

Hidden Valley Lake Community Services District

"The mission of the Hidden Valley Lake Community Services District is to provide, maintain and protect our community's water"



Proposition 218 Notification NOTICE OF PUBLIC HEARING ON PROPOSED SEWER AND WATER RATES

HEARING DATE: December 15, 2020

TIME: 7:00 p.m.

LOCATION (Virtual*): Hidden Valley Lake CSD
Administration Office
19400 Hartmann Road
Hidden Valley Lake, CA

Board of Directors

President of the Board
Jim Lieberman

Director Jim Freeman
Director Carolyn Graham
Director Gary Graves
Director Claude Brown

The Hidden Valley Lake Community Services District (District) is proposing to establish new sewer and water rate structures to more equitably distribute the cost of providing sewer and water services among the various residential and commercial user classes, and to increase sewer and water rate charges to finance the maintenance and repair of aging sewer and water infrastructure, mitigation against natural disasters, upgrade existing facilities to comply with unfunded state and federal mandates, and restore reserve funds that have been drawn down. If adopted, the proposed rate changes will become effective on January 1, 2021, and July 1 thereafter, until the end of fiscal year 2024/2025.

Why are you receiving this notice?

You are receiving this notice because you are either a District sewer and/or water customer or you own property that is receiving District sewer and/or water service. The purpose of the public hearing is to consider all written protests against the proposed rate changes. As the owner or customer of record of a parcel subject to the imposition of the proposed rate changes, you may submit a written protest against the proposed rate changes.



What do sewer and water rates fund?

The District provides sewer and water utility services to residential and commercial customers. The operation and maintenance of these two utilities are financially independent of each other. All revenue generated from customer sewer and water bills is used to pay for the ongoing operation, maintenance, repair and replacement of the existing sewer and water systems. The cost of system expansions, to serve new development, is recovered through connection or demand fees imposed on the developer requesting District service. By State law, the District may not collect more revenue than is necessary to recover the costs of providing services.

A Virtual Informational Meeting will be held on Tuesday November 24, 2020 , from 6:30 p.m. to 8:00 p.m. All residents are encouraged to attend and learn more about proposed sewer and water rates.

***To join this meeting go to <https://www.hvllcsd.org>. Select the November 24, 2020 Informational Meeting and select Join Microsoft Teams Meeting. Select "Join on the web instead".**

New Sewer and Water Rates

Capital projects a major reason for raising water and sewer rates. Portions of the District’s wastewater collection system are over 50 years old. Many sewer lines are partially blocked with tree roots and/or have cracks and holes that allow excessive amounts of groundwater and storm water runoff to seep into the collection system, occasionally at rates that exceed the maximum design capacity of the District’s sewer collection system and wastewater treatment plant. During the flood events of 2017 and 2019, the District was unable to avoid sewage spills and the discharge of partially or even untreated sewage. If not corrected, the leaky collection system will result in additional worsening sewage spills and expensive regulatory fines.

The District’s water distribution system is also aging, as demonstrated by the number of “mainline” breaks experienced in recent years. Furthermore, there are long-standing deficiencies within the water distribution system that need correction. In the past 5 years a multitude of heat and wind related events and disasters (Wildfire, PSPS, and rolling blackouts) have impacted the District. Prioritized projects include the replacement of wooden water storage tanks with larger non-combustible tanks, to ensure water supply to both the Hidden Valley Lake residents, as well as our firefighters.

The District has taken several steps to minimize the fiscal impact to ratepayers. From 2018-2020, the District staff have been working diligently to develop the single jurisdiction Local Hazard Mitigation Plan (LHMP). The Federal Emergency Management Agency (FEMA) accepted this Plan earlier this year. This Plan identifies many projects that can be undertaken to lessen the effect of damage from natural disasters, with costs subsidized by the Federal government.



Proposed sewer rate charges: Residential sewer customers currently pay a “fixed charge” and a “volumetric charge”. The proposed residential sewer rate will maintain these two components, with increases based on the cost to provide wastewater service. All residential customers pay the same fixed charge, regardless of household size, while the volumetric charge is determined by the average monthly water usage for the months of December through March. As a general rule, a household’s average monthly water use for the months of December through March provides a reasonable estimate of the wastewater produced by the household each month of the year. Households generating less wastewater will pay less for sewer service than households producing larger volumes of wastewater. Sewer charges will be adjusted on January 1, 2021, and every July 1 thereafter. The volumetric charge will be based on actual

average monthly water usage for the preceding months of December through March.

The proposed sewer rate for commercial and government customers also consists of two components, a “fixed charge” and a “volumetric charge”. All commercial and government customers pay the same fixed charge per “household equivalent unit” (HEU), while the volumetric charge is determined by actual monthly water use.

Sewer Rate Schedule	Current Rates ('20/21)	Proposed Sewer Rates				
		FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Fixed Service Charge per HEU						
Residential	\$51.96	\$53.60	\$60.03	\$67.24	\$73.29	\$79.89
Commercial	\$51.96	\$53.60	\$60.03	\$67.24	\$73.29	\$79.89
Volumetric Charge per hundred cubic feet (HCF)						
Residential (Average winter use)	\$2.76	\$4.54	\$5.08	\$5.69	\$6.20	\$6.76
Commercial (Monthly water use)	\$3.00	\$5.73	\$6.41	\$7.18	\$7.83	\$8.53

Proposed water rate changes: The proposed water rate continues to consist of two components, a “fixed charge” and a “volumetric charge”. All residential customers pay the same fixed charge, regardless of household size, while the volumetric charge is determined by the amount of water used each month.

The current commercial water rate schedule also consists of two components, a “fixed charge” and a “volumetric charge”. All commercial customers pay the fixed charge as allocated by the water meter size, while the volumetric charge is determined by the amount of water used each month.

The proposed water rate charges over the next five years are presented in detail in the chart below. The total amount of your water bill will depend on the amount of water used. In the first year, the average monthly water bill for a single family residential customer is estimated to be \$74.84. Water bills will be noticeably higher in the summer months, when water usage is highest. Annually, the average monthly cost of water service for a single family residential customer will increase by approximately \$12.21 in the first year, from \$62.63 to \$74.84.

Water Rate Schedule	Current Rates ('20/21)	Proposed Water Rates				
		FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Fixed Service Charge						
5/8 Inch ¹	\$39.58	\$44.45	\$49.79	\$55.76	\$60.78	\$66.25
3/4 Inch ¹	\$39.58	\$44.45	\$49.79	\$55.76	\$60.78	\$66.25
1 Inch	\$94.91	\$107.15	\$120.01	\$134.41	\$146.51	\$159.69
1.5 Inch	\$187.11	\$211.65	\$237.04	\$265.49	\$289.38	\$315.43
2 Inch	\$297.75	\$337.04	\$377.48	\$422.78	\$460.83	\$502.31
Volumetric Charge per hundred cubic feet (HCF)						
Uniform Rate (All Classes)	\$2.68	\$3.54	\$3.97	\$4.44	\$4.84	\$5.28
1. Most residential properties have 5/8 or 3/4 Inch meters						

Save a tree! Stay informed! Sign up for e-statements and automated notifications at www.hvlcsd.org or contact our District Office at (707) 987-9201.

Anticipated State mandated water conservation requirements, drives the proposed “drought rates”. To offset revenue shortfalls during drought conditions, drought rates would be implemented at the District Board of Directors discretion, and would remain in effect no longer than the corresponding State imposed mandate.



Commodity Charges for All Water Consumed per hundred cubic feet (HCF)						
All Customer Classes:						
Drought Stage 1	\$3.35	\$3.86	\$4.32	\$4.84	\$5.28	\$5.75
Drought Stage 2	\$3.75	\$4.38	\$4.90	\$5.49	\$5.99	\$6.52
Drought Stage 3	\$4.02	\$5.04	\$5.65	\$6.33	\$6.90	\$7.52
Drought Stage 4	\$4.47	\$5.93	\$6.64	\$7.44	\$8.11	\$8.84

Proposed recycled water rate changes: The current recycled water rates have been in place for eight years. The proposed recycled water rate structure of this study is more aligned to the District’s five year rate plan. The expenses incurred by the District to treat wastewater to the level which makes the distribution of recycled water possible, plays a part in the cost allocation for recycled water rates. The reduced value of water that is not potable is also included in the structuring of a fair and reasonable rate.

Recycled Water Rate Schedule	Current Rates ('20/21)	Proposed Recycled Water Rates				
		FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Fixed Service Charge per Acre Foot (AF)						
Recycled Irrigation	\$291.64	\$326.34	\$365.83	\$409.73	\$446.61	\$486.80

How to Protest the Proposed Changes

As the owner or customer of record of a parcel subject to the imposition of the proposed rate changes, you may submit a written protest against the proposed rate changes. Provided, however, if the identified parcel has more than one owner and/or customer of record, only one written protest will be counted.

Each protest must (1) be in writing; (2) state the specific rate changes for which the protest is being submitted; (3) provide the location of the identified parcel (by assessor’s parcel number or street address); and (4) include the original signature of the owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile or other electronic means will *not* be accepted. Written protests may be submitted by mail to **General Manager Dennis White, Hidden Valley Lake CSD, 19400 Hartmann Road, Hidden Valley Lake, CA 95467**, or in person at the Administrative Office, so long as they are received prior to the conclusion of the public hearing. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the General Manager, that the enclosed letter is in regards to the December 15, 2020 Public Hearing on the proposed sewer and water rate changes.

If you would like more information about the proposed water/wastewater rate increases visit www.hvllcsd.org and click on “Rate Study“, or call 707-987-9201.



Mark your calendar! Monthly bill payments are *due on the 20th* of each month unless the 20th falls on a weekend, in which case payments will be due the following Monday.