

CAMBRIA COMMUNITY SERVICES DISTRICT

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REVISED

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

Dear Property Owner or Customer,

Cambria Community Services District (CCSD) is proposing to increase water, Sustainable Water Facility, and sewer rates over the next three years. The proposed rate increases are needed to fund the costs of providing service and phase-in funding for capital improvements to CCSD's aging water and wastewater facilities. CCSD will hold a public hearing to consider adopting the proposed rates as follows:

Date: October 4, 2018
Time: 2:00 p.m.
Place: Cambria Veterans Memorial Building
1000 Main Street, Cambria, CA 93428

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

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

NOTE: THE CCSD RECENTLY SENT A NOTICE REGARDING A PUBLIC HEARING THAT HAD BEEN SCHEDULED FOR AUGUST 30, 2018. THAT HEARING HAS BEEN CANCELLED. THIS IS A REVISED NOTICE WITH A NEW PUBLIC HEARING DATE.

IN ADDITION, PLEASE NOTE THAT PROTESTS RECEIVED PRIOR TO THE MAILING OF THIS REVISED NOTICE WILL NOT BE COUNTED. IF YOU SUBMITTED A PROTEST TO THE PREVIOUS NOTICE, YOU SHOULD CONSIDER SUBMITTING YOUR PROTEST AGAIN UNDER THIS REVISED NOTICE. A PROTEST FORM IS AVAILABLE ON THE CCSD WEBSITE LOCATED AT <https://www.cambriacsd.org/proposition-218> PROTESTS MAY BE MADE AGAINST ANY OF THE THREE INDIVIDUAL PROPOSED RATES (WATER, SUSTAINABLE WATER FACILITY, OR SEWER), OR AGAINST ALL THREE.

Rate Increases Needed to Fund Investment in Aging Infrastructure

CCSD's water and sewer utilities rely primarily on revenues from service charges to fund the costs of providing service. As such, water, Sustainable Water Facility, and sewer rates must be set at levels adequate to fund the costs of operating and maintaining the CCSD's water, Sustainable Water Facility, and sewer systems to support safe and reliable service. This includes costs for repairing and replacing aging infrastructure. Many of CCSD's facilities are approaching the end of their useful operating lives and need rehabilitation and/or replacement. These facilities include aging water and sewer pipelines, water pump stations, sewer lift stations, and CCSD's wastewater treatment facilities. Additional infrastructure improvements are needed to comply with regulatory requirements, including capital improvements to CCSD's Sustainable Water Facility and wastewater treatment plant.

The proposed rates are designed to phase in funding for capital improvements over the next three years, with the goal of supporting an ongoing funding stream adequate to gradually address CCSD's infrastructure needs. The Standing Infrastructure and Finance Committees will monitor the projects undertaken and expenditure of funds, including the increased revenue that may be gained through this proposed increase.

CCSD's rates are currently in the lower range compared to other local coastal communities. With the proposed rate increases, CCSD's rates are projected to remain in the lower to lower-middle range. CCSD is aware that the proposed rate increases will place an additional financial burden on ratepayers. Annual water, SWF and sewer rate increases described here will not be automatic and will be subject to approval by the Board of Directors prior to implementation.

Proposed Water Rates

CCSD is proposing to adopt water rate increases over the next three years as shown in the table below. CCSD's water rates include: 1) fixed charges levied on each account regardless of water use, and 2) water quantity charges billed based on metered water use in each billing period. CCSD currently bills customers on a bi-monthly basis (once every two months). For informational purposes, the table shows fixed service charges on both a monthly and bi-monthly basis. Residential customers pay a uniform fixed charge per account, plus water quantity charges billed via three graduated rate tiers increasing in price as water use increases. Commercial rates include a fixed charge that depends on meter size – with higher charges for customers with larger meter sizes that place more demand on the water system – plus a uniform volumetric rate for all water use. Quantity charges are billed in units of one hundred cubic feet (ccf), with 1 ccf equal to approximately 748 gallons.

Proposed Water Rates				
	Current Water Rates	Proposed Water Rates Effective On or After		
		November 1 2018	July 1 2019*	July 1 2020*
FIXED WATER SERVICE CHARGES				
Residential				
Monthly Charge	\$13.79	\$15.86	\$17.45	\$18.32
Bi-Monthly Charge	27.58	31.72	34.90	36.64
Commercial				
<u>Monthly Charge (based on meter size)</u>				
5/8" or 3/4"	\$13.79	\$15.86	\$17.45	\$18.32
1"	34.48	39.65	43.63	45.80
1-1/2"	68.95	79.30	87.25	91.60
2" & Larger	137.90	158.60	174.50	183.20
<u>Bi-Monthly Charge (based on meter size)</u>				
5/8" or 3/4"	\$27.58	\$31.72	\$34.90	\$36.64
1"	68.95	79.30	87.26	91.60
1-1/2"	137.90	158.60	174.50	183.20
2" & Larger	275.80	317.20	349.00	366.40
WATER QUANTITY CHARGES				
<i>Billed based on metered water use (\$/ccf)</i>				
Residential				
<u>Tier</u>	<u>Bi-Monthly</u>	<u>Monthly</u>		
Tier 1	First 4 ccf	First 2 ccf	\$7.03	\$8.08
Tier 2	4.01 - 16 ccf	2.01 - 8 ccf	9.19	10.57
Tier 3	> 16 ccf	> 8 ccf	10.25	11.79
			\$8.89	\$9.33
			11.63	12.21
			12.97	13.61
Commercial				
Rate for All Water Use	\$9.19	\$10.57	\$11.63	\$12.21

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

* Annual water rate increases will not be automatic and will be subject to approval by the Board of Directors

Proposed Sustainable Water Facility Rates

In 2014, CCSD adopted Emergency Water Supply Charges designed to fund the costs of financing and operating CCSD's Sustainable Water Facility (SWF), a brackish groundwater desalination system built to provide supplemental water supply during periods of water supply shortages. The rates included ongoing charges levied throughout the year as well as additional operating surcharges authorized to be levied only during periods when the SWF is operating to provide a supplemental water supply.

CCSD is proposing to a) phase in rate increases to the ongoing charges that apply year-round as shown on the table below, and b) eliminate the operating surcharges levied during periods of SWF operation. The proposed charges include: 1) fixed charges levied on each account regardless of water use, and 2) quantity charges billed based on metered water use in each billing period. CCSD currently bills customers on a bi-monthly basis (once every two months). For informational purposes, the table shows fixed service charges on both a monthly and bi-monthly basis.

Residential customers pay a uniform fixed charge per account. Commercial and other non-residential customers pay fixed charges that vary by meter size. SWF quantity charges are billed via three graduated rate tiers increasing in price as water use increases. Quantity charges are billed in units of one hundred cubic feet (ccf), with 1 ccf equal to approximately 748 gallons.

Proposed Sustainable Water Facility Rates						
		Current Rates	Proposed SWF Rates Effective On or After			
			November 1 2018	July 1 2019*	July 1 2020*	
FIXED SERVICE CHARGES						
Residential						
Monthly Charge		\$6.50	\$7.93	\$9.04	\$10.13	
Bi-Monthly Charge		13.00	15.86	18.08	20.26	
Commercial						
<u>Monthly Charge (based on meter size)</u>						
5/8" or 3/4"		\$13.00	\$7.93	\$9.04	\$10.13	
1"		21.67	19.83	22.60	25.33	
1-1/2"		43.34	39.65	45.20	50.65	
2" & Larger		69.34	79.30	90.40	101.30	
<u>Bi-Monthly Charge (based on meter size)</u>						
5/8" or 3/4"		\$26.00	\$15.86	\$18.08	\$20.26	
1"		43.33	39.66	45.20	50.66	
1-1/2"		86.67	79.30	90.40	101.30	
2" & Larger		138.67	158.60	180.80	202.60	
QUANTITY CHARGES						
<i>Billed based on metered water use (\$/ccf)</i>						
SWF Quantity Charges						
<u>Tier</u>	<u>Bi-Monthly</u>	<u>Monthly</u>				
Tier 1	First 4 ccf	First 2 ccf	\$1.50	\$1.75	\$1.99	\$2.23
Tier 2	4.01 - 16 ccf	2.01 - 8 ccf	3.00	3.50	3.99	4.47
Tier 3	> 16 ccf	> 8 ccf	4.50	5.25	5.98	6.70
SWF Operating Surcharges						
<i>Only charged during periods of facility operation</i>			<i>These charges are proposed to be eliminated</i>			

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

* Annual SWF rate increases will not be automatic and will be subject to approval by the Board of Directors.

Proposed Sewer Rates

CCSD is proposing to adopt sewer rate increases 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. CCSD currently bills customers on a bi-monthly basis (once every two months). For informational purposes, the table shows fixed service charges on both a monthly and bi-monthly basis.

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.

Proposed Sewer Rates				
	Current Sewer Rates	Proposed Sewer Rates Effective On or After		
		November 1 2018	July 1 2019*	July 1 2020*
FIXED SEWER SERVICE CHARGES				
All Accounts				
Monthly Charge	\$30.29	\$35.74	\$41.10	\$46.03
Bi-Monthly Charge	60.57	71.48	82.20	92.06
SEWER QUANTITY CHARGES				
<i>Billed based on metered water use (\$/ccf)</i>				
Residential	\$3.50	\$4.13	\$4.75	\$5.32
Commercial				
<u>Wastewater Class</u>				
Class 1: Low Strength	\$3.07	\$3.62	\$4.16	\$4.66
Class 2: Medium Strength	3.50	4.13	4.75	5.32
Class 3: Mod/High Strength	5.39	6.36	7.31	8.19

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.

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

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

* Annual sewer rate increases will not be automatic and will be subject to approval by the Board of Directors

