

Proposed Sewer & Water Rates

City of Placerville, California

February 10, 2026

Overview

- Mission Statement & primary goal of rate study
- Sewer and water services
- Operating costs vs. Projects
- Unfunded program needs
- Cost of providing services
- Proposed rates & options
- Next steps
- Questions and answers

Mission Statement

Provide clean, safe, and reliable water and wastewater collection and treatment services at a reasonable cost to Placerville Customers 24 hours a day, 7 days a week.

Primary Goal of Rate Study

Establish rates that cover the cost of operating and proactively maintaining the sewer and water systems over the next 5 years.

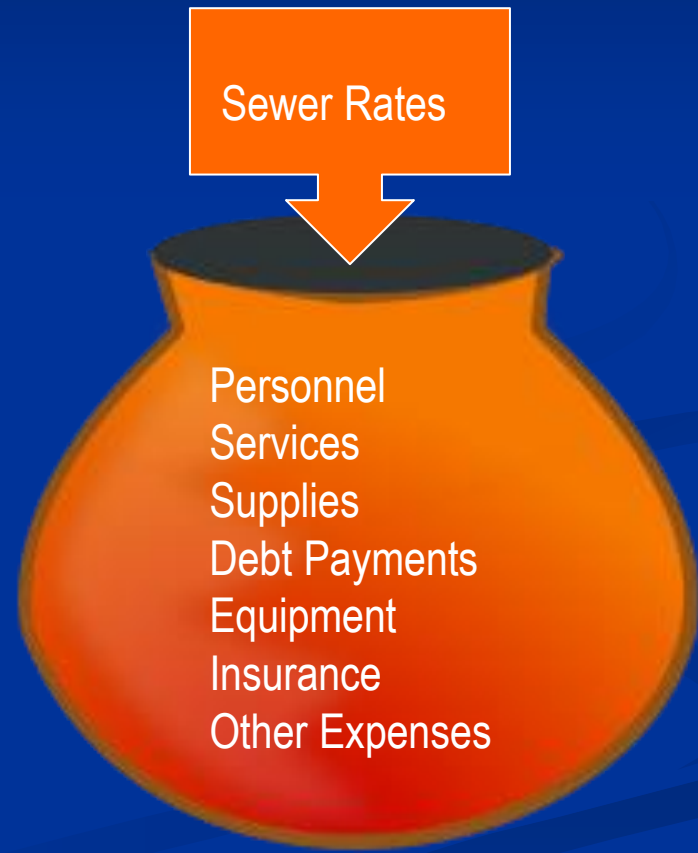
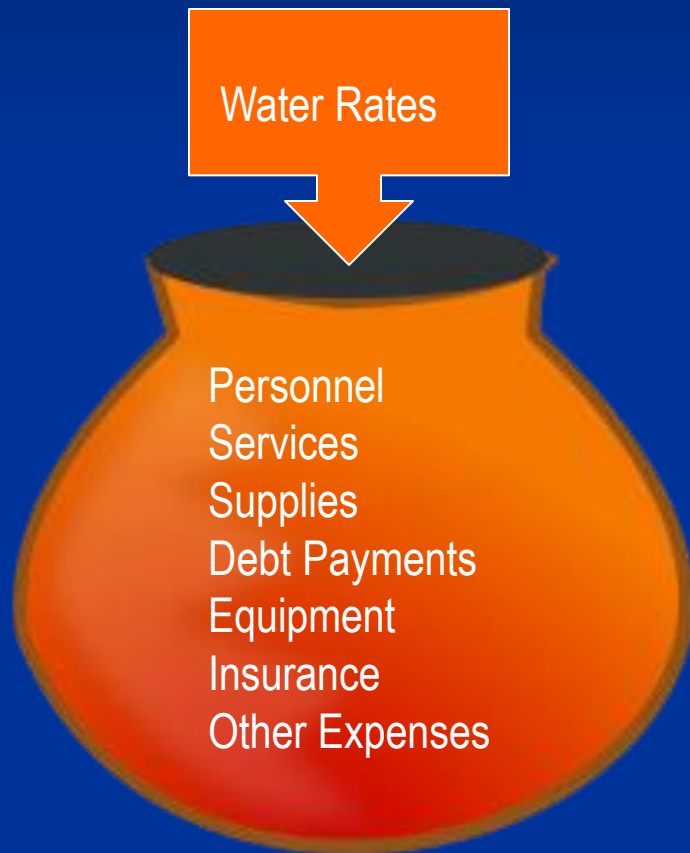
Water & Sewer Services

- Water acquisition & delivery
- Sewer collection
- Sewer treatment
- Engineering
- Accounting
- General administration

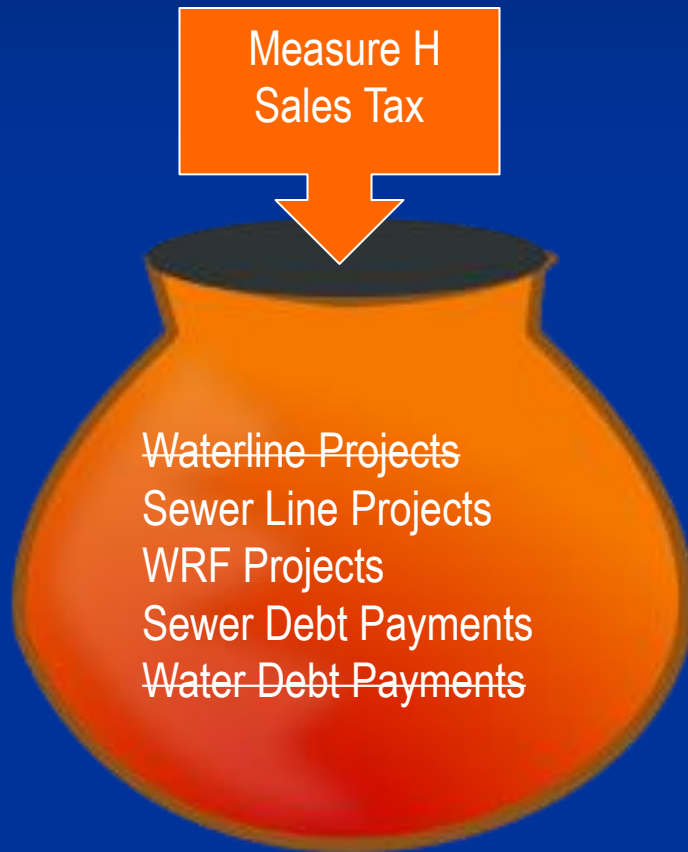
Water & Sewer Rate Update

- Last study completed in February 2018
 - Annual increases each year for 5 years
 - Last increase in June 2022
 - CPI increased 8.31% since then
- Increased costs since 2022
- Unfunded mandates
- Good news-Water Reclamation Facility PV Solar project is near completion
- Held Rate Workshop on January 22nd

Operating Costs vs. Projects



Operating Costs vs. Projects (Cont.)



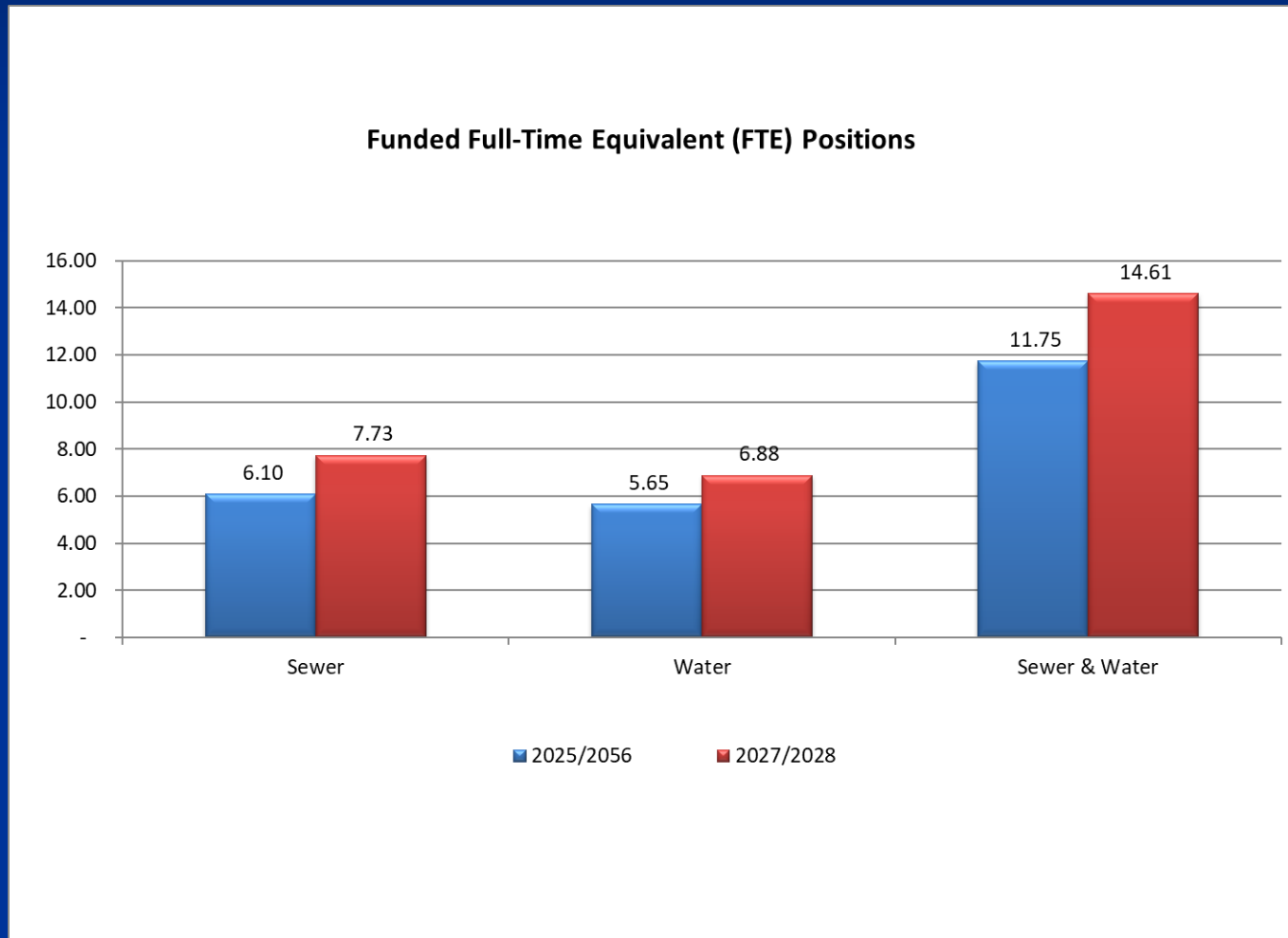
2025/2026 Funding

- Annual Measure H revenue: \$1,399,760
- Annual Measure L revenue: \$2,799,519
- 1.00% Sewer rate increase = \$71,858
- 1.00% Water rate increase = \$24,802

Unfunded Program Needs

- Recommended Public Works Department Personnel Changes:
 - Reclassify Public Works Superintendent position to a Deputy Public Works Director
 - Add 3 additional Utility Service Specialists positions
 - Reclassify 3 Maintenance Worker I positions to Maintenance Worker IIs

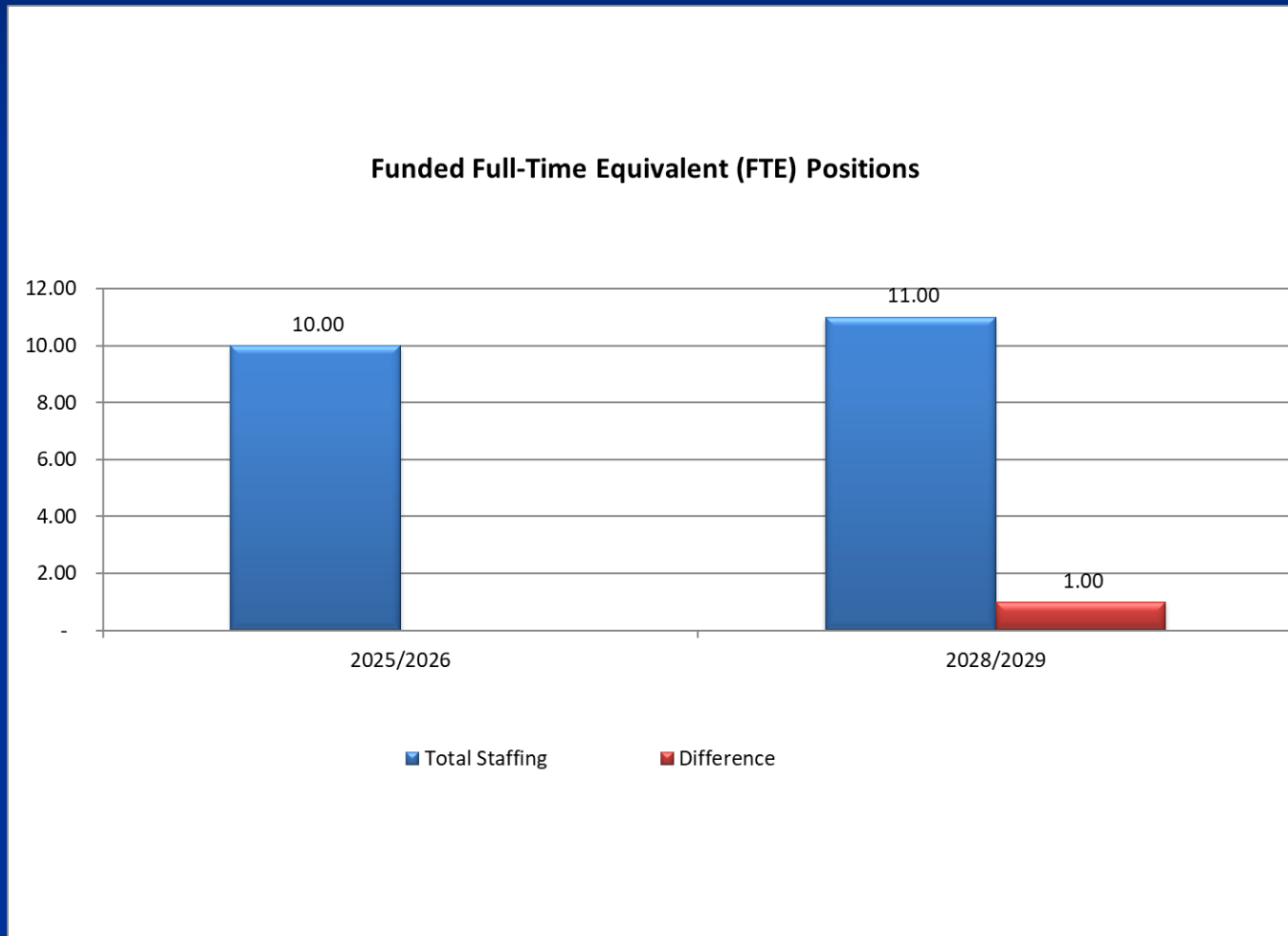
Public Works Department Staffing Levels



Unfunded Program Needs (Cont.)

- Recommended Water Reclamation Facility Personnel Changes:
 - Reclassify Lab Director position to Laboratory Technician II (completed)
 - Add Maintenance Mechanic position (completed)
 - Enhance WRF Operator IV position salary
 - Reclassify 3 WRF Operator III positions to WRF Senior Operators
 - Reclassify 2 WRF Operator II positions to WRF Operator IIIs

Water Reclamation Facility Staffing Levels

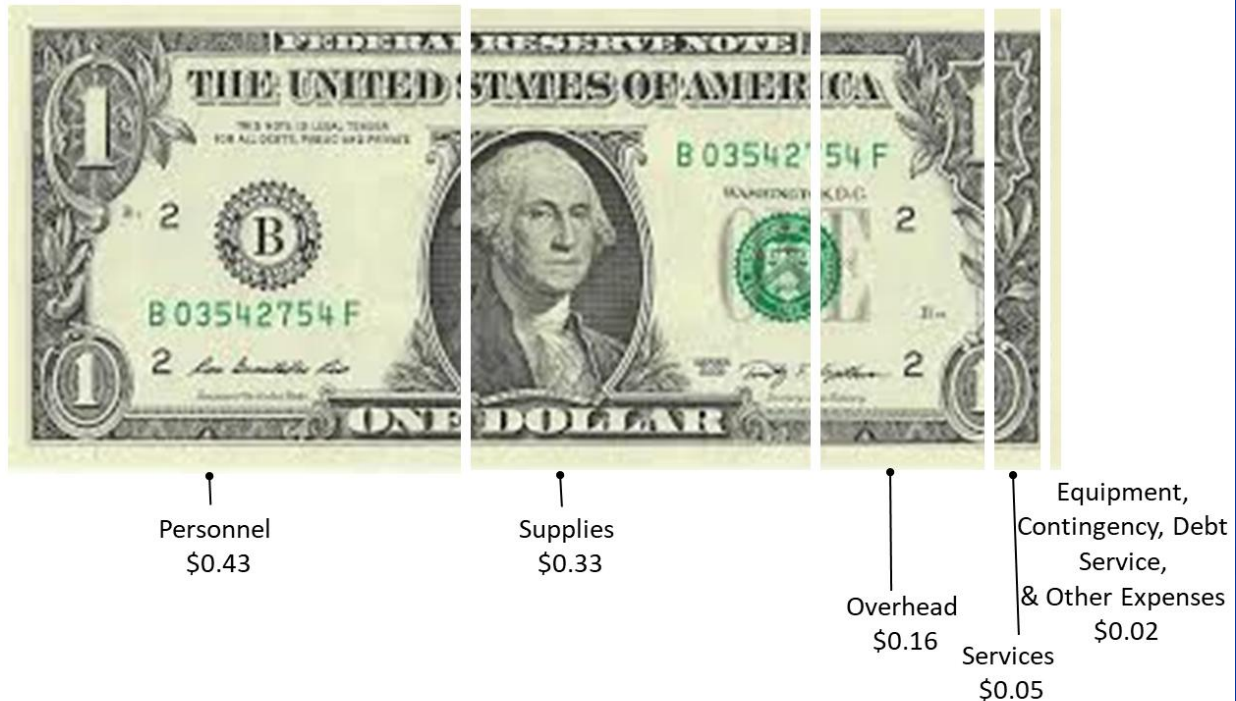


Water Rates



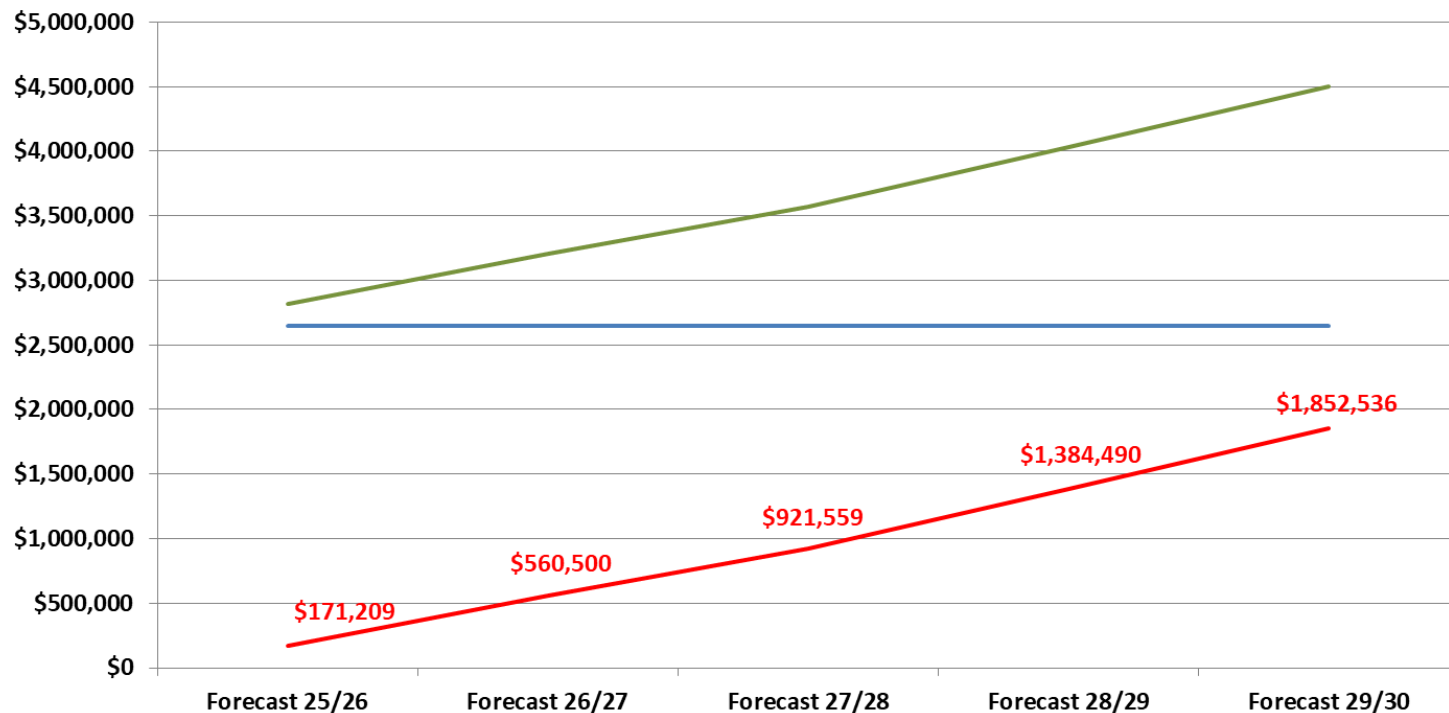
Water Enterprise Fund

Adopted Budget
Fiscal Year 2025/2026



Our Water Dilemma

Revenues - **Expenditures** = **Deficit**



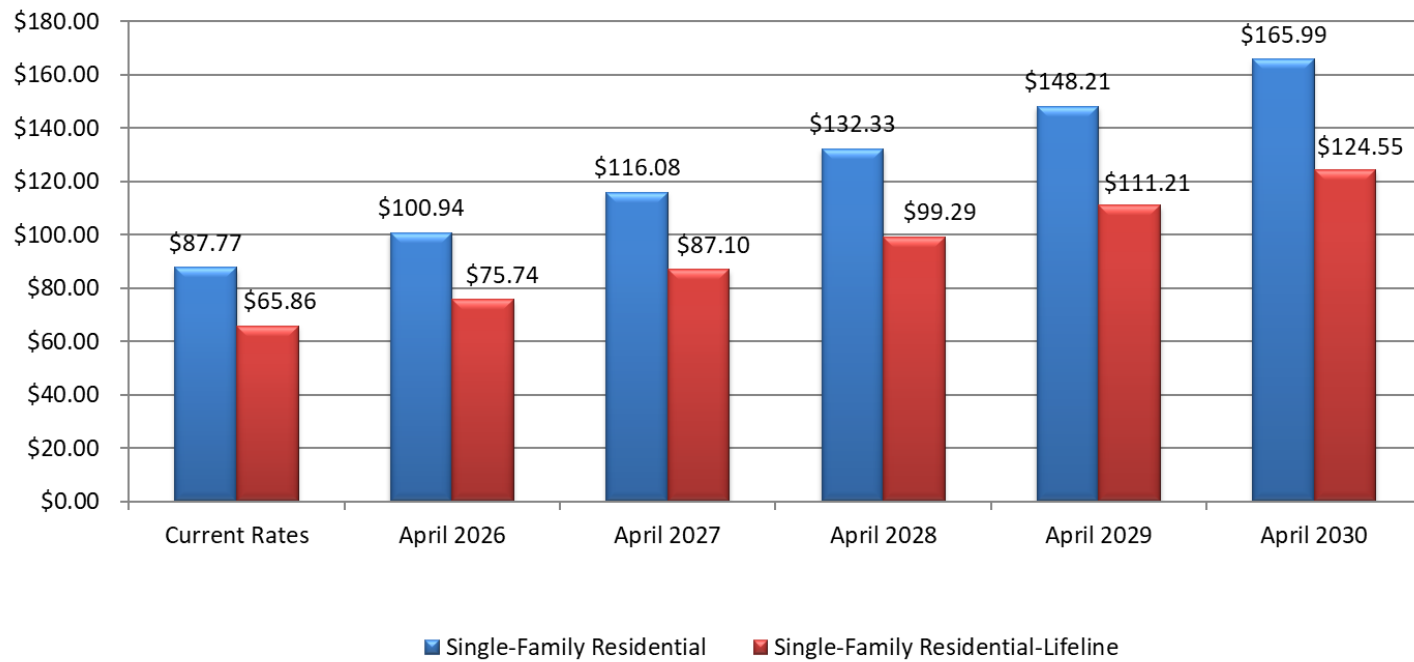
*Assumes no water rate increases.

Proposed Water Rates (Option #1)

Rate Category	Current Rates	April 2026	April 2027	April 2028	April 2029	April 2030
Rate Increase		15.00%	15.00%	14.00%	12.00%	12.00%
<i>Single-Family Residential</i>						
Base Charge	\$25.73	\$29.59	\$34.03	\$38.79	\$43.45	\$48.66
Commodity Charge (All Uses, Per CCF)	\$5.17	\$5.95	\$6.84	\$7.79	\$8.73	\$9.78
<i>Single-Family Residential-Lifeline</i>						
Base Charge	\$19.30	\$22.20	\$25.52	\$29.10	\$32.59	\$36.50
Commodity Charge (All Uses, Per CCF)	\$3.88	\$4.46	\$5.13	\$5.85	\$6.55	\$7.34

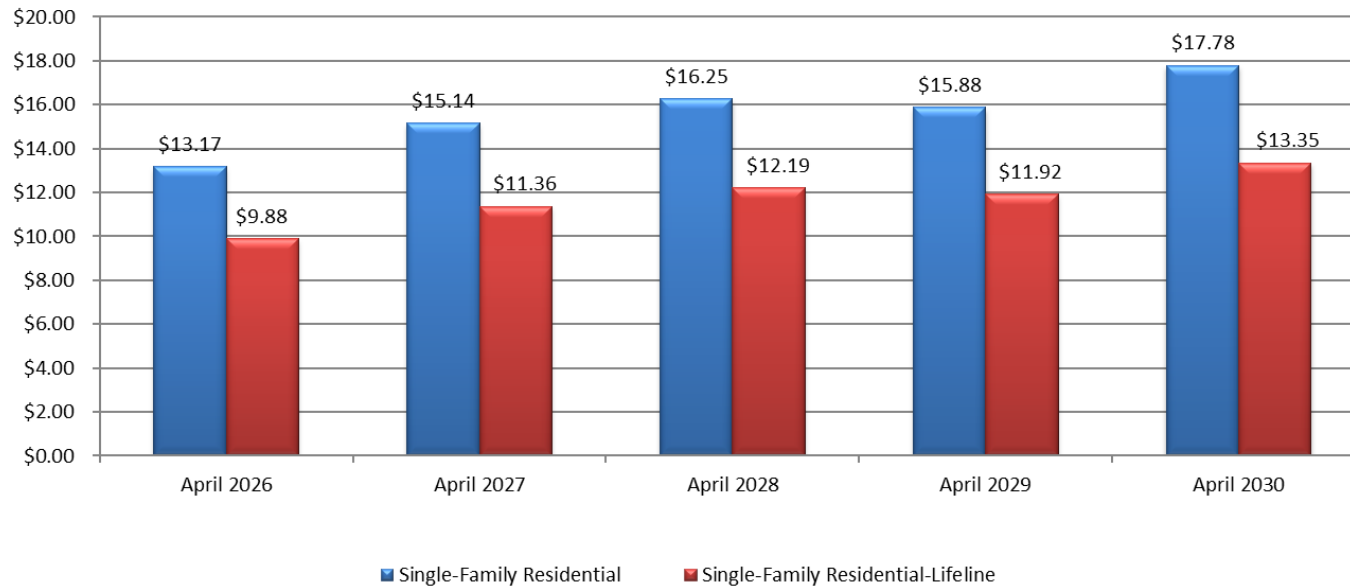
What will it cost me?

Bi-Monthly Single-Family Residential Water Bill (1,200 Cubic Feet Option #1)



What will it cost me? (Continued)

Change in Bi-Monthly Single-Family Residential Water Bill (1,200 Cubic Feet Option #1)



Proposed Drought Water Rates (Option #1)

Rate Category	Current Rates	April 2026	April 2027	April 2028	April 2029	April 2030
Rate Increase		15.00%	15.00%	14.00%	12.00%	12.00%
<i>Single-Family Residential</i>						
Base Charge	\$25.73	\$29.59	\$34.03	\$38.79	\$43.45	\$48.66
Commodity Charge (All Uses, Per CCF)	\$5.97	\$6.87	\$7.90	\$9.00	\$10.08	\$11.29
<i>Single-Family Residential-Lifeline</i>						
Base Charge	\$19.30	\$22.20	\$25.52	\$29.10	\$32.59	\$36.50
Commodity Charge (All Uses, Per CCF)	\$4.48	\$5.15	\$5.92	\$6.75	\$7.56	\$8.47

^Drought water rates could become effective during a City Council declared drought.

Rate Reduction Options

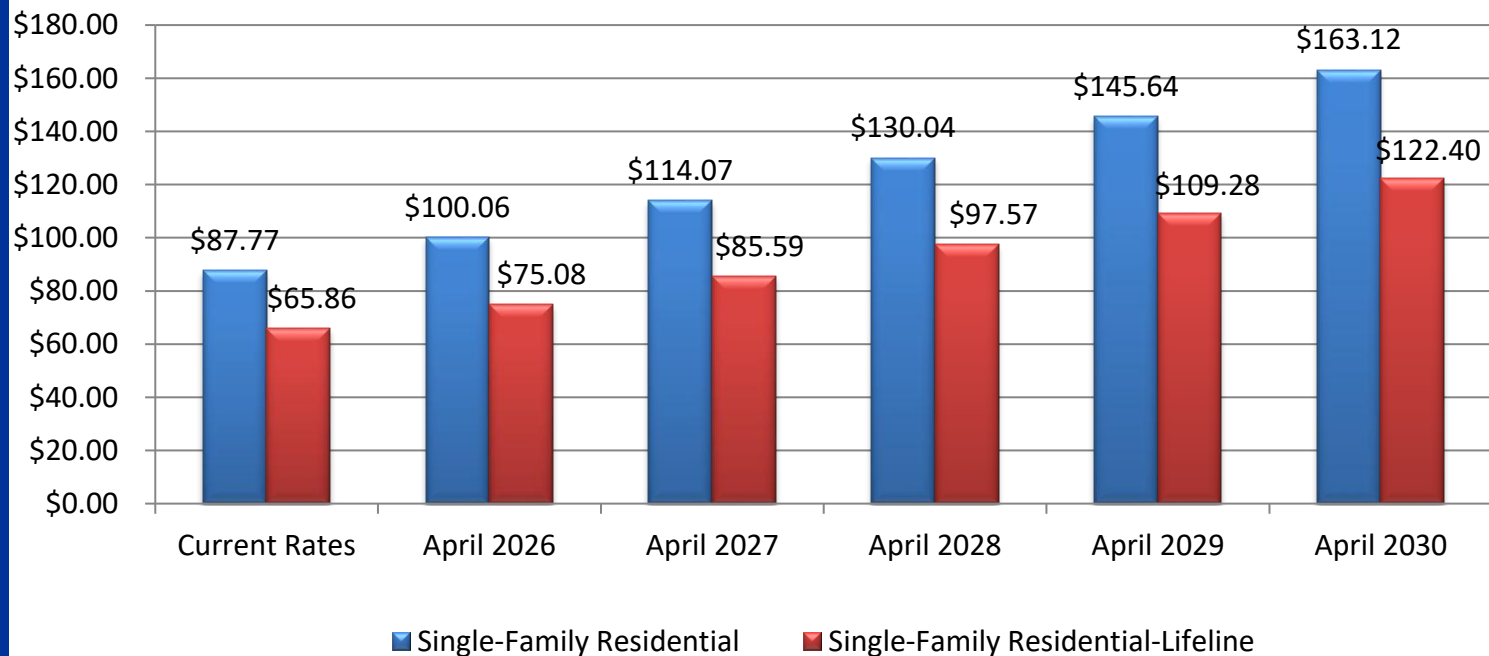
- Reform water leak adjustment past practice
 - Limit adjustment to once every two years
 - Limit adjustment to one billing period only
 - \$30,281 Projected annual savings
- Implement a 2.50% credit/debit card convenience fee
 - No fee for cash, check, or ACH/echecks
 - \$26,885 projected annual savings

Proposed Water Rates (Option #2)

Rate Category	Current Rates	April 2026	April 2027	April 2028	April 2029	April 2030
Rate Increase		14.00%	14.00%	14.00%	12.00%	12.00%
<i>Single-Family Residential</i>						
Base Charge	\$25.73	\$29.33	\$33.44	\$38.12	\$42.69	\$47.82
Commodity Charge (All Uses, Per CCF)	\$5.17	\$5.89	\$6.72	\$7.66	\$8.58	\$9.61
<i>Single-Family Residential-Lifeline</i>						
Base Charge	\$19.30	\$22.00	\$25.08	\$28.59	\$32.03	\$35.87
Commodity Charge (All Uses, Per CCF)	\$3.88	\$4.42	\$5.04	\$5.75	\$6.44	\$7.21

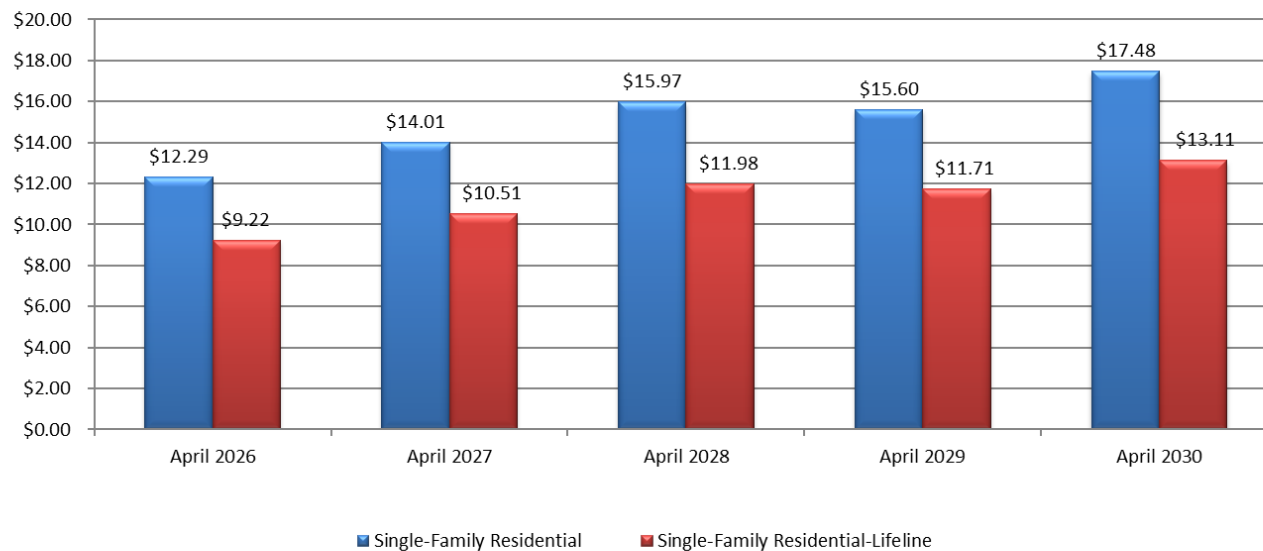
What will it cost me?

Bi-Monthly Single-Family Residential Water Bill (1,200 Cubic Feet Option #2)



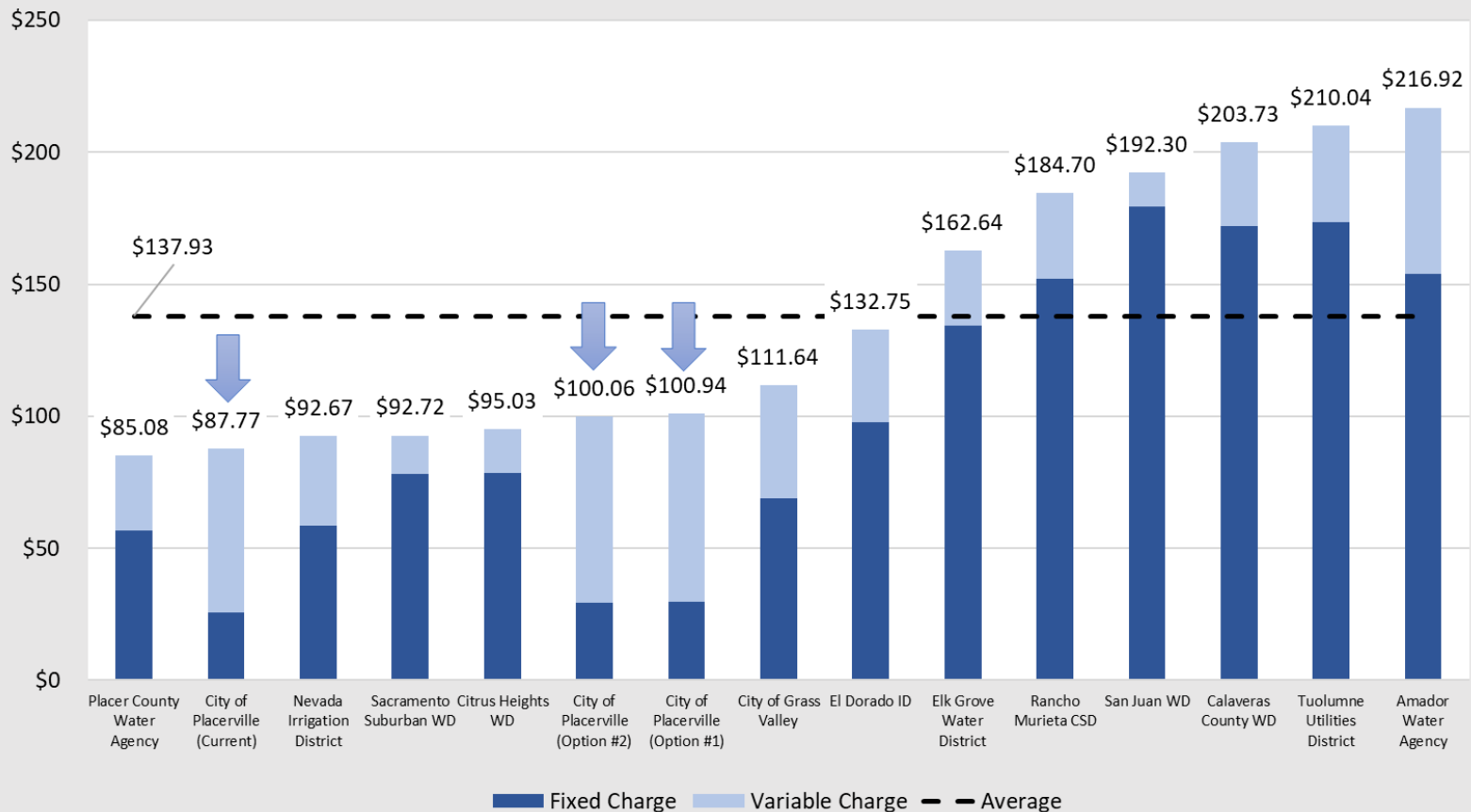
What will it cost me? (Continued)

Change in Bi-Monthly Single-Family Residential Water Bill (1,200 Cubic Feet Option #2)



How do we compare?

Average Single Family Residential Water Bill Comparison
Bi-monthly Service - 5/8" meter, 12 ccf consumption
January 2026

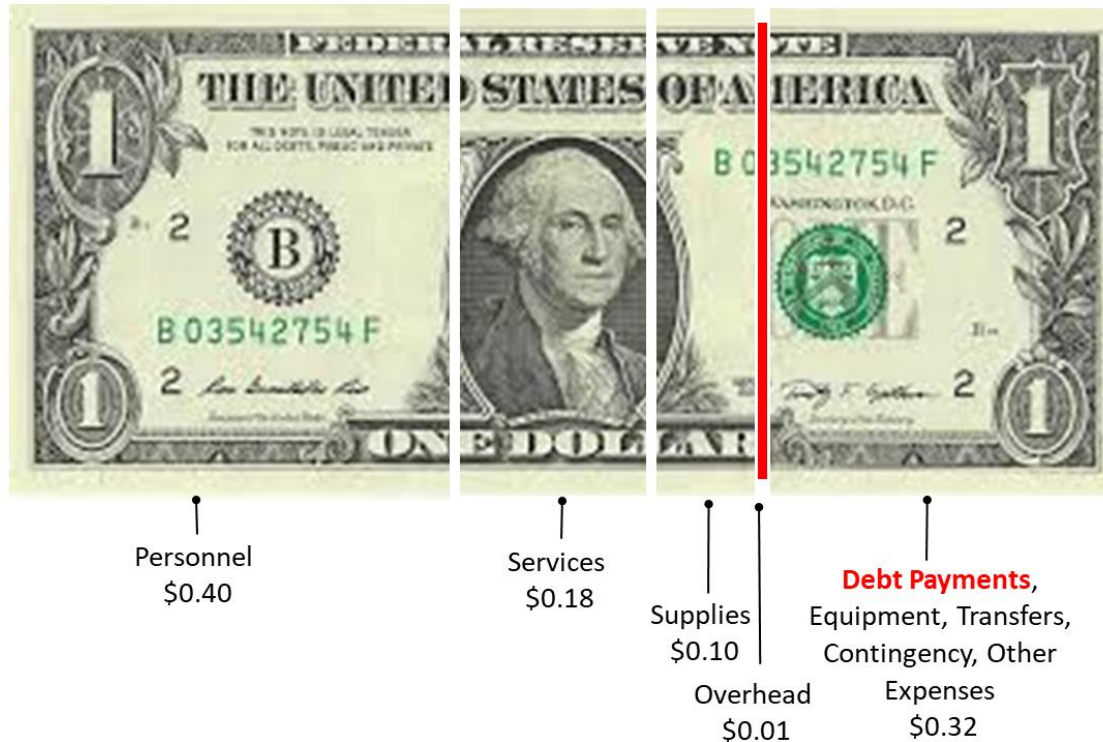


Sewer Rates



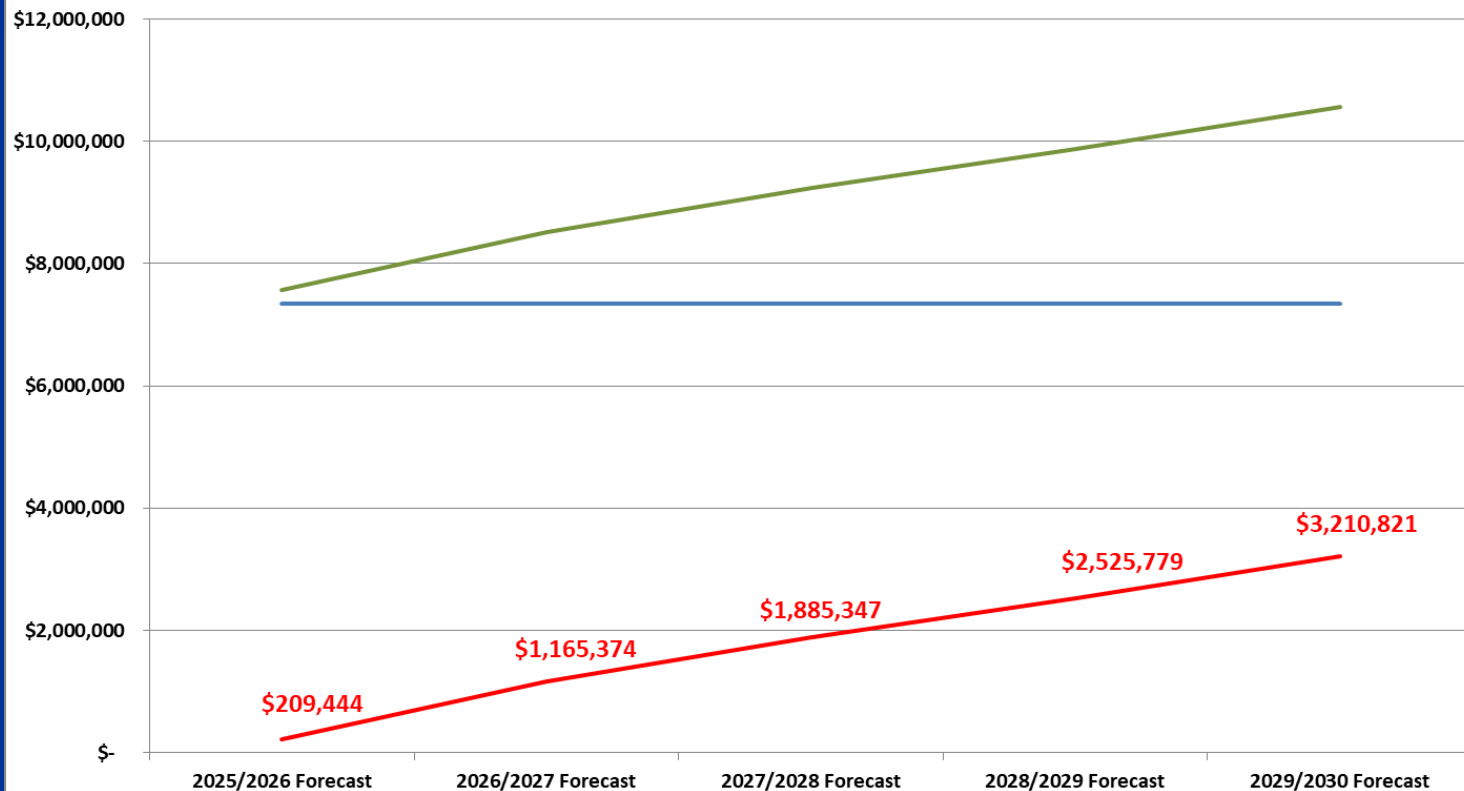
Sewer Enterprise Fund

Adopted Budget
Fiscal Year 2025/2026



Our Sewer Dilemma

$$\text{Revenues} - \text{Expenditures} = \text{Deficit}$$



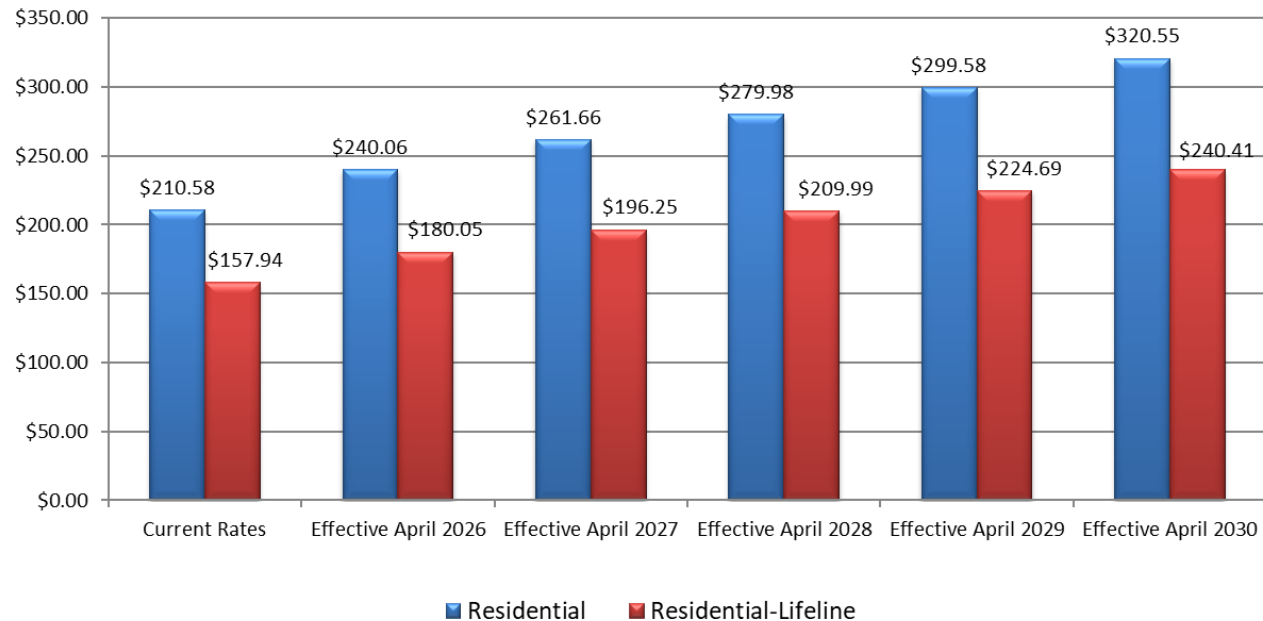
*Assumes no sewer rate increases.

Proposed Sewer Rates (Option #1)

Rate Category	Current Rates	April 2026	April 2027	April 2028	April 2029	April 2030
Sewer Rate Increase		14.00%	9.00%	7.00%	7.00%	7.00%
<i>Single-Family Residential</i>						
Base Charge	\$205.81	\$234.62	\$255.74	\$273.64	\$292.80	\$313.29
Per 100 Cubic Feet Over 750 cf	\$9.53	\$10.86	\$11.84	\$12.67	\$13.56	\$14.51
<i>Single-Family Residential - Lifeline</i>						
Base Charge	\$154.36	\$175.97	\$191.81	\$205.23	\$219.60	\$234.97
Per 100 Cubic Feet Over 750 cf	\$7.15	\$8.15	\$8.88	\$9.51	\$10.17	\$10.88

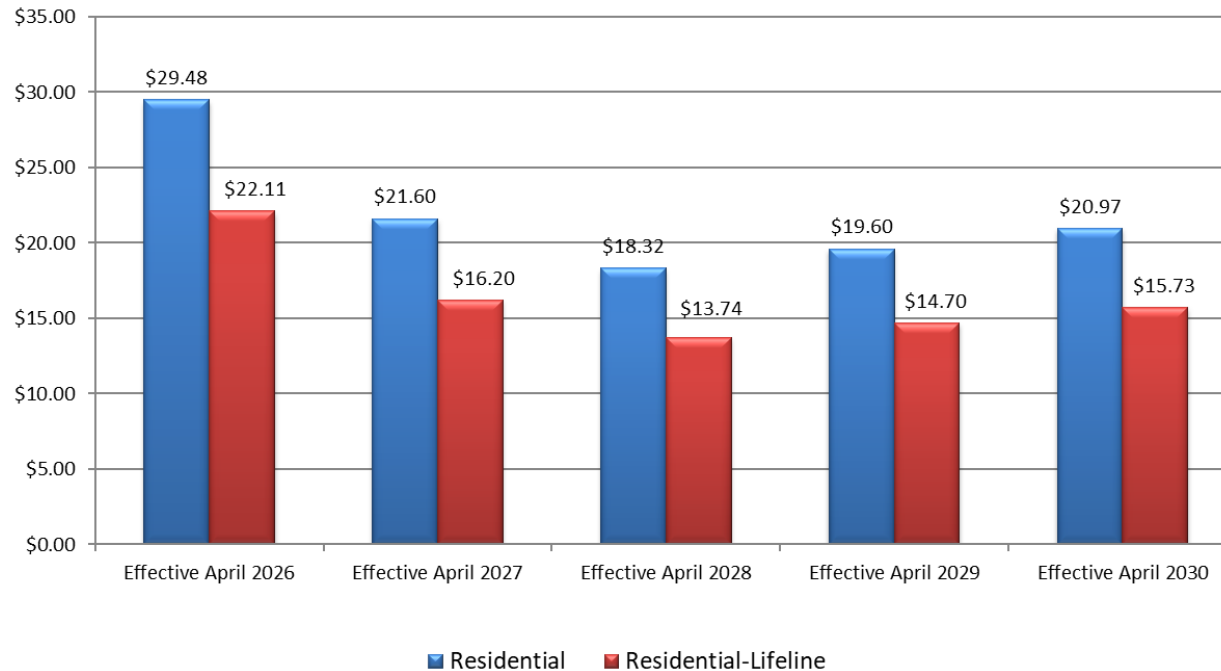
What will it cost me?

Bi-Monthly Sewer Bill - Single-Family Residential (800 CF Option #1)



What will it cost me? (Continued)

Increase in Bi-Monthly Sewer Bill - Single-Family Residential (800 CF Option #1)



Rate Reduction Options

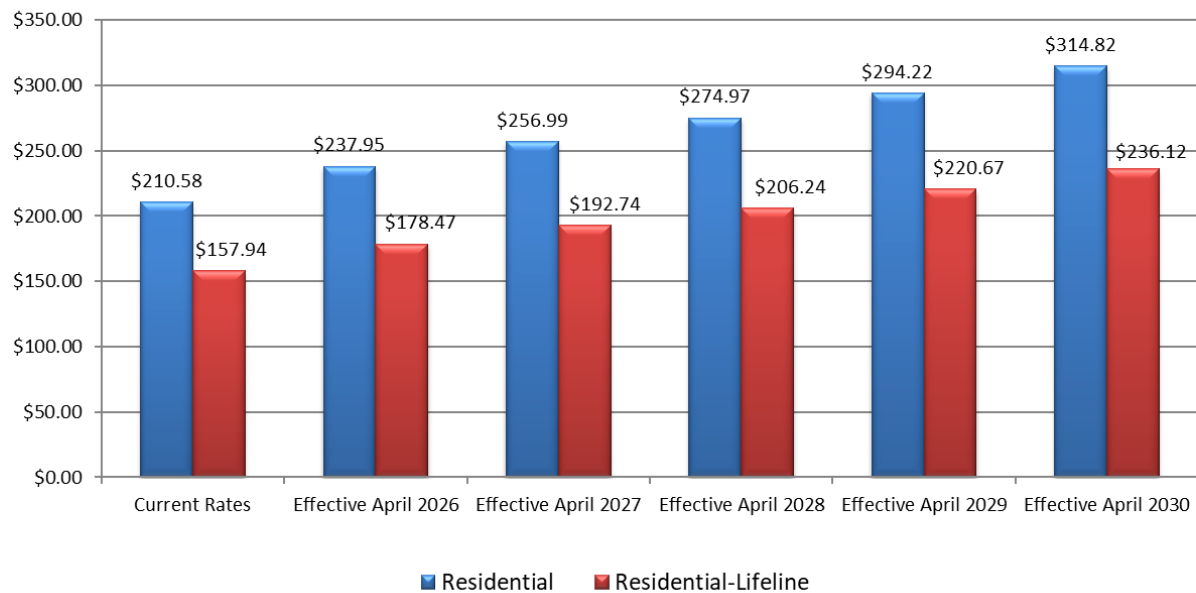
- Eliminate vacant home sewer discount
 - \$37,525 Projected annual savings
- Implement a 2.50% credit/debit card convenience fee
 - No fee for cash, check, or ACH/echecks
 - \$64,498 Projected annual savings

Proposed Sewer Rates (Option #2)

Rate Category	Current Rates	April 2026	April 2027	April 2028	April 2029	April 2030
Sewer Rate Increase		13.00%	8.00%	7.00%	7.00%	7.00%
<i>Single-Family Residential</i>						
Base Charge	\$205.81	\$232.57	\$251.17	\$268.75	\$287.57	\$307.69
Per 100 Cubic Feet Over 750 cf	\$9.53	\$10.77	\$11.63	\$12.44	\$13.32	\$14.25
<i>Single-Family Residential - Lifeline</i>						
Base Charge	\$154.36	\$174.43	\$188.38	\$201.57	\$215.68	\$230.77
Per 100 Cubic Feet Over 750 cf	\$7.15	\$8.08	\$8.73	\$9.34	\$9.99	\$10.69

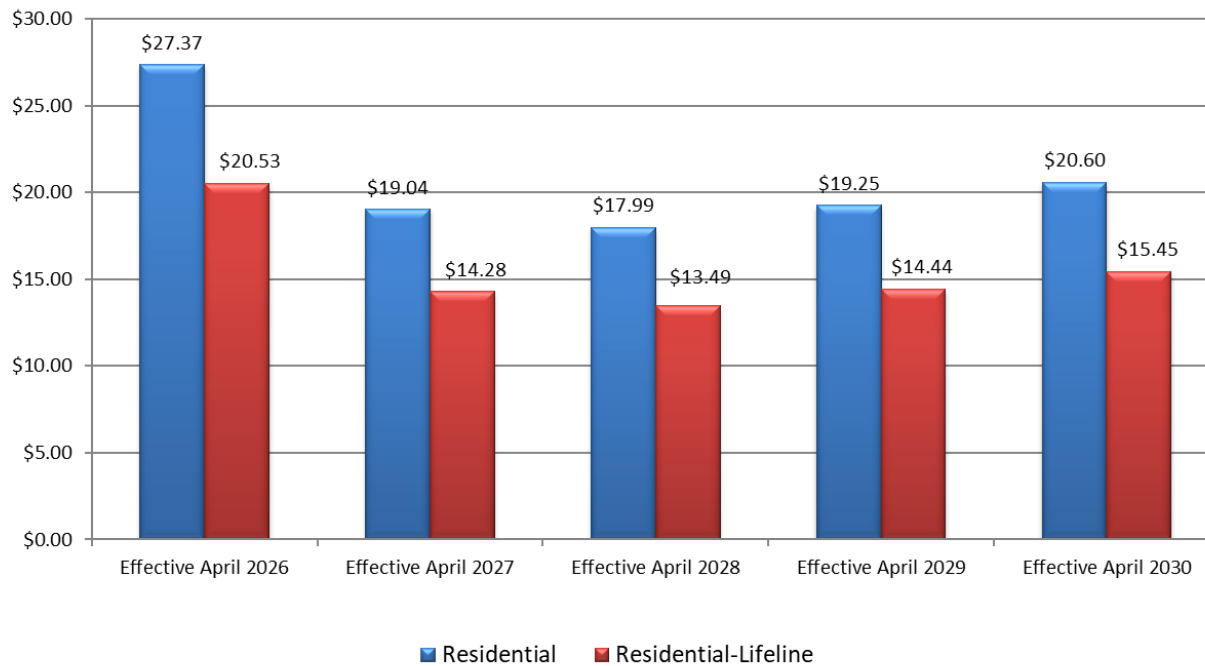
What will it cost me?

Bi-Monthly Sewer Bill - Single-Family Residential (800 CF Option #2)

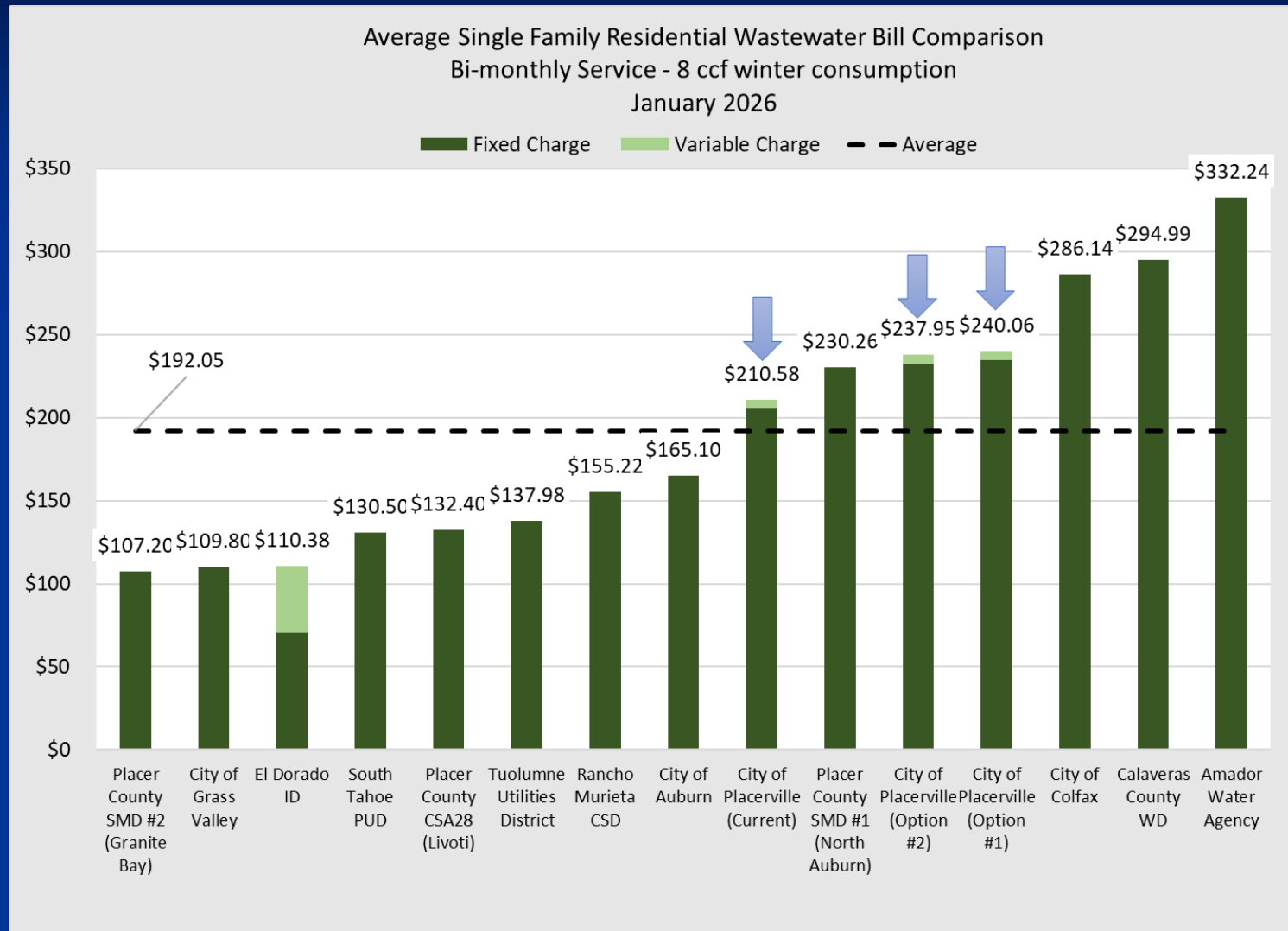


What will it cost me? (Continued)

Increase in Bi-Monthly Sewer Bill - Single-Family Residential (800 CF Option #2)

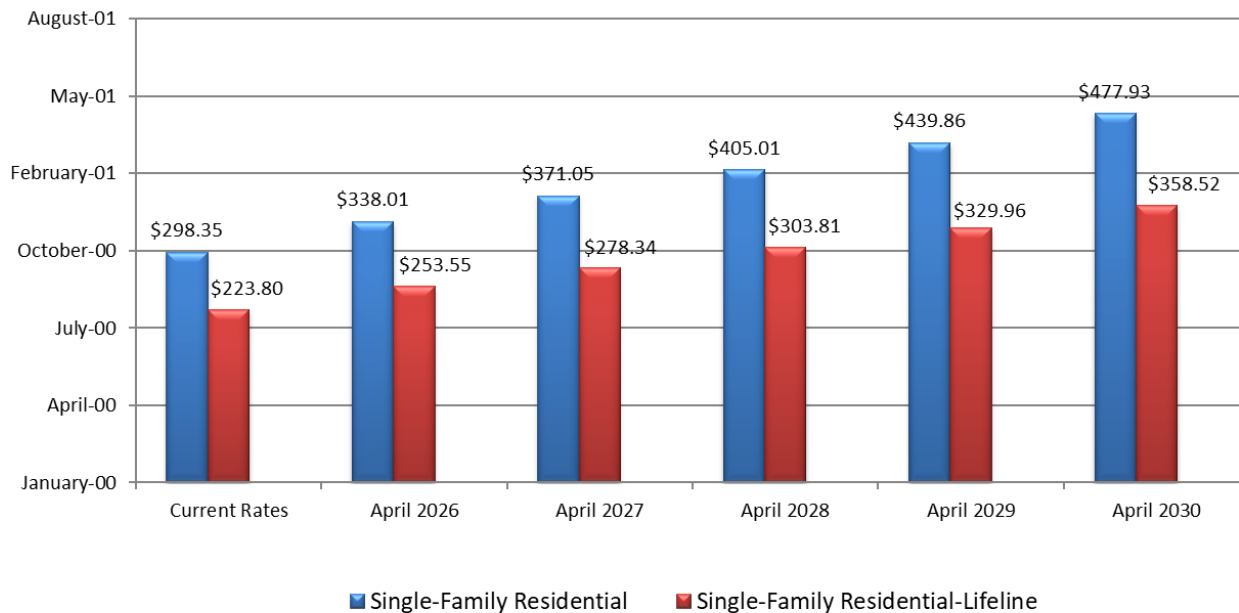


How do we compare?



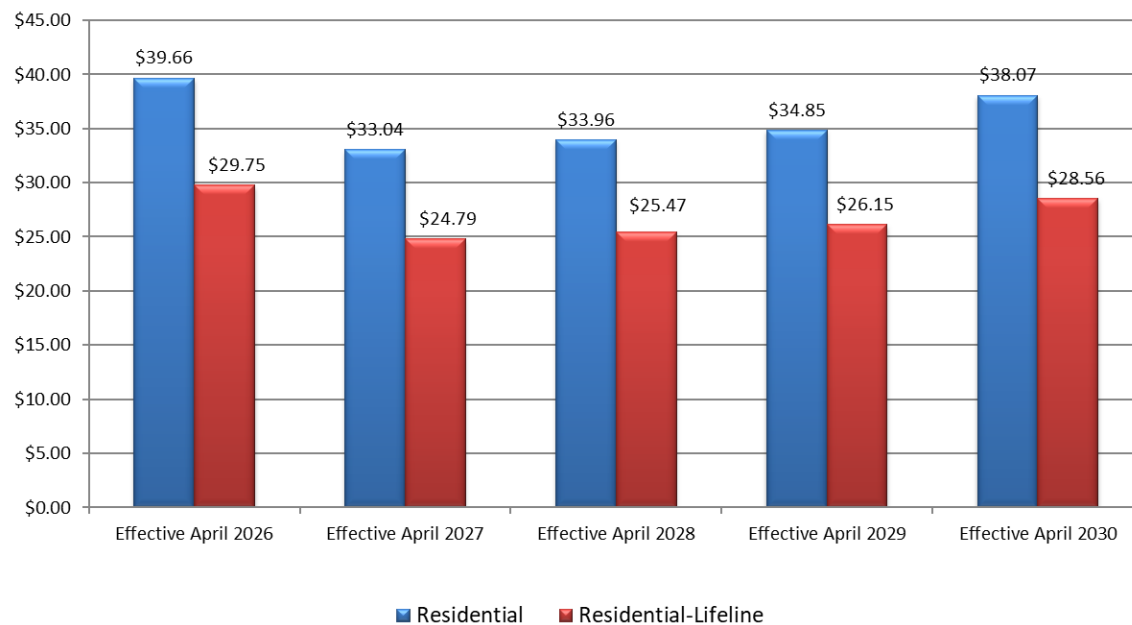
What will water and sewer service cost me?

Bi-Monthly Water & Sewer Bill - Single-Family Residential (Option #2)



What will water and sewer service cost me (Continued)?

Increase in Bi-Monthly Water & Sewer Bill - Single-Family Residential (Option #2)



What would happen if the rates are not increased?

- Cause the City to default on 2006 SRF loan payments
- Services would have to be cut
- Increased exposure to State fines
- Experience a growing number of waterline breaks, sewer backups, and damage to private property

Next Steps

- Determine proposed rates
- City Council authorizes Proposition 218 (February 10, 2026)
- Proposition 218 Notice to customers (by February 28, 2026)
- Public Hearing/Rate Adoption (April 14, 2026)
- Additional informational notice to customers (March 2026)
- Implementation (April through June 2026)
- First Utility bill with new rates (July 2026)

Questions and Answers

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