



How does CAWD set sewer rates?

CAWD's rate model was devised by the State Water Resources Control Board. It allocates costs based on **flow, suspended solids, and biochemical oxygen demand (BOD)**.

Flow is the amount of liquid wastewater—at CAWD this is about 1.3 million gallons each day. A large cost of flow is for the energy needed to continually pump the water to the headworks where it then gravity feeds through the rest of the plant during treatment.

Suspended Solids are the particles of matter left in wastewater after heavier solids have settled out. When wastewater enters the plant, it is screened at the headworks to remove large debris—this goes to the landfill. Then the water goes to a clarifier where larger particles settle to the bottom. This sludge gets pumped to a digester that turns it into compost. The remaining particles in the water are the suspended solids that must be consumed by the billions of microorganisms we propagate to clean our wastewater.

Biochemical Oxygen Demand is the amount of oxygen consumed by the microorganisms that eat bacteria to clean our wastewater. The more concentrated the wastewater, the more oxygen we need to support the microbes. More oxygen means more cost to run the large blowers which aerate the water in our secondary treatment tanks. These tanks are like giant aquariums of microscopic animals. Much of the plant's equipment and infrastructure are there to keep our hardworking microbes happy and healthy.



Carmel Area Wastewater District
3945 Rio Road
Carmel, CA 93923
(831) 624-1248 ■ CAWD.org

CAWD is a special district dedicated to protecting public health and the environment with the cost-effective collection and treatment of wastewater, and the return of clean water to the environment.

Board of Directors

Greg D'Ambrosio
Michael Rachel
Robert Siegfried
Charlotte Townsend
Ken White

General Manager
Barbara Buikema

— Proposition 218 Notification — Notice of Public Hearing on Proposed Sewer Rate Increase

Thursday, June 24, 2021 9:00 am
Carmel Area Wastewater District
via Zoom link at CAWD.org

On June 24, 2021, at 9:00 am or as soon thereafter as the matter may be taken up, the Carmel Area Wastewater District (CAWD) Board of Directors will hold a public hearing prior to the adoption of its annual sewer rates. The public can attend remotely via the link on our homepage at CAWD.org.

Your CAWD staff and elected Board of Directors are keenly aware of the hardships imposed upon residents and businesses by the ongoing pandemic. Last year at this time we cut \$691,000 from our budget in order to keep sewer fees as low as possible, never imagining that a year later we would all still be grappling with the social and economic challenges of COVID-19. This year, we have once again spent long hours debating our rate model and deeply evaluating options that would help our ratepayers—a much more difficult task on top of last year's budgets cuts.



NIGHTWATCH AT THE PLANT In adherence with COVID-19 guidelines, CAWD staff are split into day and night shifts to ensure that we have skilled plant operators even if one shift has to quarantine.

Unfortunately, there is not much room for belt tightening because nearly 85 percent of wastewater treatment cost is fixed. Regardless of whether restaurants are closed or people are sheltering in place, we must provide the same level of service and maintain all the same equipment every day of the year. In addition, disruption in the supply chain during the pandemic has increased our cost of operations, especially for the chemical products required to treat wastewater, ensure public safety, and stay in compliance with state regulations.

Nevertheless, after months of careful consideration and risk assessment, we

identified a few areas where maintenance could be deferred longer to allow more time for pandemic recovery. This cuts another \$404,600 from our budget on top of last year's \$691,000 reduction. As a result, we are able to minimize the 2021-22 rate increase to 3.02 percent, or \$2.14 more per month for residential users, our largest rate category. For commercial categories, with few exceptions we managed to keep rate increases between 1 and 2 percent. We believe that this fee structure equitably shares savings with all customers, based on the California State Water Resources Control Board rate model (see sidebar).

It is important to note that continuing to defer rehabilitation and capital projects for a second year is a short-term strategy at best. Our detailed assessments and capital long-term planning show that the community needs to spend \$50 million on its treatment facility over the next 15 years. We also know that our collection system, which includes our 84 miles of mainline, needs an estimated \$80 million of rehabilitation. The board has taken a very practical approach and supports addressing the highest risk pipelines within five to 10 years, and the medium high-risk lines within 10 to 15 years. These two categories total \$39 million. The board also understands that this vital long-term planning does not include the cost of unforeseen emergency projects.

In addition, we cannot ignore the looming threat of sea level rise, a serious and complex issue which CAWD and many other coastal wastewater treatment facilities must address. Our location at the mouth of the Carmel River Lagoon mandates that we prepare for possible flooding, and we are working on a solution which protects our community's investment and the environment. As your nonprofit provider of wastewater services, we will continue to operate our community's wastewater system in the most efficient and cost-effective manner possible, while maintaining the same high-quality standards to protect human health and the environment.

The procedural requirements of Proposition 218 require that the District provide a notice of the proposed rate schedule to all property owners of record forty-five (45) days prior to holding a public hearing. In order for the increase to “not take effect,” a majority of the property owners are required to file opposition to the increase.

Property owners may file a written and signed protest against the proposed increase with the CAWD Board of Directors at or before the close of the public hearing. To be valid, a protest must be in writing even if you plan to attend the public hearing. Email protests cannot be formally considered. Each written protest must include the parcel owner’s name, service address, assessor’s parcel number for the parcel served, and the parcel owner’s signature. Only one protest will be counted per parcel. If you own more than one parcel, you may file a single protest, but it must identify each parcel you own. The protest must be signed by the property owner(s). If the signer(s) is not shown on the last equalized assessment roll of Monterey County as the owner(s) of the property, the signer(s) must provide written evidence of ownership of said property. For your convenience, we have posted a protest form on our website, CAWD.org. At the hearing, the Board of Directors shall hear all protests and tabulate the ballots.

Protests should be mailed or delivered to the same address as the hearing location. For further detailed information regarding the proposed rate plan, please call James Grover, CAWD Principal Accountant, at (831) 624-1248.

We will continue to update you on improvements to our community’s wastewater system, and we invite you to review our long-term capital plan at CAWD.org. Please feel free to contact us at 624-1248 should you have any questions.

Carmel Area Wastewater District Proposed Sewer Rate Increases for 2021-2022

User Categories	2020-21 Annual Rates	2021-22 Proposed Rates	Percentage of Change
Bakery (each location)	\$ 3,339.10	\$ 3,351.22	0.36%
Bar (each location)	\$ 1,358.00	\$ 1,374.58	1.22%
Beauty Salon (each location)	\$ 1,121.26	\$ 1,136.28	1.34%
Business/Govt./Retail (1-10 employees = one unit)	\$ 505.36	\$ 511.94	1.30%
Camera/Photo (each location)	\$ 702.20	\$ 710.04	1.12%
Church/Synagogue/Mission (each location)	\$ 750.24	\$ 760.26	1.34%
Convalescent Hospital (per bed)	\$ 400.58	\$ 405.48	1.22%
Dental Office (per dentist)	\$ 751.60	\$ 763.14	1.54%
Gym/Health Spa (each location)	\$ 969.84	\$ 982.70	1.33%
Hotel/Motel (per room)	\$ 422.82	\$ 428.08	1.24%
Laundromat (per machine)	\$ 930.62	\$ 944.46	1.49%
Laundry (each location)	\$ 3,533.92	\$ 3,564.90	0.88%
Market (each location)	\$ 1,603.04	\$ 1,610.36	0.46%
Medical Office (per physician)	\$ 364.94	\$ 359.92	-1.38%
Residential/Minimum vacant (each location)	\$ 851.84	\$ 877.58	3.02%
Restaurant (per seat/meal)	\$ 65.98	\$ 66.32	0.52%
School (per population)	\$ 34.36	\$ 34.88	1.51%
Service Station (per pump)	\$ 2,517.14	\$ 2,546.00	1.15%
Supermarket (each location)	\$ 21,601.64	\$ 22,703.94	5.10%
Special User (each location)	\$ 765.36	\$ 775.56	1.33%
Veterinary Office (each location)	\$ 1,938.78	\$ 2,043.50	5.40%
Vet Hospital/Boarding (each location)	\$ 5,543.28	\$ 5,608.98	1.19%