



# Del Paso Manor Water District

## NOTICE OF PUBLIC HEARING

### In Connection with Proposed INCREASES TO RATES FOR WATER SERVICE FEES

The Del Paso Manor Water District (“DPMWD”) is proposing a multi-year water rate increase for 2017-2021 to provide sufficient revenue to operate and maintain the DPMWD system. If adopted, the proposed new rates will take effect each year on June 16<sup>th</sup> for monthly-billed accounts and July 1<sup>st</sup> for bi-monthly billed accounts. This notice describes the reasons for the new rates, how they were calculated, the amount of the proposed new rates, and how to file a protest to this proposed action. The DPMWD Board of Directors will hold two events associated with this proposed water rates increase consideration and process:

#### Public Workshop

**DATE:** April 10, 2017

**TIME:** 6:30PM

**LOCATION:** St. Mark’s Church, Wesley Hall  
2391 St. Marks Way, Sacramento

#### Proposition 218 Public Hearing

**DATE:** May 5, 2017

**TIME:** 5:30PM

**LOCATION:** St. Mark’s Church, Wesley Hall  
2391 St. Marks Way, Sacramento

#### **Reasons for the Proposed Water Rate Increases**

DPMWD provides exceptional service to its small customer base at a price competitive with other purveyors in the region. As with other water purveyors in the region, state, and nation, aging infrastructure represents a significant issue requiring attention for continued high quality water service. DPMWD has been dealing with large-scale main breaks, pipe corrosion resulting in less efficient water conveyance, and other costs associated with doing business in the region and state.

In addition to the issues detailed above, DPMWD was created with water mains running through customer backyards, rather than the more conventional method of mains along the front yard streets, which allows for easier access. Backyard mains not only create access challenges, but also potentially increase repair costs and create significant damage to customer landscaping.

Each of these conditions impose additional costs to DPMWD, exceeding anticipated revenue. The proposed rate increase will enable DPMWD to continue replacing aging infrastructure as described in the District’s Master Plan, address additional regulatory compliance, address the next steps in conjunctive use for water supply reliability, as well as address the increases in operational costs for day to day activities.

In addition, DPMWD is proposing a change in format to your water bill. Rather than designating certain funds to which each charge is dedicated, DPMWD will consolidate the bill statement into a single rate charge. This single rate will increase flexibility in responding to the District’s needs.

Capacity charges for construction projects that add a demand on the District’s water system and fire protection service fees will remain the same.

#### **Public Workshop**

DPMWD will hold a public workshop to give an update on the District’s Master Plan and the need for the projects that will be implemented with the proposed rate increase. The Board and staff hope you will join us for this informative workshop.

#### **Basis Upon Which the Proposed Rates Were Calculated**

DPMWD has reviewed the current water rate structure, the DPMWD Master Plan, and current system needs and has determined that an increase in the rates is necessary in order to secure sufficient revenues to operate and maintain the DPMWD water system and provide for existing and new debt service. A loan or bond issue is necessary to implement master plan priorities including: moving water mains to the front, continuing to meet regulatory compliance, and addressing the next steps in conjunctive use for water supply reliability.

The proposed rate structure for water service fees will provide revenues that (1) **recover costs** borne in providing the services; (2) **are equitable** to all customer classes; (3) **are proportionate** to the cost of the service attributable to the parcels within each customer class; and (4) **preserve DPMWD’s autonomy, regulatory compliance, and capacity/authority for local governance.**

The proposed monthly water rates\* and the effective dates for their implementation (June 16<sup>th</sup> for monthly billed accounts and July 1<sup>st</sup> for bi-monthly billed accounts) are as follows:

<b>Property Size</b> (units in feet <sup>2</sup> (sf))	<b>Current</b> (units in \$)	<b>2017</b> (units in \$)	<b>2018</b> (units in \$)	<b>2019</b> (units in \$)	<b>2020</b> (units in \$)	<b>2021</b> (units in \$)
<i>Single-family home</i>						
0 - 5,000	38.80	50.40	54.95	59.90	65.30	71.15
5,001 - 8,000	43.65	56.70	61.80	67.30	73.40	80.00
8,001 - 11,000	47.25	61.40	66.90	72.90	79.50	86.60
11,001 - 14,000	50.90	66.10	72.05	78.50	85.60	93.25
14,001 - 17,000	54.50	70.85	77.20	84.05	91.65	99.90
17,001 - 20,000	58.15	75.55	82.30	89.65	97.75	106.50
Over 20,000	58.15 + 1.21/sf	75.55 + 1.57/sf	82.30 + 1.71/sf	89.65 + 1.86/sf	97.75 + 2.03/sf	106.50 + 2.21/sf
<i>Duplex</i>						
Duplex A – 5001 - 8000	79.40	103.20	112.45	122.55	133.60	145.60
Duplex B – 8001 - 11000	83.00	107.90	117.60	128.15	139.70	152.25
Duplex C – 11001 - 14000	86.65	112.60	122.7	133.70	145.8	158.85
<i>Flat Rate Commercial</i>						
3/4" - 5/8"	49.65	64.55	70.35	76.70	83.60	91.15
1"	59.80	77.75	84.75	92.40	100.70	109.75
1 1/2"	99.25	129.05	140.65	153.30	167.10	182.15
2"	181.35	235.75	256.95	280.10	305.30	332.80
<i>Meter Readiness to Service Charge</i>						
5/8"	38.15	49.60	54.05	58.90	64.20	70.00
1"	44.05	57.25	62.40	68.00	74.10	80.75
1.5"	76.50	99.45	108.40	118.15	128.80	140.40
2"	135.20	175.75	191.55	208.80	227.60	248.10
3"	252.55	328.30	357.85	390.05	425.15	463.40
4"	416.55	541.50	590.25	643.35	701.25	764.35
6"	781.20	1015.55	1106.95	1206.60	1315.20	1433.50
<i>Volumetric Rate Commercial</i>						
\$ per 100 cu ft	0.95	1.24	1.35	1.47	1.60	1.74
<i>Temporary Water Service (construction water)</i>						
CCF	1.43	1.86	2.03	2.21	2.40	2.61

\*The monthly rates provided will be doubled for bi-monthly billed customers. Additional services or lines larger than 1" are incrementally higher.

### **Public Hearing and Protest Procedures**

In accordance with California state law, DPMWD will hold a **Public Hearing** to hear comments for or against the proposed rate increases.

As the owner or customer of record of a parcel identified to be subject to the proposed rate increases, you may submit a written protest prior to the close of the public hearing. A written protest is required even if you plan on attending the public hearing. If the identified parcel has more than one owner and/or customer of record, only one written protest will be counted. Each protest must (1) be in writing; (2) state that the specific rate increase for which the protest is being submitted in opposition; (3) provide the location of the identified parcel (by account number or street address); and (4) include the original signature of the owner or customer of record submitting the protest. **Protests submitted by e-mail, facsimile, or other electronic means will not be accepted.** If written protests are submitted by a majority of the affected parcel owners, the proposed rate changes cannot be imposed. Written protests may be submitted by mail or in person to the following address:

**Del Paso Manor Water District**

**ATTN: Board Secretary - Public Hearing on the Proposed Increase to DPMWD Water Rates**

**1817 Maryal Drive, Suite 300**

**Sacramento, CA 95864**

If you have questions regarding the protest process, please call the District office at (916) 487-0419.