

Director Lonergan Questions-27 March 2025

Board Agenda Item No. 15, p. 241: The CAWD rate model designed by the State Water Resources Board uses common rate factors today. Incorporating uncommon rate components such as pumping cost or odor control cost may raise questions around customer rate equity and customer understanding of the rate model, especially if these components are only applied to a subset of customers.

This admittedly rough estimate included items that are specific to the Highlands area. Tiered rates are utilized throughout the state, they are not unique. I think they are seen most commonly in wastewater where the product must be pumped thereby incurring greater utility costs. I'll concede that odor control might be hard to justify. But I think electricity usage is not.

Item No. 26, p. 244: I find that most districts do not have an ordinance allowing direct connections of private laterals to forcemains, and if considered, districts exercise discretionary approval requiring a case-by-case engineering review similar to the CAWD policy currently. Is that your understanding in terms of the common practice by other districts?

Each Sanitary District may develop its own rules around private pump stations and connections to forcemains. There can be a wide range of rules within the purview of local agencies' powers; so not necessarily homogeneous. In my research I have seen other sanitary districts that treat private pump stations in general as falling under discretionary approval. Therefore, CAWD is not alone in treating private pump stations and forcemain connections on a case-by-case basis. These situations themselves are not common and therefore the statutes directly governing these situations at various agencies are sparse.

Item No. 28, p. 246: What has the District's practice been previously in terms of including inflation rate increases? Does the projected enterprise fund balance align to reserve fund policy targets with both options?

Three years ago, we reduced rates on average 10% across all categories. The last two years the rates have been flat. In the past we have included all costs in the rate model, which would include inflation. Recent flat rates reflect the concern over the size of our cash on hand balances.

Item No. 28, p. 253: I need to decline the suggested rotation for my June 17th attendance to this meeting due to my vision impairment (loss of peripheral vision due to retinitis pigmentosa) as I am no longer able to sufficiently navigate evening meetings or engagements in open formats when involving lots of people and obstacles in unfamiliar spaces.

Director Urquhart will take this meeting.