

AMADOR WATER AGENCY

NOTICE OF PUBLIC HEARING ON PROPOSED INCREASED RATES AND CHARGES FOR WATER AND WASTEWATER SERVICES

DATE & TIME OF PUBLIC HEARING: Tuesday, July 27, 2021, at 6:30 p.m.

LOCATION: Amador County Admin. Center – Board Chambers
810 Court Street, Jackson, California

You are receiving this notice because you are either an Amador Water Agency water or wastewater customer or you own or rent property that is receiving water or wastewater service from the Agency. At a public hearing to be held on Tuesday, July 27, 2021, the Agency's Board of Directors will consider a proposal to adjust rates and charges for water and wastewater service. The public hearing will be held in the Amador County Administration Center – Board Chambers, 810 Court Street, Jackson, California. The hearing will start at 6:30 p.m. or as soon thereafter as matters allow.

Amador Water Agency Water Service

The Amador Water Agency provides water or wastewater service to about 10,000 residential, commercial, industrial, and irrigation customers, as well as to several public agencies, totaling about 24,000 people.

The Agency's water system operation is funded mainly through water rates and service charges. Those revenues are used to pay for the ongoing operation, maintenance, repair, and replacement of the existing water system, including administrative costs and debt service payments.

The Agency's population served, in relation to its 568-square-mile service area is smaller than most, making individual bills higher. In recent years, the Agency faced financial challenges from several causes, notably the prolonged drought that severely reduced revenue while increasing costs. Despite cost reduction strategies, including significant staff reductions and deferred maintenance, the Agency's financial reserves are depleted. At the same time, costs for energy, treatment supplies, and much else have gone up. And meanwhile, the Agency's pipes, pumps, storage tanks, and treatment plants are very old and need rehabilitation or replacement.

Continuing to hold costs down by deferring maintenance and keeping staff at a bare minimum has made the problem of aging infrastructure worse. Much of AWA's water and wastewater system was pieced together over time as the Agency assumed responsibility for other large and small systems. Some of these systems were poorly maintained, and most were already old when AWA accepted them. For many years, AWA has continued to operate systems that are well beyond their original expected life. Now, failures and emergencies consume so much staff time that other regular maintenance cannot be performed, and the risk of a catastrophic failure to one or more of the Agency's systems is increasing.

In 2019, the Board of Directors took two significant steps. It made significant changes in Agency, and it ordered a comprehensive study of the capacity, condition, and deficiencies of the entire AWA water system. With expert consultant support, the Agency completed its first Water Master Plan Study, which the Board adopted in January 2021, after two special public workshops. <https://amadorwater.org/wp-content/uploads/2021/02/AWA-Water-Master-Plan-FINAL-2021-01-28.pdf>.

The Study described numerous deficiencies in the current system, including treatment plant limitations that threaten the reliability of drinking water service to existing customers. The Study identified 98 projects that need to be completed over the next 20 years, recommended a way to prioritize the projects needed in the next five years, and computed what the Agency should be preparing to spend on a regular basis to rehabilitate or replace old system hardware. Without taking steps to begin making investments in the system now, we will not have reliable water service for our community and families.

In certain areas, AWA also provides wastewater service, including collection, treatment and disposal of sewage. Some of the wastewater systems were also acquired by the Agency when they were already deficient and old. AWA is currently preparing a Wastewater Master Plan Study to fully evaluate its near- and long-term responsibilities, but with current information, a list of urgent, necessary projects is already planned. Like water services, wastewater service costs have increased due to regulatory requirements, power costs, treatment chemical costs, and dramatic increases in the need for urgent repairs, rehabilitation and replacement.

Reasons for the Proposed Water and Wastewater Rates and Charges

The proposed water and wastewater rates and charges are necessary to cover the ongoing and increasing cost of providing services including operation and maintenance costs, debt service obligations, and water system replacement and rehabilitation needs, as well as to establish and maintain prudent financial reserves consistent with established policies. These costs include labor costs, energy, fuel and chemical costs; water production and treatment costs; water distribution costs; administrative and customer service costs; and costs related to facilities replacement, rehabilitation, and upgrade of the water system. Critical factors necessitating additional water rate and service charge revenue at this time include:

- Ensuring that existing long-term debt service costs and related obligations are met.
- Providing funding for planned replacement, rehabilitation, and upgrades to water and wastewater facilities.
- Replenishing critically low financial reserves to meet current debt covenants, allow future loans to lower immediate costs, and to be financially able to respond to an emergency.
- Improving revenue stability through adjustments to the rate structure.

The proposed water and wastewater rates and charges are supported by a five-year financial plan. The financial plan determined that current water rates are insufficient and would result in the Agency failing to meet its obligations starting next year. In light of the current and estimated future needs of the water and wastewater systems, it is recommended that the Agency increase its water and wastewater rates in each of the next five years in order to: (1) cover all operating and maintenance costs, (2) meet debt service obligations, (3) provide adequate funding to support the capital improvement program, including rehabilitation or replacement of critical facilities, and (4) reach minimum Operating Reserve and Capital Replacement Reserve targets by the end of the five-year planning period.

Proposed Schedule of Water and Wastewater Rates and Charges

Exhibit 1 presents the proposed schedule of rates and charges covering a five-year period. Proposed rates follow the existing water and wastewater rate structures and have been adjusted to reflect revenue requirements and cost of service analyses, with consideration of other rate-setting objectives. Water rates include separate uniform water usage rates for treated retail water service and untreated water service customers. The water rates also include monthly service charges based on the size of the water meter for retail treated water service and untreated water service, and fixed monthly debt service charges that vary by both size of the water meter and by service area. Wastewater rates are generally based on average winter usage, measured in February and March, when there is little or no outdoor water use. Commercial wastewater connections are charged differently based on the type of wastewater their commercial activity produces.

Exhibit 1 Amador Water Agency Proposed Schedule of Water Rates and Charges								
	Current	Sept 2021	July 2022	July 2023	July 2024	July 2025		
Water Usage Rates (\$/CCF)(1)								
Treated Retail Service	\$ 2.44	\$ 3.23	\$ 3.94	\$ 4.42	\$ 4.96	\$ 5.25		
Untreated Water Service	\$ 1.11	\$ 1.69	\$ 2.07	\$ 2.33	\$ 2.61	\$ 2.77		
Monthly Water Service Charge - Untreated Retail								
5/8" meter	\$ 26.34	\$ 47.54	\$ 57.99	\$ 65.06	\$ 72.88	\$ 77.10		
3/4" meter	\$ 36.34	\$ 64.45	\$ 78.62	\$ 88.20	\$ 98.80	\$ 104.52		
1" meter	\$ 56.32	\$ 98.27	\$ 119.87	\$ 134.47	\$ 150.62	\$ 159.34		
1 1/2" meter	\$ 106.29	\$ 182.83	\$ 223.02	\$ 250.18	\$ 280.22	\$ 296.44		
2" meter	\$ 166.26	\$ 284.30	\$ 346.79	\$ 389.02	\$ 435.73	\$ 460.95		
3" meter	\$ 326.17	\$ 605.63	\$ 738.73	\$ 828.69	\$ 928.19	\$ 981.90		
4" meter	\$ 506.07	\$ 1,079.16	\$ 1,316.33	\$ 1,476.62	\$ 1,653.92	\$ 1,749.63		
6" meter	\$ 1,005.82	\$ 2,719.62	\$ 3,317.32	\$ 3,721.25	\$ 4,168.06	\$ 4,409.24		
Monthly Water Service Charges - Treated Retail								
5/8" meter	\$ 26.34	\$ 31.78	\$ 38.77	\$ 43.50	\$ 48.73	\$ 51.55		
3/4" meter	\$ 36.34	\$ 42.80	\$ 52.21	\$ 58.57	\$ 65.61	\$ 69.41		
1" meter	\$ 56.32	\$ 64.83	\$ 79.08	\$ 88.71	\$ 99.37	\$ 105.12		
1 1/2" meter	\$ 106.29	\$ 119.92	\$ 146.28	\$ 164.10	\$ 183.81	\$ 194.45		
2" meter	\$ 166.26	\$ 186.03	\$ 226.92	\$ 254.56	\$ 285.13	\$ 301.63		
3" meter	\$ 326.17	\$ 395.38	\$ 482.28	\$ 541.01	\$ 605.97	\$ 641.04		
4" meter	\$ 506.07	\$ 703.89	\$ 858.59	\$ 963.14	\$ 1,078.79	\$ 1,141.22		
6" meter	\$ 1,005.82	\$ 1,772.65	\$ 2,162.23	\$ 2,425.52	\$ 2,716.75	\$ 2,873.95		
8" meter	\$ -	\$ 3,094.84	\$ 3,775.00	\$ 4,234.66	\$ 4,743.12	\$ 5,017.58		
10" meter	\$ -	\$ 4,637.38	\$ 5,656.55	\$ 6,345.32	\$ 7,107.20	\$ 7,518.45		
	Current Untreated	Untreated Proposed	Current AWS Treated, CAWP and La Mel	AWS Treated Proposed	CAWP Proposed	La Mel Proposed	Current Lake Camanche	Lake Camanche Proposed
Monthly Debt Water Service(2)								
5/8" meter	\$ 1.27	\$ 5.09	\$ 13.29	\$ 25.41	\$ 16.40	\$ 17.27	\$ 6.99	\$ 2.96
3/4" meter	\$ 1.90	\$ 7.63	\$ 19.94	\$ 38.11	\$ 24.59	\$ 25.91	\$ 10.48	\$ 4.44
1" meter	\$ 3.17	\$ 12.72	\$ 33.23	\$ 63.52	\$ 40.99	\$ 43.18	\$ 17.47	\$ 7.39
1 1/2" meter	\$ 6.34	\$ 25.43	\$ 66.45	\$ 127.03	\$ 81.97	\$ 86.35	\$ 34.93	\$ 14.78
2" meter	\$ 10.14	\$ 40.69	\$ 106.32	\$ 203.25	\$ 131.15	\$ 138.16	\$ 55.89	\$ 23.65
3" meter	\$ 20.27	\$ 88.99	\$ 212.64	\$ 444.61	\$ 286.89	\$ 302.22		
4" meter	\$ 31.68	\$ 160.18	\$ 332.25	\$ 800.29	\$ 516.39	\$ 543.98		
6" meter	\$ 63.53	\$ 406.81	\$ 664.50	\$ 2,032.49	\$ 1,311.46	\$ 1,381.54		
8" meter				\$ 3,556.86	\$ 2,295.05	\$ 2,417.69		
10" meter				\$ 5,335.30				
Notes:								
(1) 100 cubic feet (ccf) = 748 gallons = 1 billing unit.								
(2) Monthly debt service charges will remain fixed for the five-year rate plan period, unless reduced by the early retirement of existing debt.								
Proposed Schedule of Wastewater Rates and Charges								
	Current	Sept 2021	July 2022	July 2023	July 2024	July 2025		
Monthly Wastewater Service								
Single Family Dwelling (1)	\$ 108.82	\$ 141.26	\$ 146.56	\$ 152.71	\$ 158.40	\$ 164.28		
Commercial	\$ 43.04	\$ 42.49	\$ 44.09	\$ 45.94	\$ 47.66	\$ 49.43		
Wastewater Usage Rates (per CCF)								
Low Strength	\$ 13.16	\$ 16.73	\$ 17.36	\$ 18.09	\$ 18.77	\$ 19.47		
Medium Strength	\$ 15.51	\$ 21.43	\$ 22.24	\$ 23.18	\$ 24.05	\$ 24.95		
High Strength	\$ 20.21	\$ 37.53	\$ 38.94	\$ 40.58	\$ 42.10	\$ 43.67		
Monthly Debt Service Charge (per EDU)								
Pine Grove	\$ 21.40	\$ 12.45	\$ 12.45	\$ -	\$ -	\$ -		
WID No. 1	\$ 9.88	\$ 8.65	\$ 8.65	\$ 8.65	\$ 8.65	\$ 8.65		
Lake Camanche	\$ 10.80	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44		
WW General	\$ N/A	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84		
Martell	\$ 1.83	\$ -	\$ -	\$ -	\$ -	\$ -		
Notes:								
(1) Single Family Dwelling wastewater rates reflect average winter (Feb-Mar) water use for residential users of 5 CCF/month.								
(2) For commercial connections, the type of wastewater by strength is associated with the type of commercial activity.								

Effective Date of Proposed Water Rates and Charges

If adopted, the proposed changes to the water rates and charges would become effective on September 1, 2021, and on July 1 of each year from 2022 through 2025.

How Much Will My Water Bill Be?

Exhibit 2 provides a summary of the change in the typical single-family water bills, for each service area, based on average water usage over the five-year period covered by the proposed rate plan. Monthly debt service charges will remain the same for each customer, while monthly service charges and water usage charges will change. This is illustrated for single family homes with typical use in Exhibit 2.

Exhibit 2				
Amador Water Agency				
Typical Monthly Single Family Water Bills with Proposed Rates (1)				
	AWS	CAWP	Lake Camanche	La Mel Heights
Current Rates	\$ 59.15	\$ 59.15	\$ 52.85	\$ 59.15
Increase -->	\$ 23.88	\$ 14.86	\$ 7.73	\$ 15.74
September 2021	\$ 83.03	\$ 74.01	\$ 60.58	\$ 74.89
Increase -->	\$ 12.67	\$ 12.67	\$ 12.67	\$ 12.67
July 2022	\$ 95.70	\$ 86.68	\$ 73.25	\$ 87.56
Increase -->	\$ 8.57	\$ 8.57	\$ 8.57	\$ 8.57
July 2023	\$ 104.27	\$ 95.25	\$ 81.82	\$ 96.13
Increase -->	\$ 9.55	\$ 9.55	\$ 9.55	\$ 9.50
July 2024	\$ 113.82	\$ 104.80	\$ 91.37	\$ 105.63
Increase -->	\$ 5.14	\$ 5.14	\$ 5.14	\$ 5.19
July 2025	\$ 118.96	\$ 109.94	\$ 96.51	\$ 110.82
Notes:				
(1) Assumes a 5/8" meter and 8 CCF per month.				

Additional Information on Proposed Changes to Water and Wastewater Rates and Charges

Further information on the proposed water and wastewater rates and charges, including the *Amador Water 2021 Water Rate Study* report and the *Amador Water 2021 Wastewater Rate Study* report prepared by Raftelis, is available for review during business hours at the Amador Water Agency, 12800 Ridge Road, Sutter Creek, or on the Agency's website at www.amadorwater.org. If you would like additional information on how the proposed changes will affect your water bill, please contact the Agency's Customer Service Office at 209-223-3018.

How to Protest the Proposed Rates and Service Charges

All owners and tenants of property receiving water or wastewater service, all water or wastewater service customers, and interested persons are invited to attend the public hearing and be heard about the proposed changes to the Agency's water rates and service charges. An owner or tenant of property receiving water or wastewater service may protest the proposed water or wastewater rates and service charges by submitting a written protest by mail or in person to the Clerk of the Board, Amador Water Agency, 12800 Ridge Road, Sutter Creek, CA 95685. Written protests must be received (*not postmarked*) by the General Manager before the close of the public hearing to be held on July 27, 2021, at 6:30 p.m. Any protest submitted by e-mail or other electronic means will not be accepted.

To be valid, a protest must be signed by the property owner or tenant and must include the assessor's parcel

number, the address of the parcel served, the customer's account number for the parcel served, and a statement specifying whether the protestant is protesting the Agency's proposed water rates and charges or wastewater rates and charges or both, to be considered by the Agency Board of Directors at the public hearing set for July 27, 2021. To be valid, a protest must relate to a parcel that receives the service for which the rates and charges are being protested. If a tenant protests, the tenant need not state the assessor's parcel number on the protest form. Only one written protest per identified parcel will be counted for purposes of determining whether there is a majority protest. The form below may be used, for your convenience, but any written protest form that includes all the required information will be accepted. The Clerk of the Board, or her designee, will tabulate the protests, and any member of the public may observe the tabulation. All protest forms will be considered public records.

Amador Water Agency Proposed Increased Rates and Charges for Water and Wastewater Service

Public Hearing Date & Time: Tuesday, July 27, 2021, at 6:30 p.m.
Location: Amador County Administration Center – Board Chambers
810 Court Street, Jackson, California

- Y I hereby protest the proposed increased rates and charges for water service to be considered by the Agency Board of Directors at the public hearing set for July 27, 2021.
- Y I hereby protest the proposed increased rates and charges for wastewater service to be considered by the Agency Board of Directors at the public hearing set for July 27, 2021.

Reason(s) (optional): _____

Assessor Parcel Number of parcel served (optional for tenant): _____

Address of parcel served: _____

AWA customer account number of parcel served: _____

I declare that I am the owner of the above listed parcel, or a tenant at the above listed property.

Property owner or tenant name: _____

Property owner or tenant signature: _____

Protests may be presented during the public hearing or may be mailed or hand delivered to the Clerk of the Board, Amador Water Agency, 12800 Ridge Road, Sutter Creek, CA 95685. All protests must be received (*not postmarked*) before the close of the public hearing on July 27, 2021.