



Pleasanton Water Rates/Public Hearing Notice

Frequently Asked Questions

Q: Why do Pleasanton's water rates need to be increased so much?

A: The City of Pleasanton is committed to providing safe, reliable drinking water and this increase will ensure that funds are in place to manage a variety of water supply and quality issues. The primary purpose of the immediate rate adjustment is to fund near-term projects that will allow for the delivery of additional water from Zone 7 to reduce reliance on Pleasanton's groundwater wells while a longer-term solution to PFAS is developed and implemented.

Q: Why doesn't the City wait to increase water rates until a PFAS solution is selected?

A: The proposed rate increases will fund near-term projects, allow for several maintenance and repair projects, and replenish the Water Enterprise reserve funds. The many years with no, or minimal, rate adjustments have caught up with the Water Enterprise fund and now require more significant increases. While a portion of the revenue generated from the proposed rate increases is earmarked to begin the design of a long-term PFAS solution, most of the revenue is slated for current projects, not the long-term PFAS solution.

Following the selection of a long-term PFAS solution this fall and the completion of the Water System Master Plan later this year, the City will begin work on another water rate study that will focus on these future and long-term projects.

Q: How do I find current rates?

A: Current rates can be found on the [City's website](#). You can also find an example of a current single-family residential bill and a single-family residential bill with the proposed rate changes on the City's [New Proposed Water Rates webpage](#). You can use the City's [Water Bill Calculator](#) to view examples of what your bill will be if the proposed rates are approved.

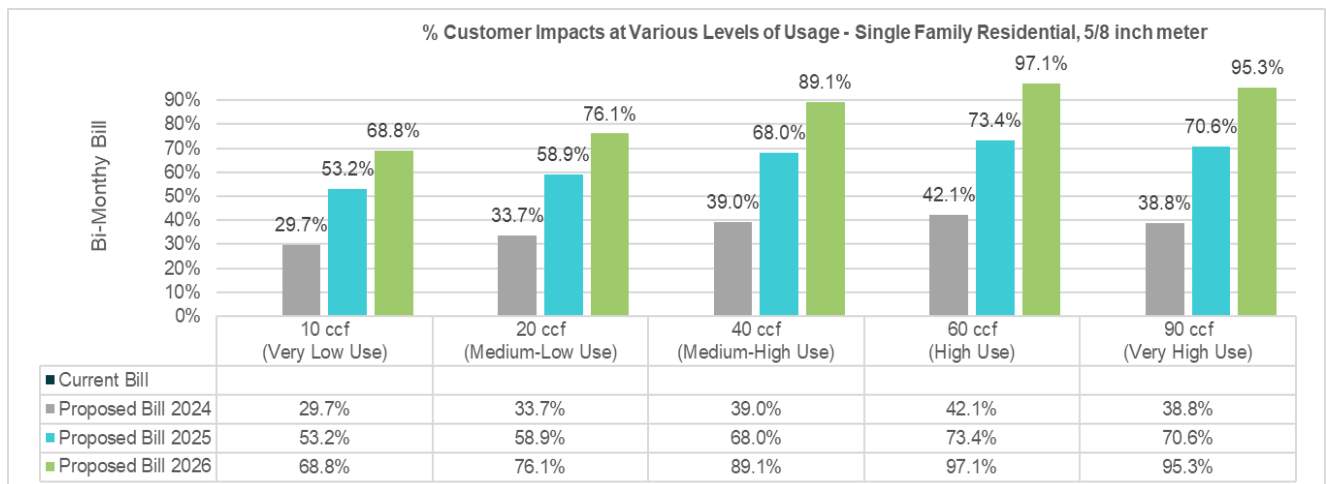
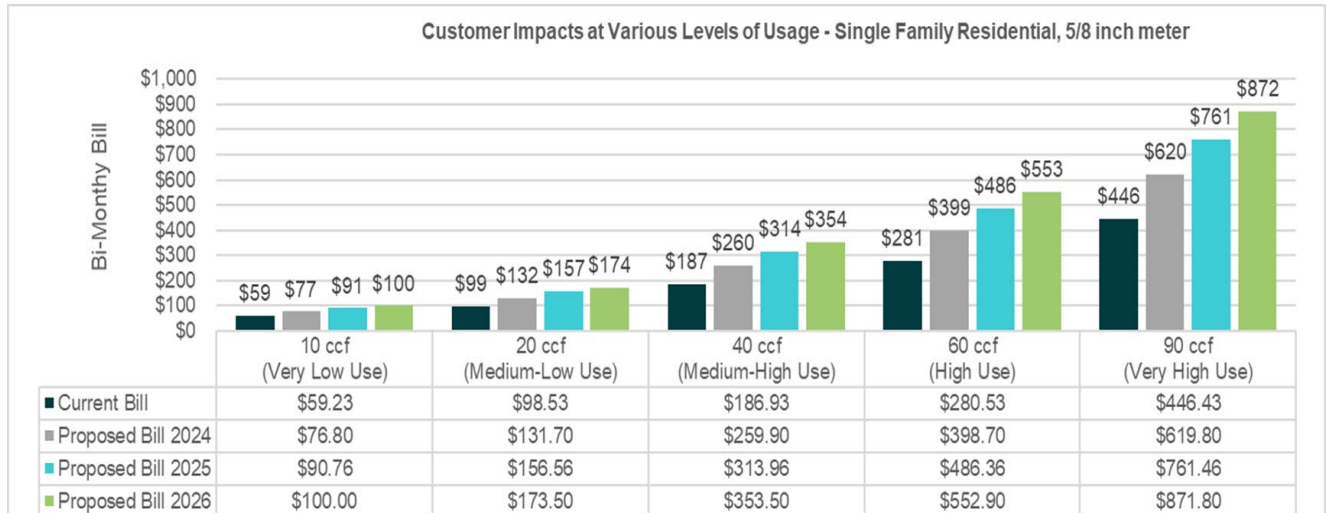
Q: How much will my bill go up?

A: The bimonthly (every two months/billing cycle) increases for the average single-family residence using 10 ccf per month (20 ccf per two-month billing cycle) can expect to see a \$33 increase in the first year, a \$25 increase the second year, and a \$17 increase the third year of the proposed rate increases. Use the City's [Water Bill Calculator](#) to see how your bill will be affected if the proposed rate increases are approved.

There are several components to the water rates on your **current** utility bill, including usage-based charges for both Zone 7 Water Agency and Pleasanton, in addition to a fixed meter charge. The **proposed** rates will include usage-based fees for both Zone 7 Water Agency and

the City of Pleasanton, in addition to fixed meter fees for both agencies. Some individual components are increasing more than 30% while others are decreasing. However, as part of the overall rate structure recalibration, the increase the water portion of the bill as a whole for the average single-family residence is about \$33 per billing cycle (every 2 months), which equates to an approximately 30% increase in the water portion of your utility bill.

Below are two charts that demonstrate the proposed cost and percentage adjustments for the total water portion of single-family residential utility bills for the next three years. Note these charts reference changes in cost per billing cycle (every 2 months).



Q: What do each of the charges on my bill pay for?

A:

- **Pleasanton Water Fixed charge:** This fixed charge is based on the size of your meter and covers the operating expense of pumping and distributing water to your residence.
- **Pleasanton Water Variable charge:** Variable charges are measured in Ccf (Hundred Cubic Feet) and calculated using a tiered rates system that is designed to promote water conservation. Pleasanton Water Variable charges fund such items as water facility repair and maintenance, daily health and safety inspections, and the replacement of aging

infrastructure, and is used to ensure proper funding levels in the Water Enterprise Reserve Fund.

- **Capacity Expansion Surcharge:** This charge covers the costs incurred by improvements resulting from the Vineyard Avenue Corridor Specific Plan to accommodate increased demand by residential users and is applied to Tier 4 which is 60 or more CcF a billing cycle.
- **Zone 7 Variable Cost:** Covers the cost of service which includes the cost of water purchased from the City's wholesale water supplier, Zone 7 Water Agency, and covers a portion of Zone 7's fixed charges to the City.
- **Zone 7 Fixed Cost:** This fixed charge is based on the size of your meter and covers a portion of Zone 7's fixed charges to the City.
- **Recycled Water Surcharge:** Funds the City of Pleasanton's recycled water commercial irrigation program. Recycled water benefits all water users by freeing up potable water capacity for domestic water usage and is applied to the Single-Family Residential customers in Tier 4, Multifamily, Commercial, Industrial, and Potable Irrigation.

Q: What will the revenue from the rate increase pay for?

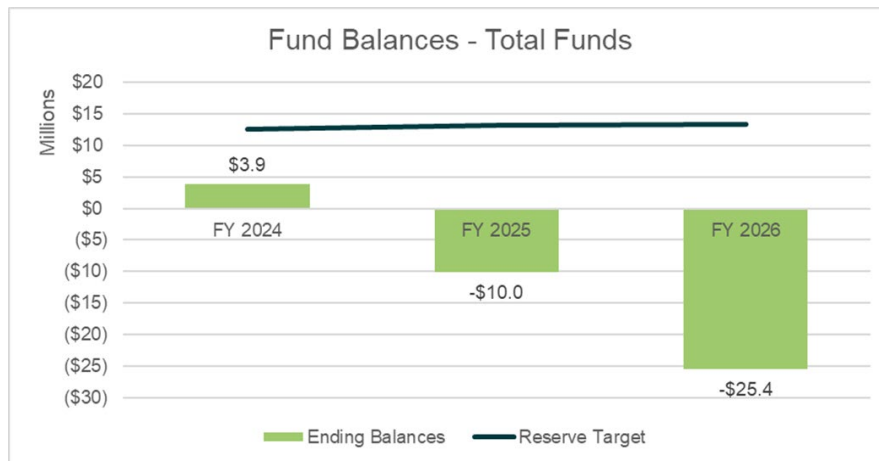
A: The rate increase aims to accomplish:

- Funding for immediate/near-term essential system upgrades, i.e., pipe expansion projects and a temporary booster pump that are already moving forward and which became necessary when the City shut down the PFAS-contaminated wells and to purchase more water from the Zone 7 Water Agency,
- Funding to plan for the water supply alternative project design work (approximately \$2M/year is budgeted for that work),
- Funding for up to 3 additional staff to manage, plan, and implement solutions for the water system in addition to planning for current and future needs. The City operates many pumps and over 300 miles of pipes. To address the needs of this core service, the water program needs to increase staffing levels.
- Funding to pay for the additional cost that is incurred by buying all of Pleasanton's water supply from Zone 7 for the next 2-3 years, and
- Funding to replenish the Water Enterprise Fund Reserve which will put the City in a financial position to address the water supply project and the water master plan projects. The enterprise fund is headed towards insolvency, and waiting longer makes it even more complicated and expensive to finance PFAS-related projects and other system improvements.

Q: What if we don't increase rates?

A: If we do not increase rates, Pleasanton's water fund will be **\$25M in debt** by 2026. The solid line on this image below is the Water Enterprise Fund reserve target (about \$13M) to ensure we have funding to address emergencies and remain financially stable.

Following the shutdown of Pleasanton's local groundwater wells, the City began purchasing 100% of our water from Zone 7 and is working to make infrastructure improvements (expanding pipes and installing a temporary pump) to get water into the system without using those wells. If rates aren't increased now, these costs will compound into a \$25 million debt.



Q: What if we require single-family residents to pay for the first 20 CcF of water, but don't increase water rates?

A: If the City charges the Pleasanton Water Variable Charge to all water used by customers (no longer providing the first 20 CcF of water with no Pleasanton Water Variable Charge), revenues will increase by approximately \$500,000 per year.

The proposed water rate adjustment will increase Pleasanton's water revenues by approximately \$4.5M during year one, \$13.3M during year two, and \$20.8M during year three. These revenues are critical to ensure that funds are in place to manage a variety of water supply and quality projects, as well as rebuild the Water Enterprise Reserve Fund.

Q: When will the water rates change?

A: The proposed water rate adjustments will go into effect on January 1, 2024.

Proposed Water Rate schedule:

Year 1: January 1, 2024 - December 31, 2024

Year 2: January 1, 2025 - December 31, 2025

Year 3: January 1, 2026 - December 31, 2026

Proposed Sewer Rate schedule:

Year 1: January 1, 2024 - June 30, 2024

Year 2: July 1, 2024 - June 30, 2025

Year 3: July 1, 2025 - June 30, 2026

Q: The notice states that Pleasanton's rates will remain near the bottom of nearby agencies following the rate increase. Where can I find a chart with comparable rates?

A: A chart with comparable rates throughout the area is available on page 4 and page 14 of the July 18, 2023 City Council meeting agenda report in which the new rates were presented to Council. This chart can be viewed below.

| COMPARATIVE ANNUAL RESIDENTIAL WATER CHARGES | | | |
|--|------------|------------|-----------|
| Jul-23 | | | |
| | 8 Ccf/mo | 20 Ccf/mo | Effective |
| San Jose | \$1,204.92 | \$2,506.68 | 1/1/2023 |
| San Francisco | \$1,156.92 | \$2,699.16 | 7/1/2022 |
| Palo Alto | \$1,120.44 | \$2,803.80 | 7/1/2023 |
| North Marin | \$1,007.76 | \$1,780.08 | 7/1/2022 |
| Marin MWD | \$973.86 | \$1,654.98 | 7/1/2022 |
| Livermore | \$972.48 | \$1,607.52 | 2/1/2023 |
| Hayward | \$936.36 | \$2,136.24 | 10/1/2022 |
| EBMUD | \$893.88 | \$1,987.32 | 7/1/2023 |
| Los Altos | \$862.20 | \$1,770.96 | 8/1/2022 |
| Contra Costa | \$840.12 | \$1,671.60 | 2/1/2023 |
| DSRSD | \$838.20 | \$1,741.08 | 1/1/2023 |
| ACWD | \$826.68 | \$1,515.00 | 3/1/2023 |
| Pleasanton (Proposed) | \$658.26 | \$1,559.22 | 11/1/2023 |
| Pleasanton (Current) | \$496.92 | \$1,109.88 | 2/1/2023 |

Q: I'm currently not charged for a Zone 7 consumption rate. Will the proposed charge be calculated by Ccf or by tier? Is this charge fixed or will it decrease when we start using our wells again?

A: Currently, the "Zone 7 Cost" shown on your bill is a consumption charge per CcF – there is a charge for every CcF that customers use. The proposed rates will include a fixed meter charge for Zone 7 and a consumption charge for water used. You can see an example of this on the current and proposed water bill examples on the [New Proposed Water Rate webpage](#).

Q: The Public Hearing Notice format is difficult to use, especially the tables. Can you clarify this information?

A: We recognize that the tables may be confusing. The "Rates and Charges That Apply to Your Water Bill" tables are on the top and bottom of the column to the right of the explanation on the [Public Hearing Notice](#). The table at the top of the column represents Pleasanton's fixed meter charges and the table at the bottom of the column represents Zone 7's fixed charges. This also applies to the "Proposed Consumption Rates" tables on page 3. The tables on the right column represent the new proposed consumption rates.

The Variable Charges tables on page 3 of the Public Hearing Notice refer to the charges that customers will pay for their water usage, which is dependent on how much water they use each billing cycle. The tables on page 2 are fixed charges that all customers pay regardless of how much water they use.