

Sonoma County Service Area #41 (CSA #41)



**Water Rate Review for
Freestone and Jenner
November 2, 2021**

CSA #41 Zones of Benefits



FREESTONE

28 Connections

JENNER

123 Connections

Frequency of Rate Analysis

- Water rates are analyzed every five years and approved by the Board through a Proposition 218 process.
- This ensures rates are equitable and sufficient to fund water utility operations and capital improvements in order to continue to provide water service in a manner that complies with safe drinking water laws.

NBS Proposition 218 Rate Study 2016

- On December 8, 2015, the Board executed an agreement with NBS Government Finance Group, Inc. to independently assess and evaluate each of the four zones, of CSA 41, existing financial situations and provide recommendations on water rates that would provide each zone with financial stability.

Proposed Rate Adjustment: Jenner

- County staff reviewed financial projections and proposed rates with the Jenner Community.
- County staff proposes the following adjustments to the rate structure:
 1. Consolidate commercial and residential base meter rates
 2. Establish tiered water rates to equitably distribute the cost of high water use by customers to operating the system
 3. New property tax assessment fee for the purchase of new water meters

Jenner Proposed Rates

CSA #41 Jenner Monthly Rates	Current Fiscal Year 21-22	Proposed Tiered Restructure	Proposed 2% increase (effective 7/1/22)	Proposed 2% increase (effective 7/1/23)	Proposed 2% increase (effective 7/1/24)	Proposed 2% increase (effective 7/1/25)
Residential Meter Charge						
5/8" meter	\$ 63.24	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98
1" meter	\$ 153.34	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98
1-1/2" meter	\$ 303.53	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98
2" meter	\$ 483.76	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98
Commercial Meter Charge			\$ -	\$ -	\$ -	\$ -
5/8" meter	\$ 261.62	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98
1" meter	\$ 648.97	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98
1-1/2" meter	\$ 1,294.76	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98
2" meter	\$ 2,069.73	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98
Water Usage Charges						
per 1,000 gallons of water	\$ 10.73	\$ -	\$ -	\$ -	\$ -	\$ -
per 1,000 gallons, up to 5,000 gallons	\$ -	\$ 6.16	\$ 6.28	\$ 6.41	\$ 6.54	\$ 6.67
per 1,000 gallons, above 5,000 gallons	\$ -	\$ 21.19	\$ 21.61	\$ 22.05	\$ 22.49	\$ 22.94

Note: Rates do not include the annual inflationary increase that will be extended by the Proposed Ordinance. The CPI has not yet been published by the Bureau of Labor Statistics as of the preparation of this notice.

- Board Questions for Jenner
- Chair to Open the Public Hearing
- Close Public Hearing for Tally of any Rate Protest

Proposed Rate Adjustment: Freestone

- County staff reviewed financial projections and proposed rates with the Freestone Community.
- County staff proposes the following adjustments to the rate structure:
 1. Consolidate the base meter charge for various meter sizes
 2. Adjust tiered rates to equitably distribute the cost of high water use by customers to operating the system
 3. Residential customers (tier 1) will see on average a 9 percent overall adjustment to monthly billing effective January 1, 2022, followed by annual CPI adjustments and up to an additional 4% discretionary increase based on a financial review by staff.

Freestone Proposed Rates

CSA #41 Freestone Monthly Rates	Current Fiscal Year 21-22	Proposed increase (effective 1/1/22)	Proposed 4% increase (effective 7/1/22)	Proposed 4% increase (effective 7/1/23)	Proposed 4% increase (effective 7/1/24)	Proposed 4% increase (effective 7/1/25)	Proposed* 4% increase (effective 7/1/26)
Base Rate (Meter Charge)							
5/8" meter	\$ 76.84	\$ 77.00	\$ 80.08	\$ 83.28	\$ 86.61	\$ 90.08	\$ 93.68
1" meter	\$ 79.44	\$ 77.00	\$ 80.08	\$ 83.28	\$ 86.61	\$ 90.08	\$ 93.68
1-1/2" meter	\$ 82.05	\$ 77.00	\$ 80.08	\$ 83.28	\$ 86.61	\$ 90.08	\$ 93.68
2" meter	\$ 84.65	\$ 77.00	\$ 80.08	\$ 83.28	\$ 86.61	\$ 90.08	\$ 93.68
Water Usage (per 1,000 gallons consumed)							
1 to 6,000	\$ 27.80	\$ 32.03	\$ 33.31	\$ 34.64	\$ 36.03	\$ 37.47	\$ 38.97
6,001 to 12,000	\$ 30.50	\$ 39.53	\$ 41.11	\$ 42.76	\$ 44.47	\$ 46.24	\$ 48.09
Over 12,000	\$ 42.50	\$ 48.96	\$ 50.92	\$ 52.96	\$ 55.07	\$ 57.28	\$ 59.57

Note: Rates do not include the annual inflationary increase that will be extended by the Proposed Ordinance. The CPI has not yet been published by the Bureau of Labor Statistics as of the preparation of this notice.

- Board Questions for Freestone
- Chair to Open the Public Hearing
- Close Public Hearing for Tally of any Rate Protest