

SUMMARY EXPLANATION OF CSA 16 (SHANDON) WATER RATES

The Department of Public Works provides water service within a designated service area in the community of Shandon.

The Board of Supervisors approved rate increase on March 24, 2020, following a public hearing to consider protest votes and finding there was no majority protest. After five community meetings with the Shandon Area Advisory Council, and water customers, in 2019 on: February 6, August 7, October 23, November 6 and December 3 and on January 8th in 2020, the rate ordinance was introduced at the January 28, 2020 Board of Supervisors meeting, and a public notice was sent to all water customers. The meetings and public notice provided information about the rate increase as well as information on how to submit a protest of the rate increase.

Due to Covid, the rate increase was not enacted until June 22, 2021, with the new rates taking effect July 1, 2021. The rate increase provides approximately \$180,000 in additional revenue for:

- Operations and Maintenance (O&M)
- Funding for increasing costs of State Water
- Funding to pay existing loan debts

An explanation of costs is on the reverse. Without this rate increase, we would not be able to accomplish the basic operation and maintenance needed. We can now implement deferred maintenance such as replacing meters, exercising valves and flushing the system, replacing isolation valves, and replacing wharf heads with standard fire hydrants.

What is Public Works doing to offset system costs?

The system is over 50 years old with critical infrastructure improvement needs. Future rate increases will be needed to implement needed capital improvements; however, impacts will be reduced through current funding programs and management tools.

Proposition 1 Program – We received free technical assistance from the Rural Community Assistance Corporation (RCAC). As soon as April 2022, approximately \$500,000 in Proposition 1 funds could be awarded via the State Water Resources Control Board to perform the engineering associated with needed water system improvement projects. This grant will provide funding to prepare construction plans for projects like a new water storage tank and water line upgrades.

ARPA, American Rescue Plan Act of 2021 - To offset construction implementation costs for needed infrastructure, the County Board of Supervisors has prioritized the Shandon community and designated \$4.5M of the funding allocated to our County from the American Rescue Plan Act (ARPA). This funding will be used to upgrade water lines and add a second water storage tank which will improve firefighting capabilities and ensure an additional 50 years of service life for your system's critical assets. These improvements are expected to be completed by 2026 using the ARPA funds with no additional impact to you.

Small Community Drought Relief - The purpose of the Small Community Drought Relief Program is to provide immediate and near-term financial and technical support to help small communities survive this and future droughts.

Water Management Tools - The water management tools will provide public water agencies more flexibility to sustainably manage their SWP water supplies. This will provide the County with the tools needed to temporarily sell CSA 16 SWP supply to offset costs to you.

COSTS EXPLAINED:

The water service cost has two components – a higher basic bi-monthly charge and a per CCF unit charge and is described below. This rate structure is less dependent on customer water use since most of the increase was to the base rate. The higher base rate creates rate stability when customers use less water, like in current drought conditions, providing a consistent revenue to perform critical routine operations and maintenance on the system.

“Basic Bi-Monthly Charge”: The Service Charge is a flat rate charge set for each account or dwelling and is billed every other month.

“Per CCF Unit Charge”: The CCF unit charge is variable, has three tiered levels, and reflects actual water usage. The charge for water is based on the amount of water used, measured in 100 cubic feet. CCF is Hundred Cubic Feet or 748 gallons.

5 Year Summary of the 3% Yearly Inflation Increase

	New Bi-Monthly Rate	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Minimum Charge	\$133.21	\$137.21	\$141.32	\$145.56	\$149.93	\$154.43
0-10 CCF	\$1.56	\$1.61	\$1.66	\$1.70	\$1.76	\$1.81
11-16 CCF	\$5.86	\$6.04	\$6.22	\$6.40	\$6.60	\$6.79
>16 CCF	\$7.30	\$7.52	\$7.74	\$7.98	\$8.22	\$8.46

Beginning July 1, 2021, and on July 1st every year thereafter until five years from the Ordinance Approval, the above charges for the Basic Bi-monthly Minimum Charge and Usage charge shall be increased by 3% for inflation.

Contact Us

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<https://www.slocounty.ca.gov/Departments/Public-Works/Committees-Programs/County-Service-Areas/CSA-16-Shandon.aspx>