



Agenda Item 5

Consider Approval of Funding for
Rate Study Consultant for
Alternative User Fee Collection
Mechanism

*February 23, 2012 Regular Meeting
Staff Contact: David Stoldt*

What This Item Authorizes

- Authorizes hiring a rate consultant to reallocate existing costs for an alternative collection method
- A mathematical exercise where costs are allocated to classes or categories of property by type of water usage

What this Item Does Not...


- Does not commit the Board to a method of collection. Can wait until April 16th.
- Alternate methods of collection will be assessed and presented at a subsequent Board meeting. Will look at:
 - Collection cost
 - Uncollectible rate
 - Penalties and lien options
 - Human infrastructure
 - Security

Examples of Collection Methods

- **Direct Bill – Flat Fee per Parcel Use Category**
 - City of Roseville Water
 - City of Fresno Water

- **Collect on the Assessor's Bill by Parcel Use Category**
 - Carmel Area Wastewater District
 - Castroville Seawater Intrusion Project
 - City of San Jose Wastewater

District's Rates & Charges

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- Authorized by statute
 - Regulated by Prop. 218, Government Code, Water Code, and Health & Safety Code
 - Related to the supply of water
 - Not a “tax” or “assessment,” rather a rate or charge for service
 - Need secure revenue to provide water supply
 - Since District does not have retail connections, must find other way to bill

Recommendation

- Approve rate consultant contract to learn what alternative rate structure might look like
- Do not commit to collection mechanism until additional details provided at March or April meeting
- Stay on schedule for June budget adoption