



Tahoe City Public Utility District

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For Immediate Release

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TCPUD BOARD INITIATES PROPOSITION 218 RATE PROCESS for WATER AND SEWER RATE INCREASES

Tahoe City, CA – 7/29/14 -

At their July 18th meeting, the TCPUD Board heard the final recommendations from HDR Engineering and TCPUD staff regarding capital replacement projects and projections on operations to establish a 5-year rate plan for water and sewer.

Proposition 218 requires that TCPUD's rate revenues do not exceed the cost of service and that they are proportionally fair between customer types. California Code does require rigorous documentation to meet these criteria. Although TCPUD has never fully raised the rates for the last five year plan, minor adjustments were needed to keep the cost proportionally fair between customer types.

The Board adopted a plan which extends the timeframe for an additional five years to reach the sewer rates adopted in 2009. The maximum increase would be 5.7% annually over the next five years. The adopted plan also increases water rates to achieve a 6% annual increase in rate revenue over the next five years. If fully implemented, the average residential customer will reach the 2009 adopted rates in 2018, five years later than originally proposed.

These rates are the maximum that can be implemented during the next five years. TCPUD's record over the last six years demonstrates that controlling costs and securing grant funds does allow rates to be kept lower.

"The Board has demonstrated its commitment to carefully managing costs, keeping rates below those authorized and minimizing debt, if at all possible," commented Dan Wilkins, President of the Board. "This plan continues our responsibility to the public to reinvest, replace and modernize their older infrastructure."

The complete rate schedule will be mailed to all customers in late August allowing all customers the opportunity to understand the rates and to support or protest them. A final public hearing will be held October 17, 2014.

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About the TCPUD

The Tahoe City Public Utility District provides water, sewer and recreation services within its service area. The boundaries of the District lie within both Placer and El Dorado counties, extending from Emerald Bay to Dollar Hill and along the Truckee River to the Nevada County line. Sewer collection, parks facilities, and recreation services are provided for the entire area of the District. Water service is provided in five separate systems serving approximately half the homes and businesses in the District. For additional information, call Cindy Gustafson at 530.580.6326 or email cindyg@tcpud.org.