



PROPOSITION 218 PUBLIC HEARING

May 16, 2024



PUBLIC HEARING AGENDA

- Open Public Hearing
- Presentation on System Improvements
- Report on Customer Notification
- Proposed Rate Increases
- Public Comment
- Receive Additional Protests
- Close Public Hearing
- Report on Protests Received



Our Systems

STPUD manages and maintains the following systems for South Lake Tahoe:

- Water Production and Distribution
- Sewer Collection
- Wastewater Treatment
- Recycled Water

Water System

- 14,200 Connections
- 253 miles Waterlines
- 31 Pressure Zones
- 11 Active Wells / 100% Groundwater
- 15 Booster Stations
- 19 PRV Stations
- 19 Storage Tanks



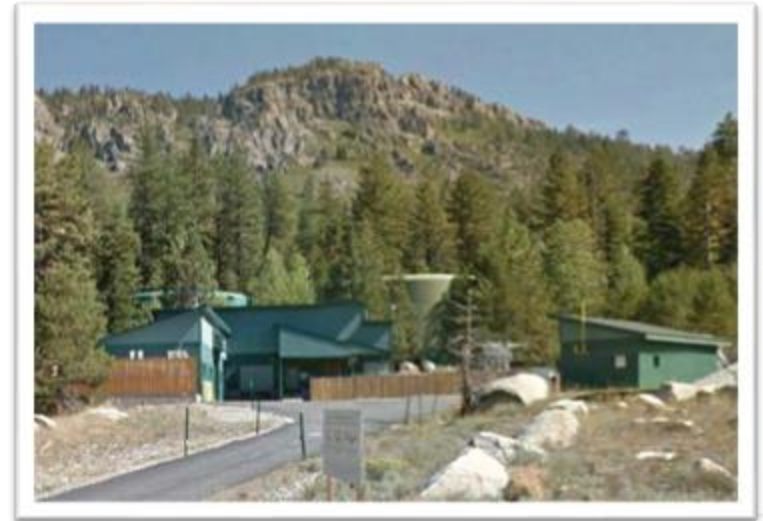
Wastewater System

- 18,300 Connections
- 312 miles Gravity Sewers
- 39 Pump Stations
- 19 miles Force Mains
- Treatment Plant
 - 3.5 MGD Average Flow
 - 7.7 MGD Rated Flow
 - 18 MGD Peak Flow

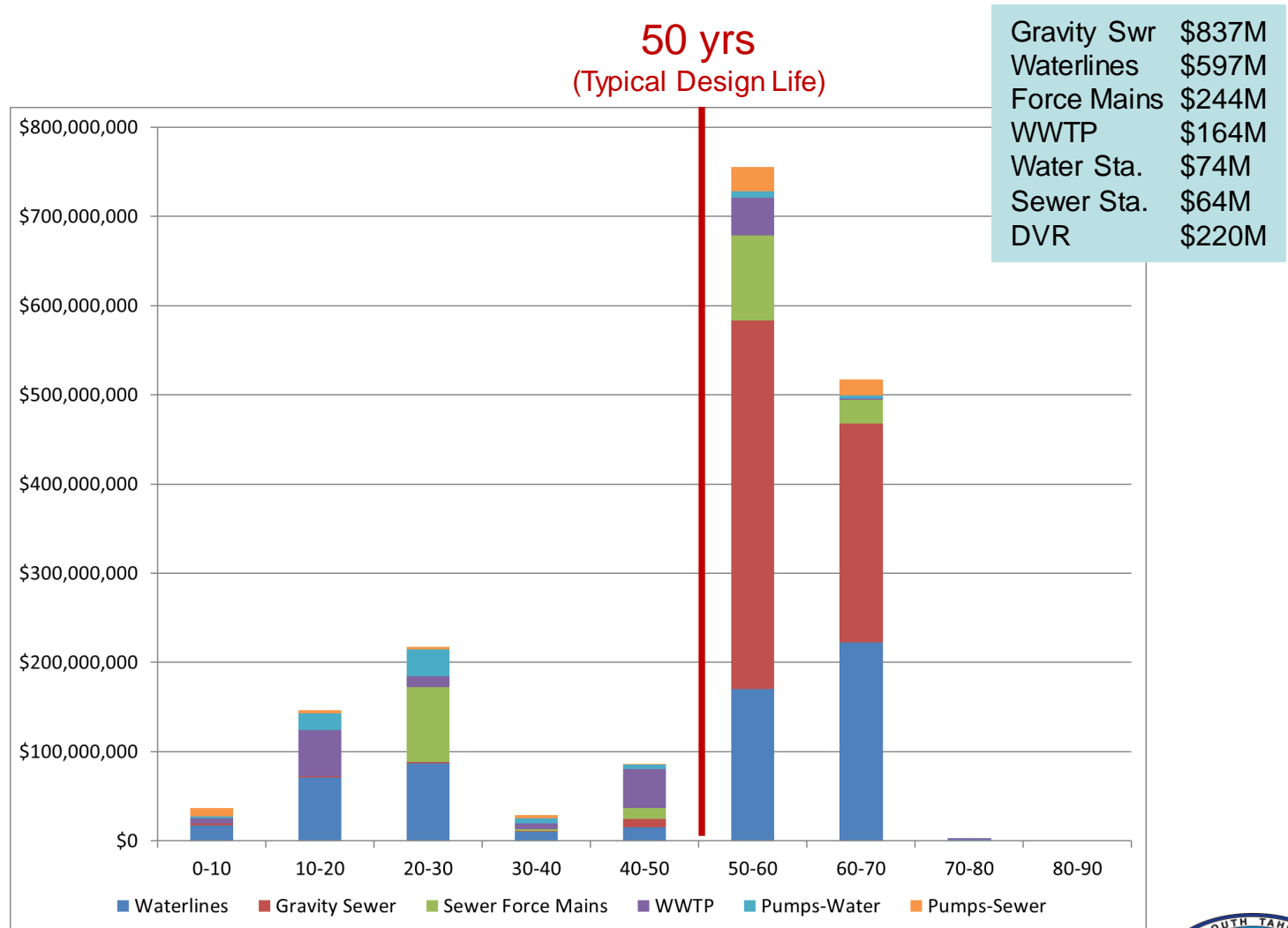


Recycled Water System

- 26 miles Export Pipeline
- Luther Pass Pump Station
- Diamond Valley Ranch (DVR)
 - Two Dams, Two Reservoirs
 - Ditch Conveyance System
 - 3,000 acres Utilized
 - Pasture Irrigation / Grazing
 - Alfalfa Production
 - Hydroelectric Energy Recovery



Total System Value: \$2.2B





Ongoing and Future Needs

Ten-Year Capital Plan for next 5-Year Budget Cycle

Next 5 Years...

- *120 projects and programs*

Years 6 to 10...

- *Additional 37 projects and programs*



Water CIP Projects

- **Return to Pre-2010 Waterline Replacement Rate**
 - Complete ALL **Fire Projects**
 - Replace **Worst Condition WLS** id'd by Baseform
- **Implement routine Wells Assessment Program**
- Implement routine **Tank Mgmt Program**
- Rehabilitate **High Priority Water Stations**
- Prioritize **Outside Funded** Projects
- Prioritize **Cooperative** Projects (ie., City/Co)
- Address **O&M/Access** concerns, as needed
- Implement **Asset Mgmt/Efficiency Programs**

Ongoing and Future Needs

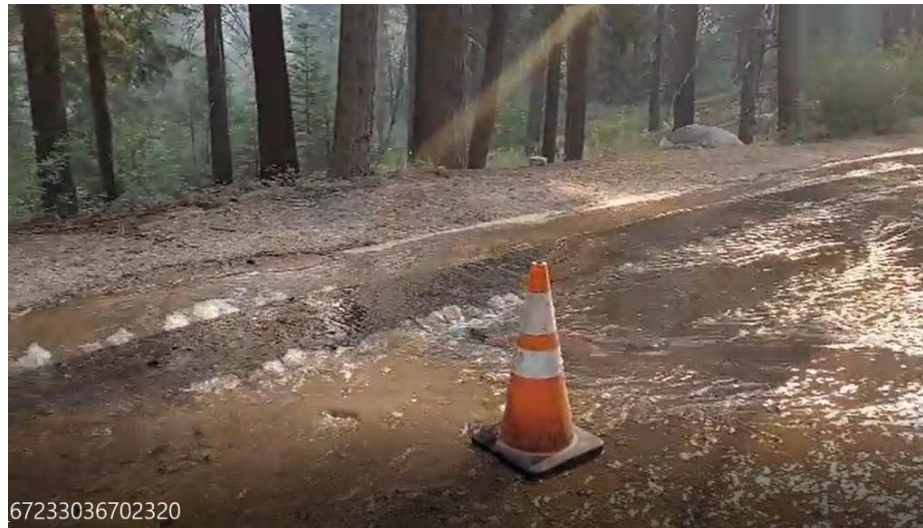
Waterline Replacements

Goal: Finish fire security projects and return to Pre-2010 Replacement Rate

- 2 miles new main on Pioneer
- 15 miles undersized mains
- 16 miles poor condition mains

Value: \$85M (\$9M increase)

Funding: State-Subsidized Low—
Interest Loans (pending)
Grants (pending)
Rates



67233036702320

Ongoing and Future Needs

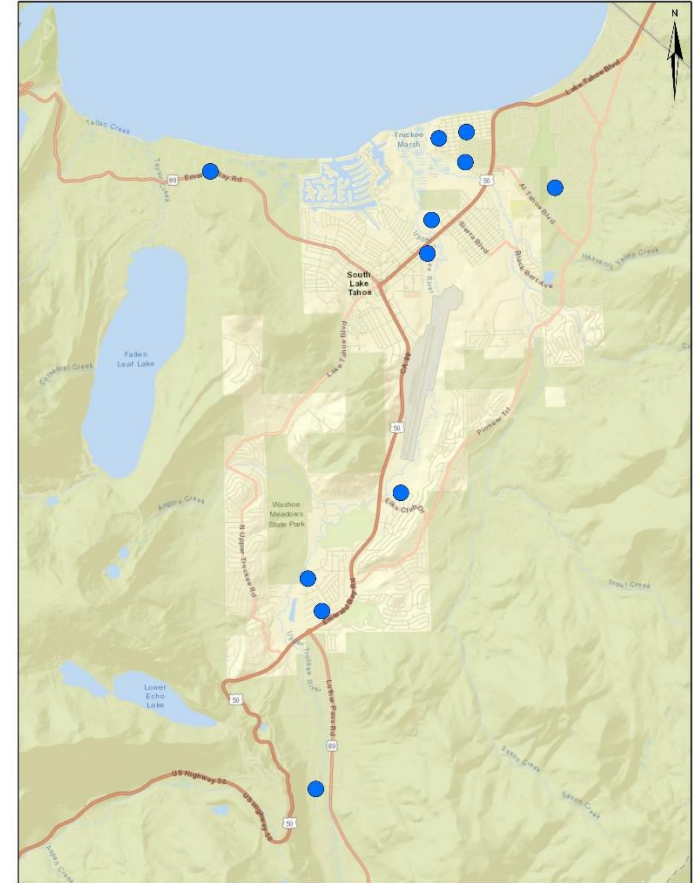
Wells Asset Management

Goal: Implement routine well inspection and rehabilitation program

- Inspect and perform maintenance on one well per year

Value: \$4M (*new this year*)

Funding: Rates





Sewer CIP Projects

- Fund **Gravity Sewer Program** based on CCTV
- Develop/implement **Force Main AM Program**
- Rehab ALL **“Stations of Concern”** id'd by Pumps
- **Address ALL priority concerns at DVR & WWTP**
- Prioritize **Outside Funded Projects**
- Prioritize **Cooperative Projects** (ie., City/Co)
- Address **O&M and Access** concerns, as needed
- **Focus on Controlling Infiltration and Inflow**
- Rollout **Asset Mgmt/Efficiency Programs** as assets demand and resources allow

Ongoing and Future Needs

Sewer Collection System

Goal: Find and reduce groundwater and storm water entering the system, to reduce pumping costs and protect against emergency spills

- Establish ongoing program valued at \$1.1M per year to repair highest risk pipes and manholes

Value: \$11M (*\$5.6M new this year*)

Funding: Rates



Ongoing and Future Needs

Wastewater Treatment Plant

Goal: Replace facilities that have outlived their useful lives

- Replace Holding Ponds
- Replace RAS System
- Replace Shops Facilities

Value: \$15.6M (\$6M increase)

Funding: State subsidized low-interest loans (future)
Rates



Ongoing and Future Needs

Recycled Water System

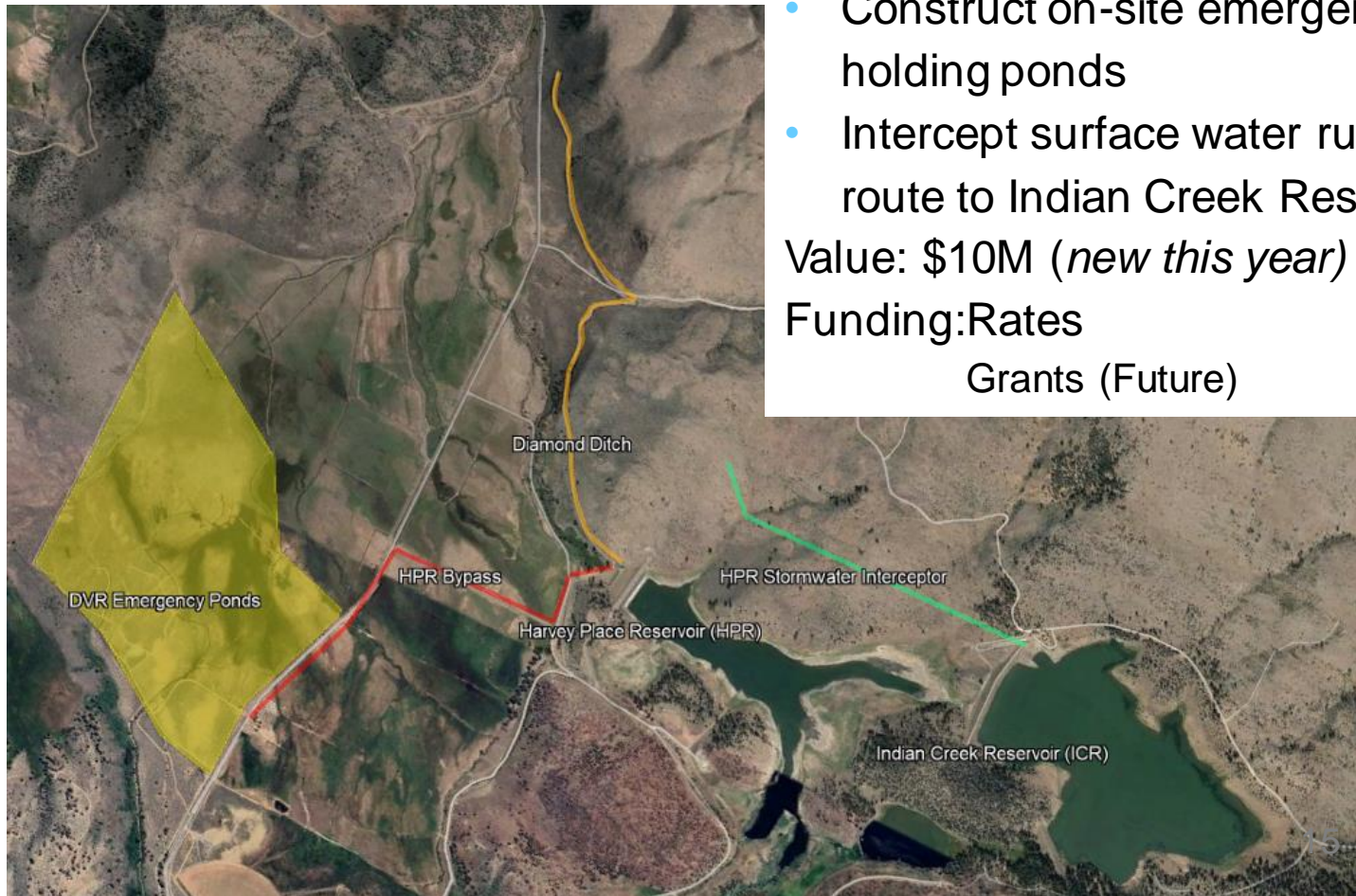
Goal: Comply with regulatory requirement prohibiting winter releases from Harvey Place Reservoir

- Construct on-site emergency holding ponds
- Intercept surface water runoff and route to Indian Creek Reservoir

Value: \$10M (*new this year*)

Funding: Rates

Grants (Future)



Emergency Responses

- Tamarack Fire (2021)
- Alpine County Flash Floods (2021)
- Caldor Fire (2021)
- Winter Storms (2023)



Construction Climate

- Construction Challenges
 - Materials Availability
 - Contractor Availability
- Price Escalation (source: ENR BCI)
 - Historically 3% per year
 - April 2019 to April 2024, 36%

Revenues must increase at least as much as price escalation to not lose ground



CUSTOMER NOTIFICATION

- Prop 218 Notice sent March 29, 2024
- Public outreach:
 - Direct Mail
 - Email
 - Press Release
 - Social Media Outreach
 - Evening Public Meetings on 2/29 and 4/25



PROPOSED 5-YEAR RATE INCREASES

Proposed Increases by Year - Effective July 1

	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
WATER	9.50%	9.50%	9.50%	9.50%	9.50%
SEWER	13.50%	9.50%	9.50%	9.50%	9.50%

Average Monthly Residential Bill Impact

WATER	\$ 6.05	\$ 6.87	\$ 7.52	\$ 8.20	\$ 9.01
SEWER	\$ 6.99	\$ 5.66	\$ 6.20	\$ 6.79	\$ 7.43
TOTAL	\$13.04	\$12.53	\$13.72	\$14.99	\$16.44





PUBLIC COMMENT





RECEIVE ADDITIONAL PROTESTS





CLOSE PUBLIC HEARING





REPORT ON PROTESTS RECEIVED

