

# Sonoma County Service Area #41 (CSA #41)



**Water Rate Review for  
Fitch Mountain and Salmon Creek  
November 2, 2021**

# CSA #41 Zones of Benefits



## SALMON CREEK

99 Connections

## FITCH MOUNTAIN

334 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.
- Due to a majority protest from the Salmon Creek Community at the September 13, 2016 Public Hearing, the County did not implement NBS proposed rates for Salmon Creek.

# Rate Adjustments Salmon Creek

- County staff reviewed financial projections and proposed rates with the Salmon Creek Community.
- At a minimum, an annual inflationary increase will be assessed on monthly fees as well as other system fees, such as water connection fees, administrative fees, etc.
- The current rate structure will be subject to a potential rate increase of up to three percent (3%) per year over a five-year period. The rate increase would be applied if warranted after a financial review by County staff.

# Salmon Creek Proposed Rates

| CSA #41 Salmon Creek<br>Monthly Rates                        | Current<br>Fiscal Year<br>21-22 | Proposed 3%<br>increase<br>(effective<br>7/1/22) | Proposed 3%<br>increase<br>(effective<br>7/1/23) | Proposed 3%<br>increase<br>(effective<br>7/1/24) | Proposed 3%<br>increase<br>(effective<br>7/1/25) | Proposed 3%<br>increase<br>(effective<br>7/1/26) |
|--|---------------------------------|--|--|--|--|--|
| <b>Base Rate (Meter Charge)</b>                              |                                 |  |  |  |  |  |
| 5/8" meter   | \$ 71.85                        | \$ 74.01   | \$ 76.23   | \$ 78.51   | \$ 80.87   | \$ 83.29   |
| 1" meter   | \$ 74.63                        | \$ 76.87   | \$ 79.18   | \$ 81.55   | \$ 84.00   | \$ 86.52   |
| 1-1/2" meter   | \$ 78.36                        | \$ 80.71   | \$ 83.13   | \$ 85.63   | \$ 88.19   | \$ 90.84   |
| 2" meter   | \$ 82.05                        | \$ 84.51   | \$ 87.04   | \$ 89.65   | \$ 92.34   | \$ 95.11   |
| <b>Water Usage Charges (per<br/>100 cubic feet consumed)</b> |                                 |  |  |  |  |  |
| 1 to 2,000 cf.   | \$ 15.46                        | \$ 15.92   | \$ 16.40   | \$ 16.89   | \$ 17.40   | \$ 17.92   |
| 2,001 to 2,700 cf.   | \$ 19.45                        | \$ 20.03   | \$ 20.63   | \$ 21.25   | \$ 21.89   | \$ 22.54   |
| Over 2,700 cf.   | \$ 34.63                        | \$ 35.67   | \$ 36.74   | \$ 37.84   | \$ 38.98   | \$ 40.15   |

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

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

# Rate Adjustments Fitch Mountain

- County staff reviewed financial projections and rates with the Fitch Mountain Community.
- The current rate structure will remain unchanged, but will include an annual inflationary increase based on CPI assessed on monthly fees as well as other system fees, such as water connection fees, administrative fees, etc.



# Fitch Mountain Proposed Rates

| CSA #41 Fitch Mountain Monthly Rates | Current Fiscal Year 21-22 | Estimated 2% increase (effective 7/1/2022) | Estimated 2% increase (effective 7/1/2023) | Estimated 2% increase (effective 7/1/2024) | Estimated 2% increase (effective 7/1/2025) | Estimated 2% increase (effective 7/1/2026) |
|--------------------------------------|---------------------------|--|--|--|--|--|
| <b>Base Rate (Meter Charge)</b>      |                           |  |  |  |  |  |
| 5/8" meter                           | \$ 50.28                  | \$ 51.28                                   | \$ 52.31                                   | \$ 53.36                                   | \$ 54.42                                   | \$ 55.51                                   |
| 1" meter                             | \$ 117.18                 | \$ 119.52                                  | \$ 121.91                                  | \$ 124.35                                  | \$ 126.84                                  | \$ 129.38                                  |
| 1-1/2" meter                         | \$ 228.68                 | \$ 233.26                                  | \$ 237.92                                  | \$ 242.68                                  | \$ 247.53                                  | \$ 252.48                                  |
| 2" meter                             | \$ 362.49                 | \$ 369.74                                  | \$ 377.13                                  | \$ 384.67                                  | \$ 392.37                                  | \$ 400.21                                  |
| <b>Water Usage</b>                   |                           |  |  |  |  |  |
| per 1,000 gallons of water consumed  | \$ 13.09                  | \$ 13.35                                   | \$ 13.62                                   | \$ 13.89                                   | \$ 14.17                                   | \$ 14.46                                   |

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

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