

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. II.A.

FROM: Tammy Rudock, General Manager

Meeting Date: July 14, 2008 Subject: Public Hearing to Receive and Consider Protest/Support to Proposed Increase to Water and Sewer Rates, and Introduce Ordinance 03-2008 to Adopt Water and Sewer Rates for FY 2008/2009 and FY 2009/2010

RECOMMENDATIONS:

1. Receive staff report.
2. Open the public hearing for testimony and submittal or withdrawal of written protest/support statements.
3. Close public testimony and protest submittal period.
4. If it is apparent that a majority protest is not received, Ordinance 03-2008 will be introduced to adopt the water and sewer rates for FY 2008/2009 and FY 2009/2010.

FISCAL IMPACT:

RATE INCREASE REVENUE

<i>EFFECTIVE DATE/RATE</i>	<i>FY 2008/2009</i>	<i>FY 2009/2010</i>
9/1/08 – 12%	WATER: \$173,284 SEWER: \$172,000	WATER: \$207,940 SEWER: \$206,400
7/1/09 – 14%	N/A	WATER: \$271,709 SEWER: \$269,696

DISCUSSION:

The official notice describing the proposed water and sewer rate increases was mailed to customers on May 23, 2008. A total of 4,547 notices were mailed, including all property owners and tenant customers.

Increases to the bi-monthly base rate and per unit (ccf) rates for water and sewer services are proposed to the existing CCSD rates tiers and customer classifications (Residential and Commercial) as follows:

- 12% - Effective September 1, 2008 (*reflected in bill mailed November 10, 2008*); and
- 14% - Effective July 1, 2009 (*reflected in bill mailed September 10, 2009*).

The proposed bi-monthly water and sewer rate increases are necessary to:

1. Provide sufficient funds for capital outlay and capital improvements, including adequate revenues to cover debt service payments.
2. Support rehabilitation and repair of water and sewer infrastructure and facilities, including compliance with governmental regulations.
3. Build working capital reserves to reduce risk and prudently manage the CCSD's utility system resources.

The following tables reflect the bi-monthly water and sewer rates schedules:

Bi-Monthly Water Rates – Effective 9/1/08 and 7/1/09

Usage (ccf's)	Residential 12% 9/1/08	Residential 14% 7/1/09	Commercial 12% 9/1/08	Commercial 14% 7/1/09
Base Rate plus 0-6 units	\$ 24.30	\$ 27.70	\$ 55.18	\$ 62.91
7 – 15 per unit	\$ 6.17	\$ 7.03	\$ 6.83	\$ 7.79
16 – 20 per unit	\$ 6.31	\$ 7.19	\$ 6.97	\$ 7.95
21 – 30 per unit	\$ 6.43	\$ 7.33	\$ 7.09	\$ 8.08
31 – 40 per unit	\$ 6.57	\$ 7.49	\$ 7.22	\$ 8.23
41 – 50 per unit	\$ 7.09	\$ 8.08	\$ 7.63	\$ 8.70
51 – 60 per unit	\$ 7.37	\$ 8.40	\$ 7.88	\$ 8.98
61 – 70 per unit	\$ 7.63	\$ 8.70	\$ 8.29	\$ 9.45
71 – 80 per unit	\$ 7.88	\$ 8.98	\$ 8.55	\$ 9.75
80 + per unit	\$ 8.02	\$ 9.14	\$ 9.21	\$ 10.50

Bi-Monthly Wastewater Rates – Effective 9/1/08 and 7/1/09

Usage (ccf's)	Residential 12% 9/1/08	Residential 14% 7/1/09	Commercial 12% 9/1/08	Commercial 14% 7/1/09
Base Rate plus 0-1 units	\$ 63.34	\$ 72.21	\$ 63.34	\$ 72.21
2 + per unit	\$ 1.89	\$ 2.15	\$ 1.89	\$ 2.15

A sample 12-unit bill comparison, representing an average CCSD utility customer, was provided within the notice reflecting a total BI-MONTHLY increase of \$15.55 (or \$7.77 monthly), effective 9/1/08. The CCSD provided an “easy to use” bi-monthly utility bill calculator for customers on its website.

The proposed water and sewer rates include \$8.1 million debt financing using respective utility revenues for identified priority capital projects as follows:

Water - Project Description	Project Cost
Pine Knolls Storage Tank Replacement	3,517,000
Stuart Street Tank Fire Storage	1,100,000
Rodeo Grounds Pump Station Replacement	2,330,000
Total	6,947,000

Wastewater - Project Description	Project Cost
Biosolids Dewatering	1,201,000
Total	1,201,000

The debt issuance proceeds will allow for replenishment of water and sewer cash reserves, including expenditures for the following capital outlay items as approved in the CCSD's FY 2008-2010 Operating and Capital Budgets:

Water - Capital Outlay Description	<u>Cost</u>
Fire Hydrant Repair/Rehab - Commercial	98,000
Fiscalini Tank Rehab – Paint Exterior	20,000
Leimert Pump Station VFDs Repair/Rehab	6,000
2" Commercial Meters Rehab – AMR	25,000
GIS System	17,500
Water Master Plan	60,000
Geotech Investigation / 30% Design	1,320,000
EIS/EIR – Desal	25,000
SCADA System Rehab & Replacement	253,000
Moonstone Beach Bridge Utilities Relocation	47,000
Total	1,871,500

Wastewater - Capital Outlay Description	<u>Cost</u>
GIS System	17,500
SCADA System Rehab & Replacement	168,000
Moonstone Beach Bridge Utilities Relocation	100,000
Effluent Reservoir Repair/Rehab	30,000
Manholes Repair/Rehab (6)	30,000
WW Pump Station Capacity Repair/Rehab	10,000
Replace Chlorine Doors @ WWTP	15,000
Recycled Water Casing (Hwy 1/Cambria Drive)	20,000
Sanitary Sewer Management Plan	125,000
Influent Pump Station Electrical Panel Replacement	75,000
Wastewater Generators Replacement	175,000
WW Collection System Safety Improvements	100,000
Hydrogeological Modeling/SS Lagoon	100,000
WWTP Building Repair/Rehab	50,000
Total	1,015,500

Attachment: Ordinance 03-2008-----
 -----BOARD ACTION:Date _____ Approved: _____
 Denied: _____ UNANIMOUS: _____ COBIN _____ SANDERS _____ FUNKE-BILU _____ CHALDECOTT _____
 CLIFT _____



CAMBRIA COMMUNITY SERVICES DISTRICT

DRAFT

ORDINANCE NO. 03-2008

July 24, 2008

**ORDINANCE OF THE BOARD OF DIRECTORS
CAMBRIA COMMUNITY SERVICES DISTRICT
ADOPTING ADJUSTED WATER AND WASTEWATER RATES
FOR FISCAL YEARS 2008/2009 AND 2009/2010**

Section 1. FINDINGS

The Board of Directors of the Cambria Community Services District, hereby finds the following:

- A. Government Code Section 61115 provides that the Cambria Community Services District, hereinafter referred to as the "CCSD", may establish, revise and collect rates and other charges for the services and facilities furnished by it.
- B. The Board of Directors reviewed data during a budget and rates proposal workshop on May 13, 2008, and budget hearing on May 22, 2008, indicating the estimated costs to provide water and wastewater services, and capital improvements and outlay, and provided opportunities for public testimony on this analysis and associated recommendations.
- C. Official notice of the proposed water and sewer rates increases was mailed to each customer, including property owners and tenant customers, on May 23, 2008.
- D. The public hearing, noticed in the manner and for time required by law, was conducted by the Board of Directors on July 14, 2008, at which time all interested persons were afforded an opportunity to be heard on matters pertaining to the revision of water and wastewater rates.

Section 2 NOW, THEREFORE, BE IT ORDAINED that the Board of Directors of the Cambria Community Services District adopts the adjusted Water and Wastewater Rates as provided in Exhibit "A";

Section 3 BE IT FURTHER ORDAINED that the portion of the CCSD Code, Title 3, Revenue and Finance, Chapter 3.04, Article 2, § 3.04.020 referring to Water and Wastewater Rates is hereby repealed;

Section 4 BE IT FURTHER ORDAINED that CCSD Code Title 3, Revenue and Finance, Chapter 3.04, Article 2, § 3.04.020 is replaced with Water and Wastewater Rates provided in Exhibit "A," which shall become effective as follows:

12% - Effective September 1, 2008; and
14% - Effective July 1, 2009.

Section 5 Within fifteen (15) days of passage, this Ordinance shall be published one time in a newspaper of general circulation published within the Cambria Community Services District's jurisdictional boundaries, together with the names of said Board Members voting for and against the Ordinance.

On the motion of Director _____, seconded by Director _____, and the following roll call vote, to wit:

AYES:
NOES:
ABSENT:

Ordinance 03-2008 is hereby adopted.

Joan Cobin
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

Kathy Choate
District Clerk

Arther R. Montandon
District Counsel

CAMBRIA COMMUNITY SERVICES DISTRICT

ORDINANCE 03-2008
July 24, 2008

EXHIBIT "A"

The following tables reflect the bi-monthly water and sewer rates schedules:

Bi-Monthly Water Rates – Effective 9/1/08 and 7/1/09

Bi-

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Monthly

Wastewater Rates – Effective 9/1/08 and 7/1/09

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