



TAHOE CITY PUBLIC UTILITY DISTRICT Rate Setting Process

During the next several months Tahoe City Public Utility District will be completing a comprehensive water and sewer rate study. This effort began in 2007 when the Board retained HDR, a nationwide engineering consulting firm to assist in the analysis of its existing rate structure. Over the past year a tremendous amount of research and analysis has been undertaken to study three components:

- **Revenue Requirements** – what is needed to cover operations, maintenance, reserves, and capital replacement and upgrades?
- **Cost of Service Allocations** – how to allocate the revenue needed to the various customer classes of service in a fair and equitable manner?
- **Rate Design Analysis** – how to design rates to yield the revenue needed and to meet the goals and objectives of the District?

The District’s current water and sewer rates do not address the cost of new infrastructure needs and planned infrastructure replacement. Over 80% of TCPUD’s existing sewer and water infrastructure is 30-50 years old. Standards and requirements have changed dramatically since it was installed. Some facilities are nearing the end of their service life. The most significant component of the rate structure will be assessing the infrastructure needs and setting a process for planned capital investment.

On **August 26th, 5:00 pm at the Rideout Community Center, 704 Timberland Drive** the TCPUD Board of Directors is holding a public meeting/workshop regarding the Rate Study. This is the second of several public meetings being held to address water rates based on classification and consumption, and options for sewer service rates.

The Board and staff invite and encourage the public to attend and participate in the rate- setting process (see below) We hope you can attend one or all of these public meetings. If you have any questions about rate-setting, metered rates, or how water conservation can help keep your costs down please check our website – www.tahoecitypud.com or contact Alan Harry, Administrator of Planning and Public Works 530-583- 3796, x21.

Date	Topic
August 26, 2008, 5:00 pm	Public Workshop: Rate Study - property tax use, consumption tiers
September 25, 2008, 5:00 pm	Public Workshop: Water & Sewer Rate Alternatives
October 23, 2008, 5:00 pm	Public Workshop: Water & Sewer Rate Alternatives
November 14, 2008, 8:30 am	Board review and approval of Water and Sewer Rates
February 20, 2009, time tbd	Noticed Public Hearing; Proposed Water and Sewer Rates