



Proposition 218 Notice to Customers and Property Owners of Record: Public Hearing Regarding Proposed Water Rate Increases

Notice is hereby given, pursuant to Article XII(D) of the California Constitution, that Sweetwater Springs Water District is proposing to increase its rates for water service. The Board will conduct a public hearing on this matter, which will be held on:

Date: **June 6, 2024**

Time: 6:30 PM

Place: 20488 Hwy. 116, Monte Rio, CA 95462 (Monte Rio Community Center).

The public hearing will review the proposed water rate increase and other related changes to water fees and charges. More information is provided below.

Water System Overview

Sweetwater Springs Water District operates and maintains a public water enterprise system that supplies safe, potable drinking water to 3,800 customers through two separate water supply and distribution systems. In total, the District operates and maintains five wells, 26 storage tanks, five pressure zones, and a filtration plant. District services include maintenance and repair of the water system up to the water meter, weekly water quality testing, meter reading, small and large-scale capital improvements, and installation of new services.

Why is an increase in rates necessary?

The proposed increases to rates and charges, as set forth in Resolution 24-06 and summarized below, will be used to pay for the increasing need for capital improvements to the water system as well as debt service and operations costs.

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 faces an average of \$750,000 per year for ongoing capital improvements necessary to maintain and upgrade existing facilities, including mainlines, tanks, and wells.

The proposed water rate increase follows the water rate study performed by Bartle Wells Associates in March 2020. The study recommends restructuring water rates and increasing rate revenue annually in order to meet rising operations, debt, and capital improvement expenses. Budgets and spending needs will be analyzed on an annual basis to determine what level of increase, if any, is needed to meet expense requirements. The analysis conducted this year shows the need for up to a 9% rate revenue increase with a volumetric adjustment to align revenue projections with the increase in cost of services and supplies. Rates reflect the updated cost of service and Proposition 218 requirements.

More Information Available Prior to the Hearing:

More information on the proposed water rates, including the Water Rate Study, is available at the District office at 17081 Highway 116, Suite B, Guerneville, California. This information will also be posted on the District's website, www.sweetwatersprings.com. In addition, District staff can be contacted at (707) 869-4000 to answer any questions you may have regarding the rate increases.

Current Bimonthly Water Rates

	Base Rates \$/account	CDRC ¹ \$/account	Volume Rates (\$/hcf)	
			Tier 1	Tier 2
Single Family Residential			\$2.10	\$4.47
All Users	\$81.21	\$14.87	(0-8) hcf	9+ hcf
Multi Family (by # Dwelling Units)²				
2 DU's	\$125.88	\$23.05	(0-12.4)	12.5+
3 DU's	\$170.54	\$31.23	(0-16.8)	16.9+
4 DU's	\$215.21	\$39.41	(0-21.2)	21.3+
Commercial (by meter size)				
5/8"	\$81.21	\$14.87	(0-8)	9+
1"	\$203.03	\$37.18	(0-20)	21+
1 1/2"	\$404.76	\$74.35	(0-40)	41+
2"	\$649.68	\$118.96	(0-64)	65+

hcf = hundred cubic foot, 748 gallons

1 - Capital Debt Reduction Charge

2 - Multi Family unit multiplier = 0.55 for every extra unit; no meter multiplier

Current bimonthly water rates include a fixed base rate, Capital Debt Reduction charge and volumetric rates based on water use per hundred cubic foot (hcf) unit. One hundred cubic foot (hcf) is equal to 748 gallons. Rates need to be updated to reflect increased costs, capital repair and replacement needs, and the cost of water service to each customer pursuant to Proposition 218.

Proposed Bimonthly Water Rates

	Base Rates \$/account	CDRC ¹ \$/account	1 unit of water = 1 hcf = 748 gallons Volumetric Rates (\$/unit)	
			Tier 1	Tier 2
Single Family Residential			\$2.29	\$4.87
All Users	\$88.52	\$16.21	(0-8) hcf	9+ hcf
Multi Family (by # Dwelling Units)²				
2 DU's	\$137.20	\$25.12	(0-12.4)	12.5+
3 DU's	\$185.89	\$34.04	(0-16.8)	16.9+
4 DU's	\$234.58	\$42.96	(0-21.2)	21.3+
Commercial (by Meter Size)²				
5/8"	\$88.52	\$16.21	(0-8)	9+
1"	\$221.30	\$40.53	(0-20)	21+
1 1/2"	\$441.19	\$81.04	(0-40)	41+
2"	\$708.15	\$129.67	(0-64)	65+

1 - Capital Debt Reduction Charge
2 - Multi Family unit multiplier = 0.55 for every extra unit; no meter multiplier

The proposed bimonthly water rates represent an overall 9% rate increase for fixed and volumetric rates.

The proposed FY 2024-25 water rates represent an increase of \$9.79 per **bi-monthly** billing (\$4.90/month) for the typical single family dwelling using 6 units of water.