

# NOTICE OF PUBLIC HEARING ON PROPOSED DRINKING WATER, WASTEWATER, AND TRASH SERVICE RATES FOR THE CALIFORNIA PINES COMMUNITY SERVICE DISTRICT

Public Hearing, January 22, 2020, at 6 PM at the CSD Offices, County Road 71, Building 376, Alturas

## WHY ARE YOU RECEIVING THIS NOTICE?

This notice is being furnished to you by California Pines Community Service District (CPCSD) pursuant to the California Constitution Article XIII Section D (also known as "Proposition 218"). Under terms of Proposition 218, the District is required to notify property owners of proposed changes to property-related fees such as water services. This letter serves as notice that the CPCSD will hold a public hearing to consider changes to three separate increases to water, wastewater, and trash service.

## WHAT DO WATER RATES FUND?

The CPCSD provides water, wastewater, and trash pick-up services to about 150 customers. These services must be financially self-sufficient.

Monthly rates paid by users of the system are the primary sources of revenue. All revenue generated from your utility bill is used to maintain and operate the water system. These revenues must meet all costs, such as electricity, chemicals, maintenance, licensing, fees, repairs, staff salaries, and build up reserves for emergency repairs and future replacement of the system when it is time to be replaced. The CPCSD is committed to the responsible financial management of our water and wastewater systems, as well as our trash service.

## WHY ARE RATE CHANGES REQUIRED?

A complete budget review and analysis was done by an independent consultant. This rate study was funded by two grants from the State of California, and one from the US Department of Agriculture. This analysis examined the cost to provide water, wastewater, and trash services with the objective of striking a better balance between fixed and variable revenues while continuing to promote a fair and equitable rate structure for all utility customers. Rates need to be adequate to recover the expenses while ensuring that costs are equitably allocated so that rates are fair and in proportion to the services received by each user.

The CPCSD also recently completed an analysis of the capital replacement requirements. All the capital assets of the CPCSD were reviewed and an estimated replacement timeframe and cost were assigned. These replacements will be funded with loans, grants, and the proposed rate adjustments.

## RATE ADJUSTMENT #1 – WATER SERVICE

Water rates will adjust over a five-year period to bring current rates and rate structure into compliance with Prop 218.

Rates	Current	2020	2021	2022	2023	2024
Base	\$ 32.25	\$ 33.25	\$ 34.08	\$ 34.93	\$ 35.81	\$ 36.70
Usage (per 100 cf) up to 1000	\$ -	\$ 0.60	\$ 0.62	\$ 0.63	\$ 0.65	\$ 0.66
Usage (per 100 cf) over 1000	\$ 0.40	\$ 0.60	\$ 0.62	\$ 0.63	\$ 0.65	\$ 0.66

The above charges would go in effect beginning with the bill due on February 1, 2020. Thereafter, rates will adjust on the bill due on January 1, 2021, 2022, 2023, and 2024.

Over a five-year period, the CPCSD will have a balanced budget that covers the expenses and the required reserves. **These rates are the absolute minimum that can be justified as being prudent and necessary.**

## RATE ADJUSTMENT #2 – WASTEWATER SERVICE

Wastewater rates will adjust over a five-year period to balance the budget for the wastewater enterprise.

Rates	Current	2020	2021	2022	2023	2024
Base	\$ 38.00	\$ 39.00	\$ 39.98	\$ 40.97	\$ 42.00	\$ 43.05
Usage (per 100 cf)	\$ -	\$ 0.60	\$ 0.62	\$ 0.63	\$ 0.65	\$ 0.66

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The above charges would go in effect beginning with the bill due on February 1, 2020. Thereafter, rates will adjust on the bill due on January 1, 2021, 2022, 2023, and 2024.

Over a five-year period, the CPCSD will have a balanced budget that covers the expenses and the required reserves. Wastewater rates will be calculated based on water consumption as an equitable measure of determining sewer use. **These rates are the absolute minimum that can be justified as being prudent and necessary.**

**RATE ADJUSTMENT #3 – TRASH SERVICE**

Customer Class	Current	2020	2021	2022	2023	2024
Standard	\$ 13.50	\$ 21.00	\$ 22.16	\$ 23.37	\$ 24.66	\$ 26.02
Higher Elevations*	\$ 13.50	\$ 27.09	\$ 28.58	\$ 30.15	\$ 31.81	\$ 33.56

\*Customers at higher elevations currently receive trash service every other week in the winter, due to increased costs in staffing, gas consumption, and wear and tear on vehicles. In the new rate structure these additional costs will be added to allow weekly service to these customers.

The above charges would go in effect beginning with the bill due on February 1, 2020. Thereafter, rates will adjust on the bill due on January 1, 2021, 2022, 2023, and 2024.

Over a five-year period, the CPCSD will have a balanced budget that covers the expenses and the required reserves. **These rates are the absolute minimum that can be justified as being prudent and necessary.**

**HOW ARE RATES CALCULATED?**

The proposed rate structure for water and sewer fees have two components: (1) a fixed monthly **base** charge; and (2) a variable (water consumption-based) **usage** rate. The first component is a fixed amount calculated to recover CPCSD's fixed costs of operating and maintaining the water and wastewater systems. It is based on the potential volume of water a customer could draw, as determined by the size of their water meter and any special equipment required for their service. The variable component of the rate structure is based on water consumption. **The variable usage rate will be charged from the first gallon of water used.**

For the trash service, the actual cost of providing the service was considered. After a cost analysis two classes remained necessary due to increased costs of trash service to residence at higher elevations.

**MEETING & PROTEST**

The purpose of the public hearing is for the CPCSD Board of Directors to consider all comments about the rate adjustments to be imposed on parcels within the District. As the record owner or renter of a parcel identified to be subject to the imposition of the proposed rate adjustments, you may submit a **written** protest against the proposed rate adjustments. Provided, however, **if the identified parcel has more than one record owner or renter, only one written protest will be counted.** Each protest must (1) be in writing, (2) state that you are against the proposed rates, and which rate you are protesting (water, sewer or trash) (3) provide the parcel APN or CCWD account #, and (4) include the **original signature of the record owner or renter submitting the protest.** Protests submitted by e-mail, fax, or other electronic means will **not** be accepted.

**These are three separate rate adjustments, and therefore you must specify what rate adjustment you are protesting.**

Written protests must be submitted by mail to CPCSD HCR4, Box 43002, Alturas CA 96101, or in person at the public hearing on **January 22, 2020**, so long as they are received prior to the start of the public hearing. CCWD staff will **not** accept protest letters as they all must be mailed to the address above or delivered in person at the **January 22, 2020** public hearing before 6 PM. Please identify on the front of the envelope of any protest,

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whether mailed or submitted in person, that the enclosed letter is for the Proposed Adjustments of the Water Rates.

During the **January 22, 2020** public hearing the written protests will be tallied by an impartial person. At the conclusion of the public hearing on **January 22, 2020**, the CCWD Board of Directors will consider adopting the proposed rate changes. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest and delivered as stated above. If, at the beginning of the January 22, 2020 public hearing, written protests against the rate adjustments are not presented, as outlined above, by a **majority of the owners or renters of the identified parcels** upon which the new rates are proposed to be imposed, the CPCSD Board of Directors will be authorized to impose the rate adjustments as presented here.

To help residence understand how rates were calculated and what the impact will be, we will host two public educational meetings with the independent third party who conducted the rate studies. **These meetings will be held at 11:00 AM and 5:00 PM on December 14, 2019 in the California Pines CSD Offices at County Road 71, Building 376, Alturas.** There will be no deliberations or decisions at these meetings.

The CPCSD staff encourages questions regarding this proposal, and appointments will be accepted to determine future monthly utility bills for concerned customers (**these individual calculations cannot be done at the public hearing**). Questions or comments can be directed to the CSD General Manager or Assistant General Manager.

**Reminder:**

**Public Hearing, January 22, 2020, at 6 PM at the CSD Offices, County Road 71, Building 376, Alturas**

Thank you,

California Pines Community Service District