



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 30, 2022 9:00 am

Carmel Area Wastewater District
3945 Rio Road, Carmel CA 93923

Zoom link: CAWD.org

On June 30, 2022, at 9:00 a.m., 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 sewer rates.

After two years of operation during the pandemic, the District is cautiously optimistic about the future. We have loosened our pandemic protocol, but we continue to sample our wastewater every week to provide the Monterey County Health Department and the public with data on current COVID-19 levels in the community. During the pandemic we undertook numerous belt-tightening measures to keep rate hikes as low as possible. We were able to curtail residential rate increases (two-thirds of our customers) to 3.16 percent in 2020-21, and 3.02 percent in 2021-22.

As a result of this reduced rate fee, we did not undertake certain necessary capital projects which now must be completed to ensure the safe, reliable operation of our community's wastewater system.

Over the next 15 years, we have projected \$14 million in projects to maintain the treatment plant. We have also scheduled \$64 million to replace or rehabilitate our aging sewer lines during the same period of time. During the 15 years after that we anticipate that another \$60-\$70 million of sewer line rehabilitation will be needed. Our recently completed, map-based sewer assessment allows us to pinpoint the exact lengths of deteriorating pipeline that need



A TOPSIDE VIEW OF OUR COMMUNITY'S NEW SLUDGE HOLDING TANK
CAWD's treatment plant renovation will be largely completed next year, on budget and ahead of time, to ensure public health and safety, and protect the local environment for the next 30 years.

work, keeping construction as cost effective as possible. In addition, like everyone we are seeing severe inflation in the marketplace. The chemicals and mechanical parts we must buy on a weekly basis are increasing in cost with every order, and can have long wait times. We stockpile back-up inventory of critical parts to ensure continual operation, but chemicals require special storage and handling, so we are forced to pay more for them and manage with little margin to spare.

It is never easy to ask for a rate increase. Nobody likes them, including the CAWD staff and board members who live in the district. Yet we must catch up with delayed projects and keep up with inflation if we are to responsibly maintain our infrastructure for the next generation, passing down the same protections and safeguards we have enjoyed, thanks to our predecessors. To that end, we are proposing an additional \$10.69 per month on residential property tax bills, our largest customer category. The total \$128.28 increase for 2022-2023 will make up for the reduced fees of the past two years, and help to ensure the long-term sustainability of the Carmel area wastewater system. Meeting our projected budget is a significant but necessary challenge, especially since grants are not available as they were 40 years ago. Regardless, we will continue to look for all possible outside funding, such as monitoring the current administration's Build Back Better plan as a potential grant source.

CAWD is dedicated to diligent, cost-effective long-term financial planning. For the past 20 years, we have employed a pay-as-you-go system to run the district. The CAWD Board of Directors has chosen to continue with this model so that we have the freedom to maintain and build our infrastructure in a way that best meets the needs of the community, unbothered to loan covenants, and without adding borrowing expenses to user fees. CAWD is deeply committed to getting the most value out of every ratepayer dollar, while maintaining high-quality standards that protect human health and the environment, as well as safeguarding property values, business, and our economy.

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 in writing.

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 2022-2023

User Categories	2021-22 Annual Rates	2022-23 Proposed Rates	Percentage of Change
Bakery (each location)	\$ 3,351.22	\$ 3,743.88	11.72%
Bar (each location)	\$ 1,374.58	\$ 1,579.64	14.92%
Beauty Salon (each location)	\$ 1,136.286	\$ 1,331.32	17.16%
Business/Govt./Retail (1-10 employees = one unit)	\$ 511.94	\$ 612.48	19.64%
Camera/Photo (each location)	\$ 710.04	\$ 799.14	12.55%
Church/Synagogue/Mission (each location)	\$ 760.26	\$ 887.94	16.79%
Convalescent Hospital (per bed)	\$ 405.48	\$ 472.38	16.50%
Dental Office (per dentist)	\$ 763.14	\$ 914.52	19.84%
Gym/Health Spa (each location)	\$ 982.70	\$ 1,161.50	18.19%
Hotel/Motel (per room)	\$ 428.08	\$ 477.64	11.58%
Laundromat (per machine)	\$ 944.46	\$ 1,143.94	21.12%
Laundry (each location)	\$ 3,564.90	\$ 3,968.94	11.33%
Market (each location)	\$ 1,610.36	\$ 1,840.42	14.29%
Medical Office (per physician)	\$ 359.92	\$ 440.50	22.39%
Residential/Minimum vacant (each location)	\$ 877.58	\$ 1,005.94	14.63%
Restaurant (per seat/meal)	\$ 66.32	\$ 74.40	12.18%
School (per population)	\$ 34.88	\$ 42.24	21.10%
Service Station (per pump)	\$ 2,546.00	\$ 2,947.48	15.77%
Supermarket (each location)	\$ 22,703.94	\$ 25,502.46	12.33%
Special User (each location)	\$ 775.56	\$ 916.18	18.13%
Veterinary Office (each location)	\$ 2,043.50	\$ 2,288.84	12.01%
Vet Hospital/Boarding (each location)	\$ 5,608.98	\$ 6,511.88	16.10%