



NOTICE OF PUBLIC HEARING ON PROPOSED REVENUE DECREASE AND RATE STRUCTURE ADJUSTMENTS

This notice provides information about proposed changes to FPUD's water rates and charges and rate structure. The Board of Directors will hold a public hearing and consider public comments before voting on the proposed changes.

HEARING DATE: Thursday, July 29, 2021

TIME: 7:00 p.m.

HEARING: <https://zoom.us/j/99011083715>

Meeting ID: 990 1108 3715

Dial in: 669 900 6833 or 408 638 0968

Summary: Bill Decrease for Most Customers

More than half of all customers (those with average and low use) would see a decrease in their winter bill of about \$8 per month and no increase in summer bills in the first year.

All multi-unit customers would save money, including mobile home parks and apartment complexes.

We Cut Costs and Control Expenses

Cost control is a daily focus of the District; here are some examples that help us keep rates down:

\$1.89 million in benefits from outside water sales since 2015 — This pays for critical water system improvements without using funds from our customers.

We obtained \$1.3 million in grants in May 2021 and \$75,000 in grants last year — funding used to invest in critical water system upgrades and not billed to our customers.

Small staff — Our lean staff of seven are hard at work each day operating the dam, treatment plant, pipelines, pumps, fixing fire hydrants, answering questions, and more.

Long-term planning for cost savings and reliability — We invest about \$1 million each year to ensure that the water system is always reliable and provides the water you need.

Reducing revenue for the next five years — In addition, the District is proposing to reduce its budget for needed facility upgrades and replacements over the next five years and will seek grants and water sales to make up the difference.

Reasons for the Proposed RATE STRUCTURE Changes

The District periodically reviews its water rate structure to ensure that each class (residential and commercial) of customer continues to pay its fair and proportional share of costs. The cost for serving each class of customers varies over time because of changes in customer water use, state regulations, service costs, and other factors. The last approved rate structure was adopted in 2014.

Reasons for the Proposed RATE Changes

The rate changes are designed to provide the revenue needed to pay all costs of providing safe and reliable water service: operating Sugar Pine Reservoir and the treatment plant, quality testing, pipelines, fire hydrants, pumps, customer service, and more. The rates are based on the actual cost of providing service and anticipated costs for maintenance and for upgrading and replacing aging, worn, and outdated facilities.

Details of the Proposed Revenue De

Examples of How the Proposed Rate Changes Will Affect Your Water Bill

To determine the amount of the proposed bill for individual properties, a rate calculator is available on the District's website. You can also contact the District office for help. Below are examples of bills in the first year.

Type of User	Water Use	Current Bill	Proposed Bill
Residential low use (50% of average) 5/8" connection	5,000 gallons per month	\$88.44	\$80.61
Residential average use 5/8" connection	10,000 gallons per month	\$90.54	\$90.41
Residential high use (2x average) 5/8" connection	20,000 gallons per month	\$106.04	\$110.01
Average dual service	14,000 gallons per month	\$176.52	\$98.25
Residential average use 3/4" connection	10,000 gallons / month	\$90.54	\$110.80

Proposed Monthly Fixed Service Charges

Service charges cover the cost to provide customer service for each meter (meter reading, billing) and the cost of water capacity based on the size of the meter.

MONTHLY FIXED SERVICE CHARGE FOR ALL CUSTOMER CLASSES						
Service Size	CURRENT Charge	PROPOSED Charges				
		Aug. 2021	July 2022	July 2023	July 2024	July 2025
5/8"	\$90.54	\$70.81	\$71.52	\$72.95	\$74.41	\$75.90
3/4"	\$90.54	\$91.20	\$92.11	\$93.95	\$95.83	\$97.75
1"	\$163.87	\$131.98	\$133.30	\$135.97	\$138.69	\$141.46
1 1/2"	\$328.68	\$264.51	\$267.16	\$272.50	\$277.95	\$283.51
2"	\$643.17	\$427.63	\$431.91	\$440.55	\$449.36	\$458.35
4"	\$1,581.35	\$1,854.88	\$1,873.43	\$1,910.90	\$1,949.12	\$1,988.10
6"	\$1,581.35	\$3,587.97	\$3,623.85	\$3,696.33	\$3,770.26	\$3,845.67
8"	\$1,581.35	\$7,156.09	\$7,227.65	\$7,372.20	\$7,519.64	\$7,670.03
Multi-Unit Properties	\$90.54 / month / dwelling unit for 1st unit + \$88.51 per additional unit	Multi-unit charge is proposed to be eliminated				

Over 65% of customers have a 5/8" service connection.

Only 20 service connections are 2" and above.

Proposed Consumption Charge

As requested by the Community Advisory Committee, the District proposes to simplify the consumption charge. Currently, the District provides credit for water use less than 10,000 gallons and an overage charge for use above 10,000 gallons. Also, Commercial customers paid based on a load factor. There is just one consumption charge for all customers in the proposed rates.

CONSUMPTION CHARGE FOR ALL CUSTOMERS (\$ PER 1000 GALLONS PER MONTH)					
CURRENT	PROPOSED Charges				
	Aug. 2021	July 2022	July 2023	July 2024	July 2025
Credit (\$0.42) for each 1,000 gallons used per month below 10,000 gallons.					
Overage charge (\$1.55) for each 1,000 gallons used over 10,000 per month.	\$1.96	\$1.98	\$2.02	\$2.06	\$2.10

The consumption charge of \$1.96 per 1,000 gallons is equal to 5 gallons per penny.

Decrease and Rate Structure Changes

Community Advisory Committee Recommendations Impact the Rate Structure

In developing the proposed rate changes, the District followed the recommendations of the Community Advisory Committee that met in late 2019, studied the District's rates, and published seven key recommendations.

- 1) **Eliminated the multi-unit charge** – The proposed rate structure eliminates the multi-unit charge so that all customers will pay the same fixed service charge based on the size of their service connection.
- 2) **Use only one tier for consumption charge** – The proposed structure has only one tier; all customers will pay the same charge for water used due to the elimination of the mid-day load factors for commercial properties.
- 3) **Eliminate or reduce higher costs for commercial accounts** – All commercial, multi-unit, and single-family residential customers will pay based on the same service connection size and consumption charge in the proposed structure.
- 4) **Adjust the proportion of costs collected from the current 95% fixed and 5% variable** to 80% fixed cost and 20% variable cost. Customers can now lower their water bills more easily by using less water because a larger portion of their bill is based on metered water use.
- 5 – 7) **5. Eliminate or substantially reduce charges for inactive meters; 6. establish a low-income rate assistance program, and; 7. reduce “will serve” connection fees.** The Board will review these recommendations before the end of the year as they are not part of the rate structure.

Recognizing the Impact of COVID-19, FPUD Is Proposing to Reduce the Revenue It Collects from Customers

The District is proposing to decrease the revenue that it collects from customers for the next five years. Staff and the Board will seek to make up for the cuts by seeking grants and water sales to outside organizations (temporary water transfers). The District now maintains healthy emergency reserves in case there are emergency or unexpected financial needs.

More Details About the Proposed Rate Adjustments

The Proposed changes in rates are based on detailed engineering, financial and legal evaluations carried out with the help of recognized experts in water rates. The rates conform to California law requiring that each class of customers (residential and commercial) pay their proportionate share of the cost to serve them.

The maximum rates that may be imposed are shown in this document. Before implementing the rates, the Board of Directors may choose to implement the full amount or less but not more.

If approved, the new rates and rate structure changes will go into effect on August 15, 2021.

BOARD OF DIRECTORS:

Mark Bell, President | Patty Wade, Vice President | Jane Stahler, Director | Robert Palmeri, Director

GENERAL MANAGER:

Hank White



24540 Main Street.
Foresthill, CA 95631

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NOTICE OF PUBLIC HEARING ON PROPOSED REVENUE DECREASE AND CHANGES TO THE RATE STRUCTURE

Where to Learn More, Get Answers, and Make Comments

CONTACT US: Phone: (530) 367-2511 or email:
customerservice@foresthillpud.com.

VISIT OUR WEBSITE: www.foresthillpud.com

OTHER OPPORTUNITIES: The District is planning additional outreach on rates before the hearings. Contact the District or check the website for information.

PARTICIPATE IN VIRTUAL BOARD HEARINGS: The Board will review and consider adopting the rate increases and rate structure modifications on Thursday, July 29, 2021 at 7:00 p.m.

At the public hearing on July 29, 2021, Foresthill will hear and consider all public comments regarding the rates and charges (including oral comments), but only written protests submitted in accordance with the criteria above will be considered when determining whether a majority protest against the imposition of proposed rates and charges exists. One protest per parcel will be tabulated and if the total protests exceed fifty percent of the ratepayers then the water rate increase may not be adopted as proposed.

How to Oppose the Proposed Changes

If you oppose the proposed Foresthill water rate changes, your protest must be submitted in writing to the General Manager and indicate it is a protest to the Foresthill rates. Written protests may be mailed to the Foresthill Public Utility District P.O. Box 266, Foresthill, CA 95631, hand-delivered to the Foresthill Public Utility District at 24540 Main Street, Foresthill, CA 95631, or submitted during the public hearing on July 29, 2021. Mailed protests must be received by the district by the time and the date of the public hearing on July 29, 2021 to be considered. **All other written protests must be received prior to the close of the public comment portion of the public hearing on July 29, 2021.** In order to be valid, a protest must clearly bear (1) the date, (2) designation of parcel address or parcel number, (3) printed name of the person submitting the protest, and (4) original signature of the record owner or trustee, or authorized signatory of a corporation/partnership, or customer of record (person whose name is printed on the water bill) of the property identified on the protest. Protests not bearing the original signature shall not be counted. Protests which have been altered by someone other than the person who signed them shall not be counted. Protests can be withdrawn upon written notice of intent to do so submitted before the close of the public comment portion of the public hearing. In accordance with the California Constitution, only one protest will be counted per parcel. Protests will be disclosable public records once received by the District.