



Christian Valley Park CSD
P.O. Box 6857
Auburn CA 95604

Name
Address
City, State ZIP

**NOTICE OF PUBLIC HEARING REGARDING
PROPOSED WATER RATE INCREASE
Tuesday, June 11, 2024 at 7 pm
at the**

**Placer County Health and Human Services Building
Jeff Brown Training Rooms
11434 B Avenue Room
Auburn, CA 95603**

**CUSTOMER INFORMATION SESSION
Tuesday, May 7, 2024 at 7pm
at the**

**Placer County Health and Human Services Building
Jeff Brown Training Rooms
11434 B Avenue Room
Auburn, CA 95603**

The Christian Valley Park Community Services District (District) provides water service to approximately 630 residential customers as well as the California Conservation Corps. The District relies on water rates paid by customers to fund the costs of running the system, keep up with cost increases, and keep water infrastructure in good working condition. Water rates were last increased in 2019 – five years ago. Since that time, the cost to provide service has gone up. In addition, the District has identified pipeline repairs and replacements that are needed prevent watermain breaks and service interruptions. The District will hold a public hearing on June 11, 2024 to consider water rate changes for the next five years. You are

receiving this notice because you are either a District utility customer or you own property receiving District water service.

The District will hold a customer information session on May 7th at 7pm at the Placer County Health and Human Services Building, Jeff Brown Training Rooms, 11434 B Avenue Room, Auburn, CA 95603 to discuss the financial needs of the water system, proposed rate increases, and answer questions from the public. The information session will also be simulcast via Zoom (please see the District's website: <https://www.christianvalley.org/> for login credentials). Following the information session, the District will hold its regularly scheduled Board of Directors meeting on May 14th. The public is invited to attend the Board of Directors meeting to further address any concerns.

Why is a water rate change needed?

The District engaged an independent rate consultant to review water service costs and determine recommended rate adjustments. The consultant's report is available at: <https://www.christianvalley.org/>. In recent years, the cost of providing water service has gone up due to the increasing costs of chemical, electricity, water treatment plant maintenance, and repairs. This year, it is expected that the water utility will operate at a deficit meaning that revenues will not fully cover expenses. The District will draw upon its limited reserves to fund these costs.

Rates were last increased five years ago, and an adjustment is needed to bring revenues up to the current cost of providing water service. July 1, 2024, the District proposes to increase the base fixed charge as well as the usage rate. The fixed charge is billed to all customers based on meter size. The volume or usage charge is billed to each hundred cubic feet (ccf) of metered water usage.

Each July from July 1, 2025 to July 1, 2028, it is proposed that the District increase the fixed charge and usage charge based on the annual change in the Consumer Price Index (CPI). The CPI is an indicator of inflation. As inflation causes the District's expenses to increase (such as electricity, chemicals, labor, and supplies), the District will implement CPI rate increases to fund these costs. The annual change will be a maximum increase of 10% but not less than 3%. For example, if the annual change to the CPI is 2.7%, the District will implement a 3% increase. If the annual change to the CPI is 5%, the District will implement a 5% increase. If the annual change to the CPI is 12%, the District will implement a 10% maximum increase. The CPI adjustments are needed to help the District keep up with funding its costs.

The District also proposes to charge a new capital improvement fee beginning next year on July 1, 2025. The capital improvement fee is needed to fund pipeline improvements and system repairs. The District anticipates \$1 million of costs associated with replacing the steel portion of the 8" line on Allen Drive and the 6" line along Witt Road. The new capital improvement fee is intended to accumulate half of these costs through fiscal year 2028/29.

Absent these pipeline replacements, the District will likely face costly main breaks and service interruptions. The capital improvement fee is not proposed to be adjusted by the CPI and will remain the same from 2025 to 2028, if approved.

The schedule of proposed rate adjustments is provided below. The District bills customers quarterly such that each bill represents three months of water service.

Meter Size	Current	PROPOSED				
		July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
BASE FIXED CHARGE PER QUARTER						
3/4"	\$179.37	\$217.52	To be increased annually based on the % increase in the Consumer Price Index (CPI) or 3% whichever is greater up to a maximum of 10%			
1"	\$298.98	\$355.85				
2"	\$956.73	\$1,116.66				
USAGE CHARGE (metered water use)						
\$ per ccf	\$1.28	\$1.63	To be increased annually based on the % increase in the Consumer Price Index (CPI) or 3% whichever is greater up to a maximum of 10%			
+ ADDITIONAL CAPITAL IMPROVEMENT FEE PER QUARTER (fixed charge)						
3/4"	NA	\$0.00	\$48.90	\$48.90	\$48.90	\$48.90
1"	NA	\$0.00	\$81.51	\$81.51	\$81.51	\$81.51
2"	NA	\$0.00	\$260.82	\$260.82	\$260.82	\$260.82

Ccf – hundred cubic feet; equal to 748 gallons of metered water usage

July 1, 2025 through 2028, the base fixed charge and the usage charge are proposed to be increased annually by the annual % change in the Consumer Price Index (CPI - an indicator of inflation) with a minimum annual increase of 3% and a maximum annual CPI increase of 10%.

The annual change in CPI will be based on the increase in the CPI for All Urban Consumers (CPI-U): U.S. city average (all items) based on the un-adjusted 12 months prior ending in June of each year for 2025 to 2028 as published by the US Bureau of Labor Statistics. The mathematical formula is:

$$\text{then current rate} \times (1 + \text{the \% increase in CPI})$$

How do I file a protest or participate in the public hearing?

The provisions of Proposition 218 provide that certain types of “Property Related Fees” such as water rates are subject to a “majority protest” process. Under the majority protest process, any property owner or customer of record may submit a written protest for the proposed increases; provided, however, that only one protest will be counted per identified parcel. If protests are filed

on behalf of a majority of the parcels subject to the rates, the District cannot adopt the proposed rates.

Every written protest MUST include ALL of the following to be counted:

- 1. A statement against the proposed water rates**
- 2. Name of the recorded owner or customer of record who is submitting the protest;**
- 3. Identification of assessor's parcel number or street address of the parcel with respect to which the protest is made; and an**
- 4. Original signature and legibly printed name of the record owner or customer of record who is submitting the protest.**

Protests must be submitted **in writing** by:

1. Mail to - Prop 218 Protest, P.O. Box 6857, Auburn CA 95604; or
2. In-person at the Public Hearing, prior to the conclusion of the Public Hearing; or
3. Call (530) 878-8050 to arrange in-person pickup/drop off

Regardless of how the written protest is submitted, it must be received by the District prior to the conclusion of the public comment portion of the Public Hearing on June 11, 2024. (Postmark dates will not be accepted.) Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the District, that the enclosed protest is for the Public Hearing on Water Rate Increases. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest.

The District will hold the Public Hearing on June 11, 2024 at 7 pm. The District will review the amount of the rates as well as the methodology for calculating the proposed rates. At the conclusion of the hearing, protests will be counted and validated. If protests are filed on behalf of a majority of the parcels subject to the rates before the end of the Public Hearing, the District cannot adopt the proposed rates. If a majority of the parcels do not protest the proposed increase, the District has the authority to adopt the proposed water rates. The first rate change, if enacted, will go into effect on or after July 1, 2024.

Additionally, as of January 1, 2022, pursuant to California Government Code 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fee, adopted, modified, or amended.