

NORTHWEST REGIONAL WASTEWATER SYSTEM

Sewer Rate Study 2024



Proposition 218 Hearing
September 10, 2024



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

Alison Lechowicz
Project Manager



Rate Study Timeline

- **July 2023:** Begin sewer rate study
- **Fall 23/Spring 24:** Project team reviewed financial and utility billing data; Developed financial plan and rate options
- **June 18, 2024:** Presented preliminary rates to Board for feedback
- **July 26, 2024:** Notices of public hearing were mailed to customers and property owners
- **September 10, 2024:** Proposition 218 public hearing to consider rate adoption
- **September 24, 2024:** Second hearing on consent
- **October 24, 2024:** Ordinance will be adopted (absent a majority protest)
- **November 15, 2024:** First billing with new rates (absent a majority protest)



Proposition 218

- **Governs how property-related charges can be calculated and adopted**
 - Rates can be adopted over a maximum 5-year period with a single study
 - Rates must be based on the reasonable cost of service
 - Rates must proportionally recover costs based on how customers take service

- **Procedural requirements:**
 - Conduct a rate study
 - Mail a notice to property owners
 - Hold a public hearing a minimum of 45 days after notice is mailed
 - Rates cannot be adopted if more than 50% of ratepayers submit written protests



Rate Study Objectives

- **District has historically implemented annual CPI rate increases**
 - Last CPI rate increase was January 1, 2024 (+3.7%)
- **Rates need to fund the cost of providing service**
 - Cover operating costs and inflation
 - Fund infrastructure (capital) improvements
 - Reverse operating deficit
 - Maintain emergency reserves (50% of operating costs + cost of an emergency repair)
- **Develop a 5-year rate plan consistent with Proposition 218**
 - Phase in rate increases to minimize impact on ratepayers
 - Rates are updated to reflect how customers use the sewer system (i.e. rates depend on volume of sewage discharged and strength of pollutants discharged by each customer type)
 - Rate structure is proposed to remain the same except for the addition of a new Multi-Family rate category



Proposed Bimonthly Sewer Rates

Rate Code	Description	Current	PROPOSED				
			FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
			<i>Nov 15, 2024</i>	<i>Jul 1, 2025</i>	<i>Jul 1, 2026</i>	<i>Jul 1, 2027</i>	<i>Jul 1, 2028</i>
			Varies	+10%	+3%	+3%	+3%
KM (R,C,H)	Domestic Strength – Single Family Residential	\$68.48	\$80.20	\$88.22	\$90.87	\$93.60	\$96.41
KM (M)	Domestic Strength – Multi-Family Residential	\$68.48	\$55.52	\$61.07	\$62.90	\$64.79	\$66.73
KN	Commercial Establishments	\$136.98	\$166.27	\$182.90	\$188.39	\$194.04	\$199.86
DG	Restaurant & Bar; per seat over 33	\$3.78	\$4.75	\$5.23	\$5.39	\$5.55	\$5.72
DH	Hospital & Skilled Care; per bed	\$27.24	\$24.68	\$27.15	\$27.96	\$28.80	\$29.66
DJ	School with Cafeteria; per student	\$2.96	\$3.08	\$3.39	\$3.49	\$3.59	\$3.70
DK	Water Filter Backwash (9,600 gal)	\$158.46	\$134.94	\$148.43	\$152.88	\$157.47	\$162.19
DK1	Water Filter Backwash Overage; per 3,200 gal	\$8.97	\$44.98	\$49.48	\$50.96	\$52.49	\$54.06
KH	Service Station	\$136.98	\$74.03	\$81.43	\$83.87	\$86.39	\$88.98
KI	Fruit Stand	\$17.22	\$9.86	\$10.85	\$11.18	\$11.52	\$11.87
KK	Mobile Home Space	\$68.48	\$55.52	\$61.07	\$62.90	\$64.79	\$66.73
KL	Dump Station	\$45.36	\$196.53	\$216.18	\$222.67	\$229.35	\$236.23
KU/KR	Motel Room, No Kitchen	\$11.66	\$14.79	\$16.27	\$16.76	\$17.26	\$17.78
KQ	Motel Room/Cabin w/Kitchen	\$15.24	\$24.68	\$27.15	\$27.96	\$28.80	\$29.66
KS	Laundry; per machine	\$48.24	\$54.21	\$59.63	\$61.42	\$63.26	\$65.16
LF	Trailer/Campsite, No Hookups	\$6.84	\$4.93	\$5.42	\$5.58	\$5.75	\$5.92
LG	Trailer w/. Hookups	\$13.64	\$12.34	\$13.57	\$13.98	\$14.40	\$14.83
TLTFC	Addl Toilets for Commercial Establishments	\$68.48	\$12.34	\$13.57	\$13.98	\$14.40	\$14.83
CD	Other Commercial Establishments	\$136.98	\$492.86	\$542.15	\$558.41	\$575.16	\$592.41



Proposition 218 Hearing Procedure

- Board of Directors opens the public hearing
- Receive public comments
- Collect any additional written protests
- Close the public hearing
- Tally the protests
- If less than 50% of ratepayers submit written protests, the Board can vote to adopt the new rates
- First rate increase would go into effect on November 15, 2024