# BOARD OF DIRECTORS AGENDA LETTER

**Secretary of the Board of Directors**
4699 Hollister Avenue
Goleta, CA 93110
(805) 879-4621

| | |
|---|---|
| **Department:** | Administration |
| **For Agenda Of:** | April 22, 2015 |
| **Estimated Time:** | 60 minutes |
| **Continued Item:** | No |
| **If Yes, date from:** | |

**TO:** Board of Directors

**FROM:** Department: Administration

Contact Info: Jonathan Wunderlich, Administrative Manager / CFO

**SUBJECT: Preferred Rates Option and Associated Actions**

**Legal Concurrence**

As to form: Yes

**Recommended Actions:**

a) Receive a presentation from District staff on additional capital projects to increase conservation and from Raftelis Financial Consultants, Inc. summarizing the options presented at the April 15, 2015 meeting and alternative options that incorporates the additional capital projects and assessing a uniform meter charge for 5/8" and 3/4" meters; and

b) Select a preferred rates and drought surcharges option and adopt the necessary corresponding resolution as follows:

1. Select Option 1: To adopt proposed baseline normal rates and Roseville model drought surcharges, act on the resolution provided as Attachment 1; or
2. Select Option 2: To adopt proposed baseline normal rates and Marginal Cost model drought surcharges, act on the resolution provided as Attachment 2; or
3. Select Option 3: To adopt proposed alternative normal rates and Roseville model drought surcharges, act on the resolution provided as Attachment 3; or
4. Select Option 4: To adopt proposed alternative normal rates and Marginal Cost model drought surcharges, act on the resolution provided as Attachment 4; or
5. Select Option 5: To adopt proposed baseline normal rates, uniform meter charges for 5/8" and 3/4" meters, and Roseville model drought surcharges, act on the resolution provided as Attachment 5; or
6. Select Option 6: To adopt proposed baseline normal rates with uniform meter charges for 5/8" and 3/4" meters and Marginal Cost model drought surcharges, act on the resolution provided as Attachment 6; or

7. Select Option 7: To adopt proposed alternative normal rates with uniform meter charges for 5/8” and 3/4" meters and Roseville model drought surcharges, act on the resolution provided as Attachment 7; or
8. Select Option 8: To adopt proposed alternative normal rates with uniform meter charges for 5/8” and 3/4" meters and Marginal Cost model drought surcharges, act on the resolution provided as Attachment 8.

**Summary Text:**

On April 15, 2015, the Board of Directors received a presentation from Raftelis regarding rate and drought surcharge options. One primary option for normal condition rates and two drought surcharge models were presented. The first drought surcharge model, known as the Roseville model, assesses a uniform percentage increase on all rates. The second drought surcharge model, known as the Marginal Cost model, assesses a uniform dollar increase per unit of water on all customers regardless of their base rate.

Based on feedback provided at the meeting, Raftelis developed an alternative option for normal rates that provides for additional investment in capital to increase conservation. The additional projects include replacing water meters, installing tanks to make better use of well water, and a rain barrel program. Additional information about each project is attached to this report. Raftelis has also determined a uniform meter charge for 5/8” and 3/4” meters that does not set tiers based on monthly consumption.

At the April 15, 2015 meeting, the Board of Directors was also presented with a sample Proposition 218 notice to send to customers. Eight versions of a resolution directing staff to set the rate adoption meeting and send formal notice to customers are attached to this report. Two versions are based on proposed baseline normal rates (one with the Roseville model drought surcharge and the second with the Marginal Cost model drought surcharge). Two versions are based on proposed alternative normal rates that provide for additional capital investment; one of which is based on Roseville model drought surcharges and the other one is based on Marginal Cost drought surcharges. A revised version of each of these four options is also presented based on uniform meter charges for 5/8” and 3/4" meters.

**Background:**

The District is conducting a cost of service study to inform normal condition rates and drought surcharges for the next five years. The previous study was conducted in 2010-11; however, it did not consider drought surcharges.

Staff will send formal notice of the proposed rates and surcharges to all customers at least 45 days in advance of the rate adoption meeting scheduled for June 16, 2015. Proposed rates and drought surcharges will be effective July 1, 2015.

**Fiscal Analysis:**

All proposed rates and drought surcharge options would generate sufficient revenues to fund operating costs, meet District debt covenants, and fund critical capital projects.

**Attachments:**

I. Additional Capital Investment Options Presentation

II. Capital Project Factsheets

III. Rates Presentation
IV. Option 1: Resolution Directing Staff
V. Option 2: Resolution Directing Staff
VI. Option 3: Resolution Directing Staff
VII. Option 4: Resolution Directing Staff
VIII. Option 5: Resolution Directing Staff
IX. Option 6: Resolution Directing Staff
X. Option 7: Resolution Directing Staff
XI. Option 8: Resolution Directing Staff

**Authored by:**

Jonathan Wunderlich

# 1. Additional Capital Investment Options Presentation

# Goleta Water District

## Supplementary Conservation Investments

Board of Directors April 22, 2015







# Supplementary Conservation Investments

At the April 15th Rate and Drought Surcharge Hearing the Board directed staff and Raftelis Financial Consultants to identify an alternative option for normal rates that allows the District to make additional capital investment to increase conservation.

Three capital projects have been identified, including:

- *Small Meter Replacement Conservation Program*
- *Well Startup Reuse Project*
- *Rain Barrel Conservation Rebate Program*

# Purpose of the Supplementary Projects

- Increase conservation.
- Enhance water supply efficiency.
- Preserve water for health and human safety during a time of extreme drought.



# Small Meter Replacement Conservation Program

- Accurate metering is critical to maximizing conservation efforts.
- This project would accelerate replacement of the District's 16,000 small meters with like-size digital ultrasonic meters to record water use electronically. The meters would measure volumetric flow accurately at both high and low flow rates, allowing the District to account for all water use while preventing water loss.
- The estimated cost is $4.4 million, and would save 5% of total supply, or 350 AFY as a result of increased customer demand hardening.
- The new meters would have an average lifespan of 15 years.



# Well Startup Reuse Program



- Staff have identified a method to capture water from the well startup process that occurs three times a day following filter cleaning operations. Analysis of the wells shows that up to 20 AFY of water could be captured for reuse that would otherwise be lost.
- Four well sites (San Marcos, San Antonio, Berkeley, and El Camino) have sufficient space to support tank storage and a filling station so the water can be reused.
- Water would be made available to customers for dust control and irrigation on a first-come, first served basis.
- The cost to include the program is estimated at $500K.

# Rain Barrel Conservation Rebate Program

- Rain barrels allow rain water to be captured and stored for later reuse, reducing the need for potable water for irrigation. Even in lower than average rainfall years, the Goleta Valley receives enough precipitation to realize water savings.
- The District will provide 2000 fifty gallon rain barrels to customers, which according to EPA estimates will conserve 400,000 gallons of potable water yearly at a total cost of $150,000.
- The rain barrels have an average life of ten years.
- The rain barrel program will be accompanied by an educational outreach effort to demonstrate the benefits of other complimentary residential scale rainwater and graywater catchment systems, such as bioswales, retention basins, and laundry-to-landscape systems.



# Conservation Water Savings

- Approximately $5 million in supplementary conservation investments would yield 371 AFY across the three projects.
- Over a ten year period this provides a total of 3710 AF at a cost of $1348/AF.







# 2. Capital Project Factsheets

# Small Meter Replacement Conservation Program



This project facilitates replacement of approximately 16,000 water service meters 1 ½" and smaller with new, more accurate water meters. The meters would measure water use accurately at both high and low flow rates, allowing the District to account for all water use while preventing water loss. Approximately 50% of total District production is measured through these small meters, which on average are over 15 years old and near the end of their useful service life. Older meters often under-register actual water use. New generation meters will provide more accurate data for both the customer and the District while reducing service calls for failed meters. Replacement of meters is considered an industry best practice to encourage conservation through customer demand hardening. In spring of 2015, the District completed phase one of the Districtwide meter replacement program by replacing all 800 large meters 2" and greater.

This project will replace existing small meters with like-size digital ultrasonic meters that record water use electronically. In contrast to mechanical meters, electronic meters measure volumetric flow extremely accurately at any flow rates, allowing the District to fully account for water use, reducing unintended water loss and simultaneously promoting conservation.

A contractor will be hired to assist the District to speed the installation of the meters. The conservative estimate for the project, inclusive of the meters, installation, and project management is $4,400,000. The payback period is 5-10 years, based on the level of demand hardening and additional conservation behavior exhibited by customers. Once all of the small meters are in place, annual water conservation is expected to be 5 percent of total sales, or 350 AFY District-wide. Over the life of the meters, this equates to a demand reduction of 5,250 AF.

# Well Startup Reuse Program



The District has identified a simple method to capture water from the well startup process following filter cleaning operations. By capturing this water for reuse, the project will preserve 20 acre feet of untreated well water annually that would otherwise be discharged to the storm water system. Currently, the wells operate on a continuous basis except for brief periods to clean the filters. Every 8 hours the filter system is flushed. Upon startup, the well water is discharged to the storm drain for approximately three minutes before the potable water treatment process resumes. This water can be reused under the District's current regulatory permits resulting in maximizing efficiency in the use of Goleta's groundwater resources.

Analysis of the District's wells identified four sites (San Marcos, San Antonio, El Camino, and San Ricardo) with sufficient space available for placement of 10,000 gallon portable tanks, although future wells could be designed to accommodate storage of water. The well sites are large enough to accommodate portable temporary (e.g. Baker) tanks of approximately 10,000 gallons. The tanks are 9 feet by 26 feet, and approximately 10 feet tall. Once pumped into the portable temporary storage tank, this water could be delivered to customers for dust control or irrigation use by the District using the water hauling truck, or customers could pick up the water themselves at a fill station located at each well site on a first-come, first served basis.

The five-year cost of this program is estimated at $500,000 for four tanks, including piping and installation.

# Rain Barrel Conservation Rebate Program



Rainwater harvesting refers to the practice of capturing rain for onsite reuse. Methods include the diversion of rainwater into the surrounding landscape from roofs and slopes into rain barrels and tanks, as well as the bioretention basins and bioswales. Rain barrels are easily installed by the average homeowner to collect rainwater from existing gutters and downspouts. By collecting rainwater in rain barrels, water can be stored for future use in irrigating nearby landscaping. With such practices, the use of potable water for irrigation purposes is reduced and erosion and transmission of surface pollutants during rain events is minimized. Even in a lower than average rainfall year, the Goleta Valley receives enough precipitation to make rainwater harvesting a useful tool.

According to EPA's most recent estimates, a 50 gallon rain barrel in Coastal California will typically fill and capture 200 gallons per year under average rain patterns. A hose can be connected to the barrel to allow for the watering of landscaping, preserving potable water supplies. For customers who have already implemented rain garden design features into their landscaping, the valves on the rain barrels can also be opened during storm events to serve as a micro detention basin to meter the flow of water and divert water into adjacent small bioswales and retention basins.

This program would provide two thousand 50-gallon rain barrels to District customers. This initiative would save approximately 400,000 gallons of potable water per year. The average lifespan of a rain barrel is ten years. The cost of two thousand rain barrels, complete with typical diverters, connectors and hoses is $150,000.

The rain barrel program will be accompanied by an educational outreach effort to demonstrate the conservation benefits of rainwater catchment systems. The District Edible Garden, which features a bio retention basin, and the Smart Landscape Rebate Program for which such features are an eligible expense, will be promoted in conjunction with the program.

# 3. Rates Presentation

# Goleta Water District

## Cost of service Analysis, rates and Drought Surcharges

April 22, 2015 Board of Directors

GOLETA WATER DISTRICT

RAFTELIS
FINANCIAL CONSULTANTS, INC.

# AGENDA

- Alternative Rate Options
  - Additional Conservation Investments
  - Uniform Fixed Meter Charges
- Recap of Proposed Water Rates
  - Commodity Rates
    - Single Family Residential (SFR) Tiered Rates
    - Urban, Agricultural and Recycled Rates
  - Fixed Meter Charges
  - Bill Comparisons
- Drought Surcharges

# FINANCIAL PLAN - REVENUE ADJUSTMENTS

| Fiscal Year | Baseline Option | Alternative Option |
|---|---|---|
| FY 2015-16 | 2% | 2% |
| FY 2016-17 | 2% | 3% |
| FY 2017-18 | 2% | 4% |
| FY 2018-19 | 2% | 4% |
| FY 2019-20 | 2% | 4% |

- All options fund capital on a Pay-as-you-go (PAYGO) basis
- Maintains current $6 million reserve policy
- Meets debt coverage requirements
- No change in FY 2015-16 commodity rates
- Alternative option invests in more capital projects to increase conservation

# PROPOSED FY 2015-16 COMMODITY RATES

| Class | Current Rate | Baseline Option | Alternative Options |
|---|---|---|---|
| **SFR** | | | |
| Tier 1 (0-4 HCF) | *$5.04* | $4.52 | $4.52 |
| Tier 1 (5-6 HCF) | *$5.27* | $4.52 | $4.52 |
| Tier 2 (7-16 HCF) | *$5.27* | $5.57 | $5.57 |
| Tier 3 (17+ HCF) | *$5.27* | $6.12 | $6.12 |
| **Urban** | *$5.27* | $5.25 | $5.25 |
| **Agriculture** | | | |
| Urban Agriculture | *$1.42* | $1.80 | $1.80 |
| Goleta West Conduit | *$1.30* | $1.35 | $1.35 |
| **Recycled** | *$3.05* | $3.26 | $3.26 |

No change in first year commodity rates.

# PROPOSED FIXED METER SERVICE CHARGES: 2015-16

| * | Meter Size | Current Charge | Baseline Option | Uniform Meter Charge |
|---|---|---|---|---|
| T1 | 5/8”| 3/4” | $13.08 | $14.14 | $34.83 |
| T2 | 5/8”| 3/4” | $26.16 | $29.20 | $34.83 |
| T3 | 5/8”| 3/4” | $39.24 | $44.40 | $34.83 |
| | 1” | $65.42 | $68.16 | $52.22 |
| | 1.5” | $130.81 | $127.57 | $95.68 |
| | 2” | $209.33 | $198.85 | $147.84 |
| | 3” | $392.48 | $424.58 | $313.00 |
| | 4” | $654.14 | $757.23 | $556.40 |
| | 6” | $1,308.26 | $1,672.04 | $1,225.74 |
| | 8” | $2,093.24 | $2,860.09 | $2,095.02 |
| | 10” | $4,972.22 | $4,523.38 | $3,312.00 |

*T1= Tier 1: 0-6 hcf, T2= Tier 2: 7-16 hcf, T3= Tier 3: 17+ hcf

- Proposed charges decrease for 1.5”, 2”, and 10” meters in alignment with American Water Works Association (AWWA) hydraulic capacity ratios

GOLETA WATER DISTRICT

RAFTELIS FINANCIAL CONSULTANTS, INC

# SFR Total Monthly Bill Impacts

| Usage Level (hcf) | Existing Bill | Baseline Option | Uniform Meter Charge | Cumulative % of Bills |
|---|---|---|---|---|
| 4 | $33.24 | $32.22 | $52.91 | 19% |
| 6 | $57.78 | $41.26 | $61.95 | 32% |
| 8 | $68.32 | $67.46 | $73.09 | 45% |
| 12 | $102.48 | $89.74 | $95.37 | 65% |
| 16 | $123.56 | $112.02 | $117.65 | 78% |
| 20 | $144.64 | $151.70 | $142.13 | 85% |
| 24 | $165.72 | $176.18 | $166.61 | 90% |
| 32 | $207.88 | $225.14 | $215.57 | 95% |

Approximately 70% of bills for SFR customers will decrease in normal conditions with baseline rates. With a uniform meter charge, approximately 55% of bills will increase (bills for 8 hcf or less and bills for 23 hcf or more)

# WATER RATE OPTIONS

- Multiple options have been presented:
  - Baseline option with annual 2% rate adjustments presented at the 4/15 Board of Directors meeting
  - Alternative option funds three additional capital projects to increase conservation and considers uniform meter charge for 5/8” and 3/4” meters
- All options maintain tiered single-family residential commodity rates at the same consumption thresholds

# PROPOSED COMMODITY RATES – BASELINE OPTION

| Class | Current Rate | July 1, 2015 | July 1, 2016 | July 1, 2017 | July 1, 2018 | July 1, 2019 |
|---|---|---|---|---|---|---|
| **SFR** | | | | | | |
| Tier 1 (0-4 HCF) | *$5.04* | $4.52 | $4.62 | $4.72 | $4.82 | $4.92 |
| Tier 1 (5-6 HCF) | *$5.27* | $4.52 | $4.62 | $4.72 | $4.82 | $4.92 |
| Tier 2 (7-16 HCF) | *$5.27* | $5.57 | $5.69 | $5.81 | $5.93 | $6.05 |
| Tier 3 (17+ HCF) | *$5.27* | $6.12 | $6.25 | $6.38 | $6.51 | $6.65 |
| **Urban** | *$5.27* | $5.25 | $5.36 | $5.47 | $5.58 | $5.70 |
| **Agriculture** | | | | | | |
| Urban Agriculture | *$1.42* | $1.80 | $1.84 | $1.88 | $1.92 | $1.96 |
| Goleta West Conduit | *$1.30* | $1.35 | $1.38 | $1.41 | $1.44 | $1.47 |
| **Recycled** | *$3.05* | $3.26 | $3.33 | $3.40 | $3.47 | $3.54 |

# PROPOSED COMMODITY RATES – ALTERNATIVE OPTION

| Class | Current Rate | July 1, 2015 | July 1, 2016 | July 1, 2017 | July 1, 2018 | July 1, 2019 |
|---|---|---|---|---|---|---|
| **SFR** | | | | | | |
| Tier 1 (0-4 HCF) | *$5.04* | $4.52 | $4.66 | $4.85 | $5.05 | $5.26 |
| Tier 1 (5-6 HCF) | *$5.27* | $4.52 | $4.66 | $4.85 | $5.05 | $5.26 |
| Tier 2 (7-16 HCF) | *$5.27* | $5.57 | $5.74 | $5.97 | $6.21 | $6.46 |
| Tier 3 (17+ HCF) | *$5.27* | $6.12 | $6.31 | $6.57 | $6.84 | $7.12 |
| **Urban** | *$5.27* | $5.25 | $5.41 | $5.63 | $5.86 | $6.10 |
| **Agriculture** | | | | | | |
| Urban Agriculture | *$1.42* | $1.80 | $1.86 | $1.94 | $2.02 | $2.11 |
| Goleta West Conduit | *$1.30* | $1.35 | $1.40 | $1.46 | $1.52 | $1.59 |
| **Recycled** | *$3.05* | $3.26 | $3.36 | $3.50 | $3.64 | $3.79 |

# FIXED METER CHARGES: BASELINE OPTION

| * | Meter Size | Current Rate | July 1, 2015 | July 1, 2016 | July 1, 2017 | July 1, 2018 | July 1, 2019 |
|---|---|---|---|---|---|---|---|
| T1 | 5/8"\| 3/4" | *$13.08* | $14.14 | $14.43 | $14.72 | $15.02 | $15.33 |
| T2 | 5/8"\| 3/4" | *$26.16* | $29.20 | $29.79 | $30.39 | $31.00 | $31.62 |
| T3 | 5/8"\| 3/4" | *$39.24* | $44.40 | $45.29 | $46.20 | $47.13 | $48.08 |
| | 1" | *$65.42* | $68.16 | $69.53 | $70.93 | $72.35 | $73.80 |
| | 1.5" | *$130.81* | $127.57 | $130.13 | $132.74 | $135.40 | $138.11 |
| | 2" | *$209.33* | $198.85 | $202.83 | $206.89 | $211.03 | $215.26 |
| | 3" | *$392.48* | $424.58 | $433.08 | $441.75 | $450.59 | $459.61 |
| | 4" | *$654.14* | $757.23 | $772.38 | $787.83 | $803.59 | $819.67 |
| | 6" | *$1,308.26* | $1,672.04 | $1,705.49 | $1,739.60 | $1,774.40 | $1,809.89 |
| | 8" | *$2,093.24* | $2,860.09 | $2,917.30 | $2,975.65 | $3,035.17 | $3,095.88 |
| | 10" | *$4,972.22* | $4,523.38 | $4,613.85 | $4,706.13 | $4,800.26 | $4,896.27 |

*T1= Tier 1: 0-6 hcf, T2= Tier 2: 7-16 hcf, T3= Tier 3: 17+ hcf

GOLETA WATER DISTRICT

RAFTELIS FINANCIAL CONSULTANTS, INC

# FIXED METER CHARGES: ALTERNATIVE OPTION

| * | Meter Size | Current Rate | July 1, 2015 | July 1, 2016 | July 1, 2017 | July 1, 2018 | July 1, 2019 |
|---|---|---|---|---|---|---|---|
| T1 | 5/8"\| 3/4" | *$13.08* | $34.83 | $35.87 | $37.31 | $38.80 | $40.35 |
| T2 | 5/8"\| 3/4" | *$26.16* | $34.83 | $35.87 | $37.31 | $38.80 | $40.35 |
| T3 | 5/8"\| 3/4" | *$39.24* | $34.83 | $35.87 | $37.31 | $38.80 | $40.35 |
| | 1" | *$65.42* | $52.22 | $53.79 | $55.94 | $58.18 | $60.50 |
| | 1.5" | *$130.81* | $95.68 | $98.55 | $102.49 | $106.59 | $110.86 |
| | 2" | *$209.33* | $147.84 | $152.28 | $158.37 | $164.70 | $171.29 |
| | 3" | *$392.48* | $313.00 | $322.39 | $335.29 | $348.70 | $362.64 |
| | 4" | *$654.14* | $556.40 | $573.09 | $596.02 | $619.86 | $644.65 |
| | 6" | *$1,308.26* | $1,225.74 | $1,262.51 | $1,313.01 | $1,365.53 | $1,420.15 |
| | 8" | *$2,093.24* | $2,095.02 | $2,157.87 | $2,244.19 | $2,333.95 | $2,427.31 |
| | 10" | *$4,972.22* | $3,312.00 | $3,411.36 | $3,547.81 | $3,689.73 | $3,837.32 |

*T1= Tier 1: 0-6 hcf, T2= Tier 2: 7-16 hcf, T3= Tier 3: 17+ hcf

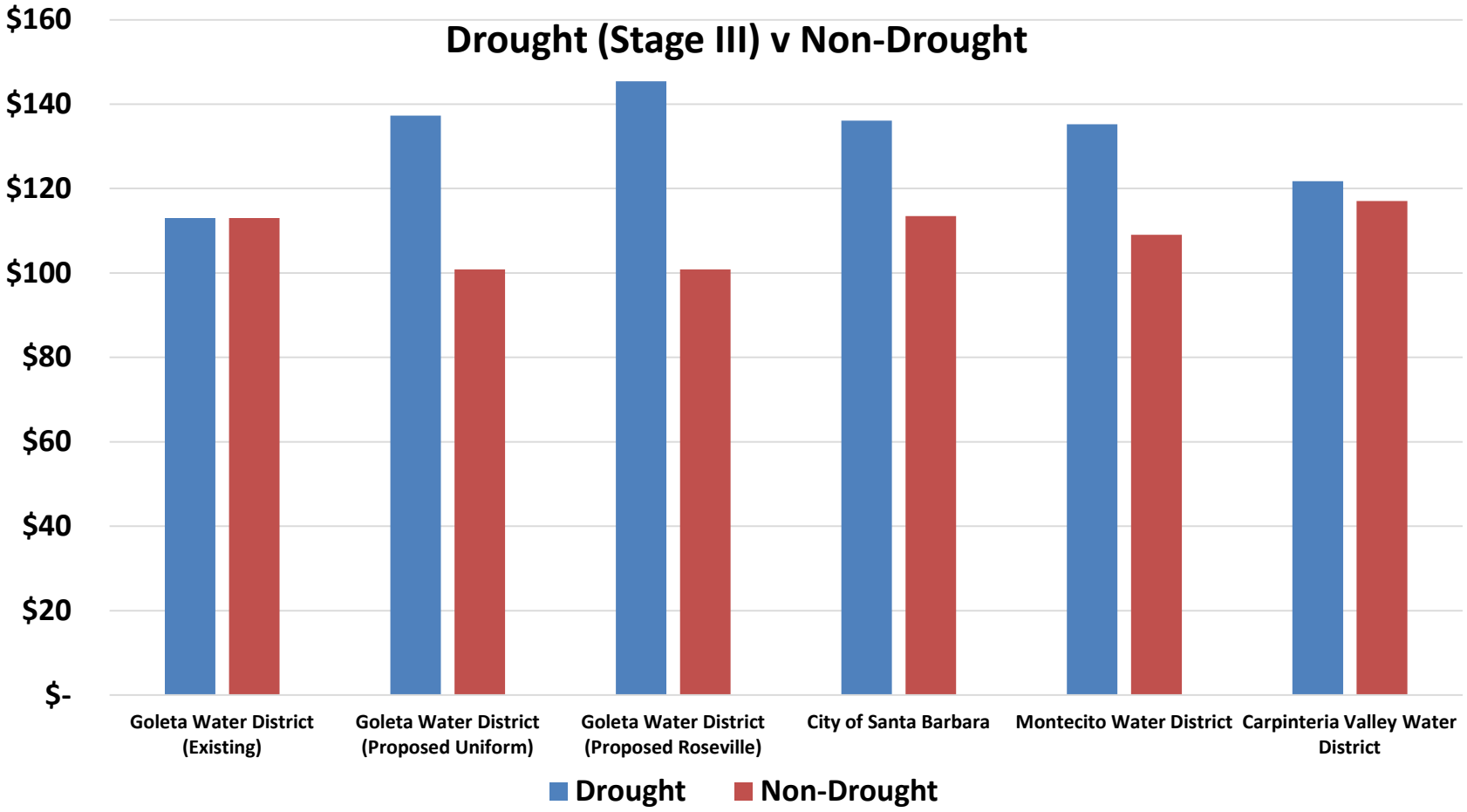
GOLETA WATER DISTRICT

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# PROPOSED FIRE LINE CHARGE

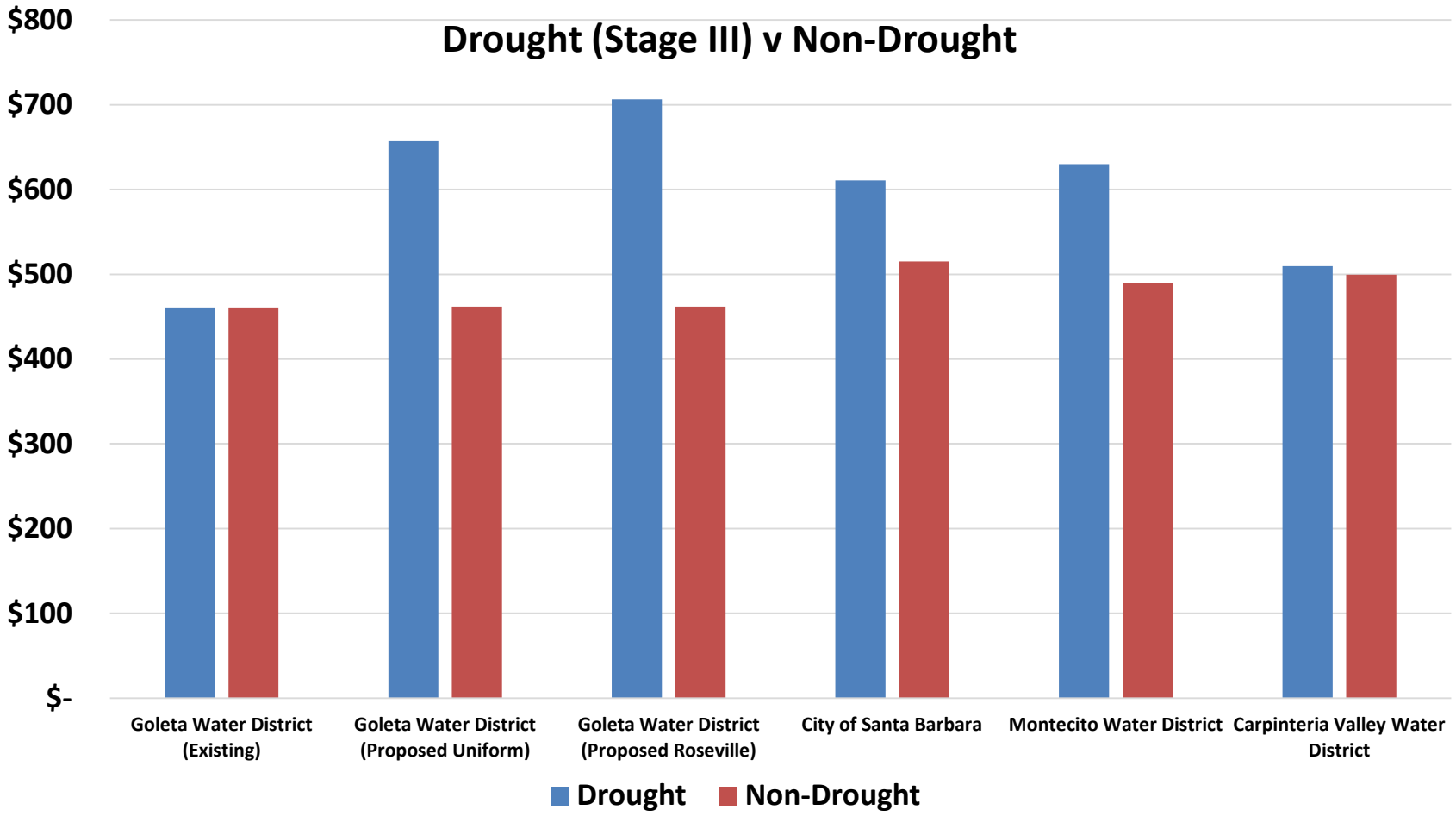
| Meter Size | Meter Component | Customer Component | Proposed Charges | Current Charges | Difference |
|---|---|---|---|---|---|
| 5/8” | $0.69 | $8.75 | $9.44 | $8.00 | 18% |
| 3/4” | $0.69 | $8.75 | $9.44 | $8.00 | 18% |
| 1” | $0.69 | $8.75 | $9.44 | $8.00 | 18% |
| 1 ½” | $0.69 | $8.75 | $9.44 | $8.00 | 18% |
| 2” | $0.69 | $8.75 | $9.44 | $8.00 | 18% |
| 3” | $0.69 | $8.75 | $9.44 | $8.00 | 18% |

# SFR Bill Comparison



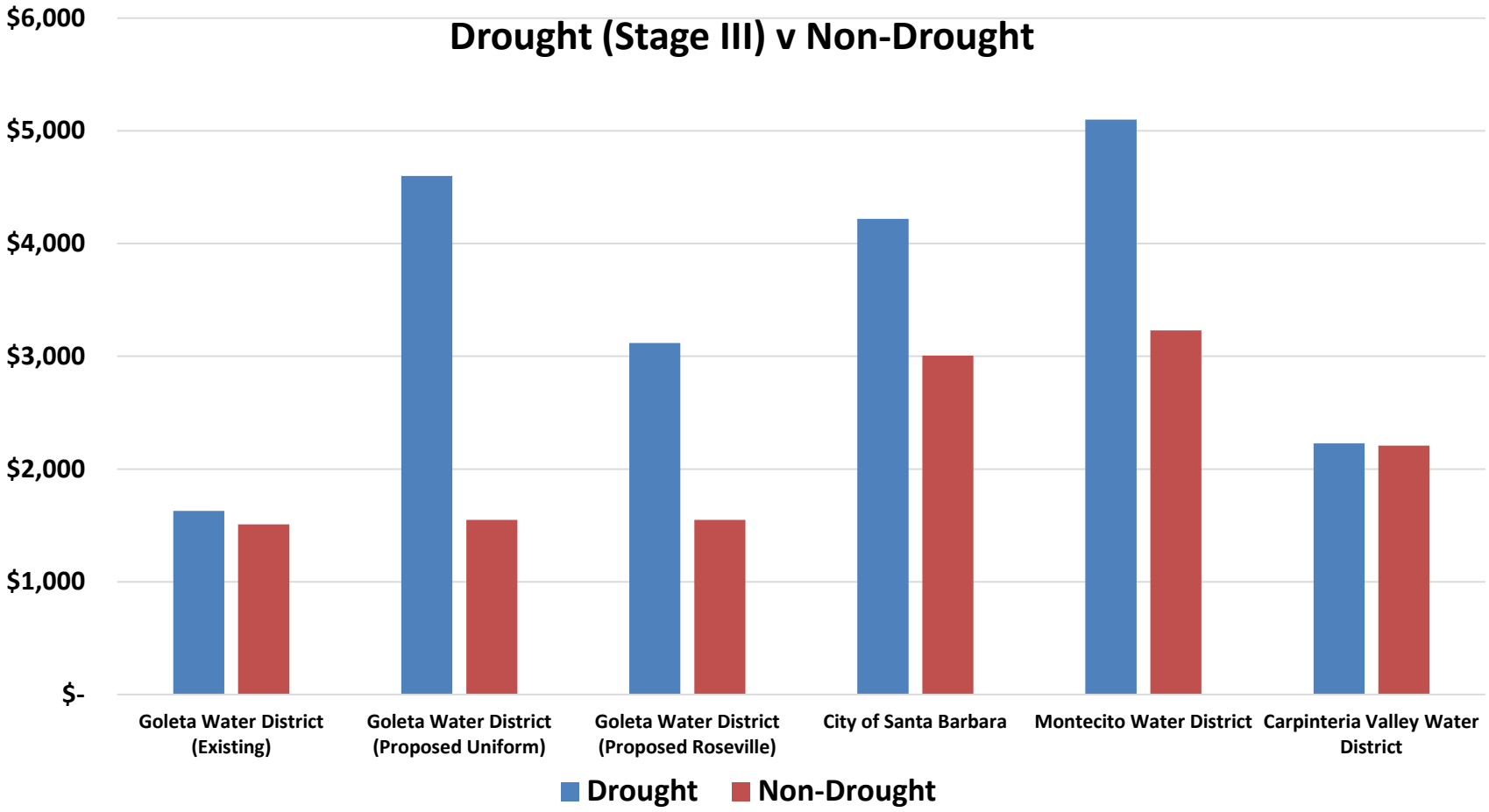

Assumes 14 hcf per month and Tier 2 fixed charge

# URBAN (NON-RESIDENTIAL) BILL COMPARISON




Assumes 75 hcf per month and 1" meter

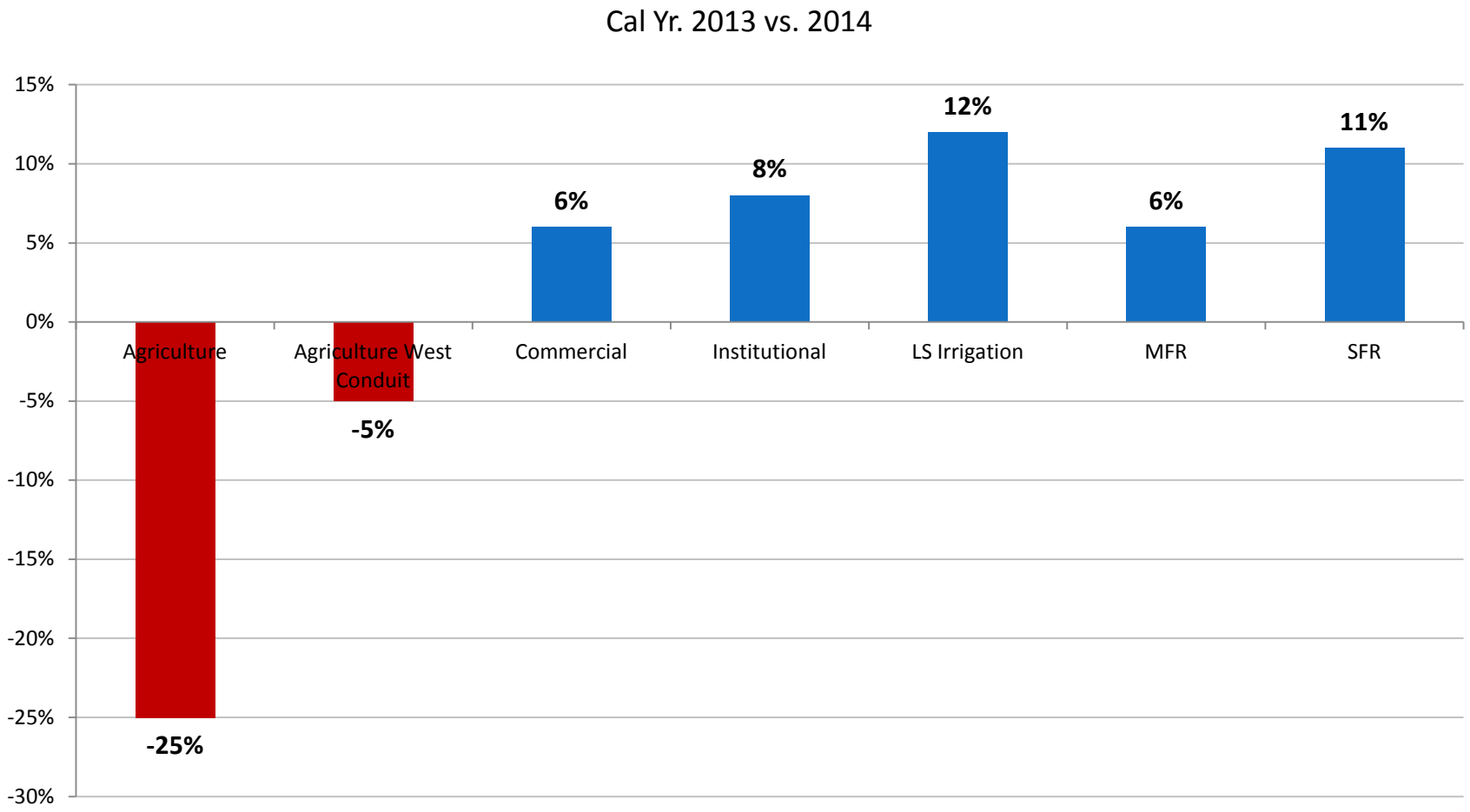
# URBAN AGRICULTURE BILL COMPARISON




Assumes 1000 hcf per month and 2" meter

# DROUGHT SURCHARGES

# CONSERVATION BY CUSTOMER CLASS



# DROUGHT SURCHARGE MODELS

- Drought surcharges provide a conservation incentive and ensure revenue sufficiency despite reduced supply and drought costs
- Two drought surcharge models were presented:
  - Roseville Model: Uniform percentage based on the base rate for each customer class
  - Marginal Cost Model: Uniform cost per unit regardless of customer class
- No change to meter charges

# ROSEVILLE MODEL: ALL OPTIONS

## Commodity Rate & Drought Surcharge

| Class | Current Rate | Proposed Rate | [----------Drought Surcharge----------] Stage I | Stage II | Stage III | Stage IV | Stage V |
|---|---|---|---|---|---|---|---|
| **SFR** | | | *0%* | *38%* | *62%* | *94%* | *137%* |
| Tier 1 (0-4 HCF) | $5.04 | $4.52 | $0.00 | $1.72 | $2.81 | $4.25 | $6.20 |
| Tier 1 (5-6 HCF) | $5.27 | $4.52 | $0.00 | $1.72 | $2.81 | $4.25 | $6.20 |
| Tier 2 (7-16 HCF) | $5.27 | $5.57 | $0.00 | $2.12 | $3.46 | $5.24 | $7.64 |
| Tier 3 (17+ HCF) | $5.27 | $6.12 | $0.00 | $2.33 | $3.80 | $5.76 | $8.39 |
| **Urban** | | | | | | | |
| MFR | $5.27 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Commercial | $5.27 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Institutional | $5.27 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Landscape Irrigation | $5.27 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| **Agriculture** | | | | | | | |
| Urban Agriculture | $1.42 | $1.80 | $0.00 | $0.69 | $1.12 | $1.70 | $2.47 |
| Goleta West Conduit | $1.30 | $1.35 | $0.00 | $0.52 | $0.84 | $1.27 | $1.85 |

# MARGINAL COST MODEL: ALL OPTIONS

## Commodity Rate & Drought Surcharge

| Class | Current Rate | Proposed Rate | [----------Drought Surcharge----------] Stage I | Stage II | Stage III | Stage IV | Stage V |
|---|---|---|---|---|---|---|---|
| **SFR** | | | | | | | |
| Tier 1 (0-4 HCF) | $5.04 | $4.52 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Tier 1 (5-6 HCF) | $5.27 | $4.52 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Tier 2 (7-16 HCF) | $5.27 | $5.57 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Tier 3 (17+ HCF) | $5.27 | $6.12 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| **Urban** | | | | | | | |
| MFR | $5.27 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Commercial | $5.27 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Institutional | $5.27 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Landscape Irrigation | $5.27 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| **Agriculture** | | | | | | | |
| Urban Agriculture | $1.42 | $1.80 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Goleta West Conduit | $1.30 | $1.35 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |

# DISCUSSION/Q&A

| | Rates | | Drought Surcharge | | |
|---|---|---|---|---|---|
| Option | Baseline | Alternative | Roseville | Marginal Cost | Uniform Meter Charge |
| 1 | ✓ | | ✓ | | |
| 2 | ✓ | | | ✓ | |
| 3 | | ✓ | ✓ | | |
| 4 | | ✓ | | ✓ | |
| 5 | ✓ | | ✓ | | ✓ |
| 6 | ✓ | | | ✓ | ✓ |
| 7 | | ✓ | ✓ | | ✓ |
| 8 | | ✓ | | ✓ | ✓ |

# 4. Option 1 Resolution Directing Staff

RESOLUTION NO. 2015-
Introduced by General Manager

**RESOLUTION NO. 2015 –**

A RESOLUTION OF THE GOLETA WATER DISTRICT BOARD OF DIRECTORS DIRECTING STAFF TO TAKE CERTAIN RELATED ACTIONS IN CONNECTION WITH A PUBLIC HEARING REGARDING PROPOSED RATE ADJUSTMENTS AND DROUGHT SURCHARGES

WHEREAS, the Goleta Water District has prepared and adopted a 5-Year Infrastructure Improvement Plan; and

WHEREAS, the District has received a Cost of Service Study determining that the District's existing revenues are insufficient to fully fund the planned infrastructure improvements while maintaining a prudent reserve and funding the District's operating expenses; and

WHEREAS, on April 1, 2015 the Governor of the State of California directed the State Water Board to impose restricts to achieve an aggregate statewide 25% reduction in potable urban water use through February 2016; and

WHEREAS, the District has declared a Stage Two Drought Emergency and anticipates that circumstances will likely require it to declare a Stage Three Drought Emergency in the near future; and

WHEREAS, the imposition of drought surcharges are an effective and efficient method of achieving reductions in water usage; and

WHEREAS, the District's Drought Preparedness and Water Shortage Contingency Plan calls for a drought surcharge to encourage conservation and ensure adequate revenue to provide safe, reliable water during the drought; and

WHEREAS, the Board of Directors has carefully reviewed its options for rate structures that will meet the District's financial needs and satisfy legal requirements that constrain the District's rate-setting options; and

WHEREAS, pursuant to Article XIII D, Section 6 of the California Constitution, the Board of Directors must hold a noticed public hearing before increasing its rates; and

WHEREAS, the Board of Directors desires to conduct the necessary proceedings to implement a rate increase.

NOW THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Directors of the Goleta Water District as follows:

1. Staff is directed to set a public hearing for June 16, 2015 (the "Hearing") on the schedule of rates and surcharges in substantially the form set forth in Exhibit "A" to this Resolution (the "Public Notice").

2. The Hearing shall be conducted in the manner set forth in Article XIII D, Section 6(a) of the California Constitution.

3. Staff is directed to mail the Public Notice of the Hearing to the customer of record for each parcel affected by the proposed rates and surcharges.

4. In connection with the Hearing, the District will accept and tabulate protests in accordance with the District's previously adopted "Guidelines for the Submission and Tabulation of Protests."

**PASSED and ADOPTED** by the Board of Directors of the Goleta Water District this ___ day of _____, 2015 by the following roll call vote:

**AYE:**

**NAY:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

| | |
|---|---|
| _____ | _____ |
| **JOHN D. MCINNES** | **LAUREN HANSON, PRESIDENT** |
| **DISTRICT SECRETARY** | **BOARD OF DIRECTORS** |

# NOTICE OF PUBLIC HEARING

# NEW PROPOSED WATER RATES AND DROUGHT SURCHARGE

**Date:** June 16, 2015
**Time:** 5:30 p.m.
**Location:** Goleta Union School District
Board Room
401 N. Fairview Ave., Goleta

**Notice is hereby given** that the **Goleta Water District** will hold a public hearing, at the above-indicated time and place, to consider a proposed change in rates, and the adoption of drought surcharges. The proposed rates will fund increasing costs associated with operating, maintaining, repairing, and upgrading the various components of the water system, inclusive of capital costs and the cost to purchase water. Customers are billed monthly a base rate (the fixed meter service charge) plus an additional amount based on the amount of water consumed (the commodity charge). The District is also proposing a drought surcharge to ensure the continued ability to provide safe, reliable water for drinking, health, and human safety during the ongoing drought. The amount of the proposed drought surcharge is based on the level of drought emergency declared by the District. Due to the extreme drought, with the driest three consecutive years in recorded history, the Goleta Water District declared a Stage 2 drought emergency September 9, 2014. This enacted mandatory water use restrictions and required a District-wide 25% reduction in water use. Absent significant changes to the ongoing dry weather, the District expects to declare a Stage 3 drought emergency during the spring of 2015. The drought surcharge is designed so that if you use less you pay less, and if you use more you pay more. The proposed rates and drought surcharge would be effective July 1, 2015, and are as follows:

NOTICE OF PUBLIC HEARING

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WaterWise
Goleta Water District

GOLETA WATER DISTRICT
4699 Hollister Avenue
Goleta, California 93110
805/964-6761
info@goletawater.com

For more information, please visit
www.GoletaWater.com

ITEM 1, PAGE 41

– DRAFT - Option 1 –

## Proposed Rates and Drought Surcharge



| Commodity Charges per HCF | Base Commodity Rate | | Proposed Drought Surcharge | | | | |
|---|---|---|---|---|---|---|---|
| **Rate Classification** | **Current** | **Proposed** | **Stage 1** | **Stage 2** | **Stage 3** | **Stage 4** | **Stage 5** |
| Single Family Residential (0-4 HCF*) | $5.04 | $4.52 | $0.00 | $1.72 | $2.81 | $4.25 | $6.20 |
| Single Family Residential (5-6 HCF) | $5.27 | $4.52 | $0.00 | $1.72 | $2.81 | $4.25 | $6.20 |
| Single Family Residential (7-16 HCF) | $5.27 | $5.57 | $0.00 | $2.12 | $3.46 | $5.24 | $7.64 |
| Single Family Residential (17+ HCF) | $5.27 | $6.12 | $0.00 | $2.33 | $3.80 | $5.76 | $8.39 |
| Urban** | $5.27 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Recreation Irrigation | $3.81 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Urban Agriculture | $1.42 | $1.80 | $0.00 | $0.69 | $1.12 | $1.70 | $2.47 |
| Goleta West Conduit | $1.30 | $1.35 | $0.00 | $0.52 | $0.84 | $1.27 | $1.85 |
| Recycled | $3.05 | $3.26 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

* Determination of tiered commodity rates is changing from a twelve-month rolling average to monthly measurement
** Urban includes multi-family residential, commercial, institutional, and landscape irrigation customers

## Proposed Fixed Meter Service Charges (per Month)

| | 5/8" or 3/4" Meter[1] | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **ULF[2]** | **LF[3]** | **Other[4]** | **1"** | **1.5"** | **2"** | **3"** | **4"** | **6"** | **8"** | **10"** | **Fire Line** |
| Current | $13.08 | $26.16 | $39.24 | $65.42 | $130.81 | $209.33 | $392.48 | $654.14 | $1,308.26 | $2,093.24 | $4,972.22 | $8.00 |
| Proposed | $14.14 | $29.20 | $44.40 | $68.16 | $127.57 | $198.85 | $424.58 | $757.23 | $1,672.04 | $2,860.09 | $4,523.38 | $9.44 |

1. Tiered meter charges are changing from twelve-month rolling average with cutoffs at 4 HCF and 8 HCF to monthly measurement at indicated thresholds.
2. Proposed Ultra-Low Flow is 6 or less HCF. 3. Proposed Low Flow is 7-16 HCF. 4. Proposed Other is more than 16 HCF.

Consistent with the District's five-year financial plan, a 2% increase on the rates, charges, and surcharges shown above will be assessed on July 1 of each year beginning in 2016 through 2019.

To protect against the effects of any unforeseeable inflation, the rates and surcharges shown above may increase each year through and including FY 2019-20 (if this calculation leads to a positive percentage) by two-thirds of the percentage change over 3% per year in the Consumer Price Index for Los Angeles-Anaheim-Riverside for all urban consumers since the most recently published value as of July 1, 2015. Recognizing that the remaining one-third of the District's total annual expenditures are for supply costs paid to the Central Coast Water Authority (CCWA) and Cachuma Operations and maintenance Board (COMB), the rates and surcharges shown above may also increase by one-third of the percentage increase over what is included in the District's five-year financial plan for CCWA and COMB costs. This automatic adjustment may occur without the need for additional proceedings by the District.

## How will the proposed changes affect my water bill?

The water bill is made up of two components: a commodity charge based on the volume of water used and a meter charge. The table below shows the typical bill for a single-family residential customer with a 3/4 inch meter using three different levels of water in a normal year and during a Stage 3 drought emergency.

| Usage Level | Monthly Usage | Current Bill | Proposed Bill | Difference | Proposed Stage 3 Drought Surcharge | Proposed Stage 3 Drought Bill |
|---|---|---|---|---|---|---|
| Low | 4 | $32.24 | $32.22 | -$1.02 | $11.24 | $43.46 |
| Moderate | 12 | $102.48 | $89.74 | -$12.74 | $37.62 | $127.36 |
| High | 32 | $207.88 | $225.14 | $17.26 | $112.26 | $337.40 |

## How do I protest?

If you wish to protest any of the above increases, please deliver your protest signed and in writing, including your name and service address (or parcel number) to the Goleta Water District at 4699 Hollister Avenue, Goleta, CA 93110 prior to the District's consideration of this item June 16, 2015. Protests may also be mailed to the District at P.O. Box 3370, Santa Barbara, CA 93130 or submitted at the June 16, 2015 public hearing. Faxed or e-mailed protests cannot be accepted. Protests are public records.

For more information, including a complete listing of all current and proposed rates, and a water rate calculator, please visit our website at **www.goletawater.com**

# 5. Option 2 Resolution Directing Staff

RESOLUTION NO. 2015-
Introduced by General Manager

**RESOLUTION NO. 2015 –**

A RESOLUTION OF THE GOLETA WATER DISTRICT BOARD OF DIRECTORS DIRECTING STAFF TO TAKE CERTAIN RELATED ACTIONS IN CONNECTION WITH A PUBLIC HEARING REGARDING PROPOSED RATE ADJUSTMENTS AND DROUGHT SURCHARGES

WHEREAS, the Goleta Water District has prepared and adopted a 5-Year Infrastructure Improvement Plan; and

WHEREAS, the District has received a Cost of Service Study determining that the District's existing revenues are insufficient to fully fund the planned infrastructure improvements while maintaining a prudent reserve and funding the District's operating expenses; and

WHEREAS, on April 1, 2015 the Governor of the State of California directed the State Water Board to impose restricts to achieve an aggregate statewide 25% reduction in potable urban water use through February 2016; and

WHEREAS, the District has declared a Stage Two Drought Emergency and anticipates that circumstances will likely require it to declare a Stage Three Drought Emergency in the near future; and

WHEREAS, the imposition of drought surcharges are an effective and efficient method of achieving reductions in water usage; and

WHEREAS, the District's Drought Preparedness and Water Shortage Contingency Plan calls for a drought surcharge to encourage conservation and ensure adequate revenue to provide safe, reliable water during the drought; and

WHEREAS, the Board of Directors has carefully reviewed its options for rate structures that will meet the District's financial needs and satisfy legal requirements that constrain the District's rate-setting options; and

WHEREAS, pursuant to Article XIII D, Section 6 of the California Constitution, the Board of Directors must hold a noticed public hearing before increasing its rates; and

WHEREAS, the Board of Directors desires to conduct the necessary proceedings to implement a rate increase.

NOW THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Directors of the Goleta Water District as follows:

1. Staff is directed to set a public hearing for June 16, 2015 (the "Hearing") on the schedule of rates and surcharges in substantially the form set forth in Exhibit "A" to this Resolution (the "Public Notice").

2. The Hearing shall be conducted in the manner set forth in Article XIII D, Section 6(a) of the California Constitution.

3. Staff is directed to mail the Public Notice of the Hearing to the customer of record for each parcel affected by the proposed rates and surcharges.

4. In connection with the Hearing, the District will accept and tabulate protests in accordance with the District's previously adopted "Guidelines for the Submission and Tabulation of Protests."

**PASSED and ADOPTED** by the Board of Directors of the Goleta Water District this ___ day of _____, 2015 by the following roll call vote:

**AYE:**

**NAY:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

| | |
|---|---|
| _____ | _____ |
| **JOHN D. MCINNES** | **LAUREN HANSON, PRESIDENT** |
| **DISTRICT SECRETARY** | **BOARD OF DIRECTORS** |

# NOTICE OF PUBLIC HEARING

# NEW PROPOSED WATER RATES AND DROUGHT SURCHARGE

**Date:** June 16, 2015
**Time:** 5:30 p.m.
**Location:** Goleta Union School District
Board Room
401 N. Fairview Ave., Goleta

**Notice is hereby given** that the **Goleta Water District** will hold a public hearing, at the above-indicated time and place, to consider a proposed change in rates, and the adoption of drought surcharges. The proposed rates will fund increasing costs associated with operating, maintaining, repairing, and upgrading the various components of the water system, inclusive of capital costs and the cost to purchase water. Customers are billed monthly a base rate (the fixed meter service charge) plus an additional amount based on the amount of water consumed (the commodity charge). The District is also proposing a drought surcharge to ensure the continued ability to provide safe, reliable water for drinking, health, and human safety during the ongoing drought. The amount of the proposed drought surcharge is based on the level of drought emergency declared by the District. Due to the extreme drought, with the driest three consecutive years in recorded history, the Goleta Water District declared a Stage 2 drought emergency September 9, 2014. This enacted mandatory water use restrictions and required a District-wide 25% reduction in water use. Absent significant changes to the ongoing dry weather, the District expects to declare a Stage 3 drought emergency during the spring of 2015. The drought surcharge is designed so that if you use less you pay less, and if you use more you pay more. The proposed rates and drought surcharge would be effective July 1, 2015, and are as follows:

NOTICE OF PUBLIC HEARING

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GOLETA WATER DISTRICT
4699 Hollister Avenue
Goleta, California 93110
805/964-6761
info@goletawater.com

For more information, please visit
www.GoletaWater.com



– DRAFT - Option 2 –

## Proposed Rates and Drought Surcharge



| Commodity Charges per HCF | Base Commodity Rate | | Proposed Drought Surcharge | | | | |
|---|---|---|---|---|---|---|---|
| **Rate Classification** | **Current** | **Proposed** | **Stage 1** | **Stage 2** | **Stage 3** | **Stage 4** | **Stage 5** |
| Single Family Residential (0-4 HCF*) | $5.04 | $4.52 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (5-6 HCF) | $5.27 | $4.52 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (7-16 HCF) | $5.27 | $5.57 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (17+ HCF) | $5.27 | $6.12 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Urban** | $5.27 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Recreation Irrigation | $3.81 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Urban Agriculture | $1.42 | $1.80 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Goleta West Conduit | $1.30 | $1.35 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Recycled | $3.05 | $3.26 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

* Determination of tiered commodity rates is changing from a twelve-month rolling average to monthly measurement
** Urban includes multi-family residential, commercial, institutional, and landscape irrigation customers

## Proposed Fixed Meter Service Charges (per Month)

| | 5/8" or 3/4" Meter[1] | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **ULF[2]** | **LF[3]** | **Other[4]** | **1"** | **1.5"** | **2"** | **3"** | **4"** | **6"** | **8"** | **10"** | **Fire Line** |
| Current | $13.08 | $26.16 | $39.24 | $65.42 | $130.81 | $209.33 | $392.48 | $654.14 | $1,308.26 | $2,093.24 | $4,972.22 | $8.00 |
| Proposed | $14.14 | $29.20 | $44.40 | $68.16 | $127.57 | $198.85 | $424.58 | $757.23 | $1,672.04 | $2,860.09 | $4,523.38 | $9.44 |

1. Tiered meter charges are changing from twelve-month rolling average with cutoffs at 4 HCF and 8 HCF to monthly measurement at indicated thresholds.
2. Proposed Ultra-Low Flow is 6 or less HCF. 3. Proposed Low Flow is 7-16 HCF. 4. Proposed Other is more than 16 HCF.

Consistent with the District's five-year financial plan, a 2% increase on the rates, charges, and surcharges shown above will be assessed on July 1 of each year beginning in 2016 through 2019.

To protect against the effects of any unforeseeable inflation, the rates and surcharges shown above may increase each year through and including FY 2019-20 (if this calculation leads to a positive percentage) by two-thirds of the percentage change over 3% per year in the Consumer Price Index for Los Angeles-Anaheim-Riverside for all urban consumers since the most recently published value as of July 1, 2015. Recognizing that the remaining one-third of the District's total annual expenditures are for supply costs paid to the Central Coast Water Authority (CCWA) and Cachuma Operations and maintenance Board (COMB), the rates and surcharges shown above may also increase by one-third of the percentage increase over what is included in the District's five-year financial plan for CCWA and COMB costs. This automatic adjustment may occur without the need for additional proceedings by the District.

## How will the proposed changes affect my water bill?

The water bill is made up of two components: a commodity charge based on the volume of water used and a meter charge. The table below shows the typical bill for a single-family residential customer with a 3/4 inch meter using three different levels of water in a normal year and during a Stage 3 drought emergency.

| Usage Level | Monthly Usage | Current Bill | Proposed Bill | Difference | Proposed Stage 3 Drought Surcharge | Proposed Stage 3 Drought Bill |
|---|---|---|---|---|---|---|
| Low | 4 | $33.24 | $32.22 | -$1.02 | $10.40 | $42.62 |
| Moderate | 12 | $102.48 | $89.74 | -$12.74 | $31.20 | $120.94 |
| High | 32 | $207.88 | $225.14 | $17.26 | $83.20 | $308.34 |

## How do I protest?

If you wish to protest any of the above increases, please deliver your protest signed and in writing, including your name and service address (or parcel number) to the Goleta Water District at 4699 Hollister Avenue, Goleta, CA 93110 prior to the District's consideration of this item June 16, 2015. Protests may also be mailed to the District at P.O. Box 3370, Santa Barbara, CA 93130 or submitted at the June 16, 2015 public hearing. Faxed or e-mailed protests cannot be accepted. Protests are public records.

For more information, including a complete listing of all current and proposed rates, and a water rate calculator, please visit our website at **www.goletawater.com**

# 6. Option 3 Resolution Directing Staff

RESOLUTION NO. 2015-
Introduced by General Manager

**RESOLUTION NO. 2015 –**

A RESOLUTION OF THE GOLETA WATER DISTRICT BOARD OF DIRECTORS DIRECTING STAFF TO TAKE CERTAIN RELATED ACTIONS IN CONNECTION WITH A PUBLIC HEARING REGARDING PROPOSED RATE ADJUSTMENTS AND DROUGHT SURCHARGES

WHEREAS, the Goleta Water District has prepared and adopted a 5-Year Infrastructure Improvement Plan; and

WHEREAS, the District has received a Cost of Service Study determining that the District's existing revenues are insufficient to fully fund the planned infrastructure improvements while maintaining a prudent reserve and funding the District's operating expenses; and

WHEREAS, on April 1, 2015 the Governor of the State of California directed the State Water Board to impose restricts to achieve an aggregate statewide 25% reduction in potable urban water use through February 2016; and

WHEREAS, the District has declared a Stage Two Drought Emergency and anticipates that circumstances will likely require it to declare a Stage Three Drought Emergency in the near future; and

WHEREAS, the imposition of drought surcharges are an effective and efficient method of achieving reductions in water usage; and

WHEREAS, the District's Drought Preparedness and Water Shortage Contingency Plan calls for a drought surcharge to encourage conservation and ensure adequate revenue to provide safe, reliable water during the drought; and

WHEREAS, the Board of Directors has carefully reviewed its options for rate structures that will meet the District's financial needs and satisfy legal requirements that constrain the District's rate-setting options; and

WHEREAS, pursuant to Article XIII D, Section 6 of the California Constitution, the Board of Directors must hold a noticed public hearing before increasing its rates; and

WHEREAS, the Board of Directors desires to conduct the necessary proceedings to implement a rate increase.

NOW THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Directors of the Goleta Water District as follows:

1. Staff is directed to set a public hearing for June 16, 2015 (the "Hearing") on the schedule of rates and surcharges in substantially the form set forth in Exhibit "A" to this Resolution (the "Public Notice").

2. The Hearing shall be conducted in the manner set forth in Article XIII D, Section 6(a) of the California Constitution.

3. Staff is directed to mail the Public Notice of the Hearing to the customer of record for each parcel affected by the proposed rates and surcharges.

4. In connection with the Hearing, the District will accept and tabulate protests in accordance with the District's previously adopted "Guidelines for the Submission and Tabulation of Protests."

**PASSED and ADOPTED** by the Board of Directors of the Goleta Water District this ___ day of _____, 2015 by the following roll call vote:

**AYE:**

**NAY:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

| | |
|---|---|
| _____ | _____ |
| **JOHN D. MCINNES** | **LAUREN HANSON, PRESIDENT** |
| **DISTRICT SECRETARY** | **BOARD OF DIRECTORS** |

# NOTICE OF PUBLIC HEARING

# NEW PROPOSED WATER RATES AND DROUGHT SURCHARGE

**Date:** June 16, 2015
**Time:** 5:30 p.m.
**Location:** Goleta Union School District
Board Room
401 N. Fairview Ave., Goleta

**Notice is hereby given** that the **Goleta Water District** will hold a public hearing, at the above-indicated time and place, to consider a proposed change in rates, and the adoption of drought surcharges. The proposed rates will fund increasing costs associated with operating, maintaining, repairing, and upgrading the various components of the water system, inclusive of capital costs and the cost to purchase water. Customers are billed monthly a base rate (the fixed meter service charge) plus an additional amount based on the amount of water consumed (the commodity charge). The District is also proposing a drought surcharge to ensure the continued ability to provide safe, reliable water for drinking, health, and human safety during the ongoing drought. The amount of the proposed drought surcharge is based on the level of drought emergency declared by the District. Due to the extreme drought, with the driest three consecutive years in recorded history, the Goleta Water District declared a Stage 2 drought emergency September 9, 2014. This enacted mandatory water use restrictions and required a District-wide 25% reduction in water use. Absent significant changes to the ongoing dry weather, the District expects to declare a Stage 3 drought emergency during the spring of 2015. The drought surcharge is designed so that if you use less you pay less, and if you use more you pay more. The proposed rates and drought surcharge would be effective July 1, 2015, and are as follows:

NOTICE OF PUBLIC HEARING

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Goleta Water District

GOLETA WATER DISTRICT
4699 Hollister Avenue
Goleta, California 93110
805/964-6761
info@goletawater.com

ITEM 1, PAGE 51

For more information, please visit
www.GoletaWater.com

– DRAFT - Option 3 –

## Proposed Rates and Drought Surcharge



| Commodity Charges per HCF | Base Commodity Rate | | Proposed Drought Surcharge | | | | |
|---|---|---|---|---|---|---|---|
| **Rate Classification** | **Current** | **Proposed** | **Stage 1** | **Stage 2** | **Stage 3** | **Stage 4** | **Stage 5** |
| Single Family Residential (0-4 HCF*) | $5.04 | $4.52 | $0.00 | $1.72 | $2.81 | $4.25 | $6.20 |
| Single Family Residential (5-6 HCF) | $5.27 | $4.52 | $0.00 | $1.72 | $2.81 | $4.25 | $6.20 |
| Single Family Residential (7-16 HCF) | $5.27 | $5.57 | $0.00 | $2.12 | $3.46 | $5.24 | $7.64 |
| Single Family Residential (17+ HCF) | $5.27 | $6.12 | $0.00 | $2.33 | $3.80 | $5.76 | $8.39 |
| Urban** | $5.27 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Recreation Irrigation | $3.81 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Urban Agriculture | $1.42 | $1.80 | $0.00 | $0.69 | $1.12 | $1.70 | $2.47 |
| Goleta West Conduit | $1.30 | $1.35 | $0.00 | $0.52 | $0.84 | $1.27 | $1.85 |
| Recycled | $3.05 | $3.26 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

* Determination of tiered commodity rates is changing from a twelve-month rolling average to monthly measurement
** Urban includes multi-family residential, commercial, institutional, and landscape irrigation customers

## Proposed Fixed Meter Service Charges (per Month)

| | 5/8" or 3/4" Meter[1] | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **ULF[2]** | **LF[3]** | **Other[4]** | **1"** | **1.5"** | **2"** | **3"** | **4"** | **6"** | **8"** | **10"** | **Fire Line** |
| Current | $13.08 | $26.16 | $39.24 | $65.42 | $130.81 | $209.33 | $392.48 | $654.14 | $1,308.26 | $2,093.24 | $4,972.22 | $8.00 |
| Proposed | $14.14 | $29.20 | $44.40 | $68.16 | $127.57 | $198.85 | $424.58 | $757.23 | $1,672.04 | $2,860.09 | $4,523.38 | $9.44 |

1. Tiered meter charges are changing from twelve-month rolling average with cutoffs at 4 HCF and 8 HCF to monthly measurement at indicated thresholds.
2. Proposed Ultra-Low Flow is 6 or less HCF. 3. Proposed Low Flow is 7-16 HCF. 4. Proposed Other is more than 16 HCF.

Consistent with the District's five-year financial plan, a 3% increase on the rates, charges, and surcharges shown above will be assessed July 1, 2016 and a 4% increase will be assessed July 1 of each year beginning 2017 through 2019.

To protect against the effects of any unforeseeable inflation, the rates and surcharges shown above may increase each year through and including FY 2019-20 (if this calculation leads to a positive percentage) by two-thirds of the percentage change over 3% per year in the Consumer Price Index for Los Angeles-Anaheim-Riverside for all urban consumers since the most recently published value as of July 1, 2015. Recognizing that the remaining one-third of the District's total annual expenditures are for supply costs paid to the Central Coast Water Authority (CCWA) and Cachuma Operations and maintenance Board (COMB), the rates and surcharges shown above may also increase by one-third of the percentage increase over what is included in the District's five-year financial plan for CCWA and COMB costs. This automatic adjustment may occur without the need for additional proceedings by the District.

## How will the proposed changes affect my water bill?

The water bill is made up of two components: a commodity charge based on the volume of water used and a meter charge. The table below shows the typical bill for a single-family residential customer with a 3/4 inch meter using three different levels of water in a normal year and during a Stage 3 drought emergency.

| Usage Level | Monthly Usage | Current Bill | Proposed Bill | Difference | Proposed Stage 3 Drought Surcharge | Proposed Stage 3 Drought Bill |
|---|---|---|---|---|---|---|
| Low | 4 | $32.24 | $32.22 | -$1.02 | $11.24 | $43.46 |
| Moderate | 12 | $102.48 | $89.74 | -$12.74 | $37.62 | $127.36 |
| High | 32 | $207.88 | $225.14 | $17.26 | $112.26 | $337.40 |

## How do I protest?

If you wish to protest any of the above increases, please deliver your protest signed and in writing, including your name and service address (or parcel number) to the Goleta Water District at 4699 Hollister Avenue, Goleta, CA 93110 prior to the District's consideration of this item June 16, 2015. Protests may also be mailed to the District at P.O. Box 3370, Santa Barbara, CA 93130 or submitted at the June 16, 2015 public hearing. Faxed or e-mailed protests cannot be accepted. Protests are public records.

For more information, including a complete listing of all current and proposed rates, and a water rate calculator, please visit our website at **www.goletawater.com**

# 7. Option 4 Resolution Directing Staff

RESOLUTION NO. 2015-
Introduced by General Manager

**RESOLUTION NO. 2015 –**

A RESOLUTION OF THE GOLETA WATER DISTRICT BOARD OF DIRECTORS DIRECTING STAFF TO TAKE CERTAIN RELATED ACTIONS IN CONNECTION WITH A PUBLIC HEARING REGARDING PROPOSED RATE ADJUSTMENTS AND DROUGHT SURCHARGES

WHEREAS, the Goleta Water District has prepared and adopted a 5-Year Infrastructure Improvement Plan; and

WHEREAS, the District has received a Cost of Service Study determining that the District's existing revenues are insufficient to fully fund the planned infrastructure improvements while maintaining a prudent reserve and funding the District's operating expenses; and

WHEREAS, on April 1, 2015 the Governor of the State of California directed the State Water Board to impose restricts to achieve an aggregate statewide 25% reduction in potable urban water use through February 2016; and

WHEREAS, the District has declared a Stage Two Drought Emergency and anticipates that circumstances will likely require it to declare a Stage Three Drought Emergency in the near future; and

WHEREAS, the imposition of drought surcharges are an effective and efficient method of achieving reductions in water usage; and

WHEREAS, the District's Drought Preparedness and Water Shortage Contingency Plan calls for a drought surcharge to encourage conservation and ensure adequate revenue to provide safe, reliable water during the drought; and

WHEREAS, the Board of Directors has carefully reviewed its options for rate structures that will meet the District's financial needs and satisfy legal requirements that constrain the District's rate-setting options; and

WHEREAS, pursuant to Article XIII D, Section 6 of the California Constitution, the Board of Directors must hold a noticed public hearing before increasing its rates; and

WHEREAS, the Board of Directors desires to conduct the necessary proceedings to implement a rate increase.

NOW THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Directors of the Goleta Water District as follows:

1. Staff is directed to set a public hearing for June 16, 2015 (the "Hearing") on the schedule of rates and surcharges in substantially the form set forth in Exhibit "A" to this Resolution (the "Public Notice").

2. The Hearing shall be conducted in the manner set forth in Article XIII D, Section 6(a) of the California Constitution.

3. Staff is directed to mail the Public Notice of the Hearing to the customer of record for each parcel affected by the proposed rates and surcharges.

4. In connection with the Hearing, the District will accept and tabulate protests in accordance with the District's previously adopted "Guidelines for the Submission and Tabulation of Protests."

**PASSED and ADOPTED** by the Board of Directors of the Goleta Water District this ___ day of _____, 2015 by the following roll call vote:

**AYE:**

**NAY:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

| | |
|---|---|
| _____ | _____ |
| **JOHN D. MCINNES** | **LAUREN HANSON, PRESIDENT** |
| **DISTRICT SECRETARY** | **BOARD OF DIRECTORS** |

# NOTICE OF PUBLIC HEARING

# NEW PROPOSED WATER RATES AND DROUGHT SURCHARGE

**Date:** June 16, 2015
**Time:** 5:30 p.m.
**Location:** Goleta Union School District
Board Room
401 N. Fairview Ave., Goleta

**Notice is hereby given** that the **Goleta Water District** will hold a public hearing, at the above-indicated time and place, to consider a proposed change in rates, and the adoption of drought surcharges. The proposed rates will fund increasing costs associated with operating, maintaining, repairing, and upgrading the various components of the water system, inclusive of capital costs and the cost to purchase water. Customers are billed monthly a base rate (the fixed meter service charge) plus an additional amount based on the amount of water consumed (the commodity charge). The District is also proposing a drought surcharge to ensure the continued ability to provide safe, reliable water for drinking, health, and human safety during the ongoing drought. The amount of the proposed drought surcharge is based on the level of drought emergency declared by the District. Due to the extreme drought, with the driest three consecutive years in recorded history, the Goleta Water District declared a Stage 2 drought emergency September 9, 2014. This enacted mandatory water use restrictions and required a District-wide 25% reduction in water use. Absent significant changes to the ongoing dry weather, the District expects to declare a Stage 3 drought emergency during the spring of 2015. The drought surcharge is designed so that if you use less you pay less, and if you use more you pay more. The proposed rates and drought surcharge would be effective July 1, 2015, and are as follows:

NOTICE OF PUBLIC HEARING

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waterWise

GOLETA WATER DISTRICT
4699 Hollister Avenue
Goleta, California 93110
805/964-6761
info@goletawater.com

For more information, please visit
www.GoletaWater.com

ITEM 1, PAGE 56

– DRAFT - Option 4 –

## Proposed Rates and Drought Surcharge



| Commodity Charges per HCF | Base Commodity Rate | | Proposed Drought Surcharge | | | | |
|---|---|---|---|---|---|---|---|
| **Rate Classification** | **Current** | **Proposed** | **Stage 1** | **Stage 2** | **Stage 3** | **Stage 4** | **Stage 5** |
| Single Family Residential (0-4 HCF*) | $5.04 | $4.52 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (5-6 HCF) | $5.27 | $4.52 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (7-16 HCF) | $5.27 | $5.57 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (17+ HCF) | $5.27 | $6.12 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Urban** | $5.27 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Recreation Irrigation | $3.81 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Urban Agriculture | $1.42 | $1.80 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Goleta West Conduit | $1.30 | $1.35 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Recycled | $3.05 | $3.26 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

* Determination of tiered commodity rates is changing from a twelve-month rolling average to monthly measurement
** Urban includes multi-family residential, commercial, institutional, and landscape irrigation customers

## Proposed Fixed Meter Service Charges (per Month)

| | 5/8" or 3/4" Meter[1] | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **ULF[2]** | **LF[3]** | **Other[4]** | **1"** | **1.5"** | **2"** | **3"** | **4"** | **6"** | **8"** | **10"** | **Fire Line** |
| Current | $13.08 | $26.16 | $39.24 | $65.42 | $130.81 | $209.33 | $392.48 | $654.14 | $1,308.26 | $2,093.24 | $4,972.22 | $8.00 |
| Proposed | $14.14 | $29.20 | $44.40 | $68.16 | $127.57 | $198.85 | $424.58 | $757.23 | $1,672.04 | $2,860.09 | $4,523.38 | $9.44 |

1. Tiered meter charges are changing from twelve-month rolling average with cutoffs at 4 HCF and 8 HCF to monthly measurement at indicated thresholds.
2. Proposed Ultra-Low Flow is 6 or less HCF. 3. Proposed Low Flow is 7-16 HCF. 4. Proposed Other is more than 16 HCF.

Consistent with the District's five-year financial plan, a 3% increase on the rates, charges, and surcharges shown above will be assessed July 1, 2016 and a 4% increase will be assessed July 1 of each year beginning 2017 through 2019.

To protect against the effects of any unforeseeable inflation, the rates and surcharges shown above may increase each year through and including FY 2019-20 (if this calculation leads to a positive percentage) by two-thirds of the percentage change over 3% per year in the Consumer Price Index for Los Angeles-Anaheim-Riverside for all urban consumers since the most recently published value as of July 1, 2015. Recognizing that the remaining one-third of the District's total annual expenditures are for supply costs paid to the Central Coast Water Authority (CCWA) and Cachuma Operations and maintenance Board (COMB), the rates and surcharges shown above may also increase by one-third of the percentage increase over what is included in the District's five-year financial plan for CCWA and COMB costs. This automatic adjustment may occur without the need for additional proceedings by the District.

## How will the proposed changes affect my water bill?

The water bill is made up of two components: a commodity charge based on the volume of water used and a meter charge. The table below shows the typical bill for a single-family residential customer with a 3/4 inch meter using three different levels of water in a normal year and during a Stage 3 drought emergency.

| Usage Level | Monthly Usage | Current Bill | Proposed Bill | Difference | Proposed Stage 3 Drought Surcharge | Proposed Stage 3 Drought Bill |
|---|---|---|---|---|---|---|
| Low | 4 | $33.24 | $32.22 | -$1.02 | $10.40 | $42.62 |
| Moderate | 12 | $102.48 | $89.74 | -$12.74 | $31.20 | $120.94 |
| High | 32 | $207.88 | $225.14 | $17.26 | $83.20 | $308.34 |

## How do I protest?

If you wish to protest any of the above increases, please deliver your protest signed and in writing, including your name and service address (or parcel number) to the Goleta Water District at 4699 Hollister Avenue, Goleta, CA 93110 prior to the District's consideration of this item June 16, 2015. Protests may also be mailed to the District at P.O. Box 3370, Santa Barbara, CA 93130 or submitted at the June 16, 2015 public hearing. Faxed or e-mailed protests cannot be accepted. Protests are public records.

For more information, including a complete listing of all current and proposed rates, and a water rate calculator, please visit our website at **www.goletawater.com**

# 8. Option 5 Resolution Directing Staff

RESOLUTION NO. 2015-
Introduced by General Manager

**RESOLUTION NO. 2015 –**

A RESOLUTION OF THE GOLETA WATER DISTRICT BOARD OF DIRECTORS DIRECTING STAFF TO TAKE CERTAIN RELATED ACTIONS IN CONNECTION WITH A PUBLIC HEARING REGARDING PROPOSED RATE ADJUSTMENTS AND DROUGHT SURCHARGES

WHEREAS, the Goleta Water District has prepared and adopted a 5-Year Infrastructure Improvement Plan; and

WHEREAS, the District has received a Cost of Service Study determining that the District's existing revenues are insufficient to fully fund the planned infrastructure improvements while maintaining a prudent reserve and funding the District's operating expenses; and

WHEREAS, on April 1, 2015 the Governor of the State of California directed the State Water Board to impose restricts to achieve an aggregate statewide 25% reduction in potable urban water use through February 2016; and

WHEREAS, the District has declared a Stage Two Drought Emergency and anticipates that circumstances will likely require it to declare a Stage Three Drought Emergency in the near future; and

WHEREAS, the imposition of drought surcharges are an effective and efficient method of achieving reductions in water usage; and

WHEREAS, the District's Drought Preparedness and Water Shortage Contingency Plan calls for a drought surcharge to encourage conservation and ensure adequate revenue to provide safe, reliable water during the drought; and

WHEREAS, the Board of Directors has carefully reviewed its options for rate structures that will meet the District's financial needs and satisfy legal requirements that constrain the District's rate-setting options; and

WHEREAS, pursuant to Article XIII D, Section 6 of the California Constitution, the Board of Directors must hold a noticed public hearing before increasing its rates; and

WHEREAS, the Board of Directors desires to conduct the necessary proceedings to implement a rate increase.

NOW THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Directors of the Goleta Water District as follows:

1. Staff is directed to set a public hearing for June 16, 2015 (the "Hearing") on the schedule of rates and surcharges in substantially the form set forth in Exhibit "A" to this Resolution (the "Public Notice").

2. The Hearing shall be conducted in the manner set forth in Article XIII D, Section 6(a) of the California Constitution.

3. Staff is directed to mail the Public Notice of the Hearing to the customer of record for each parcel affected by the proposed rates and surcharges.

4. In connection with the Hearing, the District will accept and tabulate protests in accordance with the District's previously adopted "Guidelines for the Submission and Tabulation of Protests."

**PASSED and ADOPTED** by the Board of Directors of the Goleta Water District this ___ day of _____, 2015 by the following roll call vote:

**AYE:**

**NAY:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

| | |
|---|---|
| _____ | _____ |
| **JOHN D. MCINNES** | **LAUREN HANSON, PRESIDENT** |
| **DISTRICT SECRETARY** | **BOARD OF DIRECTORS** |

# NOTICE OF PUBLIC HEARING

# NEW PROPOSED WATER RATES AND DROUGHT SURCHARGE

**Date:** June 16, 2015
**Time:** 5:30 p.m.
**Location:** Goleta Union School District
Board Room
401 N. Fairview Ave., Goleta

**Notice is hereby given** that the **Goleta Water District** will hold a public hearing, at the above-indicated time and place, to consider a proposed change in rates, and the adoption of drought surcharges. The proposed rates will fund increasing costs associated with operating, maintaining, repairing, and upgrading the various components of the water system, inclusive of capital costs and the cost to purchase water. Customers are billed monthly a base rate (the fixed meter service charge) plus an additional amount based on the amount of water consumed (the commodity charge). The District is also proposing a drought surcharge to ensure the continued ability to provide safe, reliable water for drinking, health, and human safety during the ongoing drought. The amount of the proposed drought surcharge is based on the level of drought emergency declared by the District. Due to the extreme drought, with the driest three consecutive years in recorded history, the Goleta Water District declared a Stage 2 drought emergency September 9, 2014. This enacted mandatory water use restrictions and required a District-wide 25% reduction in water use. Absent significant changes to the ongoing dry weather, the District expects to declare a Stage 3 drought emergency during the spring of 2015. The drought surcharge is designed so that if you use less you pay less, and if you use more you pay more. The proposed rates and drought surcharge would be effective July 1, 2015, and are as follows:

NOTICE OF PUBLIC HEARING

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Goleta Water District

GOLETA WATER DISTRICT
4699 Hollister Avenue
Goleta, California 93110
805/964-6761
info@goletawater.com

ITEM 1, PAGE 61

For more information, please visit
www.GoletaWater.com

– DRAFT - Option 5 –

## Proposed Rates and Drought Surcharge



| Commodity Charges per HCF | Base Commodity Rate | | Proposed Drought Surcharge | | | | |
|---|---|---|---|---|---|---|---|
| **Rate Classification** | **Current** | **Proposed** | **Stage 1** | **Stage 2** | **Stage 3** | **Stage 4** | **Stage 5** |
| Single Family Residential (0-4 HCF*) | $5.04 | $4.52 | $0.00 | $1.72 | $2.81 | $4.25 | $6.20 |
| Single Family Residential (5-6 HCF) | $5.27 | $4.52 | $0.00 | $1.72 | $2.81 | $4.25 | $6.20 |
| Single Family Residential (7-16 HCF) | $5.27 | $5.57 | $0.00 | $2.12 | $3.46 | $5.24 | $7.64 |
| Single Family Residential (17+ HCF) | $5.27 | $6.12 | $0.00 | $2.33 | $3.80 | $5.76 | $8.39 |
| Urban** | $5.27 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Recreation Irrigation | $3.81 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Urban Agriculture | $1.42 | $1.80 | $0.00 | $0.69 | $1.12 | $1.70 | $2.47 |
| Goleta West Conduit | $1.30 | $1.35 | $0.00 | $0.52 | $0.84 | $1.27 | $1.85 |
| Recycled | $3.05 | $3.26 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

* Determination of tiered commodity rates is changing from a twelve-month rolling average to monthly measurement
** Urban includes multi-family residential, commercial, institutional, and landscape irrigation customers

## Proposed Fixed Meter Service Charges (per Month)

| | 5/8" or 3/4" Meter[1] | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **ULF[2]** | **LF[3]** | **Other[4]** | **1"** | **1.5"** | **2"** | **3"** | **4"** | **6"** | **8"** | **10"** | **Fire Line** |
| Current | $13.08 | $26.16 | $39.24 | $65.42 | $130.81 | $209.33 | $392.48 | $654.14 | $1,308.26 | $2,093.24 | $4,972.22 | $8.00 |
| Proposed | $34.83 | $34.83 | $34.83 | $52.22 | $95.68 | $147.84 | $313.00 | $556.40 | $1,225.74 | $2,095.02 | $3,312.00 | $9.44 |

1. Tiered meter charges are changing from twelve-month rolling average with cutoffs at 4 HCF and 8 HCF to a uniform monthly charge.
2. Current Ultra-Low Flow is 4 or less HCF. 3. Current Low Flow is 5-8 HCF. 4. Current Other is more than 8 HCF.

Consistent with the District's five-year financial plan, a 2% increase on the rates, charges, and surcharges shown above will be assessed on July 1 of each year beginning in 2016 through 2019.

To protect against the effects of any unforeseeable inflation, the rates and surcharges shown above may increase each year through and including FY 2019-20 (if this calculation leads to a positive percentage) by two-thirds of the percentage change over 3% per year in the Consumer Price Index for Los Angeles-Anaheim-Riverside for all urban consumers since the most recently published value as of July 1, 2015. Recognizing that the remaining one-third of the District's total annual expenditures are for supply costs paid to the Central Coast Water Authority (CCWA) and Cachuma Operations and maintenance Board (COMB), the rates and surcharges shown above may also increase by one-third of the percentage increase over what is included in the District's five-year financial plan for CCWA and COMB costs. This automatic adjustment may occur without the need for additional proceedings by the District.

## How will the proposed changes affect my water bill?

The water bill is made up of two components: a commodity charge based on the volume of water used and a meter charge. The table below shows the typical bill for a single-family residential customer with a 3/4 inch meter using three different levels of water in a normal year and during a Stage 3 drought emergency.

| Usage Level | Monthly Usage | Current Bill | Proposed Bill | Difference | Proposed Stage 3 Drought Surcharge | Proposed Stage 3 Drought Bill |
|---|---|---|---|---|---|---|
| Low | 4 | $32.24 | $52.91 | $19.67 | $11.24 | $64.15 |
| Moderate | 12 | $102.48 | $95.37 | -$7.11 | $37.62 | $132.99 |
| High | 32 | $207.88 | $215.57 | $7.69 | $112.26 | $327.83 |

## How do I protest?

If you wish to protest any of the above increases, please deliver your protest signed and in writing, including your name and service address (or parcel number) to the Goleta Water District at 4699 Hollister Avenue, Goleta, CA 93110 prior to the District's consideration of this item June 16, 2015. Protests may also be mailed to the District at P.O. Box 3370, Santa Barbara, CA 93130 or submitted at the June 16, 2015 public hearing. Faxed or e-mailed protests cannot be accepted. Protests are public records.

For more information, including a complete listing of all current and proposed rates, and a water rate calculator, please visit our website at **www.goletawater.com**

# 9. Option 6 Resolution Directing Staff

RESOLUTION NO. 2015-
Introduced by General Manager

**RESOLUTION NO. 2015 –**

A RESOLUTION OF THE GOLETA WATER DISTRICT BOARD OF DIRECTORS DIRECTING STAFF TO TAKE CERTAIN RELATED ACTIONS IN CONNECTION WITH A PUBLIC HEARING REGARDING PROPOSED RATE ADJUSTMENTS AND DROUGHT SURCHARGES

WHEREAS, the Goleta Water District has prepared and adopted a 5-Year Infrastructure Improvement Plan; and

WHEREAS, the District has received a Cost of Service Study determining that the District's existing revenues are insufficient to fully fund the planned infrastructure improvements while maintaining a prudent reserve and funding the District's operating expenses; and

WHEREAS, on April 1, 2015 the Governor of the State of California directed the State Water Board to impose restricts to achieve an aggregate statewide 25% reduction in potable urban water use through February 2016; and

WHEREAS, the District has declared a Stage Two Drought Emergency and anticipates that circumstances will likely require it to declare a Stage Three Drought Emergency in the near future; and

WHEREAS, the imposition of drought surcharges are an effective and efficient method of achieving reductions in water usage; and

WHEREAS, the District's Drought Preparedness and Water Shortage Contingency Plan calls for a drought surcharge to encourage conservation and ensure adequate revenue to provide safe, reliable water during the drought; and

WHEREAS, the Board of Directors has carefully reviewed its options for rate structures that will meet the District's financial needs and satisfy legal requirements that constrain the District's rate-setting options; and

WHEREAS, pursuant to Article XIII D, Section 6 of the California Constitution, the Board of Directors must hold a noticed public hearing before increasing its rates; and

WHEREAS, the Board of Directors desires to conduct the necessary proceedings to implement a rate increase.

NOW THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Directors of the Goleta Water District as follows:

1. Staff is directed to set a public hearing for June 16, 2015 (the "Hearing") on the schedule of rates and surcharges in substantially the form set forth in Exhibit "A" to this Resolution (the "Public Notice").

2. The Hearing shall be conducted in the manner set forth in Article XIII D, Section 6(a) of the California Constitution.

3. Staff is directed to mail the Public Notice of the Hearing to the customer of record for each parcel affected by the proposed rates and surcharges.

4. In connection with the Hearing, the District will accept and tabulate protests in accordance with the District's previously adopted "Guidelines for the Submission and Tabulation of Protests."

**PASSED and ADOPTED** by the Board of Directors of the Goleta Water District this ___ day of _____, 2015 by the following roll call vote:

**AYE:**

**NAY:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

| | |
|---|---|
| _____ | _____ |
| **JOHN D. MCINNES** | **LAUREN HANSON, PRESIDENT** |
| **DISTRICT SECRETARY** | **BOARD OF DIRECTORS** |

# NOTICE OF PUBLIC HEARING

# NEW PROPOSED WATER RATES AND DROUGHT SURCHARGE

**Date:** June 16, 2015
**Time:** 5:30 p.m.
**Location:** Goleta Union School District
Board Room
401 N. Fairview Ave., Goleta

**Notice is hereby given** that the **Goleta Water District** will hold a public hearing, at the above-indicated time and place, to consider a proposed change in rates, and the adoption of drought surcharges. The proposed rates will fund increasing costs associated with operating, maintaining, repairing, and upgrading the various components of the water system, inclusive of capital costs and the cost to purchase water. Customers are billed monthly a base rate (the fixed meter service charge) plus an additional amount based on the amount of water consumed (the commodity charge). The District is also proposing a drought surcharge to ensure the continued ability to provide safe, reliable water for drinking, health, and human safety during the ongoing drought. The amount of the proposed drought surcharge is based on the level of drought emergency declared by the District. Due to the extreme drought, with the driest three consecutive years in recorded history, the Goleta Water District declared a Stage 2 drought emergency September 9, 2014. This enacted mandatory water use restrictions and required a District-wide 25% reduction in water use. Absent significant changes to the ongoing dry weather, the District expects to declare a Stage 3 drought emergency during the spring of 2015. The drought surcharge is designed so that if you use less you pay less, and if you use more you pay more. The proposed rates and drought surcharge would be effective July 1, 2015, and are as follows:

NOTICE OF PUBLIC HEARING

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Goleta Water District

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Goleta, California 93110
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info@goletawater.com

For more information, please visit
www.GoletaWater.com

ITEM 1, PAGE 66

– DRAFT - Option 6 –

## Proposed Rates and Drought Surcharge



| Commodity Charges per HCF | Base Commodity Rate | | Proposed Drought Surcharge | | | | |
|---|---|---|---|---|---|---|---|
| **Rate Classification** | **Current** | **Proposed** | **Stage 1** | **Stage 2** | **Stage 3** | **Stage 4** | **Stage 5** |
| Single Family Residential (0-4 HCF*) | $5.04 | $4.52 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (5-6 HCF) | $5.27 | $4.52 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (7-16 HCF) | $5.27 | $5.57 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (17+ HCF) | $5.27 | $6.12 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Urban** | $5.27 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Recreation Irrigation | $3.81 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Urban Agriculture | $1.42 | $1.80 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Goleta West Conduit | $1.30 | $1.35 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Recycled | $3.05 | $3.26 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

* Determination of tiered commodity rates is changing from a twelve-month rolling average to monthly measurement
** Urban includes multi-family residential, commercial, institutional, and landscape irrigation customers

## Proposed Fixed Meter Service Charges (per Month)

| | 5/8" or 3/4" Meter[1] | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **ULF[2]** | **LF[3]** | **Other[4]** | **1"** | **1.5"** | **2"** | **3"** | **4"** | **6"** | **8"** | **10"** | **Fire Line** |
| Current | $13.08 | $26.16 | $39.24 | $65.42 | $130.81 | $209.33 | $392.48 | $654.14 | $1,308.26 | $2,093.24 | $4,972.22 | $8.00 |
| Proposed | $34.83 | $34.83 | $34.83 | $52.22 | $95.68 | $147.84 | $313.00 | $556.40 | $1,225.74 | $2,095.02 | $3,312.00 | $9.44 |

1. Tiered meter charges are changing from twelve-month rolling average with cutoffs at 4 HCF and 8 HCF to a uniform monthly charge.
2. Current Ultra-Low Flow is 4 or less HCF. 3. Current Low Flow is 5-8 HCF. 4. Current Other is more than 8 HCF.

Consistent with the District's five-year financial plan, a 2% increase on the rates, charges, and surcharges shown above will be assessed on July 1 of each year beginning in 2016 through 2019.

To protect against the effects of any unforeseeable inflation, the rates and surcharges shown above may increase each year through and including FY 2019-20 (if this calculation leads to a positive percentage) by two-thirds of the percentage change over 3% per year in the Consumer Price Index for Los Angeles-Anaheim-Riverside for all urban consumers since the most recently published value as of July 1, 2015. Recognizing that the remaining one-third of the District's total annual expenditures are for supply costs paid to the Central Coast Water Authority (CCWA) and Cachuma Operations and maintenance Board (COMB), the rates and surcharges shown above may also increase by one-third of the percentage increase over what is included in the District's five-year financial plan for CCWA and COMB costs. This automatic adjustment may occur without the need for additional proceedings by the District.

## How will the proposed changes affect my water bill?

The water bill is made up of two components: a commodity charge based on the volume of water used and a meter charge. The table below shows the typical bill for a single-family residential customer with a 3/4 inch meter using three different levels of water in a normal year and during a Stage 3 drought emergency.

| Usage Level | Monthly Usage | Current Bill | Proposed Bill | Difference | Proposed Stage 3 Drought Surcharge | Proposed Stage 3 Drought Bill |
|---|---|---|---|---|---|---|
| Low | 4 | $33.24 | $52.91 | $19.67 | $10.40 | $63.31 |
| Moderate | 12 | $102.48 | $95.37 | -$7.11 | $31.20 | $126.57 |
| High | 32 | $207.88 | $215.57 | $7.69 | $83.20 | $298.77 |

## How do I protest?

If you wish to protest any of the above increases, please deliver your protest signed and in writing, including your name and service address (or parcel number) to the Goleta Water District at 4699 Hollister Avenue, Goleta, CA 93110 prior to the District's consideration of this item June 16, 2015. Protests may also be mailed to the District at P.O. Box 3370, Santa Barbara, CA 93130 or submitted at the June 16, 2015 public hearing. Faxed or e-mailed protests cannot be accepted. Protests are public records.

For more information, including a complete listing of all current and proposed rates, and a water rate calculator, please visit our website at **www.goletawater.com**

# 10. Option 7 Resolution Directing Staff

RESOLUTION NO. 2015-
Introduced by General Manager

**RESOLUTION NO. 2015 –**

A RESOLUTION OF THE GOLETA WATER DISTRICT BOARD OF DIRECTORS DIRECTING STAFF TO TAKE CERTAIN RELATED ACTIONS IN CONNECTION WITH A PUBLIC HEARING REGARDING PROPOSED RATE ADJUSTMENTS AND DROUGHT SURCHARGES

WHEREAS, the Goleta Water District has prepared and adopted a 5-Year Infrastructure Improvement Plan; and

WHEREAS, the District has received a Cost of Service Study determining that the District's existing revenues are insufficient to fully fund the planned infrastructure improvements while maintaining a prudent reserve and funding the District's operating expenses; and

WHEREAS, on April 1, 2015 the Governor of the State of California directed the State Water Board to impose restricts to achieve an aggregate statewide 25% reduction in potable urban water use through February 2016; and

WHEREAS, the District has declared a Stage Two Drought Emergency and anticipates that circumstances will likely require it to declare a Stage Three Drought Emergency in the near future; and

WHEREAS, the imposition of drought surcharges are an effective and efficient method of achieving reductions in water usage; and

WHEREAS, the District's Drought Preparedness and Water Shortage Contingency Plan calls for a drought surcharge to encourage conservation and ensure adequate revenue to provide safe, reliable water during the drought; and

WHEREAS, the Board of Directors has carefully reviewed its options for rate structures that will meet the District's financial needs and satisfy legal requirements that constrain the District's rate-setting options; and

WHEREAS, pursuant to Article XIII D, Section 6 of the California Constitution, the Board of Directors must hold a noticed public hearing before increasing its rates; and

WHEREAS, the Board of Directors desires to conduct the necessary proceedings to implement a rate increase.

NOW THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Directors of the Goleta Water District as follows:

1. Staff is directed to set a public hearing for June 16, 2015 (the "Hearing") on the schedule of rates and surcharges in substantially the form set forth in Exhibit "A" to this Resolution (the "Public Notice").

2. The Hearing shall be conducted in the manner set forth in Article XIII D, Section 6(a) of the California Constitution.

3. Staff is directed to mail the Public Notice of the Hearing to the customer of record for each parcel affected by the proposed rates and surcharges.

4. In connection with the Hearing, the District will accept and tabulate protests in accordance with the District's previously adopted "Guidelines for the Submission and Tabulation of Protests."

**PASSED and ADOPTED** by the Board of Directors of the Goleta Water District this ___ day of _____, 2015 by the following roll call vote:

**AYE:**

**NAY:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

| | |
|---|---|
| _____ | _____ |
| **JOHN D. MCINNES** | **LAUREN HANSON, PRESIDENT** |
| **DISTRICT SECRETARY** | **BOARD OF DIRECTORS** |

# NOTICE OF PUBLIC HEARING

# NEW PROPOSED WATER RATES AND DROUGHT SURCHARGE

**Date:** June 16, 2015
**Time:** 5:30 p.m.
**Location:** Goleta Union School District
Board Room
401 N. Fairview Ave., Goleta

**Notice is hereby given** that the **Goleta Water District** will hold a public hearing, at the above-indicated time and place, to consider a proposed change in rates, and the adoption of drought surcharges. The proposed rates will fund increasing costs associated with operating, maintaining, repairing, and upgrading the various components of the water system, inclusive of capital costs and the cost to purchase water. Customers are billed monthly a base rate (the fixed meter service charge) plus an additional amount based on the amount of water consumed (the commodity charge). The District is also proposing a drought surcharge to ensure the continued ability to provide safe, reliable water for drinking, health, and human safety during the ongoing drought. The amount of the proposed drought surcharge is based on the level of drought emergency declared by the District. Due to the extreme drought, with the driest three consecutive years in recorded history, the Goleta Water District declared a Stage 2 drought emergency September 9, 2014. This enacted mandatory water use restrictions and required a District-wide 25% reduction in water use. Absent significant changes to the ongoing dry weather, the District expects to declare a Stage 3 drought emergency during the spring of 2015. The drought surcharge is designed so that if you use less you pay less, and if you use more you pay more. The proposed rates and drought surcharge would be effective July 1, 2015, and are as follows:

NOTICE OF PUBLIC HEARING

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Let's Save Together
waterWise

GOLETA WATER DISTRICT
4699 Hollister Avenue
Goleta, California 93110
805/964-6761
info@goletawater.com

For more information, please visit
www.GoletaWater.com

ITEM 1, PAGE 71

– DRAFT - Option 7 –

## Proposed Rates and Drought Surcharge



| Commodity Charges per HCF | Base Commodity Rate | | Proposed Drought Surcharge | | | | |
|---|---|---|---|---|---|---|---|
| **Rate Classification** | **Current** | **Proposed** | **Stage 1** | **Stage 2** | **Stage 3** | **Stage 4** | **Stage 5** |
| Single Family Residential (0-4 HCF*) | $5.04 | $4.52 | $0.00 | $1.72 | $2.81 | $4.25 | $6.20 |
| Single Family Residential (5-6 HCF) | $5.27 | $4.52 | $0.00 | $1.72 | $2.81 | $4.25 | $6.20 |
| Single Family Residential (7-16 HCF) | $5.27 | $5.57 | $0.00 | $2.12 | $3.46 | $5.24 | $7.64 |
| Single Family Residential (17+ HCF) | $5.27 | $6.12 | $0.00 | $2.33 | $3.80 | $5.76 | $8.39 |
| Urban** | $5.27 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Recreation Irrigation | $3.81 | $5.25 | $0.00 | $2.00 | $3.26 | $4.94 | $7.20 |
| Urban Agriculture | $1.42 | $1.80 | $0.00 | $0.69 | $1.12 | $1.70 | $2.47 |
| Goleta West Conduit | $1.30 | $1.35 | $0.00 | $0.52 | $0.84 | $1.27 | $1.85 |
| Recycled | $3.05 | $3.26 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

* Determination of tiered commodity rates is changing from a twelve-month rolling average to monthly measurement
** Urban includes multi-family residential, commercial, institutional, and landscape irrigation customers

## Proposed Fixed Meter Service Charges (per Month)

| | 5/8" or 3/4" Meter[1] | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **ULF[2]** | **LF[3]** | **Other[4]** | **1"** | **1.5"** | **2"** | **3"** | **4"** | **6"** | **8"** | **10"** | **Fire Line** |
| Current | $13.08 | $26.16 | $39.24 | $65.42 | $130.81 | $209.33 | $392.48 | $654.14 | $1,308.26 | $2,093.24 | $4,972.22 | $8.00 |
| Proposed | $34.83 | $34.83 | $34.83 | $52.22 | $95.68 | $147.84 | $313.00 | $556.40 | $1,225.74 | $2,095.02 | $3,312.00 | $9.44 |

1. Tiered meter charges are changing from twelve-month rolling average with cutoffs at 4 HCF and 8 HCF to a uniform monthly charge.
2. Current Ultra-Low Flow is 4 or less HCF. 3. Current Low Flow is 5-8 HCF. 4. Current Other is more than 8 HCF.

Consistent with the District's five-year financial plan, a 3% increase on the rates, charges, and surcharges shown above will be assessed July 1, 2016 and a 4% increase will be assessed July 1 of each year beginning 2017 through 2019.

To protect against the effects of any unforeseeable inflation, the rates and surcharges shown above may increase each year through and including FY 2019-20 (if this calculation leads to a positive percentage) by two-thirds of the percentage change over 3% per year in the Consumer Price Index for Los Angeles-Anaheim-Riverside for all urban consumers since the most recently published value as of July 1, 2015. Recognizing that the remaining one-third of the District's total annual expenditures are for supply costs paid to the Central Coast Water Authority (CCWA) and Cachuma Operations and maintenance Board (COMB), the rates and surcharges shown above may also increase by one-third of the percentage increase over what is included in the District's five-year financial plan for CCWA and COMB costs. This automatic adjustment may occur without the need for additional proceedings by the District.

## How will the proposed changes affect my water bill?

The water bill is made up of two components: a commodity charge based on the volume of water used and a meter charge. The table below shows the typical bill for a single-family residential customer with a 3/4 inch meter using three different levels of water in a normal year and during a Stage 3 drought emergency.

| Usage Level | Monthly Usage | Current Bill | Proposed Bill | Difference | Proposed Stage 3 Drought Surcharge | Proposed Stage 3 Drought Bill |
|---|---|---|---|---|---|---|
| Low | 4 | $32.24 | $52.91 | $19.67 | $11.24 | $64.15 |
| Moderate | 12 | $102.48 | $95.37 | -$7.11 | $37.62 | $132.99 |
| High | 32 | $207.88 | $215.57 | $7.69 | $112.26 | $327.83 |

## How do I protest?

If you wish to protest any of the above increases, please deliver your protest signed and in writing, including your name and service address (or parcel number) to the Goleta Water District at 4699 Hollister Avenue, Goleta, CA 93110 prior to the District's consideration of this item June 16, 2015. Protests may also be mailed to the District at P.O. Box 3370, Santa Barbara, CA 93130 or submitted at the June 16, 2015 public hearing. Faxed or e-mailed protests cannot be accepted. Protests are public records.

For more information, including a complete listing of all current and proposed rates, and a water rate calculator, please visit our website at **www.goletawater.com**

# 11. Option 8 Resolution Directing Staff

RESOLUTION NO. 2015-
Introduced by General Manager

**RESOLUTION NO. 2015 –**

A RESOLUTION OF THE GOLETA WATER DISTRICT BOARD OF DIRECTORS DIRECTING STAFF TO TAKE CERTAIN RELATED ACTIONS IN CONNECTION WITH A PUBLIC HEARING REGARDING PROPOSED RATE ADJUSTMENTS AND DROUGHT SURCHARGES

WHEREAS, the Goleta Water District has prepared and adopted a 5-Year Infrastructure Improvement Plan; and

WHEREAS, the District has received a Cost of Service Study determining that the District's existing revenues are insufficient to fully fund the planned infrastructure improvements while maintaining a prudent reserve and funding the District's operating expenses; and

WHEREAS, on April 1, 2015 the Governor of the State of California directed the State Water Board to impose restricts to achieve an aggregate statewide 25% reduction in potable urban water use through February 2016; and

WHEREAS, the District has declared a Stage Two Drought Emergency and anticipates that circumstances will likely require it to declare a Stage Three Drought Emergency in the near future; and

WHEREAS, the imposition of drought surcharges are an effective and efficient method of achieving reductions in water usage; and

WHEREAS, the District's Drought Preparedness and Water Shortage Contingency Plan calls for a drought surcharge to encourage conservation and ensure adequate revenue to provide safe, reliable water during the drought; and

WHEREAS, the Board of Directors has carefully reviewed its options for rate structures that will meet the District's financial needs and satisfy legal requirements that constrain the District's rate-setting options; and

WHEREAS, pursuant to Article XIII D, Section 6 of the California Constitution, the Board of Directors must hold a noticed public hearing before increasing its rates; and

WHEREAS, the Board of Directors desires to conduct the necessary proceedings to implement a rate increase.

NOW THEREFORE BE IT FOUND, DETERMINED AND RESOLVED by the Board of Directors of the Goleta Water District as follows:

1. Staff is directed to set a public hearing for June 16, 2015 (the "Hearing") on the schedule of rates and surcharges in substantially the form set forth in Exhibit "A" to this Resolution (the "Public Notice").

2. The Hearing shall be conducted in the manner set forth in Article XIII D, Section 6(a) of the California Constitution.

3. Staff is directed to mail the Public Notice of the Hearing to the customer of record for each parcel affected by the proposed rates and surcharges.

4. In connection with the Hearing, the District will accept and tabulate protests in accordance with the District's previously adopted "Guidelines for the Submission and Tabulation of Protests."

**PASSED and ADOPTED** by the Board of Directors of the Goleta Water District this ___ day of _____, 2015 by the following roll call vote:

**AYE:**

**NAY:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

| | |
|---|---|
| _____ | _____ |
| **JOHN D. MCINNES** | **LAUREN HANSON, PRESIDENT** |
| **DISTRICT SECRETARY** | **BOARD OF DIRECTORS** |

# NOTICE OF PUBLIC HEARING

# NEW PROPOSED WATER RATES AND DROUGHT SURCHARGE

**Date:** June 16, 2015
**Time:** 5:30 p.m.
**Location:** Goleta Union School District
Board Room
401 N. Fairview Ave., Goleta

**Notice is hereby given** that the **Goleta Water District** will hold a public hearing, at the above-indicated time and place, to consider a proposed change in rates, and the adoption of drought surcharges. The proposed rates will fund increasing costs associated with operating, maintaining, repairing, and upgrading the various components of the water system, inclusive of capital costs and the cost to purchase water. Customers are billed monthly a base rate (the fixed meter service charge) plus an additional amount based on the amount of water consumed (the commodity charge). The District is also proposing a drought surcharge to ensure the continued ability to provide safe, reliable water for drinking, health, and human safety during the ongoing drought. The amount of the proposed drought surcharge is based on the level of drought emergency declared by the District. Due to the extreme drought, with the driest three consecutive years in recorded history, the Goleta Water District declared a Stage 2 drought emergency September 9, 2014. This enacted mandatory water use restrictions and required a District-wide 25% reduction in water use. Absent significant changes to the ongoing dry weather, the District expects to declare a Stage 3 drought emergency during the spring of 2015. The drought surcharge is designed so that if you use less you pay less, and if you use more you pay more. The proposed rates and drought surcharge would be effective July 1, 2015, and are as follows:

NOTICE OF PUBLIC HEARING

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GOLETA WATER DISTRICT
4699 Hollister Avenue
Goleta, California 93110
805/964-6761
info@goletawater.com

For more information, please visit
www.GoletaWater.com

ITEM 1, PAGE 76

– DRAFT - Option 8 –

## Proposed Rates and Drought Surcharge



| Commodity Charges per HCF | Base Commodity Rate | | Proposed Drought Surcharge | | | | |
|---|---|---|---|---|---|---|---|
| **Rate Classification** | **Current** | **Proposed** | **Stage 1** | **Stage 2** | **Stage 3** | **Stage 4** | **Stage 5** |
| Single Family Residential (0-4 HCF*) | $5.04 | $4.52 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (5-6 HCF) | $5.27 | $4.52 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (7-16 HCF) | $5.27 | $5.57 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Single Family Residential (17+ HCF) | $5.27 | $6.12 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Urban** | $5.27 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Recreation Irrigation | $3.81 | $5.25 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Urban Agriculture | $1.42 | $1.80 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Goleta West Conduit | $1.30 | $1.35 | $0.00 | $1.57 | $2.60 | $3.92 | $5.73 |
| Recycled | $3.05 | $3.26 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

* Determination of tiered commodity rates is changing from a twelve-month rolling average to monthly measurement
** Urban includes multi-family residential, commercial, institutional, and landscape irrigation customers

## Proposed Fixed Meter Service Charges (per Month)

| | 5/8" or 3/4" Meter[1] | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **ULF[2]** | **LF[3]** | **Other[4]** | **1"** | **1.5"** | **2"** | **3"** | **4"** | **6"** | **8"** | **10"** | **Fire Line** |
| Current | $13.08 | $26.16 | $39.24 | $65.42 | $130.81 | $209.33 | $392.48 | $654.14 | $1,308.26 | $2,093.24 | $4,972.22 | $8.00 |
| Proposed | $34.83 | $34.83 | $34.83 | $52.22 | $95.68 | $147.84 | $313.00 | $556.40 | $1,225.74 | $2,095.02 | $3,312.00 | $9.44 |

1. Tiered meter charges are changing from twelve-month rolling average with cutoffs at 4 HCF and 8 HCF to a uniform monthly charge.
2. Current Ultra-Low Flow is 4 or less HCF. 3. Current Low Flow is 5-8 HCF. 4. Current Other is more than 8 HCF.

Consistent with the District's five-year financial plan, a 3% increase on the rates, charges, and surcharges shown above will be assessed July 1, 2016 and a 4% increase will be assessed July 1 of each year beginning 2017 through 2019.

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