



City of Placerville PUBLIC NOTICE

In December 2017, the City mailed a notice to all property owners, in accordance with Proposition 218, alerting them about the planned increases in the sewer and water rates. Since that time, the City has received several questions about the planned rates increases. Below are the answers to many of the frequently asked questions:

Q. Why is the City increasing the sewer and water rates?

A. The current rates do not cover the full cost of operating the sewer and water systems.

Q. Can the Measures H and Measure L sales taxes be used to operate the sewer and water systems?

A. No. However, because the Measures H and L sales taxes pay for the repair and maintenance of our water and sewer systems, those costs are not included in the rates.

Q. If approved, when will the new rates become effective?

A. February 16, 2018.

Q. When will I receive my first bill with the new rates?

A. May 2018.

Q. How frequently will my rates be increased?

A. The sewer and water rates will gradually increase annually over the next five years. However, the proposed rates could be deferred or reduced by City Council at a later date if financially feasible.

Q. When will the City Council formally adopt the new sewer and water rates?

A. A Public Hearing and rate adoption is planned for Tuesday, February 13, 2018 at 6:00 PM at Town Hall, 549 Main Street.

Q. How were the new sewer and water rates determined?

A. The City's consultant, Bartle Wells Associates, performed a cost of service study that calculated the new rates.

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Q. When was the last time the sewer and water rates were increased?

A. August 16, 2014 (over 3 years ago).

Q. Can the City charge rates that are higher than the cost of service?

A. No.

Q. Do the new rates include funding for sewer and water system construction projects?

A. No. Most sewer and water system construction projects are funded by the Measure H and Measure L sales taxes and/or grants.

Q. Why is the City eliminating the sewer charge discount?

A. A discount dollar is the same as a rate increase dollar today. By eliminating the sewer charge discount, the increase in sewer rates is minimized by an equal amount. Future sewer rate increases will be slightly less by eliminating the discount.

Q. Will the City continue providing the lifeline discounted sewer and water rates for lower income customers?

A. Yes, residential customers who qualify for either the AT&T Lifeline program and/or the PG&E CARE program will continue to receive the 25% discount in sewer and water rates.

Q. I read the City is considering new drought water rates that are higher than the new regular water rates. What would trigger the City to implement the drought rates?

A. The City Council could implement the drought rates if the City, EID and/or the State declares a drought that requires mandatory water conservation.

Q. What would happen if the rates were not increased?

A. Services would have to be cut which would result in a growing number of sewer backups and damage to private property, thereby exposing the City to a greater number of State fines. The City would have to default on its 2006 State Revolving loan payments, thereby increasing the cost of future borrowing.

Q. Can property owners protest these rate increases?

A. Yes. Written protest letters will be accepted prior to the close of the Public Hearing being held on Tuesday, February 13, 2018 at 6:00 PM.

If you have any other questions about the sewer and water rates, please call the City's Finance Department at 530.642.5223 or visit us at City Hall, 3101 Center Street. City office hours are Monday through Friday from 8:00 AM to 5:00 PM.