



User Fee Rate Model 2012-13

Board Meeting: June 28, 2012

CAWD Rate Model Summary
2012-13

6/28/12

User Group	Count	Units	Actual							% Change	Model 12-13			Op Rev = Op Expense			
			2007-08	2008-09	2009-10	2010-11	2011-12	Actual	Annual		Annual	Annual	Annual	Annual	Annual		
			2007-08	2008-09	2009-10	2010-11	2011-12	2011-12	2011-12		2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	
Veterinary Offices	3	each	600.00	630.00	661.50	693.50	724.00		4.40%	920.87	27.19%	2,762.62	776.80	64.73	7.29%	2,330.40	
Animal Hosp. & Board	1	each	1,450.00	1,522.00	1,598.10	1,676.00	1,750.00		4.42%	3,025.73	72.90%	3,025.73	1,876.00	156.33	7.20%	1,876.00	
Bakery	4	each	970.00	1,020.00	1,071.00	1,123.00	1,170.00		4.19%	1,662.77	42.12%	6,651.07	1,253.00	104.58	7.26%	5,020.00	
Bar	28	each	518.60	535.00	561.70	588.00	605.82		3.03%	641.52	5.89%	17,962.46	650.50	54.21	7.38%	18,214.00	
Beauty Salon	32	each	370.00	388.50	407.94	430.00	452.00		5.12%	533.49	18.03%	17,071.66	486.00	40.50	7.52%	15,532.00	
Business/Govt/Retail	935	per 10 employees	188.00	197.40	207.26	219.40	230.42		5.02%	243.61	5.72%	227,772.03	247.70	20.64	7.50%	231,599.50	
Camera/Photo	2	each	269.22	281.00	295.02	308.00	318.92		3.55%	338.24	6.06%	676.48	343.00	28.58	7.55%	686.00	
Church/Synagogue/Mis	33	ERU = 150	270.00	283.50	297.68	313.00	330.00		5.43%	355.79	7.81%	11,741.01	355.80	29.65	7.82%	11,741.40	
Conv. Hospital	9	beds	153.62	159.00	166.94	174.90	182.26		4.21%	193.01	5.90%	1,737.12	196.00	16.33	7.54%	1,764.00	
Dental Office	15	each Dentist	350.00	350.00	350.00	350.00	350.00		0.00%	362.68	3.62%	5,440.19	367.16	30.60	4.90%	5,507.40	
Gym/Health Spa	3	each	362.62	378.00	396.90	415.00	431.12		3.88%	455.56	5.67%	1,366.69	462.00	38.50	7.16%	1,386.00	
Hotel/Motel	1,256	room	164.20	170.78	179.30	188.00	194.78		3.61%	206.31	5.92%	259,119.90	209.40	17.45	7.51%	263,006.40	
Laundromats	29	per machine	276.00	289.80	304.30	319.50	334.60		4.73%	438.02	30.91%	12,702.59	360.00	30.00	7.59%	10,440.00	
Laundry	3	each	1,326.18	1,358.06	1,425.80	1,482.00	1,553.00		4.79%	1,666.66	7.32%	4,999.98	1,666.66	138.89	7.32%	4,999.98	
Market	19	each	470.00	493.50	518.18	544.10	571.32		5.00%	769.67	34.72%	14,623.65	614.00	51.17	7.47%	11,666.00	
Medical Office	21	each Physician	167.14	174.50	181.20	190.00	196.00		3.16%	197.69	0.86%	4,151.50	202.00	16.83	3.06%	4,242.00	
Residential	7,113	each	319.00	337.00	353.80	370.50	388.00		4.72%	410.01	5.67%	2,916,384.89	417.10	34.76	7.50%	2,966,832.30	
Restaurants	14,475	Seat/Meal	22.70	23.84	25.02	26.22	27.54		5.03%	31.67	15.01%	458,486.63	28.90	2.41	4.94%	418,327.50	
Schools	2,500	Population	12.32	13.00	13.64	14.32	14.90		4.05%	15.47	3.83%	38,677.49	15.94	1.33	6.98%	39,850.00	
Service Stations	26	per pump	1,020.00	1,072.00	1,125.60	1,186.00	1,256.94		5.98%	1,332.49	6.01%	34,644.83	1,346.20	112.18	7.10%	35,001.20	
Supermarkets	2	each	10,200.00	10,600.00	11,146.22	11,451.08	12,013.78		4.91%	12,918.33	7.53%	25,836.66	12,918.34	1076.53	7.53%	25,836.68	
SPECIAL	57	ERU=150	284.26	303.12	314.20	325.60	338.02		3.81%	357.10	5.64%	20,354.61	363.50	30.29	7.54%	20,719.50	
TOTALS																	
											\$4,086,189.78						\$4,096,598.26

Proposed vs. Model 10,408.48

Residential Increase = 7.50% per month 29.10 \$2.43

**CARMEL AREA WASTEWATER DISTRICT - REVENUE PROGRAM
FORM 1 - SUMMARY OF USERS AND WASTEWATER CHARACTERISTICS**

6/28/12

USER GROUP	COUNT	UNITS	FLOW (gpd/unit)	ADWF (MGD)	BOD (mg/l)	SS (mg/l)	DESIGN FLOW (MGD)	BOD (lbs/day)	SS (lbs/day)	VOLUME (MG)	BOD (lbs)	SS (lbs)
Veterinary Offices	3	each	350	0.0011	300	275	0.0011	2.627	2.408	0.383	959	879
Animal Hosp & Boarding	1	each	1,150	0.0012	300	275	0.0012	2.877	2.638	0.420	1,050	963
Bakery	4	each	275	0.0011	1,300	1,100	0.0011	11.926	10.091	0.402	4,353	3,683
Bar	28	each	250	0.0070	275	265	0.0070	16.055	15.471	2.555	5,860	5,647
Beauty Salon	32	each	225	0.0072	200	235	0.0072	12.010	14.111	2.628	4,383	5,150
Business/Govt/Retail	935	per 10 employees	100	0.0935	225	245	0.0935	175.453	191.049	34.128	64,038	69,730
Camera/Photo	2	each	125	0.0003	210	400	0.0003	0.438	0.834	0.091	160	304
Church/Synagogue/Mission	33	ERU = 150	150	0.0050	190	245	0.0050	7.844	10.114	1.807	2,863	3,692
Conv. Hospital	9	beds	75	0.0007	300	245	0.0007	1.689	1.379	0.246	616	503
Dental Office	15	each Dentist	170	0.0026	175	135	0.0026	3.722	2.871	0.931	1,358	1,048
Gym/Health Spa	3	each	190	0.0006	225	225	0.0006	1.070	1.070	0.208	390	390
Hotel/Motel	1,256	room	80	0.1005	350	200	0.1005	293.301	167.601	36.675	107,051	61,172
Laundromats	29	per machine	200	0.0058	185	155	0.0058	8.949	7.498	2.117	3,266	2,737
Laundry	3	each	500	0.0015	500	450	0.0015	6.255	5.630	0.548	2,283	2,055
Market	19	each	150	0.0029	900	1,005	0.0029	21.392	23.888	1.040	7,808	8,719
Medical Office	21	each Physician	85	0.0018	175	135	0.0018	2.605	2.010	0.652	951	734
Minimum/Vacant/Storage	0	each	0	0.0000	0	0	0.0000	0.000	0.000	0.000	0	0
Public	0	ERU=175	0	0.0000	0	0	0.0000	0.000	0.000	0.000	0	0
Residential	7,113	each	135	0.9603	375	415	0.9603	3,003.198	3,323.539	350.493	1,096,131	1,213,052
Restaurants	14,475	Seat/Meal	6	0.0869	1,300	700	0.0869	941.628	507.030	31.700	343,683	185,060
Schools	2,500	Population	7	0.0175	175	175	0.0175	25.541	25.541	6.388	9,322	9,322
Service Stations	26	per pump	500	0.0130	240	350	0.0130	26.021	37.947	4.745	9,497	13,850
Supermarkets	2	each	2,500	0.0050	925	1,000	0.0050	38.573	41.700	1.825	14,079	15,220
Theaters	0	Seats	3	0.0000	250	190	0.0000	0.000	0.000	0.000	0	0
SPECIAL	57	ERU-150	150	0.0086	200	240	0.0086	14.261	17.114	3.121	5,205	6,246
TOTALS			7,376	1.3236	418	400	1.3236	4,617.43	4,411.53	483.101	1,685,308	1,610,156

**CARMEL AREA WASTEWATER DISTRICT - REVENUE PROGRAM
FORM 2 - OPERATION AND MAINTENANCE COSTS AND DEBT SERVICE**

6/28/12

COST CATEGORY	Est. CURRENT YEAR 11-12	ESTIMATED COST 12-13
TREATMENT FACILITIES		
Fixed costs	2,852,661.00	2,934,748.00
Replacement costs	0.00	225,000.00
Total fixed costs	2,852,661.00	3,159,748.00
Variable costs	0.00	0.00
SUB TOTAL	2,852,661.00	3,159,748.00
COLLECTION SYSTEM		
Fixed costs	843,500.00	788,843.00
Replacement costs	0.00	25,000.00
Total fixed costs	843,500.00	813,843.00
Variable costs	0.00	0.00
SUB-TOTAL	843,500.00	813,843.00
ADMINISTRATION		
Fixed Costs	1,078,055.00	1,112,357.00
Replacement Costs	0.00	0.00
Variable costs	0.00	0.00
SUB-TOTAL	1,078,055.00	1,112,357.00
OPERATING RESERVES -	0.00	0.00
OTHER		
TOTAL FIXED COSTS	4,774,216.00	5,085,948.00
TOTAL VARIABLE COSTS	0.00	0.00
Less PBCSD	805,000.00	1,000,000.00
LESS PBCSD	805,000.00	1,000,000.00
TOTAL CAWD O&M COSTS	3,969,216.00	4,085,948.00
DEBT SERVICE	0.00	0.00

**CARMEL AREA WASTEWATER DISTRICT - 2012-13 REVENUE PROGRAM
FORM 3 - CAPITAL COST ALLOCATION**

6/28/12

COSTS	TOTAL COST	FLOW		BOD		SS	
		%	\$	%	\$	%	\$
Collection System	0	100.00	0	0.00	0	0.00	0
Treatment Plant	0	34.00	0	33.00	0	33.33	0
Outfall/Intercept.	0	100.00	0	0.00	0	0.00	0
Step 3 Admin.							
Step 1 & 2							
SUBTOTAL - ALL COSTS							
Less Exclusions							
Total G.F. Costs							
Total N.G.F. Costs							
Federal Grant at 75% of 9							
Annual ICR							
LOCAL SHARE (8+12-1/2% of 9)							

**CARMEL AREA WASTEWATER DISTRICT - REVENUE PROGRAM
FORM 4 - UNIT COST DETERMINATION**

6/28/12

COST CATEGORY	PARAMETER ALLOCATION PERCENTAGE	ANNUAL COST TO EACH PARAMETER	TOTAL QUANTITIES	UNIT COST FOR EACH PARAMETER
1. COLLECTION SYSTEM O&M				
I/I (MG)	0.000	\$0	0.00	
Flow (MG)	100.000	\$1,041,668	483.10	\$2,156.21094
BOD (lbs)	0.000	\$0	1,685,307.56	\$0.00000
SS (lbs)	0.000	\$0	1,610,156.29	\$0.00000
2. DEBT SERVICE				
I/I (MG)			0.00	
Flow (MG)			350.00	\$0.00000
BOD (lbs)			1,685,307.56	\$0.00000
SS (lbs)			1,610,156.29	\$0.00000
3. CAPITAL OUTLAY				
I/I (MG)	0.000	\$0	0.00	
Flow (MG)	0.000	\$0	325.00	\$0.00000
BOD (lbs)	0.000	\$0	1,685,307.56	\$0.00000
SS (lbs)	0.000	\$0	1,610,156.29	\$0.00000
			9.50	
4. TREATMENT & DISPOSAL O&M				
I/I (MG)	0.00	\$0	0.00	
BOD (lbs)	33.33	\$1,014,658	1,685,307.56	\$0.60206
SS (lbs)	33.33	\$1,014,760	1,610,156.29	\$0.63022
5. ADMINISTRATIVE COSTS (Allocated above)				
TO T&D	79.52	\$884,532		
TO COLLECTION	20.48	\$227,825		
TOTAL O&M COST		\$4,085,846		

4.000

**CARMEL AREA WASTEWATER DISTRICT - REVENUE PROGRAM
FORM 5 - SUMMARY OF FUND COSTS - O & M**

6/28/12

USER GROUPS	COUNT	FLOW		BOD		SS		TOTAL ANNUAL REVENUE	AVERAGE ANNUAL REVENUE	AVERAGE MONTHLY REVENUE
		UNIT COST=	4,256.72	UNIT COST=	0.60206131	UNIT COST=	0.63022444			
		FLOW - MG	DOLLARS	BOD - lbs.	DOLLARS	SS-lbs.	DOLLARS			
Veterinary Offices	3	0.383	1,631	959	577	879	554	2,763	920.87	76.74
Animal Hosp & Boarding	1	0.420	1,787	1,050	632	963	607	3,026	3,025.73	252.14
Bakery	4	0.402	1,709	4,353	2,621	3,683	2,321	6,651	1,662.77	138.56
Bar	28	2.555	10,876	5,860	3,528	5,647	3,559	17,962	641.52	53.46
Beauty Salon	32	2.628	11,187	4,383	2,639	5,150	3,246	17,072	533.49	44.46
Business/Govt/Retail	935	34.128	145,271	64,038	38,555	69,730	43,946	227,772	243.61	20.30
Camera/Photo	2	0.091	388	160	96	304	192	676	338.24	28.19
Church/Synagoge/Mission	33	1.807	7,691	2,863	1,724	3,692	2,327	11,741	355.79	29.65
CONF/MEETING	0	0.000	0	0	0	0	0	0	0.00	0.00
Conv. Hospital	9	0.246	1,049	616	371	503	317	1,737	193.01	16.08
Dental Office	15	0.931	3,962	1,358	818	1,048	660	5,440	362.68	30.22
GUESTHOUSE W/O KIT	0	0.000	0	0	0	0	0	0	0.00	0.00
Gym/Health Spa	3	0.208	886	390	235	390	246	1,367	455.56	37.96
Hotel/Motel	1,256	36.675	156,116	107,051	64,452	61,172	38,552	259,120	206.31	17.19
Laundromats	29	2.117	9,011	3,266	1,966	2,737	1,725	12,703	438.02	36.50
Laundry	3	0.548	2,331	2,283	1,375	2,055	1,295	5,000	1,666.66	138.89
Market	19	1.040	4,428	7,808	4,701	8,719	5,495	14,624	769.67	64.14
Medical Office	21	0.652	2,773	951	1,000	600	378	4,151	197.69	16.47
Minimum/Vacant/Storage	0	0.000	0	0	0	0	0	0	0.00	0.00
Public	0	0.000	0	0	0	0	0	0	0.00	0.00
Residential	7,113	350.493	1,491,952	1,096,131	659,938	1,213,052	764,495	2,916,385	410.01	34.17
Restaurants	14,475	31.700	134,939	343,683	206,918	185,060	116,629	458,487	31.67	2.64
Schools	2,500	6.388	27,190	9,322	5,613	9,322	5,875	38,677	15.47	1.29
Service Stations	26	4.745	20,198	9,497	5,718	13,850	8,729	34,645	1,332.49	111.04
Supermarkets	2	1.825	7,769	14,079	8,476	15,220	9,592	25,837	12,918.33	1,076.53
Theaters	0	0.000	0	0	0	0	0	0	0.00	0.00
SPECIAL	57	3.121	13,284	5,205	3,134	6,246	3,937	20,355	357.10	29.76
TOTALS		483.101	2,056,428	1,685,308	1,015,086	1,610,023	1,014,676	4,086,190		



Carmel Area
Wastewater District
3945 Rio Road
Carmel, CA 93923
831 . 624 . 1248

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
Robert Kohn
Robert Siegfried
Charlotte Townsend
Ken White

General Manager
Barbara Bulkema

— Proposition 218 Notification —

Notice of Public Hearing on Proposed Sewer Rate Increase

Thursday, June 28, 2012

9:30 am

Carmel Area Wastewater District

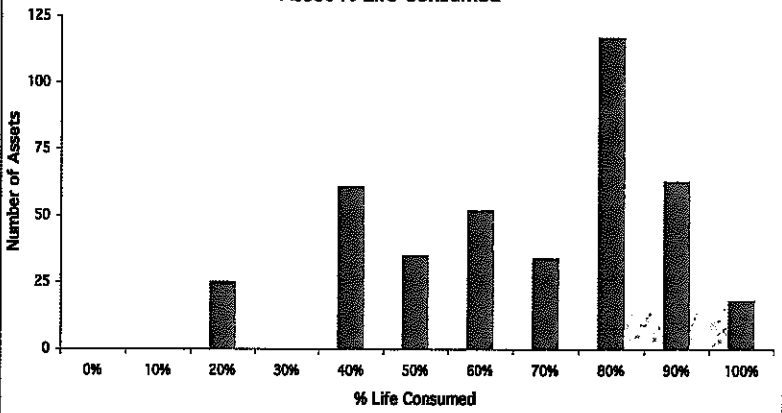
3945 Rio Road

Carmel, CA 93922

On June 28, 2012, at 9:30 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. The hearing will be held at the District Offices located at 3945 Rio Road, Carmel, CA 93922.

Carmel Area Wastewater District is a not-for-profit, self-supporting entity. We depend upon sewer user fees to fund operating and maintenance costs, as well as rehabilitation and replacement of equipment and infrastructure for our wastewater treatment plant and collection system.

Asset % Life Consumed



Preliminary estimates show that we have used up approximately 80 percent of the useful life span of nearly half of the CAWD treatment plant's equipment and structures. This means we need to make a major investment in our community's wastewater treatment infrastructure within the next ten years to ensure continued safe, efficient wastewater treatment services. Twenty percent of this amount will need rehabilitation or replacement in the next five years.

Our last major plant upgrade occurred over 30 years ago, so it is once again time to rehabilitate and replace portions of our aging infrastructure. In preparation, the plant is undergoing a comprehensive assessment of all its assets and facilities. Early findings show that we have used up 80 percent of the useful life span of nearly half of the plant's equipment and structures. Preliminary engineering estimates put the total capital costs for rehabilitation at roughly \$20-30 million over the next 15 years.

To finance the plant upgrade we will combine debt with a pay-as-you-go strategy that taps into our \$10 million in reserves and implements rate increases over the next three to four years. As a first step to build our funding base, sewer user fees for 2012-13 will increase by 7.5 percent to provide

an additional \$250,000 for the first phase of upgrades. For residential customers this translates to \$2.43 cents more per month or an additional \$29.16 for the year, bringing the annual user fee up to \$417. As the upgrade process continues we will return to ratepayers each year to report on progress and request additional funds as required. Please see the article on page one of our accompanying newsletter for more details on the plant rehabilitation.

Sewer rates are established each year effective July 1. The District utilizes a rate model devised by the State Water Resources Control Board that allocates costs based on flow, biochemical oxygen demand and suspended solids across designated customer categories (see related article on back page of newsletter). The table shown on the flip side of this document shows the proposed rate increase for each customer category.

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 Board of Directors of Carmel Area Wastewater District (CAWD) 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. E-mail 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. At the hearing, the Board of Directors shall hear all protests and tabulate the ballots.

For more information regarding the proposed rate plan, please call CAWD General Manager Barbara Buikema at (831) 624-1248.

Carmel Area Wastewater District Proposed Sewer Rate Increases for 2012-2013

User Categories	2011-12	%	2012-13	%
	Annual Rates	Change	Proposed Annual Rates	Change
Veterinary Offices (each location)	\$ 724.50	4.40%	\$ 776.80	7.29%
Vet Hospital/Boarding (each location)	\$ 1,750.00	4.42%	\$ 1,876.00	7.20%
Bakery (each location)	\$ 1,170.00	4.19%	\$ 1,255.00	7.26%
Bar (each location)	\$ 605.82	3.03%	\$ 650.50	7.38%
Beauty Salon (each location)	\$ 452.00	5.12%	\$ 486.00	7.52%
Business/Govt./Retail (1-10 employees = one unit)	\$ 230.42	5.02%	\$ 247.70	7.50%
Camera/Photo (each location)	\$ 318.92	3.55%	\$ 343.00	7.55%
Church/Synagogue/Mission (each location)	\$ 330.00	5.43%	\$ 355.80	7.82%
Convalescent Hospital (per bed)	\$ 182.26	4.21%	\$ 196.00	7.54%
Dental Office (per dentist)	\$ 350.00	0.00%	\$ 367.16	4.90%
Gym/Health Spa (each location)	\$ 431.12	3.88%	\$ 462.00	7.16%
Hotel/Motel (per room)	\$ 194.79	3.61%	\$ 209.40	7.51%
Laundromat (per machine)	\$ 334.60	4.73%	\$ 360.00	7.59%
Laundry (each location)	\$ 1,553.00	4.79%	\$ 1,666.66	7.32%
Market (each location)	\$ 571.32	5.00%	\$ 614.00	7.47%
Medical Office (per physician)	\$ 196.00	3.16%	\$ 202.00	3.06%
Residential/Minimum vacant (each location)	\$ 388.00	4.72%	\$ 417.10	7.50%
Restaurants (per seat/meal)	\$ 27.54	5.03%	\$ 28.90	4.94%
School (per population)	\$ 14.90	4.05%	\$ 15.94	6.98%
Service Station (per pump)	\$ 1,256.94	5.98%	\$ 1,346.20	7.10%
Supermarket (each location)	\$ 12,013.78	4.91%	\$ 12,918.34	7.53%
Special Users (each location)	\$ 338.02	3.81%	\$ 363.50	7.54%