

NOTICE OF PUBLIC HEARING
ON PROPOSED DRINKING WATER RATES
FOR THE CLEAR CREEK COMMUNITY SERVICES DISTRICT

Public Hearing, August 30, 2021, at 6:30 PM at the Happy Valley Elementary School (17480 Palm Avenue)

WHY ARE YOU RECEIVING THIS NOTICE?

This notice is being furnished to you by The Clear Creek Community Services District [CCCSD] pursuant to the California Constitution Article XIII Section D, Section 6(a) (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 CCCSD will hold a public hearing to consider changes to its current water rates.

WHAT DO WATER RATES FUND?

The CCCSD provides water services to 2,710 connections. 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 CCCSD is committed to responsible financial management of our public water system.

WHY ARE RATE CHANGES REQUIRED?

A complete budget review and analysis has been done by the Community Advisory Committee in conjunction with District staff to develop a Rate Increase Proposal Rationale document. This analysis examined the cost to provide water services with the objective of striking a better balance between fixed and variable revenues while continuing to promote a fair and equitable structure that was as affordable as possible to 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 CCCSD also recently completed an analysis of the capital replacement requirements. All the capital assets of the CCCSD were reviewed and an estimated replacement timeframe and cost were assigned. These replacements will be funded with grants and the proposed rate adjustments.

HOW ARE RATES CALCULATED?

The proposed rate structure for water service fees has 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 CCCSD's fixed costs of operating and maintaining the water system and is based on these costs divided by the total number of customers/connections served by the District. The variable component of the rate structure is based on water consumption. **The variable usage rate will be charged from the first 100 cubic feet (748 gallons) of water used. This means the first 2 Units (200 CF) will no longer be included with the base rate.** Also, Ag water costs the District an estimated \$.125/more per unit if Bureau of Reclamation water is purchased. **In drought years, District costs have been higher historically because Bureau water allocation reductions cause the District to acquire**

more expensive sources of water to cover the difference. This proposal will establish water rates during a drought based on the actual cost of those alternate sources of water during the next 5 years.

NEW RATES

Water rates will adjust over a five-year period and will be evaluated annually for their effectiveness. Over a five-year period, the CCCSD will become more financially sustainable with revenue that covers the expenses and begins to replenish required reserves. Year 1 will have a base rate of \$55. Year two will have a \$55 base rate plus 1.9% and a water usage rate increase of 1.9%. Years 3 to 5 will see an increase of 1.9% in both the base rate and usage rates. Water rates will also be adjusted over a five-year period based on the Bureau of Reclamation water rate schedule and the cost of chemicals and labor to treat the water during that current water year. The base rate does not include additional fees. Those are included in the table below and more information about them can be found in the *Rate Increase Proposal and Rationale* document available on the District website or at the District office.

PLEASE NOTE: A drought usage rate will go into effect when the appropriate stage of the drought policy and subsequent drought restrictions are enacted by ordinance of the Board of Directors. When the Board enacts this provision, the water usage rate will increase to cover additional expenses incurred by the District to provide water from our wells and other sources. For the formula used to calculate this rate, please see *Appendix 5* of the *Rate Increase Rationale and Proposal* document.

Rate Plan	Year 1: By September 1, 2021	Year 2: By July 1, 2022	Year 3: By July 1, 2023	Year 4: By July 1, 2024	Year 5: By July 1, 2025
Ag	Monthly Base Rate: \$55 Usage Rate¹: \$.47/Unit (HCF)	Monthly Base Rate: \$56.05 Usage Rate: \$.48/Unit (HCF) + TBD Bureau Costs ²	Monthly Base Rate: \$57.11 Usage Rate: \$.49/Unit (HCF) + TBD Bureau Costs	Monthly Base Rate: \$58.20 Usage Rate: \$.50/Unit (HCF) + TBD Bureau Costs	Monthly Base Rate: \$59.31 Usage Rate: \$.51/Unit (HCF) + TBD Bureau Costs
Domestic	Monthly Base Rate: \$55	Monthly Base Rate: \$56.05	Monthly Base Rate: \$57.11	Monthly Base Rate: \$58.20	Monthly Base Rate: \$59.31

¹ Includes the CVP Restoration Fee (\$.05 per 100 CF on M&I water; AG water is \$.025/HCF) which is determined annually.

² The Normal Year Water Usage Rate will be calculated annually to directly reflect the current Bureau of Reclamation water rate schedule for all costs associated with applicable M&I and Irrigation water categories along with their corresponding CVP Restoration fees. The rates indicated are estimates. The formula that will be used to calculate the costs at the time is shown in Appendix 6. Rates will be adjusted with a 30-day notification.

	Usage Rate: \$.37/Unit (HCF)	Usage Rate: \$.38/Unit (HCF) + TBD Bureau Costs	Usage Rate: \$.39/Unit (HCF) + TBD Bureau Costs	Usage Rate: \$.40/Unit (HCF) + TBD Bureau Costs	Usage Rate: \$.41/Unit (HCF) + TBD Bureau Costs
Drought	Usage Rate: \$.93/HCF +TBD actual additional costs incurred by the District per HCF with a 30-day notice.	Usage Rate: Actual additional cost incurred by the District per HCF with a 30-day notice.	Usage Rate: Actual additional cost incurred by the District per HCF with a 30-day notice.	Usage Rate: Actual additional cost incurred by the District per HCF with a 30-day notice.	Usage Rate: Actual additional cost incurred by the District per HCF with a 30-day notice.
Other Monthly Fees and Charges	\$7.55 – Filter Plant Loan \$.38 – Backwash Recycle \$1.88 – WIIN Act Repayment Reserves \$1.00 – State Loan Repayment Reserves Total: \$10.81 Per Month	\$7.55 – Filter Plant Loan \$.38 – Backwash Recycle \$1.88 – WIIN Act Repayment Reserves \$1.00 – State Loan Repayment Reserves Total: \$10.81 Per Month	\$7.55 – Filter Plant Loan \$.38 – Backwash Recycle \$1.88 – WIIN Act Repayment Reserves \$1.00 – State Loan Repayment Reserves Total: \$10.81 Per Month	\$7.55 – Filter Plant Loan \$.38 – Backwash Recycle \$1.88 – WIIN Act Repayment Reserves \$1.00 – State Loan Repayment Reserves Total: \$10.81 Per Month	\$7.55 – Filter Plant Loan \$.38 – Backwash Recycle \$1.88 – WIIN Act Repayment Reserves \$1.00 – State Loan Repayment Reserves Total: \$10.81 Per Month

* The Base Rate is \$55/month of fixed costs/basic reserves. The other monthly fees and charges are in addition to this and include: \$1.88/month estimated costs for the WIIN Act Loan Reserve and \$1/month estimated costs for the State Bond Loan reserve for system upgrades.

**The usage rate includes the CVP Restoration Fee (\$.05 per 100 CF on M&I and \$.025/HCF for AG water).

MEETING & PROTEST

The purpose of the public hearing is for the CCCSD 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 water rates, (3) provide the parcel APN or CCCSD account number, 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.

Written protests must be submitted by mail to CCCSD, District Office, 5880 Oak St, Anderson, CA 96007, or in person at the public hearing on August 30, 2021, so long as they are received **prior to the start of the public hearing**. CCCSD staff will **not accept** protest letters at the office as they all must be mailed to the address above or delivered in person at the August 30, 2021, public hearing before 6:30 PM. Please identify on the front of the envelope of any protest, whether mailed or submitted in person, that the enclosed letter is for the Proposed Adjustments of the Water Rates. **A sample written protest is included in the *Rate Proposal Rationale* document that is available on our website.**

During the August 30, 2021, public hearing the written protests will be tallied by an impartial person. At the conclusion of the public hearing on August 30, 2021, the CCCSD 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 August 30, 2021, public hearing, written protests against the rate adjustments are not presented, as outlined above, by a majority (over 50%) of the owners or renters of the identified parcels upon which the new rates are proposed to be imposed, the CCCSD Board of Directors will be authorized to impose the rate adjustments as presented here.

The CCCSD Directors and staff encourages questions regarding this proposal, and appointments will be accepted to review estimated future monthly water bills for concerned customers (**these individual calculations cannot be done at the public hearing**). Questions or comments can be directed to CCCSD Staff at 530-357-2121.

Reminder:

Public Hearing, August 30, 2021, at 6:30 PM at the Happy Valley Elementary School (17480 Palm Avenue)

Thank you,

Clear Creek Community Services District