



San Simeon Community Services District
111 Pico Avenue
San Simeon, CA 93452

Address Service Requested

**Notice of a Public Hearing on Proposed Water & Sewer
Rate Increases and Fees**

Hearing Date and Time: July 10, 2019, at 6:00 pm
**Hearing Location: Cavalier Business Plaza • 250 San Simeon
Avenue • San Simeon, CA 93452**

Si necesita una traducción al español contacte a la oficina del distrito.

The San Simeon Community Services District (SSCSD) is proposing a five-year water, wastewater, and service rate program adjustment for all customers. The proposal will be considered by the Board of Directors at a Public Hearing on **July 10, 2019**. If approved, the water, wastewater, and service rate adjustments will commence August 25, 2019 and appear on the utility bills mailed on September 25, 2019. You are receiving this notification in compliance with California Constitution Article XIII D Section 6 (Proposition 218) requirements that all impacted property owners are mailed notice of proposed rate changes at least 45 days prior to a public hearing. Proposition 218 also establishes a protest process for the public to follow if they wish to oppose the proposed rates.

About Proposition 218

In November 1996, California voters approved Proposition 218. As a result, California agencies must comply with its requirements when setting utility rates. One provision requires that a noticed public hearing on utility rates be held and that rates not be increased if a majority of affected property owners protest the increased rates in writing.

Basis and Reasons for the Proposed Rate Increase

The proposed rate increases are necessary for the SSCSD to protect public health and safety, to reliably convey and treat water & wastewater, and to ensure regulatory compliance. Costs that must be recovered through rate revenue include electricity, equipment and supplies, treatment chemicals, debt service, operations, and management. Additionally, revenues generated from the water and wastewater rates are used to finance the maintenance, repair, and renovation of aging water and wastewater infrastructure and capital improvement projects. The proposed rate increases are based on an operating flow of funds analysis and preparation of a ten-year pro forma profit/loss and financial plan. The water master plan identifies \$12.6 million dollars in water system capital improvements that are needed within our community to address existing deficiencies. Among these projects are new water storage tanks for fire flow/fire protection and upgrades to our infrastructure.

Given the size of our community the District must and will continue to pursue grant and loan opportunities for large scale capital improvement projects within our community.

Community Input & Written Protest Procedures

Utility customers, property owners, and community members are invited to attend the Public Hearing and provide input. Property owners and utility customers of record may submit written protests against the proposed increase. Written protests must be filed with the San Simeon Community Services District (SSCSD). Written protests may be hand delivered or mailed to the District Clerk at 111 Pico Avenue, San Simeon, California 93452.

To be valid, written protests must include: (1) the original signature of the water, wastewater and service customer of record or property owner; (2) identify the parcel(s) (by assessor's parcel number(s) or street address); (3) whether you are the owner of the parcel or the person receiving the service for which the fee is charged; and (4) your statement of the specific rate changes (water and/or wastewater) or service) for which you protest the increase in the fee. Written protests may also be submitted up to the conclusion of the public testimony at the public hearing on **July 10, 2019**.

Verbal protests, protests submitted by e-mail, facsimile, or other electronic means will not be accepted as in accordance with Government Code section 53755. The proposed surcharges cannot be adopted if written protests are received from a majority of the affected property owners or utility customers of record prior to the end of the Public Hearing. Only one protest per parcel is allowed. The number of parcels served by the District on the date of the public hearing is used to determine whether a majority protest exists. To achieve a majority protest, 50% + 1 of the parcels served is required. A report on the number of parcels served will be given at the time of the public hearing.

WATER & SEWER RATES

In FY19-20, a 5.8% increase is proposed on all rates. At the beginning of each fiscal year (July 1) thereafter for four (4) years the then current water, wastewater, and service fee will be increased by the Consumer Price Index (CPI) as published by the U.S. Department of Labor, Bureau of Labor Statistics for Los Angeles, Anaheim, and Long Beach using the annual CPI for the previous calendar year, plus three percent (3.0%).

Service Fee	Current Rates	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Per Month - Per Meter	\$34.20	\$36.18	\$37.27	\$38.39	\$39.54	\$40.72
**CPI + % increase		5.8%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%
Water Rates						
*Per 100cf Water Used						
All Users	\$12.22	\$12.93	\$13.32	\$13.72	\$14.13	\$14.55
**CPI + % increase		5.8%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%
Irrigation Meters	\$20.47	\$21.65	\$22.30	\$22.97	\$23.66	\$24.37
**CPI + % increase		5.8%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%
Sewer Rates						
*Per 100cf Water Used						
Motels	\$14.93	\$15.79	\$16.27	\$16.75	\$17.26	\$17.77
**CPI + % increase		5.8%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%
Residences	\$9.19	\$9.72	\$10.01	\$10.31	\$10.62	\$10.94
**CPI + % increase		5.8%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%
Restaurants	\$23.12	\$24.46	\$25.19	\$25.95	\$26.73	\$27.53
**CPI + % increase		5.8%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%
Commercial	\$9.19	\$9.72	\$10.01	\$10.31	\$10.62	\$10.94
**CPI + % increase		5.8%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%	CPI + 3.0%
<i>*100cf = 748 gallons = 1 unit of water (accounts are billed in units)</i> <i>**CPI + (The dollar amounts shown above for FY 2021 to 2024 include the proposed percentage increase. CPI is added when the Bureau of Labor Statistics publishes CPI).</i>						

Please contact the District office if you have any questions about this notice. The number is (805) 927-4778.

Respectfully,

Gwen Kellas
Board Chairperson
San Simeon Community Services District