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Linden County Water District Rate Study Information Sheet

About the Rate Study Process

Linden County Water District (LCWD) initiated a cost of service fee study for water and wastewater services to achieve the following:

- help identify budget deficiencies,
- identify and prioritize future capital improvement projects,
- ensure revenue sufficiency in the future, and
- demonstrate compliance with State law for rate-setting.

The last rate study was completed in 2015, at which time, the Board adopted two ordinances that set rates for water and wastewater for a 5-year period. The current rate structure has been in place since June 2015 with the last increase in July 2019.

The District's primary income source comes from monthly water and sewer service fees, which are used to fund the overall operations and maintenance of the water and wastewater systems, as well as rehabilitation and improvement of the District's water and wastewater infrastructure.

The rate study examined several factors when evaluating utility rates:

- Customer usage patterns over the last three years
- Customer type (residential, commercial, schools)
- General operating expenses
- Planned capital improvement projects
- Financial projections for operations, capital and operating reserves, and credits
- Projected cash flow
- Projected revenue requirements

Water-at-a-Glance

There are several capital improvement projects (CIPs) planned to take place in the next six years. Projects include well upgrades, new pipeline installation, fire hydrant replacement, water service replacement in specific areas, and a water tank project.

The CIPs will be funded through cash reserves and water rates, as well as a bank loan for the tank project.

Water rates are being explored using the same base criteria: User type (all residential, commercial, schools); base allowance in HCF (748 gallons = 1 HCF); and use charge per HCF over base allowance; however, modifications to the rate structure may be proposed by the rate consultant.

Wastewater-at-a-Glance

Wastewater CIPs over the next six years include improvements to the collection system and lift station, and rehabilitation work at the wastewater treatment plant.

The CIPs will be funded through cash reserves and wastewater rates.

Wastewater may see some changes in customer categories, which would simplify the rate structure. All customers, residential and commercial including schools, will be charged based on the number of wastewater accounts and estimated contribution of effluent flow to the wastewater treatment plant. The majority of customers (84%) are residential.

Next Steps

The rate study report is under development and a draft will be shared with the LCWD Board on Thursday, September 17, 2020 at 6 p.m. at a virtual meeting.

LCWD will host a public workshop on Thursday, October 1 at 6 p.m. Due to public gathering restrictions for COVID-19, the workshop will be held virtually unless otherwise noticed.

A final rate study presentation will be given to the LCWD Board on Thursday, October 15 at 6 p.m. Should the LCWD Board authorize staff to move forward with the proposed rate changes and increases, a Proposition 218 notice will be distributed to all LCWD customers following Proposition 218 guidelines.

A public hearing to adopt the proposed rates will be held on Thursday, December 10 at 6 p.m.

Public Involvement

All LCWD board meetings are open to the public should there be interested parties who wish to hear presentations, information, and discussions about the cost of service and rate study. The current agenda with information about how to join via desktop, mobile device or phone, or attend the board meetings may be found on the **Homepage** at www.lindencwd.com.

Participate in the public workshop on October 1, 2020 at 6 p.m. by joining via desktop, mobile device or phone. Detailed instructions will be posted at www.lindencwd.com under the **Rates** tab. Virtual access details to join:

Topic: Linden County Water District Rate Study Workshop

Time: Oct 1, 2020 06:00 PM Pacific Time

Join Zoom Meeting

<https://us02web.zoom.us/j/88180043577?pwd=cXJ6ZlZCVGJlL1ZQSEJFWVlVYnBJQT09>

Meeting ID: 881 8004 3577

Passcode: 287801

One tap mobile

+16699009128,,88180043577#,,,,,0#,,287801# US (Local)

Dial by your location

+1 669 900 9128 US (Local)

Find your local number: <https://us02web.zoom.us/j/88180043577?pwd=cXJ6ZlZCVGJlL1ZQSEJFWVlVYnBJQT09>

Watch your mail for the Proposition 218 notice about the proposed rate changes and increases. The notice will provide details about the proposed new rates, rate charts, how to protest, and information about the public hearing on Thursday, December 10 at 6 p.m.

Interested parties may submit questions to info@lindencwd.com or call the office at (209) 887-3216.