


16 August 2023

To the UPUD Board Members and those
present at this meeting:

My Apologies for my absence tonight.
Unfortunately, due to a serious family
matter, out-of-state, I am not able to
attend this meeting. However, I want to
emphatically state my 100% support of
the letter you, the Board, are receiving
tonight. It is my hope and belief that,
in response to the letter you are
receiving tonight, the Board will make
the right decision.

Sincerely,

Mike Peirano

August 16, 2023

Union Public Utility District
339 Main Street
Murphys, CA 95247

Re: Water Rate Schedule and Proposed Initiative

Dear UPUD Board of Directors:

The new water rate schedule has led to tension between UPUD and some of its customers, resulting in an initiative being circulated to place a new water rate schedule on the ballot in an upcoming election. An adversarial position between UPUD and its customers does not benefit the district or its customers. It is our hope that UPUD is willing to resolve this issue.

In order to avoid the district having to redirect capital improvement monies toward litigating the merits of the initiative currently being circulated, we are offering a way for UPUD to move forward that allows UPUD to set its own rates. The proposal is as follows:

1. Reset Rates

Adopt a resolution limiting the monthly bill of each customer to the lesser of (1) the amount the customer would have been charged under the prior rate schedule; or (2) the amount currently being charged. This will, in effect, roll back the water rate schedule to what it was prior to January 1, 2023 while allowing the district to rely on the recent Prop 218 proceeding to justify the rates. The recent cost of service analysis established the maximum amount district customers can be charged; nothing prohibits a lower rate so long as rate revenue is covering the actual district costs. Revenue will not be less than the actual cost as this will be temporary (likely no longer than spring 2024) and any planned CIP projects could be temporarily placed on hold.

2. Perform a New Cost of Service Analysis with Community Input

Perform a new cost of service analysis, but this time include the community in the process. As a community, this is our water and our water system; we have a duty to ensure its long-term success. We are not aware of any water district that has ever taken this approach, but it would allow the rates to be imposed “by” the community, rather than “on” the community.

If UPUD follows the above process, district customers will not pursue placing the water rate initiative on the ballot. However, due to the timing of the upcoming election and the deadline to submit signatures, the resolution resetting water rates needs to be passed at either the September or October UPUD Board of Directors meeting. Without this change in place, district customers will have no choice but to proceed with the ballot initiative.

We request a townhall meeting outlining plans for the district’s future to enable UPUD to receive customer feedback prior to conducting a new rate study. We believe this process will rebuild trust between UPUD and its customers and facilitate an amicable relationship going forward.

Sincerely,

Members of the UPUD Community