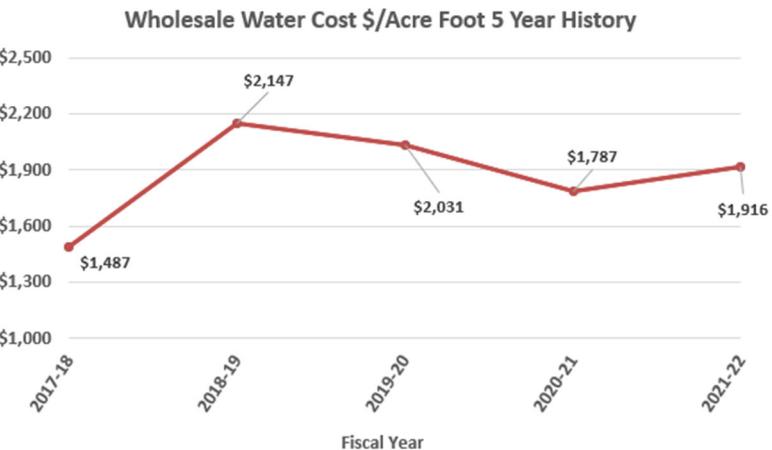


Notice of Proposed Increases to the Town of Yountville Water and Wastewater Rates

The Town of Yountville Town Council is considering increases to water and wastewater service charges and water consumption rates. Consistent with the requirements of Proposition 218, all property owners, as well as current utility customers of record, are being notified of the proposed rate increases.

The Town's water and wastewater utility enterprise fund operations are separate and distinct from the Town's General Fund operations. The General Fund supports parks and recreation, streets, law enforcement, fire emergency services and other services. Enterprise Fund operations are designed to operate like a "business" with fees and charges set at a sufficient rate to cover the operating costs and system replacement capital costs necessary to operate the water and wastewater systems in compliance with State and Federal requirements. There is no property tax support or other direct taxpayer source of revenue for either operation. Town staff is actively seeking grant funding and/or low-interest loan funding for eligible water/wastewater projects to supplement enterprise capital project funding. As a public agency, by State law, the Town may not collect more revenue than is necessary to cover annual operating costs, including capital infrastructure replacement. The final rate increase from the previous utility rate study occurred in January 2022.



Water System Overview

The Town of Yountville purchases the bulk of its water supply from the State of California Department of Veteran's Affairs (CalVet) which owns and operates Rector Reservoir and Rector Water Treatment Plant. That purchase is under a long-term agreement with CalVet to provide 500 acre-feet or more annually, with that volume reduced to 400 acre-feet during drought years. The Town also has an agreement with the City of Napa to purchase up to 25 acre-feet on an as needed basis along with the Town's own Municipal Water Well which may also be used on an as needed basis. The Town's Water Enterprise delivers its water to its customers via the operation and maintenance of 10.7 miles of water distribution pipelines, 836 service connections/meters providing service to residential, multi-family, commercial, public and other properties. The Town also historically provides service to 33 out-of-town customers along Silverado Trail and Yountville Cross Road. The rates the Town's water customers pay for water service, provide the funds for the water enterprise to operate and continue to deliver the water to the Town's customers in the most efficient manner possible. Our Utility Operations Manager supervises one Water Systems Utility Operator and other Utility Operator staff as necessary to operate and maintain the water distribution system.

Water Purchase Cost

The largest Water Enterprise expense is the cost to purchase water from CalVet which sets the cost of water bought from Rector Reservoir. The Town has no oversight over Rector Reservoir plant operations and as such has no control over the cost of this water delivery. Water purchase cost is the main driver of the water utility rate structure. Presently, the cost to purchase water from Rector Reservoir is \$1,916 per acre foot. Water purchase expenses are projected to increase 10% per year.



Water Delivery System Infrastructure

Recently completed water system capital projects include:

- Emergency Washington Park Water Line Replacement Project \$1,065,237

* This project was the result of infrastructure failing well before the end of its useful life. The Water funds did not have the capacity to pay for this emergency project. The Town Council approved the Water Drought Reserve Fund to provide the necessary funding via a 10-year loan with interest. The Water Capital fund must repay this debt by September 2030.





Notice of Proposed Increases to Town of Yountville Water and Wastewater Rates

Page 2

Planned capital projects for the water system total \$5.96 million over the next 5 years. Current fund balance and revenues are not sufficient to cover these expenses. The following projects are necessary over the next 5 years:

Emergency Well to Operational Well \$140,000

Water Systems Intertie Projects \$65,000

1MG Well Water Tank/Pump Station and Transmission Main \$5,050,000

Ongoing maintenance, required/necessary repairs and equipment replacements \$708,000

Wastewater System Overview

The Town also owns and operates the local wastewater collection system and Wastewater Treatment Plant (WWTP). The Town's Wastewater Enterprise collects wastewater from its customers via the operation and maintenance of 9 miles of gravity sanitary sewer pipelines, 800 sanitary sewer lateral connections providing service to residential, multi-family, commercial, public and other properties. Wastewater from the Town's customers drains by gravity to a pump station located at the southeast corner of town where it is then pumped to the WWTP. The WWTP treatment chain consists of facilities for odor control, grit removal, removal of floating and suspended material by primary sedimentation, secondary treatment by two-stage trickling filters with intermediate sedimentation, solids contact aeration, final sedimentation, tertiary filtration, chlorination-dechlorination, disposal of effluent by turf and vineyard irrigation in the summer and disposal by discharge to the Napa River in the wet weather months. Wastewater treatment and disposal is accomplished in accordance with the Waste Discharge Requirements which have been set by the California Regional Water Quality Control Board. Our Utility Operations Manager supervises four Wastewater Systems Utility Operators and other Utility Operator staff as necessary to operate and maintain the wastewater collection and treatment systems.

Wastewater Delivery System Infrastructure

Recently completed capital projects for wastewater include:

- Upgrade to SCADA Controls \$50,000
- Clean and Inspect Primary/Secondary Digestor \$35,000
- Sanitary Sewer Sliplining \$323,000

The wastewater system is a self-supporting enterprise and revenues must be sufficient to cover operating expenses.

The largest expense is the cost of sewer treatment. The Wastewater fund has debt service obligations that are scheduled to be paid off by 2039. Planned capital projects for the wastewater fund require \$4.09 million over the next 5 years. Below is a list of some of these necessary projects:

Rebuild Sludge Heater & Add Mixing System \$250,000

Design/Construct Headworks Improvements \$150,000

Joint Treatment Plant Office Modernization \$803,000

Assess/Replace Trickling Filter Media \$340,000

Ongoing maintenance, required/necessary repairs and equipment replacements \$1,175,188



Why is an increase in rates necessary?

The Town provides reliable safe drinking water and sewer service to its customers. To do so requires well trained and certified staff, use of critical infrastructure including water main lines and laterals, water meters, sewer collection lines, pump stations, and state of the art technology as required to meet ever increasing state and federal regulations. Projecting forward the next five (5) years to 2027 however, the current rates will not bring in sufficient operating revenue to run a stable water or wastewater system.

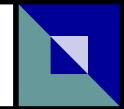
What are Water and Wastewater Rates and Service Charges Used For?

Water and wastewater rates pay for personnel costs, infrastructure, water supply, health and safety, fire protection and reliability. New capital projects and ongoing maintenance are critical to maintain these services on a sustainable basis. Rates are designed to ensure compliance with Proposition 218, and maintain equitability between customer classes.

Proposed Increases to the Water and Wastewater Rates and Service Charges: (rates on pages 4, 5, 6 and 7)

Water:

The proposed water rates include a one-time fixed amount increase to the water system replacement fees in year one along with an 11% increase to the water meter service charge, then an 11% increase annually for four years to the water system replacement fee and the water meter service charge. See page 5 for the proposed increase to water usage charges.

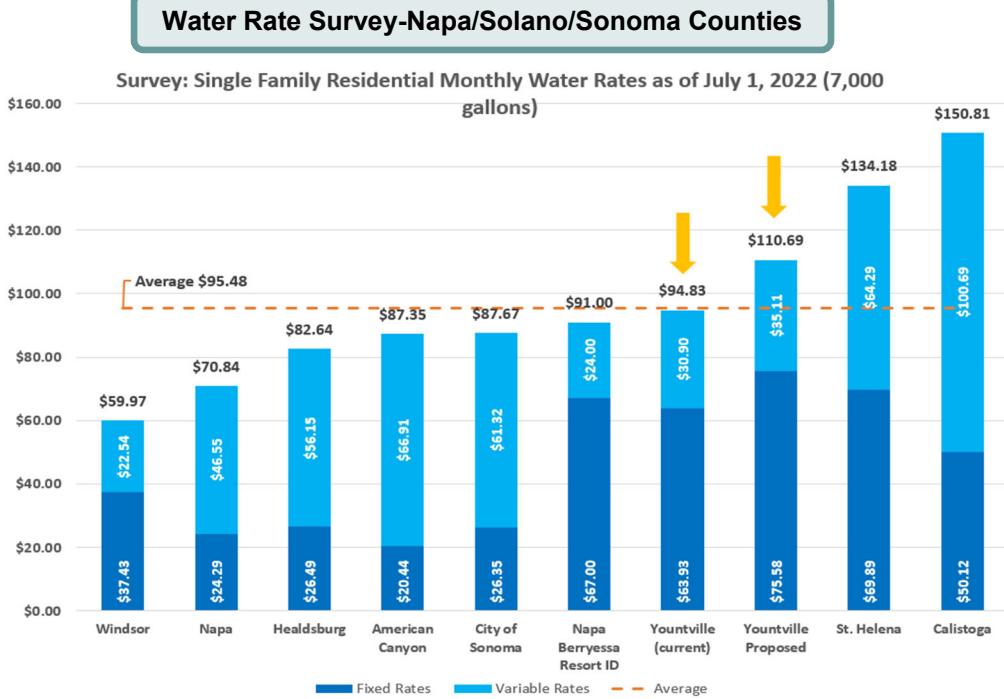


The Town's current water rate is below the area average and will be slightly above the average with the proposed rate increase.

How Water Rates Change in the first year:

1 Billing Unit (BU) = 1,000 gallons

- **Low Single Family User** (4,000 gallons, 3/4" meter): current charge is \$80.54 (fixed meter fee, system replacement and consumption) and the new charge would be \$94.16, for an increase of \$13.62;
- **Average Single Family User** (7,000 gallons, 3/4" meter): current charge is \$94.83 (fixed meter fee, system replacement and consumption) and the new charge would be \$110.69, for an increase of \$15.86.
- **High Single Family User** (10,000 gallons, 3/4" meter): current charge is \$109.12 (fixed meter fee, system replacement and consumption) and the new charge would be \$127.22, for an increase of \$18.10.



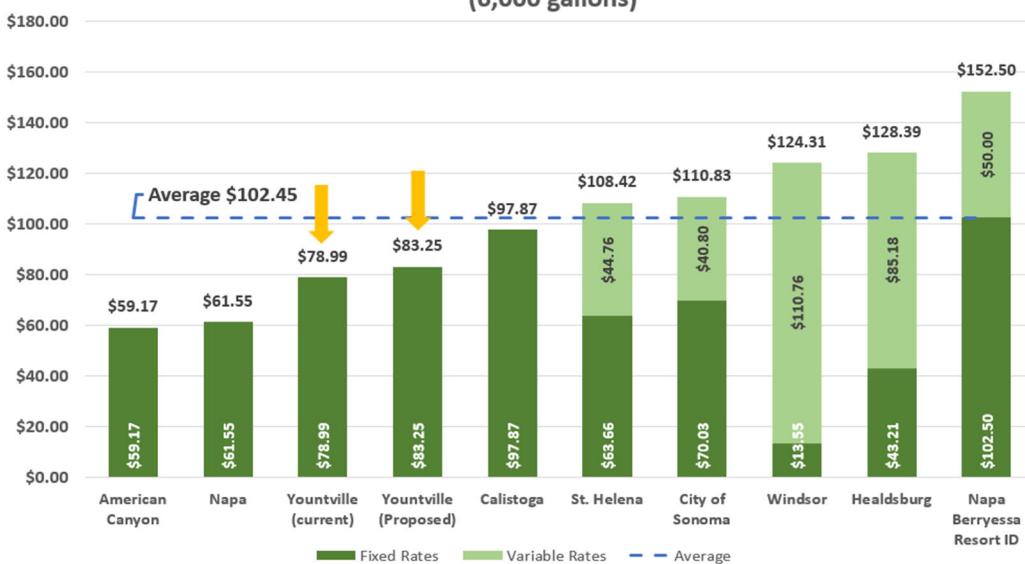
Wastewater:

The proposed wastewater rate includes a 5.4% increase for the first three years, and 5.9% increase for the remaining two years of the five-year rate schedule. The increase changes the rates for residential, non-residential, wastewater system replacement fee and sewer load factor and strength rates. The proposed increase would impact wastewater users in the first year as follows:

- Single Family: current rate is \$78.99, new rate would be \$83.25, for an increase of \$4.26.
- Commercial Low Strength 3/4" meter (51% of 25,000 gallons): current rate is \$169.15, new rate would be \$178.26, for an increase of \$9.11.

Sewer Rate Survey-Napa/Solano/Sonoma Counties

Single Family Residence Monthly Wastewater Rates July 1, 2022
(6,000 gallons)



Proposed increases are sufficient to cover all capital projects, meet debt service coverage requirements and maintain adequate reserves for emergencies.



Notice of Proposed Increases to Town of Yountville Water and Wastewater Rates

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How Will This Impact a Typical Single Family Customer?

Water - Typical Single Family Bill Inside Town	Current 2021/22	Proposed				
		2022/23	2023/24	2024/25	2025/26	2026/27
Service Charge - 3/4" Meter	\$55.15	\$61.22	\$67.95	\$75.43	\$83.73	\$92.94
Water System Replacement Fee	\$8.78	\$14.36	\$15.94	\$17.70	\$19.64	\$21.80
Water Usage Charge - 7,000 gallons	\$30.90	\$35.09	\$38.70	\$42.65	\$47.06	\$51.96
Total Typical Single Family Monthly Bill	\$94.83	\$110.67	\$122.59	\$135.78	\$150.43	\$166.70
% increase (*includes Year 1 Flat Increase for System Replacement Fees—see detail below)		*	11%	11%	11%	11%

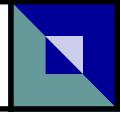
Proposed Monthly Water Rates

	Current 2021/22	Proposed				
		2022/23	2023/24	2024/25	2025/26	2026/27
Rate Effective Date	1/1/2022	01/01/23	01/01/24	01/01/25	01/01/26	01/01/27
Water Meter Service Charge—Residential and Non-Residential						
<u>Within Town</u>						
Meter Size						
3/4"	\$55.15	\$61.22	\$67.95	\$75.43	\$83.73	\$92.94
1"	\$93.76	\$104.07	\$115.52	\$128.23	\$142.33	\$157.99
1-1/2"	\$182.02	\$202.02	\$224.25	\$248.91	\$276.29	\$306.69
2"	\$292.35	\$324.46	\$360.15	\$399.77	\$443.75	\$492.56
3"	\$551.60	\$612.20	\$679.54	\$754.29	\$837.26	\$929.36
4"	\$921.17	\$1,022.37	\$1,134.83	\$1,259.66	\$1,398.22	\$1,552.02
6"	\$1,836.82	\$2,038.61	\$2,262.86	\$2,511.77	\$2,788.07	\$3,094.75
8"	\$2,940.03	\$3,263.00	\$3,621.93	\$4,020.34	\$4,462.58	\$4,953.47
% increase		11%	11%	11%	11%	11%
<u>Outside Town</u>						
Meter Size						
3/4"	\$93.75	\$104.07	\$115.52	\$128.23	\$142.33	\$157.99
1"	\$159.39	\$176.92	\$196.36	\$217.99	\$241.97	\$268.58
1-1/2"	\$309.44	\$343.44	\$381.22	\$423.15	\$469.70	\$521.37
2"	\$496.99	\$551.59	\$612.26	\$679.61	\$754.37	\$837.35
3"	\$937.71	\$1,040.73	\$1,155.21	\$1,282.29	\$1,423.34	\$1,579.90
4"	\$1,565.99	\$1,738.02	\$1,929.21	\$2,141.42	\$2,376.97	\$2,638.44
6"	\$3,122.60	\$3,465.64	\$3,846.86	\$4,270.01	\$4,739.71	\$5,261.08
8"	\$4,998.05	\$5,547.10	\$6,157.28	\$6,834.59	\$7,586.39	\$8,420.89
% increase		11%	11%	11%	11%	11%

Water System Replacement Fee - Residential and Non-Residential

Meter Size	Year 1 Flat increase				
3/4"	\$8.78	\$5.58	\$14.36	\$15.94	\$17.70
1"	\$14.94	\$9.47	\$24.41	\$27.10	\$30.08
1-1/2"	\$28.99	\$18.40	\$47.39	\$52.61	\$58.39
2"	\$46.55	\$29.57	\$76.12	\$84.49	\$93.78
3"	\$87.84	\$55.78	\$143.62	\$159.42	\$176.95
4"	\$146.71	\$93.13	\$239.84	\$226.22	\$295.51
6"	\$292.53	\$185.72	\$478.25	\$530.85	\$589.25
8"	\$468.21	\$297.27	\$765.48	\$849.68	\$943.15
% increase			11%	11%	11%

Notice of Proposed Increases to Town of Yountville Water and Wastewater Rates



	Current 2021/22	Proposed 2022/23	Proposed 2023/24	Proposed 2024/25	Proposed 2025/26	Proposed 2026/27
Rate Effective Date	1/1/2022	01/01/23	01/01/24	01/01/25	01/01/26	01/01/27

Water System Replacement Fee - Residential and Non-Residential Continued

Outside Town

Meter Size	Year 1 Flat increase						
3/4"	\$14.93	\$9.48	\$24.41	\$27.10	\$30.08	\$33.39	\$37.06
1"	\$25.39	\$16.12	\$41.51	\$46.07	\$51.14	\$56.76	\$63.01
1-1/2"	\$49.28	\$31.29	\$80.57	\$89.43	\$99.27	\$110.19	\$122.31
2"	\$79.14	\$50.26	\$129.40	\$143.63	\$159.43	\$176.97	\$196.44
3"	\$149.33	\$94.82	\$244.15	\$271.01	\$300.82	\$333.91	\$370.64
4"	\$249.40	\$158.33	\$407.73	\$452.58	\$502.36	\$557.62	\$618.96
6"	\$497.30	\$315.72	\$813.02	\$902.45	\$1,001.72	\$1,111.91	\$1,234.22
8"	\$795.96	\$506.37	\$1,301.32	\$1,444.46	\$1,603.35	\$1,779.72	\$1,975.49
% increase				11%	11%	11%	11%

Water Fireline Charge - Residential and Non-Residential

Meter Size							
3/4"	\$11.03		\$12.24	\$13.59	\$15.08	\$16.74	\$18.59
1"	\$18.75		\$20.81	\$23.10	\$25.65	\$28.47	\$31.60
1-1/2"	\$36.40		\$40.41	\$44.85	\$49.79	\$55.26	\$61.34
2"	\$58.47		\$64.90	\$72.04	\$79.96	\$88.76	\$98.52
3"	\$110.32		\$122.45	\$135.92	\$150.88	\$167.47	\$185.89
4"	\$184.23		\$204.50	\$226.99	\$251.96	\$279.68	\$310.44
6"	\$367.36		\$407.77	\$452.63	\$502.42	\$557.69	\$619.02
8"	\$588.01		\$652.69	\$724.48	\$804.17	\$892.63	\$990.82
% increase			11%	11%	11%	11%	11%

Water Usage Charge (\$/1,000 gallons)

Residential (Within and Outside Town)			1 Billing Unit (BU) = 1,000 gallons					
Tier 1	0 to 4,000 gallons	\$4.15		\$4.64	\$5.16	\$5.72	\$6.35	\$7.05
Tier 2	5,000 + gallons	\$4.76		\$5.51	\$6.02	\$6.59	\$7.22	\$7.92
<u>All Other Users</u>		\$4.62		\$5.01	\$5.52	\$6.08	\$6.71	\$7.41

All Other Users include: Multi Family, Commercial users including mobile home park and industrial.

**What
does 1
gallon
cost?**



Tap Water:
less than 1¢
per gallon,
\$4.15 per 1000
gallons



Ten 12 oz
Bottles of
Water: \$30



Milk:
\$6.50



Eight 16 oz Latte
\$48.00



Gallon of
Gas: \$5.50



Notice of Proposed Increases to Town of Yountville Water and Wastewater Rates

Page 6

How Will This Impact a Typical Single Family Customer?

Wastewater - Typical Single Family Monthly Bill	Current		Proposed			
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Service Charge - 3/4" Meter	\$62.07	\$65.42	\$68.95	\$72.68	\$76.97	\$81.51
Wastewater System Replacement Fee	<u>\$16.92</u>	<u>\$17.83</u>	<u>\$18.80</u>	<u>\$19.81</u>	<u>\$20.98</u>	<u>\$22.22</u>
Total Typical Single Family Monthly Bill	\$78.99	\$83.25	\$87.75	\$92.49	\$97.95	\$103.73
% increase		5.4%	5.4%	5.4%	5.9%	5.9%

Proposed Monthly Wastewater Rates

Wastewater - Residential <u>Sewer Service Charge</u>	Current		Proposed			
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
Single Family	\$62.07	\$65.42	\$68.95	\$72.68	\$76.97	\$81.51
Multi Family	\$40.92	\$43.13	\$45.46	\$47.91	\$50.74	\$53.73
Mobile Home	\$40.92	\$43.13	\$45.46	\$47.91	\$50.74	\$53.73
% increase		5.4%	5.4%	5.4%	5.9%	5.9%

Wastewater - Non-Residential

Sewer Service Charge (All Non-Residential Customers)

Meter Size

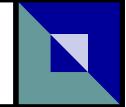
3/4"	\$88.22	\$92.98	\$98.01	\$103.30	\$109.39	\$115.85
1"	\$149.98	\$158.08	\$166.62	\$175.61	\$185.97	\$196.95
1.5"	\$291.12	\$306.84	\$323.41	\$340.87	\$360.99	\$382.28
2"	\$467.55	\$492.80	\$519.41	\$547.46	\$579.76	\$613.96
3"	\$882.18	\$929.82	\$980.03	\$1,032.95	\$1,093.89	\$1,158.43
4"	\$1,473.23	\$1,552.78	\$1,636.63	\$1,725.01	\$1,826.79	\$1,934.57
6"	\$2,937.65	\$3,096.28	\$3,263.48	\$3,439.71	\$3,642.65	\$3,857.57
8"	\$4,702.00	\$4,955.91	\$5,223.53	\$5,505.60	\$5,830.43	\$6,174.42
% increase		5.4%	5.4%	5.4%	5.9%	5.9%

Wastewater - Non-Residential Volume Charge (\$/1,000 gallons)

Load Factor	(% of Water Use)	1 Billing Unit (BU) = 1,000 gallons				
Low	51%	\$5.02	\$5.29	\$5.58	\$5.88	\$6.22
Medium	85%	\$7.08	\$7.46	\$7.87	\$8.29	\$8.78
High	85%	\$18.41	\$19.40	\$20.45	\$21.56	\$22.83
% increase			5.4%	5.4%	5.4%	5.9%
						5.9%

Revenues must be sufficient to cover operating expenses to continue providing high quality water and wastewater services.

Water and wastewater rate increases are necessary to cover costs for the long term sustainability of infrastructure.



Proposed Monthly Wastewater Rates

Current	Proposed					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
Wastewater System Replacement Fee (Residential & Non-Residential)						
<u>Meter Size</u>						
3/4"	\$16.92	\$17.83	\$18.80	\$19.81	\$20.98	\$22.22
1"	\$28.76	\$30.31	\$31.95	\$33.68	\$35.66	\$37.77
1.5"	\$55.83	\$58.84	\$62.02	\$65.37	\$69.23	\$73.31
2"	\$89.67	\$94.51	\$99.62	\$105.00	\$111.19	\$117.75
3"	\$169.18	\$178.32	\$187.94	\$198.09	\$209.78	\$222.16
4"	\$282.54	\$297.80	\$313.88	\$330.83	\$350.35	\$371.02
6"	\$563.39	\$593.81	\$625.88	\$659.68	\$698.60	\$739.81
8"	\$901.75	\$950.44	\$1,001.77	\$1,055.86	\$1,118.16	\$1,184.13
% increase		5.4%	5.4%	5.4%	5.9%	5.9%

Assembly Bill 3030 Pass-through Provision: In the case where a water system purchases water from another agency, such as the Town does from the Veterans Home/State, AB 3030 allows for what is known as a “pass through” provision. The Town has assumed for long range financial planning that the cost to purchase water from the Veterans Home will increase 10% annually. There is the possibility of a “pass through” adjustment if the cost to purchase water is higher than the 10% increase amount included in the proposed rate structure. The Town could also lower a future year’s scheduled rate increase if the actual costs to purchase water are less than the anticipated 10% increase for wholesale water purchase.

Rate Increase Approval Process (Proposition 218 Process)

The Town of Yountville will hold a public informational meeting **October 24, 2022 in the Yountville Community Hall from 5:30—6:30 pm, and hold a public hearing at the Town Council meeting scheduled for Tuesday, November 15, 2022 at or about 3:00 p.m. in the Town Council Chambers at Town Hall, 6550 Yount Street.** If you would like more information about the proposed rate increases, the Town’s utility enterprise fund operating and Five Year Capital Improvement Plan (CIP) budgets, please visit www.townofyountville.com and click on “proposed rate increase” on the main page or call Town Hall at (707) 944-8851 from 8:00 a.m. to 5:00 p.m.

Any interested person, including persons owning or residing at property served by the Town’s water or wastewater utility system, may present verbal or written comment to the Town Council on the proposed rate structure. Although the Town Council will consider all comments, State law provides that only written protests submitted by a property owner or tenant may be counted to determine whether a majority protest to the proposed increases exists. If, at the conclusion of the public hearing, a majority protest does not exist, the Town Council will consider adoption of the proposed increases. Please note that the actual rates and charges adopted by the Town Council may be less than, but may not exceed, the proposed rate increases identified in this Proposition 218 notice.

A property owner or tenant may file a written protest to the proposed increases via US mail or hand deliver to the Town Clerk, care of Town of Yountville Proposed Utility Rate Protest, 6550 Yount Street, Yountville, CA 94599. **In accordance with the requirements of Proposition 218, a written protest letter must include the property service address, the property owner(s) or tenant’s name and signature, indicate opposition to water rate increase, the proposed wastewater rate increase, or both the proposed water and wastewater rates, and it must be signed by an owner of record or tenant. Protests must be received prior to the close of the public hearing, and no more than one protest per parcel will be counted.**

Customers currently receive 1,000 gallons of water in 1 Billing Unit for the price of \$4.15.

The equivalent to 1,000 gallons is four pallets of water bottles, for a cost of \$2,400.





6550 Yount Street
Yountville, CA 94599
Phone 707-944-8851

Town of Yountville

"The Heart of the Napa Valley"

Notice of Proposed Increases to the Town of Yountville's Water & Wastewater Rates