



**North Tahoe
Public Utility District**

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Notice of Proposed Increases to North Tahoe Public Utility District Water and Wastewater Rates

The North Tahoe Public Utility District Board of Directors is considering increases to its sewer and water monthly services charges and water consumption rates. Consistent with the requirements of Proposition 218, all property owners are being notified of the proposed rate increases. Any written protests to the proposed rate increases must be submitted to the District no later than October 16, 2007 by noon.



An old, leaky and undersized water pipe.

Much of our existing infrastructure is approaching its service life and must be replaced. The District has adopted a 5 Year Focus Capital Improvement Program which is currently underway. To continue planned replacement at a prudent pace, it is necessary to increase rates. District sewer rates are partially supported by property taxes. The water utility relies exclusively on the revenue derived from customer charges, there is no property tax support for water operations. As a public agency, by state law, the District may not collect more revenue than is necessary to recover annual costs of providing the utility services, including infrastructure replacement.

Important Note:

There are two private water companies, Agate Bay Water Company and Fulton Water Company, that operate within the boundaries of the NTPUD. If you are served by either of these companies, you will only be impacted by the sewer rate increase.

The District's proposed adjustment to base monthly sewer and water service charges is triggered by many existing factors including:

- the escalation in the cost of construction materials such as steel, PVC pipe, concrete, copper, and petroleum product costs for infrastructure replacement and operations
- rising chemical supply costs
- significant increase in electricity costs
- spike in fuel prices
- labor, benefit and medical insurance premium costs
- stringent State Regional Water Quality Board and Department of Public Health standards

Capital Projects are the focus for raising water and sewer rates.

The District's proposed system replacement fee will provide a dedicated funding source to implement the District's "Five Year Focus" capital infrastructure program for water and wastewater.

Specific projects include an average expenditure of \$800,000 per year in water line replacement projects to address aging and leaking water lines, to provide fire flow improvements, and the construction of additional water storage to meet customer needs and improve fire protection capabilities.



Notice of Proposed Increases to the North Tahoe Public Utility District's Water & Sewer Rates

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Installation of the new water pipe on Beaver Street, the 2007 Capital Improvement Project.

The NTPUD has a very old utility system with over 49 miles of water distribution pipelines, some of which were originally built to serve summer seasonal cabins. Many existing water lines are undersized and do not meet industry standards nor provide reliable flows for modern fire protection. Also, many water lines are located in backyard easements which limit accessibility by crews for maintenance and repair and do not allow for placement of fire hydrants along these lines. Existing water storage does not meet current industry standards based on user demand and fire flow protection requirements. *The District is considering a \$20.00 per month water system replacement fee which would be earmarked only for capital construction projects.*

The NTPUD sewer system has over 77 miles of collection mains and 6 miles of force main from Secline Avenue up to Dollar Hill with four primary pump stations to move sewage to the Tahoe Truckee Sanitation Agency (TTSA) facility in Truckee. The District's "Five Year Focus" includes the expenditure of \$1.2 million a year to provide for the rehabilitation of the four pump stations, which date back to 1969, with modern pump technology sized to current sewer

flow, redundant emergency back up power supply, televising the force main to begin evaluation and planning for future replacement of the force main as appropriate based on actual condition of the line, and replacement of aging gravity sewer collection lines, laterals and manholes. *The District is considering a \$7.50 per month sewer system replacement fee which would be earmarked only for capital construction projects.*

The District must replace or retrofit most of its existing diesel heavy equipment fleet, permanent and portable emergency generators used to power our sewer and water pump stations and water treatment plant when there is a loss of electricity. The cost to comply with new State of California Air Quality Control Standards is estimated at \$1.5 million. Failure to comply exposes the District to fines of up to \$1,000 per day. *To fund this unscheduled equipment replacement, the District is considering implementing a State/Federal Mandate Fee of \$1.41 per month for each water and sewer account for a 10 year period.*

What are the proposed rates and who pays for what? The proposed water and sewer rates for the next three years are shown in detail in the charts following.

The average single family residential sewer amount will increase to \$17.66 as of December 1, 2007; to \$18.31 as of January 1, 2009; and \$19.06 as of January 1, 2010.



Installation of a new sewer line and manhole on Bay Street.

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Current and Proposed Residential Sewer Base Charges

	Current Monthly Residential Charge	Proposed Monthly Charges Effective December 1, 2007 (6% Adjustment)	Proposed Monthly Charges Effective January 1, 2009 (4% Adjustment)	Proposed Monthly Charges Effective January 1, 2010 (4.5% Adjustment)
Base Service Rates	\$8.25	\$8.75	\$9.10	\$9.50
System Replacement Fee		\$7.50	\$7.80	\$8.15
State/Federal Mandate Fee		\$1.41	\$1.41	\$1.41
Total	\$8.25	\$17.66	\$18.31	\$19.06

Proposed Commercial Sewer Rates

The proposed commercial sewer rate adjustment is to eliminate the credit for commercial accounts that is currently in effect. There would be no rate increase, per se, however there will be an increase in commercial bills due to the elimination of the credit. The exact amount of credit elimination is depending on the historical credit initially provided. Commercial rates will be based on the table below.

Type of Connection	Code	Unit	Monthly Charge Per Unit
MOTEL RES/STOCK COOP/STUDIO	A	LIVING UNIT	\$ 8.12
		NO. PLUMBING FIXTURE	
OTHER BUSINESS	B	UNITS	\$ 1.22
CHURCHES	C	NO. OF SEATS	\$ 0.12
		NO. PLUMBING FIXTURE	
OTHER BUSINESS (NON-TAXED)	E	UNITS	
RESTAURANTS & BARS	F	NO. SEATS INSIDE	\$ 0.94
		NO. SEATS OUTSIDE	\$ 0.31
		NO. PLUMBING FIXTURE	
MARKETS	G	UNITS	\$ 2.15
BARBER SHOPS	H	NO. SERVICE CHAIRS	\$ 3.23
		NO. PLUMBING FIXTURE	
SNACK BARS	J	UNITS	\$ 0.94
CAMPSITE WITH SEWER CONNECTION	K	NO. OF SITES	\$ 6.13
LAUNDRIES	L	NO. 10 LB MACHINES	\$ 5.02
MOTEL W/O KITCHEN/GUEST FACILITIES	M	LIVING UNIT	\$ 3.07
MOTEL WITH KITCHEN	N	LIVING UNIT	\$ 4.00
ANIMAL SHELTER	O		\$ 33.61
SERVICE STATIONS	P	NO. SERVICE BAYS	\$ 16.40
CAMPSITE W/O SEWER CONNECTION	Q	NO. OF SITES	\$ 5.36
THEATERS	T	NO. OF SEATS	\$ 0.12
SCHOOLS	U	NO. OF SEATS	\$ 0.02
BEAUTY SHOPS	V	NO. OF SERVICE CHAIRS	\$ 5.36
MARINA BOAT PUMPING FACILITY	X	EACH	\$ 10.62
SWIMMING POOLS	Y	PER POOL	\$ 2.44

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Current Wastewater (Sewer) Rates

Residential	R	Living Unit		\$8.25
Section B Commercial Rates				
Type of Connection	Code	Unit	Monthly Charge Per Unit	
MOTEL RES/STOCK COOP/STUDIO	A	LIVING UNIT	\$	8.12
OTHER BUSINESS	B	NO. PLUMBING FIXTURE UNITS	\$	1.22
CHURCHES	C	NO. OF SEATS	\$	0.12
OTHER BUSINESS (NON-TAXED)	E	NO. PLUMBING FIXTURE UNITS		
RESTAURANTS & BARS	F	NO. SEATS INSIDE	\$	0.94
		NO. SEATS OUTSIDE	\$	0.31
MARKETS	G	NO. PLUMBING FIXTURE UNITS	\$	2.15
BARBER SHOPS	H	NO. SERVICE CHAIRS	\$	3.23
SNACK BARS	J	NO. PLUMBING FIXTURE UNITS	\$	0.94
CAMPSITE WITH SEWER CONNECTION	K	NO. OF SITES	\$	6.13
		LAUNDRIES	\$	5.02
MOTEL W/O KITCHEN/GUEST FACILITIES	M	LIVING UNIT	\$	3.07
MOTEL WITH KITCHEN	N	LIVING UNIT	\$	4.00
ANIMAL SHELTER	O		\$	33.61
SERVICE STATIONS	P	NO. SERVICE BAYS	\$	16.40
CAMPSITE W/O SEWER CONNECTION	Q	NO. OF SITES	\$	5.36
		THEATERS	\$	0.12
SCHOOLS	U	NO. OF SEATS	\$	0.02
BEAUTY SHOPS	V	NO. OF SERVICE CHAIRS	\$	5.36
MARINA BOAT PUMPING FACILITY	X	EACH	\$	10.62
SWIMMING POOLS	Y	PER POOL	\$	2.44

Section B rates are subject to a credit based upon the number of Equivalent Single Family Units (ESFU's) existing on a parcel. The annual sewer rate shall be reduced by \$49.50 per ESFU provided that no rate shall be less than zero. ESFU's shall be determined by the following chart.

Type of Development	ESFU	Type of Development	ESFU
Residential, single family	1.00	Commercial, motels, 11-20 units	3.50
Residential, duplex or two residences	2.00	Commercial, motels, 21-75 units	5.00
Residential, triplex or three residences	3.00	Commercial, motels, over 75 units	15.00
Residential, condominium, single family	1.00	Commercial, restaurants, up to 25 seats	1.00
Residential, mobile home, outside MH park	1.00	Commercial, restaurants, over 25 seats	1.00 per 25 seats
Residential, mobile home, inside MH park	0.75	Commercial, retail store up to 1,000 sq. ft.	1.00
Residential, apartments, per unit	0.75	Commercial retail store over 1,000 sq. ft.	1.00 per 1,000 sq. ft.
Commercial, motels, up to 10 units	2.00	Commercial, general business	1.00

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The average single family water bill with no additional commodity charge will increase to \$59.88 as of December 1, 2007; to \$62.51 as of January 1, 2009; and to \$65.27 as of January 1, 2010. The amount of the water bill is dependent on the actual amount of water consumed.

The Board of Directors is considering under separate action, adoption of increased sewer and water connection fees that are paid by new customers connecting into the water and sewer systems. The Board is also considering implementation of a new Increased Capacity/Demand fee for water of up to \$8943.00 per single family residential unit to fund the costs of water improvements required by new development or redevelopment.

Rate increase approval process.

The NTPUD Board of Directors will hold a public hearing at the Board of Directors meeting to be held on **Tuesday, October 16, 2007** at the North Tahoe Community Conference Center at 6:00 pm. The Board will consider public comments, as well as any written protests, against the proposed water/sewer rate increases that were received prior to October 16, 2007. If you would like more information about the proposed rate increases and the District's "Five Year Focus" Capital Infrastructure program, please visit www.ntpud.org and click on proposed rate increase or call (530) 546-4212 during office hours. Please note that any rates or charges not specifically included in this notice will remain the same.

If you would like to file a written protest, please send a letter or post card addressed to: NTPUD Proposed Rate Increase, P.O. Box 139, Tahoe Vista, CA 96148. Per Proposition 218, your protest letter must identify the property you own by County Assessor's Parcel Number (APN), the owner(s) of the property, and it must be signed by at least one owner of record. The NTPUD must receive a protest letter or postcard no later than noon on October 16, 2007. All protest letters or postcards will be provided to the Board prior to or during the October 16, 2007 public hearing.

All persons wishing to be heard on this matter may be present at the public hearing. The Board of Directors, after the close of the public hearing, will establish the rates and charges for the remainder of 2007, 2008, and 2009, and 2010. Rates and charges may be less than, but may not exceed, the proposed increases set forth herein.



Fire hydrant installation will be a result of water system improvements. This new plug is being installed as part of the 2007 Beaver Street Project.



Many water lines in the District are old and have repair clamps installed that have fixed prior leaks.

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Current Water Charges			Proposed Monthly Base Rate Charge			Proposed Monthly System Replacement Fee			Proposed Monthly Federal/State Mandate Fee		
			Allowable Monthly Gallons Remains at 6000			Funds dedicated to capital projects			Funds dedicated to costs incurred by unreimbursed Federal/State mandates		
Meter Size	Monthly Gallons Allowed	Monthly Base Charge	Effective Dec 1, 2007 (No change)	Effective Jan 1, 2009 (4% Increase)	Effective Jan 1, 2010 (4.5% Increase)	Effective Dec 1, 2007 New Fee	Effective Jan 1, 2009 (4% Increase)	Effective Jan 1, 2010 (4.5% Increase)	Effective Dec 1, 2007 New Fee	Effective Jan 1, 2009	Effective Jan 1, 2010
Single Family Residence											
Any Meter Size	6,000	\$38.47	\$38.47	\$40.20	\$42.02	\$20.00	\$20.80	\$21.84	\$1.41	\$1.41	\$1.41
All Others											
3/4" and 5/8"	6,000	\$34.69	\$34.69	\$36.25	\$37.88	\$20.00	\$20.80	\$21.74	\$1.41	\$1.41	\$1.41
1"	10,500	\$60.72	\$60.72	\$63.45	\$66.31	\$31.58	\$32.84	\$34.32	\$1.41	\$1.41	\$1.41
1 1/2"	27,000	\$156.16	\$156.16	\$163.19	\$170.53	\$81.20	\$84.45	\$88.25	\$1.41	\$1.41	\$1.41
2"	40,890	\$235.96	\$235.96	\$246.58	\$257.67	\$122.70	\$127.61	\$133.35	\$1.41	\$1.41	\$1.41
3"	72,000	\$416.41	\$416.41	\$435.15	\$454.73	\$216.53	\$225.19	\$235.32	\$1.41	\$1.41	\$1.41
4"	112,200	\$648.93	\$648.93	\$678.13	\$708.65	\$337.44	\$350.94	\$366.73	\$1.41	\$1.41	\$1.41

Sample Residential Water Bill				
	Current Monthly Residential Charge	Proposed Monthly Charges Effective Dec 1, 2007 (6% Adjustment)	Proposed Monthly Charges Effective Jan 1, 2009 (4% Adjustment)	Proposed Monthly Charges Effective Jan 1, 2010 (4.5% Adjustment)
Base Service Rates	\$38.47	\$38.47	\$40.20	\$42.02
System Replacement Fee		\$20.00	\$20.90	\$21.84
State/Federal Mandate Fee		\$1.41	\$1.41	\$1.41
Total	\$38.47	\$59.88	\$62.51	\$65.27

Current Monthly Water Charges for Metered Use over Monthly Gallons Allowed					
	Gallons Allowed	Tier One Gallons Used over Allowance	Tier 1 Rate Per 1000 Gallons	Tier Two Gallons Used	Tier Rates per 1000 Gallons
Single Family Residential					
Any Meter Size	6,000	Through 60,000	Tier 1 \$2.58	Over 60,000	Tier 2 \$4.40
All Others by Meter Size					
3/4" and 5/8"	6,000	Through 60,000	Tier 1 \$2.58	Over 60,000	Tier 2 \$4.40
1"	10,500	65,640	\$2.58	65,640	\$4.40
1 1/2"	27,000	135,000	\$2.58	135,000	\$4.40
2"	40,890	153,000	\$2.58	153,000	\$4.40
3"	72,000	180,000	\$2.58	180,000	\$4.40
4"	112,200	280,500	\$2.58	280,500	\$4.40

Proposed Monthly Water Charges for Metered Use over Monthly Gallons Allowed									
	Gallons Allowed	Tier One gallons used over allowance	Tier Two Gallons Used	Tier Rates per 1000 Gallons Effective December 1, 2007		Tier Rates per 1000 Gallons Effective January 1, 2009		Tier Rates per 1000 Gallons Effective January 1, 2010	
Single Family Residential									
Any Meter Size	6,000	Through 40,500	Over 40,500	Tier 1 \$2.73	Tier 2 \$4.66	Tier 1 \$2.89	Tier 2 \$4.94	Tier 1 \$3.06	Tier 2 \$5.24
All Others by Meter Size									
3/4" and 5/8"	6,000	Through 40,500	Over 40,500	\$2.73	\$4.66	\$2.89	\$4.94	\$3.06	\$5.24
1"	10,500	45,750	45,750	\$2.73	\$4.66	\$2.89	\$4.94	\$3.06	\$5.24
1 1/2"	27,000	115,500	115,500	\$2.73	\$4.66	\$2.89	\$4.94	\$3.06	\$5.24
2"	40,890	133,500	133,500	\$2.73	\$4.66	\$2.89	\$4.94	\$3.06	\$5.24
3"	72,000	160,500	160,500	\$2.73	\$4.66	\$2.89	\$4.94	\$3.06	\$5.24
4"	112,200	260,500	260,500	\$2.73	\$4.66	\$2.89	\$4.94	\$3.06	\$5.24

Multiple Residential Properties (MRP) - Properties containing only residential uses (residences with guest houses, duplexes, triplexes, apartments, mobile homes, parks and similar uses). Each Multiple Residential Property is charged the monthly base charge applicable to the meter size serving the property, together with the Monthly Supplemental Charge times the number of residential units on the property. The entire property is allowed only one monthly gallonage allowance applicable to the meter size serving the property. The entire property is subject to overage charges applicable to the meter size serving the property.

Current Monthly MRP Properties Rates	Proposed Monthly MRP Rates Effective Dec 1, 2007 (6% Increase)	Proposed Monthly MRP Rates Effective Jan 1, 2009 (6% Increase)	Proposed Monthly MRP Rates Effective Jan 1, 2010 (6% Increase)
\$8.64	\$9.16	\$9.71	\$10.29

Private Fire Protection System (PFPS) - Fire Service systems shall be charged a monthly rate per inch of fire protection service line into the property.

Current Monthly PFPS Rates	Proposed Monthly PFPS Rates Effective December 1, 2007 (6% Increase)	Proposed Monthly PFPS Rates Effective January 1, 2009 (6% Increase)	Proposed Monthly PFPS Rates Effective January 1, 2010 (6% Increase)
\$3.02 per inch	\$3.20 per inch	\$3.39 per inch	\$3.60 per inch

Fire Hydrant (FH) - Charge for fire hydrants installed on District lines located within County or State Highway right-of-ways.

Current Monthly FH Rates	Proposed Monthly FH Rates Effective Dec 1, 2007 (6% Increase)	Proposed Monthly FH Rates Effective Jan 1, 2009 (6% Increase)	Proposed Monthly FH Rates Effective Jan 1, 2010 (6% Increase)
\$2.17	\$2.30	\$2.44	\$2.58

Common Area Water Meter Rates (CAWM) - Multiple Unit development areas in common ownership with no residential or commercial use, shall be billed a monthly base rate regardless of meter size. There is no allowable water included within the base rate.

Current Monthly CAWM Rates	Proposed Monthly CAWM Rates Effective Dec 1, 2007 (6% Increase)	Proposed Monthly CAWM Rates Effective Jan 1, 2009 (6% Increase)	Proposed Monthly CAWM Rates Effective Jan 1, 2010 (6% Increase)
\$11.62	\$12.32	\$13.06	\$13.84