



## 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  
Kevan Urquhart  
Ken White

**General Manager**  
Barbara Buikema

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

Thursday, June 29, 2023, 9:00 am  
Carmel Area Wastewater District  
3945 Rio Road, Carmel CA 93923

**Zoom link: scroll to the bottom of the CAWD.org homepage**

On June 29, 2023, 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 sewer rates.

After three years of operation during the pandemic, at long last CAWD has been able to loosen safety protocols at the treatment plant. However, we will continue weekly sampling of our community's wastewater influent as long as is necessary to provide the Monterey County Health Department and the public with vital data on current COVID-19 levels. While operations are back to normal, spiraling costs and delays in our supply chains are not. We are feeling the same inflationary pressures that we know our ratepayers are experiencing. Power and chemicals, our costliest budget items, continue to escalate. In addition, our property and liability insurance has increased by 14% due to the national insurance markets. These are just a few of the many cost increases we must absorb for basic supplies and services to keep the plant running.



**CAWD's circa-1930s digester was demolished in January to make way for new construction. We were able to get an amazing 85 years of service from the structure by converting it to a sludge holding tank after it had outlived its useful life.**

Our long-term 15-year capital improvement plan prioritizes \$11 million in projects to maintain the treatment plant, and \$66 million to replace or rehabilitate aging sewer lines, for a total of \$77 million. This budget reflects the realities of operating during a period of continual change. As always, we prioritize rehabilitation and retrofitting over replacement of equipment and infrastructure, when it is the most cost-effective option. We will continue to apply for any and all available state and/or federal funding, but we must be prepared if that grant money does not come through.

Even with these fiscal challenges, CAWD remains committed to reducing the impact of customer rate increases as much as possible. Last year, residential customers saw a 14.63% increase, which helped us manage inflationary costs. This year, the increase is less than half that amount, down to a 6.26% residential increase. Nobody likes higher fees, including the CAWD staff and board members who live in the district, but we must continue to maintain our treatment facility and collection system. It is our responsibility to pass down to the next generation the same protections and safeguards we have enjoyed, thanks to our predecessors. To that end, we are proposing an additional \$5.25 per month on residential property tax bills, our largest customer category. The total \$63.00 increase for 2023-24 will help ensure the long-term sustainability of the Carmel area wastewater system.

With continued careful planning, we should be able to maintain our “pay-as-you-go” policy, which we have used for the past 24 years. This policy allows us the freedom to maintain and build our system in a way that best meets the community's needs, un beholden to loan covenants and without adding borrowing expenses to user fees. As a self-supporting, nonprofit agency, our goal is to match revenues to expenses, and get the most value out of every ratepayer dollar. We are committed to meeting our permit guidelines, preventing sewer overflows, and protecting public health and the environment in the most cost-effective way possible.

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 2023-2024**

<b>User Categories</b>	<b>2022-23 Annual Rates</b>	<b>2023-24 Proposed Rates</b>	<b>Percentage of Change</b>
Bakery (each location)	\$ 3,743.88	\$ 3,853.88	2.94%
Bar (each location)	\$ 1,579.64	\$ 1,704.12	7.88%
Beauty Salon (each location)	\$ 1,331.32	\$ 1,444.18	8.48%
Business/Govt./Retail (1-10 employees = one unit)	\$ 612.48	\$ 662.46	8.16%
Camera/Photo (each location)	\$ 799.14	\$ 858.52	7.43%
Church/Synagogue/Mission (each location)	\$ 887.94	\$ 963.18	8.47%
Convalescent Hospital (per bed)	\$ 472.38	\$ 509.74	7.91%
Dental Office (per dentist)	\$ 914.52	\$ 1,000.64	9.42%
Gym/Health Spa (each location)	\$ 1,161.50	\$ 1,259.26	8.42%
Hotel/Motel (per room)	\$ 477.64	\$ 514.96	7.81%
Laundromat (per machine)	\$ 1,143.94	\$ 1,244.64	8.80%
Laundry (each location)	\$ 3,968.94	\$ 4,210.40	6.08%
Market (each location)	\$ 1,840.42	\$ 1,901.28	3.31%
Medical Office (per physician)	\$ 440.50	\$ 440.50	0.00%
Residential/Minimum vacant (each location)	\$ 1,005.94	\$ 1,068.96	6.26%
Restaurant (per seat/meal)	\$ 74.40	\$ 77.06	3.58%
School (per population)	\$ 42.24	\$ 46.02	8.95%
Service Station (per pump)	\$ 2,947.48	\$ 3,170.58	7.57%
Supermarket (each location)	\$ 25,502.46	\$ 26,379.08	3.44%
Special User (each location)	\$ 916.18	\$ 993.94	8.49%
Veterinary Office (each location)	\$ 2,288.84	\$ 2,465.16	7.70%
Vet Hospital/Boarding (each location)	\$ 6,511.88	\$ 7,013.56	7.70%