

**COMMUNITY ADVISORY COMMITTEE
PROPOSED WATER RATES FOR
CLEAR CREEK COMMUNITY SERVICES DISTRICT**

April 6, 2021

Board of Directors
Clear Creek CSD

The Community Advisory Committee (CAC) is an Ad-Hoc Committee authorized by the Board of Directors. CAC committee members serve at the pleasure of the Board. The CAC, as directed by the Board of Directors, developed and recommends the following rate increase, dated March 30th 2021, shown here as "Exhibits #1 & #2, to be presented at a Public Meeting. This will allow community members to comment on the rates prior to initiating the Prop 218 Hearing process.

The CAC believes these rates to be fair, equitable, and adequate to meet the needs of the District, as well as the community of Happy Valley. The CAC also believes the rates meet requirements in Prop 218 as the rates are tied directly to actual District costs. The proposed rates are not "tiered rates;" but instead are three flat rates where the rate payers choose which flat-rate schedule they wish to be on. The rates were developed by calculating the District's financial needs from the June 2019 Activity and Cash Reports. District usage figures and the RCAC Report were also utilized.

The CAC recommendations come with the following disclaimers: These rates are recommendations and the Board may, upon their discretion, use different rates. The actual number of customers that will end up in one of the three rate schedules is unknown and will influence revenue. The volume used from year to year by customers varies, and also, affects revenue. The General Manager and Board of Directors are encouraged to review the rates for themselves for compliance and to see if District's needs are met. The rates will need to be reviewed in three years to see if they are accomplishing District goals.

Rate schedule (AG) will be used by Ag customers. The District will have to classify an arbitrary amount of water as "domestic water" each month to account for Ag users with a residence. Schedule (A) will be used mainly by Domestic "Hobby Farmers," who use larger volumes of water. The higher Base Rate for both of these covers the District's fixed costs.

Rate schedule (B) will be used by Domestic customers owning small parcels and who use small volumes of water. The CAC believes a \$59 Base Rate would be too costly for them as many live on fixed incomes. This is a "blended rate schedule" where the District's fixed costs are covered by both the Base Rate and the Water Rate.

It is advised that customers be given the opportunity to change their selection no more than once per any 12 month period. Should a customer be unresponsive to the District's request for a choice of water rates the customer will be assigned to the Domestic (B) rate schedule. The request for plan selection

from the customer will be to utilize a flier and form to be included with the customer monthly invoice. The request for customer choice will be requested for two consecutive monthly bills, after which the customer will default to the Domestic (B) rate schedule.

Information Regarding Fees (refer to the spreadsheet):

- a) The Trinity PUD fee was not included since the cost of this fee to the District is negligible; therefore the fee cannot be justified under Prop 218.
- b) The existing CVC - Fish & Wildlife Restoration Fee of \$0.05/HCF has been added to the Domestic Rates (A) and (B). It is not included in the Ag rate as it is exempt for them. This fee may need to be adjusted if the BOR changes its rates.
- c) The existing 30-year Filter Plant Loan Repayment Fee (\$7.55/mo.) and the Backwash Pond Loan Repayment Fee (\$0.38/mo.) have been combined and amounts to a customer charge of \$7.93/mo.
- d) The near-future WIIN Act Repayment Fee is "estimated" to be \$1.88/mo. and was calculated by figuring the cost of a 30-year loan @ 3.0 percent interest. This fee is to be adjusted once the actual cost of the loan is known. The CAC believes this fee meets Prop 218 as the District has entered into the WIIN Act and is required by the BOR to make payment.
- e) The future \$1.00/mo. fee covers a loan repayment to line the Filter Plant pond, to replace 6,000 feet of pipeline, and to install 400 new meters. This fee will also be adjusted when it is known the exact cost of the loan(s). The CAC believes this fee meets Prop 218 as the State RWQCB is requiring the pond to be lined to stop leakage and the State Is has adopted a policy to have everybody on their own water meter in the near future. There have been many recent line ruptures The pipeline replacement will ensure a steady flow of "safe" drinking water.

Irwin Fust, Chairman
Community Advisory Committee,
Clear Creek CSD

Committee Members:

Irwin Fust, Board Member and Chairman
Murray Miller, Board Member
Cedric Twilight
Dennis Possehn
Terry Lincoln

EXHIBIT #1

CLEAR CREEK CSD

PROPOSED RATES 2021:

ALL CUSTOMERS:

Domestic Customers choose: Rate Plan (A), or Rate Plan (B)
 Agricultural Customers choose Rate Plan (AG)

Revised 4/06/2021 FINAL
 Approved at the April, 2021 CAC Meeting

RATE SCHEDULE	TOTAL # OF METERS	From Data				MONTHLY DOMESTIC BASE RATE	MONTHLY BACKWASH FILTER LOAN *	MONTHLY CVP RESTORATION **	@3% Int. MONTHLY WINN ACT ***	FUTURE MONTHLY LOAN ****	DISTRICT ANNUAL BASE FEES	DISTRICT ANNUAL WATER FEES	BASE & WATER DISTRICT GRAND TOTAL
		ANNUAL TOTAL HCF	PROPOSED MONTHLY WATER RATE	MONTHLY WATER WASH FILTER LOAN *	MONTHLY CVP RESTORATION **								
AG	256	392,528	\$0.35	\$7.93	\$59.00	\$7.93	\$0.00	\$1.88	\$1.00	\$181,248	\$137,385	\$318,633	
A	733	588,765	\$0.35	\$7.93	\$59.00	\$7.93	\$0.05	\$1.88	\$1.00	\$518,964	\$206,068	\$725,032	
B	1721	476,676	\$0.86	\$7.93	\$36.00	\$7.93	\$0.05	\$1.88	\$1.00	\$743,472	\$409,941	\$1,153,413	
Total:	2710	1,457,969		\$257,884		\$53,861		\$61,138	\$32,520	\$1,443,684	\$753,394	\$2,197,078	

Revenue From "Water Services" including Centerville:
 3,347 Acre-Feet

(2020 Activity Report)
 (2020-2021 Budget) = \$1,484,435

TOTAL OPERATING SALES:

* Filter Plant 30-year Loan Repayment (\$7.55/mo.) + Backwash Recycle Project (\$0.38/mo.);

** CVP Restoration Fee (\$0.05 per HCF on M&I water; Ag water is exempt from this fee);

*** WIIN Act loan debt repayment over 30-years, estimated cost at (\$1.88/mo.);

**** Backwash Pond lining, 6,000' line replacement, install 400 new meters -- estimated debt repayment, over 30 yrs., (\$1.00/mo.)

TOTAL RATES AND FEES (Domestic & Ag):

Revenue from Taxes:	\$267,387
TOTAL PROJECTED ANNUAL REVENUE:	\$2,464,465
	\$257,884
	\$53,861
	\$61,138
	\$32,520
	\$2,869,867
	\$350,000
	\$3,219,867

ANNUAL REVENUE REQUIRED BY PROPOSED RATES:

Total Projected Annual Expenses:	\$2,800,000
Expenses plus 10%:	\$3,080,000
Add Winn Act Assuming Loan:	\$61,138
Add backwash Pond Repair, etc. Loan:	\$32,520
Meter Replacement for aging meters:	\$40,536
Total Annual Expense:	\$3,214,194

Total Annual Expenses/ Revenue Required:	\$3,214,194	Future annual expenses.
Less Revenue From Water Services: (2020 Activity Report):	-\$267,387	Includes revenue from Centerville and other fee collections.
Less Filter Plant Loan, Recycle Backwash Fees:	-\$257,884	Existing filter plant loan repayment.
Less CVP Restoration Fee:	-\$53,861	The rate of \$0.025 is the current exact cost. This fee will be dropped when WIIN Act is paid.
Less Winn Act Fee:	-\$61,138	The rate will need to be adjusted when the exact WIIN Act loan cost is known.
Less Pond repair, etc. debt repayment:	-\$32,520	Pond repair, pipeline replacement, 400 new meters.
Less Non-Operating Revenue: (2021 Budget):	-\$350,000	State Tax revenue returned to the District.
Revenue Required From "Annual Water Sales" alone.	\$2,191,405	Base Rate + Water Rate only
Annual Water Sales - proposed rates - spreadsheet:	\$2,197,078	Upper Right-hand column.

* The bottom most figure must be equal or exceed the figure above it!

Starting Point: Current annual expenses.
 Expenses plus 10% (buffer)
 This amount will be adjusted when it is known exactly what it is.
 Pond repair, pipeline replacement, 400 new meters.
 Replace old meters only when they fail a test.
 Future annual expenses.

EXHIBIT #2
MONTHLY PROPOSED RATES
HCF = Hundred Cubic Feet

4/6/2021

	Rate (AG)		Rate (A)		Rate (B)	
	Base Rate	Water Rate (HCF)	Base Rate	Water Rate (HCF)	Base Rate	Water Rate (HCF)
Year #1						
Proposed Rates *	\$59.00	\$0.35	\$59.00	\$0.35	\$36.00	\$0.86
Proposed Fees:	<u>\$10.81</u>	<u>\$0.00</u>	<u>\$10.81</u>	<u>\$0.05</u>	<u>\$10.81</u>	<u>\$0.05</u>
Total Proposed:	\$69.81	\$0.35	\$69.81	\$0.40	\$46.81	\$0.91
Existing Rates & Fees +/- **:	\$30.34	\$0.28	\$28.87	\$0.91	\$28.87	\$0.91
Existing Ag with Residence +/-:	\$51.28	\$0.28				
Years 2-5 are increased for inflation not to exceed 1.9% per year, as per the CCI index.*						
Year #2						
Proposed Rates	\$60.12	\$0.36	\$60.12	\$0.36	\$36.68	\$0.88
Proposed Fees:	<u>\$10.81</u>	<u>\$0.00</u>	<u>\$10.81</u>	<u>\$0.05</u>	<u>\$10.81</u>	<u>\$0.05</u>
Total Proposed:	\$70.93	\$0.36	\$70.93	\$0.41	\$47.49	\$0.93
Year #3						
Proposed Rates	\$61.26	\$0.36	\$61.26	\$0.36	\$37.38	\$0.89
Proposed Fees:	<u>\$10.81</u>	<u>\$0.00</u>	<u>\$10.81</u>	<u>\$0.05</u>	<u>\$10.81</u>	<u>\$0.05</u>
Total Proposed:	\$72.07	\$0.36	\$72.07	\$0.41	\$48.19	\$0.94
Year #4						
Proposed Rates	\$62.43	\$0.37	\$62.43	\$0.37	\$38.09	\$0.91
Proposed Fees:	<u>\$10.81</u>	<u>\$0.00</u>	<u>\$10.81</u>	<u>\$0.05</u>	<u>\$10.81</u>	<u>\$0.05</u>
Total Proposed:	\$73.24	\$0.37	\$73.24	\$0.42	\$48.90	\$0.96
Year #5						
Proposed Rates	\$63.61	\$0.38	\$63.61	\$0.38	\$38.81	\$0.93
Proposed Fees:	<u>\$10.81</u>	<u>\$0.00</u>	<u>\$10.81</u>	<u>\$0.05</u>	<u>\$10.81</u>	<u>\$0.05</u>
Total Proposed:	\$74.42	\$0.38	\$74.42	\$0.43	\$49.62	\$0.98

* Rates will be increased each year for five years for inflation using the CCI Index - increases must meet Prop 218 requirements.

** The existing Ag rates are based on a parcel size of 5-10 acres; the existing Domestic Rates are based on water usage at 9-15 HCF per month.

Fees: Fees listed below may or may not need to be adjusted yearly to equal the exact cost to the District.

- Existing Filter Plant 30-year Loan Repayment: \$7.55/month
- Existing Backwash 30-Year Pond Loan Repayment: \$0.38/month
- Existing CVP Restoration (Wildlife) Fee: \$0.05/HCF on Domestic Customers. Ag Customers are Exempt.
- Proposed WIIN Act Fee Estimate: \$1.88/month. This fee will be adjusted to the exact cost to the District.
- Proposed Loan Repayment Estimate for pond lining, 6,000' of pipeline replacement, and 400 new meter installation: \$1.00 per month, this fee is to be adjusted to the exact cost to the District