

CAMBRIA COMMUNITY SERVICES DISTRICT



1316 Tamsen Street, Suite 201 • P.O. Box 65 • Cambria CA 93428
Telephone (805) 927-6223 • Facsimile (805) 927-5584

Notice of Public Hearing on Proposed Increases to Water and Sewer Rates

Dear Property Owner or Customer,

Cambria Community Services District (CCSD) is proposing to gradually increase its water and sewer rates over the next three years and authorize future annual inflationary rate adjustments for the subsequent two years. Except for proposed future inflationary adjustments, no increases to the rates for the water reclamation facility are proposed at this time. The proposed phased rate increases are needed to provide for adequate funding for water and sewer operating and maintenance expenses, help pay for critical and high-priority capital improvements to CCSD's aging water and sewer infrastructure, and meet projected debt repayment requirements for financing an estimated \$12 million of critical improvements to CCSD's wastewater treatment plant and sewer system facilities. The proposed rate increases will be subject to future annual review and approval by the CCSD Board of Directors prior to implementation. CCSD will hold a public hearing to consider adopting the proposed rates as follows:

Date: May 19, 2022
Time: Starting at 1:00 pm
Place: Cambria Veterans Memorial Building
1000 Main Street, Cambria, CA 93428
Or online as listed below:

<https://us06web.zoom.us/j/82128293074?pwd=WUF0WDY4TWdabjU1OWdpbTRndFcrdz09>

Meeting ID: 821 2829 3074 Passcode: 517955

Meeting information will also be available on CCSD's website at www.cambriacsd.org

If the meeting information is revised, updated information will be available on CCSD's website at www.cambriacsd.org

If you would like to receive this Notice in Spanish, please contact CCSD at (805) 927-6223.

Si le gustaria recibir este documento en Español, por favor llame a CCSD (805) 927-6223.

CCSD's water and sewer utilities rely primarily on revenues from service charges to fund the costs of providing service. As such, CCSD's utility rates must be set at levels adequate to fund the costs of utility operations and maintenance, pay for capital improvements needed to support safe and reliable service and meet regulatory requirements, and meet debt service funding requirements when applicable. CCSD's Resources & Infrastructure Committee and Finance Committee will monitor capital projects undertaken by CCSD and review associated expenditures of funds.

The proposed water and sewer rate increases are designed to fund each utility's projected cost of providing service and were developed based on analysis by an independent rate and finance consultant working closely with CCSD staff. *CCSD's rates are currently in the lower-middle range compared to other local coastal communities. With the proposed rate increases, CCSD's rates are projected to remain in the lower-middle range.*

Additional information is available on CCSD's website at www.cambriacsd.org/proposition-218

Proposed Water Rates

CCSD is proposing to adopt proposed water rates over the next three years as shown in the table below. CCSD's water rates include: 1) fixed service charges levied on each account regardless of water use, and 2) water quantity charges billed based on metered water use in each billing period. Residential customers pay a fixed charge per account, plus water quantity charges billed via three rate tiers with rates that increase in price as water use increases. Commercial rates include a fixed charge based on meter size plus a uniform water quantity charge for all water use.

Quantity charges are billed in units of one hundred cubic feet (1 ccf), with 1 ccf equal to approximately 748 gallons. As such, CCSD's current residential quantity charges (shown in the lower section of the table below) range from an equivalent of \$1.25 to \$1.82 per hundred gallons, with commercial charges equivalent to \$1.63 per hundred gallons. With the proposed rate increases, water quantity charges would rise to an equivalent of \$1.49 to \$2.17 per hundred gallons, with commercial charges rising to an equivalent to \$1.94 per hundred gallons over the next three years.

Proposed Water Rates				
	Current Water Rates	Proposed Rates Effective on or After		
		July 1 2022	July 1 2023	July 1 2024
Rate Increase %		6%	6%	6%
FIXED WATER SERVICE CHARGES				
Residential				
Monthly Charge	\$18.32	\$19.42	\$20.59	\$21.83
Bi-Monthly Charge	36.64	38.84	41.18	43.66
Commercial				
<u>Monthly Charge per Meter Size</u>				
5/8" or 3/4"	\$18.32	\$19.42	\$20.59	\$21.83
1"	45.80	48.55	48.55	48.55
1-1/2"	91.60	97.10	97.10	97.10
2" & Larger	183.20	194.20	194.20	194.20
WATER QUANTITY CHARGES				
<i>Billed based on metered water use (\$/ccf)</i>				
Residential Charges				
<u>Tier</u>	<u>Bi-Monthly</u>	<u>Monthly</u>		
Tier 1	First 4 ccf	First 2 ccf	\$9.33	\$9.89
Tier 2	4.01 - 16 ccf	2.01 - 8 ccf	12.21	12.94
Tier 3	> 16 ccf	> 8 ccf	13.61	14.43
Commercial Charges				
Rate for All Water Use	\$12.21	\$12.94	\$13.72	\$14.54

Note: 1 ccf = 100 cubic feet, or approximately 748 gallons.

Proposed Sewer Rates

CCSD is proposing to adopt sewer rates over the next three years as shown in the table below. The proposed rates include: 1) fixed charges levied on each account regardless of usage, and 2) sewer quantity charges billed based on metered water use in each billing period. Sewer quantity charges for commercial customers vary based on wastewater class and strength, with lower charges for customers with lower-strength wastewater and higher charges for customers with higher-strength wastewater, which costs more to process and treat in order to comply with CCSD’s wastewater discharge permit requirements.

Quantity charges are billed in units of one hundred cubic feet (1 ccf), with 1 ccf equal to approximately 748 gallons. As such, CCSD’s current residential sewer quantity charges (shown in the lower section of the table below) are equivalent to \$0.71 per hundred gallons and would increase to \$0.88 per hundred gallons over the next three years. Similarly, current commercial sewer quantity charges range from an equivalent of \$0.62 per hundred gallons for Class 1 to \$1.09 per hundred gallons for Class 3, and would increase to a corresponding range of \$0.77 to \$1.36 per hundred gallons over the next three years.

Proposed Sewer Rates				
	Current Sewer Rates	Proposed Rates Effective on or After		
		July 1 2022	July 1 2023	July 1 2024
Rate Increase %		7.5%	7.5%	7.5%
FIXED SEWER SERVICE CHARGES				
Residential				
Monthly Charge	\$46.03	\$49.48	\$53.19	\$57.18
<i>Bi-Monthly Charge</i>	<i>92.06</i>	<i>98.96</i>	<i>106.38</i>	<i>114.36</i>
Commercial				
Monthly Charge	\$46.03	\$49.48	\$53.19	\$57.18
<i>Bi-Monthly Charge</i>	<i>92.06</i>	<i>98.96</i>	<i>106.38</i>	<i>114.36</i>
SEWER QUANTITY CHARGES				
<i>Billed based on metered water use (\$/ccf)</i>				
Residential	\$5.32	\$5.72	\$6.15	\$6.61
Commercial				
<u>Wastewater Class</u>				
Class 1 (Low Strength)	\$4.66	\$5.01	\$5.39	\$5.79
Class 2 (Standard Strength)	5.32	5.72	6.15	6.61
Class 3 (Higher Strength)	8.19	8.80	9.46	10.17

Note: 1 ccf = 100 cubic feet, or approximately 748 gallons.

Class 1 includes lower strength accounts including professional offices, retail stores, laundromats, & schools.

Class 2 includes all other commercial accounts (with standard/domestic strength wastewater) that are not classified as either Class 1 or Class 3.

Class 3 includes accounts with moderate to high wastewater strength including restaurants, hotels with restaurants, bakeries, mortuaries, markets with meat/seafood/food prep/garbage grinders, and mixed-use accounts with an estimated 30% or more sewer discharge from higher strength wastewater flow.

CCSD reserves the right to assign commercial customers to the class that best matches their wastewater strength.

Combined Impacts to a Typical Single-Family Home

With the proposed rates, a typical single-family home using 6.5 hundred cubic feet of water per bi-monthly billing period (approximately 80 gallons per day) would see their combined charges impacted as shown on the table below over the next three years. With the proposed rates, the combined charges for a typical single family home will increase by a little under 6% per year for each of the next three years. This table is shown for informational purposes only. Actual impacts to each customer's bills will vary based on customer class and metered water consumption. *CCSD appreciates the community's successful efforts to reduce water use and continues to encourage customers to conserve.*

	Current Charges	Charges with Proposed Rates		
		July 1, 2022	July 1, 2023	July 1, 2024
WATER				
Proposed Rate Increase %		6%	6%	6%
Fixed Water Service Charge	\$36.64	\$38.84	\$41.18	\$43.66
Water Quantity Charge	<u>67.85</u>	<u>71.91</u>	<u>76.22</u>	<u>80.79</u>
Bi-Monthly Total	104.49	110.75	117.40	124.45
<i>Monthly Equivalent</i>	<i>52.24</i>	<i>55.38</i>	<i>58.70</i>	<i>62.23</i>
WATER RECLAMATION FACILITY				
No Rate Increases		0%	0%	0%
Fixed WRF Service Charge	20.26	20.26	20.26	20.26
WRF Quantity Charge	<u>20.10</u>	<u>20.10</u>	<u>20.10</u>	<u>20.10</u>
Bi-Monthly Total	40.36	40.36	40.36	40.36
<i>Monthly Equivalent</i>	<i>20.18</i>	<i>20.18</i>	<i>20.18</i>	<i>20.18</i>
SEWER				
Proposed Rate Increase %		7.5%	7.5%	7.5%
Fixed Sewer Charge	92.06	98.96	106.38	114.36
Sewer Quantity Charge	<u>34.58</u>	<u>37.18</u>	<u>39.98</u>	<u>42.97</u>
Bi-Monthly Total	126.64	136.14	146.36	157.33
<i>Monthly Equivalent</i>	<i>63.32</i>	<i>68.07</i>	<i>73.18</i>	<i>78.66</i>
TOTAL BI-MONTHLY CHARGES	271.48	287.25	304.11	322.13
<i>Monthly Equivalent</i>	<i>135.74</i>	<i>143.62</i>	<i>152.06</i>	<i>161.07</i>
<i>Total % Increase</i>		<i>5.8%</i>	<i>5.9%</i>	<i>5.9%</i>

Note: The table above excludes an additional two years of future inflation pass-through rate adjustments that could become effective on or after July 1, 2025 and July 1, 2026 as described below.

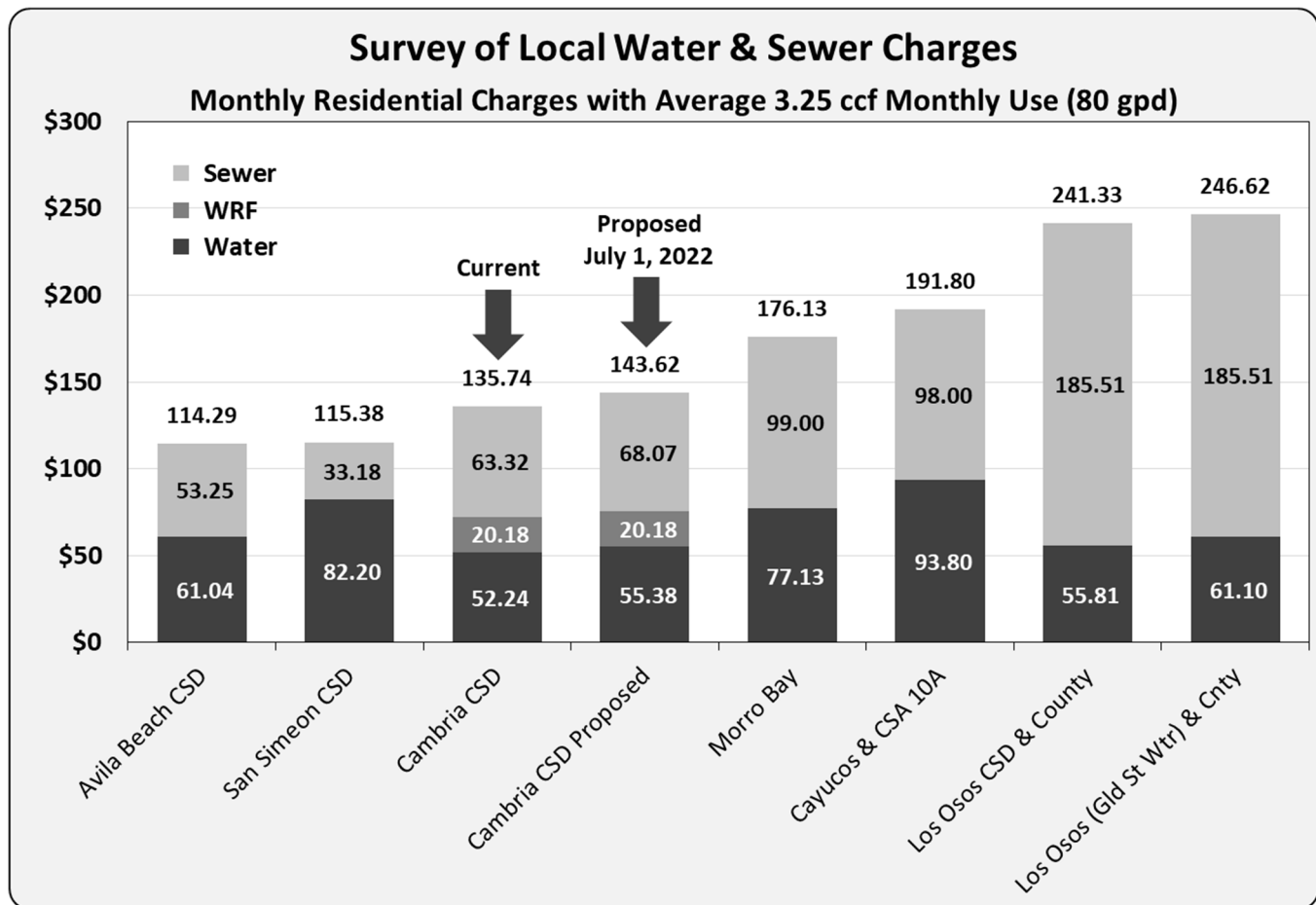
Future Inflationary Pass-Through Rate Adjustments

Pursuant to California Government Code 53756, CCSD is also proposing to authorize future annual inflationary water, water reclamation facility, and sewer rate adjustments for an additional two years after the three years of proposed rate increases. These future rate adjustments would be implemented on or after July 1, 2025 and July 1, 2026 and would be subject to a maximum annual increase based on the percentage change in the Consumer Price Index (CPI) for California from the most recent December-to-December period at time of implementation. For example, if the CPI increases by 3% from December 2023 to December 2024, CCSD would be authorized to adjust its water, water reclamation facility and sewer rates by a corresponding 3% starting July 1, 2025, with a similar approach used the following year. Deferral of a future inflationary rate adjustment can be made up in a subsequent year. For example, if the adjustment for July 1, 2025 is deferred for a year, it can be added to the adjustment for July 1, 2026. The proposed inflationary rate adjustments will be subject to future review and approval by the Board of Directors. Additionally, in accordance with Government Code Section 53756, a notice indicating each future inflationary rate adjustment will be sent at least 30 days prior to the effective date of the adjustment.

How do CCSD's Rates Compare to Other Local Coastal Agencies?

The following chart shows a comparison of combined monthly water and sewer charges for CCSD and other local coastal agencies. The charges shown for CCSD also include CCSD's water reclamation facility charges. The survey also shows CCSD's monthly charges with proposed rates effective July 1, 2022. Other agencies may also be raising water and/or sewer rates in upcoming years. CCSD's rates are currently in the lower-middle range compared to other local coastal communities. With the proposed rate increases, CCSD's rates are projected to remain in the lower-middle range.

The survey is based on the charges for a typical single family home with approximately average water use of 3.25 hundred cubic feet (ccf) per month, equivalent to roughly 80 gallons per day. CCSD bills on a bi-monthly basis, hence this level of water usage equates to bi-monthly use of 6.5 ccf. Water use in local coastal communities tends to be significantly lower than agencies further inland. Hence, while the rates for local coastal communities tend to be higher than for inland agencies, the volume of water use per typical home also tends to be significantly lower, resulting in water usage charges that are applied to fewer units of usage.



Community Input & Written Protest Procedures

Customers, property owners, and community members are invited to attend the Public Hearing to provide input. Property owners and customers may also submit written protests against the proposed rate increases. Pursuant to California law, protests must be submitted in writing and must a) identify the affected property or properties, such as by service address or Assessor's Parcel Number, b) include the name and original signature of the customer or property owner submitting the protest, and c) indicate opposition to the proposed water and/or sewer rate increases. Protests submitted by e-mail, facsimile or other electronic means will not be accepted.

Pursuant to CCSD's *Guidelines for the Submission and Tabulation of Protests* (available from CCSD and posted on the CCSD website), a protest may only be submitted by the record owner of the property, the customer of record who signed the protest, or an individual authorized in writing to submit the protest on their behalf. The proposed rates cannot be adopted if written protests are received from a majority of affected parcels with one written protest counted per parcel. Customers and property owners are welcome to submit their own written protest or use the form included with this notice. Written protests must be submitted prior to the close of the Public Hearing on May 19, 2022.

Written protests can be submitted by one of the following methods:

- Deliver to the District at 1316 Tamsen Street, Suite 201, Cambria, CA 93428
- Mail to Cambria Community Services District, P.O. Box 65, Cambria, CA 93428
- Personally submit a written protest at the Public Hearing

There is a 120 day statute of limitations for any challenges to the proposed water, sewer, and future inflationary rate increases to be filed as validation suits, as set forth in SB 323, which added Section 53759 to the Government Code and became effective January 1, 2022.

Financial Assistance Programs Offered by CCSD

CCSD is aware that the proposed rate increases will place an additional financial burden on ratepayers and currently offers two discount programs based on income eligibility.

- **40% Sewer Rate Discount Program** applicable to customers enrolled in PG&E's CARE Program based on income eligibility. This discount applies up to 12 ccf of use per bi-monthly bill.
- **Fire Suppression Assessment Fee Waiver Program** under which homeowners can save roughly \$50 per year for a typical home.

Customers who may be eligible for these discount programs are encouraged to apply.

CCSD remains committed to operating as cost-effectively as possible while providing safe and reliable water and sewer service to the community. For more information about CCSD and the proposed rate increases, please contact CCSD at (805) 927-6223 or visit our website at www.cambriacsd.org/proposition-218

PROP. 218 WRITTEN PROTEST FORM

By signing this form, I protest the proposed CCSD rate increases as indicated below and affirm under penalty of law that I am the owner of or tenant directly liable for the payment of water and sewer service charges for the parcel identified below.

CHECK THE BOX(ES) NEXT TO THE PROTESTED RATE INCREASE(S)

- Proposed Water Rate Increases
- Proposed Sewer Rate Increases
- Proposed Inflationary Rate Adjustments (Years 4 and 5)
to Water, Water Reclamation Facility, and Sewer Rates

PARCEL INFORMATION

One of the three items listed below is required for parcel identification.

- 1) Street Address: _____
Cambria, CA 93428 _____
- 2) Assessor's Parcel Number: _____
- 3) CCSD Customer Account Number: _____

SUBMITTED BY

- Owner or Tenant Name: _____
- Authorized Signatory Name: _____
(Authorized signatory name required if owner or tenant is not an individual but is an LLC, Trust, Corporation, etc.)
- Signature: _____

INSTRUCTIONS AND IMPORTANT INFORMATION

DEADLINE: All Prop. 218 Written Protest Forms must be received prior to the close of the CCSD Public Hearing on May 19, 2022. Pursuant to CCSD's Guidelines for the Submission and Tabulation of Protests (available from CCSD and posted on the CCSD website), a protest may only be submitted by the record owner of the property, the customer of record who signed the protest, or an individual authorized in writing to submit the protest on their behalf.

INSTRUCTIONS

- 1) Legibly complete and sign form.
- 2) Submit form via mail OR delivery to CCSD. (See addresses for mailing and delivery below.)

Mail to:
Cambria Community Services District
P.O. Box 65
Cambria, CA 93428

Deliver to:
Cambria Community Services District Office
1316 Tamsen Street, Cambria, CA 93428

OR during the Public Hearing:

Cambria Veterans Memorial Building
1000 Main Street, Cambria, CA 93428