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MEMORANDUM

**TO: ROLAND SANFORD, GENERAL MANAGER
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**FROM: GREG CLUMPNER, NBS DIRECTOR
CARMEN NARAYANAN, NBS CONSULTANT**

SUBJECT: BILL COMPARISONS FOR WATER AND SEWER RATES

DATE: MARCH 26, 2015

RATE COMPARISON ANALYSIS

NBS prepared a brief comparison of water and sewer rates and bills for Hidden Valley Lake Community Services District (HVLCS D). Residential customers with a 5/8-inch or 3/4-inch connection were evaluated and compared to HVLCS D's current and new proposed rates for water and sewer. The following towns, cities and districts were used in the comparison:

- City of Calistoga
- City of Lakeport
- Clearlake Oaks County Water District
- City of Cloverdale
- City of Healdsburg
- Town of Yountville

Water Rates – HVLCS D's current and proposed water rates fall in the mid-range to lower-end of comparable service providers. HVLCS D's annual average consumption of 11 hundred cubic feet (hcf) per month was used to calculate monthly water bills. The new proposed bill for a HVLCS D Residential water customer is \$45.56 per month. The lowest cost provider in the analysis is the City of Lakeport with a monthly bill of \$34.45 and the highest cost providers are Yountville, with a monthly bill of \$84.89, and Calistoga with a monthly bill of \$86.65. See **Figure 1** for further details.

Sewer Rates – HVLCS D's current and proposed sewer rates roughly fall in the mid-range of comparable service providers. A monthly bill comparison was generated using an average winter water consumption of 7 hcf/month. This is the basis for HVLCS D's new sewer rates. The new proposed bill for a HVLCS D Residential sewer customer is \$53.41 per month. The lowest cost provider in the analysis is the City of Cloverdale, with a monthly bill of \$36.80. The highest cost provider, by almost double, is the City of Healdsburg, with a monthly bill of \$105.58. See **Figure 2** for further details.

Figure 1. Water Rate Bill Comparison

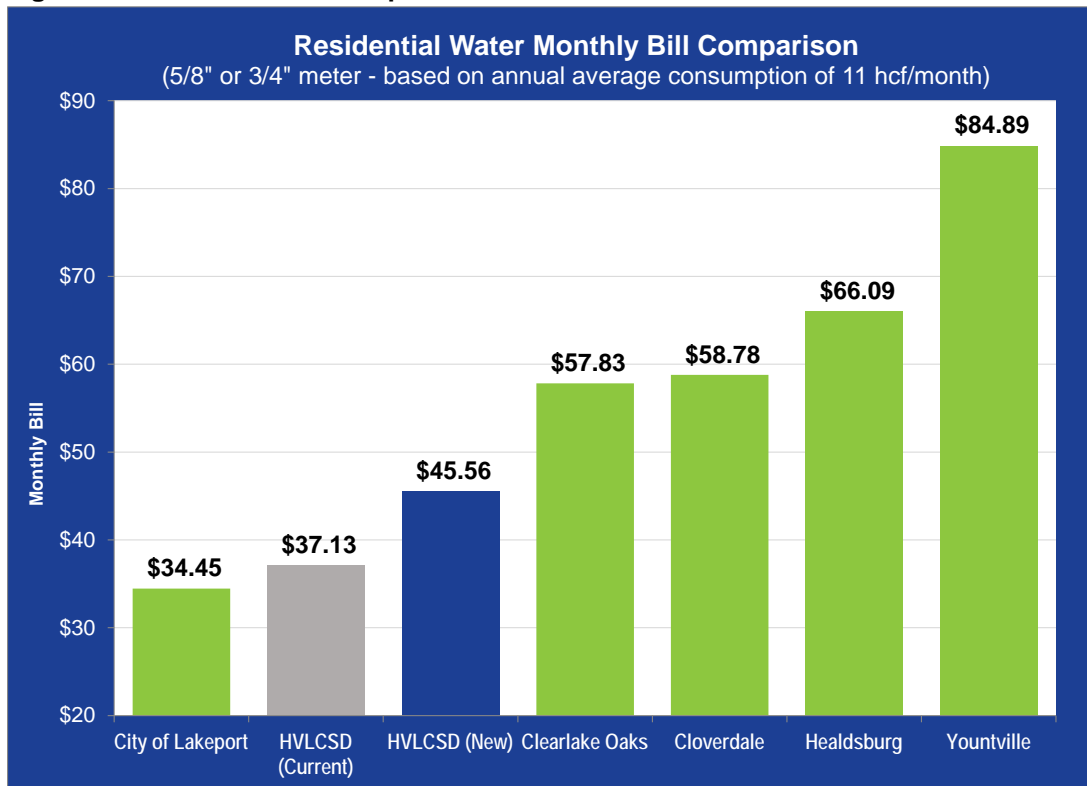
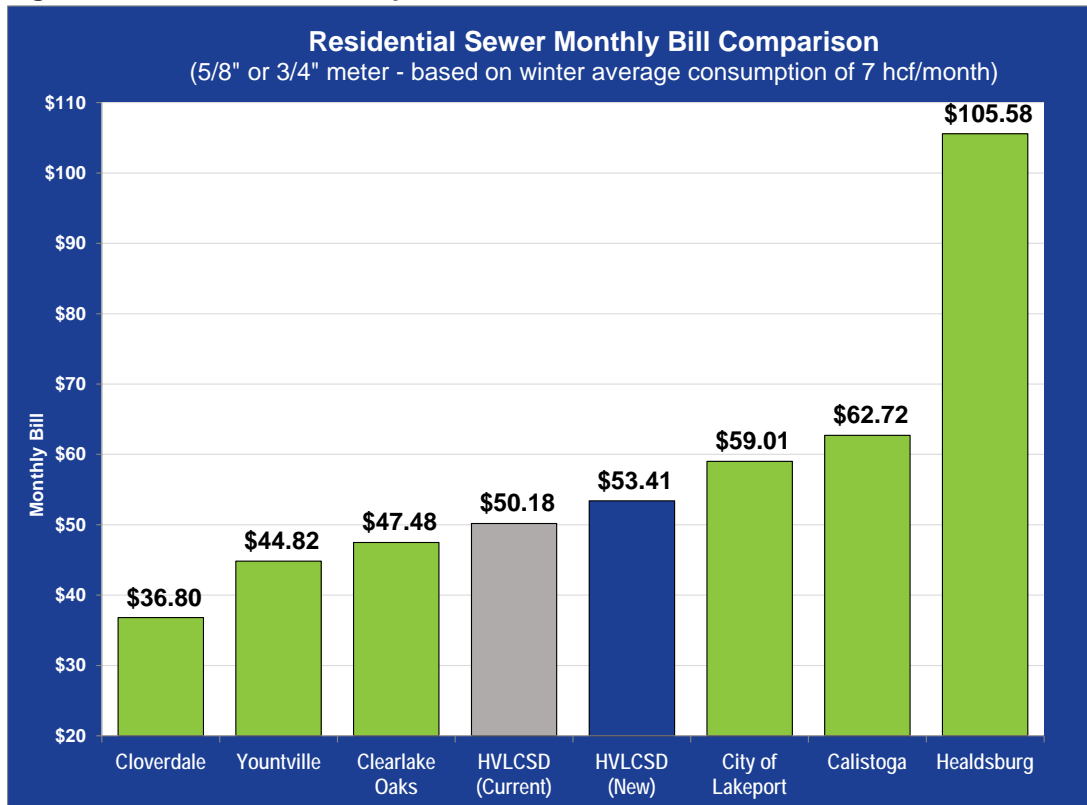


Figure 2. Sewer Rate Bill Comparison



Based on average consumption, Hidden Valley Lake CSD residential customers can expect to pay approximately \$99.00 per month for water and sewer services. The District's old rates resulted in a bill of \$87.31 per month (\$37.13 for water, \$50.18 for sewer); this is a difference of \$11.66 or just over 13%. HVLCSD's water and sewer rates compare favorably to the utilities included in this analysis.

More detailed calculations and data used in this analysis are provided in **Table 1, Table 2, Table 3** and **Table 4**.

RATE COMPARISON CALCULATIONS

Table 1. Current Water & Sewer Rate Structures

Current Rate Structure						
Single-Family Residential Customers (5/8" or 3/4" meter)						
Agency	Water: Monthly Rate	Water: Monthly Consumption Allowance (hcf)	Water: Add'l Consumption Rate (per hcf)	Sewer: Monthly Rate	Sewer: Monthly Consumption Allowance (hcf)	Sewer: Add'l Consumption Rates (per hcf)
Calistoga (1)	\$ 21.75	0	tiered rates below	\$ 62.72	0	\$ -
City of Lakeport (2)	\$ 26.05	6	\$ 1.68	\$ 59.01	10	\$ 7.59
Clearlake Oaks	\$ 32.36	2	\$ 2.83	\$ 45.93	2	\$ 0.31
Cloverdale	\$ 19.52	0	tiered rates below	\$ 36.80	0	\$ -
Healdsburg (3)	\$ 19.01	0	\$ 4.28	\$ 36.91	0	\$ 9.81
Hidden Valley - new rates	\$ 27.54	0	tiered rates below	\$ 38.92	0	\$ 2.07
Hidden Valley, Current	\$ 37.13	15	\$ 2.48	\$ 50.18	0	\$ -
Yountville (4)	\$ 45.58	0	tiered rates below	\$ 44.82	0	\$ -

- (1) City of Calistoga bills bi-monthly, however rates are published monthly.
- (2) City of Lakeport Sewer data is an average of the billed amounts for North Lakeport and South Lakeport.
- (3) Sewer per/hcf based on average winter water usage during preceding December-March period.
- (4) Includes water system & wastewater system replacement fee(s) in monthly rate(s).

Table 2. Average Consumption Basis

Average Consumption Basis			
HVLCSD	Winter Average hcf/month	Annual Average hcf/month	Summer Average hcf/month
Water	7	11	17
Sewer	7	--	--

Table 3. Average Consumption Basis

Annual Average Bill Comparison (monthly)				
Agency	Water Bill	Water % +/- from Hidden Valley	Sewer Bill	Sewer % +/- from Hidden Valley
City of Lakeport	\$ 34.45	-8%	\$ 59.01	-36%
HVLCSD (Current)	\$ 37.13	0%	\$ 50.18	-12%
HVLCSD (New)	\$ 45.56	19%	\$ 53.41	-6%
Clearlake Oaks	\$ 57.83	36%	\$ 47.48	0%
Cloverdale	\$ 58.78	37%	\$ 36.80	6%
Healdsburg	\$ 66.09	44%	\$ 105.58	15%
Yountville	\$ 84.89	56%	\$ 44.82	20%
Calistoga	\$ 86.65	57%	\$ 62.72	52%

Water: based on 11 hcf/month
 Sewer: based on 7 hcf/month

Table 4. Tiered Rates

Tier Rates:

HCF	Per HCF			
Calistoga	Tier 1	Tier 2	Tier 3	Tier 4
1 -32	\$ 5.90			
33 - 50		\$ 6.20		
51 - 99			\$ 6.49	
100+				\$ 7.91
** Bi-monthly tiers				
Cloverdale	Tier 1	Tier 2	Tier 3	
0 - 10	\$ 3.49			
11 - 30		\$ 4.36		
31 +			\$ 5.23	
HVLCSD - Proposed Rate	Tier 1	Tier 2	Tier 3	Tier 4
0 - 7	\$ 1.50			
8 - 11		\$ 1.88		
12 - 24			\$ 2.35	
24+				\$ 2.93
Yountville	Tier 1	Tier 2	Tier 3	Tier 4
0 - 4	\$ 2.57			
5 - 10		\$ 3.87		
11 - 20			\$ 5.81	
21+				\$ 11.61

SOURCES

Data Sources:	
Calistoga	http://www.ci.calistoga.ca.us/Index.aspx?page=674
Clearlake Oaks	http://www.clocwd.org/files.php?id=ldgsKG3KAYXwYwwrDFFQmsoDvmb7UCjOy3GdGZQB0v0Ykqken03aFXeRj5TC-sTU9v9ZbK9wb8awV_TabXFy3nz2BxArdcRh98uwkttQlrEKCplX_1YCn5dAPvy0pr3sQJ_JB3pFZvDu9sar
Cloverdale	http://www.cloverdale.net/DocumentCenter/View/1588
Healdsburg	http://www.ci.healdsburg.ca.us/Modules/ShowDocument.aspx?documentid=9338
Lakeport	http://www.cityoflakeport.com/departments/page.aspx?deptID=75&id=62
Yountville	http://www.townofyountville.com/Modules/ShowDocument.aspx?documentid=3556

Last Updated: 3/26/2015