can control their bills with careful monitoring and use of water. TCPUD staff will host open houses in January and February to help educate the public on reading their meter and water conservation practices. See back page for conservation tips.

Proposed Water Rate Structure - Shown on a Monthly Basis (Customers will be billed on a monthly basis)

Most Customers

| Connection Description | Unit or Service Size | Current Monthly Charge | Proposed Monthly Charges | | | | |
|---|----------------------|------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | Effective April 1, 2009 | Effective April 1, 2010 | Effective April 1, 2011 | Effective April 1, 2012 | Effective April 1, 2013 |
| Residential (Plus Consumption Below) | 3/4" | \$ 43.76 | \$ 48.00 | \$ 50.00 | \$ 55.00 | \$ 55.00 | \$ 55.00 |
| Residential (Plus Consumption Below) | 1" | 87.45 | 72.00 | 75.00 | 83.00 | 83.00 | 83.00 |
| Residential (Plus Consumption Below) | 1 1/2" | 130.97 | 110.00 | 115.00 | 127.00 | 127.00 | 127.00 |
| Residential (Plus Consumption Below) | 2" | 174.70 | 149.00 | 155.00 | 171.00 | 171.00 | 171.00 |
| Residential (Plus Consumption Below) | 3" | 261.93 | 226.00 | 235.00 | 259.00 | 259.00 | 259.00 |
| Residential (Plus Consumption Below) | 4" | 349.37 | 298.00 | 310.00 | 341.00 | 341.00 | 341.00 |
| Commercial (Plus Consumption Below) | 3/4" | 56.22 | 58.00 | 61.00 | 65.00 | 70.00 | 70.00 |
| Commercial (Plus Consumption Below) | 1" | 87.45 | 93.00 | 98.00 | 104.00 | 112.00 | 112.00 |
| Commercial (Plus Consumption Below) | 1 1/4" | 108.41 | 96.00 | 101.00 | 107.00 | 116.00 | 116.00 |
| Commercial (Plus Consumption Below) | 1 1/2" | 130.97 | 136.00 | 143.00 | 153.00 | 165.00 | 165.00 |
| Commercial (Plus Consumption Below) | 2" | 174.70 | 183.00 | 192.00 | 205.00 | 221.00 | 221.00 |
| Commercial (Plus Consumption Below) | 3" | 261.93 | 273.00 | 287.00 | 306.00 | 329.00 | 329.00 |
| Commercial (Plus Consumption Below) | 4" | 349.37 | 363.00 | 381.00 | 406.00 | 438.00 | 438.00 |
| Commercial (Plus Consumption Below) | 6" | 523.41 | 542.00 | 570.00 | 608.00 | 655.00 | 655.00 |
| Private Fire Protection System (sprinklers) | Each | 15.08 /inch | 19.00/inch | 22.00/inch | 26.00/inch | 30.00/inch | 34.00/inch |
| Fire Hydrant, on private property, size based on point of connection (2", 4", 6") | Each | 15.08 /inch | 19.00/inch | 22.00/inch | 26.00/inch | 30.00/inch | 34.00/inch |
| Temporary Water Usage Charge (Hydrant meter) | per 1,000 gal. | \$ 3.20 | \$ 3.95 | \$ 4.80 | \$ 5.70 | \$ 6.65 | \$ 7.60 |
| Unclassified Service - case by case basis | TBD | TBD | TBD | TBD | TBD | TBD | TBD |
| Non-taxable Properties - case by case basis | TBD | TBD | TBD | TBD | TBD | TBD | TBD |

| Residential Consumption | | | | | | | |
|---|----------------|---------|---------|---------|---------|---------|---------|
| In excess of 25,000 gallons/quarter, per parcel | per 1,000 gal. | \$ 3.20 | | | | | |
| 0 - 8,000 gal/month | per 1,000 gal. | | \$ 0.55 | \$ 1.05 | \$ 1.40 | \$ 2.10 | \$ 2.80 |
| 8,001 - 20,000 gal/month | per 1,000 gal. | | 0.70 | 1.35 | 1.85 | 2.75 | 3.65 |
| 20,001 - 40,000 gal/month | per 1,000 gal. | | 0.95 | 1.80 | 2.35 | 3.50 | 4.70 |
| 40,001 gal +/-month | per 1,000 gal. | | 1.95 | 3.60 | 5.00 | 7.50 | 9.00 |
| Commercial Consumption | | | | | | | |
| In excess of 25,000 gallons/quarter, per parcel | per 1,000 gal. | \$ 3.20 | | | | | |
| 0 - 8,000 gal/month | per 1,000 gal. | | \$ 1.45 | \$ 2.90 | \$ 4.35 | \$ 5.55 | \$ 7.60 |
| 8,001 gal +/-month | per 1,000 gal. | | 3.95 | 4.80 | 5.70 | 6.65 | 7.60 |

SAMPLE BILLS

| Sample Winter Residential Monthly Billing | | Current Meter Rate | | | | | |
|---|------|--------------------|----------|----------|----------|----------|----------|
| Base Charge | 3/4" | \$ 43.76 | \$ 48.00 | \$ 50.00 | \$ 55.00 | \$ 55.00 | \$ 55.00 |
| Consumption of 6,000 Gallons | | - | 3.30 | 6.30 | 8.40 | 12.60 | 16.80 |
| Total Monthly Water Bill | | \$ 43.76 | \$ 51.30 | \$ 56.30 | \$ 63.40 | \$ 67.60 | \$ 71.80 |
| Percentage Change From Prior Year | | | 17.2% | 9.7% | 12.6% | 6.6% | 6.2% |

| Sample Summer Residential Monthly Billing | | Current Meter Rate | | | | | |
|--|------|--------------------|----------|----------|-----------|-----------|-----------|
| Base Charge | 3/4" | \$ 43.76 | \$ 48.00 | \$ 50.00 | \$ 55.00 | \$ 55.00 | \$ 55.00 |
| Consumption of 25,000 Gallons | | 53.33 | 17.55 | 33.60 | 45.15 | 67.30 | 89.70 |
| Total Monthly Water Bill - Moderate Irrigation | | \$ 97.09 | \$ 65.55 | \$ 83.60 | \$ 100.15 | \$ 122.30 | \$ 144.70 |
| Percentage Change From Prior Year | | | -32.5% | 27.5% | 19.8% | 22.1% | 18.3% |

Continued from front page . . .

SEWER INFRASTRUCTURE : The District’s sewer system flows west from Dollar Hill and north from Rubicon to the export lines in Tahoe City and on to the Tahoe Truckee Sanitation Agency (TTSA) treatment plant in Truckee. The system consists of 21 lift stations, 121 miles of gravity collection and export lines and over 6 miles of pressurized force mains. Most of the sewer facilities were built in the later 1960s and early 1970s, averaging 38 years old. A small portion of the system is over 60 years old. The majority of the sewer system is adequately sized, but has reached the end of its service life. Most of the critical sewer capital projects are intended to extend the service life or replace infrastructure/equipment past its service life.

West Shore Export Line at Truckee River built in 1970



CAPITAL PROJECTS 2009

The Board has approved approximately \$1.4M in six specific water capital projects for 2009 including:

- Condominium Water Meter Installations (completion of the meter project)
- McKinney /Chambers Emergency Interconnection
- Tahoe City Emergency Source Modifications, and
- Design of Tahoe Tavern Heights Distribution System Improvements

The Board has approved approximately \$356K in eight specific sewer capital projects for 2009 including:

- Repair & rehabilitation of the West Shore Export – Truckee River Crossing Repair
- One Emergency Generator Replacement
- Repair and rehabilitation of a number of critical manholes and sewer lines

Damaged Sewer Line originally installed 1967



Proposed Sewer Rate Structure - Shown on a Quarterly Basis

Most Customers

| Connection Description | Unit or Service Size | Current Quarterly Charge | Proposed Quarterly Charges | | | | |
|--|----------------------------------|----------------------------------|--|--|--|--|--|
| | | | Effective April 1, 2009 (20% Increase) | Effective April 1, 2010 (25% Increase) | Effective April 1, 2011 (30% Increase) | Effective April 1, 2012 (18% Increase) | Effective April 1, 2013 (18% Increase) |
| Residential | Dwelling Unit | \$ 52.96 | \$ 63.54 | \$ 79.44 | \$ 103.26 | \$ 121.86 | \$ 143.79 |
| Motel room without Kitchen | Motel Unit | 21.55 | 25.86 | 32.33 | 42.03 | 49.60 | 58.53 |
| Motel room with Kitchen | Motel Unit | 22.97 | 27.56 | 34.45 | 44.79 | 52.85 | 62.36 |
| Restaurant Seats, Outside & Bar Seats | Per Seat | 1.47 | 1.76 | 2.20 | 2.86 | 3.37 | 3.98 |
| Restaurant Seats, Inside | Per Seat | 2.94 | 3.52 | 4.40 | 5.72 | 6.74 | 7.96 |
| Laundry Washing Machine, <10 lbs | Per Machine | 10.77 | 12.92 | 16.15 | 21.00 | 24.78 | 29.24 |
| Hotel room with Bath | Each | 21.55 | 25.86 | 32.33 | 42.03 | 49.60 | 58.53 |
| Hotel Room without Bath | Each | 13.60 | 16.32 | 20.40 | 26.52 | 31.29 | 36.92 |
| Campsite with Sewer Connection | Each | 26.70 | 32.04 | 40.05 | 52.07 | 61.44 | 72.50 |
| Campsite without Sewer Connection | Each | 22.97 | 27.56 | 34.45 | 44.79 | 52.85 | 62.36 |
| Snack Bar | Each | 79.59 | 95.51 | 119.39 | 155.21 | 183.15 | 216.12 |
| Service Station | Each | 79.59 | 95.51 | 119.39 | 155.21 | 183.15 | 216.12 |
| Barber Shop/ Beauty Shop | Each Chair, 2 Chair Minimum | 28.69 | 34.43 | 43.04 | 55.95 | 66.02 | 77.90 |
| Theater | Each | 159.12 | 190.94 | 238.68 | 310.28 | 366.13 | 432.03 |
| Marina Boat Pumping Facility | Each | 79.59 | 95.51 | 119.39 | 155.21 | 183.15 | 216.12 |
| Swimming Pool or Spa Backwash Filter | Per Filter | 26.70 | 32.04 | 40.05 | 52.07 | 61.44 | 72.50 |
| Unclassified Service | As Determined | Determined on Case-by-Case Basis | Determined on Case-by-Case Basis | Determined on Case-by-Case Basis | Determined on Case-by-Case Basis | Determined on Case-by-Case Basis | Determined on Case-by-Case Basis |
| Temporary Discharge Usage Charge | 1,000 Gallons | \$.98 per 1,000 Gallons | \$ 1.18 per 1,000 Gallons | \$ 1.48 per 1,000 Gallons | \$ 1.92 per 1,000 Gallons | \$ 2.27 per 1,000 Gallons | \$ 2.68 per 1,000 Gallons |
| All Other Commercial or Professional Buildings, Including Churches | Sewer Units, Plus Square Footage | | | | | | |
| Sewer Units, .5 (1 to 10 fixture units) | Each | 26.70 | 32.04 | 40.05 | 52.07 | 61.44 | 72.50 |
| Sewer Units, .51 to 1.0 (11 to 20 fixture units) | Each | 52.96 | 63.54 | 79.44 | 103.26 | 121.86 | 143.79 |
| Floor Space up to 1,000 square feet | Each | 52.96 | 63.54 | 79.44 | 103.26 | 121.86 | 143.79 |
| Each add'l 1,000 sq. ft. or fraction thereof | Each | 26.70 | 32.04 | 40.05 | 52.07 | 61.44 | 72.50 |

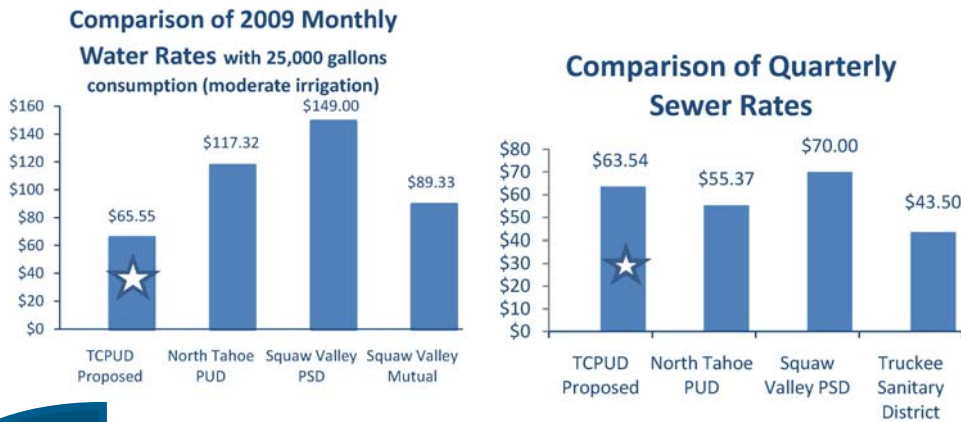


Rate Study and Rate Setting Standards

In 2007 TCPUD hired HDR Engineering to assist in the development of a comprehensive rate structure. TCPUD followed the following standards in proposing the following rates:

- ⇒ Water revenues **do not** exceed the funds required to provide water service.
- ⇒ Sewer revenues **do not** exceed the funds required to provide sewer service.
- ⇒ Rate revenues **are not** used for any purpose other than providing service and capital in the utility from which they are collected.

TCPUD's Proposed Rates as Compared to Other Area Rates



To Protest the Proposed Rate Changes . . .

Submit a Written Protest

If you are the owner of record for a parcel or parcels, or a tenant directly liable for payment of the fees subject to the proposed rate increases, you may submit a written protest regarding the rate increases.

Your protest must be submitted in writing to be considered, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected parcel owners or tenants directly responsible for payment (one vote per parcel), the proposed rate changes cannot be implemented.

Your written protest must be received prior to the close of the public hearing on February, 25, 2009. Protests must:

- be in writing and signed;
- contain a description of the prop-

erty – a parcel number or physical address;

- indicate whether you are protesting the water, sewer, or both rate increases; and,
- be mailed or hand-delivered to:

**District Clerk—Protest Hearing
Tahoe City Public Utility District,
P.O. Box 5249,
221 Fairway Drive,
Tahoe City, CA 96145.**

E-mail protests cannot be formally considered.

Only one protest for water rates and one for sewer rates may be filed per parcel or service address. If you have acquired the property since the last Placer or El Dorado Counties' tax roll, please include written confirmation that you presently own the property.

Attend the Public Hearing

The TCPUD Board of Directors will hold a public hearing on the proposed rate increases detailed in

Water Conservation Tips!

- There are a number of ways to save water, and they all start with **you!**
- When washing dishes by hand, don't let the water run while rinsing. Fill one sink with wash water and the other with rinse water.
- Run your clothes washer and dishwasher only when they are full. You can save up to 1,000 gallons a month.
- Upgrade older toilets with water efficient models.
- Shorten your shower by a minute or two and you'll save up to 150 gallons per month.
- Use a water-efficient showerhead. They're inexpensive, easy to install, and can save you up to 750 gallons a month.
- A "running" toilet can waste two gallons of water per minute. To find silent leaks, put food coloring in the tank. Do not flush. Check the toilet bowl ten minutes later. If you see color in the bowl, the tank has a silent leak.

When you save water, you save money on your utility bills too!
Saving water is easy for everyone!

this publication. Rate adjustments are planned for each of the following years as indicated in the charts.

If you would like to learn more or voice your opinion on the rate adjustments, please attend the hearing on:

**DATE: Tuesday, February 25, 2009
TIME: 8:30 AM**

**Tahoe City Public Utility District
Board Room
221 Fairway Drive
Tahoe City, CA 96145**

**Questions??? 530/583-3797 ext. 10
www.tahoecitypudcom**