



Notice of Public Hearing on Proposed Infrastructure Improvement Charge for Water Customers in the Tahoe Cedars and Madden Creek Water Service Areas

The Tahoe City Public Utility District (TCPUD) Board of Directors is providing notice of a proposed Infrastructure Improvement Charge specific to water customers served in the Tahoe Cedars and Madden Creek water system service areas (formerly owned by Mid-Sierra Water Utility) and invites the public to attend a Public Hearing to consider adoption of the charge.

Reason for the Proposed Infrastructure Improvement Charge

In January 2018, TCPUD purchased the privately owned Mid-Sierra Water Utility which included the Tahoe Cedars and Madden Creek water systems. Shortly thereafter, TCPUD completed Water System Master Plans (Plans) for each system. These Plans identified serious deficiencies such as actively failing water mains and insufficient fire suppression capacity, including undersized water mains and significant lack of fire hydrants. The Plans called for complete system reconstruction in both service areas. To address and correct the noted deficiencies, the Plans recommend replacing the existing water mains with larger diameter water mains and adding additional fire hydrants, both of which are necessary to improve fire suppression capabilities to meet modern fire protection standards and provide protection to the community.

Due to the magnitude of estimated costs to complete the reconstruction projects for both systems, the District will likely need to obtain debt financing. The cost-based proposed Infrastructure Improvement Charge represents a fixed source of revenue that can be combined with water rate revenue from all District water customers as well as with District property tax revenue, to allow the District to pursue debt financing that could allow for completion of the Tahoe Cedars and Madden Creek water systems reconstruction projects over a projected ten-year period.

Public Hearing Information

A **public hearing** will be held on the proposed Infrastructure Improvement Charge for Water Customers in the Tahoe Cedars and Madden Creek Water Service Areas.

**The public hearing will be held
Friday, October 20, 2023,
at 8:30 a.m.**

The purpose of the Public Hearing is to consider all oral or written testimony and all written protests of the proposed Infrastructure Improvement Charge. This notice is provided to all property owners who currently receive water service (customers) from the TCPUD within the Tahoe Cedars and Madden Creek water service areas (formerly owned by Mid-Sierra Water Utility). All interested property owners and tenants are invited to appear at the time and place specified to give oral or written testimony, as well as written protests, regarding the proposed Infrastructure Improvement Charge. If adopted, the new charge will go into effect on January 1, 2024.

How We Determined the Proposed Infrastructure Improvement Charge

The proposed Infrastructure Improvement Charge represents the incremental costs of the critical fire suppression improvements that will be constructed as part of the overall reconstruction of the water systems. The cost-basis and proportionality of the proposed Infrastructure Improvement Charge is specific to the incremental costs of upsizing water mains and adding fire hydrants within both systems to improve fire flow capacity and fire hydrant coverage to meet modern fire protection standards as compared to the cost to reconstruct both systems to their current size and number of fire hydrants. These improvements to the Tahoe Cedars and Madden Creek water systems directly benefit the customers of these systems. Revenues from the proposed Infrastructure Improvement Charge will only be used for direct capital funding or debt service payments associated with the design and/or construction for the reconstruction projects. The proposed Infrastructure Improvement Charge is not intended or designed to fund the total cost of the complete reconstruction of the water systems.

Proposed Infrastructure Improvement Charge

The proposed Infrastructure Improvement Charge is:

\$43.58/month for 30 years paid by all current and future water customers in the Tahoe Cedars and Madden Creek water service areas

The proposed Infrastructure Improvement Charge would be a fixed monthly charge included on the customer's water bill. The Infrastructure Improvement Charge is in addition to the customer's regular water bill (composed of the current TCPUD Board adopted water base rate and consumption rate or the unmetered flat rate).

Public Workshops

Two public workshops will be held in the TCPUD Board Room at 221 Fairway Drive, Tahoe City, to review the 2023 Rate Study and proposed Infrastructure Improvement Charge. The workshops will be held on:

Tuesday, September 19, 2023

5:30 p.m. - 7 p.m.

Tahoe City Public Utility District
Administrative Office
221 Fairway Drive
Tahoe City, CA 96145

Wednesday, September 20, 2023

11:30 a.m. - 1 p.m.

Tahoe City Public Utility District
Administrative Office
221 Fairway Drive
Tahoe City, CA 96145



How can I find out more about the Proposed Infrastructure Improvement Charge?

Attend one of the two Public Workshops referred to in this brochure and visit the TCPUD 2023 Infrastructure Improvement Charge Rate Study webpage: tcpud.org/2023-Rate-Study-Infrastructure-Improvement-Charge. For additional questions, please email Denise Springsteel at dspringsteel@tcpud.org or call 530-580-6291.

Our Public Rate Setting Process

The TCPUD is dedicated to a transparent public rate setting process guided by the principles set forth in TCPUD Financial Policy No. 2050 - *Establishing Water and Sewer Rates and Fees Policy*, and in compliance with the State constitution, laws, and guidelines, including Article XIII D of the California Constitution, commonly referred to as Proposition 218.

As part of TCPUD's commitment to fiscal responsibility, and due to the magnitude of the costs for the reconstruction of the Tahoe Cedars and Madden Creek water systems, the Board of Directors completed a comprehensive long-term financial planning process. This multi-year process identified the need to secure additional water rate revenues to fund the complete reconstruction of the water systems in a timely manner. TCPUD retained an independent rate consultant, HDR Engineering, Inc., to perform a comprehensive Rate Study which develops a cost-based infrastructure improvement charge reflecting the specific benefit of fire protection improvements to the customers of TCPUD in the Tahoe Cedars and Madden Creek water service areas.

On July 26, 2023, the TCPUD Board held a public meeting on the 2023 Rate Study's findings, conclusions, and recommendations and to solicit public comment. At the TCPUD August 18, 2023, Board meeting, the Board authorized the proposed Infrastructure Improvement Charge to be considered at a public hearing on October 20, 2023. As noted under the caption **Public Workshops**, the TCPUD will hold public workshops on September 19 and 20, 2023, on the 2023 Rate Study's findings, conclusions, and recommendations.

Can I Protest the Proposed Infrastructure Improvement Charge?

Any property owner whose property will be subject to the Infrastructure Improvement Charge, or tenant of the property who will be directly responsible for paying the Infrastructure Improvement Charge, may submit a written protest prior to the Public Hearing and/or come to the Public Hearing to provide oral testimony and/or written protests. Protests must be in writing to be counted and only one protest will be counted per identified parcel. If a majority of property owners and/or the tenants of the property who will be responsible for paying the Infrastructure Improvement Charge file valid written protests by the end of the Public Hearing on October 20, 2023, the proposed Infrastructure Improvement Charge will not be approved.

All protests must:

1. Be in writing and received by the District Clerk before the close of the Public Hearing or provided in writing during the Public Hearing on October 20, 2023 beginning at 8:30 a.m. Written protests must be mailed to the District Clerk at P.O. Box 5249, Tahoe City, CA 96145, or personally delivered to 221 Fairway Drive, Tahoe City, CA 96145. Email or facsimile protests will not be accepted. Protests will not be accepted after the closure of the Public Hearing.
2. Include a statement that the letter constitutes a protest against the proposed Infrastructure Improvement Charge.
3. Identify the affected parcel by the service address and/or Assessor's Parcel Number (APN).
4. Include the printed name and original (wet) signature of the property owner of record or tenant of the service address. If the party signing or presenting the protest is not shown as the parcel owner on the last equalized assessment roll of Placer County or El Dorado County the protest must contain, or be accompanied by, written evidence that such party is the owner or the tenant.

At the Public Hearing, the TCPUD Board will accept oral and written testimony, as well as written protests, regarding the proposed Infrastructure Improvement Charge.

There is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge for water or sewer service (California Government Code Section 53759).