

# Alameda County Water District

## Review of Proposed Water-Related Rates and Charges

December 9, 2021

# Presentation Overview

- Review Financial Workshops Timeline
- Financial Plan Review
- Cost of Service Study Review
- Proposed Water Rates & Charges
- Proposed Dedicated Fire Service Line Rates
- Water Shortage Emergency Stage Rates
- Miscellaneous Rates & Charges, Facilities Connection Charges, Conservation Rebates
- Next Steps

# Financial Workshops Timeline

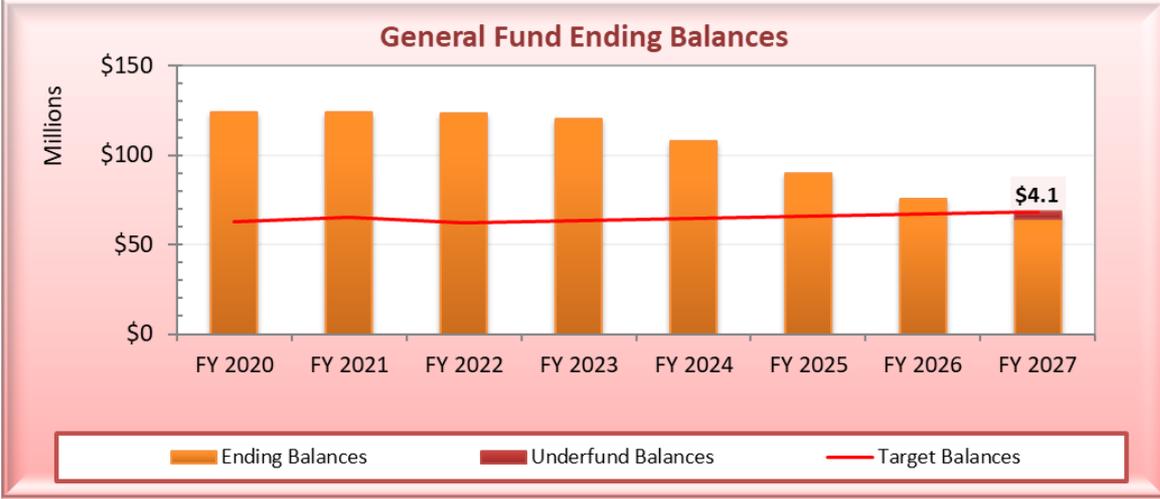
- May 19, 2021: Proposed Budget and CIP Review for FY 2021/22 & FY 2022/23
- May 27: Proposed Budget and CIP Review (Cont.)
- August 26: Cost of Service Analysis and Financial Planning Scenarios Discussion
- September 23: Stage Rates Scenarios and Fixed/Variable Revenue Recovery Discussion
- October 28: Fixed/Variable Revenue Recovery Follow-up
  - Direction given to prepare a rate proposal for Board consideration with 6% fixed revenue increase
- December 9: Potentially Set Public Hearing for proposed Water Rates
- February 10, 2022: Rate and Fee Anticipated Adoption (regular February Board meeting)

# Financial Plan Review

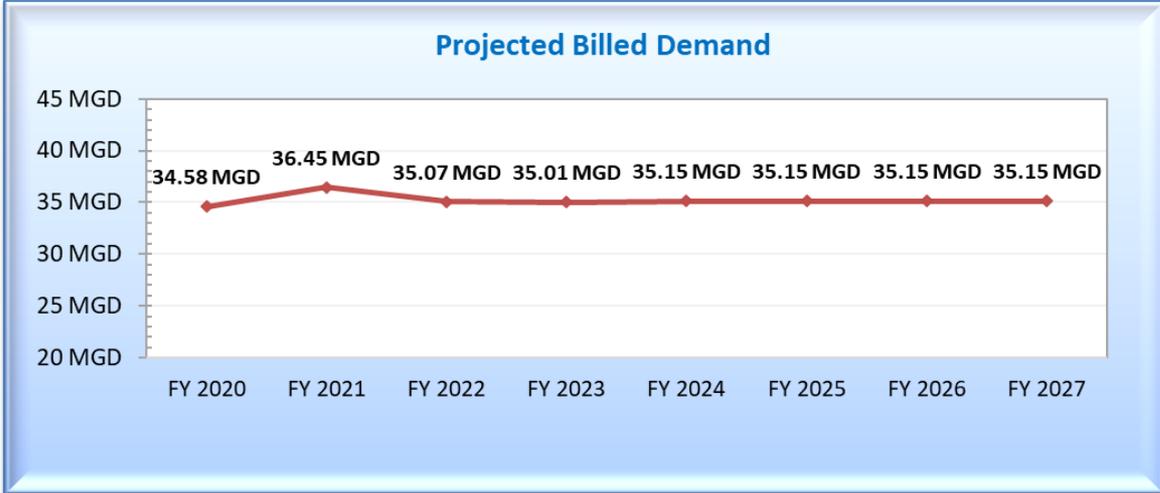
# Financial Planning Model (FPM) Current Assumptions

- Updated for FY 2021/22 results
- Updated billed demand projections based on currently observed conservation
- Included additional discretionary payments for pension/OPEB (full funding by 2032)
- Included State Revolving Fund loan for AMI Project (\$19.5 million)
- Updated water purchase costs based on expected availability from the District's various sources of supply
- Added estimated funding for PFAS treatment
- Updated dedicated fire service line rates
- Water revenue adjustments
  - Proposed 6.0% fixed revenues increase (regular service charge + fire service charge) effective March 1, 2022
  - FY 2022/23 on out assumed 3% uniform rate increase each fiscal year

# Charts from FPM with Current Assumptions: +6% Fixed Revenue in FY 2023

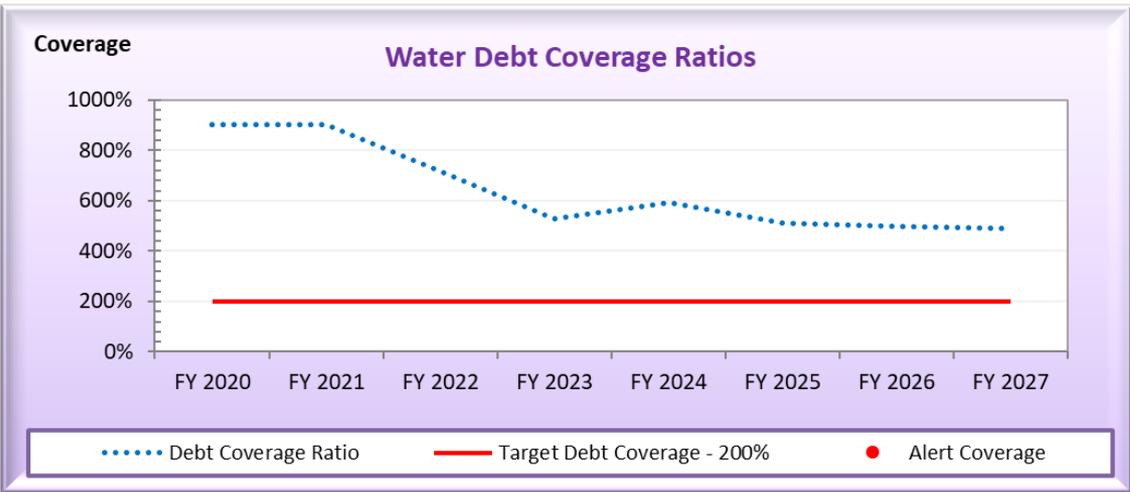


- Low balance of \$64.6 million in FY 2026/27 (\$4.1 million below reserve target)

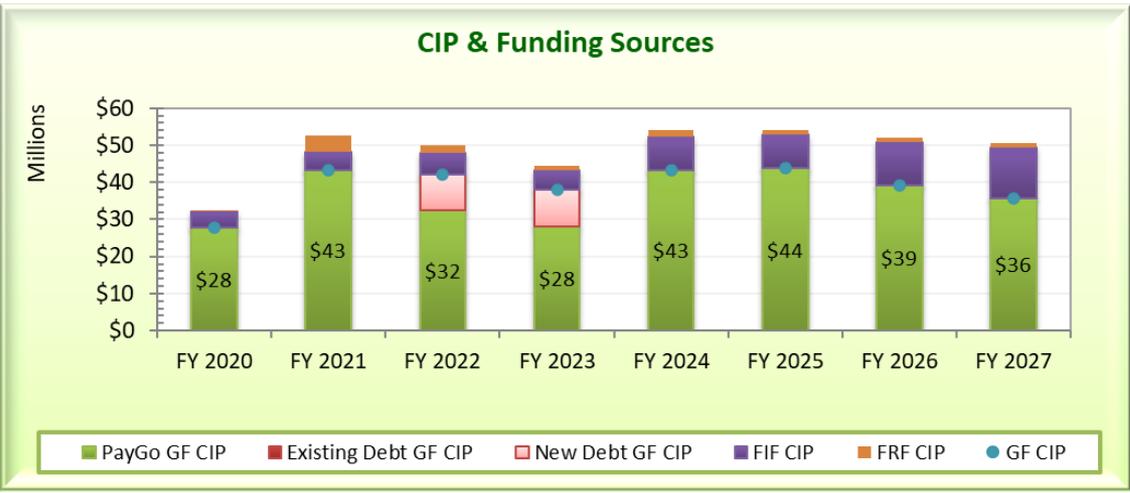


- Projected billed demand based on currently observed conservation; not updated for drought conservation

# Charts from FPM with Current Assumptions: +6% Fixed Revenue in FY 2023

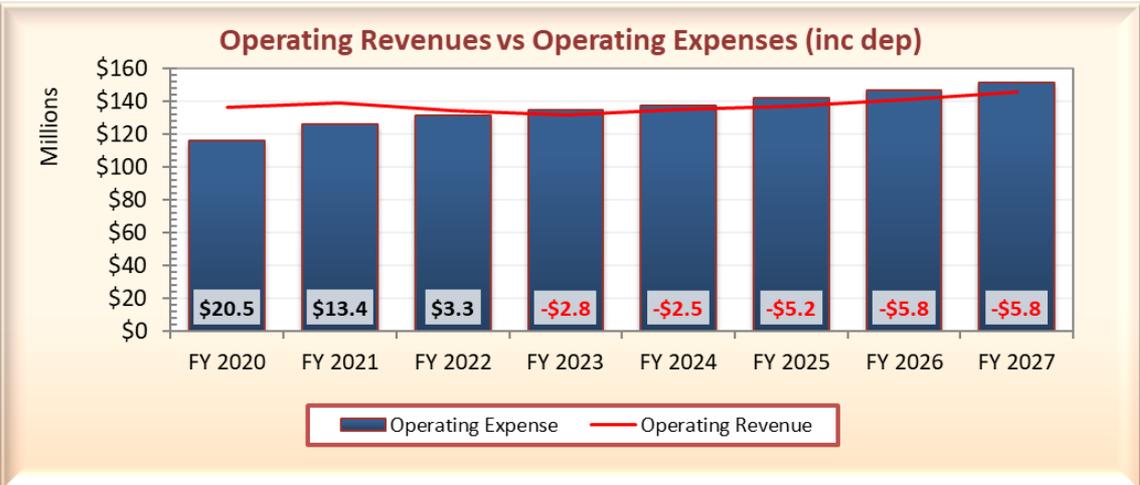


- Debt coverage ratio at 490% in FY 2026/27

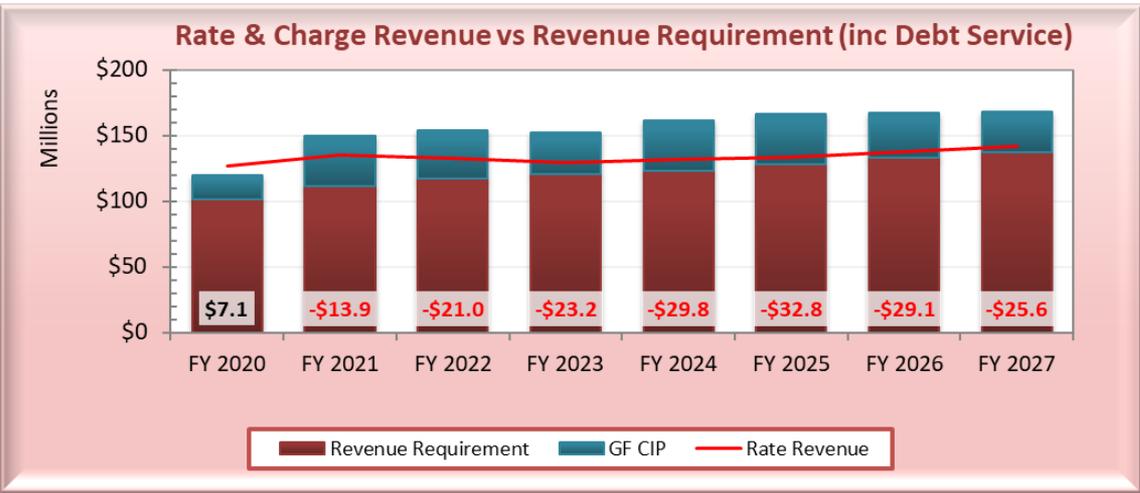


- Includes estimated \$15 million for PFAS treatment

# Charts from FPM with Current Assumptions: +6% Fixed Revenue in FY 2023



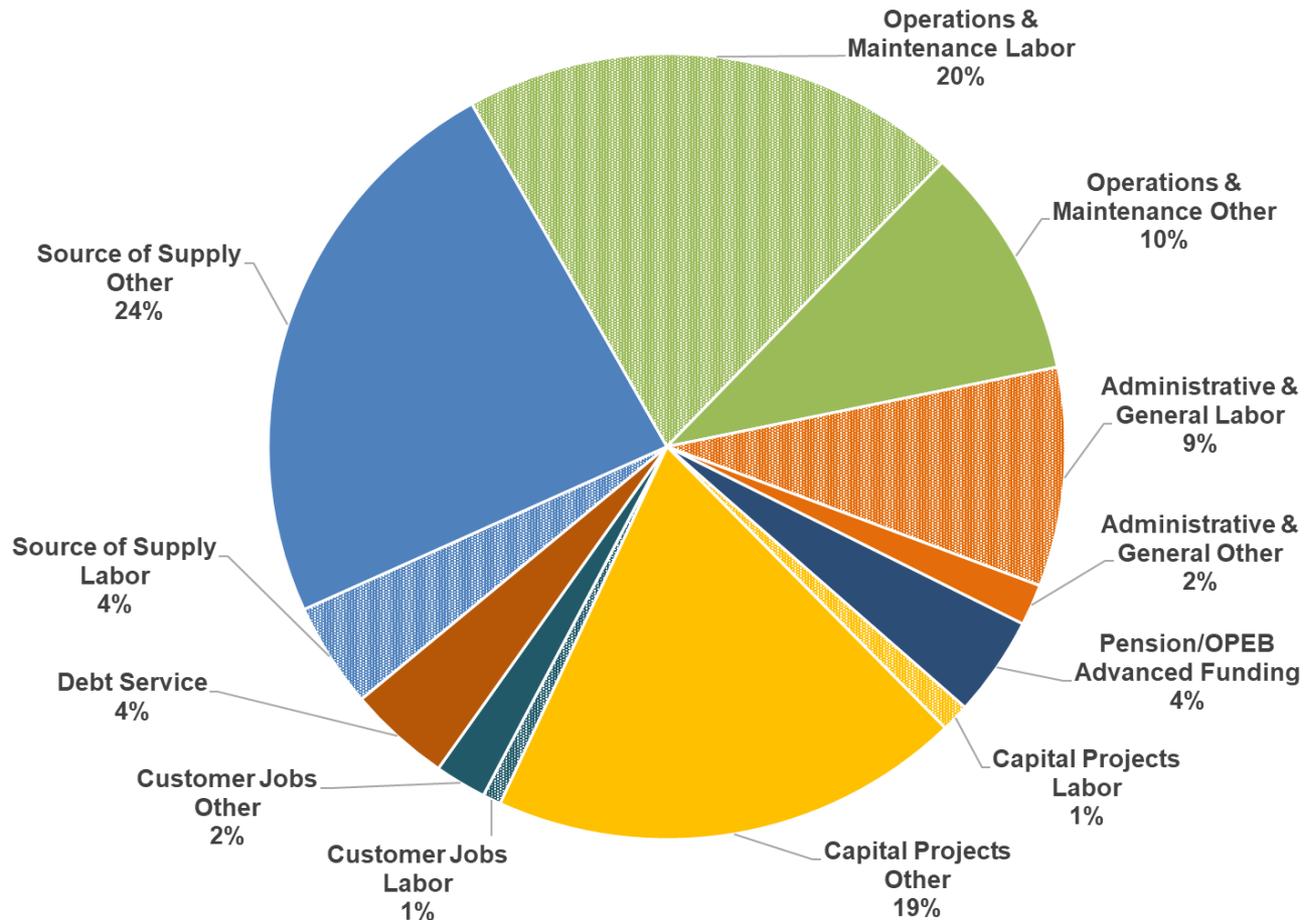
- Reliance on other revenue sources to cover operating expenses



- Reliance on other revenue sources in addition to water rate and charge revenue

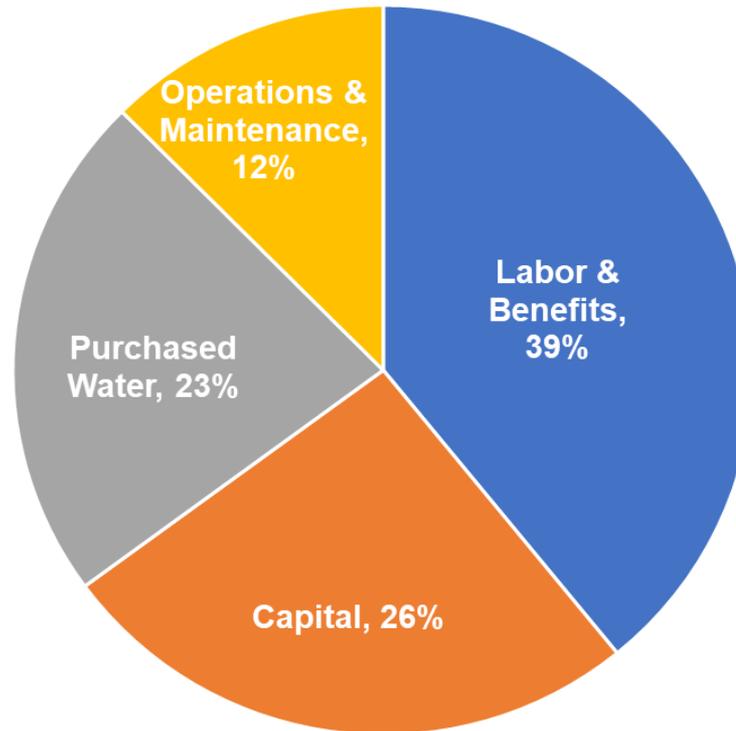
# General Fund Expenses

FY 2022/23 Projected Budget  
\$156.6 million



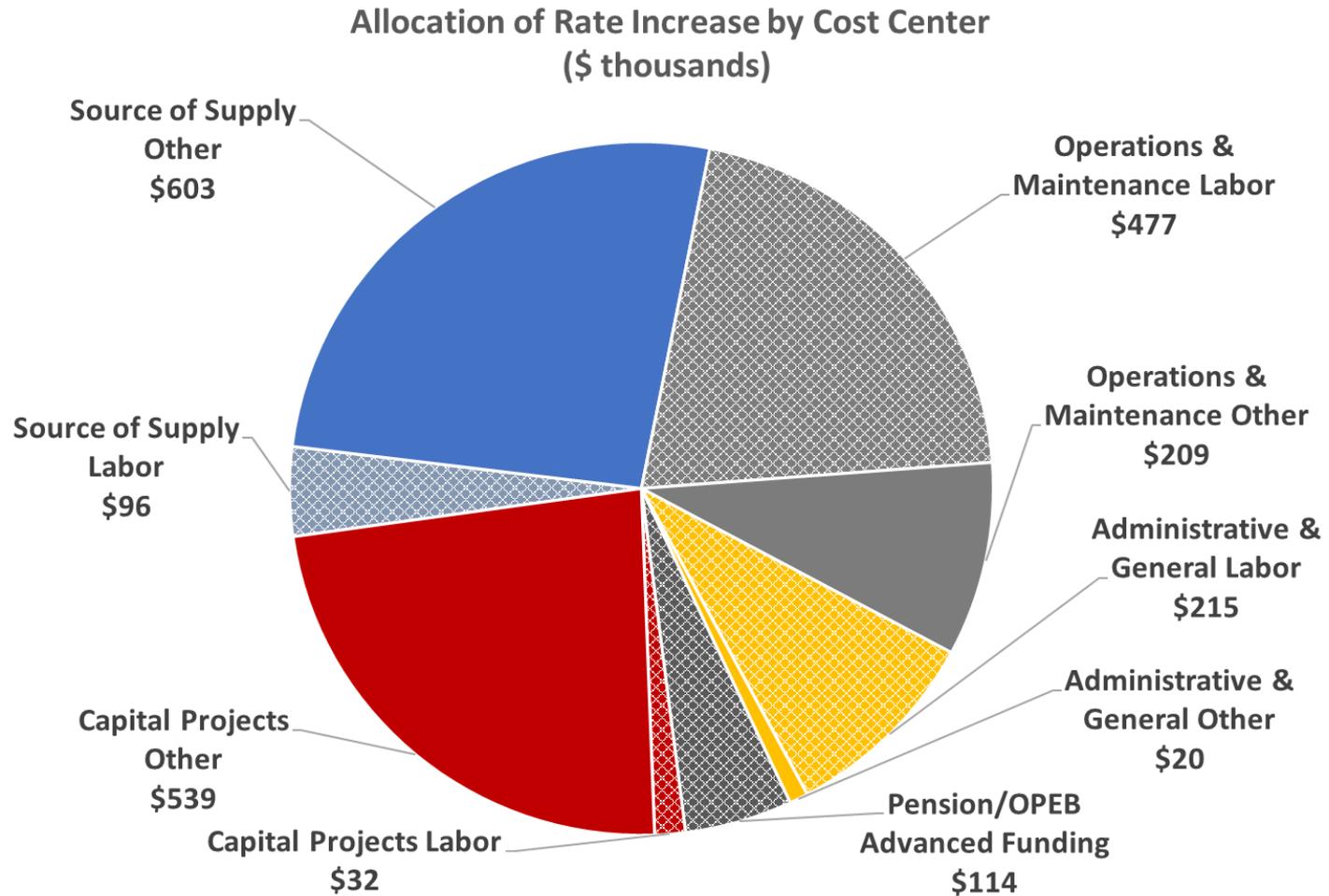
# Estimated Rate Increase Breakdown

Cost Increase Component



- 6% fixed revenue increase equals about \$2.3 million allocated to employee compensation, capital projects, water purchases, and operations & maintenance

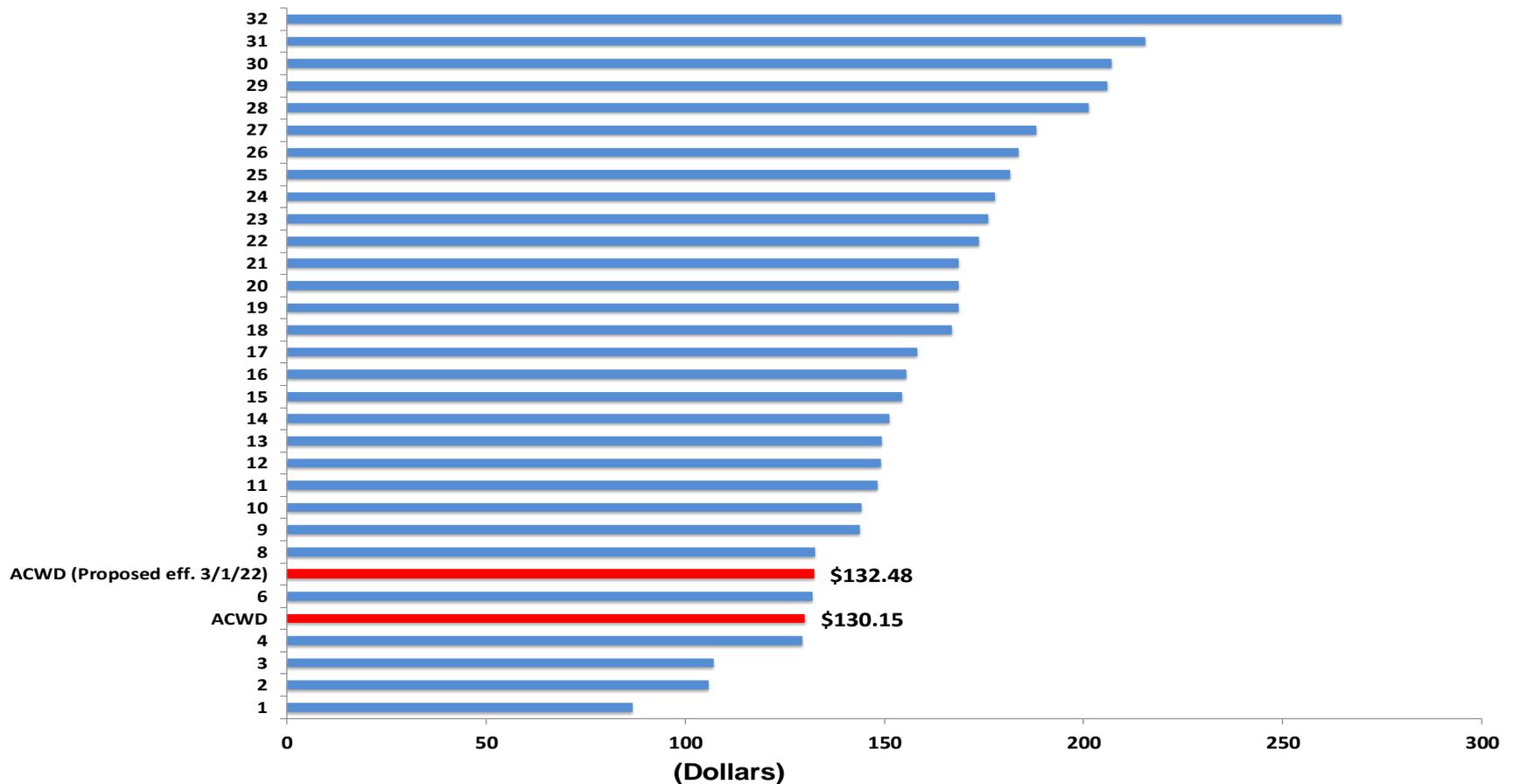
# Estimated Rate Increase Breakdown



# Average Water Bill Comparison

## 2021 AVERAGE WATER BILL COMPARISON\*

Based on 16 HCF (200 gallons per day) Consumption Bimonthly and a 5/8 or 3/4 inch meter



\* Comparison based on July 7, 2021 data. Comparison of Commodity and Service charges only. Ranking is based on Total Cost including surcharges.

# Miscellaneous Rates & Charges

# Miscellaneous Rates & Charges

	Current	Proposed (Eff. 3-1-22)	FY 2020/21 Revenue
<b>Metered Jumper Assembly Charges (6" Meter + RP Device)</b>			
Deposit (6" Meter + RP Device)	\$5,037	\$5,240	
Damaged Angle Stop Charge	\$306	\$313	
Damage Lock Charge	\$9	\$11	
Update to the Field Service Charge and Account Establishment Charge			
	Current	Proposed (Eff. 5-1-22)	Customer Jobs
<b>Meter Installation Charges</b>			
3/4" Meter	\$254	\$261	
1" Meter	\$287	\$273	
1-1/2" Meter	\$495	\$468	
Flow Restrictor Installation/Removal	N/A	\$198	
After Hours Flow Restrictor Charge	N/A	\$384	

# Proposed Facilities Connection Charges (FCCs)

- Inflationary increase of 6.617% calculated based on the July 2020 - July 2021 increase in the Engineering News-Record Construction Cost Index for the San Francisco Bay Area as authorized by the Board's February 2019 action revising the District's FCCs

Unit Type	Incremental Cost Component per dwelling unit	Equity Buy-In Component per dwelling unit	Total
<b>Residential Meters</b>			
Single Family Dwelling Units	\$ 5,451	\$ 3,105	\$ 8,556
Multiple Dwelling Units (2 or more units per building)	\$ 4,578	\$ 2,547	\$ 7,125
Residential Dormitory Units	\$ 3,269	\$ 1,863	\$ 5,132
<b>Non-residential, Municipal, and Irrigation Meters</b>			
Meter Size	Incremental Cost Component	Equity Buy-In Component	Total
3/4"	\$ 8,176	\$ 4,659	\$ 12,835
1"	\$ 13,628	\$ 7,767	\$ 21,395
1-1/2"	\$ 27,258	\$ 15,534	\$ 42,792
2"	\$ 43,612	\$ 24,855	\$ 68,467
3"	\$ 95,404	\$ 54,370	\$ 149,774
4"	\$ 163,553	\$ 93,208	\$ 256,761
6"	\$ 367,996	\$ 209,720	\$ 577,716
8"	\$ 436,143	\$ 248,557	\$ 684,700

# Water Conservation Rebates and Incentives Program

- Lawn Be Gone! Rebate Program: Transitioning the administration of in-house Water-Efficient Landscape rebate program to BAWSCA
  - Rebate and budget do not change

# Recommendation/Next Steps

# Staff Recommendations

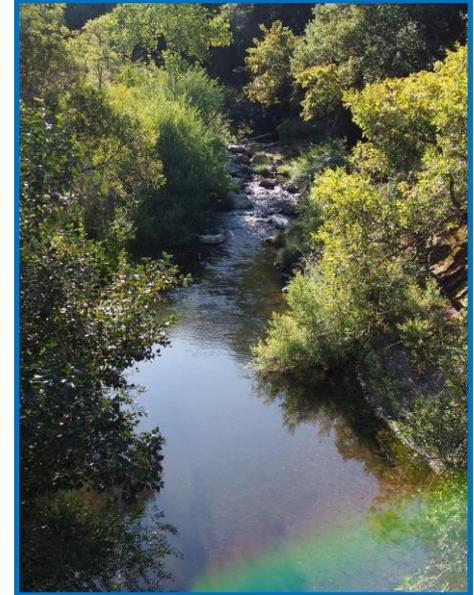
- Set February 10, 2022, at 6:00 p.m. as the date and time for a public hearing for consideration of the proposed revisions to the District's water-related rates and charges; and
- Authorize staff to mail notifications to all property owners in the District, customers who are directly responsible for paying the water bill, and all other mailing addresses in the District of the proposed revisions to water-related rates and charges, and public hearing details.

# Next Steps

- December 27, 2021: Deadline to Mail Prop. 218 Notices; targeting December 17. Start Bill Messages, Tri-City Voice information piece, Website, Social Media
- January 20, 2021: Community Meeting (Virtual)
- February 10, 2022: Board Meeting
  - Public Hearing for Commodity Rates, Service Charges, and Water Shortage Emergency Stage Rates
  - Consider Adoption of Amendments to the Rate & Fee Schedule
- March 1, 2022: Effective Date for Commodity Rates, Service Charges, Water Shortage Emergency Stage Rates, and Miscellaneous Charges
- May 1, 2022: Effective date for development-related fees and charges

# Stay Connected to the District

- [www.acwd.org](http://www.acwd.org)
- ACWD Aqueduct Newsletter
- Facebook  & Twitter   
@AlamedaCountyWD



Alameda County Water District  
43885 S. Grimmer Blvd.  
Fremont, CA 94538

510.668.4200

December 9, 2021 Board of Directors Meeting

# Thank you



[www.acwd.org](http://www.acwd.org)



[@AlamedaCountyWD](https://twitter.com/AlamedaCountyWD)

