

MEDIA RELEASE

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City of Cloverdale Update on Water and Wastewater (Sewer) Rates

City Manager provides update on the Water and Wastewater Rate Study /Rate Setting Process

City of Cloverdale, CA – On November 11, 2020 the City Council held a Public Hearing to consider adjustments to water and wastewater rates charged by the City’s two utility systems. The Public Hearing was held to consider Proposition 218 protests to proposed rate adjustments to water rates. Water rates were proposed to be increased 13% and wastewater rates increased by 17% starting on January 1, 2021. The Public Hearing was preceded by presentations/public workshops held by the City Council at their regular City Council meetings on August 26th and September 9th.

Due to community opposition to the proposed rate adjustments, the City Council supported the City Manager’s recommendation to discontinue the Proposition 218 process in order to reengage the community and provide additional opportunity for review of the 2020 Water and Wastewater Rate Study. The Financial Rate study provides a multi-year financial plan for the water and wastewater enterprises, reviews and update the water and wastewater rate structures, proposes 5-year rate schedules, and updates the City’s water shortage rate surcharges. Further the City Council directed the City Manager to begin preparation for a Public Workshop to obtain further public input on the 10-year Financial Plan.

According to City Manager, David Kelley, “the public workshop will provide an opportunity for the community to learn more about the financial rate study including the financial obligations for ongoing operation and maintenance, debt service, and capital improvements while maintaining prudent financial reserves. The workshop is intended to allow the community to provide input and comments on the study and rate adjustments necessary to fund ongoing operations and capital improvement projects to support water and sewer services for our residents”. The date for the community workshop will be announced in the near future.

Background

The City operates and maintains a water utility that provides water supply, treatment, and distribution services and a wastewater utility that provides wastewater (sewer) collection, treatment and disposal. Updates to the Water and Wastewater Financial Plans are necessary to ensure that the water and wastewater utilities are fully able to cover the costs of providing services. Updating the water and wastewater rates to keep up with the rising costs of providing safe and high quality drinking water and wastewater services is a key component of maintaining the financial viability of the enterprises, including maintaining healthy fund balances/reserves for emergencies and applicable bond covenants, and debt coverage ratios for bond covenants and strong credit ratings. Updates to the rate study are also

necessary to fund the CIP projects in order to invest in infrastructure maintenance and improvements which are mandated or otherwise necessary for safe and efficient operation of the utilities.

Water System:

The City of Cloverdale provides water services to over 3,300 residential, commercial, industrial, and irrigation service connections. The city can provide more than 500 million gallons of water per year and maintains over 40 miles of water pipelines, 3,300 service lines, hundreds of fire hydrants, 10 storage reservoirs, and two pump stations. The city's water filtration plant has the capacity to produce 4.5 million gallons per day of high-quality drinking water. The city's 7 wells have an approximate total capacity in the summer months of 3.6 million gallons per day. Capital projects totaling about \$26.9 million have been identified to build a new well, rehabilitate aging wells, improve treatment facilities, replace and or rehabilitate pipes, pump stations, water tanks, and other system facilities over the next ten years.

Wastewater (Sewer) System:

The City owns and operates a municipal wastewater treatment facility (WWTF) and associated treated effluent disposal facilities and maintains approximately 32.3 miles of sewer pipe. The WWTF rated peak capacity for wet weather is 8.25 million gallons per day. Over the next five years the City plans to invest \$4.86 million in wastewater capital projects and an additional \$18.42 million in capital projects are planned in the following years.

For more information about the Waster and Wastewater Rate Study, please visit the City website: <http://www.cloverdale.net/443/2020-Water-and-Wastewater-Rate-Study>

The **2020 Water and Wastewater Rate Study** can be accessed at the following link: <http://www.cloverdale.net/DocumentCenter/View/4337/2020-Water-and-Sewer-Rate-Study-PDF>

Additional Resources:

Water Master Plan- <http://www.cloverdale.net/DocumentCenter/View/1325/WMP-Report-FINAL?bidId=>

Sewer Master Plan - <http://www.cloverdale.net/DocumentCenter/View/1328/Sewer-Master-Plan-Update---overall-report?bidId=>

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