

2025 FOWD Board Approved Budget Schedule

July 15, 2024	Staff to provide Board with a suggested timeline for the 2025 Budget Schedule
August 19, 2024	Board to provide staff with the general guidelines/principles on the 2025 Budget at Regular Board Meeting
August 22, 2024	Distribute Request for 2025 Budget Projections to FOWD staff
September 9, 2024	Budget Projections due back from staff
September 16, 2024	Budget Projections due back from the managers
September 23, 2024	Finance Manager to Complete Preliminary Budget Document Compilation
September 25, 2024	Operations Manager, Finance Manager and Technical Services Manager to meet and go over 2025 Draft Budget
September 30, 2024	Meet with General Manager to go over the 2025 Draft Budget
October 21, 2024	Board Meeting to review the 2025 Draft Budget
October 28, 2024	Special Board Meeting to review and discuss possible adoption of the 2025 Proposed Budget

Note: Please remember that the Board adopted a rate adjustment for 2023, 2024 and 2025 on November 21, 2022.

After implementing Board approved rate adjustments in 2023 and 2024, FOWD water rates remain the lowest in the Sacramento Region and 57% of the Sacramento Region average.

Fair Oaks Water District

Metered Service Charges and Commodity Rates ⁽¹⁾

Bi-Monthly Fixed Service Charges				
Meter Size (Inch)	Actual 2022	10% Proposed 2023	10% Proposed 2024	5% Proposed 2025
1	\$ 71.61	\$ 78.77	\$ 86.65	\$ 90.98
1.5	131.24	144.36	158.80	166.74
2	202.71	222.98	245.28	257.54
3	393.32	432.65	475.92	499.72
4	607.87	668.66	735.53	772.31
6	1,203.22	1,323.54	1,455.89	1,528.68
8	1,919.30	2,111.23	2,322.35	2,438.47
10	2,990.76	3,289.84	3,618.82	3,799.76

	2022	2023	2024	2025
Commodity Rate per CCF ⁽²⁾	\$ 0.50	\$ 0.55	\$ 0.61	\$ 0.64

Shared Metered Services:

User Category	2022	2023	2024	2025
Shared meter service(s) - multiple parcel community residential domestic ⁽³⁾	\$71.61 per parcel + consumption ⁽⁴⁾	\$78.77 per parcel + consumption ⁽⁴⁾	\$86.65 per parcel + consumption ⁽⁴⁾	\$90.98 per parcel + consumption ⁽⁴⁾
Shared meter service(s) - multiple parcel offices commercial domestic	Meter service rate ⁽⁵⁾	Meter service rate ⁽⁵⁾	Meter service rate ⁽⁵⁾	Meter service rate ⁽⁵⁾

(1) Customers outside the District's service area will pay an additional 50% of the above water rates or as otherwise determined by Fair Oaks Water District.

(2) One CCF stands for 100 cubic feet. 100 cubic feet is equal to 748 gallons. The commodity rate is invoiced based upon CCFs used.

(3) Requires separation of common area and irrigation water systems with each irrigation water service billed based on meter size plus consumption.

(4) Consumption measured by a master meter with one responsible party in billing for the master meter.

(5) Each connection will be billed a fixed service charge based on meter size plus consumption with one responsible party in billing for the account.

2023 FOWD Proposition 218 Schedule

Prop 218 Procedures:

- Agency proposing new or increased fee must mail notice to the recorded owners of the parcels on which the fee would be imposed at least 45 days before a public hearing.
- The notice must state the amount of the fee, the basis upon which the fee amount was calculated, the reason for the fee – along with the date, time, and location of the hearing.
- If written protests are submitted by a majority of the property owners (one parcel, one vote) the public agency may not impose the fee.
- The California Environmental Quality Act does not apply to a proposed FOWD rate adjustment.

Date	Description
May 2022	Staff to provide the Budget Committee the Proposed 2023 Budget and Rate / Prop 218 Schedule
June 2022	Staff to work on the 2023-2027 Budget Proforma
July 2022	Managers to meet and go over Budget and Rate Information
August 30, 2022	Special Board Meeting Detailed discussion of the 2023 Annual Budget including rate increase
September 19, 2022	FOWD Draft Notice to Public Hearing for Board review
September 20, 2022	Public Hearing Notice Letter to Legal for Review
September 22-Oct 5, 2022	FOWD Notice of Public Hearing (45 days prior to Public Hearing) -To be mailed to ALL FOWD customers -To be posted on FOWD's website -To be posted at FOWD's office -To be posted at the Fair Oaks library
October 17, 2022	FOWD Public Workshop on water rates
November 21, 2022	FOWD Rate Increase Public Hearing



Notice to Property Owners Public Hearing On Proposed Increase To Water Rates

Public Hearing Will Be Held at the
Fair Oaks Water District Office
10326 Fair Oaks Boulevard
November 21, 2022
6:30 PM

The Fair Oaks Water District (FOWD) Board of Directors is announcing it will hold a hearing on November 21, 2022 at 6:30 p.m., at 10326 Fair Oaks Boulevard, Fair Oaks, CA to consider a proposed increase in rates for water service as further described below in this notice.

In preparation for the public hearing, FOWD will have a **public workshop** on the proposed increase in rates for water service on October 17, 2022 at 6:30 p.m., at 10326 Fair Oaks Boulevard, Fair Oaks, CA.

The mission of the Fair Oaks Water District is to provide our community with an adequate and reliable supply of water, exceeding all drinking water standards, at the lowest reasonable cost. Data shows that the FOWD has been exceptional at meeting our mission:

- Developed a reliable water supply portfolio of both surface water and groundwater.
- Developed a water supply that exceeds all drinking water standards and that provides our customers with some of the highest quality water in the Country.
- Provide customers water supply at the lowest rates in the Sacramento Region.

FINANCIAL STATE OF THE FOWD ENTERING 2023

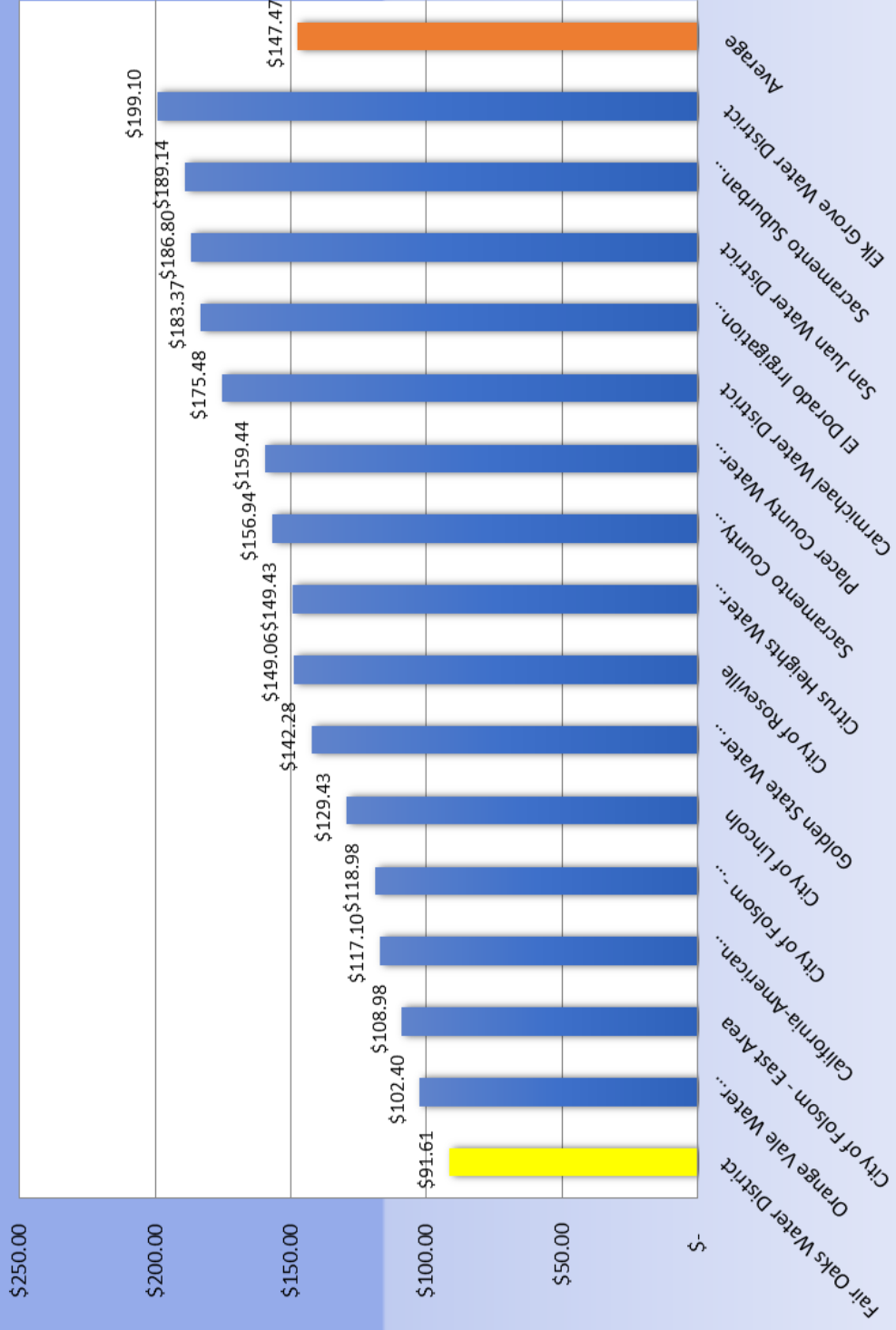
- Existing Debt zero
- Existing Debt Payment zero
- Cash Reserve \$8,000,000
- 40% of Water Sales Revenue Invested Back into Capital Over the Past 20 Years

FOWD HAS THE LOWEST WATER RATES IN THE REGION

- Current FOWD water rates are **61% LOWER** than the Sacramento Region average.
- Current FOWD water rates are **117% LOWER** than the Sacramento Region high.

Please see the next page for a complete list of current Sacramento Region water rates.

**2022 Bi-monthly Metered
Charges for 1-inch Services
Based on 40 CCF for 2 Months Period**



HISTORIC FOWD RATE ADJUSTMENTS AT A GLANCE

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
0%	0%	0%	0%	0%	0%	3%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%

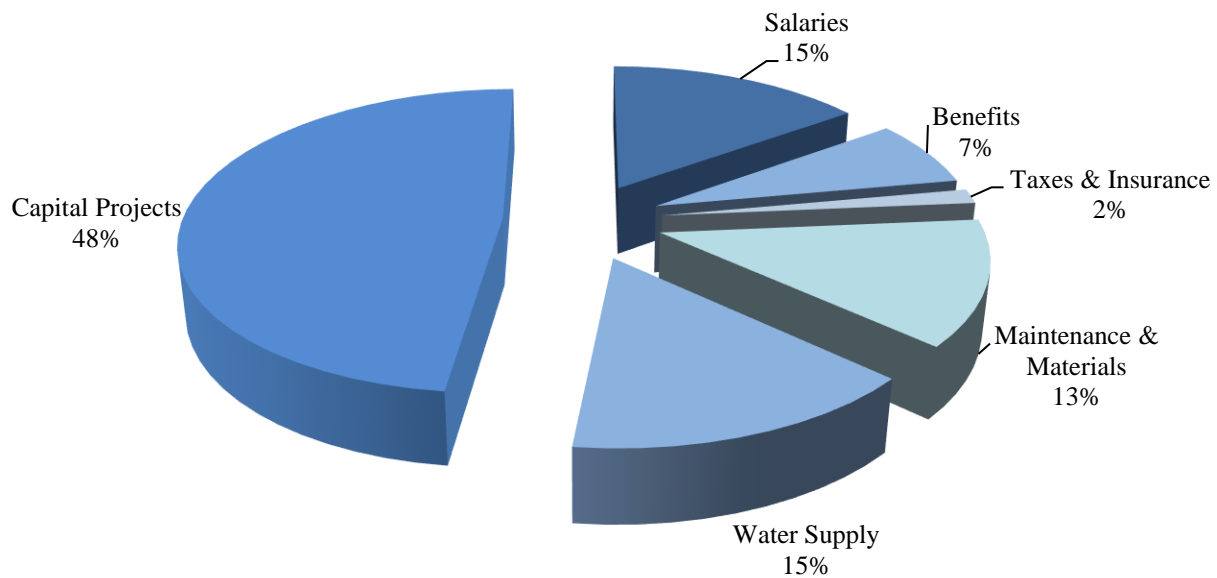
“FOWD has a history of only asking customers for rate increases when we must have them.”

NEED FOR INCREASED REVENUE

Recently the FOWD Board of Directors decided that continuing to meet the mission of the FOWD will require increased revenue from our valued customers. The cost of purchasing water, complying with laws and regulations governing drinking water safety and reliability, and responsibly replacing aging system infrastructure are increasing and cannot be paid without increasing rates. The three major drivers exerting upward pressure on water rates charged to the FOWD customers are: capital investment needs of approximately \$37M over the next five years, inflation, and wholesale surface water rate increases charged by the San Juan Water District. Please note the following:

- The FOWD **INCREASED RATES 13%** from 2006 to 2021.
- Consumer Price Index Inflation **INCREASED 49%** from 2006 to 2021.
- Cost of Surface Water Purchased from SJWD **INCREASED 323%** from 2006 to 2021. An acre foot of water purchased by the FOWD from the SJWD cost \$95.05 in 2006. An acre foot of water purchased by the FOWD from the SJWD cost \$307.08 in 2021.

WHERE YOUR WATER DOLLAR GOES 2023 BUDGET ESTIMATE



WHY AM I RECEIVING THIS NOTICE?

Our records indicate you are an account holder and/or the owner of a parcel receiving water service in the FOWD service area. This notice gives you information about proposed water rate increase the Board of Directors will consider adopting at the November 21, 2022 public hearing. It also outlines how you can participate in the rate-setting process.

CURRENT AND PROPOSED FOWD WATER RATES

Fair Oaks Water District				
Metered Service Charges and Commodity Rates ⁽¹⁾				
Bi-Monthly Fixed Service Charges				
Meter Size (Inch)	Actual 2022	10% Proposed 2023	10% Proposed 2024	5% Proposed 2025
1	\$ 71.61	\$ 78.77	\$ 86.65	\$ 90.98
1.5	131.24	144.36	158.80	166.74
2	202.71	222.98	245.28	257.54
3	393.32	432.65	475.92	499.72
4	607.87	668.66	735.53	772.31
6	1,203.22	1,323.54	1,455.89	1,528.68
8	1,919.30	2,111.23	2,322.35	2,438.47
10	2,990.76	3,289.84	3,618.82	3,799.76
	2022	2023	2024	2025
Commodity Rate per CCF⁽²⁾	\$ 0.50	\$ 0.55	\$ 0.61	\$ 0.64
Shared Metered Services:				
User Category	2022	2023	2024	2025
Shared meter service(s) - multiple parcel community residential domestic ⁽³⁾	\$71.61 per parcel + consumption ⁽⁴⁾	\$78.77 per parcel + consumption ⁽⁴⁾	\$86.65 per parcel + consumption ⁽⁴⁾	\$90.98 per parcel + consumption ⁽⁴⁾
Shared meter service(s) - multiple parcel offices commercial domestic	Meter service rate ⁽⁵⁾	Meter service rate ⁽⁵⁾	Meter service rate ⁽⁵⁾	Meter service rate ⁽⁵⁾
<p>(1) Customers outside the District's service area will pay an additional 50% of the above water rates or as otherwise determined by Fair Oaks Water District.</p> <p>(2) One CCF stands for 100 cubic feet. 100 cubic feet is equal to 748 gallons. The commodity rate is invoiced based upon CCFs used.</p> <p>(3) Requires separation of common area and irrigation water systems with each irrigation water service billed based on meter size plus consumption.</p> <p>(4) Consumption measured by a master meter with one responsible party in billing for the master meter.</p> <p>(5) Each connection will be billed a fixed service charge based on meter size plus consumption with one responsible party in billing for the account.</p>				

HOW THIS INCREASE MAY IMPACT YOU

Under the proposed FOWD rate structure, for 2023, a typical homeowner having a 1" meter, and using 500 gallons of water per day, will have a water bill increase of an estimated \$9.16 per 60-day billing cycle, or 15.27¢ per day.

If the Board of Directors adopts the proposed rate structure for 2023, 2024 and 2025, it is estimated that the average FOWD customer will see an increase in the cost of water of 10% in 2023, 10% in 2024, and 5% in 2025. A customer's actual increase will vary depending upon the amount of water used. If you would like additional information about how the proposed rate changes would affect your specific water bill, please call the FOWD Customer Service Department at (916) 967-5723 and a staff member will be happy to assist you.

HOW YOU CAN PARTICIPATE

All members of the public are invited to submit comments about this proposal and to attend the public hearing at 6:30 PM on November 21, 2022 at 10326 Fair Oaks Boulevard. An owner or tenant of property receiving FOWD retail water service may protest the proposed water rates and charges by submitting a written protest by mail or in person to the General Manager, Fair Oaks Water District, 10326 Fair Oaks Boulevard, Fair Oaks California. Written protests must be received (*not postmarked*) by the General Manager before the close of the public hearing to be held on November 21, 2022 at 6:30 PM. Protests submitted by e-mail or other electronic means will not be accepted.

To be valid for consideration by the Board at the public hearing, a protest must be signed by the property owner or tenant, must include the assessor's parcel number, the address of the parcel served, the customer's account number for the parcel served, and a statement that the FOWD customer is protesting the Agency's proposed water rates and charges. If submitted by a tenant, the assessor's parcel number is not required. Only one written protest per identified parcel will be counted for purposes of determining if there is a majority protest. The Board Secretary, or his designee, will tabulate the protests, and any member of the public may observe the tabulation. All protest forms will be considered public records and retained for two years from the date of the hearing. Protests sent through the mail are subject to the potential failure of the U. S. Postal Service to deliver them to FOWD by the noticed deadline. Any protest that is received after the deadline will be invalid and not be counted.

A majority protest will exist if written protests are timely submitted and not withdrawn by the record owners of, or customers of record with respect to, a majority (50% plus 1) of the parcels subject to the proposed rate increase. If there is a majority protest, the Board of Directors cannot approve the proposed FOWD rate increases for 2023, 2024 and 2025. If there is not a majority protest, the Board of Directors will deliberate and may approve a rate increase up to a maximum equal to the amounts described in this notice.

PLEASE NOTE

FOWD is proposing the water rate increases to ensure the financial health and sustainability of the District.

"It is estimated that with approval of the proposed rate increase, FOWD will remain the lowest water rates in the Sacramento Region in 2025"

