



Notice of Public Hearing on Proposed Water Rate Increases



Date: **September 28, 2023**

Time: **6:00 pm**



JOIN US IN PERSON

San Miguel Senior Center
601 12th Street San Miguel, CA

Dear Property Owner or Customer of Record,

The San Miguel Community Services District (the District) is proposing to gradually phase in water rate increases over the next five years to support operating and maintenance needs and provide adequate funding for capital improvements that will support safe and reliable service. The rates shown in this notice are the proposed maximum rates to be authorized. The District will periodically review its financial position to determine the necessary rate

increases. The District's utilities are self-supporting and rely on service charge revenues to meet annual funding needs. As such, water rates need to be set at levels adequate to fund the costs of providing service. The proposed rate increases are phased in over the next five years, with the first rate increases scheduled to become effective for service provided on and after **October 16, 2023**. The proposed rates are based on a recently updated Water Rate Study, developed by an independent rate consultant, and reflects substantial input from District staff.



Proactively replacing aging pipelines to prevent breaks and reduce costly emergency repairs

A large portion of the District's infrastructure remains from when it was originally installed in the 1940's. When the pipes become weak, damaged or are simply old, they are in danger of breaking and resulting in water leaks that can cause property damage and are expensive to fix. Our staff is strategically identifying pipelines most in need of repair or replacement and performing scheduled shutdowns on the pipes that need it most. The rate increases approved in 2018 allowed the District to qualify and receive over \$400,000 in grants for the water system. This amounts to about \$445 received per water customer. The District is pursuing grants to offset some of the costs of upcoming projects and anticipates receiving about \$450,000 in grants by the end of 2023.

The District is working to rehabilitate and replace old pipelines and other aging facilities.

Community Input & Written Protest Procedures

Customers, property owners, and community members are invited to attend the Public Hearing to provide input. Customers and property owners 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 rate increases. Protests or comments submitted by e-mail, fax or other electronic means are not counted as written protests. The proposed rates cannot be adopted if written protests are received from a majority (more than 50%) of affected parcels with one protest counted per parcel. Written protests can be mailed or hand delivered to the District's office at 1765 Bonita, San Miguel, CA 93451, or may be hand-delivered to the Board Clerk at the Public Hearing on **September 28, 2023** at 601 12th Street, San Miguel, CA 93451. Written protests must be received by the Board Clerk before the close of the Public Hearing on **September 28, 2023**.

Pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fees. This statute of limitations applies to the water and wastewater service charges proposed in the notice and future changes to water and wastewater rates and charges.

PUBLIC HEARING DATE HAS CHANGED



The District makes every effort to reduce costs before asking customers for additional rates

As a public utility, the District does not profit from charges for services. Pursuant to California law, all funds collected are used to pay for the costs of operating, maintaining our utilities, and investing in our infrastructure. We understand that rate increases place additional burden on our customers, particularly people on fixed incomes, and we plan to evaluate our finances and rates in an on-going manner to ensure rates continue to recover the costs of providing service without unnecessary increase.

Proposed Maximum Water Rates

The District is proposing to phase in a series of annual water rate increases over the next five years with the maximum allowable rates being those shown in the table below. Water rate increases are needed to support water system operating expenses, provide adequate funding for maintenance of facilities and equipment, meet annual debt service funding requirements, keep up with cost inflation, and help ensure continued compliance with regulatory requirements. The proposed water rates also help support high-priority capital improvements to the District’s aging water system infrastructure to support safe and reliable service. The District’s water rates include a number of components including:

- **Fixed Monthly Service Charges:** These charges are levied independently of water use and are based on the size of each customer’s water meter.
- **Volumetric Charges:** As proposed, all customers are billed a uniform rate for all water use. Water volumetric charges are billed in units of 100 cubic feet.

| Volumetric Rates | Current Rates | Proposed Oct. 16, 2023 | Proposed July 16, 2024 | Proposed July 16 2025 | Proposed July 16, 2026 | Proposed July 16, 2027 |
|---|---------------|---------------------------|------------------------|-----------------------|------------------------|------------------------|
| Single-Family Residential Volumetric Rates | | | | | | |
| <i>Existing Structure</i> | | <i>Proposed Structure</i> | | | | |
| (0-5 CCF) | \$0.00 | (All Use) \$5.75 | \$6.04 | \$6.35 | \$6.67 | \$7.01 |
| (6-12 CCF) | \$4.77 | | | | | |
| (>12 CCF) | \$7.97 | | | | | |
| Non-Residential Volumetric Rates | | | | | | |
| <i>Existing Structure</i> | | <i>Proposed Structure</i> | | | | |
| (0-5 CCF) | \$0.00 | (All Use) \$5.75 | \$6.04 | \$6.35 | \$6.67 | \$7.01 |
| (>5 CCF) | \$5.55 | | | | | |
| Monthly Fixed Rates by Meter Size | Current Rates | Proposed Oct. 16, 2023 | Proposed July 16, 2024 | Proposed July 16 2025 | Proposed July 16, 2026 | Proposed July 16, 2027 |
| All Customers Monthly Fixed Rates | | | | | | |
| <i>Meter Size</i> | | | | | | |
| 1" and Below | \$53.09 | \$32.30 | \$33.92 | \$35.62 | \$37.41 | \$39.29 |
| 1 1/2" | \$88.34 | \$64.60 | \$67.83 | \$71.23 | \$74.80 | \$78.54 |
| 2" | \$130.64 | \$103.36 | \$108.53 | \$113.96 | \$119.66 | \$125.65 |
| 6" | \$722.87 | \$646.00 | \$678.30 | \$712.22 | \$747.84 | \$785.24 |

The District is committed to operating as cost-effectively as possible while providing safe and reliable service! For questions or more information about the District or the proposed rates, please contact us at 805-467-3388 or kelly.dodds@sanmiguelcsd.org or visit our website at www.sanmiguelcsd.org.

PUBLIC HEARING DATE HAS CHANGED