

**Anderson Springs Community Services District
Proposition 218 Notification
NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING
ON PROPOSED WATER RATES
Hearing Date & Time: May 1, 2021 10:00 AM**

The meeting will be held via ZOOM due to Covid-19. The public may attend via Zoom. To join the Zoom meeting: <https://us04web.zoom.us/j/75f479914803?>

Meeting ID: 754 7991 4803

Passcode: 662893

To join via phone dial 1-669-900-6833. When prompted, enter meeting ID 754 7991 4803# followed by passcode 662893#

Why are you receiving this notice?

This notice is being furnished to you by the Anderson Springs Community Services District pursuant to the California Constitution Article XIII D (also known as "Proposition 218"). Under the terms of Proposition 218, the District is required to notify property owners of proposed changes to property-related fees such as water and sewer services. This letter serves as notice that the District will hold a public hearing on May 1, 2021, to consider changes to its current water rates.

What do water rates fund?

The District provides water to over 100 residential customers within the Anderson Springs Community Services District. The water utility must be financially self-sufficient. Each utility operates independently from one another. Regular rates paid by users of each system are the primary sources of revenue.

All revenue generated from your utility bills is used to maintain and operate the water system; it is not used for other general governmental purposes. These revenues must meet costs such as maintenance of the source and pipes, tanks, chemicals, and salaries for utility staff.

Why are rate changes required?

Rates need to be adequate to recover expenses, while ensuring that costs are equitably allocated, so that rates are fair and in proportion to the services received by customers. Five years ago, the Valley Fire destroyed the great majority of homes in the District. At the time of the fire, we had over 200 customers. Thanks to the rebuilding efforts, we now have a little over 100 customers. We have operated at a loss ever since the fire, depleting our reserves. Our costs have increased along with inflation, and at the same time those costs must be spread over less than half the customers we had before. The great majority of our costs are fixed, and do not vary based on our number of customers.

The District modeled the costs of operating the system for the next five years. Current costs were inflated based upon the cost-of-living index for expenses. Based on the analysis, the current rates were determined to not be sufficient to cover projected expenses.

To meet the increasing costs of providing water services, the monthly fixed charges and rates for water need to be increased. Proposed Water rate adjustments will be presented below.

A full copy of our rate study is available on our website ASCSD.org. If we continue to operate without a substantial rate increase we can anticipate being taken over by the state or county within one year.

New water rates

The District is proposing a new monthly rate of \$110.00, including the current 240,000 gallons of water. The rate for excess use would be \$3.50 per 1,000 gallons.

How do you protest?

Water rates are subject to majority protest, which means if a majority of impacted parcel owners submit written protests against the increase, the District cannot institute the new rates. To protest, include your name, the address of the impacted property (or APN number) and your signature. Written protests are accepted by mail to: Anderson Springs Community Service District, PO Box 929, Middletown, CA 95461. All protests must be received no later than 7 pm on May 1, 2021. Protests received after this date and time will not be considered or counted. A postmark date is not acceptable. The Board of Directors will consider all input and has the option of reducing the proposed rates at the public hearing.

In order to be valid, each written protest must indicate that the water rate increase is being protested. Only one protest per parcel will be counted. Comments submitted by phone, fax, email, or through ASCSD's website will NOT be accepted or counted as protests. If written protests are submitted by a majority of the owners of affected properties, the proposed water rate increase will not be imposed. If you have sold your property within ASCSD's service area, please forward this notice to the new owner(s).

Figure 5: CHARGES AND FEES

	CURRENT	PROPOSED	
Rate for 240,000 gallons per year	\$36/mo \$350/yr	\$110/mo	
Bad Check	\$25.00	\$35.00	
Turn On Service	\$75.00	\$75.00	
Transfer Fee (escrow)	\$75.00	\$75.00	
Damages	costs	costs + Labor (min. 1 hr)	
Inspections/Consultation	\$50/hour	\$200.00	
Operator's Time/hour, 1 hr min.	\$50.00	\$50.00	
Bulk Water per 1,000 gallons	n/a	\$0.13	
After Hours Call-Out, hourly 1 hr. min (Leaks not on private property are no charge)	\$75.00	\$75.00	Plus \$200.00
Meter Installation, district meter, 5/8 or 3/4 includes customer shut-off valve	\$200.00 +	\$525.00	
Customer shut-off valve - installation existing service	\$40.00+	\$75.00	
Excess use, per 1,000 gallons	\$2.00	\$3.25	