



COMMUNITY SERVICES DISTRICT

Notice of Public Hearing Proposed 2019 Rate Increase

This notice is being sent to all property owners and current rate payers in the Centerville District. It describes the Centerville Community Services District's proposed rate increases and explains why they are necessary. This notice also provides information on how to file a protest against the proposed rate increases.

The Board of Directors has set a public hearing for **June 19, 2019, at 7:00 pm** (Regular Board Meeting) at the District Office located at 8930 Placer Road, Redding, CA. At the hearing, the proposed rate increases will be presented and the public will be given an opportunity to comment. If adopted, the proposed changes will become effective July 1, 2019.

Why are Rates Proposed to be Increased?

The District is basing the proposed rate increases on projected higher operating expenses as well as to fund capital reserves to pay for needed distribution system improvements and periodic maintenance.

During the next fiscal year (July 1, 2019 through June 30, 2020) the District projects increases in the cost of purchasing, treating and distributing water; maintaining the water system; labor-related expenses; power and fuel costs; as well as general facility improvements throughout the District. Additionally, the District will use funds from the proposed increases to increase capital reserves for future planned repair, maintenance and replacement of the District's distribution system, consistent with the District's Water Master Plan. Some of the near-term capital projects include Water Storage Tank internal/external re-coating and select replacement of pipelines, pumps, valves and related equipment. The District charges these rates to its water customers in order to fund the costs of continuing to provide a safe and reliable water service.

In providing water, the District operates and maintains 55 miles of pipeline, six separate pressure zones, 375 fire hydrants, 725 valves, 93 air valves, 21 blow-offs, five booster pump stations, three pressure reducing stations, one pressure relief station, five reservoirs and three inter-tie connections.

The District receives its water from Whiskeytown Lake which is treated at the Clear Creek CSD Filtration Treatment Plant. The District is responsible for a proportionate share of all costs associated with the operations and maintenance of the Treatment Plant.

How Do I Protest the Proposed Rate Increases?

If you intend to protest the rate increases, you must submit a written protest to the District at or before the time set for the public hearing. If a written protest is filed by a majority of ratepayers/parcel owners, the proposed rate change will not be adopted.

A written protest must contain a description of the parcel or parcels in which the party signing the protest owns or is the current rate payer. A current address or assessor's parcel number is sufficient to identify the parcel(s). If the party signing the protest is not shown on the last equalized assessment role of Shasta County as the owner of the parcel(s), the protest must contain or be accompanied by written evidence that such party is the owner of the parcel(s).

Proposed Residential Base Rate & Consumption Rate Increases

The following proposed rates are calculated based on each customer's metered water consumption and water meter size. Due to the increased expenses as previously discussed, as well as the Clear Creek CSD Treatment Plant costs, the District is proposing the following increases to the Base Rates and Consumption Rates for Residential, Commercial, Industrial and Institutional customers, as well as Grant School. Please note the Base Rate does not include water consumption.

The proposed increases are depicted in the tables below:

Residential Tiered Base Rate Structure

<u>Meter Size</u>	<u>Current Monthly Rate</u>	<u>Proposed Monthly Rate</u>
5/8"	\$26.50	\$28.50
3/4"	\$26.75	\$28.75
1"	\$27.00	\$29.00

<u>Current</u>		<u>Proposed</u>	
<u>Tiers</u>	<u>Rate</u> <u>Per 100 Cubic-foot</u>	<u>Tiers</u>	<u>Rate</u> <u>Per 100 Cubic-Feet</u>
Tier 1	0 – 7,000	1	\$ 1.041
Tier 2	7,001 – 12,000		
Tier 3	12,001 – 17,000		
Tier 4	17,001 – 22,000		
Tier 5	22,001 – 26,000		
Tier 6	26,001 – 30,000		
Tier 7	30,000 +		

Proposed Commercial, Industrial and Institutional Base and Consumption Rate Increases

<u>Tiered Base Rate Structure</u>		<u>Proposed Monthly Rate</u>
<u>Meter Size</u>	<u>Current Monthly Rate</u>	
3/4"	\$26.75	\$28.75
1"	\$27.00	\$29.00
1.5"	\$47.00	\$49.00
2"	\$87.50	\$89.50

<u>Current</u>		<u>Proposed</u>	
<u>Tiers</u>	<u>Rate</u> <u>Per 100 Cubic-foot</u>	<u>Tiers</u>	<u>Rate</u> <u>Per 100 Cubic-Feet</u>
Tier 1	0 – 5,400 cf	1	\$ 1.041
Tier 2	5,401 – 11,000 cf		
Tier 3	11,001 – 16,000 cf		
Tier 4	16,001 – 22,000 cf		
Tier 5	22,001 – 27,000 cf		
Tier 6	27,001 +		

Proposed Residential Rate Increase User Comparison

The following are examples of how the proposed rate increases impact various water consumption levels. (Please note that these are merely estimates based upon the indicated average use; the impact on any individual customer may be higher or lower):

Low-End User - One Month Bill - Usage of 3,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate:	\$26.75	Base Rate:	\$28.75
Consumption Rate per 100 cf:	\$.887	Consumption Rate per 100 cf:	\$1.041
Base Rate:	\$26.75	Base Rate:	\$28.75
0 – 3,500 cf x \$.887 =	\$31.05	3,500 cf x \$1.041 =	\$36.44
Total	\$57.80	Total	\$65.19

Difference = \$ 7.39

Mid-Range User - One Month Bill - Usage of 12,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate:	\$26.75	Base Rate:	\$28.75
Consumption Rate per 100 cf:	Tiered	Consumption Rate per 100 cf:	\$1.041
Base Rate:	\$26.75	Base Rate:	\$28.75
0 – 7,000 cf x \$.887 =	\$62.09	12,500 cf x \$1.041 =	\$130.13
7,001 – 12,000 cf x \$.907 =	\$45.35		
12,001 – 12,500 cf x \$.927 =	\$4.64		
Total	\$138.83	Total	\$158.88

Difference = \$20.05

High-End - One Month Bill - Usage of 40,000 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate:	\$26.75	Base Rate:	\$28.75
Consumption Rate per 100 cf:	Tiered	Consumption Rate per 100 cf:	\$1.041
Base Rate:	\$26.75	Base Rate:	\$28.75
0 – 7,000 cf x \$.887 =	\$62.09	40,000 cf x \$1.041 =	\$416.40
7,001 – 12,000 cf x \$.907 =	\$45.35		
12,001 – 17,000 cf x \$.927 =	\$46.35		
17,001 – 22,000 cf x \$.947 =	\$47.35		
22,001 – 26,000 cf x \$.967 =	\$38.68		
26,001 – 30,000 cf x \$.987 =	\$39.48		
Remaining 10,000 cf x \$1.007 =	\$100.70		
Total	\$406.75	Total	\$445.15

Difference = \$38.40

Proposed Grant School Service Rate Increases

Listed below is the District's proposed rate increase for Grant School's monthly Base and Consumption Rate:

<u>Base Rate</u>		
Meter Size	Current	Proposed
2"	\$87.50	\$89.50

Consumption Rate Structure

Monthly Water Usage (Measured in cubic-feet)	Current Rate Per 100 Cubic-feet	Proposed Rate Per 100 Cubic-feet
Tier 1 0 – 7,000 cf	.752	.906
Tier 2 7,001 – 12,000 cf	.772	
Tier 3 12,001 – 17,000 cf	.782	
Tier 4 17,001 – 22,000 cf	.792	
Tier 5 22,001 – 26,000 cf	.802	
Tier 6 26,001 – 30,000 cf	.812	
Tier 7 30,000 + cf	.822	

The following example depicts how this proposed rate increase would impact Grant School's Billings:

One Month Bill – Usage of 86,400 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate:	\$87.50	Base Rate:	\$89.50
Consumption Rate per 100 cf:	Tiered	Consumption Rate per 100 cf:	\$.906
Base Rate:	\$87.50	Base Rate:	\$89.50
0 – 7,000 cf x \$.752 =	\$52.64	86,400 cf x \$.906 =	\$782.79
7,001 – 12,000 cf x \$.772 =	\$38.60		
12,001 – 17,000 cf x \$.782 =	\$39.10		
17,001 – 22,000 cf x \$.792 =	\$39.60		
22,001 – 26,000 cf x \$.802 =	\$32.08		
26,001 – 30,000 cf x \$.812 =	\$32.48		
Remaining 56,400 cf x \$.822 =	\$463.61		
Total	\$785.61	Total	\$872.29

Difference = \$86.68

Proposed Change to the Base Rate Definition

The District proposes to modify the definition of the Base Rate in Ordinance 96-1 to be:

Section 7.A. Base Rate – each installed service, whether active or inactive, shall be charged a Base Rate per month whether or not any water is used. The Base Rate shall be in accordance with the most current Base Rate adopted and is subject to change from time to time consistent with District policy and relevant regulations.

The following indicates how this proposal would affect current inactive service customers:

This is a new charge affecting inactive customers who have an installed service but are not receiving water. This charge is being proposed in order to evenly spread the costs of maintenance and operation of the District's water system to all customers, both active and inactive to whom the system is immediately available. If adopted, an inactive account will begin being billed the monthly Base Rate based upon the respective installed meter size.

Proposed Water Availability Charge (WAC)

The District is proposing to increase the Water Availability Charge (WAC) from the existing \$26.75 to \$28.75. This increase is based upon the projected increased expenses associated with the cost of the ongoing operation and maintenance of the District's distribution system.

Proposed Zone A Pump Surcharge Fee Increases

Below are the proposed Base and Consumption Surcharge rate increases for the Zone A Pump Zone and an example of how this will impact the billing:

Zone A

Surcharge Rates

	<u>Current</u>	<u>Proposed</u>
Base Surcharge:	\$ 5.50	\$ 5.75
Consumption Surcharge per 100 cf:	\$.221	\$.231

Zone A - One Month Bill - Usage of 3,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate:	\$26.75	Base Rate:	\$28.75
Consumption Rate per 100 cf:	\$.887	Consumption Rate per 100 cf:	\$1.041
Base Rate:	\$26.75	Base Rate:	\$28.75
0 - 3,500 cf x \$.887 =	\$31.05	0 - 3,500 cf x \$1.041 =	\$36.44
Base Surcharge	\$5.50	Base Surcharge	\$5.75
Consumption Surcharge (35 hcf x .221)	\$7.74	Consumption Surcharge (35 hcf x .231)	\$8.09
Total	\$71.04	Total	\$79.03

Difference = \$7.99

The District is not proposing any increase to the Base or Consumption Rate Surcharges for Zone A1 at this time.