



PLACER COUNTY WATER AGENCY
SINCE 1957
BUSINESS CENTER
144 Ferguson Road
MAIL
P.O. Box 6570
Auburn, CA 95604
PHONE
530.823.4860
530.823.4960 - fax
WWW.PCWA.NET

Notice of Public Hearing to Consider Changes to PCWA Water Rates and Charges

September 7, 2017

The Placer County Water Agency (PCWA) Board has set a public hearing for November 2, 2017, to consider adoption of new rates and charges for water delivery and service in its Western Water System – Zone 6. The proposed rates and charges represent a restructuring of existing treated and untreated water rates that will maintain a cost of service structure consistent with current law.

Proposal:

The proposed rates and charges for delivery of treated and untreated water are intended to increase total revenue for water system operation and maintenance by 8.3% in 2018. In addition, the rates and charges will be subject to an annual adjustment tied to the rate of inflation, as measured by the Consumer Price Index, (CPI) beginning in 2019 and extending through 2022.

The adoption of these proposed rates will establish uniform rates and charges throughout PCWA's Western Water System – Zone 6. The proposal also includes consolidation of some customer classifications and a reduction in the number of rate tiers for many rate schedules.

The change in monthly charges for water service for each individual customer will vary depending upon meter size, volume of water used, customer classification¹ and location². The attached tables are provided to help you identify how your cost for water service will change.

Reason and Basis for the Adjustment:

For the past 4 years PCWA has been using reserves to complete needed renewal and replacement projects. The Agency has drawn on its renewal and replacement reserves by up to \$3 million per year over the last few years. In addition, operating costs continue to increase annually as the cost of materials and supplies increase. The additional revenue expected from the new rates will again balance the water system's operations and maintenance budget.

Another reason for the adjustment is to maintain compliance with current law. In 2015, a court ruled that water rates must be based upon the cost to provide service to each customer classification and for each rate tier, and not just for the entire water system as a whole.

The Agency's water service fees are structured to proportionally allocate the cost of providing water service among its Western Water System - Zone 6. The Agency looked at the total Western Water system costs for water and operations, and assigned corresponding costs to customer classes and components.

Notice of Public Hearing:

On Thursday November 2, 2017, 2:00 p.m., at the Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California, the Placer County Water Agency Board of Directors will hold a public hearing to consider increasing rates and charges for the delivery of water to customers in its Western Water System – Zone 6 effective no sooner than January 1, 2018.

¹ Customer classifications include: Residential, Commercial, Governmental, Landscape, CIDUWS, Industrial, Construction, and Resale.

² PCWA's current rates vary by location within Zone 6, and the proposed rates are uniform throughout Zone 6. To determine the amount of change in your individual rate will require that you identify your existing fixed and variable charges in the attached schedules and compare them to the proposed fixed and variable charges.

Current Fixed and Renewal and Replacement Charges for Metered Treated Water Service: ³

Meter Size	Fixed	R&R	Fixed	State & Federal	R&R	Fixed	R&R	Fire Protection
	Loomis Basin, Rocklin, Auburn, Newcastle		Bianchi			Alta, Applegate, Colfax, Monte Vista		
5/8 - Inch	\$17.34	\$16.29	\$13.75	\$5.27	\$12.50	\$14.20	\$13.00	
3/4 - Inch	\$24.53	\$24.44	\$19.46	\$7.91	\$18.75	\$20.09	\$19.50	
1 -Inch	\$33.56	\$40.74	\$26.62	\$13.19	\$31.25	\$27.49	\$32.50	
1-1/2 - Inch	\$54.06	\$81.47				\$44.28	\$65.00	
2-Inch	\$94.36	\$130.36				\$77.28	\$104.00	\$18.82
3-Inch	\$175.19	\$260.73				\$143.48	\$208.00	\$21.75
4-Inch	\$244.27	\$407.39				\$200.06	\$325.00	\$24.16
6-Inch	\$490.38	\$814.77				\$401.62	\$650.00	\$30.10
8-Inch	\$840.85	\$3,910.89				\$688.66	\$3,120.00	\$57.19
10-Inch								\$100.74
12-Inch	\$1,313.85					\$1,076.03	S.C #5	\$161.30
16-Inch	\$1,890.37					\$1,548.20	S.C #5	\$358.90
18-Inch	\$2,178.62					\$1,784.28	S.C #5	
City of Lincoln		\$12.49						
CAL-AM (CAW)		\$13.90						
Multiple Dwelling Unit	\$13.14					\$10.76		

Current Commodity Charges for Metered Residential Service

Commodity in Cubic Feet	Billing Units	Loomis Basin, Rocklin, Auburn, Newcastle	Alta, Applegate, Colfax, Monte Vista	Commodity in Cubic Feet	Billing Units	Bianchi
First 400 CF	4	\$1.44	\$1.25	First 400 CF	4	\$0.94
Next 600 CF	6	\$1.55	\$1.35	Next 600 CF	6	\$1.07
Next 1,000 CF	10	\$1.65	\$1.44	Next 1,000 CF	10	\$1.14
Next 2,000 CF	20	\$1.78	\$1.55	Next 2,500 CF	25	\$1.18
Next 1,800 CF	18	\$1.89	\$1.65	Over 4,500 CF	45	\$1.35
Next 1,900 CF	19	\$2.21	\$1.92			
Over 7,700 CF	77	\$2.48	\$2.16			

Current Commodity Charges Metered Non-Residential Service

Commodity in Cubic Feet	Billing Units	Loomis Basin, Rocklin, Auburn, Newcastle	Alta, Applegate, Colfax, Monte Vista
First 50,000 CF	500	\$1.47	\$1.28
Next 450,000 CF	4,500	\$1.50	\$1.31
Over 500,000 CF	5,000	\$1.55	\$1.35

Current Commodity Charges for Metered Industrial and Resale Service

Commodity in Cubic Feet	Billing Units	Loomis Basin, Rocklin, Auburn, Newcastle	Alta, Applegate, Colfax, Monte Vista
First 50,000 CF	500	\$1.26	\$1.10
Next 950,000 CF	9,500	\$1.27	\$1.11
Over 1,000,000 CF	10,000	\$1.29	\$1.12

Current Commodity Charges for Customers Involuntarily Deprived of Untreated Water Service (CIDUWS)

Commodity in Cubic Feet	Billing Units	Loomis Basin, Rocklin, Auburn, Newcastle	Alta, Applegate, Colfax, Monte Vista
First 400 CF	4	\$1.44	\$1.25
Next 600 CF	6	\$1.55	\$1.35
Next 1,000 CF	10	\$1.65	\$1.44
Next 2,000 CF	20	\$1.78	\$1.55
Next 61,000 CF	610	\$0.13	\$0.12
Over 65,000 CF	650	\$0.11	\$0.10

³ While some customers are billed monthly, many are billed bi-monthly. Fixed and Renewal and Replacement charges are shown for 30 days. Actual Charges are applied daily and the total may vary from bill to bill based upon the number of days between bills.

Proposed Fixed Charges Metered Treated Water Service

Meter Size	Fixed	R&R	Fire Protection
5/8 Inch	\$17.92	\$17.74	
3/4 Inch	\$25.14	\$26.61	
1 Inch	\$39.58	\$44.35	\$0.29
1-1/2 Inch	\$75.68	\$88.70	
2 Inch	\$119.00	\$141.92	\$1.77
3 Inch	\$256.18	\$310.45	\$5.13
4 Inch	\$436.68	\$532.20	\$10.93
6 Inch	\$978.18	\$1,197.45	\$31.73
8 Inch	\$1,158.68	\$1,419.20	\$67.60
10-Inch	\$2,747.08	\$3,370.60	\$121.57
12-Inch	\$3,613.48	\$4,435.00	\$196.37
14 Inch	\$6,720.00	\$6,652.50	\$294.54
16-Inch	\$8,960.00	\$8,870.00	\$418.46
18-Inch	\$11,200.00	\$11,087.50	
Multiple Dwelling Unit			
Per Dwelling Unit	\$14.44	By Meter Size	
Per Meter	\$3.48		

Proposed Fixed Charge Metered Resale or Industrial Customers Using Over 10,000 Units per Month

Capacity charge per unit of capacity ⁴	\$31.87
---	---------

Proposed Commodity Charges for Metered Residential Treated Water

(Multi Dwelling Unit billing tiers are per dwelling unit)

Commodity in Cubic Feet	Billing Units	
First 900 CF	9	\$1.52
Next 1,900 CF	19	\$1.72
Over 2,800 CF	28	\$1.84

Proposed Commodity Charges for Metered Commercial and Governmental Treated Water

Commodity in Cubic Feet	Billing Units	
Per 100 CF	1	\$1.62

Proposed Commodity Charges for Metered Treated Landscape Water

Commodity in Cubic Feet	Billing Units	
Per 100 CF	1	\$1.72

Proposed Commodity Charges for Metered Construction and Fire Protection Water

Commodity in Cubic Feet	Billing Units	
Per 100 CF	1	\$3.24

Proposed Commodity Charges for Metered Resale or Industrial Customers Using Over 10,000 Units per Month - Treated

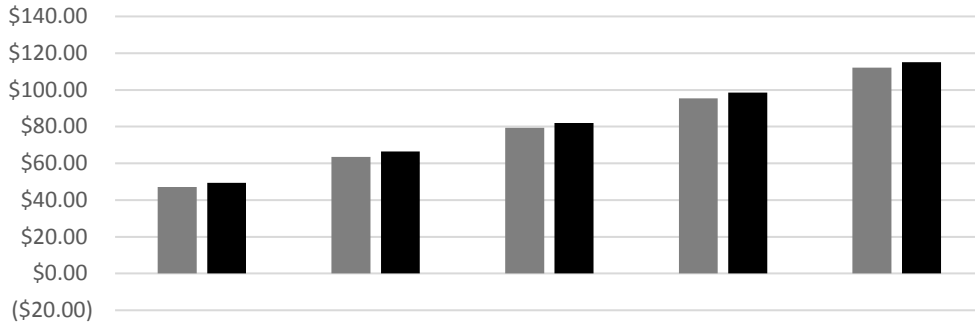
Commodity in Cubic Feet	Billing Units	
Per 100 CF	1	\$0.40

Proposed Commodity Charges for Customers Involuntarily Deprived of Untreated Water Service

Commodity in Cubic Feet	Billing Units	
First 900 CF	9	\$1.52
Next 1,900 CF	19	\$1.72
Over 2,800 CF	28	\$0.19

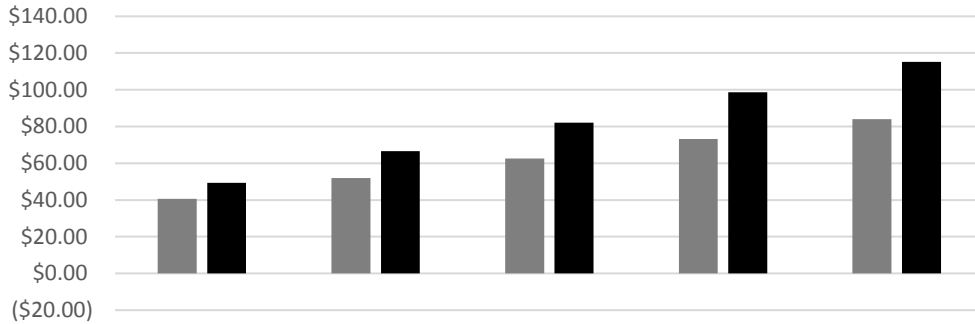
⁴ One (1) Unit of Capacity is equal to a peak demand rate of 1,150 gallons per day

**Cost Comparison- 5/8" Meter with Various Levels of Use
Loomis Basin, Rocklin, Auburn, Newcastle**



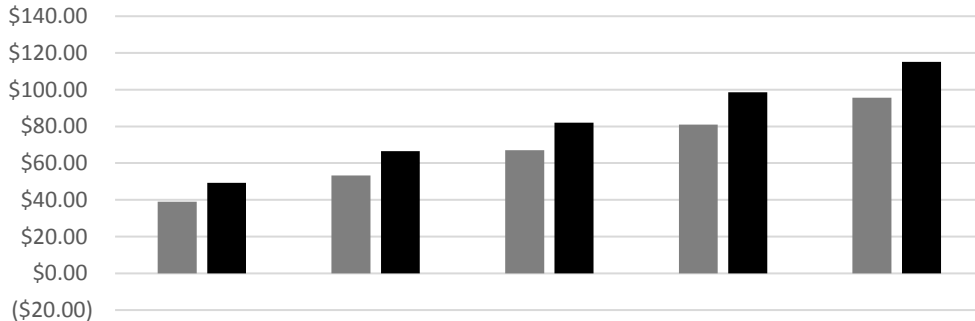
Units	9 – Median Winter	19	28 – Median Summer	37	46
Current Bill	\$47.14	\$63.54	\$79.43	\$95.45	\$112.13
Proposed Bill	\$49.34	\$66.54	\$82.02	\$98.58	\$115.14
\$ Change	\$2.20	\$3.00	\$2.59	\$3.13	\$3.01
% Change	4.7%	4.7%	3.3%	3.3%	2.7%

**Cost Comparison - 5/8" Meter with Various Levels of Use
Bianchi Estates**



Units	9 – Median Winter	19	28 – Median Summer	37	46
Current Bill	\$40.63	\$51.96	\$62.54	\$73.16	\$83.95
Proposed Bill	\$49.34	\$66.54	\$82.02	\$98.58	\$115.14
\$ Change	\$8.71	\$14.58	\$19.48	\$25.42	\$31.19
% Change	21.4%	28.1%	31.1%	34.7%	37.2%

**Cost Comparison - 5/8" Meter with Various Levels of Use
Alta, Applegate, Colfax, Monte Vista**



Units	9 – Median Winter	19	28 – Median Summer	37	46
Current Bill	\$38.95	\$53.26	\$67.10	\$81.05	\$95.60
Proposed Bill	\$49.34	\$66.54	\$82.02	\$98.58	\$115.14
\$ Change	\$10.39	\$13.28	\$14.92	\$17.53	\$19.54
% Change	26.7%	24.9%	22.2%	21.6%	20.4%

Inflation Adjustment

PCWA is proposing to add future inflation adjustments to the Fixed Charge, the Renewal and Replacement Charge, and the Commodity Charges for both treated and untreated water. These inflationary increases in the cost of service will be for a 12-month period, as measured by the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U) West All Items (Series Id: CUUR0400SA0) for June through May of each respective year. The annual inflation increase will be limited to the lower of the actual cost of service increase, or the CPI-U increase, but not less than zero. Notice of any adjustment pursuant to the annual inflation increase will be provided to customers not less than 30 days before the effective date of the adjustment through a bill notice or other mailing by the Agency. These future inflationary rate adjustments would become effective on January 1st of 2019, 2020, 2021 and 2022. An inflation adjustment will not be applied to the rate adjustment in 2018.

How to Protest the Proposed New Rates

The property owner of record or tenant of any parcel subject to these rates and charges can protest against these proposed rates and charges by submitting a written protest that may be mailed to Placer County Water Agency P.O. Box 6570, Auburn, California 95604 or hand-delivered to the Clerk to the Board, Placer County Water Agency, 144 Ferguson Road, Auburn, California. PCWA will receive written protests at or before the time set for the public hearing, which is November 2, 2017, 2:00 p.m., at the Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.

The written protest must include the property owner's or customer of record's printed name and signature, a description of the parcel(s) in which they have an ownership interest or bill paying responsibility. A street address and/or assessor's parcel number are sufficient descriptions. If the party signing the protest is not shown as the parcel owner as per the last equalized assessment roll of Placer County, or, in PCWA's records as the responsible ratepayer, the protest must contain, or be accompanied by, written evidence that such party is the owner or responsible ratepayer.

Additional Information

Additional information, including answers to frequently asked questions and information on all of the proposed changes in rates for treated and untreated water customers, is available upon request or on the Agency's web site, www.pcwa.net.

If you have any questions regarding this notice, please call the Agency's Customer Services Department, Monday through Friday, between the hours of 9:00 a.m. and 5:00 p.m. at (530) 823-4850 or (800) 464-0030.

Sincerely,

Placer County Water Agency

C. Sprunck
Clerk, Board of Directors