



**Notice to Customers and Property Owners\* of Record:  
Public Hearing Regarding Proposed Rate and Fee Increases  
(\*As defined in Gov. Code section 53750(j))**

Date of this Notice: **March 19, 2018**

**Date, Time and Place of Public Hearing:**

On May 3, 2018, at 6:30 P.M., or as soon thereafter as the matter may be heard, in the District's Office located at 17081 Highway 116, Suite B, Guerneville, California, the Board of Directors of the Sweetwater Springs Water District will conduct a Public Hearing to consider adoption of Resolution 18-06. This resolution proposes to increase certain rates and charges as they relate to water availability, water usage and services provided by District personnel. The District is proposing to increase the Base Rate, Water Use, and Capital Debt Reduction Charges by 3% for water bills sent in Fiscal Year 2018-19. The proposed water rate and fee changes are shown below in Tables 1 and 2. If the proposed rates and fees are approved, the water rates and fees shown in Table 1 will be effective on all bills issued and work performed on or after July 1, 2018.

**What the Rates Are for and How the Funds Collected Will Be Used:**

District water rates and charges are used to pay for three types of expenses: 1.) Ongoing operation, maintenance and improvement costs associated with the water system; 2.) Existing debt service on bonds and loans that were issued to purchase and improve the water system; and 3.) Capital improvements needed to bring the District's infrastructure up to current standards for fireflow and water pressure, to reduce the high system water losses due to leaks, to decrease staff time devoted to repair, and to reduce public inconvenience caused by frequent water leaks and their repairs.

The proposed increases to rates and charges, as set forth in Resolution 18-06 and summarized below, will be used to pay for increasing operating and maintenance costs and capital improvements to the water system. This is the 8<sup>th</sup> year of the District's plan for annual 3% increases that have the purpose of developing sustainable capital improvement funding for the District.

The current capital improvement program addresses the need to bring District capital facilities to a standard level of adequacy and, once that is done, a sustainable capital improvement program will be needed to keep District facilities at an adequate level. The District Board has determined that District water rates need to be at a level to contribute a minimum of \$500,000 per year for ongoing capital improvements necessary to maintain and upgrade existing facilities. Water rates will contribute approximately \$400,000 to capital improvements in the coming fiscal year, based on the FY18-19 Budget.

At the start of this funding plan in 2011, District staff did financial analyses demonstrating that 3% increases for nine years would develop the sustainable capital funding amount by FY 2020. The recent drought added to the need for the 3% rate increase. Water sales were reduced compared to historical levels and have only recently started to move back toward pre-drought sales levels. The District doesn't know when to what extent District water use will return to former levels.

This proposed water rate increase follows the water rate study performed by Brelje and Race Consulting Civil Engineers and completed in January 2007. The study recommended restructuring water rates and increasing them annually by up to 4%. Water rates were restructured for FY 09-10, were not changed for FY10-11, and in the past seven years were increased by 3% based on the plan to develop a sustainable capital program described above. As we move forward during this period of planned rate increases, budgets and spending needs will be analyzed on an annual basis to determine what level of increase, if any, is needed to meet the capital funding goals. The analysis done this year shows that the 3% increase is needed.

**Amount of Proposed Rate and Fee Increases:**

The proposed rates will increase the Base Rate, Water Use, and the Capital Debt Reduction Charges by up to 3% for FY 18-19 for all customers. Table 1 shows the proposed rates and fees. See Table 2 below for example water bills.

<b>Table 1. Proposed Sweetwater Springs Water District Bimonthly Water Rates for FY 2018-19, 3% Increase for Water Usage and Base Rates, and CDRC</b>							
Meter Size (in)	Base Rate	Water Usage Rate				Capital Debt Reduction Charge	Base Rate + CDRC
		Tier 1	Tier 2	Tier 3	Tier 4		
		1.45	2.90	4.35	6.35		
		Max Usage (Hcf)	Max Usage (Hcf)	Max Usage (Hcf)	Max Usage (Hcf)		
0.625	\$ 63.35	8	20	80	>80	\$ 11.60	\$ 74.95
1	\$ 158.40	20	50	200	>200	\$ 29.00	\$ 187.38
1.5	\$ 316.75	40	100	400	>400	\$ 58.00	\$ 374.75
2	\$ 506.80	64	160	640	>640	\$ 92.80	\$ 599.60

- The Base Rate and Capital Debt Reduction Charge (CDRC) increases for meter sizes larger than 0.625 apply only to Commercial and Public accounts.
- The Base Rate and CDRC are also increased by the Multiple Unit Multiplier of 0.55 for Multi-Family accounts. For examples, with a 2 unit account, the Base Rate is \$95.33 and the CDRC is \$17.44.

<b>Table 2. 3% Water Rate Increase Effect on Typical Water Users by Class (100 cubic feet (Units), FY18-19</b>						
	Single Family Residential		Multi-Family Residential, 2 Units		Commercial 5/8 Meter	
<b>Number of Accounts</b>	3060		284		135	
	Median	90%	Median	90%	Median	90%
<b>Median Water Use</b>	7	22	12	32	15	82
<b>Median Bill Current</b>	\$ 82.55	\$ 126.65	\$129.56	\$ 187.38	\$ 103.90	\$ 385.45
<b>Median Bill Proposed</b>	\$ 85.10	\$130.05	\$133.57	\$192.44	\$106.85	\$395.05
<b>Bimonthly Difference</b>	\$ 2.55	\$ 3.40	\$ 4.01	\$ 5.06	\$ 2.95	\$ 9.60
<b>% Increase</b>	3.1%	2.7%	3.1%	2.7%	2.8%	2.5%

**Further Information Available Prior to the Hearing:**

A copy of Resolution 18-06, which establishes the increased rates, and the District's draft Fiscal Year 2018-2019 Budget are available for review at the District office at 17081 Highway 116, Suite B, Guerneville, California. This information will also be posted on the District's website, sweetwatersprings.com. In addition, District staff can be contacted at (707) 869-4000 to answer any questions you may have regarding the rate increases.

**How Do You Protest the Water Rate Increases?**

If you are a property owner or the person responsible for paying for water service you may protest the proposed rate increases either prior to or during the Public Hearing on May 3, 2018. Only one protest per parcel will be counted. The rate increases will take effect unless protests are received from more than 50% of property parcels in the District.

At the Public Hearing the Board of Directors will consider all oral protests that are made during the public hearing as well as written protests that have been received. All written protests must indicate the property address and the name of the owner of record of the property, and be signed by the person submitting the protest. Written protests may also be delivered to the District office no later than the close of the public hearing, as noticed above, or said protests may be sent by 1<sup>st</sup>-class mail, postage prepaid, to:

Sweetwater Springs Water District  
P.O. Box 48  
Guerneville, CA 95446

Mailed protests must be received by the District no later than the date of the public hearing. Any protests received after the close of the public hearing will not be counted.

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**Protest Ballot**

Please provide address information, sign, and return this page below the dotted line if you choose to protest. You may protest on a separate ballot. If so, please include the information and signature requested.

Address: \_\_\_\_\_  
\_\_\_\_\_

Or APN: \_\_\_\_\_ (if multiple addresses, please list separately)

If you are a property owner or the person responsible for paying for water service at this address and you object to the proposed change in District water rates, you may sign this form and mail it to:

Sweetwater Springs Water District, P.O. Box 48, Guerneville, CA 95446

or hand deliver it to the District Office at:

17081 Highway 116, Suite B, Guerneville, California

In order for this form to be counted as a valid protest against the proposed rate change, the form must be signed and delivered to the District Office no later than the end of the public hearing to be held on May 3, 2018. Only one protest is permitted per parcel.

I protest the proposed rate increase to fund the operation, maintenance, and capital improvement costs relative to providing water service. (Check to indicate your objection to the proposed rate increase.)

I declare that I am either the owner of the above listed property, the authorized representative of the owner of the above listed property, or the person responsible for paying for water service at the address shown above.

Please Sign here: \_\_\_\_\_

Please Print here: \_\_\_\_\_  
(Name of property owner if different than name of the person signing this protest.)