



TAHOE CITY PUBLIC UTILITY DISTRICT Proposition 218 Notice to Property Owners of Proposed Water and Sewer Rates and a Public Hearing

The Tahoe City Public Utility District Board of Directors is providing notice of proposed water and sewer rate increases and invites the public to attend a Public Hearing to consider adoption of a 5-year schedule of maximum water and sewer rates. The hearing will be held on:

DATE: Friday, October 18, 2019

TIME: 9am

LOCATION: TCPUD Board Room, 221 Fairway Drive, Tahoe City

The purpose of the Public Hearing is to consider all oral or written testimony and written protests of the proposed rates. This notice is provided to all property owners who currently receive either of these services provided by the TCPUD. All interested property owners and tenants are invited to appear at the time and place specified to give oral or written testimony, as well as written protests, regarding the proposed rates. If adopted, new 2020 rates will go into effect on January 1, 2020.

Our Public Rate Setting Process

The TCPUD is dedicated to a transparent public rate setting process guided by the principles set forth in TCPUD Financial Policy No. 2050, Establishing Water and Sewer Rates and Fees Policy, and in compliance with state laws and guidelines, including Article XIII D of the California Constitution, commonly referred to as Proposition 218.

As part of the TCPUD's commitment to fiscal responsibility and long-term financial planning, the TCPUD's current approved water and sewer rate structure is being evaluated for financial sustainability. TCPUD retained an independent rate consultant, HDR Engineering, Inc., to perform a comprehensive water and sewer rate study (2019 Rate Study) for the next 5-year period. The 2019 Rate Study is intended to result in an equitable and cost-based water and sewer rate structure and ensure sufficient revenues to fund water and sewer operations and capital infrastructure needs throughout the TCPUD service area.

On July 22 and August 6, 2019, the TCPUD Board held public meetings on the 2019 Rate Study's findings, conclusions, and recommendations to solicit public comment. At the TCPUD August 16, 2019 Board meeting, the Board authorized the proposed 5-year water and sewer rate schedule to be considered at a Public Hearing on October 18, 2019.

Reason For The Proposed Rate Changes

The vision of the TCPUD is to maintain one unified water system across the entire service area that equitably distributes the cost of current and future system needs, achieves the highest service standards, and provides all customers with the benefit of an economy of scale for the operation, maintenance, and infrastructure investments in the water system district-wide.

The primary reasons for the proposed 5-year rate plan are to: cover modest and typical operating cost increases; undertake new capital improvements to meet current standards; and continue the TCPUD's rehabilitation of its aging infrastructure. Significant capital infrastructure investments are needed throughout the TCPUD entire service area, including the construction of the new West Lake Tahoe Regional Water Treatment Plant and improvements for the aging and failing infrastructure associated with the acquisition of three water systems in January 2018 – Timberland, Tahoe Cedars, and Madden

Creek. Overall, \$27.8 million in water capital investments and \$10.3 million in sewer capital investments are proposed in the next five years. Additional information regarding water and sewer capital improvement plans can be found on TCPUD's website (tcpud.org). The proposed water and sewer rate revenue will not be sufficient to fully fund the entire utility capital infrastructure improvement needs and additional funding opportunities will be evaluated through the TCPUD's long-term financial planning process.

How We Charge For Water

The majority of water customers in the TCPUD service area are metered and pay both a base rate and a consumption rate based on the amount of water consumed on a monthly basis. The TCPUD water system operates 24 hours a day, 7 days a week throughout the year and these critical services are funded by water rates. The water rate structure is based on a cost of service analysis that includes fixed costs to cover non-consumption related expenses such as customer service and billing, operation and maintenance of the water system, and public fire protection that benefit all customers. This fixed cost, also called a base rate, is the same every month, regardless of consumption. The base rate a customer pays is determined by the size of the water meter. Variable costs, which are a function of the quantity of water consumed, are included in the consumption rate.

The majority of customers in the recently acquired systems, Timberland, Tahoe Cedars, and Madden Creek, are not yet metered and therefore will pay the TCPUD unmetered flat rate. This unmetered flat rate represents the TCPUD base rate, plus the TCPUD average residential customer's monthly consumption (6,000 gallons/month). The TCPUD will be conducting future master plan studies to determine when and how these systems will be transitioned to meters.

Public Community Workshops

Two public community workshops will be held in the TCPUD Board Room at 221 Fairway Drive, Tahoe City, to review the rate study and proposed rates. The workshops will be held on:

Tuesday, Sept. 17, 2019
5:30pm– 7pm

Thursday, Sept. 19, 2019
11:30am– 1pm

How To Determine Your Residential Water Bill: Water Customers with water meters are charged a Metered Rate (Base Rate + Consumption) and Water Customers without water meters are charged an Unmetered Flat Rate. The following table shows how to estimate your RESIDENTIAL water bill.

$$\begin{array}{|c|} \hline \text{Base Rate} \\ \text{by meter size} \\ \hline \end{array}
 +
 \begin{array}{|c|} \hline \text{Tier 1} \\ \text{consumption} \\ \hline \end{array}
 +
 \begin{array}{|c|} \hline \text{Tier 2} \\ \text{consumption} \\ \hline \end{array}
 +
 \begin{array}{|c|} \hline \text{Tier 3} \\ \text{consumption} \\ \hline \end{array}
 +
 \begin{array}{|c|} \hline \text{Tier 4} \\ \text{consumption} \\ \hline \end{array}
 =
 \begin{array}{|c|} \hline \text{Est. Monthly} \\ \text{Water Bill} \\ \hline \end{array}$$

**The Following Rates Represent
The Maximum Monthly Residential Water Rates That Can Be Charged**

Residential Water BASE & CONSUMPTION Rate Schedule <i>(to determine water bill select the water base rate that applies to you + consumption below)</i>						
	Present Rates	2020	2021	2022	2023	2024
Base Charge						
3/4" ← <i>Most Common</i>	\$74.50	\$79.31	\$84.07	\$87.43	\$90.93	\$94.57
1"	\$112.25	\$132.45	\$140.40	\$146.01	\$151.85	\$157.93
1 1/4"	\$145.00	\$198.28	\$210.17	\$218.58	\$227.33	\$236.42
1 1/2"	\$172.25	\$264.10	\$279.95	\$291.14	\$302.80	\$314.92
2"	\$232.00	\$422.72	\$448.09	\$466.00	\$484.66	\$504.06
3"	\$350.75	\$793.10	\$840.70	\$874.30	\$909.30	\$945.70
4"	\$462.00	\$1,322.10	\$1,401.45	\$1,457.46	\$1,515.80	\$1,576.48
6"	\$693.50	\$2,643.40	\$2,802.05	\$2,914.04	\$3,030.70	\$3,152.02
8"	--	\$4,229.60	\$4,483.45	\$4,662.64	\$4,849.30	\$5,043.42
Unmetered Rate	\$93.10	\$97.13	\$102.97	\$107.11	\$111.39	\$115.87
OR						
Combined Fire Service (CFS) Base Rate By Meter Size						
CFS - 3/4"	\$102.63	\$109.01	\$117.48	\$122.84	\$128.46	\$134.35
CFS - 1.5"	\$112.00	\$118.91	\$128.62	\$134.64	\$140.97	\$147.61
CFS - 1.5"	\$168.50	\$202.85	\$219.60	\$229.94	\$240.81	\$252.22
CFS - 2"	\$187.25	\$226.32	\$246.00	\$257.92	\$270.46	\$283.65
CFS - >2"	Service Classification Size Determined by District					
Consumption (Per 1,000 Gallons)						
Tier 1 0 - 8,000	\$2.68	\$2.97	\$3.15	\$3.28	\$3.41	\$3.55
Tier 2 8,001 - 20,000	\$3.64	\$3.88	\$4.12	\$4.28	\$4.45	\$4.64
Tier 3 20,001 - 40,000	\$5.32	\$5.59	\$5.93	\$6.17	\$6.42	\$6.68
Tier 4 40,001 and above	\$8.25	\$11.05	\$11.72	\$12.20	\$12.69	\$13.21

Private Fire Protection and / or Private Fire Hydrant Base Rate Schedule <i>(Only applies to customers with an approved private fire protection service or a private fire hydrant) (if applicable, add to standard base rate)</i>						
	Present Rates	2020	2021	2022	2023	2024
Private Fire Protection ⁽¹⁾ (per inch diameter)	\$37.50	\$39.60	\$44.55	\$47.21	\$50.04	\$53.04
Private Fire Hydrant (per inch diameter)	\$37.50	\$39.60	\$44.55	\$47.21	\$50.04	\$53.04

⁽¹⁾Add to Standard Base Rate when fire protection service provide by separate service line.
Not to be added to Combined Fire Service Base Rate.

How To Determine Your Commercial Water Bill: Water Customers with water meters are charged a Metered Rate (Base Rate + Consumption). The following table shows how to estimate your COMMERCIAL water bill.

$$\boxed{\text{Base Rate by meter size}} + \boxed{\text{Consumption}} = \boxed{\text{Est. Monthly Water Bill}}$$

**The Following Rates Represent
The Maximum Monthly Commercial Water Rates That Can Be Charged**

Commercial Water BASE & CONSUMPTION Rate Schedule <i>(to determine water bill select the water base rate that applies to you + consumption below)</i>						
	Present Rates	2020	2021	2022	2023	2024
Base Charge						
3/4"	\$89.50	\$79.31	\$84.07	\$87.43	\$90.93	\$94.57
1"	\$143.25	\$132.45	\$140.40	\$146.01	\$151.85	\$157.93
1 1/4"	\$173.75	\$198.28	\$210.17	\$218.58	\$227.33	\$236.42
1 1/2"	\$208.75	\$264.10	\$279.95	\$291.14	\$302.80	\$314.92
2"	\$279.50	\$422.72	\$448.09	\$466.00	\$484.66	\$504.06
3"	\$418.75	\$793.10	\$840.70	\$874.30	\$909.30	\$945.70
4"	\$553.75	\$1,322.10	\$1,401.45	\$1,457.46	\$1,515.80	\$1,576.48
6"	\$829.75	\$2,643.40	\$2,802.05	\$2,914.04	\$3,030.70	\$3,152.02
8"	\$1,110.50	\$4,229.60	\$4,483.45	\$4,662.64	\$4,849.30	\$5,043.42
OR						
Combined Fire Service (CFS) Base Rate By Meter Size						
CFS - 3/4"	\$117.63	\$109.01	\$117.48	\$122.84	\$128.46	\$134.35
CFS - 1"	\$127.00	\$118.91	\$128.62	\$134.64	\$140.97	\$147.61
CFS - 1.5"	\$199.50	\$202.85	\$219.60	\$229.94	\$240.81	\$252.22
CFS - 2"	\$218.25	\$226.32	\$246.00	\$257.92	\$270.46	\$283.65
CFS - >2"	Service Classification Size Determined by District					
Consumption (Per 1,000 Gallons)						
All Usage	\$6.74	\$4.20	\$4.45	\$4.63	\$4.82	\$5.01
Temporary (Per 1,000 Gallons)						
Water Usage Charge (Hydrant Meter)	\$6.74	\$4.20	\$4.45	\$4.63	\$4.82	\$5.01

Private Fire Protection and / or Private Fire Hydrant Base Rate Schedule <i>(Only applies to customers with an approved private fire protection service or a private fire hydrant) (if applicable, add to standard base rate)</i>						
	Present Rates	2020	2021	2022	2023	2024
Private Fire Protection ⁽¹⁾ (per inch diameter)	\$37.50	\$39.60	\$44.55	\$47.21	\$50.04	\$53.04
Private Fire Hydrant (per inch diameter)	\$37.50	\$39.60	\$44.55	\$47.21	\$50.04	\$53.04

⁽¹⁾Add to Standard Base Rate when fire protection service provide by separate service line.
Not to be added to Combined Fire Service Base Rate.

Transition Water Schedule For Madden Creek And Tahoe Cedars

In January 2018, the TCPUD acquired the Tahoe Cedars and Madden Creek water systems. The water system acquisitions aligned with the TCPUD philosophy of creating a unified water system across the entire service area. This provides all TCPUD customers with the benefit of an economy of scale for the operation, maintenance, and infrastructure investments in the water system district-wide.

At the time of acquisition, Tahoe Cedars and Madden Creek customers were informed that their water rates would transition to TCPUD water rates over time. During the 2019 Rate Study process, the TCPUD Board recommended a water rate transition plan that equalizes Tahoe Cedars and Madden creek water rates with those of the rest of TCPUD water customers by 2024, the final year of this rate study period. This transition is expected to provide the TCPUD Board with more flexibility in determining how quickly to generate funding for the significant water distribution system infrastructure needs in the entire service area, including the Tahoe Cedars and Madden Creek service areas.

In accordance with TCPUD Financial Policy No. 2025, Water System Acquisition Policy, the TCPUD Board intends to authorize the use of TCPUD property tax revenue to offset the difference in rate revenue between the Tahoe Cedars and Madden Creek customers and the remainder of TCPUD water customers. Transition rates will be set annually during the TCPUD Board's adoption of annual water rates. Regardless of service area, any new water customer shall be subject to the Proposition 218 adopted rate at time of connection and/or change of ownership.

Tahoe Cedars / Madden Creek Water Systems								
Monthly Residential and Commercial Water Rate Transition Schedule								
<i>(For Informational Purposes Only. Water Rate Transition Schedule to be adopted annually and applies only to existing customers as of January 1, 2020.)</i>								
	Present Rates		2020	2021	2022	2023	2024	
	Tahoe Cedars	Madden Creek						
Unmetered	--	--	\$56.39	\$71.26	\$86.13	\$101.00	\$115.87	
Year Round SFR	\$44.06	\$56.39	--	--	--	--	--	
Seasonal SFR	\$40.97	\$41.90	--	--	--	--	--	
Yr Round SFR +2nd Unit	\$71.99	\$88.71	--	--	--	--	--	
Yr Round SFR +2 Unit	\$99.92	--	--	--	--	--	--	
Base Charge								
3/4"	\$35.28	\$26.61	\$46.05	\$58.18	\$70.30	\$82.45	\$94.57	
1"	\$54.88	\$44.36	\$76.90	\$97.16	\$117.41	\$137.68	\$157.93	
1 1/4"	--	--	\$115.12	\$145.44	\$175.76	\$206.12	\$236.42	
1 1/2"	--	\$53.23	\$153.34	\$193.73	\$234.11	\$274.55	\$314.92	
2"	\$105.93	\$70.97	\$245.43	\$310.08	\$374.71	\$439.44	\$504.06	
3"	--	--	\$460.47	\$581.76	\$703.02	\$824.46	\$945.70	
4"	\$248.01	\$212.92	\$767.61	\$969.80	\$1,171.94	\$1,374.38	\$1,576.48	
6"	--	--	\$1,534.76	\$1,939.02	\$2,343.18	\$2,747.94	\$3,152.02	
8"	--	--	\$2,455.71	\$3,102.55	\$3,749.23	\$4,396.86	\$5,043.42	
OR Combined Fire Service (CFS) Base Rate By Meter Size								
CFS - 3/4"	--	--	\$63.29	\$81.30	\$98.78	\$116.47	\$134.35	
CFS - 1"	--	--	\$69.04	\$89.01	\$108.26	\$127.82	\$147.61	
CFS - 1.5"	--	--	\$117.77	\$151.96	\$184.89	\$218.34	\$252.22	
CFS - 2"	--	--	\$131.40	\$170.23	\$207.39	\$245.23	\$283.65	
CFS - >2"	Service Classification Size Determined by District							
Residential Consumption (Per 1,000 Gallons)								
All Usage	\$2.66	\$2.56	--	--	--	--	--	
Tier 1 0 - 8,000	--	--	\$1.72	\$2.18	\$2.64	\$3.09	\$3.55	
Tier 2 8,001 - 20,000	--	--	\$2.25	\$2.85	\$3.44	\$4.03	\$4.64	
Tier 3 20,001 - 40,000	--	--	\$3.25	\$4.10	\$4.96	\$5.82	\$6.68	
Tier 4 40,001 and above	--	--	\$6.42	\$8.11	\$9.81	\$11.51	\$13.21	
Commercial Consumption (Per 1,000 Gallons)								
All Usage	--	--	\$2.44	\$3.08	\$3.72	\$4.37	\$5.01	

**The Following Rates Represent
The Maximum Monthly Sewer Rates That Can Be Charged**

Residential Sewer Rate Schedule						
Monthly Charge	Present	2020	2021	2022	2023	2024
Residential	\$44.14	\$46.79	\$49.60	\$51.83	\$54.16	\$56.60
*Sewer customers only – multiply monthly sewer rate by 3 for quarterly billing.						

Commercial Sewer Rate Schedule						
Monthly Charge	Present	2020	2021	2022	2023	2024
Motel W/O Kitchen	\$17.96	\$19.04	\$20.18	\$21.39	\$22.35	\$23.36
Motel W/Kitchen	\$19.14	\$20.29	\$21.51	\$22.80	\$23.83	\$24.90
Seating - Per 1/2 Seat	\$1.23	\$1.30	\$1.38	\$1.46	\$1.53	\$1.60
Seating - Per Seat	\$2.46	\$2.61	\$2.76	\$2.93	\$3.06	\$3.20
Laundry - Per Machine	\$8.98	\$9.52	\$10.09	\$10.70	\$11.18	\$11.68
Hotel W/Kitchen	\$17.96	\$19.04	\$20.18	\$21.39	\$22.35	\$23.36
Hotel W/O Kitchen	\$11.33	\$12.01	\$12.73	\$13.49	\$14.10	\$14.73
Campsite W/Sewer	\$22.26	\$23.60	\$25.01	\$26.51	\$27.70	\$28.95
Campsite W/O Sewer	\$19.14	\$20.29	\$21.51	\$22.80	\$23.83	\$24.90
Snackbar	\$66.34	\$70.32	\$74.54	\$79.01	\$82.57	\$86.29
Service Station	\$66.34	\$70.32	\$74.54	\$79.01	\$82.57	\$86.29
Beauty / Barber Shop (Per Chair)	\$23.92	\$25.36	\$26.88	\$28.49	\$29.77	\$31.11
Theatre	\$132.61	\$140.57	\$149.01	\$157.95	\$165.06	\$172.49
Boat Pump	\$66.34	\$70.32	\$74.54	\$79.01	\$82.57	\$86.29
Standby Sewer Service	\$8.69	\$9.21	\$9.76	\$10.35	\$10.82	\$11.31
Food Service Estab Lic	\$29.40	\$31.17	\$33.03	\$35.01	\$36.59	\$38.24
Backwash (Pool/Spa Filters)	\$22.26	\$23.60	\$25.01	\$26.51	\$27.70	\$28.95
Unclassified Sewer	\$44.14	\$46.79	\$49.60	\$52.58	\$54.95	\$57.42
Unclassified Sewer W/O Kitchen	\$17.96	\$19.04	\$20.18	\$21.39	\$22.35	\$23.36
.5 Sewer Unit (1-10 Fixtures)	\$22.26	\$23.60	\$25.01	\$26.51	\$27.70	\$28.95
1.0 Sewer Unit (11-20 Fixtures)	\$44.14	\$46.79	\$49.60	\$52.58	\$54.95	\$57.42
Comm'CI Non-Rest < 1,000 Sq Ft	\$44.14	\$46.79	\$49.60	\$52.58	\$54.95	\$57.42
Comm'CI Non-Rest > 1,000 Sq Ft	\$22.26	\$23.60	\$25.01	\$26.51	\$27.70	\$28.95
Pro-Rated Sewer Charge	\$1.21	\$1.28	\$1.36	\$1.44	\$1.50	\$1.57
*Sewer customers only – multiply monthly sewer rate by 3 for quarterly billing.						

How Can I Find Out More About The Proposed Changes?

Attend one of the two public community workshops referred to on Page 1 and visit the TCPUD 2019 Rate Study website: tcpud.org/ratestudy. For additional questions, please email Stacie Lyans at slyans@tcpud.org or call **530.580.6057**.

How Do I Protest The Proposed Rates?

Any property owner whose property will be subject to the proposed rates, or tenant of the property, may submit a written protest and/or come to the Public Hearing and provide oral testimony and/or written protests. Protests must be in writing to be counted and only one protest will be counted per identified parcel. You may submit a written protest against each of the proposed rates (water or sewer), or both. If a majority of property owners or the tenants of the property whose property receives water service or if a majority of property owners or the tenants of the property whose property receives sewer service file valid written protests by the end of the Public Hearing on October 18, 2019, the corresponding water and/or sewer rates will not be approved. All protests must:

1. Be in writing and received by the District Clerk before the close of the Public Hearing on October 18, 2019 beginning at 9am. Written protests must be mailed to the District Clerk at P.O. Box 5249, Tahoe City, CA 96145, or personally delivered to 221 Fairway Drive, Tahoe City, CA 96145. Email or facsimile protests will not be accepted. Protests will not be accepted after the closure of the Public Hearing.
2. Specifically identify what you are protesting: the water and/or sewer rates.
3. Identify the affected parcel by the service address and/or Assessor's Parcel Number (APN).
4. Include the name and original (wet) signature of the property owner or tenant of the service address. If the party signing or presenting the protest is not shown as the parcel owner on the last equalized assessment roll of Placer County or El Dorado County the protest must contain, or be accompanied by, written evidence that such party is the owner or the tenant.

At the Public Hearing, the TCPUD Board will accept oral and written testimony, as well as written protests, regarding the proposed rates.



Tahoe City Public Utility District

221 Fairway Drive
Tahoe City, CA 96145
P: 530.583.3796

ATTENTION

**This notice contains
important information
about proposed
rate increases for
water and sewer services.**

Please Read

The TCPUD Board of Directors invites the public to attend a scheduled Public Hearing on **Friday, October 18, 2019 at 9am**, to consider adoption of a 5-year schedule of maximum water and sewer rates. The hearing will be held at 221 Fairway Drive, Tahoe City.

Notice of Public Hearing