



CENTRAL SACRAMENTO COUNTY

GROUNDWATER MANAGEMENT PLAN

Budget Subcommittee Meeting

February 23, 2017



FEBRUARY 2006

Overview of the Presentation

- Overview of HDR
- Approach to Setting Rates/Fees
- Study Considerations
- Key Issues
- Discussion



Overview of HDR

- Architecture, Engineering, and Consulting Firm
- Offices located throughout the U.S.
 - Local offices in Sacramento and Folsom
- Water industry experts
 - System design
 - Planning
 - Water resources
 - Rates and fees
- Established Utility Rates and Finance Group
 - Teach industry training and co-author industry manuals
- Focus 100% on utility rates and fees
 - Water
 - Wastewater
 - Stormwater
 - Solid waste
- Worked throughout California on rates and fees

Approach to Setting Rates/Fees

- Starting point is legal or legislative requirements
 - Proposition 218 and 26
 - State Water Code
- Establish the basis for the rate/fee
 - What is it that the customer/user is benefitting from?
- Determine the customers or users
- Develop the costs of providing the service
- Develop a structure to access and collect the rate/fee
- Provides the rational nexus between the rate/fee and benefits received



Study Considerations

- Rate/fee should be based on the actual cost of providing the service
 - Defining service levels
 - Defining customers/users
- Rate/fee structure alternatives
 - Reflect the different costs associated of providing the service/service levels
 - Rate/fee components can be based on different factors
- Variations in annual consumption levels
 - How does this impact the development of the rate/fee structure
 - Ability to meter/track/project consumption
- Developing a method that can be adjusted or refined over time



Key Issues

- Identifying all benefitting customers/users
 - Grouping of like customers/users
- Various types of customers/users
 - Urban suppliers, agriculture, etc.
- Determining a method to bill all benefitting customers/users
- Vetting proposed alternatives with the members/group
- Outreach and education of customers/users
- Updating of rate/fee structure to reflect changing conditions
- Need to balance study results and recommendation to the overall goals and objectives
 - Equity vs. complexity



Strategy



Discussion