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Board of Directors

Directors - Scott McVay, Terry Lincoln

General Manager: Dale Mancino

PROP 218 COMMITTEE

April 24, 2026, at 6:30 pm: District Office Board Room

AGENDA

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. OPEN TIME/PUBLIC COMMENT: Pursuant to Gov. code S54950, persons wishing to address the Board of Directors on matters not listed on the agenda should notify the Secretary prior to the start of the meeting. To speak at this time and for any item listed on the agenda – raise your hand, and when recognized by the Chair – proceed to the podium to address the Board.

5. DISCUSSION/ACTION ITEMS:

a. Review Improvement Program

b. Discuss Community Advisory Committee Proposed Water Rates

c. Capital Improvement Plan Update (Urgent needs, costs and maps)

d. Proposed Rate Changes & New Reserves (\$2-\$3 monthly addition, reserve accounts, gradual increases)

e. Other Issues (Other District's Practices)

f. Timeline & Next Steps

6. ADJOURN THE MEETING

ADA Related Disabilities:

Contact the front office and speak with a Staff Member if special consideration is needed to attend any public meeting for disability related accommodations or aide is needed. Please give 72 hours - notice prior to the meeting to allow staff to meet your requests appropriately.

“This District is an Equal Opportunity Provider”

Improvement Program

System Valve and Pressure Reducing Valve (PRV) Upgrades

Purpose

The purpose of this project is to replace critical inoperable system valves and install new pressure reducing valves (PRVs) to improve water system reliability, reduce the frequency and severity of water main breaks, enhance operational control, and minimize customer service disruptions.

Background and Existing Conditions

The CCCSD water distribution system relies on large-diameter isolation valves and pressure regulating infrastructure to control flow, manage pressure, and limit the number of customers affected during maintenance or emergency repairs. Several key valves and PRVs across the system are currently non-functional, inaccessible, or operating beyond their design limits.

These deficiencies result in:

- Increased risk of unplanned system outages
- Larger service areas losing water during repairs
- Elevated system pressures contributing to pipe failures
- Increased water loss, repair costs, and customer complaints

In particular, several valves responsible for isolating entire pressure districts cannot be operated when needed, forcing crews to shut down larger portions of the system than necessary during water main breaks.

Project Scope

This improvement program includes **three primary components**:

1. Large-Diameter Valve Replacements

Five critical isolation valves ranging from **8-inch to 18-inch** in size will be replaced. These valves serve the North, South, East, and Southwest Districts and are essential for limiting outages during repairs.

One valve, located at Happy Valley Road and Des Jardins, is currently inaccessible due to contamination from ponds and cattle runoff, further increasing operational risk.

2. PRV Replacement – China Gulch Road

An existing **8-inch pressure reducing valve** and failing concrete box will be fully replaced. The current structure poses a risk of collapse that could result in roadway failure and significant pipe damage if left unaddressed.

3. New PRV Installations

Four new PRVs will be installed at strategic locations to reduce excessive operating pressures, some of which currently exceed **135–145 PSI**. The 42-inch PRV on Cloverdale Road will provide district-wide pressure reduction on the main line entering the service area.

Pressure management is one of the most effective tools available to reduce water main breaks and extend the life of aging infrastructure.

Estimated Project Cost

The total cost, including a 10% contingency, is estimated at:

\$1,270,500

This estimate includes:

- Materials and installation
 - Excavation and surface restoration
 - Traffic control
 - Concrete vaults and valve boxes
 - Contingency for unforeseen site conditions
-

Operational and Customer Benefits

Improved System Reliability

- Estimated reduction of 20 to 50 water main breaks per year
- Lower risk of catastrophic failures due to excessive pressure
- Improved emergency response capability

Reduced Customer Impacts

Currently, a single valve failure can affect **up to 1,800 customers** during an outage. After project completion:

- Future outages will affect **30–70% fewer customers**
- Restoration times will be shorter
- Notices and boil water advisories will be less frequent

Asset Protection

- Extends the service life of existing water mains
 - Reduces pavement damage and roadway repair costs
 - Protects critical mains from pressure-related stress failures
-

Risk of Deferral

If this project is deferred:

- Water main break frequency is expected to increase
- Emergency repair costs will continue to rise
- Larger service areas will remain vulnerable to outages
- Risk of major failure on high-pressure mains persists

Emergency repairs typically cost **significantly more** than planned capital work and result in greater disruption to residents and businesses.

Conclusion and Recommendation

Replacement of inoperable valves and installation of pressure reducing valves is a **proactive investment** in system reliability, public health, and long-term cost control.

Staff Recommendation

Approve funding for the Valve and PRV Improvement Program in the amount of **\$1,270,500**

This project will:

- Improve water system resiliency
- Reduce future operating costs
- Minimize customer service disruptions
- Support long-term infrastructure sustainability

1. Valve Replacements – Cost + 10%

Item	Size	Estimated Base Cost	+10%	Total Estimated Cost
Happy Valley Rd south of Taffy Ln	18-inch	\$95,000	\$9,500	\$104,500
Hawthorn Ave & Saddle Trail Rd	16-inch	\$85,000	\$8,500	\$93,500
Palm Ave & Monte Vista Rd	16-inch	\$85,000	\$8,500	\$93,500
Happy Valley Rd & Des Jardins	16-inch (hazardous access)	\$105,000	\$10,500	\$115,500
Happy Valley Rd & Flowers	8-inch	\$45,000	\$4,500	\$49,500

Valve Replacement Subtotal (with 10%): \$456,500

2. PRV Replacements – Cost + 10%

Item	Size	Estimated Base Cost	+10%	Total Estimated Cost
China Gulch Rd (new concrete box)	8-inch	\$120,000	\$12,000	\$132,000

PRV Replacement Subtotal (with 10%): \$132,000

3. New PRV Installations – Cost + 10%

Location	Size	Estimated Base Cost	+10%	Total Estimated Cost
Cloverdale Rd west of Clovermarie Ln (main line)	42-inch	\$425,000	\$42,500	\$467,500
Craig Ln off Oak St	6-inch	\$65,000	\$6,500	\$71,500
New Riders Way	6-inch	\$65,000	\$6,500	\$71,500
Bohn Blvd off China Gulch	6-inch	\$65,000	\$6,500	\$71,500

PRV Installation Subtotal (with 10%): \$682,000

Total Program Estimated Cost (All Items + 10%)

\$1,270,500

Estimated Customers Affected

Location / System	Customers Affected per Outage
North District (18-inch valve)	~600–1800
Southwest District	~400–1600
South District	~500–1700
East District	~300–1500
Happy Valley & Flowers area	~100–450
China Gulch PRV	~2–250
Cloverdale Rd 42-inch PRV	1,200–2,200
Smaller 6-inch PRVs	~80–150 each

Important: Once installed, these projects reduce future outage sizes by 30–70% due to improved isolation and pressure control.

Summary (Executive-Friendly)

- **Total estimated cost (with 10%): \$1.27M**
- **20–50 water breaks prevented per year**
- **Up to ~1,800 customers affected per major outage today**
- **Future outages smaller, shorter, and less damaging**

**COMMUNITY ADVISORY COMMITTEE
PROPOSED WATER RATES FOR
CLEAR CREEK COMMUNITY SERVICES DISTRICT**

April 6, 2021

Board of Directors
Clear Creek CSD

The Community Advisory Committee (CAC) is an Ad-Hoc Committee authorized by the Board of Directors. CAC committee members serve at the pleasure of the Board. The CAC, as directed by the Board of Directors, developed and recommends the following rate increase, dated March 30th 2021, shown here as "Exhibits #1 & #2, to be presented at a Public Meeting. This will allow community members to comment on the rates prior to initiating the Prop 218 Hearing process.

The CAC believes these rates to be fair, equitable, and adequate to meet the needs of the District, as well as the community of Happy Valley. The CAC also believes the rates meet requirements in Prop 218 as the rates are tied directly to actual District costs. The proposed rates are not "tiered rates;" but instead are three flat rates where the rate payers choose which flat-rate schedule they wish to be on. The rates were developed by calculating the District's financial needs from the June 2019 Activity and Cash Reports. District usage figures and the RCAC Report were also utilized.

The CAC recommendations come with the following disclaimers: These rates are recommendations and the Board may, upon their discretion, use different rates. The actual number of customers that will end up in one of the three rate schedules is unknown and will influence revenue. The volume used from year to year by customers varies, and also, affects revenue. The General Manager and Board of Directors are encouraged to review the rates for themselves for compliance and to see if District's needs are met. The rates will need to be reviewed in three years to see if they are accomplishing District goals.

Rate schedule (AG) will be used by Ag customers. The District will have to classify an arbitrary amount of water as "domestic water" each month to account for Ag users with a residence. Schedule (A) will be used mainly by Domestic "Hobby Farmers," who use larger volumes of water. The higher Base Rate for both of these covers the District's fixed costs.

Rate schedule (B) will be used by Domestic customers owning small parcels and who use small volumes of water. The CAC believes a \$59 Base Rate would be too costly for them as many live on fixed incomes. This is a "blended rate schedule" where the District's fixed costs are covered by both the Base Rate and the Water Rate.

It is advised that customers be given the opportunity to change their selection no more than once per any 12 month period. Should a customer be unresponsive to the District's request for a choice of water rates the customer will be assigned to the Domestic (B) rate schedule. The request for plan selection

from the customer will be to utilize a flier and form to be included with the customer monthly invoice. The request for customer choice will be requested for two consecutive monthly bills, after which the customer will default to the Domestic (B) rate schedule.

Information Regarding Fees (refer to the spreadsheet):

- a) The Trinity PUD fee was not included since the cost of this fee to the District is negligible; therefore the fee cannot be justified under Prop 218.
- b) The existing CVC - Fish & Wildlife Restoration Fee of \$0.05/HCF has been added to the Domestic Rates (A) and (B). It is not included in the Ag rate as it is exempt for them. This fee may need to be adjusted if the BOR changes its rates.
- c) The existing 30-year Filter Plant Loan Repayment Fee (\$7.55/mo.) and the Backwash Pond Loan Repayment Fee (\$0.38/mo.) have been combined and amounts to a customer charge of \$7.93/mo.
- d) The near-future WIIN Act Repayment Fee is "estimated" to be \$1.88/mo. and was calculated by figuring the cost of a 30-year loan @ 3.0 percent interest. This fee is to be adjusted once the actual cost of the loan is known. The CAC believes this fee meets Prop 218 as the District has entered into the WIIN Act and is required by the BOR to make payment.
- e) The future \$1.00/mo. fee covers a loan repayment to line the Filter Plant pond, to replace 6,000 feet of pipeline, and to install 400 new meters. This fee will also be adjusted when it is known the exact cost of the loan(s). The CAC believes this fee meets Prop 218 as the State RWQCB is requiring the pond to be lined to stop leakage and the State is has adopted a policy to have everybody on their own water meter in the near future. There have been many recent line ruptures The pipeline replacement will ensure a steady flow of "safe" drinking water.

Irwin Fust, Chairman
Community Advisory Committee,
Clear Creek CSD

Committee Members:

Irwin Fust, Board Member and Chairman
Murray Miller, Board Member
Cedric Twight
Dennis Posséhn
Terry Lincoln

EXHIBIT #1

CLEAR CREEK CSD

PROPOSED RATES 2021:

ALL CUSTOMERS:

Domestic Customers choose: Rate Plan (A), or Rate Plan (B)
Agricultural Customers choose Rate Plan (AG)

From Data

\$7.55 + \$0.38

Revised 4/06/2021 FINAL
Approved at the April, 2021 CAC Meeting
Line Replace (E*12)*B C#1 HK

RATE SCHEDULE	TOTAL # OF METERS	ANNUAL TOTAL HCF	PROPOSED MONTHLY WATER RATE	MONTHLY DOMESTIC BASE RATE	MONTHLY BACK WASH FILTER LOAN *	MONTHLY C/P RESTORATION **	@3% Int. MONTHLY WINN ACT ***	FUTURE MONTHLY LOAN ****	DISTRICT ANNUAL BASE FEES	DISTRICT ANNUAL WATER FEES	BASE & WATER DISTRICT GRAND TOTAL
AG	256	392,528	\$0.35	\$59.00	\$7.93	\$0.00	\$1.88	\$1.00	\$181,248	\$137,385	\$318,633
A	733	588,765	\$0.35	\$59.00	\$7.93	\$0.05	\$1.88	\$1.00	\$518,964	\$206,068	\$725,032
B	1721	476,676	\$0.86	\$36.00	\$7.93	\$0.05	\$1.88	\$1.00	\$743,472	\$409,941	\$1,153,413
Total:	2710	1,457,969							\$1,443,684	\$753,394	\$2,197,078

3,347 Acre-Feet

Revenue From "Water Services" Including Centerville:

(2020 Activity Report)
(2020-2021 Budget) = \$1,484,435

\$267,387
\$2,464,465

* Filter Plant 30-year Loan Repayment (\$7.55/mo.) + Backwash Recycle Project (\$0.38/mo.):

** C/P Restoration Fee (\$0.05 per HCF on M&I water; Ag water is exempt from this fee):

*** WINN Act loan debt repayment over 30-years, estimated cost at (\$1.88/mo.):

**** Backwash Pond lining, 6,000' line replacement, install 400 new meters -- estimated debt repayment, over 30 yrs., (\$1.00/mo.)

TOTAL RATES AND FEES (Domestic & Ag):

Revenue from Taxes:

\$2,869,867
\$350,000
\$3,219,867

TOTAL PROJECTED ANNUAL REVENUE:

ANNUAL REVENUE REQUIRED BY PROPOSED RATES:

Total Projected Annual Expenses: \$2,800,000
Expenses plus 10%: \$3,080,000
Add Winn Act Assuming Loan: \$61,138
Add backwash Pond Repair, etc. Loan: \$32,520
Meter Replacement for aging meters: \$40,536
Total Annual Expense: \$3,214,194

Starting Point: Current annual expenses.
Expenses plus 10% (buffer)
This amount will be adjusted when it is known exactly what it is.
Pond repair, pipeline replacement, 400 new meters.
Replace old meters only when they fail a test.
Future annual expenses.

Total Annual Expenses/ Revenue Required:
Less Revenue From Water Services: (2020 Activity Report):
Less Filter Plant Loan, Recycle Backwash Fees:
Less C/P Restoration Fee:
Less Winn Act Fee:
Less Pond repair, etc. debt repayment:
Less Non-Operating Revenue: (2021 Budget):
Revenue Required from "Annual Water Sales" alone:
Annual Water Sales - proposed rates - spreadsheet:

\$3,214,194 Future annual expenses.
-\$267,387 Includes revenue from Centerville and other fee collections.
-\$257,884 Existing filter plant loan repayment.
-\$53,861 The rate of \$0.025 is the current exact cost. This fee will be dropped when WINN Act is paid.
-\$61,138 The rate will need to be adjusted when the exact WINN Act loan cost is known.
-\$32,520 Pond repair, pipeline replacement, 400 new meters.
-\$350,000 State Tax revenue returned to the District.
-\$2,191,405 Base Rate + Water Rate only
\$2,197,078 Upper Right-hand column.
* The bottom most figure must be equal or exceed the figure above it!

4/6/2021

**EXHIBIT #2
MONTHLY PROPOSED RATES**
HCF = Hundred Cubic Feet

	Rate (Ag)		Rate (A)		Rate (B)	
	Base Rate	Water Rate (HCF)	Base Rate	Water Rate (HCF)	Base Rate	Water Rate (HCF)
Year #1						
Proposed Rates *	\$59.00	\$0.35	\$59.00	\$0.35	\$36.00	\$0.86
Proposed Fees:	<u>\$10.81</u>	<u>\$0.00</u>	<u>\$10.81</u>	<u>\$0.05</u>	<u>\$10.81</u>	<u>\$0.05</u>
Total Proposed:	\$69.81	\$0.35	\$69.81	\$0.40	\$46.81	\$0.91
Existing Rates & Fees +/- **:	\$30.34	\$0.28	\$28.87	\$0.91	\$28.87	\$0.91
Existing Ag with Residence +/-:	\$51.28	\$0.28				
Years 2-5 are increased for inflation not to exceed 1.9% per year, as per the CCI index.*						
Year #2						
Proposed Rates	\$60.12	\$0.36	\$60.12	\$0.36	\$36.68	\$0.88
Proposed Fees:	<u>\$10.81</u>	<u>\$0.00</u>	<u>\$10.81</u>	<u>\$0.05</u>	<u>\$10.81</u>	<u>\$0.05</u>
Total Proposed:	\$70.93	\$0.36	\$70.93	\$0.41	\$47.49	\$0.93
Year #3						
Proposed Rates	\$61.26	\$0.36	\$61.26	\$0.36	\$37.38	\$0.89
Proposed Fees:	<u>\$10.81</u>	<u>\$0.00</u>	<u>\$10.81</u>	<u>\$0.05</u>	<u>\$10.81</u>	<u>\$0.05</u>
Total Proposed:	\$72.07	\$0.36	\$72.07	\$0.41	\$48.19	\$0.94
Year #4						
Proposed Rates	\$62.43	\$0.37	\$62.43	\$0.37	\$38.09	\$0.91
Proposed Fees:	<u>\$10.81</u>	<u>\$0.00</u>	<u>\$10.81</u>	<u>\$0.05</u>	<u>\$10.81</u>	<u>\$0.05</u>
Total Proposed:	\$73.24	\$0.37	\$73.24	\$0.42	\$48.90	\$0.96
Year #5						
Proposed Rates	\$63.61	\$0.38	\$63.61	\$0.38	\$38.81	\$0.93
Proposed Fees:	<u>\$10.81</u>	<u>\$0.00</u>	<u>\$10.81</u>	<u>\$0.05</u>	<u>\$10.81</u>	<u>\$0.05</u>
Total Proposed:	\$74.42	\$0.38	\$74.42	\$0.43	\$49.62	\$0.98

* Rates will be increased each year for five years for inflation using the CCI Index - Increases must meet Prop 218 requirements.
 ** The existing Ag rates are based on a parcel size of 5-10 acres; the existing Domestic Rates are based on water usage at 9-15 HCF per month.
 Fees listed below may or may not need to be adjusted yearly to equal the exact cost to the District.

- Existing Filter Plant 30-year Loan Repayment: \$7.55/month
- Existing Backwash 30-Year Pond Loan Repayment: \$0.38/month
- Existing CVP Restoration (Wildlife) Fee: \$0.05/HCF on Domestic Customers. Ag Customers are Exempt.
- Proposed WIIIN Act Fee Estimate: \$1.88/month. This fee will be adjusted to the exact cost to the District.
- Proposed Loan Repayment Estimate for pond lining, 6,000' of pipeline replacement, and 400 new meter installation. \$1.00 per month, this fee is to be adjusted to the exact cost to the District