





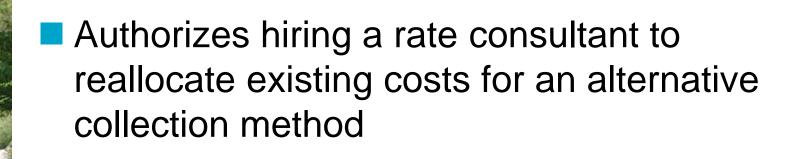
## Agenda Item 5

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



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 16<sup>th</sup>.
- 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



- 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