



City of Angels

Investing in Our Community's Future

Water & Wastewater Rate Study Workshop

City Council Special Meeting, January 29, 2025

Welcome and thank you for attending!

The City of Angels is conducting a Proposition 218 Water & Wastewater Rate Study to ensure reliable and sustainable services.

Our goal is to provide transparency and answer your questions about the proposed changes.

Tonight, we will cover:

- Planned capital improvement projects for water and wastewater systems.
- How rate adjustments will support infrastructure and ongoing operations.
- A rate comparison and potential impact on monthly bills.
- Financial overview focusing on the cost of operations.

Why Are We Here?

Decision-Making Process for Rate Increases:

- The City conducts a comprehensive review of expenditures, capital projects, and water consumption every five years through an independent consultant.
- Over three Council meetings, proposed rate increases were adjusted from 5% for both water and wastewater to 3% for water and 2% for wastewater, addressing Council's concerns about affordability.
- Discussions included:
 - UWPA rates.
 - Reserve account analyses.
 - Consultant scenarios for funding large capital projects using debt. However, these scenarios were not pursued due to increased revenue requirements for debt service.

Legal Requirements (Proposition 218)

Procedural

Must mail a notice of the proposed rate increases to all affected property owners.

Must hold a public hearing prior to adopting the proposed rate increases not less than 45 days after the required notices are mailed.

Substantive

The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.

Revenues derived from the fee or charge cannot exceed the funds required to provide the service.

Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.

Overview of a Rate Study Under Proposition 218

Purpose of a Water & Wastewater Rate Study

- A rate study evaluates the financial needs of a utility system to ensure:
 - Long-term financial sustainability.
 - Compliance with state and federal regulations.
 - Fair and equitable distribution of costs among ratepayers.
 - Adequate funding for operations, maintenance, and infrastructure improvements.

Key Components of a Rate Study

- 1. Cost of Service Analysis** – Determines the actual cost to provide water and wastewater services, including treatment, delivery, and administration.
- 2. Revenue Requirements** – Assesses current and future costs, such as operating expenses, capital improvements, and debt service.
- 3. Rate Design & Structure** – Develops a fair and legally defensible rate structure that aligns with customer usage patterns.
- 4. Capital Improvement Plan (CIP) Funding** – Identifies necessary infrastructure projects and how rate increases will fund them over time.

Prop 218 Public Notice & Approval Process

- **Public Notification:** Agencies must mail notices to all affected property owners at least **45 days** before a public hearing.
- **Public Hearing & Protest Process:** Ratepayers have the right to submit written protests. If a majority of property owners protest, the rate increase cannot proceed.
- **Council/Board Adoption:** If the majority does not protest, the governing body may approve the rate adjustments.

5-Year Water Capital Improvement Plan

WTP-2 Transmission Main Replacement



Benefits

- Replace Pipeline / Exceeded Service Life
- Improve Reliability of Water Delivery System
- Facilitates Future Expansion

\$2,180,000

WDP-1 Mark Twain Road



Benefits

- Eliminates Dead End Line/Min Interruptions
- Increases Pressure w/in Local System
- Replaces Undersized Pipelines

\$680,000

WTM-2 M.G. Rd Transmission Main Upgrade



Benefits

- Improves Deliveries to the Main System
- Improves Fire Protection along SR-49
- Increase Resiliency in Event of Emergency

\$2,300,000

5-Year Water Capital Improvement Plan – Continued

Pressure Valve Replacements

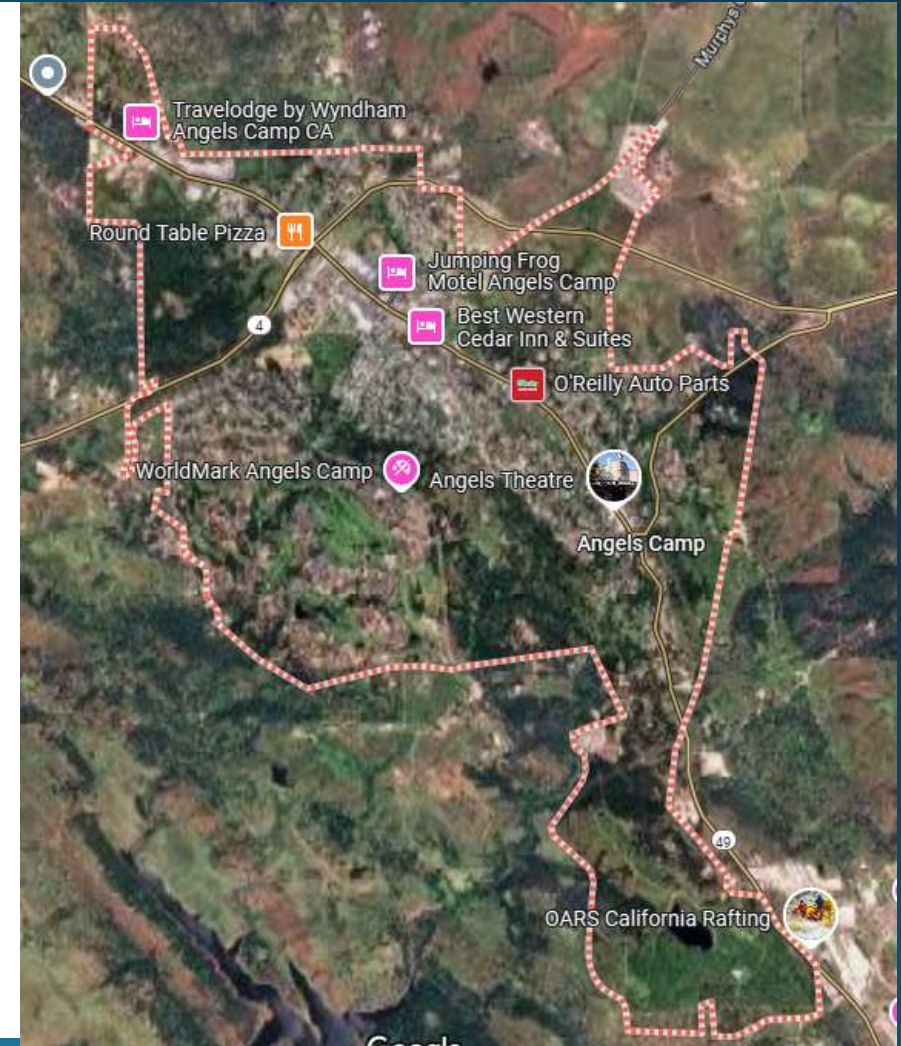
Benefits

- Replace End of Life Components
- Reduce Maintenance Requirements
- Improved Control of System Pressures
- \$980,000 (actual will be less than half)

Automated Meter Reader Project

Benefits

- Improve Efficiency & Accuracy Meter Readings
- Reduce Operational Costs
- Improve Ability to Manage Water System
- \$760,000



Water Capital Improvement Projects

0 - 5 Years	Priority	Estimated Cost	Funding
WDP-3 Pressure Relief Valve Replacements	Medium	980,000	Pay Go
Automated Meter Reader Project	Medium	760,000	Pay Go
WTP-2 Transmission Main Replacement	High	2,180,000	Pay Go
WDP-1 Mark Twain Road	Medium	680,000	Pay Go
WTM-2 M.G. Rd Transmission Main Upgrade	Medium	2,300,000	Pay Go
Total		6,900,000	

6-10 Years	Priority	Estimated Cost	Funding
WTP-1 Backwash Handling Improvements	High	6,660,000	Grant/Debt
WDP-2 Hillcrest/Gold Cliff/McCauley	Medium	590,000	Pay Go
WTM-1 SR49 Transmission Main Upgrade	Low	1,015,000	Grant/Debt
Total		8,265,000	

5-Year Wastewater Capital Improvement Plan

WWCS-1&2 Booster Way/Vallecito/East Angels



Benefits
Increase Flexibility During
Weather Events
Improve Resiliency following
Emergencies

\$2,900,000

WWCS-3 Main Street Sewer Replacement



Benefits
Replace "Failed" Sewer Lines
Improve Reliability of Sewer Lines
Reduce Disruption of Downtown
Businesses

\$700,000

WWCS-4 Murphys Grade Road Sewer Rehab I & I Projects



Benefits
Removes Manholes/Minimizes
Overflows
Reduces I&I and Peak Hydraulic Flows
Simplifies Sewer Network near High
School

\$760,000 MGR
\$300,000 I&I

Wastewater Capital Improvement Projects

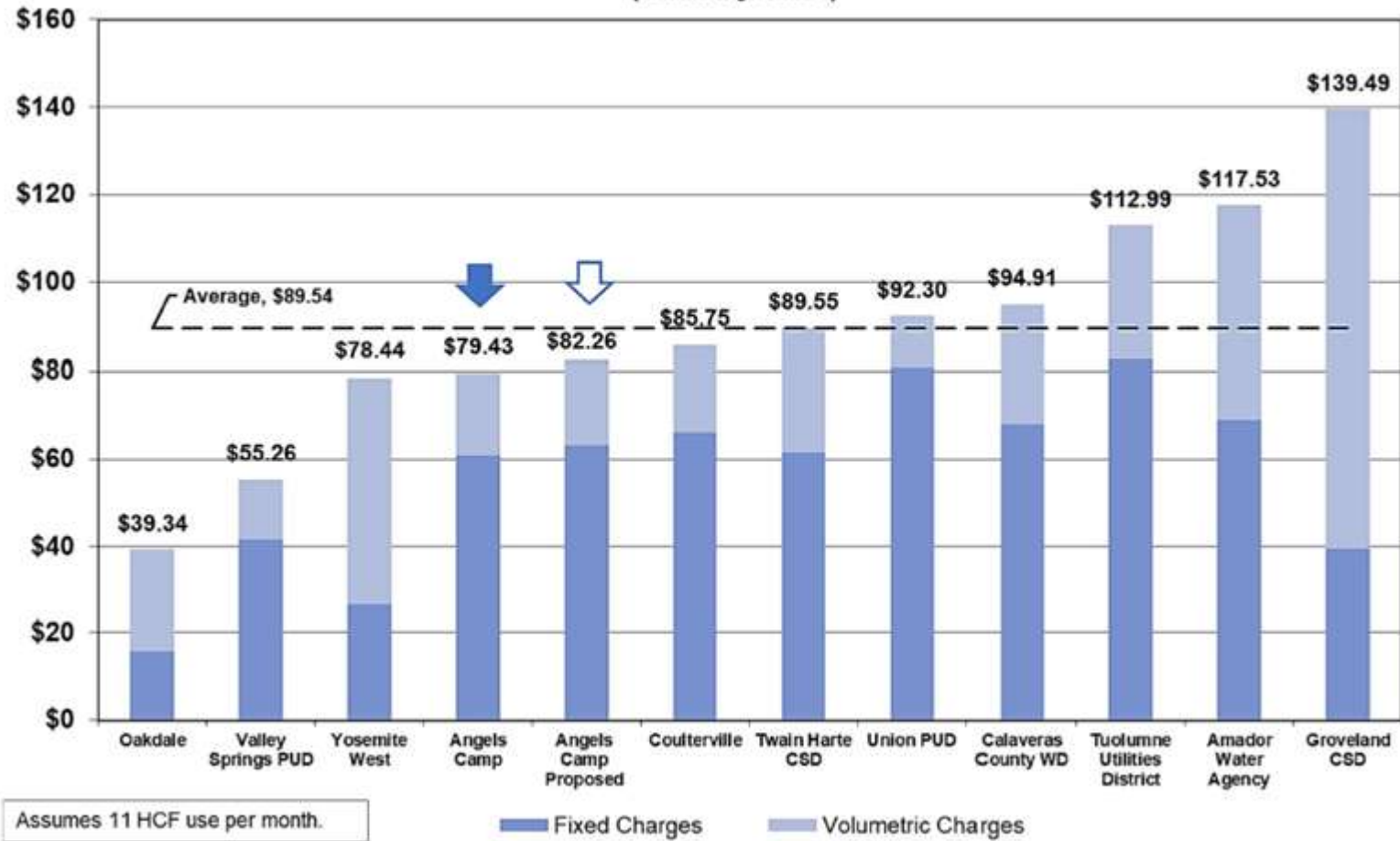
0 - 5 Years

	Priority	Estimated Cost	Funding
WWCS-1 & 2 Booster Way/Vallecito/East Angels	High	2,900,000	Pay Go/Grant
WWCS-3 Main Street Sewer Replacement	High	700,000	Pay Go
WWCS-4 Murphys Grade Road Sewer Rehab	High	760,000	Pay Go
I & I Projects	High	300,000	Pay Go
	Total	4,660,000	

6-10 Years

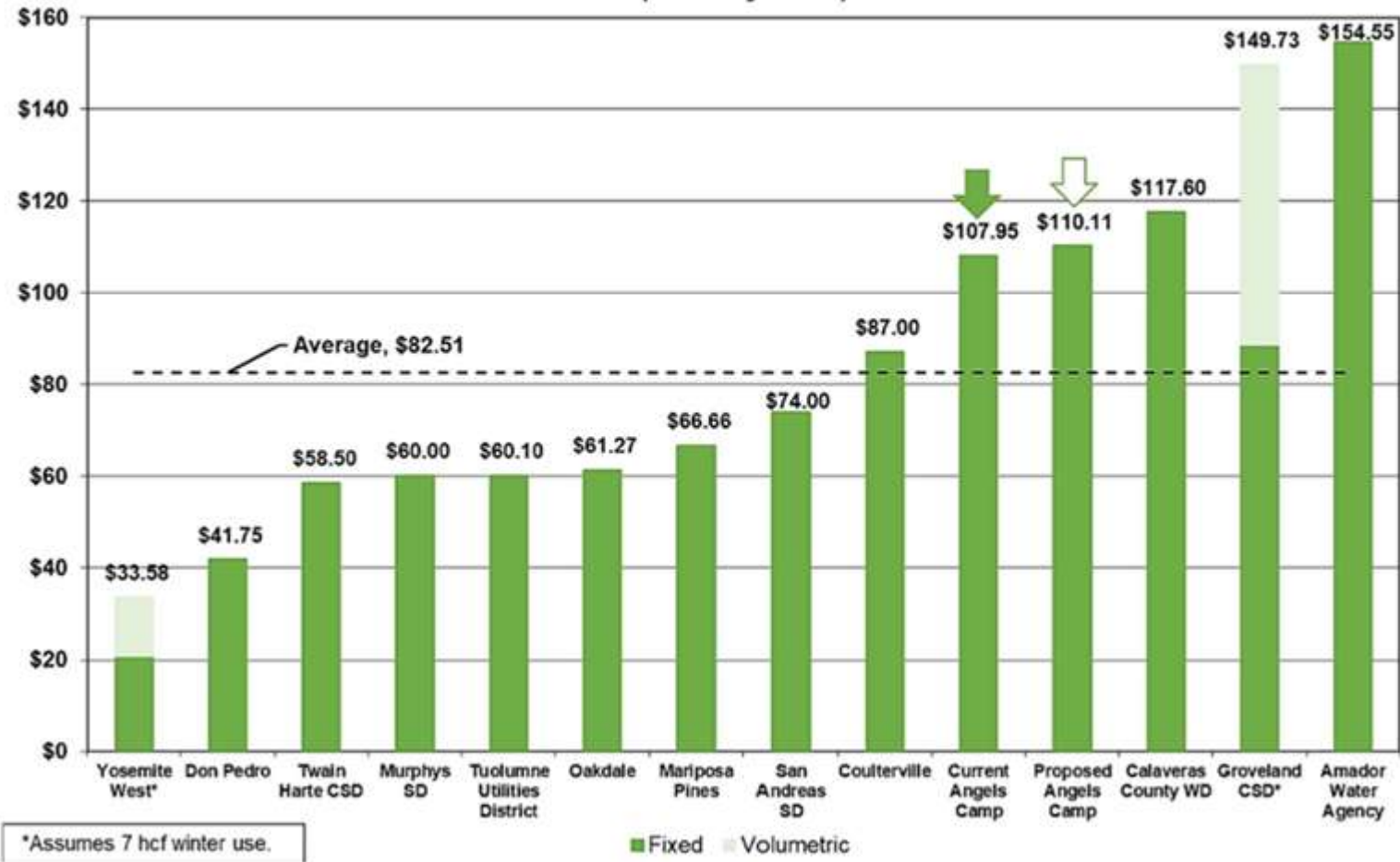
	Priority	Estimated Cost	Funding
WWTP-1 Emergency Storage Basin Improvements	Medium	550,000	Grant/Debt
WWTP-2 Grit Removal Systems	Low	700,000	Grant/Debt
	Total	1,250,000	

Single Family Residential Monthly Water Rate Survey (January 2024)



How Do Our Rates Compare?

Single Family Residential Monthly Wastewater Rate Survey (January 2024)



How Do Our Rates Compare?

What Will This Mean for You?

- The rate increases will fund essential upgrades to water and wastewater infrastructure, ensuring reliable and safe services for the community.
- These improvements help address aging systems and prepare for future growth.
- The modest rate adjustments are designed to account for rising costs in materials, labor, and operations.
- This ensures the City can continue providing high-quality services without sacrificing maintenance or project funding.
- By implementing smaller annual rate increases (3% for water, 2% for wastewater), the City avoids large, sudden hikes that could burden residents and businesses.
- This approach provides predictability for budgeting and helps the community



Average Bill - Residential

Average Bill - Residential

Current Rate Structure

Meter 5/8" *	65.52
UWPA	13.91
Wastewater	107.95
Total	187.38

Proposed Yr. 1 Rate Structure

Meter 5/8" *	67.48
UWPA	14.78
Wastewater	110.11
Total	192.37

Proposed Yr. 5 Rate Structure

Meter 5/8" *	75.96
UWPA	18.60
Wastewater	119.19
Total	213.75

*Average Usage 11 hundred cubic feet (hcf)

Average Bill – Non-Residential

Average Bill - Non - Residential

Current Rate Structure

Meter 5/8" *	61.73
UWPA	13.91
Wastewater **	136.30
Total	211.94

Proposed Yr. 1 Rate Structure

Meter 5/8" *	63.59
UWPA	14.78
Wastewater **	139.03
Total	217.40

Proposed Yr. 5 Rate Structure

Meter 5/8" *	71.69
UWPA	18.60
Wastewater **	150.49
Total	240.78

*Average usage 9 hundred cubic feet (hcf)

** Minimum charges includes 9 hcf per account per month

City's Funding Agreement with UWPA

- **UWPA Financial Model (2024):**

- Projected revenues/expenses for 5-10 years.
- Six funding scenarios based on Water Year 2.5 (10-year average).

- **City's Funding Agreement (5-Year):**

- Contributions aligned with Water Year 2.5.
- FY 24/25 contribution: \$370,000.
- Annual 10% increases: FY 25/26 to FY 28/29.
- City is proposing only passing on a 6.22% increase FY 2025 – 2028 and 5% in FY2029.
- The City will use reserves to ease the increases.

- **Passthrough Costs:**

- Higher water year (e.g., Year 3–6) costs may be passed through to rates under Government Code 53756.
- This applies to UWPA passthrough costs only and not proposed Water and Wastewater rates.

UWPA Rate

Table 8. UWPA Passthrough Fees Allocation

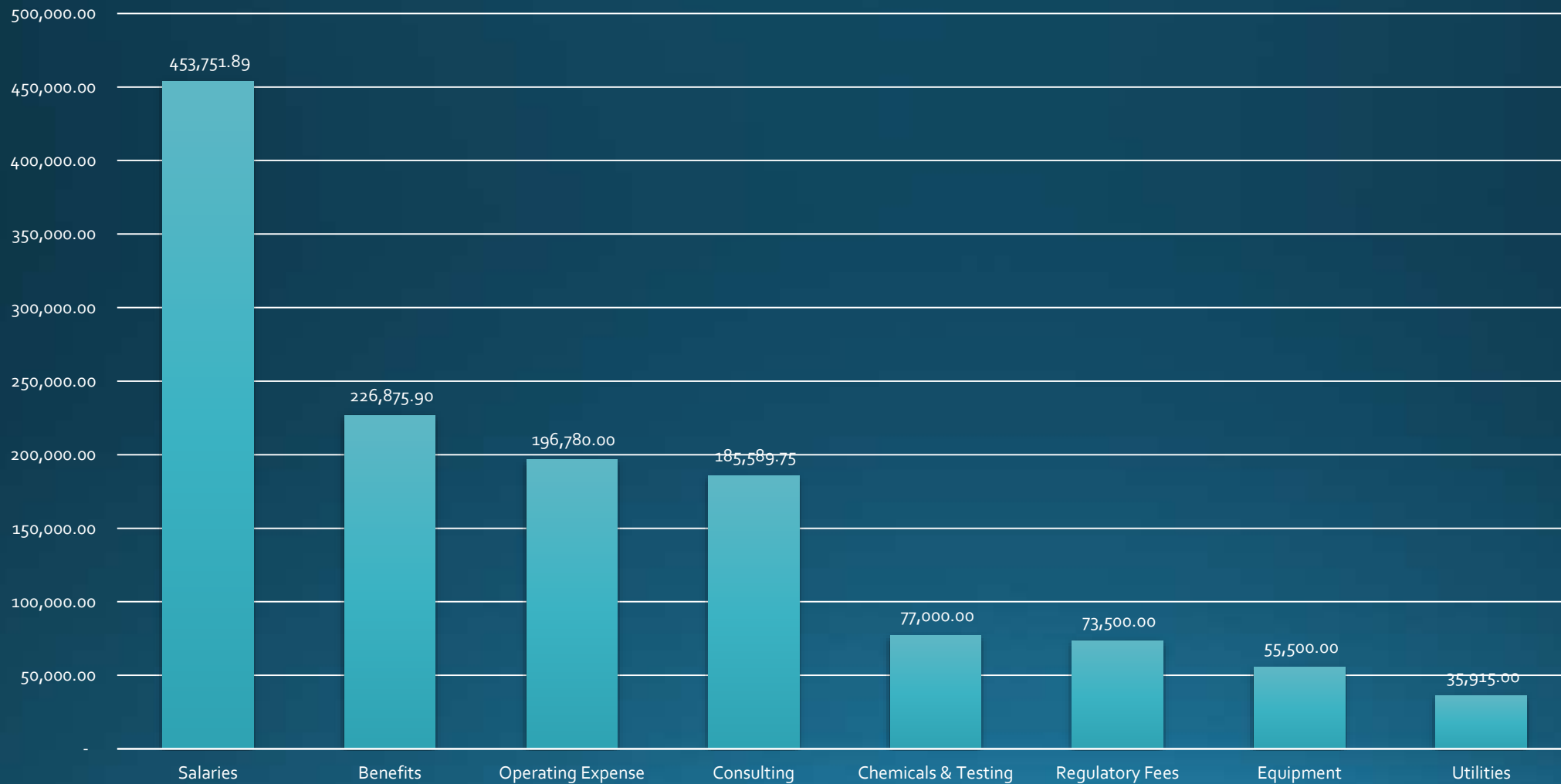
Water Year 2.5		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Utica Water And Power Contribution		\$370,000	\$407,000	\$447,700	\$492,470	\$541,717	\$568,803
Growth		65	42	0	0	0	0
Projected 5/8" Meter Equivalents		2,507	2,549	2,549	2,549	2,549	2,549
Meter Size	AWWA Meter Ratio						
5/8"	1	\$13.91	\$14.78	\$15.70	\$16.67	\$17.71	\$18.60
3/4"	1.5	20.86	22.16	23.54	25.01	26.57	27.89
1"	2.5	34.77	36.94	39.24	41.68	44.28	46.49
1 1/2"	5	69.55	73.88	78.48	83.36	88.55	92.98
2"	8	111.28	118.20	125.56	133.38	141.68	148.76
3"	15	208.64	221.63	235.43	250.08	265.65	278.93
4"	25	347.74	369.39	392.38	416.81	442.75	464.89
6"	50	695.48	738.77	784.76	833.61	885.51	929.78
Construction Meter	1.5	20.86	22.16	23.54	25.01	26.57	27.89

Where Does the Money Go?

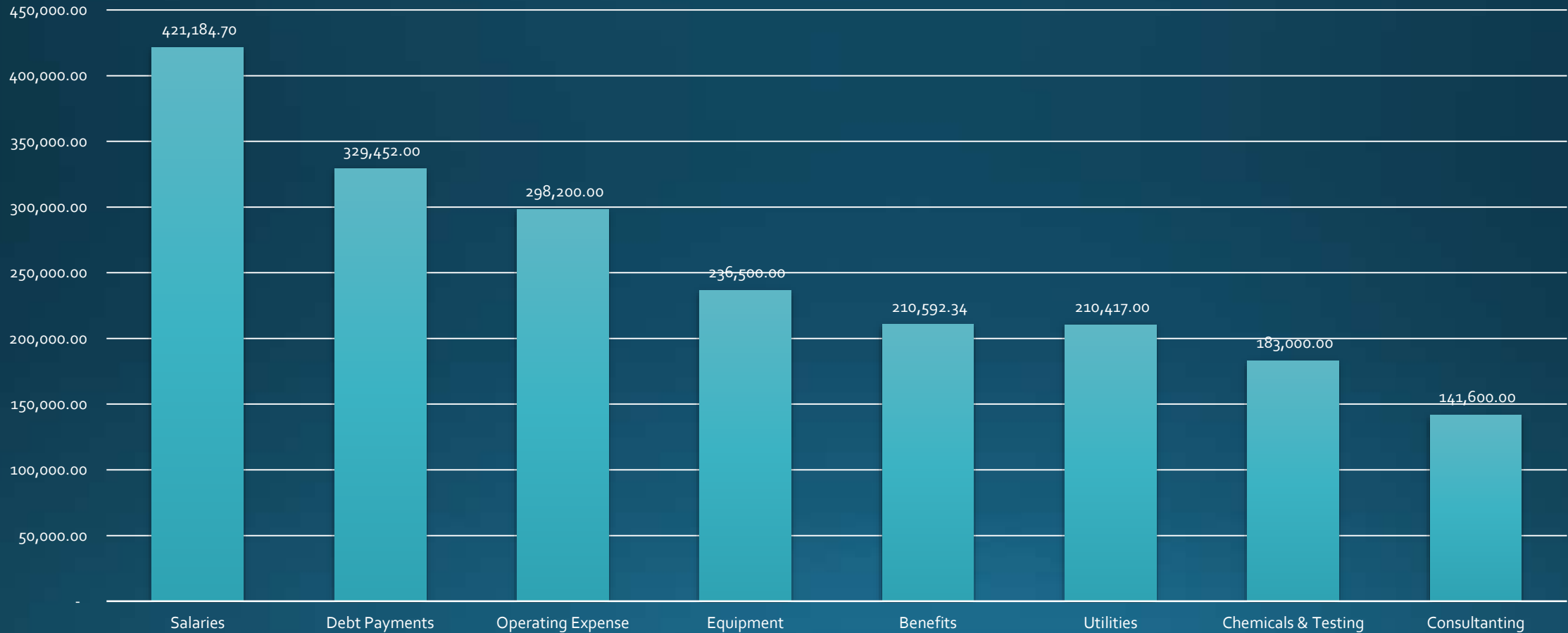
- **Staffing & Budget Overview**
- **Salaries and Benefits** make up the largest portion of the budget.
- The department consists of **6 full-time employees**:
 - **Superintendent**
 - **Chief Plant Operator**
 - **Plant Operators I, II, III, and OIT**
- Additionally, **6 Public Works employees** split their time between City duties and Water/Wastewater operations.



Water Operating Expense



Wastewater Operating Expense



Investing in Our Community

Why Rate Increases Are Necessary:

- To keep aging infrastructure up to date and ensure compliance with regulatory requirements.
- To keep up with the rising cost of living for goods and services.

•Key Considerations:

- Rates remain competitive with the regional average.
- Annually, the Council will review projected expenditures and scheduled projects to set a rate increase **no higher** than what is approved in the Proposition 218 Rate Study.

•Next Steps in the Proposition 218 Process:

- Public Hearing:** February 4, 2025 – City Council Meeting at 6:00 PM

Questions &
Feedback

Thank You for
Participating!

- Contact Information:
 - www.angelscamp.gov
 - City Hall – 200 Monte Verda, Ste B
 - 209-736-2181
 - COA@angelscamp.gov