

ALAMEDA COUNTY WATER DISTRICT MEMORANDUM

DATE: December 31, 2008
TO: Board of Directors
FROM: Paul Piraino
SUBJECT: STAFF REPORT, ACTION CALENDAR ITEMS FOR January 8, 2009

5.1* AUTHORIZATION FOR PARTICIPATION IN THE 2009 HIGH EFFICIENCY CLOTHES WASHER REBATE INITIATIVE AND OF A PURCHASE ORDER TO PACIFIC GAS AND ELECTRIC COMPANY FOR ADMINISTRATION OF THE PROGRAM

BACKGROUND: In 2008, ACWD participated in the Bay Area Water Agency and Pacific Gas and Electric Company (PG&E) Cooperative Clothes Washer Rebate Initiative Program (“Program”). PG&E acted as the Program administrator. The intent of the Program was to encourage customers to purchase high efficiency clothes washers, as well as encourage manufacturers to develop and market these washers, by providing rebates for the most water-efficient clothes washers available. The Program has been very successful, resulting in over 2000 high efficiency washers installed within ACWD’s service area during 2008.

DISCUSSION: Staff proposes to continue the existing Program for another six months, through the end of the current fiscal year 08/09, with an option to extend it for another six months if sufficient funds are available. During the 2009 Program, rebates will be provided for Consortium for Energy Efficiency Tier 2 and Tier 3 Clothes Washers. Tier 2 washers will be eligible for a \$125 rebate (\$35 from PG&E and \$90 from ACWD). Tier 3 washers will be eligible for a \$200 rebate (\$75 from PG&E and \$125 from ACWD). Union Sanitary District (USD) has also indicated that they will cost-share in the Program, and reimburse ACWD \$25 for every rebate provided. Based on USD’s cost-sharing participation and based on an estimated 1000 rebates for ACWD’s service area for the remainder of fiscal year 08/09, the total estimated net cost for ACWD’s share of the rebates is \$100,000. ACWD will also be responsible for PG&E program administration fees. These administration fees are estimated at \$10,000 for a total six month ACWD program net cost of \$110,000, and a total program cost of \$135,000 (inclusive of USD’s share).

The existing agreement between ACWD and PG&E will need to be amended to continue the Program through the end of this fiscal year 08/09, with an option to continue through until December 31, 2009 for program administration. Sufficient funds are contained in the FY 08/09 budget to cover the costs of this program.

RECOMMENDATION: By motion, 1) approve ACWD’s participation in the 2009 Bay Area Water Agency and PG&E Cooperative Clothes Washer Rebate Initiative until the end of the current fiscal year 08/09, effective January 1, 2009, 2) authorize the General Manger to amend the existing agreement with PG&E, for program administration, for six months, with an option to continue until

December 31, 2009, 3) authorize a Purchase Order to Pacific Gas and Electric Company in an amount not to exceed \$135,000 for ACWD and USD's portion of the rebates and related fees for the Program.

5.2* AUTHORIZATION OF PURCHASE ORDER FOR CHEMICAL METERING PUMPS FOR THE BLENDING FACILITY AND WATER TREATMENT PLANT NO. 2

BACKGROUND: As part of the regular equipment replacement program at WTP2, the chemical metering pumps for aqueous ammonia are scheduled for replacement this year. Similarly, as part of the Blending Facility Upgrades project, the chemical metering pumps for sodium hypochlorite, sodium hydroxide, and hydrofluosilicic acid are scheduled for replacement. Since District maintenance staff will be performing all the installation work, the replacement pumps are being purchased by the District. A total of fifteen pumps will be replaced.

DISCUSSION: The District has standardized on chemical metering pumps manufactured by Milton Roy. District staff requested the local Milton Roy metering pump representative, Burlingame Engineers of Concord, CA, to furnish a quote for the replacement pumps. The total cost for the fifteen pumps is \$132,969 which includes tax and freight, and reflects a 7.5% quantity discount.

There is adequate funding in the budget for this expenditure.

RECOMMENDATION: By motion, (1) authorize a purchase order to Burlingame Engineers for fifteen Milton Roy Metering Pumps, equipped per their proposal, for \$132,969.

5.3* CHANGE ORDER NO. 1 FOR THE INLAND SALTWATER INTRUSION MONITORING WELLS PROJECT

BACKGROUND: On December 11, 2008, the Board awarded the contract for the Inland Saltwater Intrusion Monitoring Wells Project to Precision Sampling, Inc. in the amount of \$177,200. The contract scope includes the installation of seven groundwater monitoring wells, which will allow the District to better understand the hydrogeology in the central section of the Niles Cone Groundwater Basin. Construction is scheduled to begin on January 12, 2009.

DISCUSSION: Construction costs related to the Inland Saltwater Intrusion Monitoring Wells Project are being funded by a Local Groundwater Management Assistance Program grant from the California Department of Water Resources (DWR). The installation of four additional monitoring wells will maximize the benefit of DWR's \$250,000 grant by further defining the extent of brackish water in the Centerville and Fremont Aquifers near the Mowry Wellfield.

Change Order No. 1 in the amount of \$84,107 has been prepared to install the four additional Centerville Aquifer monitoring wells. These wells would be located either adjacent to the original project scope wells or near other existing wells. Staff has evaluated the cost for this additional work to be fair and reasonable because the unit and lump sum amounts are based on the existing contract with Precision Sampling, Inc. Additionally, the proposed change in scope is consistent with DWR's grant funding agreement. To implement the additional scope of work, Precision Sampling, Inc. has

requested an extension of 39 calendar days. Staff has reviewed the request for additional time and has determined that it is appropriate for the work to be performed.

There is adequate funding in the budget to cover the costs that are above the amount of DWR's grant. Contingent on Board approval, the revised total amount of the drilling contract, including Change Order No. 1, is \$261,307 and is below the original engineer's estimate of \$267,600.

RECOMMENDATION: By motion, 1) approve Change Order No. 1 in the amount of \$84,107 which is the total of unit price payment items and lump sum costs; and 2) grant a time extension of 39 calendar days to Precision Sampling, Inc. for the Inland Saltwater Intrusion Monitoring Wells Project, Job 6367.

5.4 PUBLIC HEARING TO CONSIDER AMENDING SCHEDULE OF DISTRICT RATES AND CHARGES; CONSIDERATION AND ADOPTION OF RESOLUTION AMENDING RATES AND CHARGES

BACKGROUND: At the meeting of November 13, 2008, the Board received staff recommendations and called for a Public Hearing on January 8, 2009, to receive and consider comments on proposed revisions to certain District rates and charges.

Notices were mailed to all property owners who receive water service from the District on November 24, 2008 notifying them of a proposed 6.0 percent water rate and service charge increase. Two legal notices were published in The Argus on December 29, 2008 and January 3, 2009, and notices of the public hearing were posted at the city hall and main library of each of the Tri-Cities and on the District's web site. An article publicizing the rate increase and public hearing was published in The Argus on November 30, 2008.

DISCUSSION: The District's commodity rates are based on a comprehensive Financial Planning Model (FPM) that incorporates projected general fund revenues, operating expenses, capital expenditures and reserve requirements over approximately a ten year period. Facilities and related fees and charges attributable to growth and development are accounted for separately as required by law and do not impact the commodity rate for water consumption.

These revenue and cost projections are derived from other planning tools and models, including the District's Integrated Resources Plan (IRP), Capital Improvement Program (CIP), and current year budget. The IRP process evaluates a wide range of water supply and water conservation options as well as land use projections in the District's service area to develop the District's long range water supply strategy to meet projected demands. The CIP includes project schedules and projected costs for facilities identified in the IRP and other projects to support and maintain system reliability, water quality and environmental compliance. The budget is also an important tool that guides the District in each fiscal year in implementing the necessary projects, programs and activities to achieve the goals identified in the IRP and CIP planning models. These planning models were previously reviewed with the Board, respectively, on December 14, 2006 and June 12, 2008. The models are also reviewed and updated annually to ensure that these planning tools reflect the most current and accurate available information.

The FPM encompasses a number of recurring factors that can over time significantly influence the cost of operations, capital projects and funding sources including, but not limited to, inflationary pressures, projected growth in the District's customer base, interest rates on borrowed and invested funds, salaries and other labor related costs. To the extent that these factors are reasonably predictable or can be confirmed from reliable sources or agreements, they have been incorporated into the model. Additionally, there are a number of external non discretionary factors, some of which are relatively fixed and ongoing in nature, that are not easily predictable or controllable including: water treatment, chemical, energy costs; cost of purchased water; rising cost of construction materials; new laws and regulations, environmental compliance, more stringent public health and water quality standards; and other unforeseeable events such as the recent economic downturn and long term dry weather conditions.

Operating expenses include those programs and activities necessary to support and maintain the District's ongoing daily operations. These include: costs associated with fuel and power; purchased water from the State Water Project and San Francisco Regional Water System, including costs related to improving regional water supply reliability; operations and maintenance of the groundwater basin, water treatment facilities, water quality analysis, mains, service lines and reservoirs; administrative and related expenses, and debt service. These costs total approximately \$810 million within the 10 year rate window. This includes funding of an Other Post Employment Benefit (OPEB) Trust for retiree health benefits with an initial funding of \$5 million, and subsequent annual required contributions and reimbursements from the trust as projected.

The FPM also includes over \$167 million in major capital projects to be implemented over a 10 year period, which are needed to comply with increasingly stringent public health and environmental standards and to maintain water supply and distribution system reliability. Major projects include treatment plant process improvements and retrofit work, supplemental water supply storage, water production and storage facility improvements, water main and service line replacements, design and construction of the Newark Desalination Facility – Phase 2, Niles-Newark Intertie Pipeline, and various fishery projects along Alameda Creek. However the Seismic Improvement Program (SIP) is not included in these rate calculations, but will be considered as part of the annual CIP update this upcoming spring once staff has determined the appropriate program scope, schedule and timing.

These factors taken as a whole, and without any kind of future rate increases, would have resulted in plummeting negative cash reserve balances beginning in FY 2010/11 and beyond. A substantial one year rate adjustment in excess of 45% would be needed to offset these projected negative ending cash balances. In order to moderate and minimize huge swings in rate adjustments each year, rate changes are averaged as much as possible over a ten year period. This helps to minimize the impact on our ratepayers while accumulating the necessary funds over time to implement the programs and activities identified in the FPM. It is sound, responsible and prudent financial planning practice to anticipate cash flow needs to ensure that the District is able to meet its obligations to its suppliers and water customers in a reasonable and timely manner. Water revenues are the District's primary source of revenue, comprising about 70% of the District's total source of revenues.

Staff also continuously strives to control and moderate rate impacts through various ongoing cost saving measures including:

- Maintaining high levels of service, water reliability, public health and water quality standards without increasing staff size since 2003, even though the population of the service area has increased approximately 3% and the number of meters by 3.2%, and regulatory requirements continue to increase.
- Managing debt service costs through interfund loans, and refinancing;
- Prioritizing and implementing only the highest priority capital projects;
- Implementing ongoing process improvements throughout the organization;
- Pursuing interagency collaboration to share costs;
- Securing several million dollars in grant funding awards and other reimbursement opportunities;
- Making cost effective use of technology to maximize productivity, speed, reliability and security; and,
- Making efficient use of staff and training to maximize coverage and response to work demands.

Additional detail will be provided on the projected revenues, operating expenses and capital expenditures during the Board meeting on the proposed rate increase.

COMMODITY RATE

It is proposed that the base commodity rate for customers within the District's service area be increased by 6.0% effective February 1, 2009 to help recover increasing operating expenses as well as to help fund capital projects needed to comply with state and federal drinking water regulations and to maintain the reliability of the water system. Among other factors, the District is having to respond to an unusual combination of decreased water demand, drought, economic uncertainty, increased labor related costs, and increased purchased water costs. Staff also proposes a 6.0% increase for those customers who are outside the District's boundaries, and for the very limited number of customers who only use San Francisco Water, a 12.0% increase.

The proposed base commodity rates are summarized below.

	<u>Current</u>	<u>Proposed Eff. 2/1/09</u>
Base Commodity Charge (per HCF):		
Inside District	\$ 2.388	\$ 2.531
Outside District	2.745	\$ 2.910
San Francisco Water Service	2.395	\$ 2.682

February 1 is proposed as the effective date to ensure compliance with Proposition 218 notification requirements.

BIMONTHLY SERVICE CHARGE

The bimonthly service charge is set to recover certain fixed costs, including meter reading and customer service, meter and service line maintenance and replacement, and partial annual debt service on bonds issued to finance Water Treatment Plant No. 2 capital costs. The bimonthly service charge was last adjusted in January 2006. It is proposed that the bi-monthly service charge be increased by 6.0% for all meter sizes and customer types. This means that for a 5/8 inch or 3/4 inch meter, the bimonthly charge would be increased from \$10.08 to \$10.68.

COST COMPARISON - AVERAGE WATER BILL

The net effect of the proposed increase to the base commodity rate, and service charge, would increase the total bi-monthly water bill for an average residential customer who uses 25 units of water (approximately 308 gallons per day) by \$4.18 from \$69.78 to \$73.96, which would mean a \$2.09 increase per month, or less than 7 cents a day.

The \$4.18 bi-monthly increase for the average customer is made up of the following cost components:

Purchased Water	\$1.03	25%
Operating Expenses	\$1.00	24%
Maintenance Expenses	\$0.73	17%
Capital	\$0.63	15%
Admin & General	\$0.42	10%
Debt Service	\$0.19	5%
Power	<u>\$0.18</u>	<u>4%</u>
Total	\$4.18	100%

This proposed increase would place the District's average residential water bill in the lower third of the 30 other Bay Area agencies surveyed. However, note that this is comparing the District's proposed 2009 rates with the current 2008 rates of all the other surveyed agencies. A number of these agencies are projecting double-digit increases next year, which means ACWD's 2009 rates will compare even more favorably with other agencies' 2009 rates, reflecting the District's efforts to control costs while providing a high level of service to our customers.

DEVELOPMENT RELATED FEES AND CHARGES

The facilities acreage and connections charges are collected from developers and deposited into the Facilities Improvement Fund to pay for the growth related portion of new capital facilities. The Facilities Connection Charge (FCC), Facilities Acreage Charge (FAC), Standard Acreage Charge (SAC), and Front Foot Charges (FFC) are typically set one year in advance to enable developers to budget fee changes well in advance of the effective date. Charges effective January 1, 2009 were

previously adopted by the Board on January 10, 2008.

Based on the Financial Planning Model's latest projection of growth-related capital projects and projected revenue, staff is proposing a 5.0% increase to both the general Facilities Acreage Charge and potable Facilities Connection Charges effective February 1, 2010. The new February 1 effective date is being proposed to bring about greater consistency amongst all the other rates and charges in regards to their effective date.

All of the above-proposed changes are shown below.

	<u>Adopted</u> <u>Eff. 1/1/09</u>	<u>Proposed</u> <u>Eff. 2/1/10</u>
Facilities Acreage Charge (General)	\$ 6,329	\$ 6,645
Facilities Connection Charge (Residential Meters)		
	<u>Adopted</u> <u>Eff. 1/1/09</u>	<u>Proposed</u> <u>Eff. 2/1/10</u>
Single Family Dwelling Units	\$ 5,546/du	\$ 5,823/du
Multiple Dwelling Units	\$ 4,439/du	\$ 4,661/du
Residential Dormitory Meter Facilities Connection Charge		
	<u>Adopted</u> <u>Eff. 1/1/09</u>	<u>Proposed</u> <u>Eff. 2/1/10</u>
	\$ 3,329/unit	\$ 3,495/unit
Facilities Connection Charge (Nonresidential, Municipal and Irrigation Meters)		
<u>Meter Size</u>	<u>Adopted</u> <u>Eff. 1/1/09</u>	<u>Proposed</u> <u>Eff. 2/1/10</u>
3/4"	\$7,824	\$8,215
1"	11,829	12,420
1½"	17,335	18,202
2"	21,177	22,236
3"	35,054	36,807
4"	58,220	61,131
6"	85,627	89,908
8"	131,025	137,576

In regard to all changes to the District's rates and charges, an exemption is allowed from the applicability of the California Environmental Quality Act, Section 21080(b)(8) of the Public Resources Code if the Board finds that the rate changes are for the purpose of: (1) meeting operating expenses; (2) purchasing or leasing supplies, equipment, and materials; (3) meeting financial reserve requirements; or, (4) obtaining funds for capital projects necessary to maintain services and system reliability within existing service areas.

If the Board adopts staff's proposal, the consolidated master Rate and Fee Schedule will be updated with the proposed changes. The Board resolution will authorize all rates and charges as shown in the updated consolidated schedule.

RECOMMENDATION: 1) Conduct a Public Hearing to receive and hear comments on the proposed revisions to the District rates and charges; 2) by motion, make the finding that the rate changes are for one or more of the purposes listed above in regard to the California Environmental Quality Act, and authorize the General Manager to file a Notice of Exemption with the County Clerk; and 3) by motion, adopt a resolution implementing the recommended revisions to the rates and charges.

Attachments
cc: Executive Staff



ALAMEDA COUNTY WATER DISTRICT YEAR 2009 RATES & CHARGES

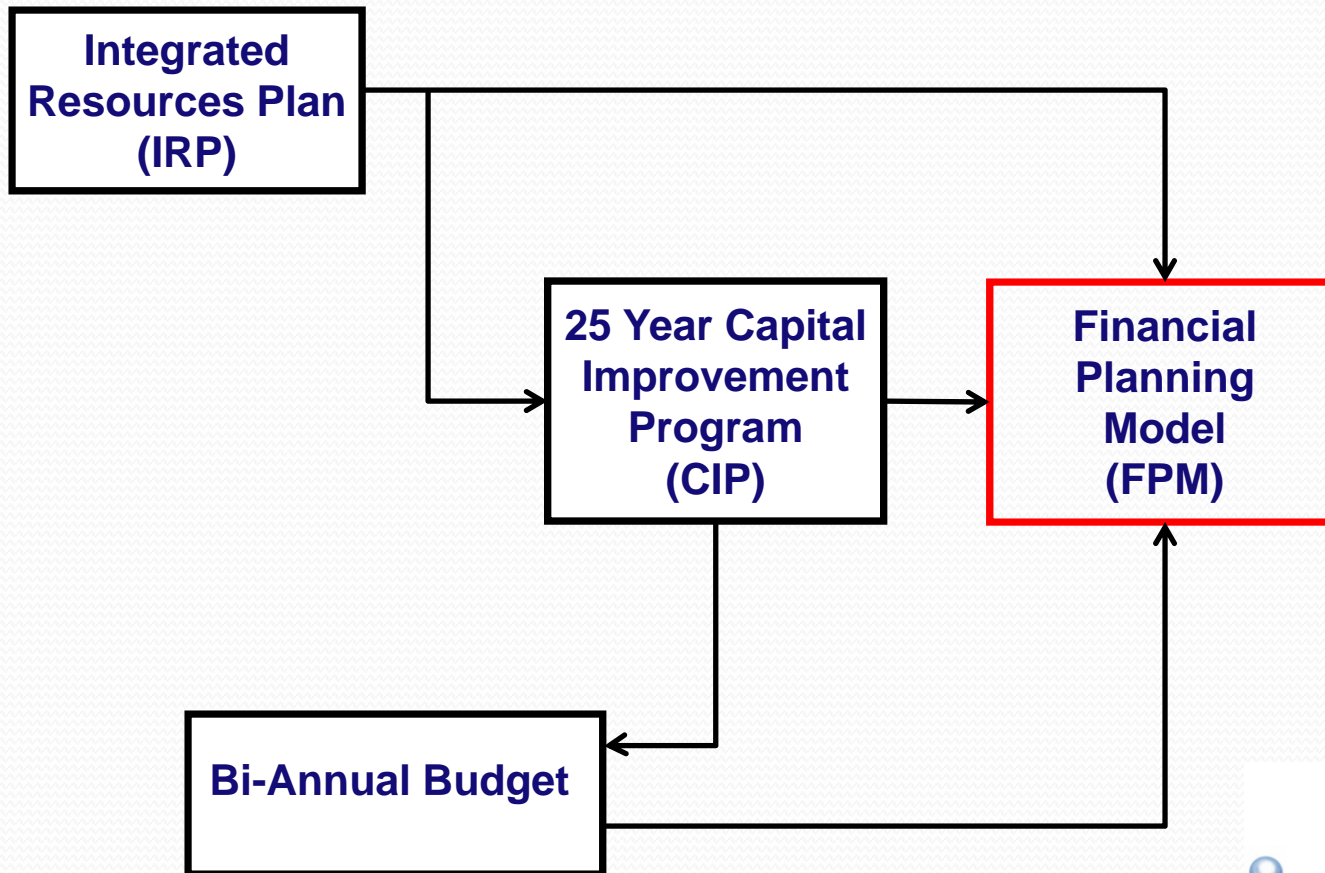
January 8, 2009

YEAR 2009 PROPOSED RATE ADOPTION TIMELINE

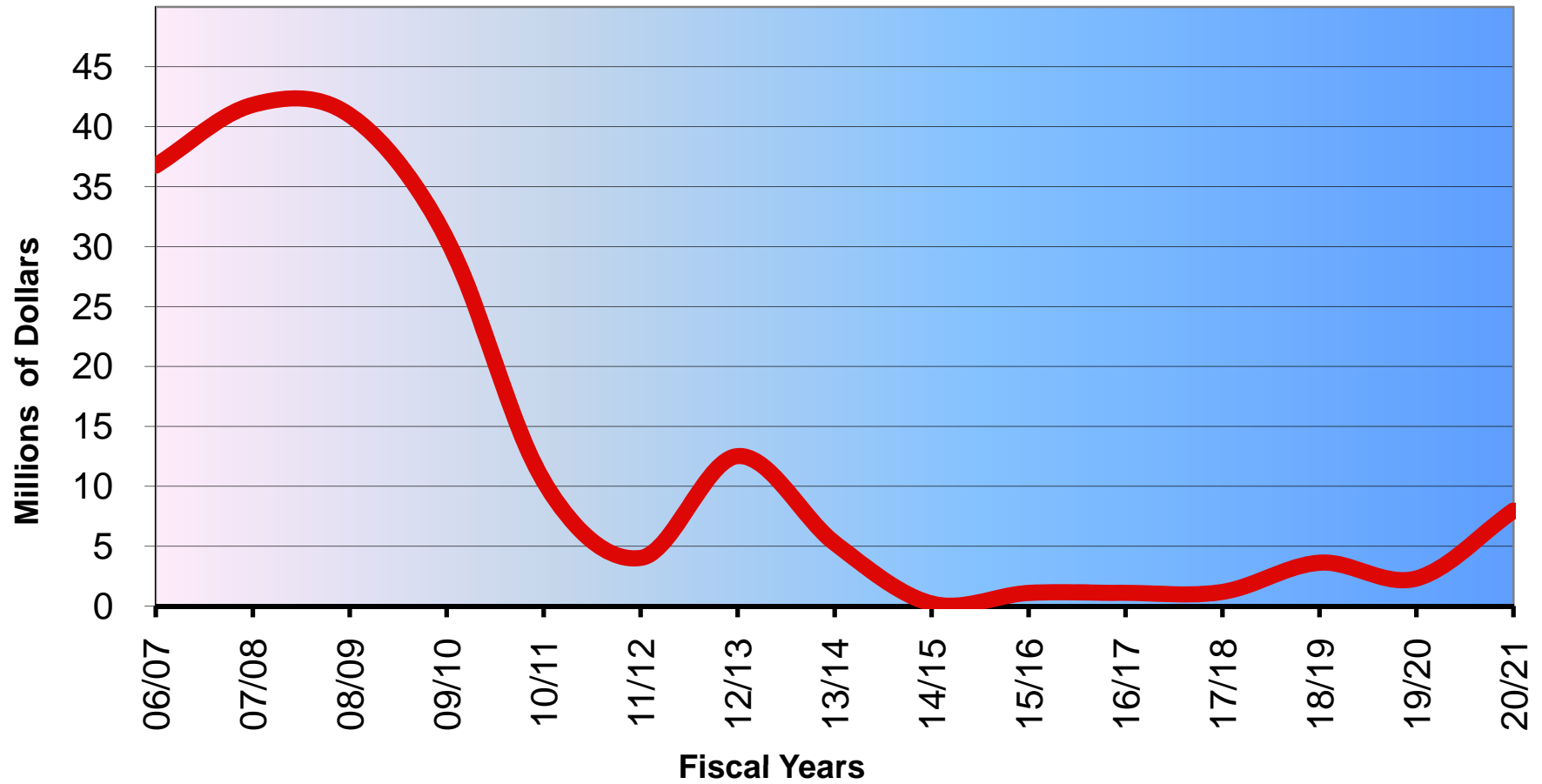
November 13, 2008	Detailed Review of Proposed Rates and Charges
November 24, 2008	Property Owner Notifications Mailed Out
December 8, 2008	Developer Notification Letters Mailed Out
December 29, 2008	1st Publication of Public Hearing Notices in Argus
January 3, 2009	2nd Publication of Public Hearing Notices in Argus
January 8, 2009	Public Hearing of Rates and Charges
February 1, 2009	Proposed Eff. Date of Revised Rates and Charges



ACWD RATES PROCESS FLOW CHART



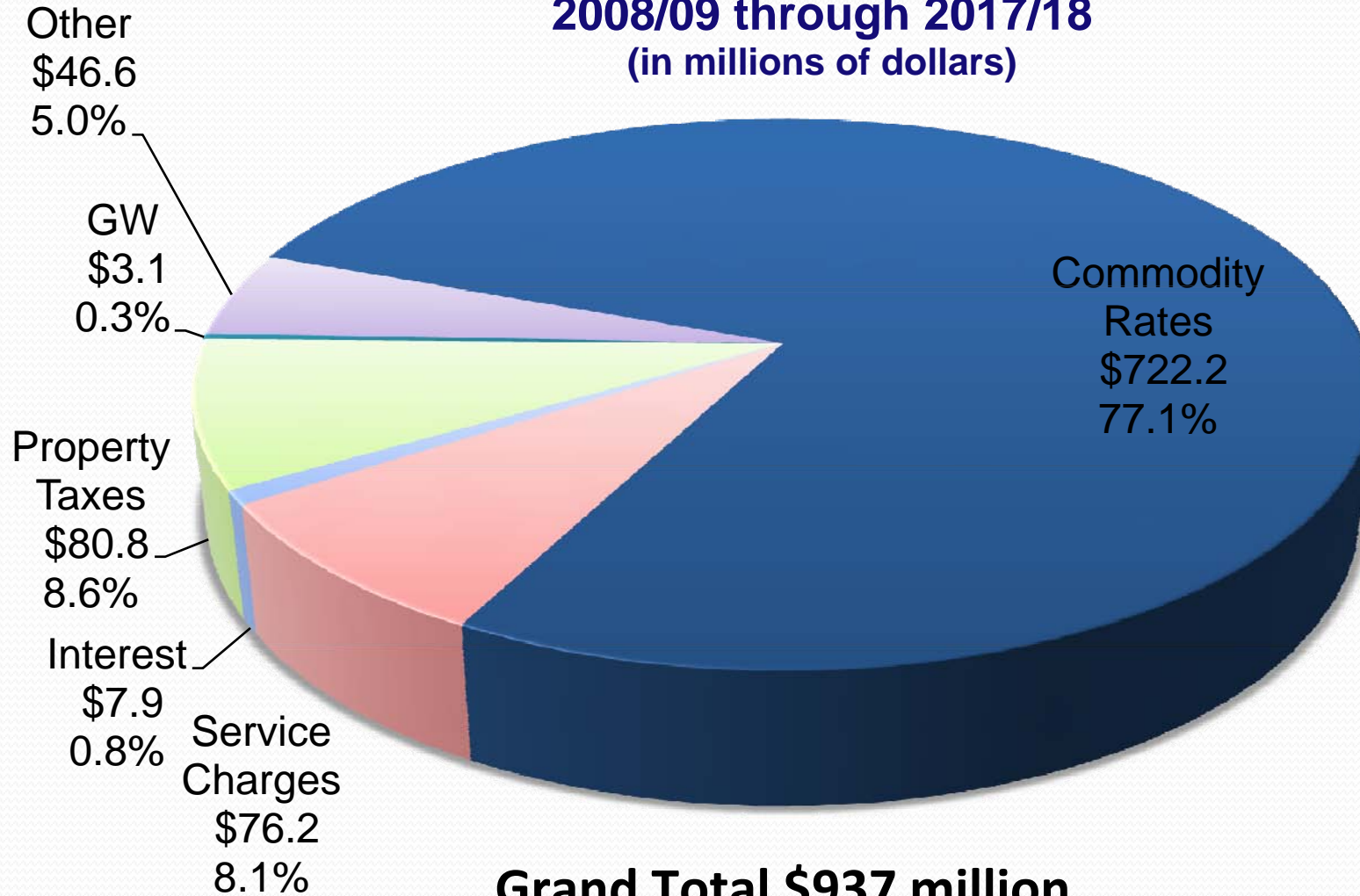
GENERAL FUND ENDING CASH AFTER RESERVES



Cumulative General Fund Revenues

2008/09 through 2017/18

(in millions of dollars)



Grand Total \$937 million

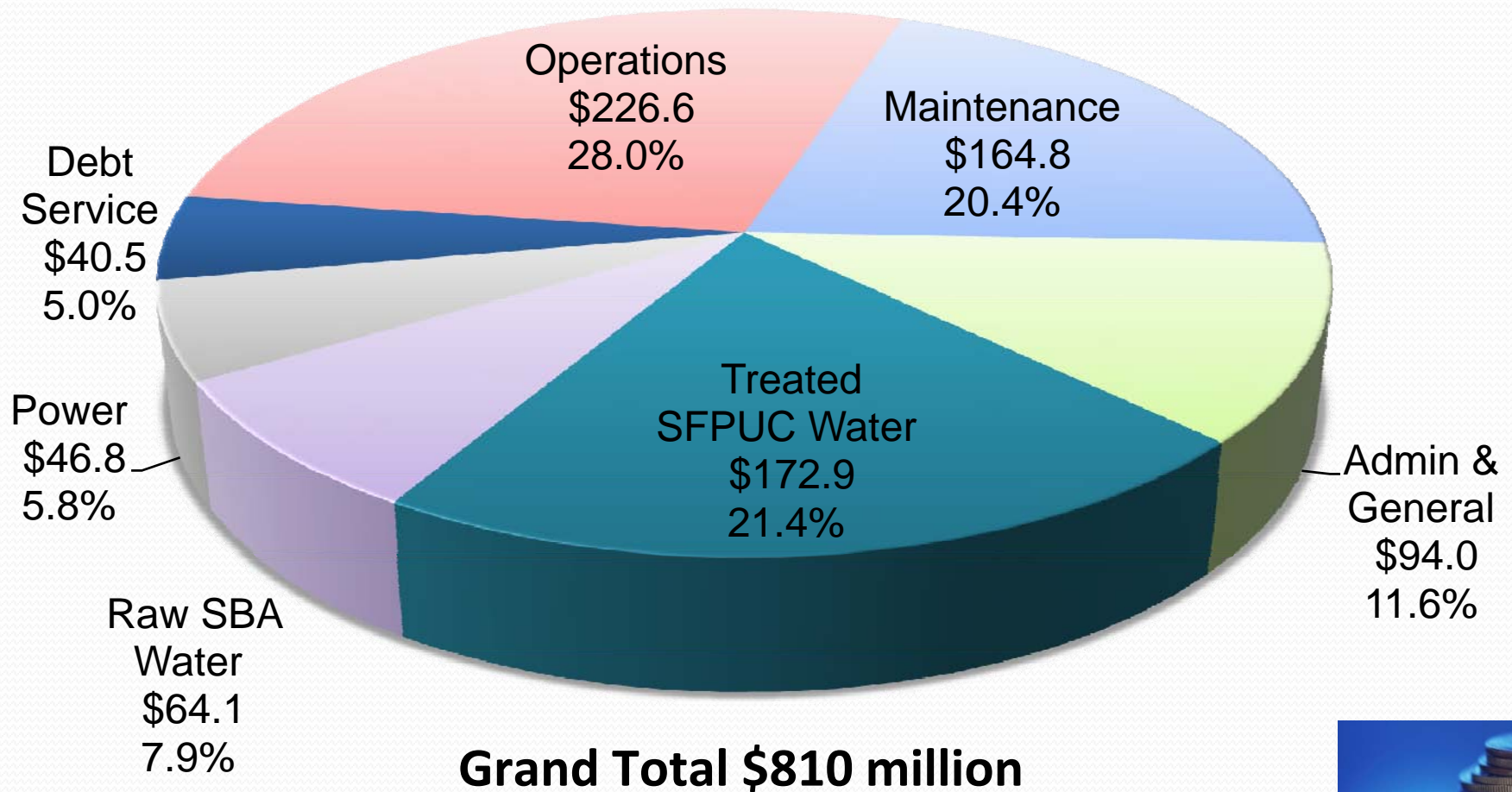
(includes proposed increases)



Cumulative Operating Expenses

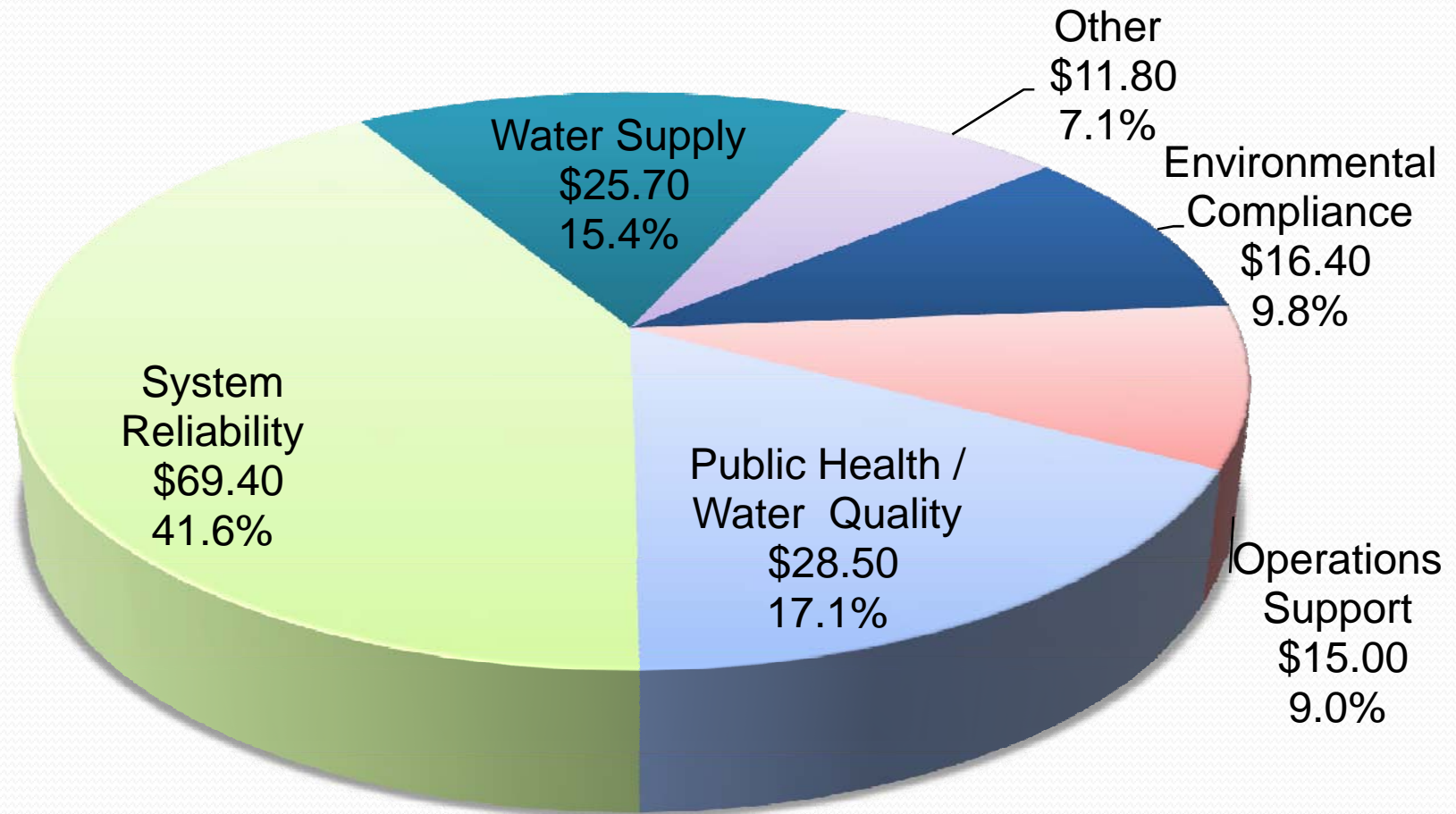
2008/09 through 2017/18

(in millions of dollars)



Cumulative General Fund Capital

2008/09 through 2017/18
(in millions of dollars)

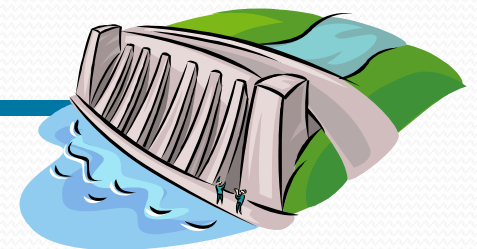


Grand Total \$167 million



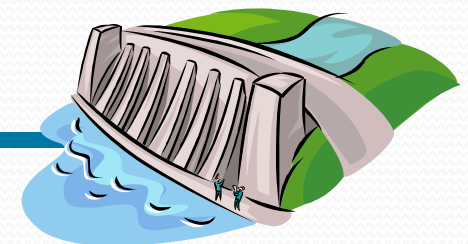
GENERAL FUND MAJOR CIP PROJECTS

Project	Cost (Thousands)	Scheduled Start	Project Duration
<u>Environmental Compliance</u>			
Rubber Dam 3 - Fish Ladder	\$3,091	FY 08/09	5
Rubber Dam 1 - Fish Ladder	2,817	FY 08/09	3
Rubber Dam 2 - Decommission & Foundation Mods	1,159	FY 08/09	1
Bunting Pond Fish Screen	1,117	FY 08/09	3
Shinn Pond Fish Screen	3,640	FY 09/10	4
Kaiser Pond Fish Screen	2,600	FY 09/10	4
<u>Operations Support</u>			
Vehicle Capital - Capital Equipment and Materials	\$4,887	FY 08/09	10
Information System Master Plan	2,901	FY 08/09	3
Headquarters Facility Improv/ Equip Replacements	1,305	FY 08/09	10
JD Edwards Server Replacements & Upgrades	1,242	FY 08/09	7



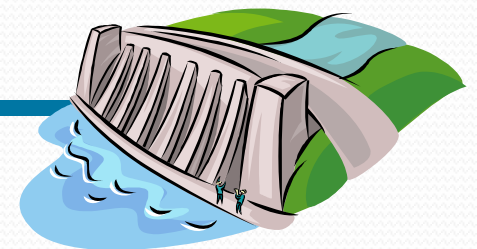
GENERAL FUND MAJOR CIP PROJECTS

Project	Cost (Thousands)	Scheduled Start	Project Duration
<u>System Reliability</u>			
Main Replacements	\$9,159	FY 08/09	10
Rubber Dam 1 - Seismic Upgrades	3,374	FY 08/09	3
WTP No.2 Improvements/ Equip Replacements	2,548	FY 08/09	10
WTP No.2 - LOX Conversion & Process Upgrades	2,191	FY 08/09	2
Tank and Reservoir Seismic Upgrades	1,971	FY 08/09	3
Operations Department - Capital Equipment and Materials	1,544	FY 08/09	10
PT Blending Chem Feed Upgrades	1,260	FY 08/09	2
Distribution System Facility Improvements	1,130	FY 08/09	10
Mowry and PT Wellfields - Well Rehabilitations	1,113	FY 08/09	10
GW Supply Facilities Improv/ Equip Replacements	1,007	FY 08/09	10
Rubber Dam 1 - Fabric Replacement	3,536	FY 09/10	2
Desalination Facility Improvements/ Equip Replacements	2,097	FY 09/10	9



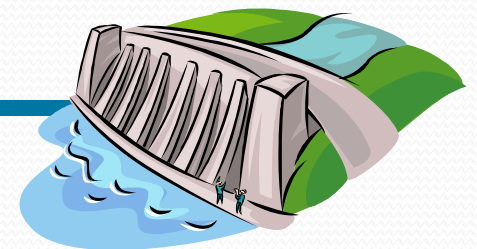
GENERAL FUND MAJOR CIP PROJECTS

Project	Cost (Thousands)	Scheduled Start	Project Duration
<u>System Reliability (con't)</u>			
WTP No.2- Power Facility Turbine Upgrade	\$2,067	FY 09/10	2
Membranes for Desal Facility	1,710	FY 09/10	2
Seven Hills Booster Station Upgrade	2,020	FY 10/11	3
PT Wellfield Generators	1,705	FY 10/11	3
Mayhew Reservoir Roof Replacement	2,228	FY 12/13	3
Kaiser Pit AHF Rehabilitation	1,198	FY 12/13	1
Ultrafiltration Improvement/ Equip Replacement	1,377	FY 13/14	5
Decoto Reservoir Roof Replacement	5,497	FY 15/16	3
Peralta-BART Wellfield Pipeline - 2,600ft x 36"	1,185	FY 16/17	2
Decoto Reservoir Lining/Structural/Mechanical/WQ Imprvs	1,212	FY 17/18	1

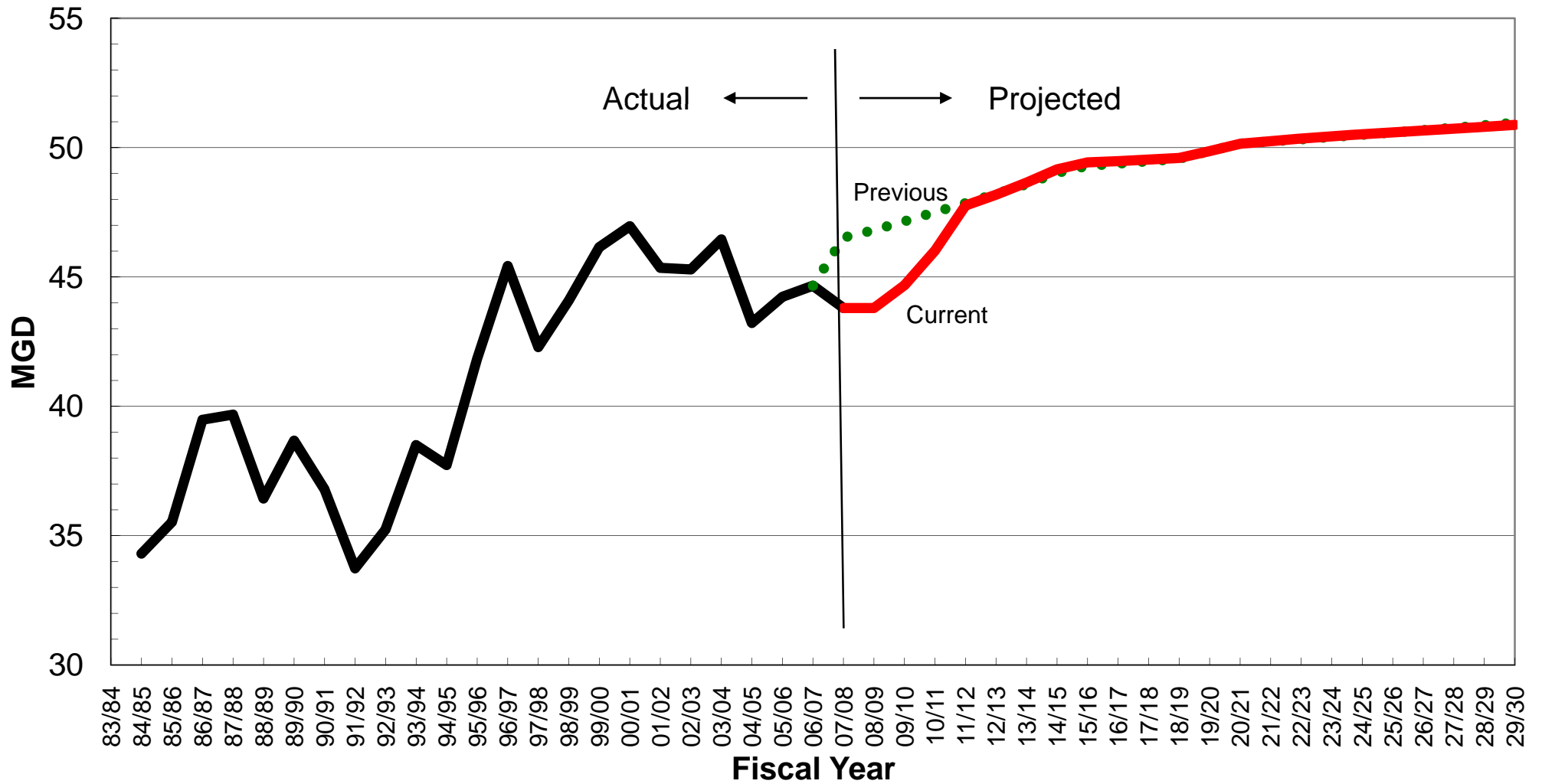


GENERAL FUND MAJOR CIP PROJECTS

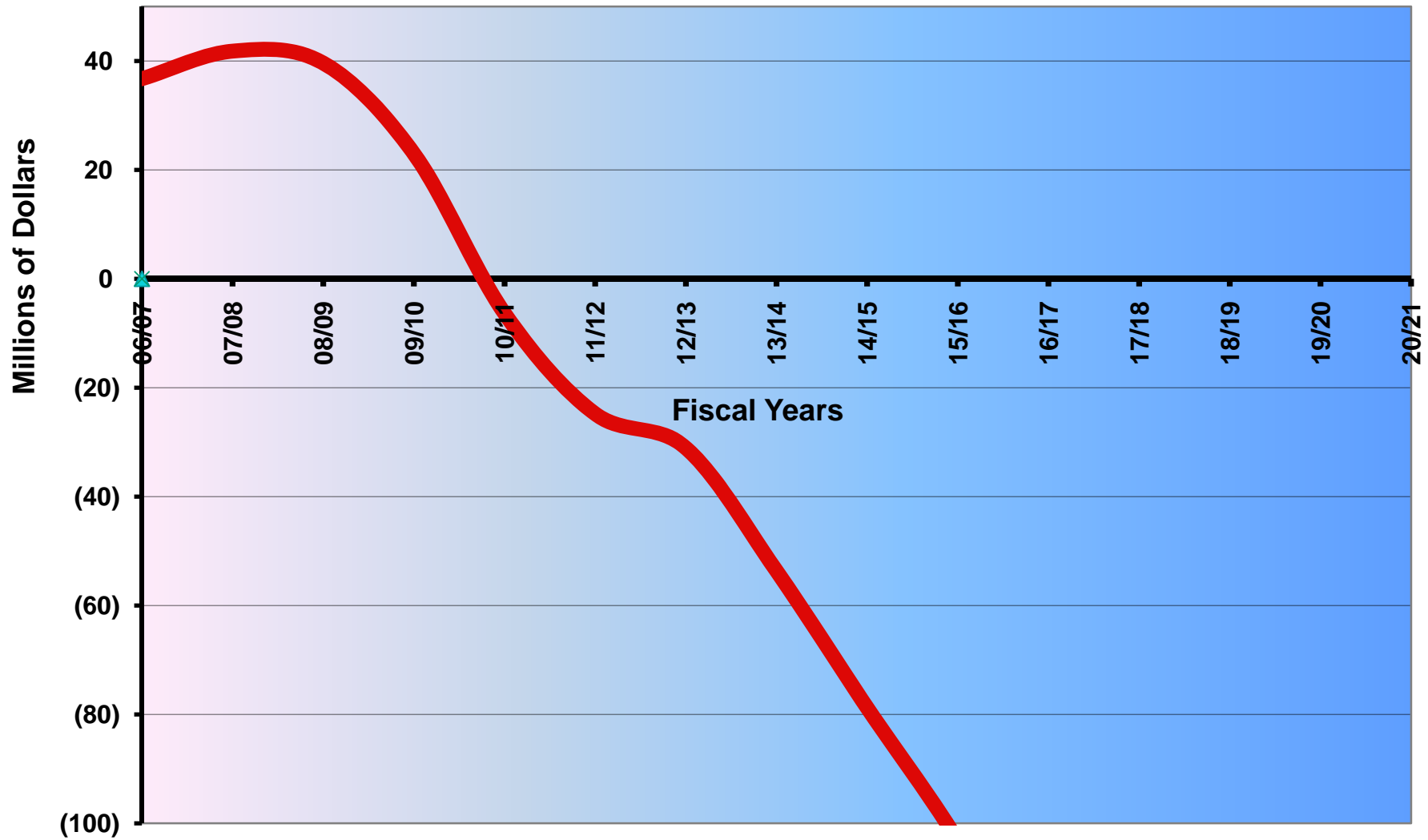
Project	Cost (Thousands)	Scheduled Start	Project Duration
<u>Public Health / Water Quality</u>			
MSJWTP Process Upgrades and Post Upgrades	\$19,088	FY 08/09	5
Operations Department - Capital Equipment and Materials	1,544	FY 08/09	10
Patterson Reservoir Water Quality Enhancement	2,952	FY 11/12	2
Niles-Newark Intertie Pipeline, Fremont Phase	2,850	FY 15/16	2
<u>Water Supply</u>			
Supplemental Water Storage (Semi-Tropics)	\$16,525	FY 08/09	10
Desal, Phase 2	2,661	FY 08/09	2
ARP to Desal Pipelines, Phase 2	1,331	FY 08/09	1
<u>Other</u>			
Pipe Relocate- Warren Ave.	\$1,457	FY 08/09	2
High/Union to Grimmer/Frmt - 3,700 ft x 30"	1,083	FY 10/11	3



WATER DEMAND ACTUAL and PROJECTED



GENERAL FUND ENDING CASH AFTER RESERVES



SAVINGS and EFFICIENCIES

Maintaining high levels of service, water reliability, public health and water quality standards without increasing staff size since 2003, even though the population of the service area has increased approximately 3% and the number of meters by 3.2%, as well as increasing regulatory requirements

Managing debt service costs through interfund loans, and refinancing

Prioritizing and implementing only the highest priority capital projects

Implementing ongoing process improvements throughout the organization

Pursuing interagency collaboration to share costs

Securing several million dollars in grant funding awards and other reimbursement opportunities

Making cost effective use of technology to maximize productivity, speed, reliability and security

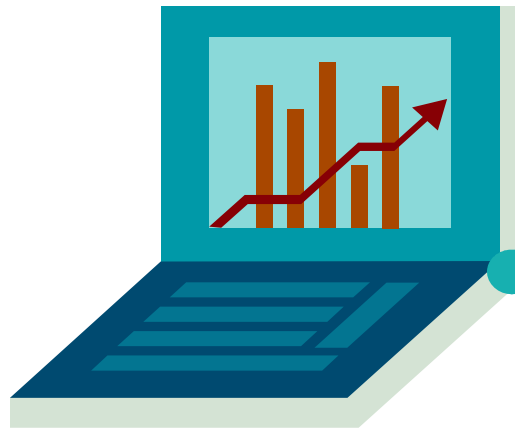
Making efficient use of staff and training to maximize coverage and response to work demands



PROPOSED INCREASE FOR COMMODITY RATE

Proposed Base Commodity Rate Increase for 2009: **+6.0%**

(for San Francisco Water Only Customers +12.0%)



PROPOSED REVISIONS TO COMMODITY CHARGES

	<u>Current</u>	<u>Proposed Eff. 2/1/09</u>
Bimonthly Commodity Charge (per hcf)		
Inside District	\$ 2.388	\$ 2.531
Outside District	2.745	2.910
San Francisco Water Service Only	2.395	2.682



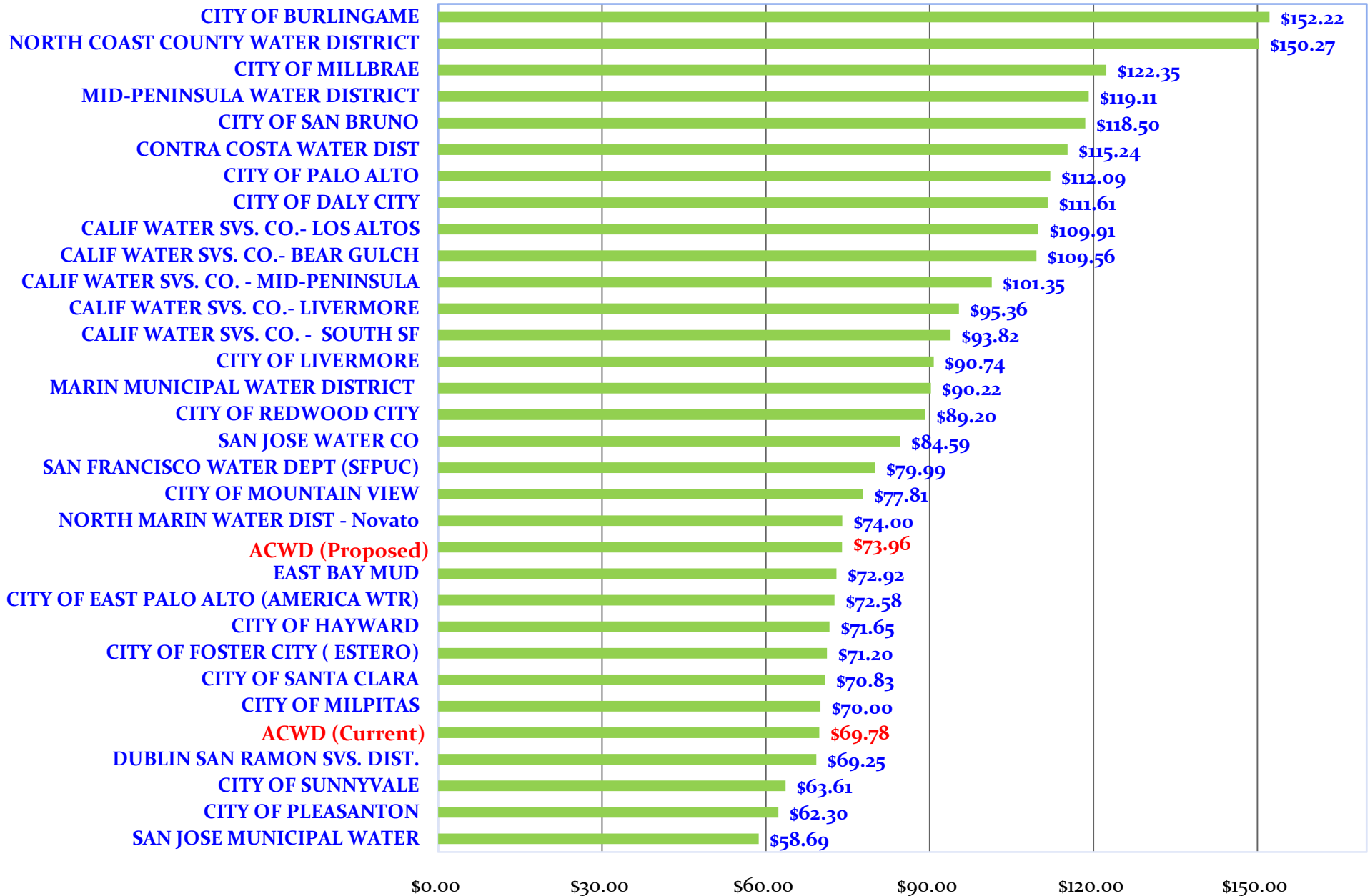
PROPOSED REVISIONS TO BIMONTHLY SERVICE CHARGES

<u>Meter Size</u>	<u>Current</u>	<u>Proposed 2/1/09</u>
5/8 & 3/4"	\$ 10.08	\$ 10.68
1"	14.44	15.31
1-1/2"	25.52	27.05
2"	36.59	38.79
3"	138.76	147.09
4"	200.97	213.03
6"	485.10	514.21
8"	710.33	752.95
10"	1,269.45	1,345.62



2009 COST COMPARISON* - AVERAGE WATER BILL

(Based on Bimonthly Consumption of 25 HCF – Commodity & Service Charge)



*Rates shown for non-ACWD agencies are those currently in effect as of October 2008

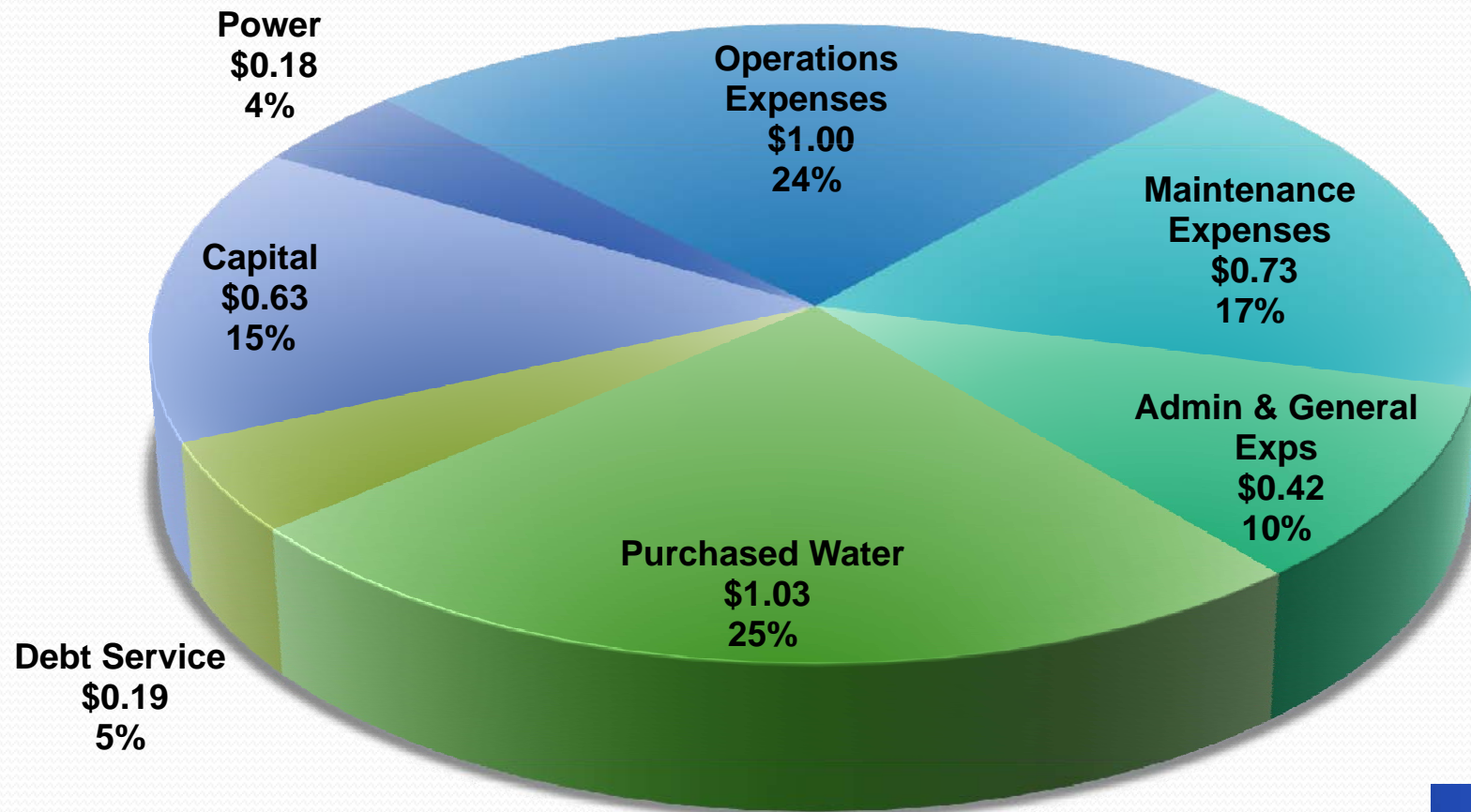
EXAMPLE BIMONTHLY TOTAL WATER BILL COST CHANGES

(with a 6.0% commodity & service charge increase)

	Low <u>16 hcf</u> (200 gpd)	Average <u>25 hcf</u> (312 gpd)	High <u>65 hcf</u> (810 gpd)
Current	\$48.29	\$69.78	\$165.30
Proposed	\$51.18	\$73.96	\$175.20
\$ Increase	\$2.89	\$4.18	\$9.90
Per Day	\$0.047	\$0.069	\$0.163



Allocation of Proposed Bi-Monthly \$4.18 Increase for an Average District Customer



PROPOSED REVISIONS TO DEVELOPMENT CHARGES

	<u>Adopted Eff. 1/1/09</u>	<u>Proposed Eff. 2/1/10</u>
Facilities Acreage Charge	\$6,329	\$6,645
Facilities Connection Charges (Residential)		
Single Family Dwelling Units	\$5,546	\$5,823
Multiple Dwelling Units	\$4,439	\$4,661
Dormitory Meter	\$3,329	\$3,495



PROPOSED REVISIONS TO FACILITIES CONNECTION CHARGES FOR NONRESIDENTIAL, MUNICIPAL AND IRRIGATION METERS

<u>Meter Size</u>	<u>Adopted Eff. 1-1-09</u>	<u>Proposed Eff. 2-1-10</u>
3/4"	\$ 7,824	\$ 8,215
1"	11,829	12,420
1-1/2"	17,335	18,202
2"	21,177	22,236
3"	35,054	36,807
4"	58,220	61,131
6"	85,627	89,908
8"	131,025	137,576



OTHER DISTRICT RATES AND CHARGES

	<u>Current</u>	<u>Proposed</u> <u>2/1/09</u>
After-Hours Connection Charge	\$190	\$198
Annexation Charge (per acre)	\$1,770	\$1,830
Backflow Prevention Device Testing Fee	\$54	\$57
Damaged Angle Stop Charge	\$70	\$84
Engineering Fees Minimum	\$6,800	\$7,700



OTHER DISTRICT RATES AND CHARGES (con't)

	<u>Current</u>	<u>Proposed</u> <u>2/1/09</u>
Fire Hydrant Meter Deposit	\$1,440	\$1,700
Meter Installation Charge - 3/4"	\$100	\$110
Meter Installation Charge - 1"	\$130	\$150
Meter Installation Charge – 1 1/2"	\$250	\$350
Meter Re-Installation Charge	\$68	\$71
Returned Check Charge	\$28	\$30



OTHER DISTRICT RATES AND CHARGES (con't)

<u>WELL ADMINISTRATION FEES</u>	<u>Current</u>	<u>Proposed 2/1/09</u>
Well (Production) Construction	\$500	\$520
Repair or Reconstruction of Existing Well	350	365
Well (Production) Destruction	500	520
Monitoring Well Destruction	500	520
Cathodic Protection Wells	500	520
Geotechnical Investigation:		
Exploratory Holes (4, or less)	350	365
Exploratory Holes (over 4, each)	50	55
Monitoring Well	500	520
Chemical Investigation:		
Exploratory Hole (4, or less)	350	365
Exploratory Holes (over 4, each)	50	55
Monitoring and Extraction Wells	500	520



CALIFORNIA ENVIRONMENTAL QUALITY ACT

1. Meeting operating expenses
2. Purchasing or leasing supplies, equipment, or materials
3. Meeting financial reserve requirements
4. Obtaining funds for capital projects necessary to maintain services and system reliability within existing service areas



STAFF RECOMMENDATION

1. Proceed with Public Hearing
2. By motion, make finding that rate changes are for CEQA exemption purposes, and authorize the General Manager to file Notice
3. By motion, adopt resolution implementing rate revisions

