



CITY OF AMADOR CITY
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California

Amador City Wastewater Export System (ACWES)

Sewer Rate Setting Process Frequently Asked Questions

Why is Amador City considering sewer rate increases?

Amador City's current, approved sewer rate structure expires at the end of 2022, and the system will be adjusting the rate accordingly going into the 2023 fiscal cycle. Operating expenses¹ under the current approved sewer rate structure run at a monthly deficit of between \$1000 and \$1200, which prevents ACWES from accumulating adequate capital reserves²

As a consequence, ACWES has initiated a 2023 Sewer Rate Study for the next 5-year period to ensure an equitable and cost-based sewer rate structure, and to ensure sufficient revenues to fund water and sewer operations and capital infrastructure needs throughout our service area. The 2022 Sewer Rate Study reflects ACWES's commitment to prudent long-term financial planning. The primary reasons for considering rate increases are to: cover inflationary operating cost increases; undertake sewer capital replacements and improvements to meet current standards; and to continue the ACWES's rehabilitation of its aging infrastructure.

What is Proposition 218 and how does it affect ACWES proposed sewer rate increases?

California voters adopted Proposition 218 (Prop 218) in November 1996, amending the State Constitution to establish a process by which public agencies can raise service fees. Under Prop 218, a rigorous, multi-step process is required by local governments to identify the cost of service and provide written notice of proposed changes, including holding a public hearing(s), to all affected property owners and customers. Additionally, Prop 218 ensures that proposed fees are acceptable to property owners. If a majority of property owners whose property receives service submit protests in writing, new rates cannot be adopted.

ACWES has retained Rural Community Assistance Corporation (RCAC) to prepare a Prop 218 compliant sewer rate study to ensure rates correspond with costs associated with service, and that customers within each rate classification pay their fair share of total sewer costs.

Will sewer rates automatically be increased every year for the next five years?

¹ Operating expenses cover monthly costs such as sewer operator salary and payments to ARSA and Sutter Creek for secondary treatment.

² Capital reserves are funds that the City maintains so that we can address both planned and unplanned maintenance or replacement of our aging infrastructure.

In the summer of 2022, the Amador City City Council will consider adopting a 5-year schedule of maximum allowable sewer rates. However, each year during the annual budget cycle, the Amador City City Council reviews the proposed annual sewer operating and capital budgets and adopts the sewer rates for the following year, subject to the maximums established during the Prop 218 process.

What is the timeline for this rate setting process?

Over the next few months, the Amador City Council will be discussing the 2022 Rate Study at regularly scheduled City Council meetings. Adoption of a new sewer rate structure is anticipated to take place in summer of 2022. Prior to adoption, a public hearing will be held, as required by Prop 218; every rate payer impacted by the proposed rate changes will be notified in writing of the date, time and location of the public hearing, the proposed rates, and the basis for those rates. This written notice will be provided a minimum of 45 days prior to the public hearing.

What can I do if I oppose the water and sewer rate increase?

You can send a written protest to the City after you receive the written Prop. 218 notice. Protests must be in writing and either mailed or hand-delivered to the City prior to the public hearing. Each protest must: (1) indicate that it is a protest for the sewer rate, (2) identify the Assessor Parcel Number for which the protest is submitted, (3) indicate the name of the person submitting the protest and (4) be signed.

How can I find out more information?

For additional questions, please contact Mayor Anne Kel-Artinian at kelartinian.anne@gmail.com or attend the regularly scheduled City Council meeting on June 21st at 7pm.