

NOTICE OF PUBLIC HEARING

Proposed Increase of Water Rates

The Cuyama Community Services District (CCSD) Board of Directors will hold a public hearing to consider proposed increases in monthly base rate and water usage charges and an additional monthly surcharge. Interested parties are invited to attend:

Date: Thursday, November 16, 2023
Time: 6:00 p.m.
Place: Montgomery Hall-Cuyama Valley Recreation District Center
4885 Primero Street, New Cuyama, Ca 93254

Explanation of Monthly Water Meter and Usage Charge Increase and Surcharge

The CCSD Board of Directors has proposed an increase to all water rates to be paid by CCSD customers, subject to a public hearing. If adopted, the proposed monthly base rate and water usage charge increases will take effect on January 20, 2024 and the surcharge on February 1, 2024. A detailed table of proposed rates for a five-year plan is provided at the end of this notice.

CCSD owns and manages the water resources of the District, along with the sewer system and the wastewater treatment facilities of the District.

Revenue generated from customer water and sewer bills is used to pay for the ongoing operation, maintenance, and repair of the water and sewer systems. It will be necessary to implement base rate increases to keep up with the high rate of inflation and the need to maintain equipment and facilities of an aging infrastructure.

When a Complaint for Comprehensive Groundwater Adjudication of the Cuyama Valley Groundwater Basin was filed in 2021, CCSD contracted Best Best & Krieger, Attorneys at Law, for their professional services to represent CCSD and protect its rights to supply water to its customers. Although the importance of representation is realized, these legal fees had a significant impact on the District's operating expenses at a cost of nearly \$45,000 last fiscal year. It is anticipated that this trend will continue and create more financial hardship; therefore, a surcharge will be necessary to cover legal fees until the Adjudication case is settled, at which time the surcharge will end.

How to Participate in the Process

Interested parties can comment on the proposed rate increases. California law prohibits the District from implementing the proposed rate increases if a majority of property owners of record on identified CCSD accounts file a written protest opposing the proposed rate increases and surcharge before the end of the public hearing.

Written protests must be submitted to Cuyama Community Services District, at 4853 Primero Street, New Cuyama, CA 93254, **or** PO Box 368 (**not postmarked**) by the close of the public hearing on November 16, 2023. Oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest. Each protest must identify the affected property (by assessor's parcel number or street address) and include the signature of the property owner.

If you are NOT the property owner, please forward this notice to the owner immediately.

PROPOSED WATER CHARGES AND SURCHARGE

CCSD is empowered with the responsibility of operating sufficient water and sewer system services for its stakeholders. The District strives to maintain optimal operations while conducting business in the best interest of its customers.

The District operates a water system comprised of groundwater production wells, storage tanks, an arsenic removal treatment plant, booster pumps and distribution pipelines. The sewer system includes a wastewater collection system, a treatment plant, and evaporation ponds.

In order to continue to provide reliable services to customers, the District proposes to increase revenue over the next five fiscal years. The proposed increase to the current base rate and water usage charges for fiscal year 2024 would be 42%, and there would be no increase for fiscal year 2025. The increase to the base rate and water usage charges would be 7% for each of the next three fiscal years (FY26, FY27, and FY28). The chart below displays the proposed monthly increase to the base rate and uniform water usage rate over the five-year revenue plan.

| Service | Current | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 |
|---------|------------|------------|------------|------------|------------|------------|
| Water | \$85.50 | \$121.41 | \$121.41 | \$129.91 | \$139.00 | \$148.73 |
| Sewer | \$66.00 | \$66.00 | \$66.00 | \$66.00 | \$66.00 | \$66.00 |
| Usage | \$0.79/hcf | \$1.12/hcf | \$1.12/hcf | \$1.20/hcf | \$1.28/hcf | \$1.37/hcf |

The surcharge of \$20.00 per month would remain in effect until the Adjudication case is settled. These funds would be used expressly for legal fees associated with the Adjudication matter and would not be used for normal operations of the system.

The table below shows proposed monthly charges. Revenue is based on the meter size of 230 connections using an average water usage of 18 units per month (1 unit = 100 cubic feet or 748 gallons).

| Fiscal Year | Monthly Base Rate | Rate per hcf | Average 18 hcf | Monthly Surcharge | Total Charge per Month | Total Revenue/fy |
|-------------|-------------------|--------------|----------------|-------------------|------------------------|------------------|
| 2024 | \$187.41 | \$1.12/hcf | \$20.19 | \$20.00 | \$227.60 | \$508,603 |
| 2025 | \$187.41 | \$1.12/hcf | \$20.19 | \$20.00 | \$227.60 | \$623,202 |
| 2026 | \$195.91 | \$1.20/hcf | \$21.60 | \$20.00 | \$237.51 | \$650,821 |
| 2027 | \$205.00 | \$1.28/hcf | \$23.12 | \$20.00 | \$248.12 | \$680,373 |
| 2028 | \$214.73 | \$1.37/hcf | \$24.74 | \$20.00 | \$259.47 | \$711,994 |

The table below provides details of all revenue generated by proposed rate increases, including the surcharge, by fiscal year.

| Fiscal Year | Operations Revenue | Surcharge Revenue | Total Revenue |
|-------------|--------------------|-------------------|---------------|
| 2024 | \$490,203 | \$18,400 | \$508,603 |
| 2025 | \$568,002 | \$55,200 | \$623,202 |
| 2026 | \$595,621 | \$55,200 | \$650,821 |
| 2027 | \$625,173 | \$55,200 | \$680,373 |
| 2028 | \$656,794 | \$55,200 | \$711,994 |



CUYAMA COMMUNITY SERVICES DISTRICT
Water Rate Increase by Meter Size

| 2023-24 | Service Charge | | |
|---------|-----------------------|-------------|-----------|
| Current | 5/8" x 3/4 inch meter | base charge | \$ 85.50 |
| | 3/4 inch meter | base charge | \$ 86.10 |
| | 1 inch meter | base charge | \$ 88.50 |
| | 2 inch meter | base charge | \$ 95.50 |
| | 3 inch meter | base charge | \$ 109.50 |
| | 4 inch meter | base charge | \$ 120.50 |
| | 6 inch meter | base charge | \$ 147.50 |
| | Per 100 cubic feet | per meter | \$ 0.79 |

| 2023-24 | Service Charge | | |
|----------|-----------------------|-------------|-----------|
| Increase | 5/8" x 3/4 inch meter | base charge | \$ 121.41 |
| | 3/4 inch meter | base charge | \$ 122.26 |
| | 1 inch meter | base charge | \$ 125.67 |
| | 2 inch meter | base charge | \$ 135.61 |
| | 3 inch meter | base charge | \$ 155.49 |
| | 4 inch meter | base charge | \$ 171.11 |
| | 6 inch meter | base charge | \$ 209.45 |
| | Per 100 cubic feet | per meter | \$ 1.12 |

| 2024-25 | Service Charge | | |
|---------|-----------------------|-------------|-----------|
| | 5/8" x 3/4 inch meter | base charge | \$ 121.41 |
| | 3/4 inch meter | base charge | \$ 122.26 |
| | 1 inch meter | base charge | \$ 125.67 |
| | 2 inch meter | base charge | \$ 135.61 |
| | 3 inch meter | base charge | \$ 155.49 |
| | 4 inch meter | base charge | \$ 171.11 |
| | 6 inch meter | base charge | \$ 209.45 |
| | Per 100 cubic feet | per meter | \$ 1.12 |

| 2025-26 | Service Charge | | |
|---------|-----------------------|-------------|-----------|
| | 5/8" x 3/4 inch meter | base charge | \$ 129.91 |
| | 3/4 inch meter | base charge | \$ 130.82 |
| | 1 inch meter | base charge | \$ 134.47 |
| | 2 inch meter | base charge | \$ 145.10 |
| | 3 inch meter | base charge | \$ 166.37 |
| | 4 inch meter | base charge | \$ 183.09 |
| | 6 inch meter | base charge | \$ 224.11 |
| | Per 100 cubic feet | per meter | \$ 1.20 |

| 2026-27 | Service Charge | | |
|---------|-----------------------|-------------|-----------|
| | 5/8" x 3/4 inch meter | base charge | \$ 139.00 |
| | 3/4 inch meter | base charge | \$ 139.98 |
| | 1 inch meter | base charge | \$ 143.88 |
| | 2 inch meter | base charge | \$ 155.26 |
| | 3 inch meter | base charge | \$ 178.02 |
| | 4 inch meter | base charge | \$ 195.90 |
| | 6 inch meter | base charge | \$ 239.80 |
| | Per 100 cubic feet | per meter | \$ 1.28 |

| 2027-28 | Service Charge | | |
|---------|-----------------------|-------------|-----------|
| | 5/8" x 3/4 inch meter | base charge | \$ 148.73 |
| | 3/4 inch meter | base charge | \$ 149.78 |
| | 1 inch meter | base charge | \$ 153.95 |
| | 2 inch meter | base charge | \$ 166.13 |
| | 3 inch meter | base charge | \$ 190.48 |
| | 4 inch meter | base charge | \$ 209.62 |
| | 6 inch meter | base charge | \$ 256.59 |
| | Per 100 cubic feet | per meter | \$ 1.37 |

PROP. 218 WRITTEN PROTEST FORM

By signing this form, I protest the proposed CCSD rate increases as indicated below and affirm under penalty of law that I am the owner directly liable for the payment of water and sewer service charges for the parcel identified below.

CHECK THE BOX(ES) NEXT TO THE PROTESTED RATE INCREASES

☐ Proposed Water Rate Increases

☐ Proposed Surcharge

PARCEL INFORMATION

One of the items listed below is required for parcel identification.

1) Street Address:

New Cuyama, CA 93254

2) Assessor's Parcel Number:

SUBMITTED BY

Owner Name:

Signature:

INSTRUCTIONS AND IMPORTANT INFORMATION

DEADLINE: All Prop. 218 Written Protest Forms must be received prior to the close of the CCSD Public Hearing on November 16, 2023. Pursuant to CCSD's Guidelines for the Submission and Tabulation of Protests (available from CCSD and posted on the CCSD website), a protest may only be submitted by the record owner of the property.

INSTRUCTIONS

- 1) Legibly complete and sign form. (If we cannot read it, we cannot count it.)
- 2) Submit form via mail OR delivery to CCSD office. (See addresses for mailing and delivery below.)

Mail to:

Cuyama Community Services District
P.O. Box 368
New Cuyama, CA 93254

Deliver to:

Cuyama Community Services District Office
4853 Primero Street
New Cuyama, CA 93254

OR during the Public Hearing:

Montgomery Hall
Cuyama Valley Recreation District Center
4885 Primero Street, New Cuyama, CA 93254