
CSA 16 Water System – Proposed Rate Increase

WHAT WILL ADDITIONAL \$45 A MONTH (Average) PAY FOR?

This increase will provide an additional \$180,000 per year for the following:

Operations and Maintenance - Increasing operation and maintenance needs/cost of aging infrastructure (+\$107,500 annually)

- Improved Routine Maintenance - More time for operators to perform system checks (+4 hours per week) allows operators to catch problems before they become bigger problems. This includes driving the system to check for leaks, tank inspections, adjustment of chemicals, pump maintenance, and water sampling to address changing regulations and inflation over time on materials equipment, parts and labor since 1994. **~\$42,000**
- Preventative Maintenance - Perform annual exercising of valves to keep them operational, Maintenance of Fire Hydrants to ensure they function when needed System flushing to remove buildup of sediments maintain safe drinking water quality **~\$45,500**
- Non- Scheduled Repairs - Implement increasing number of *emergency* line repairs due to aging pipelines **~\$20,000**

State Water Increases (+\$60,000 annually)

State Water Costs have been on the rise since 2015, they have increased from \$63,000/year to an anticipated \$123,000/year for CSA 16's annual allocation of 100 Acre-Feet. These costs are dictated by the State Department of Water Resources.

Loan Payments (+\$12,500 annually)

- Payment of loan debt improves the financial status of the system allowing CSA 16 to be more eligible for loans and grants.
- Current loan will be paid off in 2033

Rate Increase Information

OPTION 1

	Current Bi-Monthly Rate	Increase to Current Rate	New Bi-Monthly Rate
Minimum Charge	\$71.67	\$61.54	\$133.21
Usage Charges			
0 to 10 CCF	\$0	\$1.56	\$1.56
11 to 16 CCF	\$4.30	\$1.56	\$5.86
> 16 CCF	\$5.74	\$1.56	\$7.30

OPTION 2

	Current Bi-Monthly Rate	Increase to Current Rate	New Bi-Monthly Rate
Minimum Charge	\$71.67	\$43.96	\$115.63
Usage Charges			
0 to 10 CCF	\$0	\$2.60	\$2.60
11 to 16 CCF	\$4.30	\$2.60	\$6.90
> 16 CCF	\$5.74	\$2.60	\$8.34

The average customer's water bill will increase by \$45 a month.

Option 1: Higher water users have less cost increase

Option 2: Lowest water users have less cost increase

Why is a rate increase needed?

1. There has not been a rate increase to pay for Shandon's CSA 16 system operations and maintenance since 1995
2. Costs have increased significantly due to inflation and the aging system, which is nearly 50 years old.
3. There is not enough budget to do more than basic operations. Preventative maintenance cannot be done with the current funds.
4. Operating the system currently costs more than is collected in water sales. It must get to a balanced budget.

What will a rate increase pay for?

1. Better routine operations and maintenance: allow staff more time to work in Shandon keeping the system running well.
2. Complete preventative maintenance: complete scheduled services to equipment to help them run longer (similar to changing the oil or air filter in your car).
3. Budget funds for emergency repairs, such as a leak or broken valve.
4. Pay for State Water obligations of current project loan and increased delivery costs

How much will typical water uses cost with the increased rates?

Gallon of safe drinking water delivered to your faucet	\$ 0.02
Toilet flush	\$ 0.03
5 minute shower (1.5 gallon/minute showerhead)	\$ 0.15
Clothes washer load (top loader)	\$ 0.67
Clothes washer load (front loader)	\$ 0.37
Water 1,500 sq foot lawn one time	\$ 3.50