

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, Assistant General Manager

Agenda: April 16, 2018

Report Date: April 13, 2018

Subject: Schedule a Public Hearing on Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020 and Authorize Issuance of a Notice of Public Hearing and Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020

Recommendation:

Schedule a Public Hearing for Tuesday, June 12, 2018 at the regular Board of Directors meeting beginning at 7:00 PM on the proposed rate increases for Fiscal Years 2018-2019 and 2019-2020 and authorize Staff to issue a Notice of Public Hearing and Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020.

Background:

In order to comply with the requirements of Proposition 218, the recommended Board action would authorize issuance of a notice of a rate increases for the Fiscal Years 2018-2019 and 2019-2020 (draft attached*) and schedule a public hearing for June 12, 2018. Following the public hearing, the Board can approve the budget and adopt the rate increase. If a majority of affected property owners submit written protests, the rate increase cannot be adopted.

(* The draft reflects a (not to exceed) adjustment in rates to cover an increase in the District's revenue requirement of 4% effective July 1, 2018 for the Fiscal Year 2018-2019; and an additional increase of 4% in the District's revenue requirement effective July, 1, 2019 for the Fiscal Year 2019-2020.)



NOTICE OF PUBLIC HEARING

PROPOSED FY 2018-2019 AND FY 2019-2020 RATE ADJUSTMENTS FOR WATER SERVICES

APRIL 26, 2018

Coastside County Water District provides customers with reliable, high-quality drinking water and services, while maintaining its facilities and infrastructure. The District's capital improvement program provides that the District's infrastructure is replaced at the end of its life cycle and upgraded to meet current standards.

Coastside County Water District is proposing two years of rate increases and changes to its rate structures as shown on page 2 of this notice. If approved, the new rates will become effective on and after July 1, 2018 for year 1 and July 1, 2019 for year 2.

The Coastside County Water District Board of Directors will hold a Public Hearing at 7:00 PM on Tuesday, June 12, 2018 during the regular Board meeting.

The Board of Directors will consider adoption of the proposed water rates for Fiscal Years 2018-2019 and 2019-2020 and changes to the water rate structure affecting all water customers. Interested persons are encouraged to attend and comment. The meeting will be held at Coastside County Water District Office, 766 Main Street, Half Moon Bay, 94019.

The proposed rate increase is necessitated due to inflationary adjustments in operating expenses; funding of the District's Capital Improvement Program; and increased contributions to the District's reserves. The overall revenue increase for the District is projected to be 4% for FY 2018-2019 and 4% for FY 2019-2020.

A restructuring of tier breaks is also being proposed for residential customers based upon an updated Cost of Service Analysis and Rate Study prepared by the District's Water Rate consultant, Raftelis Financial

Consultants Inc. Bills may increase or decrease depending on a customer's water usage. Under the proposed new rates, the typical residential customer in FY 2018-2019 using 10 units bi-monthly (Tier 2) would pay an additional \$1.30 per month. Below are examples of how the proposed new tiers and increased charges will impact residential bills at various usages.

The basis for the proposed increase in rates is described in the Cost of Service and Rate Study report. Copies of the Cost of Service and Rate Study, Draft Operations Budgets for FY2018-2019 and FY2019-2020, and Capital Improvement Program are available at the District office or online at www.coastsidewater.org.

Proposition 218 allows a property owner/customer responsible for paying the water bill to respond to proposed rate increases prior to the close of the public hearing. If you wish to protest the proposed rate changes, CCWD must receive your *written protest* prior to the close of, or during, the public hearing on Tuesday, June 12, 2018 at 7:00 PM.

You may deliver the protest in advance by first class mail or personal deliver to: Attention: General Manager, Coastside County Water District, 766 Main Street, Half Moon Bay, CA 94019. Email protests will not be accepted.

For your protest to be counted, please include one of the following: address(es) or Assessor Parcel Number(s) of the property(ies) you own, or the utility account number(s) for active utility accounts that are subject to the proposed rate adjustment(s). Protests are limited to one per parcel. If written protests are submitted by a majority of the District's property owners/customers, the proposed rate increases may not be imposed.

		FY 2018-2019			FY 2019-2020
# units (hcf)	Current Bill	Proposed Bill (July, 2018)	Additional Cost Bi-Monthly	Additional Cost Per Month	Proposed Bill (July, 2019)
2	\$ 71.50	\$ 67.30	\$ (4.20)	\$ (2.10)	\$ 70.00
5	\$ 101.57	\$ 98.59	\$ (2.98)	\$ (1.49)	\$ 102.55
10	\$ 155.42	\$ 158.02	\$ 2.60	\$ 1.30	\$ 164.38
18	\$ 247.82	\$ 276.56	\$ 28.74	\$ 14.37	\$ 273.92
25	\$ 345.05	\$ 395.98	\$ 50.93	\$ 25.47	\$ 411.97

COASTSIDE COUNTY WATER DISTRICT FY 2018– 2019 and FY 2019-20 PROPOSED AMENDMENTS TO WATER RATE SCHEDULE

RESIDENTIAL & OTHER CUSTOMERS – BASE CHARGE

Meter Size	BI-MONTHLY BASE CHARGE			MONTHLY BASE CHARGE		
	Current	Proposed Effective July 1, 2018	Proposed Effective July 1, 2019	Current	Proposed Effective July 1, 2018	Proposed Effective July 1, 2019
5/8 inch	\$52.20	\$46.44	\$48.30	\$26.10	\$23.22	\$24.15
5/8 inch for 2 dwelling units	\$104.39	n/a*	n/a	\$52.20	n/a	n/a
3/4 inch	\$78.45	\$68.47	\$71.22	\$39.23	\$34.24	\$35.61
¾ inch for 2 dwelling units	\$156.89	n/a**	n/a	\$78.45	n/a	n/a
1.0 inch	\$130.76	\$112.52	\$117.03	\$65.38	\$56.26	\$58.52
1.5 inch	\$252.52	\$222.64	\$231.55	\$126.26	\$111.32	\$115.78
2.0 inch	\$418.48	\$354.80	\$369.00	\$209.24	\$177.40	\$184.50
3.0 inch	\$915.50	\$773.28	\$804.22	\$457.75	\$386.64	\$402.11
4.0 inch	\$3,139.22	\$1,389.98	\$1,445.58	\$1,569.61	\$694.99	\$722.79

* 5/8 inch for 2 dwelling units will now be charged @ the 5/8-inch rate. ** ¾ inch for 2 dwelling units will now be charged @ the ¾ inch rate.

FIRE SERVICE CHARGE (Formerly called Fire Detector Check Valve Service Charge)

BI-MONTHLY SERVICE CHARGE (By Service Line Size)			MONTHLY SERVICE CHARGE (By Service Line Size)		
Current– Per Inch	Proposed–Per Inch July 1, 2018	Proposed–Per Inch July 1, 2019	Current– Per Inch	Proposed–Per Inch July 1, 2018	Proposed–Per Inch July 1, 2019
\$11.43	\$12.53	\$13.03	\$5.72	\$6.27	\$6.52

RESIDENTIAL CUSTOMERS - WATER CONSUMPTION QUANTITY CHARGE *(One Unit of water equals 100 cubic feet or 748 gallons)*

Tier #	BI-MONTHLY QUANTITY CHARGE					MONTHLY QUANTITY CHARGE				
	Current Rate Tiers Bi-monthly Use	Current Water Quantity Charge Per Unit	Proposed Rate Tiers (Bi Monthly) July 1, 2018	Proposed Water Quantity Charge Per Unit Effective July 1, 2018	Proposed Water Quantity Charge Per Unit Effective July 1, 2019	Current Rate Tiers Monthly Use	Current Water Quantity Charge Per Unit	Proposed Rate Tiers (Monthly) Effective July 1, 2018	Proposed Water Quantity Charge Per Unit Effective July 1, 2018	Proposed Water Quantity Charge Per Unit Effective July 1, 2019
1	1 – 4 Units	\$9.65	1 - 8 Units	\$10.43	\$10.85	1 - 2 Units	\$9.65	1 - 4 Units	\$10.43	\$10.85
2	5 – 16 Units	\$10.77	9 - 16 Units	\$14.07	\$14.64	3 - 8 Units	\$10.77	5 - 8 Units	\$14.07	\$14.64
3	17 – 30 Units	\$13.89	17+ Units	\$17.06	\$17.75	9 - 15 Units	\$13.89	9+ Units	\$17.06	\$17.75
4	31+ Units	\$18.41	n/a	n/a	n/a	16+ Units	\$18.41	n/a	n/a	n/a

ALL OTHER CUSTOMERS - WATER CONSUMPTION QUANTITY CHARGE

Customer Type	WATER RATE QUANTITY CHARGE PER UNIT		
	Current	Proposed – Effective July 1, 2018	Proposed – Effective July 1, 2019
Multi-Family	\$11.88	\$11.82	\$12.29
All Other Customers	\$11.88	\$12.55	\$13.05