TUOLUMNE UTILITIES DISTRICT
18885 NUGGET BLVD ● SONORA, CA 95370
(209) 532-5536 ● Fax (209) 536-6485

DIRECTORS
Barbara Balen
David Boatright
Glen Jacobs
Jeff Kerns
Ron W. Ringen

Special Board Meeting Agenda
Wednesday, June 14, 2023 - 9:00 a.m.
TUD Board Room
18885 Nugget Blvd., Sonora, California

Public Participation Procedures:
During the Board meeting, members of the public who wish to provide public comment will be invited to do so by the Board President. Members of the public who are physically present will be called first. Members of the public who are not present and wish to provide remote public comment via Zoom may use the 'Raise Hand' feature on their computer or press *9 if participating by phone.

Information to join meeting via Zoom:

- **Via video conferencing at:**
  https://us02web.zoom.us/j/81094020519?pwd=UkhONmNSWllnQzhaelBkTTN1R1N6dz09
- **Via teleconference by calling (253) 215-8782 or (301) 715-8592**
- **US Meeting ID: 810 9402 0519**
- **Password: 322488**
- **Public may also observe and listen to this meeting on TUD's YouTube Channel at Tuolumne Utilities District - YouTube**

Call to Order

Pledge of Allegiance

I. **Public Forum** - (5 minutes per item maximum) We would like to welcome the members of the public who have taken the time to attend this meeting and provide comments on matters related to District business. Any member of the public may address the Board relating to any matter within the Board's jurisdiction. This need not be related to any item on the agenda; however, the Board cannot act on an item unless it was noticed on the agenda. Persons speaking during the Public Comment will be limited to five (5) minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board.

II. **Regular Business**

1. Public Hearing: To Consider Adoption of Revised Water and Sewer Rates for the period of August 1, 2023 thru July 1, 2027, and Approval of the Final Draft Rate Study for FY 2024-2028

Adjournment

Note: *Agenda Material can be viewed at our website at www.tudwater.com.*

Board Policy limits Board meetings to a duration of three (3) hours; however, the Board may consider whether to extend the meeting beyond three (3) hours by majority vote.

In accordance with the Americans with Disabilities Act, if you need special assistance (i.e. auxiliary aids or services) in order to participate in this public meeting, please contact the Clerk of the Board, Melissa McMullen, and (209) 532-5536 ext. 510. Notifications 48 hours prior to the start of the meeting will enable the Clerk to make reasonable accommodations to ensure accessibility to this public meeting.

TUOLUMNE UTILITIES DISTRICT

Agenda Item No.II.1

MEMORANDUM

Special Board Meeting of June 14, 2023

To: Tuolumne Utilities Board of Directors

From: Don Perkins, General Manager
Stephen M. Sheffield, CPA, Finance Director

Agenda Section: Regular Business

Subject: Public Hearing: To Consider Adoption of Revised Water and Sewer Rates for the period of August 1, 2023 thru July 1, 2027, and Approval of the Final Draft Rate Study for FY 2024-2028

Summary

Recommendation: It is recommended that the Board conduct a public hearing and thereafter adopt resolutions approving amendments to water rules and regulations and wastewater ordinance establishing new water and sewer rates; respectively, as well as approving the final draft rate study for FY 2024-2028.

Recommended Motions:

Action Item #1: "I move to adopt Resolution _____ Amending Exhibit B of the Water Rules and Regulations to Revise Water Rates and Charges Effective August 1, 2023, with Additional Increases on each July 1st for the period of July 1, 2024 through July 1, 2027."

Action Item #2: "I move to adopt Resolution _____ Amending Exhibit B of the Wastewater Ordinance to Revise Sewer Rates and Charges Effective August 1, 2023, with Additional Increases on each July 1st for the period of July 1, 2024 through July 1, 2027."

Action Item #3: "I move to accept the Final Draft Rate Study for FY 2024 thru 2028."

Issue: The Final Draft Rate Study concludes that rate increases are necessary to meet annual operating and maintenance costs, maintain sufficient capital improvement plan reserves, maintain reasonable operating reserves, and maintain adequate debt service coverage ratios. Proposed rate increases are also needed to fund future large capital improvement projects included in the five-year CIP. Rate changes impose certain Proposition 218 procedural requirements including notice, hearing, and majority protest procedures.

Previously Related Actions:

- January 10, 2023 – Board received Cost of Services Analysis presentation and directed staff to proceed with preparation of the Draft Cost of Service Rate Study Report.
- February 14, 2023 – Board reviewed the Draft Cost of Service Rate Study Report.
- March 14, 2023 – Board was requested to authorize issuing presently proposed Proposition 218 notice. Item was tabled by Board.
- April 6, 2023 – Board authorized staff to issue the Proposition 218 Notice to its water and sewer customers.
- April 27, 2023 –Proposition 218 Notice mailed to water and sewer customers.
- May 31, 2023 – Notice of public hearing regarding potential increases to water and sewer rates and charges published.
- June 7, 2023 – Notice of public hearing regarding potential increases to water and sewer rates and charges published.

Board Action:	Resolution No. _____	Motion by _____	Second by _____
	Ayes: _____	Noes: _____	
	Absent: _____	Abstained: _____	Recuse: _____

Discussion:

TUD staff will present the attached draft rate study report that details the rate analysis and five years of proposed water and sewer rates effective August 1, 2023. The rates developed in this study are designed to meet the revenue needs and are necessary and required to fund the operating and maintenance expenses, debt service, capital improvements, and reserves of the water and sewer funds of the District.

Questions and/or discussions by the Board of Directors regarding the rate study and process.

The Board President will open the Public Hearing and advise the public that if they have not already filed a written protest, they may do so by providing a signed protest indicating their property address and the service, either water, sewer, or both, and that they are protesting the proposed rate increase to the Clerk of the Board.

- The Board of Directors will then receive comments from members of the public including written and verbal protests to the proposed water and sewer rates and comments regarding the Final Draft Rate Study.
- At the conclusion of the Public Hearing, the Clerk of the Board will provide a total count of the written protests received, including those received during the Public Hearing. If the District receives protests totaling 50% plus 1 of the total water or sewer customers, no action can be taken by the Board of Directors on increasing the majority-protested water or sewer rates. If protests equaling 50% or less are received, the Board can consider adoption of the attached resolutions increasing water and sewer rates. If this is the case, the actions below should be considered.

Close Public Hearing and the Board of Directors will discuss and consider the items in the order below.

- The Board of Directors will consider adoption of the attached Resolution modifying Exhibit B of the TUD Water Rules and Regulations. The Board of Directors will consider the comments made by the public and a motion and a second will be required to adopt the resolution as proposed or modified.
- The Board of Directors will consider adoption of the attached Resolution modifying Exhibit B of the TUD Wastewater Ordinance. The Board of Directors will consider the comments made by the public and a motion and a second will be required to adopt the resolution as proposed or modified.
- The Board of Directors by motion and second will consider acceptance of the Final Draft Rate Study.

Attachments:

- Resolution for Water Rate Increase
- Exhibit B: Water Service Charges and Rates (revised)
- Exhibit B: Water Service Charges and Rates (redline)
- Resolution for Sewer Rate Increase
- Exhibit B: Sewer Service Charges, Connection and Capital Facilities Fee, and Other Rate Schedules (revised)
- Exhibit B: Sewer Service Charges, Connection and Capital Facilities Fee, and Other Rate Schedules (redline)
- Notice of Exemption
- Proposition 218 Notice mailed to customers
- Published Notice of Public Hearing
- Final Draft Rate Study

Resolution No. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUOLUMNE UTILITIES DISTRICT AMENDING EXHIBIT B OF THE WATER RULES AND REGULATIONS TO REVISE WATER RATES AND CHARGES EFFECTIVE AUGUST 1, 2023, WITH ADDITIONAL INCREASES ON EACH JULY 1ST FOR THE PERIOD OF JULY 1, 2024 THROUGH JULY 1, 2027

WHEREAS, the Tuolumne Utilities District (the "District") is organized and operates pursuant to the County Water District Law, Division 12 commencing with Section 30000 of the California Water Code; and

WHEREAS, the District is authorized to fix and collect charges for the provision of water service pursuant to Water Code sections 31007 and 31025; and

WHEREAS, the rate structure for the District's water service charges is comprised of two components – a variable Quantity Charge based on water usage and a Fixed Service Charge based on meter size; and

WHEREAS, there has been presented to the District Board of Directors a Final Draft Water Rate Study that identifies current and potential projected costs to provide water services over the next five years that has been used to identify estimated costs in projecting the rates and charges to provide water services; and

WHEREAS, there has been presented to the District Board of Directors proposed water rates changes and charges for water services that are designed to proportionately allocate the cost of providing water service to the District's customers and to not exceed the cost to provide such water services over the next five years (collectively herein, referred to as "rate increases"), all of which are more fully set for the herein; and

WHEREAS, to ensure that there are sufficient revenues to provide water services to District customers, the District Board of Directors desires to authorize a five year period to annually implement the rate increases; and

WHEREAS, before the District may increase its rates, it must comply with Article XIII D, section 6 of the California Constitution (commonly known as Proposition 218) and provisions of the Water and Government Codes; and

WHEREAS, on April 6, 2023, the Board of Directors authorized District staff to mail the Proposition 218 Rate Notice of proposed water rate changes and charges to property owners and customers within the District; and

WHEREAS, in accordance with Proposition 218, District staff mailed out notices of the time and place of the public hearing on the rate increases in the Water Rates and Service Charges. Such notices were mailed, postage prepaid ("Mailed Notice") on, or about April 27th, 2023 to the affected property owners and tenants directly liable for the Water Rates and Service Charges not less than 45 days prior to the public hearing on the proposed establishment of rates and charges as set forth herein; and

WHEREAS, said Mailed Notice, included a general explanation of the basis and need for the rate increases, stated that a public hearing on this matter would be held on June 14, 2023, at 9 a.m., at the Tuolumne Utilities District Board Room located at 18885 Nugget Blvd., Sonora,

CA 95370 at which the Board of Directors would hear any and all protests received prior to or at the public hearing in relation to revised water rates and service charges and act as required by Proposition 218 in regard to said protests; and

WHEREAS, notice of the time and place of the meeting, including a general explanation of the matters to be considered, was published in the Union Democrat, a newspaper of general circulation, on May 31, 2023 and June 7, 2023, in accordance with Government Code Sections 66018 and 6062a; and

WHEREAS, on June 14, 2023, the Tuolumne Utilities District Board of Directors held a public hearing in compliance with Government Code Sections 66018 and 6062a where all interested parties were able to provide testimony; and

WHEREAS, all owners of property and customers subject to the District's water utility service rate schedule were thus properly notified pursuant to Proposition 218 and given the opportunity to file with the Board Clerk protests at any time prior to the close of the public hearing; and

WHEREAS, pursuant to Proposition 218, if a majority of the owners of property subject to the proposed water utility service rate schedule file valid protests to the proposed schedule, then the Board of Directors may not adopt water rate increases; and

WHEREAS, on June 14, 2023, the Board of Directors held a duly noticed public hearing, at which hearing the Board of Directors considered all testimony and evidence, including any written protests previously submitted, and all persons desiring to submit written or oral testimony regarding the District's water utility service rate schedule, water rate increases or otherwise desiring to be heard on the matter were given that opportunity prior to the close of the public hearing; and

WHEREAS, at the conclusion of the public hearing, written protests against the proposed rate increases were not presented by a majority of record owners of parcels upon which the proposed Water Rates and Service Charges are proposed to be imposed and tenants directly responsible for the payment of Water Rates and Service Charges (i.e., a customer of record); and

WHEREAS, it is deemed to be in the best interests of the District to adopt the rate increases provided in the attached Exhibit B due to the need to establish sufficient revenues to cover the projected District operation, maintenance, and capital improvement costs over the next five years; and

WHEREAS, this Resolution is exempt from environmental review pursuant to the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines section 15273, because CEQA does not apply to the establishment, modification or approval of fees, rates or charges by public agencies that the public agency finds are for the purpose of meeting its water utility service operating expenses, financial reserve needs and requirements, and are necessary to maintain water utility service levels within the local agency's existing service areas.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Tuolumne Utilities District finds and determines as follows:

Section 1. All of the foregoing recitals are true and correct and the Board of Directors so finds and determines. The recitals set forth above are incorporated herein, are made findings and determinations of the Board, and are made an operative part of this Resolution.

Section 2. On or about April 27, 2023, the Board of Directors caused to be sent approximately 12,615 Mailed Notices (representing 14,383 TUD water customer connections, in which a majority protest would need to be received from 7,192 water customers) to all of the owners of property or tenants subject to the District's water utility service rate schedules. By the close of the public hearing on June 14, 2023; the Board Clerk received a total of ____ written protests. Therefore, a majority of the owners of properties subject to the District's water utility service rate schedule or subject to the water rate increases did not, at or prior to the time fixed for said hearing or during said hearing, file valid protests against the water utility service rates.

Section 3. The District's water utility service rates set forth in the water utility service rate schedule, attached hereto as "Exhibit B" and incorporated herein by this reference, is hereby adopted to become effective on August 1, 2023, and increased on July 1, 2024, and each July 1 hereafter through July 1, 2027. Such action shall supersede and replace the existing Exhibit B in the Tuolumne Utilities District Water Rules and Regulations.

Section 4. All ordinances, resolutions, or administrative actions by the Board of Directors, or parts thereof that are inconsistent with any provision of this Resolution are hereby superseded only to the extent of such inconsistency. Except as otherwise specifically set forth herein, all provisions of the Tuolumne Utilities District Water Rules and Regulations shall remain in full force and effect.

Section 5. The water rate changes and charges for water services are proportionately allocated to the cost of providing water service to the District's customers and do not exceed the cost to provide such water services over the next five years based on the potential operations, maintenance and capital improvement costs identified in the Final Draft Rate Study.

Section 6. If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

Section 7. The President of the Board of Directors shall sign this Resolution and the Executive Secretary/Board Clerk shall attest thereto, and this Resolution shall be in full force and effect immediately upon adoption. Within 15 days after adoption of this Resolution, a summary of the Resolution shall be published with the names of those directors voting for and against this Resolution and a certified copy of the full text of this Resolution, along with the names of those Directors voting for and against this Resolution, shall be posted in the District office.

PASSED AND ADOPTED by the Board of Directors of Tuolumne Utilities District on June 14, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

_____	_____
Jeff Kerns, President	Melissa McMullen
Board of Directors	Executive Secretary/Board Clerk

EXHIBIT B

WATER SERVICE CHARGES AND RATES

B.1 Charge For Treated Water Service

The following rates and charges shall be effective as indicated below.

B.1.1 Monthly Fixed Charges - Meter Size: Minimum Monthly Fixed Service Charges

Meter Size	Effective 8/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
1 – inch or less	$82.54	$84.69	$86.74	$87.79	$89.11
1 1/2 - inch	$132.06	$135.50	$138.78	$140.46	$142.56
2 - inch	$189.83	$194.78	$199.49	$201.90	$204.93
3 - inch	$420.93	$431.90	$442.35	$447.70	$454.41
4 - inch	$586.01	$601.29	$615.84	$623.29	$632.63
6 - inch	$1,031.70	$1,058.59	$1084.20	$1,097.31	$1,113.75
8 - inch	$1,576.44	$1,617.53	$1,656.67	$1,676.71	$1,701.84

B.1.2 Consumption – Quantity Rates

Treated Water Service

Quantity Rates Monthly Per 100 Cubic Feet	MONTHLY QUANTITY CHARGE				
	Effective 8/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
Tier 1 — Up to 400 cu. ft. cu. ft.	$0.00	$0.00	$0.00	$0.00	$0.00
Tier 2 — Over 400 cu. ft.	$4.35	$4.46	$4.57	$4.63	$4.70

B.1.3 Wholesale Treated Water Service Customers

Those Wholesale Treated Water Service Customers under existing contract(s) shall be required to pay under the terms and conditions of their respective contracts.

B.2 Charge for Raw (Untreated) Water Service

The following rates shall be effective as indicated below. The rate structure for metered raw (untreated) water service consists of a monthly service charge based on the size of the water meter plus a quantity charge for all metered consumption of water. Included with the monthly fixed raw water rate charge is up to 5,000 cubic feet of water. The rate structure for unmetered raw (untreated) water service consists of a minimum Monthly Fixed Service Charge based on each ½ Miner's Inch under contract plus a quantity charge for each Miner's Inch Day (MID) per month of water requested. Included in the Monthly Fixed Charge is up to 2 Miner's Inch Days. The minimum monthly fixed service charge is billed on a 12 month basis.

B.2.1 Metered Raw Water Customers Monthly Fixed Charges

Meter Size: Minimum Monthly Fixed Service Charges

Meter Size	MONTHLY FIXED CHARGE				
	Effective 8/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
1 - inch or less	$44.79	$45.96	$47.07	$47.64	$48.35
1 1/2 - inch	$71.66	$73.53	$75.31	$76.22	$77.36
2 - inch	$103.01	$105.70	$108.26	$109.57	$111.21
3 - inch	$228.41	$234.36	$240.03	$242.93	$246.57
4 - inch	$317.99	$326.28	$34.17	$338.21	$343.28
6 - inch	$559.84	$574.43	$588.33	$595.45	$604.37
8 - inch	$855.43	$877.73	$898.97	$909.84	$923.47

B.2.2 Quantity Rates

Monthly Quantity Per 100 Cubic Feet	MONTHLY QUANTITY CHARGE				
	Effective 8/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
Up to 5,000 cu. ft.	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Over 5,000 cu. ft.	$ 0.44	$ 0.45	$ 0.46	$ 0.47	$ 0.48

B.2.3 Unmetered Raw Water – MID* Rates

*Miner's Inch Day (MID) – A term used in water measurement. By California statute, one miner's inch flow in for one day is equivalent to 1.5 cubic feet per minute or 11.22 gallons per minute.

B.2.4 Minimum Monthly Fixed Service Charges

Per Miner's Inch Per Month	Effective 8/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective /7/2026	Effective 7/1/2027
First 1/2 miner's inch of contract	$44.79	$45.96	$47.07	$47.64	$48.35
Additional capacity, per 1/2 miner's inch	$23.03	$23.63	$24.20	$24.49	$24.86
Per Miner's Inch Day	**Quantity Rates Per Day**				
Up to 2 MIDs per month	$0.00	$0.00	$0.00	$0.00	$0.00
Over 2 MIDs per month	$8.70	$8.93	$9.15	$9.26	$9.40

B.2.5 Special Quantity Amounts Due to Prior Agreements with Pacific Gas & Electric

Subject to the pertinent Rate Schedule(s) above, those raw water customers having a fixed monthly allotment of water per month prior to receiving quantity charges with Pacific Gas and Electric that is currently recognized by contract with the District shall continue to receive such monthly quantity amounts before incurring MID charges. Such customers shall maintain an active agreement for raw water service with the District indicating the amount of the monthly allocation. Nothing in this section shall be construed to relieve such customer(s) of the Minimum Monthly Service Charge. In the event an agreement lapses or the customer is in violation of the agreement for more than one (1) year, or otherwise

fails to make payment to the District, the District reserves the right render any allotment null and void.

B.3 Treated Water Surcharges and/or Assessments

The surcharges listed below are for a 3/4" meter treated water service. Surcharges for meters larger than 3/4" will be based upon the same increase factors for monthly service charges for larger meters. In areas where water systems are interconnected, more than one of the surcharges listed below may apply.

Service Area	Charge Per Month
Columbia	$2.11
Curtis Creek	$36.14
Monte Grande	$17.79
Monte Grande - Curtis Creek Interconnection	$26.99
Railbed Road	$6.30
Railbed Road with Backflow Preventer	$11.97

B.4 Wholesale Usage - Master Meter

Same as B.1.1 except where there is a special agreement as authorized by Board of Directors.

B.5 Bulk Usage from Fire Hydrant

Type of Service	Meter Size - 2 "	
Meter Rental Charge per Day	$5.00	
Usage per 100 Cubic Foot ($5.00 minimum charge)	$5.00	
Meter Deposit	$1,870.00	
Administration Fee per Rental	$35.00	

B.6 Service Charge for Privately Owned Fire Protection Systems

Based on Meter Size. *See* B.1.

B.7 Request for Service Location, Temporary Shut Off or Turn On

Each time the District is required to locate the customer's service connection or make a temporary shut off or turn on, a service charge may be charged, in accordance with the following provisions, shall be paid by the user. These charges will not apply when there is an emergency request by the customer due to a leak.

B.7.1 Service charge with a minimum notice of two (2) full work days and with the location or shutoff to be accomplished between 7:00 a.m. and 4:00 p.m. on a regular day (not including 6-month maximum suspensions). — No Charge

B.7.2 Service charge with less than the required minimum notice and with location or shutoff to be accomplished between 7:00 a.m. and 4:00 p.m. on a regular day. — $50.00

B.7.3 Service charge with the location or shutoff to be accomplished between 4:00 p.m. and 7:00 a.m. — $130.00

B.7.4 Service charge with the location or shutoff on Saturday, Sunday or District Holiday. $130.00

B.8 Unlawful Acts Charge $150.00

B.9 Meter Removal Fee $80.00

B.10 New Account Administration Fee $240.00

The New Account Administration Fee is a one-time charge to a new connection for water service to be paid at the time of application that covers staff time involving information data input and account management.

B.11 Capital Reserve Charge $1,169.00

The Capital Reserve Charge shall be used to replace capacity and facilities used by new applicants for service upon connection to the water system and to provide for the continuous capability to serve new applicants for treated water service. The capital reserve fund would specifically be used to replace equipment and facilities that reach the end of their useful life and to construct improvements necessary to maintain service and capacity in water treatment, storage, transmission, distribution, pumping facilities, and control systems as periodically needed in each of the service areas within the District's jurisdiction.

The Capital Reserve Charge shall be computed by reference to the user classification schedule attached as Exhibit A, applied according to the factors indicated at the sole discretion of the District. The fee stated herein is equivalent to a factor of 1.0.

B.12 Treated Water Meter Set Charge

Meter Type	Installation of Meter and Valve Only	If New Box and Lids are Also Required
¾ inch meter	$419	$733
1 inch meter	$571	$884
1 ½ inch meter	$955	$1,055
2 inch meter	$1,160	$1,260
3 & 4 inch meters	Actual Cost	Actual Cost

Customers will be billed the "actual cost" for meters and boxes on new raw (untreated) water services regardless of meter size.

B.13 Meter Accuracy Tests

Customers requesting meter tests shall be charged $ 50.00 for all tests beyond one test per year.

B.14 Service Line Charge Actual Cost

B.15 Security Deposit Amount $ 80.00

B.16 Lien Fee $ 20.00

B.17 Notary Fee $ 15.00

B.18 Backflow Prevention Assembly Testing and Maintenance Program

Customers with backflow prevention devices will be charged the actual fee paid to the outside contractor to reimburse the District. Presently the fee is $65 per annual inspection.

B.19 Capacity Charges

Water Capacity Charges shall be collected and placed in a fund to construct improvements to any of the water systems described above for the purpose of increasing supply, treatment, storage, or transmission capacity used up by new connections to the water systems. The charges are uniform to all systems and are collected and used to construct improvements as needed in any individual water system. For one equivalent single-family residence, the capacity charge shall be calculated on an estimated usage based upon a ten year average from the District's consumption records for residential systems. These charges are applied as described below:

Application criteria: Water capacity charges apply to all applicants for water service whose parcels to be served are located where sufficient water supply, treatment, and storage facilities have not been provided through previous improvement as described in Regulation 3.05.6. For raw water service, only the supply component described below shall apply:

- Supply — $1,005 per treated water ESFR or $3,395 per acre-foot, *See* Exhibit E.1. For all new raw water services to agricultural irrigation customers as set forth in Section 14.07, the supply capacity fee shall be $377 per acre-foot, with a 10 acre-foot per year minimum. Additional water supply capacity may be purchased in 10 acre-foot blocks. Agricultural irrigation service will be turned off during the non-irrigation season (October 16th through April 14th). The water supply capacity for all new raw water services, except as described above for agricultural irrigation, will be available in 5 acre-foot blocks with a 5 acre-foot per year minimum.
- Treatment — $1,896 per ESFR, *See* Exhibit E.2.
- Storage — $3,603 per ESFR, S*ee* Exhibit E.3.
- Transmission — Actual Cost.

Capacity charges to be indexed to a 3-year running average of the Engineering News and Record 20-cities construction cost index and adjusted each fiscal year with an annual cap of 3.5%. The General Manager will implement the fee increase on July 1st annually.

B.20 Water Connection Fees

Description of TUD Water Systems to Which the Foregoing Charges are Applicable.

The water systems serving treated water referred to herein are all located within the boundaries of and under the jurisdiction of the Tuolumne Utilities District. Uniform rates, fees, and charges apply to each and every system except as otherwise noted. Water systems currently serve the communities and surrounding areas of Sonora, Jamestown, Cuesta Serena, Valle Vista, Volponi Acres, Sonora Water Company through a master meter, Columbia, East Sonora, Cuesta Center, Lambert Lakes, Tuolumne, Cedar Ridge, Crystal Falls, Mono Vista, Willow Springs, Camp Sunshine, Ranchos Poquitos, Soulsbyville, Comstock Ranch, Sonora Meadows through a master meter, Oak Garden Estates, Lakewood Park, Brentwood Park, Goldmont Forest, Sonora Vista, Confidence, Forest Vista Estates, Meadowbrook, Sugar Pine, Peaceful Pines, Oak Haven, Apple Valley, Scenic View and Scenic Brook Estates, Phoenix Lake Park, Ponderosa Hills, Muller and Mira Monte through a master meter, Gibbs Ranch and Rancho Sonora Estates, Monte Grande, Big Hill, Mono Village, Curtis Creek Ranch area, and Wards Ferry Ranches. Other communities that could be transferred to or acquired by the District in the future that would be subject to these rates, fees, and charges include, but may not be limited to, Alpine Acres, and Last Chance Water Company Service areas.

Raw water is provided to the following resale customers: Twain Harte Community Services District, Twain Harte Valley Mutual Water District, Mi Wuk Mutual Water Company, Last Chance Water Company, Peppermint Creek Mobile Home Park, Pulpit Rock Water Company, Sawmill Flat Water Association, and Oneta Estates Water Association.

Purpose and Use

The purpose of the rates, fees, and charges stated herein are for meeting operation and maintenance expenses, purchasing or leasing supplies, equipment, or materials, meeting financial reserve needs, and for obtaining funds for capital improvements necessary to maintain service to all customers within the District's existing service areas. The capital improvements include water storage tanks, treatment facilities, water distribution and transmission facilities, and pumping facilities, including related electrical and telemetry control systems.

EXHIBIT B

WATER SERVICE CHARGES AND RATES

B.1 Charge For Treated Water Service

The following rates and charges shall be effective as indicated below.

B.1.1 Monthly Fixed Charges - Meter Size: Minimum Monthly Fixed Service Charges

Meter Size	Effective 18/1/2016 2023	Effective 17/1/2017 2024	Effective 17/1/2018 2025	Effective 17/1/2019 2026	Effective 17/1/2020 2027
5/8 or 3/4 - inch	$47.50	$52.50	$56.50	$60.50	$64.50
1 — inch or less	$47.50$82	$52.50$84	$56.50$86	$60.50$87	$64.50$89
1 1/2 - inch	$76.00$13	$84.00$13	$90.40$13	$96.80$14	$103.20$1
2 - inch	$109.25$1	$120.75$1	$129.95$1	$139.15$2	$148.35$2
3 - inch	$242.25$4	$267.75$4	$288.15$4	$308.55$4	$328.95$4
4 - inch	$337.25$5	$372.75$6	$401.15$6	$429.55$6	$457.95$6
6 - inch	$593.75$1	$656.25$1	$706.25$1	$756.25$1	$806.25$1
8 - inch	$907.25$1	$1,002.75	$1,079.15	$1,155.55	$1,231.95

B.1.2 Consumption – Quantity Rates

Treated Water Service

Quantity Rates Monthly Per 100 Cubic Feet	MONTHLY QUANTITY CHARGE				
	Effective 18/1/201 62023	Effective 17/1/201 72024	Effective 17/1/20182 025	Effective 17/1/2019 2026	Effective 17/1/202020 27
Tier 1 — Up to 400 cu. ft. cu. ft.	$0.00	$0.00	$0.00	$0.00	$0.00
Tier 2 — Over 400 cu. ft.	$2.50$4.3 5	$2.75$4.4 6	$3.00$4.57	$3.20$4.6 3	$3.40$4.70

B.1.3 Wholesale Treated Water Service Customers

Those Wholesale Treated Water Service Customers under existing contract(s) shall be required to pay under the terms and conditions of their respective contracts.

B.2 Charge for Raw (Untreated) Water Service

The following rates shall be effective as indicated below. The rate structure for metered raw (untreated) water service consists of a monthly service charge based on the size of the water meter plus a quantity charge for all metered consumption of water. Included with the monthly fixed raw water rate charge is up to 5,000 cubic feet of water. The rate structure for unmetered raw (untreated) water service consists of a minimum Monthly Fixed Service Charge based on each ½ Miner's Inch under contract plus a quantity charge for each Miner's Inch Day (MID) per month of water requested. Included in the Monthly Fixed Charge is up to 2 Miner's Inch Days. The minimum monthly fixed service charge is billed on a 12 month basis.

B.2.1 Metered Raw Water Customers Monthly Fixed Charges

Meter Size: Minimum Monthly Fixed Service Charges

Meter Size	MONTHLY FIXED CHARGE				
	Effective 18/1/2016 2023	Effective 17/1/2017 2024	Effective 17/1/2018 2025	Effective 17/1/2019 2026	Effective 17/1/2020 2027
5/8 or 3/4 -	$15.00	$20.00	$25.00	$30.00	$35.00
1 - inch or less	$15.00 $44.7	$20.00 $45.9	$25.00 $47.0	$30.00 $47.6	$35.00 $48.3
1 1/2 - inch	$24.00 $71.6	$32.00 $73.5	$40.00 $75.3	$48.00 $76.2	$56.00 $77.3
2 - inch	$34.50 $103.	$46.00 $105.	$57.50 $108.	$69.00 $109.	$80.50 $111.
3 - inch	$76.50 $228.	$102.00 $234	$127.50 $240	$153.00 $242	$178.50 $246
4 - inch	$106.50 $317	$142.00 $326	$177.50 $34.	$213.00 $338	$248.50 $343
6 - inch	$187.50 $559	$250.00 $574	$312.50 $588	$375.00 $595	$437.50 $604
8 - inch	$286.50 $855	$382.00 $877	$477.50 $898	$573.00 $909	$668.50 $923

B.2.2 Quantity Rates

Monthly Quantity Per 100 Cubic Feet	MONTHLY QUANTITY CHARGE				
	Effective 18/1/2016 2023	Effective 17/1/2017 2024	Effective 17/1/2018 2025	Effective 17/1/2019 2026	Effective 17/1/2020 2027
Up to 5,000 cu. ft.	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Over 5,000 cu. ft.	$ 0.25 44	$ 0.28 45	$ 0.30 46	$ 0.32 47	$ 0.34 48

B.2.3 Unmetered Raw Water – MID* Rates

*Miner's Inch Day (MID) – A term used in water measurement. By California statute, one miner's inch flow in for one day is equivalent to 1.5 cubic feet per minute or 11.22 gallons per minute.

B.2.4 Minimum Monthly Fixed Service Charges

Per Miner's Inch Per Month	Effective 18/1/2016	Effective 17/1/2017	Effective 17/1/2018	Effective /2019 2026	Effective 17/1/2020
First 1/2 miner's inch of contract	$15.00 $44.	$20.00 $45.	$25.00 $47.	$30.00 $47.	$35.00 $48.
Additional capacity, per 1/2 miner's inch	$6.00 $23.	$9.00 $23.	$12.00 $24	$15.00 $24	$18.00 $24
Per Miner's Inch Day	**Quantity Rates Per Day**				
Up to 2 MIDs per month	$0.00	$0.00	$0.00	$0.00	$0.00
Over 2 MIDs per month	$5.00 $8.70	$5.50 $8.93	$6.00 $9.15	$6.40 $9.26	$6.80 $9.40

B.2.5 Special Quantity Amounts Due to Prior Agreements with Pacific Gas & Electric

Subject to the pertinent Rate Schedule(s) above, those raw water customers having a fixed monthly allotment of water per month prior to receiving quantity charges with Pacific Gas and Electric that is currently recognized by contract with the District shall continue to receive such monthly quantity amounts before incurring MID charges. Such customers shall maintain an active agreement for raw water service with the District indicating the amount of the monthly allocation. Nothing in this section shall be construed to relieve such customer(s) of the Minimum Monthly Service Charge. In the event an agreement lapses

or the customer is in violation of the agreement for more than one (1) year, or otherwise fails to make payment to the District, the District reserves the right render any allotment null and void.

B.3 Treated Water Surcharges and/or Assessments

The surcharges listed below are for a 3/4" meter treated water service. Surcharges for meters larger than 3/4" will be based upon the same increase factors for monthly service charges for larger meters. In areas where water systems are interconnected, more than one of the surcharges listed below may apply.

Service Area	Charge Per Month
~~Big Hill~~	~~$17.19~~
~~Crystal Falls~~	~~$2.00~~
~~Cedar Ridge~~	~~$7.38~~
Columbia	$2.11
Curtis Creek	$36.14
~~Gibbs Ranch~~	~~$2.80~~
Monte Grande	$17.79
Monte Grande - Curtis Creek Interconnection	$26.99
~~Oak Garden~~	~~$3.95~~
~~Upper Basin (Brentwood, Lakewood, Confidence)~~	~~$2.88~~
~~Ponderosa System~~	~~$6.50~~
Railbed Road	$6.30
Railbed Road with Backflow Preventer	$11.97
~~Scenic View/Scenic Brook~~	~~$7.77~~
~~Soulsbyville~~	~~$4.50~~
~~Valle Vista~~	~~$10.00~~
~~Sugar Pine~~	~~$10.08~~
~~Wards Ferry Ranches~~	~~$25.66~~

B.4 Wholesale Usage - Master Meter

Same as B.1.1 except where there is a special agreement as authorized by Board of Directors.

B.5 Bulk Usage from Fire Hydrant

Type of Service	Meter Size - 2 "	~~Meter Size - 1"~~
Meter Rental Charge per Day	$5.00	~~$2.00~~
Usage per 100 Cubic Foot ($5.00 minimum charge)	$5.00	~~$5.00~~
Meter Deposit	~~$1,550.00~~$1,870	~~$500.00~~
Administration Fee per Rental	$35.00	~~$35.00~~

B.6 Service Charge for Privately Owned Fire Protection Systems

Based on Meter Size. *See* B.1.

B.7 Request for Service Location, Temporary Shut Off or Turn On

Each time the District is required to locate the customer's service connection or make a temporary shut off or turn on, a service charge may be charged, in accordance with the following provisions, shall be paid by the user. These charges will not apply when there is an emergency request by the customer due to a leak.

B.7.1	Service charge with a minimum notice of two (2) full work days and with the location or shutoff to be accomplished between 7:00 a.m. and 4:00 p.m. on a regular day (not including 6-month maximum suspensions).	No Charge
B.7.2	Service charge with less than the required minimum notice and with location or shutoff to be accomplished between 7:00 a.m. and 4:00 p.m. on a regular day.	$50.00
B.7.3	Service charge with the location or shutoff to be accomplished between 4:00 p.m. and 7:00 a.m.	$130.00
B.7.4	Service charge with the location or shutoff on Saturday, Sunday or District Holiday.	$130.00
~~**B.7.5**~~	~~Unlawful Acts Charge~~	~~$150.00~~
~~**B.7.6**~~	~~Meter Removal Fee~~	~~$80~~

~~**B.8 New Account Administration Fee**~~

~~The New Account Administration Fee is a one-time charge to a new connection for water service to be paid at the time of application that covers staff time involving information data input and account management.~~ ~~$240.00~~

~~**B.9 Capital Reserve Charge**~~

~~The Capital Reserve Charge shall be used to establish a capital reserve fund that shall be used to replace capacity and facilities used by new applicants for service upon connection to the water system and to provide for the continuous capability to serve new applicants for treated water service. The capital reserve fund would specifically be used to replace equipment and facilities that reach the end of their useful life and to construct improvements necessary to maintain service and capacity in water treatment, storage, transmission,~~ ~~$985.00~~

distribution, pumping facilities, and control systems as periodically needed in each of the service areas within the District's jurisdiction.

The Capital Reserve Charge shall be computed by reference to the user classification schedule attached as Exhibit A, applied according to the factors indicated at the sole discretion of the District. The fee stated herein is equivalent to a Factor of 1.0.

B.8 Unlawful Acts Charge $150.00

B.9 Meter Removal Fee $80.00

B.10 New Account Administration Fee $240.00

The New Account Administration Fee is a one-time charge to a new connection for water service to be paid at the time of application that covers staff time involving information data input and account management.

B.11 Capital Reserve Charge $1,169.00

The Capital Reserve Charge shall be used to replace capacity and facilities used by new applicants for service upon connection to the water system and to provide for the continuous capability to serve new applicants for treated water service. The capital reserve fund would specifically be used to replace equipment and facilities that reach the end of their useful life and to construct improvements necessary to maintain service and capacity in water treatment, storage, transmission, distribution, pumping facilities, and control systems as periodically needed in each of the service areas within the District's jurisdiction.

The Capital Reserve Charge shall be computed by reference to the user classification schedule attached as Exhibit A, applied according to the factors indicated at the sole discretion of the District. The fee stated herein is equivalent to a factor of 1.0.

B.~~10~~ 12 Treated Water Meter Set Charge

Meter Type	Installation of Meter and Valve Only	If New Box and Lids are Also Required
¾ inch meter	~~$380.00~~$419	~~$564.00~~$733
1 inch meter	~~$510.00~~$571	~~$689.00~~$884
1 ½ inch meter	~~$655.00~~$955	~~$821.00~~$1,055
2 inch meter	~~$892.00~~$1,160	~~$1,058.00~~$1,260
3 & 4 inch meters	Actual Cost	Actual Cost

Customers will be billed the "actual cost" for meters and boxes on new raw (untreated) water services regardless of meter size.

B.~~11~~ 13 Meter Accuracy Tests

Customers requesting meter tests shall be charged $ 50.00 for all tests beyond one test per year.

B.~~12~~14 Service Line Charge Actual Cost

B.~~13~~15 Security Deposit Amount $ 80.00

~~**B.13.a6 Lien Fee** $ 15~~20.00

~~**B.13.b7 Notary Fee** $ 10~~15.00

B.18 Backflow Prevention Assembly Testing and Maintenance Program

Customers with backflow prevention devices will be charged the actual fee paid to the outside contractor to reimburse the District. Presently the fee is $65 per annual inspection.

B.~~14~~19 Capacity Charges

Water Capacity Charges shall be collected and placed in a fund to construct improvements to any of the water systems described above for the purpose of increasing supply, treatment, storage, or transmission capacity used up by new connections to the water systems. The charges are uniform to all systems and are collected and used to construct improvements as needed in any individual water system. For one equivalent single-family residence, the capacity charge shall be calculated on an estimated usage based upon a ten year average from the District's consumption records for residential systems. These charges are applied as described below:

Application criteria: Water capacity charges apply to all applicants for water service whose parcels to be served are located where sufficient water supply, treatment, and storage facilities have not been provided through previous improvement as described in Regulation 3.05.6. For raw water service, only the supply component described below shall apply:

- Supply — $~~846~~ 1,005 per treated water ESFR or $~~2,860~~3,395 per acre-foot, *See* Exhibit E.1. For all new raw water services to agricultural irrigation customers as set forth in Section 14.07, the supply capacity fee shall be $~~318~~ 377 per acre-foot, with a 10 acre-foot per year minimum. Additional water supply capacity may be purchased in 10 acre-foot blocks. Agricultural irrigation service will be turned off during the non-irrigation season (October 16th through April 14th). The water supply capacity for all new raw water services, except as described above for agricultural irrigation, will be available in 5 acre-foot blocks with a 5 acre-foot per year minimum.
- Treatment — $1,~~597~~ 896 per ESFR, *See* Exhibit E.2.
- Storage — $3,~~034~~ 603 per ESFR, *See* Exhibit E.3.
- Transmission — Actual Cost.

Capacity charges to be indexed to a 3-year running average of the Engineering News and Record 20-cities construction cost index and adjusted each fiscal year with an annual cap of 3.5%. The General Manager will implement the fee increase on July 1st annually.

B.~~15~~ 20 Water Connection Fees

Description of TUD Water Systems to Which the Foregoing Charges are Applicable.

The water systems serving treated water referred to herein are all located within the boundaries of and under the jurisdiction of the Tuolumne Utilities District. Uniform rates, fees, and charges apply to each and every system except as otherwise noted. Water systems currently serve the communities and surrounding areas of Sonora, Jamestown, Cuesta Serena, Valle Vista, Volponi Acres, Sonora Water Company through a master meter, Columbia, East Sonora, Cuesta Center, Lambert Lakes, Tuolumne, Cedar Ridge, Crystal Falls, Mono Vista, Willow Springs, Camp Sunshine, Ranchos Poquitos, Soulsbyville, Comstock Ranch, Sonora Meadows through a master meter, Oak Garden Estates, Lakewood Park, Brentwood Park, Goldmont Forest, Sonora Vista, Confidence, Forest Vista Estates, Meadowbrook, Sugar Pine, Peaceful Pines, Oak Haven, Apple Valley, Scenic View and Scenic Brook Estates, Phoenix Lake Park, Ponderosa Hills, Muller and Mira Monte through a master meter, Gibbs Ranch and Rancho Sonora Estates, Monte Grande, Big Hill, Mono Village, Curtis Creek Ranch area, and Wards Ferry Ranches. Other communities that could be transferred to or acquired by the District in the future that would be subject to these rates, fees, and charges include, but may not be limited to, Alpine Acres, and Last Chance Water Company Service areas.

Raw water is provided to the following resale customers: Twain Harte Community Services District, Twain Harte Valley Mutual Water District, Mi Wuk Mutual Water Company, Last Chance Water Company, Peppermint Creek Mobile Home Park, Pulpit Rock Water Company, Sawmill Flat Water Association, and Oneta Estates Water Association.

Purpose and Use

The purpose of the rates, fees, and charges stated herein are for meeting operation and maintenance expenses, purchasing or leasing supplies, equipment, or materials, meeting financial reserve needs, and for obtaining funds for capital improvements necessary to maintain service to all customers within the District's existing service areas. The capital improvements include water storage tanks, treatment facilities, water distribution and transmission facilities, and pumping facilities, including related electrical and telemetry control systems.

Resolution No. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUOLUMNE UTILITIES DISTRICT AMENDING EXHIBIT B OF THE WASTEWATER ORDINANCE TO REVISE SEWER RATES AND CHARGES EFFECTIVE AUGUST 1, 2023, WITH ADDITIONAL INCREASES ON EACH JULY 1ST FOR THE PERIOD OF JULY 1, 2024 THROUGH JULY 1, 2027

WHEREAS, the Tuolumne Utilities District (the "District") is organized and operates pursuant to the County Water District Law, Division 12 commencing with Section 30000 of the California Water Code; and

WHEREAS, the District is authorized to fix and collect charges for the provision of sewer service pursuant to Water Code sections 31007 and 31101; and

WHEREAS, there has been presented to the District Board of Directors a Final Draft Rate Study that identifies current and potential projected costs to provide sewer services over the next five years that has been used to identify estimated costs in projecting the rates and charges to provide sewer services; and

WHEREAS, there has been presented to the District Board of Directors proposed sewer rate changes and charges for sewer services that are designed to proportionately allocate the cost of providing sewer service to the District's customers and to not exceed the cost to provide such sewer services over the next five years (collectively herein, referred to as "rate increases"), all of which are more fully set for the herein; and

WHEREAS, to ensure that there are sufficient revenues to provide sewer services to District customers, the District Board of Directors desires to authorize a five year period to annually implement the rate increases; and

WHEREAS, before the District may increase its rates, it must comply with Article XIII D, section 6 of the California Constitution (commonly known as Proposition 218) and provisions of the Water and Government Codes; and

WHEREAS, on April 6, 2023, the Board of Directors authorized District staff to mail the Proposition 218 Rate Notice of proposed sewer rate changes and charges to property owners and customers within the District; and

WHEREAS, in accordance with Proposition 218, District staff mailed out notices of the time and place of the public hearing on the rate increases in the Sewer Rates and Service Charges. Such notices were mailed, postage prepaid ("Mailed Notice") on, or about April 27th, 2023 to the affected property owners and tenants directly liable for the Sewer Rates and Service Charges not less than 45 days prior to the public hearing on the proposed establishment of rates and charges as set forth herein; and

WHEREAS, said Mailed Notice, included a general explanation of the basis and need for the rate increases, stated that a public hearing on this matter would be held on June 14, 2023, at 9 a.m., at the Tuolumne Utilities District Board Room located at 18885 Nugget Blvd., Sonora, CA 95370 at which the Board of Directors would hear any and all protests received prior to or at the public hearing in relation to revised sewer rates and service charges and act as required by Proposition 218 in regard to said protests; and

WHEREAS, notice of the time and place of the meeting, including a general explanation of the matters to be considered, was published in the Union Democrat, a newspaper of general circulation, on May 31, 2023 and June 7, 2023, in accordance with Government Code Sections 66018 and 6062a; and

WHEREAS, on June 14, 2023, the Tuolumne Utilities District Board of Directors held a public hearing in compliance with Government Code Sections 66018 and 6062a where all interested parties were able to provide testimony; and

WHEREAS, all owners of property and customers subject to the District's sewer utility service rate schedule were thus properly notified pursuant to Proposition 218 and given the opportunity to file with the Board Clerk protests at any time prior to the close of the public hearing; and

WHEREAS, pursuant to Proposition 218, if a majority of the owners of property subject to the proposed sewer utility service rate schedule file valid protests to the proposed schedule, then the Board of Directors may not adopt sewer rate increases; and

WHEREAS, on June 14, 2023, the Board of Directors held a duly noticed public hearing, at which hearing the Board of Directors considered all testimony and evidence, including any written protests previously submitted, and all persons desiring to submit written or oral testimony regarding the District's sewer utility service rate schedule, sewer rate increases or otherwise desiring to be heard on the matter were given that opportunity prior to the close of the public hearing; and

WHEREAS, at the conclusion of the public hearing, written protests against the proposed rate increases were not presented by a majority of record owners of parcels upon which the proposed Sewer Rates and Service Charges are proposed to be imposed and tenants directly responsible for the payment of Sewer Rates and Service Charges (i.e., a customer of record); and

WHEREAS, it is deemed to be in the best interests of the District to adopt the rate increases provided in the attached Exhibit B due to the need to establish sufficient revenues to cover the projected District operation, maintenance, and capital improvement costs over the next five years; and

WHEREAS, this Resolution is exempt from environmental review pursuant to the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines section 15273, because CEQA does not apply to the establishment, modification or approval of fees, rates or charges by public agencies that the public agency finds are for the purpose of meeting its sewer utility service operating expenses, financial reserve needs and requirements, and are necessary to maintain sewer utility service levels within the local agency's existing service areas.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Tuolumne Utilities District finds and determines as follows:

Section 1. All of the foregoing recitals are true and correct and the Board of Directors so finds and determines. The recitals set forth above are incorporated herein, are made findings and determinations of the Board, and are made an operative part of this Resolution.

Section 2. On or about April 27, 2023, the Board of Directors caused to be sent approximately 12,615 Mailed Notices (representing 6,158 TUD sewer connections, in which a majority protest would need to be received from 3,080 sewer customers) to all of the owners of property or tenants subject to the District's sewer utility service rate schedules. By the close of the public hearing on June 14, 2023; the Board Clerk received a total of ____ written protests. Therefore, a majority of the owners of properties subject to the District's sewer utility service rate schedule or subject to the sewer rate increases did not, at or prior to the time fixed for said hearing or during said hearing, file valid protests against the sewer utility service rates.

Section 3. The District's sewer utility service rates set forth in the sewer utility service rate schedule, attached hereto as "Exhibit B" and incorporated herein by this reference, is hereby adopted to become effective on August 1, 2023, and increased on July 1, 2024, and each July 1 hereafter through July 1, 2027. Such action shall supersede and replace the existing Exhibit B in the Tuolumne Utilities District Wastewater Ordinance.

Section 4. All ordinances, resolutions, or administrative actions by the Board of Directors, or parts thereof that are inconsistent with any provision of this Resolution are hereby superseded only to the extent of such inconsistency. Except as otherwise specifically set forth herein, all provisions of the Tuolumne Utilities District Wastewater Ordinance shall remain in full force and effect.

Section 5. The sewer rate changes and charges for sewer services are proportionately allocated to the cost of providing sewer service to the District's customers and do not exceed the cost to provide such sewer services over the next five years based on the potential operations, maintenance and capital improvement costs identified in the Final Draft Rate Study.

Section 6. If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

Section 7. The President of the Board of Directors shall sign this Resolution and the Executive Secretary/Board Clerk shall attest thereto, and this Resolution shall be in full force and effect immediately upon adoption. Within 15 days after adoption of this Resolution, a summary of the Resolution shall be published with the names of those directors voting for and against this Resolution and a certified copy of the full text of this Resolution, along with the names of those Directors voting for and against this Resolution, shall be posted in the District office.

PASSED AND ADOPTED by the Board of Directors of Tuolumne Utilities District on June 14, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

_____	_____
Jeff Kerns, President	Melissa McMullen
Board of Directors	Executive Secretary/Board Clerk

EXHIBIT B

SEWER SERVICE CHARGES, CONNECTION AND CAPITAL FACILITIES FEES, AND OTHER RATE SCHEDULES

B.1 Charges for Sewer Service

The following rates and changes shall be effective as indicated below:

B.1.1. Monthly Fixed Charges

Monthly Sewer Charge Based on 1 Single Family Residence				
8/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
$60.10	$68.53	$68.99	$69.76	$70.77

B.1.2 Subscribers Monthly User Charges

The Monthly User Charges below are per Equivalent Single Family Residence (ESFR).

District	Effective 8/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
THCSD	$28.27	$32.23	$32.46	$32.82	$33.31
JSD	$5.89	$6.71	$6.76	$6.83	$6.93

B.2 Apple Valley Septic Tank Maintenance Charge — $4.74/ESFR per month

B.3 Mi Wuk Septic Tank Maintenance Charge — $4.74/ESFR per month

B.4 Septic Dump Charge (*See* Exhibit I)

Minimum Charge per load:	$135.00
Usage over 1500 gallons per gallon:	$0.10

Septage Dump Charges to be indexed to a 3-year running average of the Engineering News and Record 20-cities construction cost index and adjusted each fiscal year with an annual cap of 3.5%. The General Manager will implement the fee increase on July 1st annually.

B.5 Wastewater Discharge Permittees — Per Agreement

B.6 Reclaimed Water Charge (annual charge, requires contract)

Firm Supply	Per Agreement
Interruptible Supply (when available)	Per Agreement

B.7 Security Deposit Amount — $ 60.00

B.8 Connection and Capital Facilities Fees (Payable Prior to Connection)
Fee per Equivalent Single Family Residence (ESFR) *

B.8.1 Wastewater Connection and Capital Facilities Charge** Components

	TUD	JSD[1]	THCSD[2]
Collection & Transmission (*See* Exhibit E)	$2,235	-	$1,054
Treatment (*See* Exhibit F)		-	$2,545
Disposal (*See* Exhibit G)	$1,155	$1,155	$1,155
Total Connection and Capital Facilities Fee (Base Year 2015)	**$5,935**	**$1,155**	**$4,754**
Administration Fee	$320		
TOTAL [3]	**$6,255**	**$1,155**	**$4,754**
Lift Station Capacity Adder[4] (*See* Exhibit H) **(per Lift Station per ESFR)**	**$293**	**-**	**-**

Notes:

1. The Twain Harte Community Services District pays a reduced collection component of the connection fee because the capacity they use is strictly related to the Twain Harte and East Sonora Sewer Interceptors.

2. Connection fees to be indexed to a 3-year running average of the Engineering News and Record 20-cities construction cost index and adjusted each fiscal year with an annual cap of 3.5%. The General Manager will implement the fee increase on July 1st annually.

3. For any sewer service that must pass through a sewer lift station prior to reaching the Regional Wastewater Treatment Plant, there shall be a lift station adder charge per ESFR per lift station that the service flows through.

4. Service for developments larger than one single family equivalent connection may require, at the sole discretion of the District, an agreement that specifies conditions for service, including improvements or fees other than those addressed in this Ordinance necessary to address mitigation for capacity demands placed upon the wastewater system by the proposed development. All fee components addressed above, unless otherwise stipulated by an agreement, may be paid for at the time that service is ready to commence.

B.8.2 Construction of Service Lateral Actual Cost

*** Calculations.** Sewer Service Charges and Connection and Capital Facilities fees for all users shall be determined by multiplying the "Wastewater Volume Discharge Demand Factor" set forth in Exhibit A times the rate or amount shown above for each user, subscriber or applicant, except for connection fee cost element number B.10.1, administration and inspection, which shall be payable for each physical connection.

**** Wastewater Connection and Capital Facilities Charge.** The Wastewater Capital Facilities Charge is collected to construct improvements to any of the sewer facilities described in B.10.1 for the purpose of increasing or replacing collection, treatment, or disposal system capacity used up by new connections to the sewer system.

EXHIBIT B

SEWER SERVICE CHARGES, CONNECTION AND CAPITAL FACILITIES FEES, AND OTHER RATE SCHEDULES

B.1 Charges for Sewer Service

The following rates and changes shall be effective as indicated below:

B.1.1. Monthly Fixed Charges

Monthly Sewer Charge Based on 1 Single Family Residence				
~~8~~/1/~~2016~~2023	~~1~~7/1/~~2017~~2024	~~1~~7/1/~~2018~~2025	~~1~~7/1/~~2019~~2026	~~1~~7/1/~~2020~~2027
~~$40.00~~$60.10	~~$43.00~~$68.53	~~$46.00~~$68.99	~~$49.00~~$69.76	~~$51.00~~$70.77

~~A Monthly Fixed Charge will be collected on each *Single Family Residence*, regardless of size or *Equivalent Single Family Residence* (ESFR) classification under "Exhibit A" of this Wastewater Ordinance. For purposes of assigning *Sewer Service Charges* each Single Family Residence shall be classified as one (1) Monthly Fixed Charge. For all Non-Single Family Residences the ESFR allocation in "Exhibit A" shall be used as the basis of assigning Monthly Fixed Charges for sewer services.~~

B.1.2 Subscribers Monthly User Charges

The Monthly User Charges below are per Equivalent Single Family Residence (ESFR).

District	Effective ~~1~~8/1/~~2016~~2023	Effective ~~1~~7/1/~~2017~~2024	Effective ~~1~~7/1/~~2018~~2025	Effective ~~1~~7/1/~~2019~~2026	Effective ~~1~~7/1/~~2020~~2027
THCSD	~~$ 19.00~~$28.27	~~$ 21.00~~$32.23	~~$ 22.00~~$32.46	~~$ 23.00~~$32.82	~~$ 24.00~~$33.31
J~~amesto wn~~ SD	~~$ 4.20~~$5.89	~~$ 4.40~~$6.71	~~$ 4.60~~$6.76	~~$ 4.80~~$6.83	~~$ 5.00~~$6.93

~~B.2 Grease Trap and Interceptor Monitoring Charge~~

~~(Applied to Commercial Users with Grease Traps or Grease Interceptors)~~ ~~$5.00 per month~~

B.~~3~~2 Apple Valley Septic Tank Maintenance Charge $4.~~00~~74/ESFR per month

B.~~4~~3 Mi Wuk Septic Tank Maintenance Charge $4.~~00~~74/ESFR per month

~~B.5 Gibbs Purchase Repayment Surcharge $2.02/ESFR per month~~

B.~~6~~4 Septic Dump Charge (*See* Exhibit I)

Minimum Charge per load: ~~$113.00~~$135.00

	Usage over 1500 gallons per gallon:	~~$ 0.08~~$0.10

Septage Dump Charges to be indexed to a 3-year running average of the Engineering News and Record 20-cities construction cost index and adjusted each fiscal year with an annual cap of 3.5%. The General Manager will implement the fee increase on July 1st annually.

B.~~7~~5	Wastewater Discharge Permittees	Per Agreement
B.~~8~~6	Reclaimed Water Charge (annual charge, requires contract)	
	Firm Supply	Per Agreement
	Interruptible Supply (when available)	Per Agreement
B.~~9~~7	Security Deposit Amount	$ 60.00
B.~~10~~8	Connection and Capital Facilities Fees (Payable Prior to Connection)	

~~Fee per Equivalent Single Family~~ Residence (ESFR) *

B.~~10~~8.1 Wastewater Connection and Capital Facilities Charge** Components

	TUD	JSD[1]	THCSD[2]
Collection & Transmission (*See* Exhibit E)	$ ~~1,882~~2,235~~.00~~	-	$ ~~888~~1,054~~.00~~
Treatment (*See* Exhibit F)	~~$ 2,144.00~~	-	$ 2,~~144~~545~~.00~~
Disposal (*See* Exhibit G)	~~$ 973.00~~$1,155	~~$ 1,218.00~~$1,155	~~$ 973.00~~$1,155
Total Connection and Capital Facilities Fee (Base Year 2015)	**~~$ 4,999.00~~$5,935**	**~~$ 1,218.00~~$1,155**	**~~$ 4,005.00~~$4,754**
Administration Fee	$ ~~—~~320~~.00~~		
TOTAL [3]	**~~$ 5,319.00~~$6,255**	**~~$ 1,218.00~~$1,155**	**~~$ 4,005.00~~$4,754**
Lift Station Capacity Adder[4] (*See* Exhibit H) **(per Lift Station per ESFR)**	**~~$ 246.00~~$293**	**-**	**-**

Notes:

~~1. The Jamestown Sanitary District pays an additional $240/ESFR on their disposal component for capacity used in the Jamestown Effluent Pump Station.~~

~~2.~~1. The Twain Harte Community Services District pays a reduced collection component of the connection fee because the capacity they use is strictly related to the Twain Harte and East Sonora Sewer Interceptors.

~~3.~~2. Connection fees to be indexed to a 3-year running average of the Engineering News and Record 20-cities construction cost index and adjusted each fiscal year with an annual cap of 3.5%. The General Manager will implement the fee increase on July 1st annually.

~~4.~~3. For any sewer service that must pass through a sewer lift station prior to reaching the Regional Wastewater Treatment Plant, there shall be a lift station adder charge per ESFR per lift station that the service flows through.

~~5.~~4. Service for developments larger than one single family equivalent connection may require, at the sole discretion of the District, an agreement that specifies conditions for service, including improvements or fees other than those addressed in this Ordinance necessary to address mitigation for capacity demands placed upon the wastewater system by the proposed development. All fee components addressed above, unless otherwise stipulated by an agreement, may be paid for at the time that service is ready to commence.

B.~~10~~8.2 Construction of Service Lateral Actual Cost

~~B.10.3 Tenant Deposit Amount $ 60.00~~

~~B.10.4 Crystal Falls Sewer Facilities Design Charge $ 215.00/Lot/***~~

~~B.10.5 Clean Waters Assessment District #2 Equity Charge $ 1,000.00/ESFR~~

~~This charge shall apply to any applicants for sewer service from facilities constructed and financed under the 1982 Clean Waters Assessment District #2 program for the Willow Springs, Ranchos Poquitos, Mono Vista areas, and who were assessed for a lesser sewer allocation than the requested service. This charge will apply to parcels within the assessment district that were under~~

~~assessed and for parcels outside of the assessment district that are adjacent to the facilities. Equity charges collected under this ordinance shall be placed in a separate fund solely for the purpose of debt repayment on the outstanding principal balance of the Clean Waters Assessment District #2 bonds.~~

~~B.10.6 Rogue River Court Reimbursement $ 4,452.00/Lot~~

*** Calculations.** Sewer Service Charges and Connection and Capital Facilities fees for all users shall be determined by multiplying the "Wastewater Volume Discharge Demand Factor" set forth in Exhibit A times the rate or amount shown above for each user, subscriber or applicant, except for connection fee cost element number B.10.1, administration and inspection, which shall be payable for each physical connection.

**** Wastewater Connection and Capital Facilities Charge.** The Wastewater Capital Facilities Charge is collected to construct improvements to any of the sewer facilities described in B.10.1 for the purpose of increasing or replacing collection, treatment, or disposal system capacity used up by new connections to the sewer system.

~~***** Crystal Falls Sewer Facilities Design Charge.** The Crystal Falls Sewer Facilities Design Charge is applied to each new connection to the sewer collection system in the Crystal Falls area as shown on the plans designed by the District's consultant, Psomas and Associates, for that area for the purpose of recovering funds previously expended by the District for the design costs and to facilitate the orderly progression of future pipeline extensions by private parties on as needed basis.~~

~~Description of Sewer Systems~~

~~Regional Sewer System~~

~~The Regional Sewer System, sometimes known or referred to as the "North Tuolumne Basin Wastewater Management Program", was initiated and constructed in the 1970's. This Regional Sewer System consists of a Regional Wastewater Treatment Plant located at 1400 Southgate Avenue in Sonora, several Regional Interceptor pipelines including the Twain Harte Interceptor, Standard-Mono Village Interceptor, Ranchos Poquitos Interceptor, East Sonora Interceptor, Columbia Interceptor, Gibbs Interceptor, and CJC Interceptor, and the reclamation effluent disposal system for reuse of treated wastewater. The interceptor pipelines and connected District and subscriber collection systems serve the communities and adjacent areas of Sonora, Columbia, East Sonora, Cuesta Center, Standard, Mono Village, Ranchos Poquitos, Mono Vista, Willow Springs, Belleview Oaks, portions of Crystal Falls, and Twain Harte. The community of Jamestown operates and maintains its own collection and treatment system with discharge into TUD's reclamation effluent disposal system. The interceptor system consists of pipelines from the various communities along with certain pump stations and related facilities and conveys the sewage to the Sonora Regional Wastewater Treatment Plant southeast of the community of Sonora. The Sonora Regional Wastewater Treatment Plant consists of various equipment and processes to treat the wastewater to a disinfected secondary level before the reclaimed wastewater is conveyed by pipeline to Quartz reservoir and various properties south and west of Sonora and Jamestown for use for agricultural purposes.~~

~~Subscribers~~

~~Subscribers consist of various entities that maintain their own sewer collection system (and treatment facilities in the case of Jamestown) but who otherwise discharge into TUD facilities for transmission through the interceptors, treatment, and disposal via reclamation. Those entities include Twain Harte Community Services District, and Jamestown Sanitary District.~~

~~Various Sewer Collection Systems~~

~~Numerous communities are served through the Regional Sewer system, most of which are referenced above. The sewer collection systems are operated and maintained by TUD other than those exceptions described herein.~~

~~Mi Wuk Sewer System~~

~~The Mi Wuk Sewer System is operated and maintained by TUD. It was established as County Service Area No. 1 (C.S.A. #1) in 1967 by the Tuolumne County Board of Supervisors to provide sewer service to 52 assessed parcels "Assessment District No. 17" and several additional commercial parcels. The system is isolated from other Regional Sewer facilities and primarily consists of a collection system, pumping facilities, and a subsurface septic treatment and disposal system serving the majority of the commercial properties along State Highway 108 in the Mi Wuk area and a limited residential area in the same vicinity. The Connection and Capital Facilities Charges applicable to Mi Wuk area are set forth in Exhibit C.~~

Print Form

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk
County of: Tuolumne
2 South Green Street
Sonora, CA 95370

From: (Public Agency): Tuolumne Utilities District
18885 Nugget Blvd.
Sonora, CA 95370
(Address)

Project Title: Proposed Increase of Treated and Raw Water Rates and Wastewater Rates

Project Applicant: Tuolumne Utilities District

Project Location - Specific:
District Service Area - Tuolumne County

Project Location - City: Sonora & Unincorporated Project Location - County: Tuolumne

Description of Nature, Purpose and Beneficiaries of Project:
Rate increase for raw and treated water service and wastewater service. Purpose is to generate revenues sufficient to fund operations, including implementation of Capital Improvement Plan. Rate increases apply to all District customers.

Name of Public Agency Approving Project: Tuolumne Utilities District

Name of Person or Agency Carrying Out Project: Tuolumne Utilities District

Exempt Status: **(check one):**

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☐ Categorical Exemption. State type and section number: _____
- ☒ Statutory Exemptions. State code number: Sec PRC 21080(b)(8) & CEQA 15061(b)(3) & 152273

Reasons why project is exempt:
The California State Secretary for Resources has found that certain activities do not have a significant effect on the environment and they are declared to be exempt from the requirement of preparation of CEQA documents. CEQA does not apply to the establishment, modification, or restructuring of rates or charges by public agencies for the purpose of meeting operating expenses and financial reserve needs or obtaining funds for capital projects necessary to maintain service within existing service areas. The proposed revisions do not meet the definition of a porject, do not have a potential for causing a significant effect on the environment, and therefore are not subject to CEQA per the sections cited above.

Lead Agency Contact Person: Don Perkins, General Manager Area Code/Telephone/Extension: (209) 532-5536

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: _____ Title: General Manager

▪ Signed by Lead Agency ▪ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

TUOLUMNE UTILITIES DISTRICT

April 27, 2023

Notice of Public Hearing to Consider Changes to TUD Water and Sewer Rates and Charges

On Wednesday, June 14, 2023, 9:00 a.m., in the Tuolumne Utilities District Board Room located at 18885 Nugget Blvd., Sonora, California, the Tuolumne Utilities District Board of Directors will hold a public hearing to consider increasing rates and charges for the delivery of water and treatment of sewer to its customers, effective no sooner than August 1, 2023.

You are receiving this notice because our records indicate that you are a water and/or sewer customer of the Tuolumne Utilities District (District or TUD). The TUD Board of Directors will consider adoption of a proposed water and sewer rate increase affecting all water and sewer customers. This notice describes the proposed increase and explains how you can participate in the rate setting process. Interested persons are encouraged to attend and comment on the issues being discussed.

Reason and Basis for the Adjustment

TUD recently completed a comprehensive long-range financial plan and cost of service study to ensure TUD has adequate revenue to continue to maintain safe and reliable service for years to come. This study concludes that the proposed rates are necessary to provide sufficient funds to pay the costs of operations, maintenance, administration, debt service, and capital improvement over the next five years. The proposed rates in this notice are also designed to establish and maintain reserves. The District completed a separate analysis which provided a 5-year outlook of Capital Improvement Plan (CIP) costs, which was incorporated into the long-range financial plan. The projected CIP requires $8 million annually, before inflation impacts, to maintain or replace its water and sewer infrastructure, yet TUD's current water and sewer rates provide only $4 million annually for CIP capital projects.

Proposal

The changes to the proposed rates and charges presented in this notice are the maximum changes proposed. The Board of Directors may adopt lower rates or charges or postpone the effective start date. TUD is proposing changes in its rates to begin, if approved, on August 1, 2023, and each July 1st thereafter for each of the remaining years through 2027.

The proposed rates and charges for treated and untreated water service are intended to increase total revenue for water system operation and maintenance by 28% in fiscal year 2024, 2.6% in 2025, 2.4% in 2026, 1.2% in 2027, and 1.5% in 2028. The change in monthly charges for water service for each customer will vary depending upon meter size, volume of water used, and treated or raw classification. The enclosed tables are provided to help you understand how your cost of water service will change.

The proposed rates and charges for wastewater collection and treatment are intended to increase total revenue for sewer system operation and maintenance by 17.8% in fiscal year 2024, 14% in 2025, 0.7% in 2026, 1.1% in 2027, and 1.5% in 2028. The change in monthly charges for sewer service for each customer will vary depending upon Equivalent Single Family Residence (ESFR) classification with a minimum ESFR Demand Factor of 1.0 ESFR for purposes of monthly billing. The enclosed tables are provided to help you understand how your cost of sewer service will change.

How to Protest the Proposed New Rates

The District and its Board of Directors invites the public to participate and offer input on the proposed rate and service charge changes at any time, including during the public hearing. The property owner of record or tenant of any parcel subject to these rates and charges can protest these proposed rates and charges by submitting a written protest either by mail to Tuolumne Utilities District, 18885 Nugget Blvd., Sonora, California 95370 or hand-delivering to the Board Clerk, Tuolumne Utilities District, 18885 Nugget Blvd., Sonora, California. Written protests must be received prior to the conclusion of the public hearing scheduled for 9:00 a.m. on Wednesday, June 14, 2023.

Only one written protest per parcel, filed by an owner or a tenant who is a customer, will be counted. Each protest must: 1) be in writing; 2) state if the protest is for water, sewer or both; 3) provide the location of the identified parcel (by assessor's parcel number or street address); and 4) include the printed name and original signature of the owner or customer of record submitting the protest.

Any protest submitted via email or other electronic means will not be accepted as a formal written protest. If mailed to TUD, please identify on the front of the envelope that the enclosed letter is for the public hearing on rates. After the public hearing, if a majority of the property owners and customers of record of the impacted parcels submit written protests in opposition to the proposed rate increases, the increases will not be implemented. If a majority protest is not received, TUD's Board of Directors may adopt the proposed rate changes. The existing rates are not subject to a protest vote and will remain in effect regardless of whether the new rate schedule is approved.

Legal Challenge

Any judicial action or proceeding to attack, review, set aside, void, validate, or annul an ordinance, resolution, or motion adopting a fee or charge for water and sewer service, or modifying or amending an existing fee or charge for water and sewer service, shall be commenced within 120 days of the effective date or of the date of the final passage, adoption, or approval of the ordinance, resolution, or motion, whichever is later.

Additional Information

Additional information on the proposed water and sewer rate changes is available on TUD's website at tudwater.com, or upon request by contacting TUD at 209-532-5536.

Treated Water Monthly		Proposed				
Meter size	Current	8/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1 inch or less	$ 64.50	$ 82.54	$ 84.69	$ 86.74	$ 87.79	$ 89.11
1 1/2 inch	$ 103.20	$ 132.06	$ 135.50	$ 138.78	$ 140.46	$ 142.56
2 inch	$ 148.35	$ 189.83	$ 194.78	$ 199.49	$ 201.90	$ 204.93
3 inch	$ 328.95	$ 420.93	$ 431.90	$ 442.35	$ 447.70	$ 454.41
4 inch	$ 457.95	$ 586.01	$ 601.29	$ 615.84	$ 623.29	$ 632.63
6 inch	$ 806.25	$ 1,031.70	$ 1,058.59	$ 1,084.20	$ 1,097.31	$ 1,113.75
8 inch	$ 1,231.95	$ 1,576.44	$ 1,617.53	$ 1,656.67	$ 1,676.71	$ 1,701.84
Over 400 cf (per 100 cf)	$ 3.40	$ 4.35	$ 4.46	$ 4.57	$ 4.63	$ 4.70

Raw Meter Water Monthly		Proposed				
Meter size	Current	8/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1 inch or less	$ 35.00	$ 44.79	$ 45.96	$ 47.07	$ 47.64	$ 48.35
1 1/2 inch	$ 56.00	$ 71.66	$ 73.53	$ 75.31	$ 76.22	$ 77.36
2 inch	$ 80.50	$ 103.01	$ 105.70	$ 108.26	$ 109.57	$ 111.21
3 inch	$ 178.50	$ 228.41	$ 234.36	$ 240.03	$ 242.93	$ 246.57
4 inch	$ 248.50	$ 317.99	$ 326.28	$ 334.17	$ 338.21	$ 343.28
6 inch	$ 437.50	$ 559.84	$ 574.43	$ 588.33	$ 595.45	$ 604.37
8 inch	$ 668.50	$ 855.43	$ 877.73	$ 898.97	$ 909.84	$ 923.47
Over 5,000 cf (per 100 cf)	$ 0.34	$ 0.44	$ 0.45	$ 0.46	$ 0.47	$ 0.48

Raw MID Water Monthly		Proposed				
Miner's Inch	Current	8/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
First 1/2 MID	$ 35.00	$ 44.79	$ 45.96	$ 47.07	$ 47.64	$ 48.35
Additional per 1/2 MID	$ 18.00	$ 23.03	$ 23.63	$ 24.20	$ 24.49	$ 24.86
Over 2 MID	$ 6.80	$ 8.70	$ 8.93	$ 9.15	$ 9.26	$ 9.40

Sewer		Proposed				
	Current	8/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1-unit ESFR	$ 51.00	$ 60.10	$ 68.53	$ 68.99	$ 69.76	$ 70.77

TUOLUMNE UTILITIES DISTRICT NOTICE OF PUBLIC HEARING REGARDING POTENTIAL INCREASES TO WATER AND SEWER RATES AND CHARGES

Notice is hereby given that the Board of Directors of the Tuolumne Utilities District will hold a Public Hearing at 9:00 a.m. on Wednesday, June 14, 2023, in the District Board room at 18885 Nugget Blvd., Sonora, California, to consider the adoption of proposed water and sewer rates that would go into effect on August 1, 2023.

TUD recently completed a comprehensive long-range financial plan and cost of service study to ensure TUD has adequate revenue to continue to maintain safe and reliable service for years to come. The study concludes that rate increases are necessary to meet annual operating and maintenance costs, maintain sufficient capital improvement plan reserves, maintain reasonable operating reserves, and maintain adequate debt service coverage ratios. Proposed rate increases are also needed to fund future large capital improvement included in the five-year CIP. Additional information on the reason and basis for the rate change is included in the written notice mailed to each person subject to the rate change.

The changes to the proposed rates and charges listed in this notice are the maximum changes proposed. The Board of Directors may adopt lower rates or charges or alter the effective start date to a later date. TUD is proposing changes in its rates to begin, if approved, on August 1, 2023, and each July 1st thereafter for the next four years.

Summary of Current and Proposed Rates

Treated Water Monthly		Proposed				
Meter size	Current	8/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1 inch or less	$ 64.50	$ 82.54	$ 84.69	$ 86.74	$ 87.79	$ 89.11
1 1/2 inch	$ 103.20	$ 132.06	$ 135.50	$ 138.78	$ 140.46	$ 142.56
2 inch	$ 148.35	$ 189.83	$ 194.78	$ 199.49	$ 201.90	$ 204.93
3 inch	$ 328.95	$ 420.93	$ 431.90	$ 442.35	$ 447.70	$ 454.41
4 inch	$ 457.95	$ 586.01	$ 601.29	$ 615.84	$ 623.29	$ 632.63
6 inch	$ 806.25	$ 1,031.70	$ 1,058.59	$ 1,084.20	$ 1,097.31	$ 1,113.75
8 inch	$ 1,231.95	$ 1,576.44	$ 1,617.53	$ 1,656.67	$ 1,676.71	$ 1,701.84
Over 400 cf (per 100 cf)	$ 3.40	$ 4.35	$ 4.46	$ 4.57	$ 4.63	$ 4.70

Raw Meter Water Monthly		Proposed				
Meter size	Current	8/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1 inch or less	$ 35.00	$ 44.79	$ 45.96	$ 47.07	$ 47.64	$ 48.35
1 1/2 inch	$ 56.00	$ 71.66	$ 73.53	$ 75.31	$ 76.22	$ 77.36
2 inch	$ 80.50	$ 103.01	$ 105.70	$ 108.26	$ 109.57	$ 111.21
3 inch	$ 178.50	$ 228.41	$ 234.36	$ 240.03	$ 242.93	$ 246.57
4 inch	$ 248.50	$ 317.99	$ 326.28	$ 334.17	$ 338.21	$ 343.28
6 inch	$ 437.50	$ 559.84	$ 574.43	$ 588.33	$ 595.45	$ 604.37
8 inch	$ 668.50	$ 855.43	$ 877.73	$ 898.97	$ 909.84	$ 923.47
Over 5,000 cf (per 100 cf)	$ 0.34	$ 0.44	$ 0.45	$ 0.46	$ 0.47	$ 0.48

Raw MID Water Monthly		Proposed				
Miner's Inch	Current	8/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
First 1/2 MID	$ 35.00	$ 44.79	$ 45.96	$ 47.07	$ 47.64	$ 48.35
Additional per 1/2 MID	$ 18.00	$ 23.03	$ 23.63	$ 24.20	$ 24.49	$ 24.86
Over 2 MID	$ 6.80	$ 8.70	$ 8.93	$ 9.15	$ 9.26	$ 9.40

Sewer		Proposed				
	Current	8/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1-unit ESFR	$ 51.00	$ 60.10	$ 68.53	$ 68.99	$ 69.76	$ 70.77

How Do I Protest?

The District and its Board of Directors welcome and will consider input from the community on the proposed changes to rates and service charges at any time, including during the public hearing. However, to have your protest counted, your written protests must be received by the close of the public hearing scheduled for 9:30 a.m. on Wednesday, June 14, 2023.

Any property owner or any customer of record who is not a property owner but receives water or sewer service from TUD, may submit a written protest. Only one written protest per parcel, filed by an owner or a tenant who is a customer, will be counted. Each protest must: 1) be in writing; 2) state if the protest is for water, sewer, or both; 3) provide the location of the identified parcel (by assessor's parcel number or street address); and 4) include the printed name and original signature of the owner or customer of record submitting the protest. Any protest submitted via email or other electronic means will not be accepted as a formal written protest. If mailed to TUD, please identify on the front of the envelope that the enclosed letter is for the public hearing on rates. If, after the close of the public hearing written protests against the proposed water or sewer rates are not presented by a majority of the record owners of property and customers of record, the Board of Directors may adopt the proposed rates.

Where to send your protest:

Mail or deliver protests to:
Executive Secretary/Board Clerk
Tuolumne Utilities District
18885 Nugget Blvd., Sonora, CA 95370

Please note on the envelope, "Protest of Proposed Charge"

For more information regarding the rate increases, visit the District's website, www.tudwater.com or contact the District office at (209) 532-5536 with additional questions.

Dated: April 27, 2023

Melissa McMullen
Melissa McMullen
Executive Secretary/Board Clerk

COST OF SERVICE RATE STUDY

Preliminary Report

Prepared by: Tuolumne Utilities District

Tuolumne Utilities District

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EXECUTIVE SUMMARY

Background

In November 2015, Tuolumne Utilities District's (District) Board of Directors (Board) approved the Final Draft Rate Study FY16-FY20. On June 14th, 2022, the Board approved the Fiscal Year 2022-2023 Operating Budget and the Fiscal Year 2023 Capital Improvement Plan (CIP).

This Cost of Service Rate Study is part of the District's overall commitment to: (1) provide safe, reliable, and high-quality water and sewer services, (2) operate in a fiscally responsible manner regardless of the economic cycle, (3) comply with all federal and state laws and regulations, and (4) continue implementation of a business model that maintains revenue stability and manages debt.

The Cost of Service Rate Study relies upon the costs, debt, and customer account data as of fiscal year ending June 30, 2022, and the adopted 2023 budgets.

Key Findings

The following are key findings and recommendations of the Cost of Service Rate Study:

Water Rate Structure – The District should continue using the rate revenue recovery option from base charges and customer consumption.

Base Water Rate – The District should continue utilizing the American Water Works Association's (AWWA) industry-standard approach, which relies on the hydraulic capacity of the meters and directly links the customer's base charge to the safe operating capacity of their water meter.

Summary of Proposed Changes and Average Bill Impacts in 2024 – Rate increases are necessary to meet annual operating and maintenance costs, maintain sufficient capital improvement plan reserves, maintain reasonable operating reserves, and maintain adequate debt service coverage ratios. Proposed rate increases are also needed to fund future large capital improvement included in the five-year CIP.

The impacts of proposed 2024 rates on Single Family Residential customers with average consumption (795 cubic feet/month for fiscal year 2022) is as follows: (1) water-only customers have a $21.79 per month increase, (2) sewer only customers have a $9.10 per month increase, and (3) water/sewer customers have a combined $30.89 per month increase, see Table 1.

Table 1 Summary of Current and Proposed Rates

	Current Rate Monthly	Proposed Rate 7/1/2023	Proposed Rate 7/1/2024	Proposed Rate 7/1/2025	Proposed Rate 7/1/2026	Proposed Rate 7/1/2027
Treated Water (Fixed Rate) includes up to 400 cubic feet – 1-inch meter or less; single family residential	$64.50	$82.54	$84.69	$86.74	$87.79	$89.11
Consumptive (per 100 cubic feet)	$3.40	$4.35	$4.46	$4.57	$4.63	$4.70
Raw – Metered (Fixed Rate) includes up to 5,000 cubic feet – 1-inch meter or less	$35.00	$44.79	$45.96	$47.07	$47.64	$48.35
Consumptive (per 100 cubic feet)	$0.34	$0.44	$0.45	$0.46	$0.47	$0.48
Raw – Unmetered (Fixed Rate) includes up to ½ Miner's inch Contract	$35.00	$44.79	$45.96	$47.07	$47.64	$48.35
Each additional ½ Miner's inch of Contract	$18.00	$23.03	$23.63	$24.20	$24.49	$24.86
Consumptive (per Miner's inch per Day)	$6.80	$8.70	$8.93	$9.15	$9.26	$9.40
Sewer (per ESFR)	$51.00	$60.10	$68.53	$68.99	$69.76	$70.77

SECTION 1 – THE COST OF SERVICE RATE METHODOLOGY

This section provides an overview of the Cost of Service Rate Study components, the methodology used in the rate study, and the Proposition 218 requirements to which the District must adhere.

Overview

The methodology of this Cost of Service Rate Study follows industry standards and reflects the fundamental principles of cost-of-service rate making embodied in the AWWA *Principles of Water Rates, Fees, and Charges* also referred to as Manual M1. This publication is one of the most widely cited and referenced industry publications on rate studies. The principles presented in Manual M1 have provided the basic framework for this study.

Rate Structure Design

Although water and sewer utilities across California and the U.S. use a wide variety of rate structures today, they are all based upon a few basic rate design concepts, such as the relationship between fixed and variable costs. Most rate structures contain a fixed or minimum base charge, along with a consumptive charge.

Fixed Charges

Fixed charges are those that do not vary with the amount of water produced or the amount of wastewater handled by a sewer system. A primary purpose of fixed charges is to help a utility cover its fixed costs. Debt service is an example of a fixed cost. Fixed charges are labeled in a variety of ways, include base charges, minimum charges, customer charges, meter charges, etc. Although fixed costs are typically a significant percentage of the utility's total costs, 100% of fixed costs are rarely collected through fixed charges.
Fixed charges for water utilities typically increase by meter size. Because a large portion of water utilities' costs are typically related to meeting capacity requirements, reflecting individual demands for capacity is an important aspect of establishing rates for customers.

Fixed sewer bi-monthly charges are like water in that they reflect costs that do not vary with the amount of wastewater customers generate and send to the treatment plant via the sewer system.

Variable (or Consumptive) Charges

In contrast to fixed costs, variable costs tend to change with the quantity of water produced. Examples include the cost of chemicals, electricity, operation and maintenance, and regulatory compliance. For a water utility, variable charges are based on metered water consumption and charged per cubic foot of consumption.

Proposition 218 Requirements

Article XIII D of the California Constitution, otherwise known as Proposition 218, was adopted by the voters in 1996, and imposes both substantive and procedural requirements on increases to water rates. Proposition 218 provides the opportunity for the public to protest changes to any "property-related fees" and to ensure that such fees are proportional to, and do not exceed, the costs of providing the service for which the fees are charged. Following passage of Proposition 218, various court decisions have considered whether water and sewer service charges are subject to it. Ultimately, the California Supreme Court ruled that usage-based water and sewer rates were "property-related fees" subject to Proposition 218's substantive requirements, and to its notice and protest procedures. Section 6 of Article XIII D sets forth the principal requirements as they relate to public water service fees and charges as follows:

1. Revenues derived from the fee or charge shall not exceed the cost required to provide the property related service.
2. Revenues derived by the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
3. The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No fee or charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property.
5. No charge may be imposed for general government services where the service is available to the public at large in substantially the same manner as it is to property owners.
6. A public agency must hold a public hearing to consider the adoption of the proposed new or increase in an existing charge; written notice of the public hearing and proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing; if the public agency receives written protests to the proposed charge from a majority of the property owners, the charge may not be imposed.

California appellate courts have published numerous decisions in recent years interpreting the Proposition 218 requirements listed above.

During the preparation of this Cost of Service Rate Study, the District has carefully reviewed relevant decisions and conformed this Cost of Service Rate Study, along with its recommended actions, to the legal requirements of Proposition 218 and the judicial decisions pertaining thereto.

SECTION 2 – FINANCIAL PLANS

This section provides an overview of the District's financial planning process, operating and capital improvement costs, and the sources and uses of water and sewer funds.

General Financial Policy and Budget Considerations

It is important for the District to follow sound financial management practices. This includes maintaining a reasonable operating reserve, funding working capital, and maintaining a good credit rating. The District's current approach to meeting these objectives is as follows:

Meeting Annual Operating and Maintenance Costs: The District's annual operating budget identifies the District's expenditures for operating and maintaining the water and sewer utilities. The adoption and updating of this budget is approved each year by the Board.

Maintaining Sufficient Capital Improvement Program Reserves: With an installed asset base of approximately $96 million in historical costs, the District has substantial capital improvement requirements for projects to refurbish, replace, and expand these assets. The District strives to maintain an appropriate balance between pay-as-you-go, or cash-funding, grant funding, and funding of these projects through issuance of debt. The balance is determined with the overall intent of minimizing rate increases and maintaining the financial health of the District.

Maintaining Reasonable Reserves per District Policy:

- Operating Fund Reserve which is intended to reduce impacts from unforeseen events such as increased costs, severe drought, heavy rainfall or severe winter storm events, replacement of rolling stock, litigation, and legislative actions. The District has a target reserve for this fund as a range between a minimum of 90 days (3 months) of annual operation and maintenance ("O&M") expense and a maximum of 270 days (9 months) of O&M.
- Contingency/Emergency Fund Reserve to protect the District against the financial impacts from unanticipated catastrophes or emergencies. It provides funding for emergency repairs or failure of essential equipment that needs to be immediately replaced. The target reserve for this fund is two percent (2%) of annual O&M.

Maintaining Adequate Debt Service Coverage Ratios: A "coverage ratio" is required as a part of the obligations incurred when a utility issues revenue bonds or similar debt instruments stating the District will fix, prescribe, and collect rates and charges to yield net revenues, after operating expenses, equal to one hundred twenty-five percent (125%) of debt service in any given fiscal year. The District is legally required to maintain a debt service coverage ratio of at least 1.25.

Revenue Requirements and Rate Revenue

In developing the rate revenue requirements and projecting rate revenue, this Cost of Service Rate Study relies upon the costs, debt, and customer account data as of fiscal year ending June 30, 2022, actuals along with fiscal year ending June 30, 2023, adopted budget. Importantly, this Cost of Service Rate Study continues to rely on substantial non-rate revenues to meet the District's total revenue requirements and thereby offsetting the net requirements from rate revenue. Tables 2 and 3 detail the revenue requirements for the water and sewer systems, respectively.

Table 2 Water System Revenue Requirements

WATER SYSTEM	Projected				
	2024	2025	2026	2027	2028
REVENUE					
Service charges	$ 16,041,278	$ 20,576,156	$ 21,163,209	$ 21,727,283	$ 22,051,617
Property tax	924,849	934,097	943,438	952,872	962,401
Debt service recovery charges	199,673	199,673	199,673	183,235	183,235
Investment income	263,087	188,169	188,169	188,169	188,169
Miscellaneous	88,773	91,436	94,179	97,004	99,914
TOTAL REVENUE	17,517,660	21,989,531	22,588,668	23,148,563	23,485,336
EXPENSES					
O&M - labor	9,990,409	10,389,749	10,669,745	10,896,619	11,100,186
O&M - services and supplies	5,269,339	5,391,916	5,689,132	5,772,998	5,974,197
Water debt service	235,227	235,951	233,546	233,410	233,094
CIP	6,508,298	6,508,298	6,508,298	6,508,298	6,508,298
TOTAL EXPENSES	22,003,273	22,525,914	23,100,721	23,411,325	23,815,775
TOTAL REVENUE REQUIREMENTS	**$ (4,485,613)**	**$ (536,383)**	**$ (512,053)**	**$ (262,762)**	**$ (330,439)**
PERCENT INCREASE	**28.0%**	**2.6%**	**2.4%**	**1.2%**	**1.5%**

Table 3 Sewer System Revenue Requirements

SEWER SYSTEM	Projected				
	2024	2025	2026	2027	2028
REVENUE					
Service charges	$ 6,776,987	$ 8,008,997	$ 9,157,336	$ 9,244,753	$ 9,374,239
Property tax	308,282	311,365	314,479	317,624	320,800
Investment income	263,087	188,169	188,169	188,169	188,169
Miscellaneous	3,301	3,301	3,301	3,301	3,301
TOTAL REVENUE	7,351,657	8,511,832	9,663,285	9,753,847	9,886,509
TOTAL EXPENSES					
O&M - labor	3,759,283	3,913,442	4,022,847	4,111,065	4,191,394
O&M - services and supplies	2,701,864	2,986,836	3,122,843	3,166,894	3,251,946
Sewer debt service	310,250	944,417	789,292	789,292	789,292
CIP	1,789,907	1,789,907	1,789,907	1,789,907	1,789,907
TOTAL EXPENSES	8,561,304	9,634,602	9,724,889	9,857,158	10,022,539
TOTAL REVENUE REQUIREMENTS	**$ (1,209,647)**	**$ (1,122,770)**	**$ (61,604)**	**$ (103,311)**	**$ (136,030)**
PERCENT INCREASE	**17.8%**	**14.0%**	**0.7%**	**1.1%**	**1.5%**

CIP Expenditures

The District's Mission Statement includes a commitment to provide responsible water and wastewater services for its customers. The replacement of capital assets is one key component of providing this safe and reliable service.

One of the most significant factors in the District's financial planning has been the need to fund the capital improvement program (CIP). Figure 1 provides an overview of the District's CIP expenditures from 2003 to 2022 and projections through 2027.

The overwhelming majority of these expenditures were for projects to replace aging infrastructure and to address compliance with regulatory requirements. The projected 2023-2027 CIP expenditures represent the most current plan adopted by the Board. The five-year estimate of expenditures between 2023-2027 totals approximately $39 million and reflects the growing capital improvement needs of the District's infrastructure to maintain reliable service and comply with various mandates.

The District anticipates new debt will be needed to fund some of the large capital replacement projects for the water utility such as Sierra Pines Regional Water Treatment Facility project.

Annual revenues will be used to fund numerous replacement projects in water and sewer utility on a pay-as-you-go basis. Facility Capacity Charges collected from new development are also used to fund the CIP. The entirety of the District's planned capital projects is described in the 2023-2027 Capital Improvement Plan.

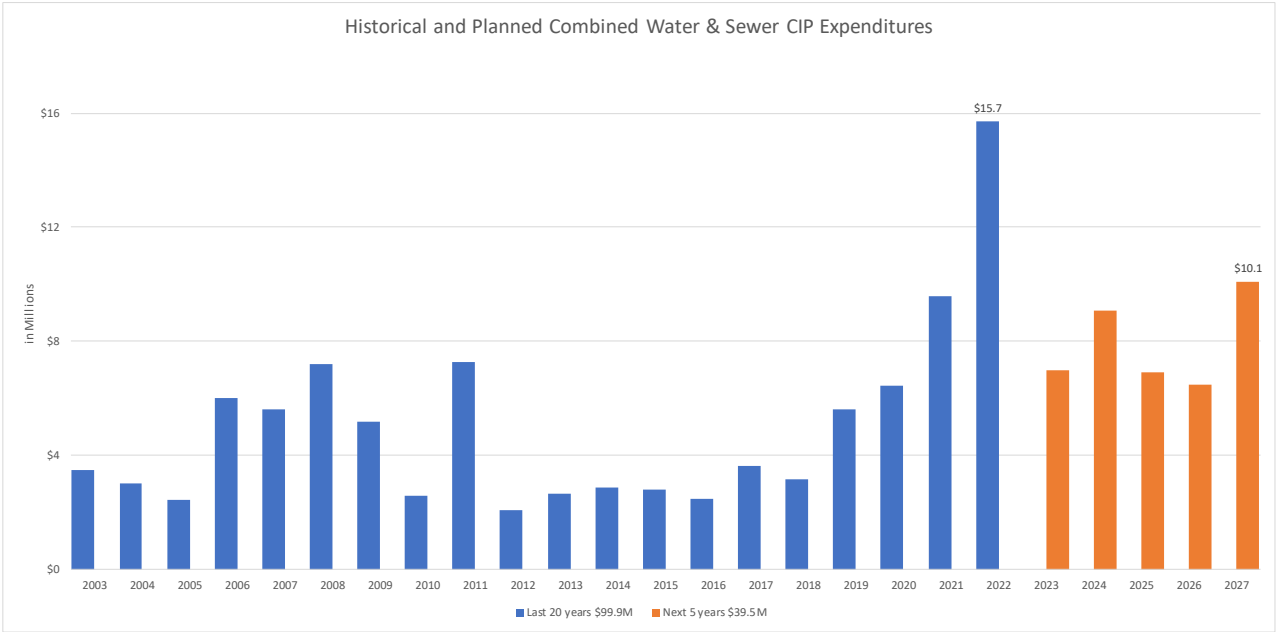

Figure 1 Historical and Planned Combined Water & Sewer CIP Expenditures

SECTION 3 – PROPOSED RATES AND CUSTOMER BILL IMPACTS

This section describes the District's rate revenue requirements, the proposed rate increases necessary to meet those revenue requirements, and the average customer bill impacts expected from those increases. This section also presents a comparison of the District's water and sewer rates to similar water and sewer agencies in the region.

Current Water Rates and Revenue Requirement from Rates

As described above, the Cost of Services Rate Study utilizes 2022 actual data; as well as adopted budget projections, on costs, debt, customer usage and accounts to develop revenue requirements for the years 2024-2028.

The District's water rate structure includes both fixed and variable charges: fixed charges consist of a base monthly charge that increases with the size of the meter and include the first 400 cubic feet of water; variable charges are consumptive rates for quantity of water used above the first 400 cubic feet. The current rates are those adopted by the District effective on January 1, 2020. Table 4 summarizes the proposed fixed and consumptive rates for potable water customers. Raw water customers' rate structure is shown in Tables 5 and 6.

Table 4 Treated Water Monthly Rates

Treated Water Monthly		Proposed				
Meter size	Current	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1 inch or less	$ 64.50	$ 82.54	$ 84.69	$ 86.74	$ 87.79	$ 89.11
1 1/2 inch	$ 103.20	$ 132.06	$ 135.50	$ 138.78	$ 140.46	$ 142.56
2 inch	$ 148.35	$ 189.83	$ 194.78	$ 199.49	$ 201.90	$ 204.93
3 inch	$ 328.95	$ 420.93	$ 431.90	$ 442.35	$ 447.70	$ 454.41
4 inch	$ 457.95	$ 586.01	$ 601.29	$ 615.84	$ 623.29	$ 632.63
6 inch	$ 806.25	$ 1,031.70	$ 1,058.59	$ 1,084.20	$ 1,097.31	$ 1,113.75
8 inch	$ 1,231.95	$ 1,576.44	$ 1,617.53	$ 1,656.67	$ 1,676.71	$ 1,701.84
Over 400 cf (per 100 cf)	$ 3.40	$ 4.35	$ 4.46	$ 4.57	$ 4.63	$ 4.70

Table 5 Raw Water Metered Monthly Rates

Raw Meter Water Monthly		Proposed				
Meter size	Current	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1 inch or less	$ 35.00	$ 44.79	$ 45.96	$ 47.07	$ 47.64	$ 48.35
1 1/2 inch	$ 56.00	$ 71.66	$ 73.53	$ 75.31	$ 76.22	$ 77.36
2 inch	$ 80.50	$ 103.01	$ 105.70	$ 108.26	$ 109.57	$ 111.21
3 inch	$ 178.50	$ 228.41	$ 234.36	$ 240.03	$ 242.93	$ 246.57
4 inch	$ 248.50	$ 317.99	$ 326.28	$ 334.17	$ 338.21	$ 343.28
6 inch	$ 437.50	$ 559.84	$ 574.43	$ 588.33	$ 595.45	$ 604.37
8 inch	$ 668.50	$ 855.43	$ 877.73	$ 898.97	$ 909.84	$ 923.47
Over 5,000 cf (per 100 cf)	$ 0.34	$ 0.44	$ 0.45	$ 0.46	$ 0.47	$ 0.48

Table 6 Raw Water MID Monthly Rates

Raw MID Water Monthly		Proposed				
Miner's Inch	Current	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
First 1/2 MID	$ 35.00	$ 44.79	$ 45.96	$ 47.07	$ 47.64	$ 48.35
Additional per 1/2 MID	$ 18.00	$ 23.03	$ 23.63	$ 24.20	$ 24.49	$ 24.86
Over 2 MID	$ 6.80	$ 8.70	$ 8.93	$ 9.15	$ 9.26	$ 9.40

Current Sewer Rates and Rate Revenue Requirement

The District's current and proposed sewer rates are fixed monthly, or basic charges, with no consumptive rates. The current rates are those adopted by the District effective on January 1, 2020. The proposed sewer rate increases for 2024-2028 are shown in Table 7.

Table 7 Sewer Monthly Rates

Sewer		Proposed				
	Current	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1-unit ESFR	$ 51.00	$ 60.10	$ 68.53	$ 68.99	$ 69.76	$ 70.77

Proposed Rate Increases for 2024-2028 and Customer Bill Impacts

This Cost of Service Rate Study projects that rate increases are necessary to meet annual operating and maintenance costs while maintaining reasonable operating reserves, fund large capital improvement projects while maintaining adequate replacement reserves and maintain adequate debt service coverage ratios. For treated water and raw water customers, this Cost of Service Rate Study concludes that 28%, 2.6%, 2.4%, 1.2%, and 1.5% increases are necessary for fiscal years 2024 through 2028, respectively. For sewer customers, this Cost of Services Rate Study concludes that 17.8%, 14%, 0.7%, 1.1%, and 1.5% increases

are necessary for fiscal years 2024 through 2028, respectively. The following describes the impact of these changes to District customers. The proposed monthly rate schedules for 2024-2028 is shown in Appendices B and D for water and sewer, respectively.

Incremental Monthly Bill Impacts. The impact of the rate changes on each customer bill will differ based on the amount of water used and whether the customer has water service only, sewer service only, or both water and sewer services.. Tables 8 through 11 show the increases by fiscal years. These tables reflect (1) treated water service, (2) raw water metered, (3) raw water MID, and (4) sewer service, respectively.

Table 8 Treated Water Rate Increase

Treated Water Monthly	Proposed increase				
Meter size	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1 inch or less	$ 18.04	$ 2.15	$ 2.05	$ 1.05	$ 1.32
1 1/2 inch	$ 28.86	$ 3.44	$ 3.28	$ 1.68	$ 2.10
2 inch	$ 41.48	$ 4.95	$ 4.71	$ 2.41	$ 3.03
3 inch	$ 91.98	$ 10.97	$ 10.45	$ 5.35	$ 6.71
4 inch	$ 128.06	$ 15.28	$ 14.55	$ 7.45	$ 9.34
6 inch	$ 225.45	$ 26.89	$ 25.61	$ 13.11	$ 16.44
8 inch	$ 344.49	$ 41.09	$ 39.14	$ 20.04	$ 25.13
Over 400 cf (per 100 cf)	$ 0.95	$ 0.11	$ 0.11	$ 0.06	$ 0.07

Table 9 Raw Water Metered Rate Increase

Raw Meter Water Monthly	Proposed increase				
Meter size	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1 inch or less	$ 9.79	$ 1.17	$ 1.11	$ 0.57	$ 0.71
1 1/2 inch	$ 15.66	$ 1.87	$ 1.78	$ 0.91	$ 1.14
2 inch	$ 22.51	$ 2.69	$ 2.56	$ 1.31	$ 1.64
3 inch	$ 49.91	$ 5.95	$ 5.67	$ 2.90	$ 3.64
4 inch	$ 69.49	$ 8.29	$ 7.89	$ 4.04	$ 5.07
6 inch	$ 122.34	$ 14.59	$ 13.90	$ 7.12	$ 8.92
8 inch	$ 186.93	$ 22.30	$ 21.24	$ 10.87	$ 13.63
Over 5,000 cf (per 100 cf)	$ 0.10	$ 0.01	$ 0.01	$ 0.01	$ 0.01

Table 10 Raw Water MID Rate Increase

Raw MID Water Monthly	Proposed increase				
Miner's Inch	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
First 1/2 MID	$ 9.79	$ 1.17	$ 1.11	$ 0.57	$ 0.71
Additional per 1/2 MID	$ 5.03	$ 0.60	$ 0.57	$ 0.29	$ 0.37
Over 2 MID	$ 1.90	$ 0.23	$ 0.22	$ 0.11	$ 0.14

Table 11 Sewer Rate Increase

Sewer	Proposed increase				
	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
1-unit ESFR	$ 9.10	$ 8.43	$ 0.46	$ 0.77	$ 1.01

Regional Comparison of Customer Bills

Figures 2, 3, and 4 compare the District's proposed Single Family Residential customer bills for water, sewer, and combined to other agencies in the region.

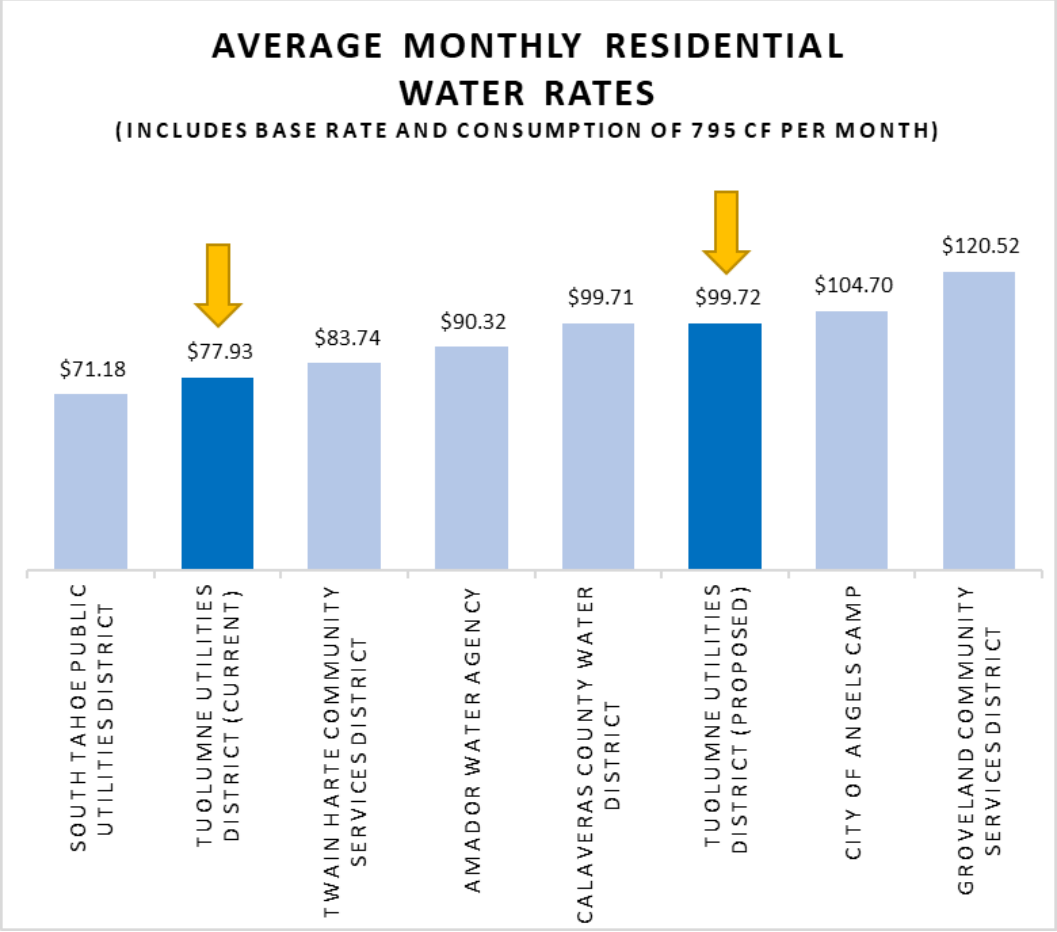

Figure 2 Average Monthly Residential Water Rates

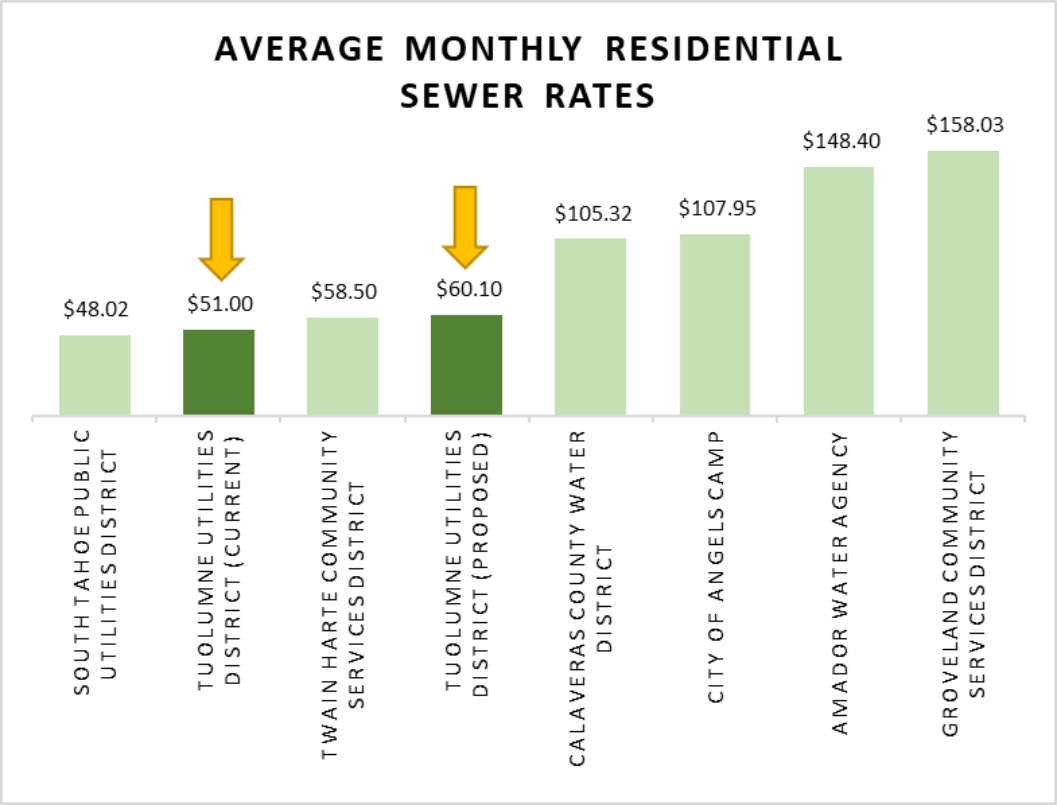

Figure 3 Average Monthly Residential Sewer Rates

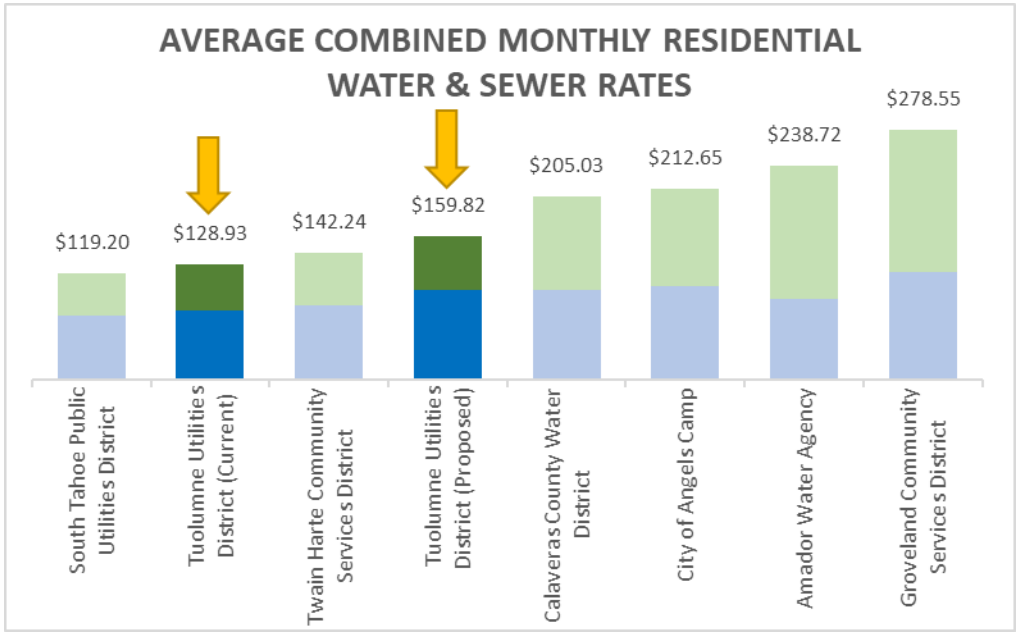

Figure 4 Average Combined Monthly Residential Water & Sewer Rates

APPENDICES

APPENDIX A – CURRENT WATER SERVICE CHARGES AND RATES

Charge For Treated Water Service

The following rates and charges shall be effective as indicated below.

Monthly Fixed Charges - Meter Size: Minimum Monthly Fixed Service Charges

Meter Size	Effective 1/1/2016	Effective 1/1/2017	Effective 1/1/2018	Effective 1/1/2019	Effective 1/1/2020
5/8 or 3/4 - inch	$47.50	$52.50	$56.50	$60.50	$64.50
1 - inch	$47.50	$52.50	$56.50	$60.50	$64.50
1 1/2 - inch	$76.00	$84.00	$90.40	$96.80	$103.20
2 - inch	$109.25	$120.75	$129.95	$139.15	$148.35
3 - inch	$242.25	$267.75	$288.15	$308.55	$328.95
4 - inch	$337.25	$372.75	$401.15	$429.55	$457.95
6 - inch	$593.75	$656.25	$706.25	$756.25	$806.25
8 - inch	$907.25	$1,002.75	$1,079.15	$1,155.55	$1,231.95

Consumptive – Quantity Rates Treated Water Service

Quantity Rates Monthly Per 100 Cubic Feet	MONTHLY QUANTITY CHARGE				
	Effective 1/1/2016	Effective 1/1/2017	Effective 1/1/2018	Effective 1/1/2019	Effective 1/1/2020
Tier 1 — Up to 400 cu. ft.	$0.00	$0.00	$0.00	$0.00	$0.00
Tier 2 — Over 400 cu. ft.	$2.50	$2.75	$3.00	$3.20	$3.40

Wholesale Treated Water Service Customers

Those Wholesale Treated Water Service Customers under existing contract(s) shall be required to pay under the terms and conditions of their respective contracts.

Charge for Raw (Untreated) Water Service

The following rates shall be effective as indicated below. The rate structure for metered raw (untreated) water service consists of a monthly service charge based on the size of the water meter plus a quantity charge for all metered consumption of water. Included with the monthly fixed raw water rate charge is up to 5,000 cubic feet of water. The rate structure for unmetered raw (untreated) water service consists of a minimum Monthly Fixed Service Charge based on each ½ Miner's Inch under contract plus a quantity charge for each Miner's Inch Day (MID) per month of water requested. Included in the Monthly Fixed Charge is up to 2 Miner's Inch Days. The minimum monthly fixed service charge is billed on a 12 month basis.

Metered Raw Water Customers Monthly Fixed Charges

Meter Size: Minimum Monthly Fixed Service Charges

Meter Size	MONTHLY FIXED CHARGE				
	Effective 1/1/2016	Effective 1/1/2017	Effective 1/1/2018	Effective 1/1/2019	Effective 1/1/2020
5/8 or 3/4 -	$15.00	$20.00	$25.00	$30.00	$35.00
1 - inch	$15.00	$20.00	$25.00	$30.00	$35.00
1 1/2 - inch	$24.00	$32.00	$40.00	$48.00	$56.00
2 - inch	$34.50	$46.00	$57.50	$69.00	$80.50
3 - inch	$76.50	$102.00	$127.50	$153.00	$178.50
4 - inch	$106.50	$142.00	$177.50	$213.00	$248.50
6 - inch	$187.50	$250.00	$312.50	$375.00	$437.50
8 - inch	$286.50	$382.00	$477.50	$573.00	$668.50

Quantity Rates

Monthly Quantity Per 100 Cubic Feet	MONTHLY QUANTITY CHARGE				
	Effective 1/1/2016	Effective 1/1/2017	Effective 1/1/2018	Effective 1/1/2019	Effective 1/1/2020
Up to 5,000 cu. ft.	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Over 5,000 cu. ft.	$ 0.25	$ 0.28	$ 0.30	$ 0.32	$ 0.34

Unmetered Raw Water – MID* Rates

*Miner's Inch Day (MID) – A term used in water measurement. By California statute, one miner's inch flow in for one day is equivalent to 1.5 cubic feet per minute or 11.22 gallons per minute.

Minimum Monthly Fixed Service Charges

Per Miner's Inch Per Month	Effective 1/1/2016	Effective 1/1/2017	Effective 1/1/2018	Effective /1/2019	Effective 1/1/2020
First 1/2 miner's inch of contract	$15.00	$20.00	$25.00	$30.00	$35.00
Additional capacity, per 1/2 miner's inch	$6.00	$9.00	$12.00	$15.00	$18.00
Per Miner's Inch Day	**Quantity Rates Per Day**				
Up to 2 MIDs per month	$0.00	$0.00	$0.00	$0.00	$0.00
Over 2 MIDs per month	$5.00	$5.50	$6.00	$6.40	$6.80

APPENDIX B – PROPOSED WATER SERVICE CHARGES AND RATES

Charge For Treated Water Service

The following rates and charges shall be effective as indicated below.

Monthly Fixed Charges - Meter Size: Minimum Monthly Fixed Service Charges

Meter Size	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
5/8 or 3/4 - inch	$82.54	$84.69	$86.74	$87.79	$89.11
1 - inch	$82.54	$84.69	$86.74	$87.79	$89.11
1 1/2 - inch	$132.06	$135.50	$138.78	$140.46	$142.56
2 - inch	$189.83	$194.78	$199.49	$201.90	$204.93
3 - inch	$420.93	$431.90	$442.35	$447.70	$454.41
4 - inch	$586.01	$601.29	$615.84	$623.29	$632.63
6 - inch	$1,031.70	$1,058.59	$1,084.20	$1,097.31	$1,113.75
8 - inch	$1,576.44	$1,617.53	$1,656.67	$1,676.71	$1,701.84

Consumptive – Quantity Rates Treated Water Service

Quantity Rates Monthly Per 100 Cubic Feet	MONTHLY QUANTITY CHARGE				
	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
Tier 1 — Up to 400 cu. ft.	$0.00	$0.00	$0.00	$0.00	$0.00
Tier 2 — Over 400 cu. ft.	$4.35	$4.46	$4.57	$4.63	$4.70

Wholesale Treated Water Service Customers

Those Wholesale Treated Water Service Customers under existing contract(s) shall be required to pay under the terms and conditions of their respective contracts.

Charge for Raw (Untreated) Water Service

The following rates shall be effective as indicated below. The rate structure for metered raw (untreated) water service consists of a monthly service charge based on the size of the water meter plus a quantity charge for all metered consumption of water. Included with the monthly fixed raw water rate charge is up to 5,000 cubic feet of water. The rate structure for unmetered raw (untreated) water service consists of a minimum Monthly Fixed Service Charge based on each ½ Miner's Inch under contract plus a quantity charge for each Miner's Inch Day (MID) per month of water requested. Included in the Monthly Fixed Charge is up to 2 Miner's Inch Days.

Metered Raw Water Customers Monthly Fixed Charges

Meter Size: Minimum Monthly Fixed Service Charges

Meter Size	MONTHLY FIXED CHARGE				
	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
5/8 or 3/4 -	$44.79	$45.96	$47.07	$47.64	$48.35
1 - inch	$44.79	$45.96	$47.07	$47.64	$48.35
1 1/2 - inch	$71.66	$73.53	$75.31	$76.22	$77.36
2 - inch	$103.01	$105.70	$108.26	$109.57	$111.21
3 - inch	$228.41	$234.36	$240.03	$242.93	$246.57
4 - inch	$317.99	$326.28	$334.17	$338.21	$343.28
6 - inch	$559.84	$574.43	$588.33	$595.45	$604.37
8 - inch	$855.43	$877.73	$898.97	$909.84	$923.47

Quantity Rates

Monthly Quantity Per 100 Cubic Feet	MONTHLY QUANTITY CHARGE				
	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
Up to 5,000 cu. ft.	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Over 5,000 cu. ft.	$0.44	$0.45	$0.46	$0.47	$0.48

Unmetered Raw Water – MID* Rates

*Miner's Inch Day (MID) – A term used in water measurement. By California statute, one miner's inch flow in for one day is equivalent to 1.5 cubic feet per minute or 11.22 gallons per minute.

Minimum Monthly Fixed Service Charges

Per Miner's Inch Per Month	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Effective 7/1/2027
First 1/2 miner's inch of contract	$44.79	$45.96	$47.07	$47.64	$48.35
Additional capacity, per 1/2 miner's inch	$23.03	$23.63	$24.20	$24.49	$24.86
Per Miner's Inch Day	**Quantity Rates Per Day**				
Up to 2 MIDs per month	$0.00	$0.00	$0.00	$0.00	$0.00
Over 2 MIDs per month	$8.70	$8.93	$9.15	$9.26	$9.40

Backflow Prevention Assembly Testing and Maintenance Program – customers with backflow prevention devices will be charged the actual fee paid to the outside contractor to reimburse the District. Presently the fee is $65 per annual inspection.

APPENDIX C – CURRENT SEWER SERVICE CHARGES AND RATES

SEWER SERVICE CHARGES AND OTHER RATE SCHEDULES

Charges for Sewer Service

The following rates and changes shall be effective as indicated below:

Monthly Fixed Charges

Monthly Sewer Charge Based on 1 Single Family Residence				
1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
$40.00	$43.00	$46.00	$49.00	$51.00

A Monthly Fixed Charge will be collected on each *Single Family Residence*, regardless of size or *Equivalent Single Family Residence* (ESFR) classification under "Exhibit A" of this Wastewater Ordinance. For purposes of assigning *Sewer Service Charges* each Single Family Residence shall be classified as one (1) Monthly Fixed Charge. For all Non-Single Family Residences, the ESFR allocation in "Exhibit A" shall be used as the basis of assigning Monthly Fixed Charges for sewer services.

Subscribers Monthly User Charges

The Monthly User Charges below are per Equivalent Single Family Residence (ESFR).

District	Effective 1/1/2016	Effective 1/1/2017	Effective 1/1/2018	Effective 1/1/2019	Effective 1/1/2020
THCSD	$19.00	$21.00	$22.00	$23.00	$24.00
Jamestown SD	$4.20	$4.40	$4.60	$4.80	$5.00

APPENDIX D – PROPOSED SEWER SERVICE CHARGES AND RATES

SEWER SERVICE CHARGES AND OTHER RATE SCHEDULES

Charges for Sewer Service

The following rates and changes shall be effective as indicated below:

Monthly Fixed Charges

Monthly Sewer Charge Based on 1 Single Family Residence				
7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
$60.10	$68.53	$68.99	$69.76	$70.77

~~A Monthly Fixed Charge will be collected on each Single Family Residence, regardless of size or Equivalent Single Family Residence (ESFR) classification under "Exhibit A" of this Wastewater Ordinance. For purposes of assigning Sewer Service Charges each Single Family Residence shall be classified as one (1) Monthly Fixed Charge. For all Non-Single Family Residences, the ESFR allocation in "Exhibit A" shall be used as the basis of assigning Monthly Fixed Charges for sewer services.~~

Subscribers Monthly User Charges

The Monthly User Charges below are per Equivalent Single Family Residence (ESFR).

District	Effective 1/1/2016	Effective 1/1/2017	Effective 1/1/2018	Effective 1/1/2019	Effective 1/1/2020
THCSD	$28.27	$32.23	$32.46	$32.82	$33.31
Jamestown SD	$5.89	$6.71	$6.76	$6.83	$6.93